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As filed with the Securities and Exchange Commission on December 11, 2020.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

MONTAUK RENEWABLES, INC.
(Exact name of registrant as specified in its charter)

Delaware	**4932**	**85-3189583**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

680 Andersen Drive, 5th Floor
Pittsburgh, PA 15220
(412) 747-8700
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Sean F. McClain
Montauk Renewables, Inc.
680 Andersen Drive, 5th Floor
Pittsburgh, PA 15220
(412) 747-8700
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Bradley C. Brasser **Amy I. Pandit** **Jones Day** **500 Grant Street, Suite 4500** **Pittsburgh, PA 15219** **(412) 394-9547**	**John Ciroli** **Montauk Renewables, Inc.** **680 Andersen Drive, 5th Floor** **Pittsburgh, PA 15220** **(412) 747-8720**	**John T. Gaffney** **Gibson, Dunn & Crutcher LLP** **200 Park Avenue** **New York, New York 10166-0193** **(212) 351-2626**

Approximate date of commencement of proposed sale to the public: **As soon as practicable after the effective date of this registration statement.**

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box: ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Proposed Maximum Aggregate Offering Price (1)(2)**	**Amount of Registration Fee (3)**
Common stock, par value $0.01 per share	$20,000,000	$2,182
Common stock, par value $0.01 per share, offered by the selling stockholder	$	$
Total	$	$

(1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
(2) Includes the aggregate offering price of additional shares that the underwriter has the option to purchase, if any. See "Underwriting."
(3) The registration fee with respect to the common stock offering by the selling stockholder will be paid prior to the effective date of this registration statement.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement will become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED DECEMBER 11, 2020

Shares

MONTAUK RENEWABLES, INC.

Common Stock

This is the initial public offering of shares of common stock, par value $0.01 per share (the "*common stock*"), of Montauk Renewables, Inc. We are offering shares of our common stock and the selling stockholder identified in this prospectus is offering shares of our common stock. We will not receive any proceeds from the sale of our common stock by the selling stockholder.

Prior to this offering, there has been no public market for our common stock. It is currently estimated that the initial public offering price for our common stock will be between $ and $ per share. We intend to apply to list our common stock on The Nasdaq Capital Market ("*Nasdaq*") under the symbol "MNTK."

Certain stockholders, which are Messrs. John A. Copelyn's and Theventheran (Kevin) G. Govender's respective affiliates, informed us that they intend to enter into an agreement (the "*Consortium Agreement*") whereby the parties thereto will agree to act in concert with respect to voting our common stock. After the Reorganization Transactions and prior to the completion of the offering, the parties to the Consortium Agreement will beneficially own, in the aggregate, approximately 54.2% of our common stock, and, after giving effect to this offering, will beneficially own approximately % of our common stock. As a result, we will be a "controlled company" within the meaning of the Nasdaq corporate governance standards. See "Management—Controlled Company Exception."

We are an "emerging growth company" under the federal securities laws and, as such, we have elected to comply with certain reduced public company reporting requirements for this prospectus and may elect to do so in future filings. See "Prospectus Summary—Implications of Being an Emerging Growth Company."

Investing in our common stock involves risk. See "Risk Factors" beginning on page 17 to read about factors you should consider before buying shares of our common stock.

Neither the Securities and Exchange Commission (the "*SEC*"), any state securities commission nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price		
Underwriting discounts and commissions (1)		
Proceeds, before expenses, to us		
Proceeds, before expenses, to the selling stockholder		

(1) See the section titled "Underwriting" for additional information regarding total underwriter compensation.

We have granted the underwriter an option to purchase up to an additional shares of common stock at the initial public offering price less the underwriting discounts and commissions, for 30 days after the date of this prospectus.

The underwriter expects to deliver the shares of common stock to purchasers on or about , 2021.

Roth Capital Partners

The date of this prospectus is , 2021.

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Information in this Prospectus

You should rely only on the information contained in this prospectus or in any related free writing prospectus we may specifically authorize to be delivered or made available to you. Neither we, the selling stockholder nor the underwriter (or any of our or their respective affiliates) have authorized anyone to provide you with information different from, or in addition to, the information contained in this prospectus or any related free writing prospectus. Neither we, the selling stockholder nor the underwriter (or any of our or their respective affiliates) take any responsibility for, and neither we, the selling stockholder nor the underwriter (or any of our or their respective affiliates) provide any assurance as to the reliability of, any other information that others may give you. Neither we, the selling stockholder nor the underwriter (or any of our or their respective affiliates) are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus or in any applicable free writing prospectus is current only as of its date, regardless of its time of delivery or any sale of shares of our common stock. Our business, financial condition, results of operations, and prospects may have changed since that date.

For Investors Outside the United States

The underwriter is offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. Neither we, the selling stockholder nor the underwriter have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of our common stock and the distribution of this prospectus outside the United States.

Industry, Market, and Other Data

This prospectus includes estimates, projections, and other information concerning our industry and market data, including data regarding the estimated size of the market, projected growth rates, and perceptions and preferences of consumers. We obtained this data from industry sources, third-party studies, including market analyses and reports, and internal company surveys. Industry sources generally state that the information contained therein has been obtained from sources believed to be reliable. Although we are responsible for all of the disclosure contained in this prospectus, and we believe the industry and market data to be reliable as of the date of this prospectus, this information could prove to be inaccurate.

Basis of Presentation

In this prospectus, we present historical consolidated financial statements of Montauk USA (as defined below). During the year ended December 31, 2019, MNK (as defined below) and its subsidiaries (including Montauk USA) changed their financial year-end date from March 31 to December 31. As a result, MNK's and its subsidiaries' prior reporting period consisted of the twelve months ended March 31, 2019 and MNK's and its subsidiaries' most recent reporting period consisted of the nine months ended December 31, 2019. In connection with the preparation of the registration statement of which this prospectus forms a part, Montauk USA recast its historical financial statements for 2018 and 2019 to present its financial results on the basis of a fiscal year ended December 31. We also present a consolidated balance sheet as of September 30, 2020 for Montauk Renewables, Inc. Unless otherwise noted, any reference to a year not preceded by "fiscal" refers to a twelve-month calendar year ended December 31.

The functional currency for MNK is the South African Rand ("*ZAR*") and certain information contained in the "Executive Compensation" section of this prospectus, including the exercise prices of executive officers' outstanding stock option awards issued by MNK, is denominated in ZAR. The figures denominated in ZAR have been converted to U.S. Dollars ("*USD*") based on the exchange rate on the relevant day noted in each case.

Non-GAAP Financial Measures

We refer to the terms "EBITDA" and "Adjusted EBITDA" in various places in this prospectus. These terms, as used in this prospectus, may be calculated differently from EBITDA as defined for purposes of any indebtedness we incur, including under our Amended Credit Agreement (as defined below). These measures are supplemental financial measures not prepared in accordance with U.S. Generally Accepted Accounting Principles ("*GAAP*"). These financial measures are not intended to serve as an alternative to GAAP measures of performance and may not be comparable to similarly titled measures presented by other companies.

We present these non-GAAP measures because we believe these measures assist investors in analyzing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance.

Please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Non-GAAP Financial Measures" for reconciliations of the non-GAAP measures we present to the most closely comparable financial measures calculated in accordance with GAAP.

PROSPECTUS SUMMARY

The following summary highlights selected information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before investing in our common stock, you should carefully read the entire prospectus, including the consolidated financial statements and the related notes included in this prospectus and the information set forth under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Unless the context requires otherwise, the words "Montauk," the "Company," "we," "us" and "our" refer to Montauk Renewables, Inc. and its consolidated subsidiaries from and following the Reorganization Transactions. For a glossary of key industry terms used herein, see "Glossary of Key Terms."

Our Company

Overview

Montauk Renewables, Inc., a Delaware corporation ("*Montauk*"), is a renewable energy company specializing in the recovery and processing of environmentally detrimental methane ("*biogas*") from landfills and other non-fossil fuel sources for beneficial use as a replacement to fossil fuels. We develop, own, and operate renewable natural gas ("*RNG*") projects, using proven technologies that supply RNG into the transportation industry and use RNG to produce electrical power for the electrical grid ("*Renewable Electricity*"). Having participated in the industry for over 30 years, we are one of the largest U.S. producers of RNG. We established our operating portfolio of 12 RNG and three Renewable Electricity projects through self-development, partnerships, and acquisitions that span six states and have grown our revenues from $34.0 million in 2014 to $107.4 million in 2019.

Biogas is produced by microbes as they break down organic matter in the absence of oxygen (during a process called anaerobic digestion). Our two current sources of commercial scale biogas are landfill gas ("*LFG*") and anaerobic digester gas ("*ADG*"), which is produced inside an airtight tank used to breakdown organic matter, such as livestock waste. We typically secure our biogas feedstock through long-term fuel supply agreements and property lease agreements with biogas site hosts. Once we secure long-term fuel supply rights, we design, build, own, and operate facilities that convert the biogas into RNG or use the processed biogas to produce Renewable Electricity. We sell the RNG and Renewable Electricity through a variety of short-, medium-, and long-term agreements. Because we are capturing waste methane and making use of a renewable source of energy, our RNG and Renewable Electricity generate valuable Environmental Attributes (as defined below), which we are able to monetize under federal and state initiatives.

Based on our analysis, there are numerous sources of waste methane in the United States that could serve as potential future project opportunities. We expect to continue our growth through optimization of our current project portfolio, securing greenfield developments and acquiring existing projects, all while pursuing vertical integration opportunities. Our successful evaluation and execution of project opportunities is based on our ability to leverage our significant industry experience, relationships with customers and vendors, access to interconnections for rights-of-way, and capabilities to construct pipeline and electrical interconnections that ensure the economic viability of opportunities we pursue. We exercise financial discipline in pursuing these projects by targeting project returns that are in line with the relative risk of the specific projects and associated feedstock costs, offtake contracts and any other related attributes that can be monetized.

Reorganization Transactions

Montauk Holdings Limited, a corporation formed under the laws of the Republic of South Africa ("*MNK*"), is a holding company whose ordinary shares are currently traded on the Johannesburg Stock Exchange

("*JSE*") under the symbol "MNK." Prior to this offering, 100% of MNK's business and operations were conducted entirely through its subsidiaries, including Montauk Holdings USA, LLC, a Delaware limited liability company and a direct wholly owned subsidiary of MNK ("*Montauk USA*"), and Montauk Energy Holdings LLC, a Delaware limited liability company ("*MEH*"), a direct wholly owned subsidiary of Montauk USA, and MNK held no assets other than equity of its subsidiaries. As such, in this prospectus we present historical consolidated financial statements of Montauk USA. In connection with the Reorganization Transactions and this offering, the existing shareholders of MNK will become stockholders of Montauk. After the Reorganization Transactions and the closing of this offering, MNK will not own any significant assets and we expect that MNK will be delisted from the JSE and liquidated. Accordingly, MNK's business is the business in which you are investing if you buy shares of our common stock in this offering. For more information, see "The Reorganization Transactions."

Market Opportunity

Increasing Demand for RNG

Demand for RNG produced from biogas is significant and growing in large part due to an increased focus by the U.S. public and federal, state and local regulatory authorities on reducing the emission of greenhouse gases ("*GHG*"), such as methane, and increasing the energy independence of the United States. According to the Environmental Protection Agency ("*EPA*"), methane is a significant GHG, which accounted for roughly 9.5% of all U.S. GHG emissions from human activities in 2018 and which has a comparative impact on global warming that is about 25 times more powerful than that of carbon dioxide (which is produced during the combustion process). Biogas processing facilities could substantially reduce methane emissions at landfills and livestock farms, which together accounted for approximately 27% of U.S. methane emissions in 2018 according to the EPA. The development of this energy source further supports the U.S. national security objective of attaining energy independence, as evidenced by the Energy Independence and Security Act of 2007 ("*EISA*"), which aimed to increase U.S. energy security, develop renewable energy production, and improve vehicle fuel economy.

Over the past decade, the fastest growing end market for RNG has been the transportation sector, where RNG is used as a replacement for fossil-based fuel. This growth has been driven, in large part, by more aggressive environmental subsidies to support the production of renewable transportation fuels. According to NGV America, a national organization dedicated to the development of a growing, profitable, and sustainable market for vehicles powered by natural gas or biomethane, from 2015 to 2020, "RNG use as a transportation fuel…increased 291%, displacing close to 7.5 million tons of carbon dioxide equivalent."

Given public calls for, and U.S. federal, state and local regulatory trends and policies aimed at, reducing GHG emissions and increasing U.S. energy independence, we expect continued regulatory support for RNG as a replacement for fossil-based fuels and therefore continued and growing demand for RNG over the next several years.

Availability of Long-Term Feedstock Supply

Biogas can be collected and processed to remove impurities for use as RNG (a form of high-Btu fuel) and injected into existing natural gas pipelines as it is fully interchangeable with natural gas. Partially treated biogas can be used directly in heating applications (as a form of medium-Btu fuel) or in the production of electricity. Common sources of biogas include landfills, livestock farms, and waste water resource recovery facilities ("*WRRFs*").

Landfill- and livestock-sourced biogas represent a significant opportunity to produce RNG and Renewable Electricity, while also reducing GHG emissions. While landfill projects for RNG and Renewable

Electricity have been developed over the past few decades, undeveloped landfills remain a significant source of biogas. Moreover, as technology continues to develop and economic incentives grow, livestock farm biogas, in particular, represents a relatively untapped biogas opportunity.

While LFG has accounted for most of the growth in biogas projects to date, we believe that additional economically viable LFG project opportunities exist. According to the EPA Landfill Methane Outreach Program ("*EPALMOP*") project database, as of August 2020, there were 565 LFG projects in operation in the United States, including 399 operating LFG-to-electricity projects that may be converted to produce RNG, 11 construction projects, and 54 planned RNG and Renewable Electricity projects, as well as 477 additional candidate landfills. Based on the EPA data, these 477 candidate landfills have the potential to collect a combined 499 million standard cubic feet of LFG per day, or the equivalent of carbon dioxide emissions from approximately 63,000 barrels of oil. Based on our industry experience and technical knowledge and analysis, after evaluating their currently available LFG collection systems and potential production capacities, we believe that approximately 25 of these sites are potentially economically viable as projects for acquisition and growth. In the future, additional candidate landfills may become economically viable as their growth increases LFG production and requires installation of LFG collection systems.

The LFG market is heavily fragmented, which presents, in our view, a good opportunity for companies like ours to find project opportunities. The top ten players account for approximately 53% of installed LFG capacity as of August 2020, and over 90% of developers own five or fewer projects, according to the EPA. Aside from the top five players in the industry, which includes us, no company accounts for more than 5% of the total LFG-to-energy capacity. Within the LFG market, over three-quarters of projects are Renewable Electricity with power purchase agreements ("*PPAs*") dating back as far as 1984. As these PPAs expire, these legacy facilities present an opportunity for conversion to RNG facilities, which, in certain instances, can provide better financial returns than Renewable Electricity projects. This market fragmentation and limited expertise in RNG processing by other market participants creates significant acquisition opportunities for us.

Biogas from livestock farm waste also represents significant opportunities for RNG production that remain largely untapped. According to the U.S. Department of Agriculture, as of June 2018**,** biogas recovery systems are feasible at 2,704 dairy farms and 5,409 swine farms in the United States, with potential to produce roughly 172.0 million MMBtu of RNG annually, or the equivalent of the carbon dioxide emissions from 4,556 million gallons of gasoline. Additionally, all-in prices paid for RNG from livestock farms can be significantly higher than prices for RNG from landfills due to state-level low-carbon fuel incentives for these projects. Given our strong understanding of biogas processing and our market leadership in RNG, we believe we are well-positioned to take advantage of opportunities in this emerging market.

The availability of additional waste streams, including from organic waste diversion, food waste, sludge, and waste water, in combination with technological advances permitting new or more economical waste processing also have the potential to support long-term feedstock supply availability and the growth of our business.

Use of Environmental Attributes to Promote RNG Growth

When used as a transportation fuel or to produce electricity, RNG can generate additional revenue streams through U.S. federal, state and local government incentives (collectively, "*Environmental Attributes*"). These Environmental Attributes are provided for under a variety of programs, including the national Renewable Fuel Standards ("*RFS*") and state-level Renewable Portfolio Standards ("*RPS*") and Low Carbon Fuel Standard ("*LCFS*").

The RFS program requires transportation fuel to contain a minimum volume of renewable fuel. To fulfill this regulatory mandate, the EPA obligates refiners and importers ("*Obligated Parties*") to blend renewable fuel with standard fuel to meet renewable volume obligations ("*RVOs*"). Obligated Parties can comply with RVOs by either blending RNG into their existing fuel supply or purchasing Renewable Identification Numbers ("*RINs*"). RINs are generated when eligible renewable fuels are produced or imported and blended with a petroleum product for use as a transportation fuel. The RFS program has been a key driver of growth in the RNG industry since 2014 when the EPA ruled that RNG, when used as a transportation fuel, would qualify for D3 RINs (for cellulosic biofuels), which are generally the most valuable of the four RIN categories. In 2019, our projects generated approximately 15% of all D3 RINs in the United States.

The monetization of RNG also benefits from low-carbon fuel initiatives at the state-level, specifically from established programs in California and Oregon. California's LCFS ("*CA LCFS*") program requires fuel producers and importers to reduce the carbon intensity ("*CI*") of their products, with goals of a 10% reduction in carbon emissions from 1990 levels by 2020 and a 20% reduction by 2030. The California Air Resources Board ("*CARB*") awards CA LCFS credits to RNG projects based on each project's CI score relative to the target CI score for gasoline and diesel fuels. The CI score represents the overall net impact of carbon emissions for each RNG pathway and is determined on a project-by-project basis. Based on our expected CI scores, we anticipate that RNG produced by livestock farms can potentially earn two to three times the amount of revenue per MMBtu relative to RNG produced from LFG projects. Several other states are considering LCFS initiatives similar to those implemented in California and Oregon.

Additionally, biogas is considered to be a renewable resource in all 37 states that encourage or mandate the use of renewable energy. Thirty states, the District of Columbia, and Puerto Rico have RPS that require utilities to supply a percentage of power from renewable resources, and seven states have a Renewable Portfolio Goal that is similar to RPS, but is not a requirement. Many states allow utilities to comply with RPS through tradable Renewable Energy Credits ("*RECs*"), which provide an additional revenue stream to RNG projects that produce electricity from biogas.

The development of these governmental programs provide us with valuable Environmental Attribute revenue streams that we intend to continue to pursue and take advantage of as biogas continues to be fostered as a renewable source of energy in the United States.

Our Strengths

Management and Project Expertise

Our management team has decades of combined experience in the development, design, construction and operation of biogas facilities that produce RNG and Renewable Electricity. We believe that our team's proven track record and focus on development of RNG projects gives us a strategic advantage in continuing to grow our business profitably. Our diverse experience and integration of key technical, environmental, and administrative support functions support our ability to design and operate projects with sustained and predictable cash flows.

Our experience and extensive project portfolio has given us access to the full spectrum of available biogas-to-RNG and biogas-to-Renewable Electricity conversion technologies. We are technology agnostic and base project design on the available technologies (and related equipment) most suitable for the specific application, including membranes, media, and solvent-based gas cleanup technologies. We are actively engaged in the management of each project site and regularly serve engineering, construction management, and commissioning roles. This allows us to develop a comprehensive understanding of the operational performance of each technology and how to optimize application of the technology to specific projects, including through enhancements and improvements of operating or abandoned projects. We also work with key vendors on initiatives to develop and test upgrades to existing technologies.

Access to Development Opportunities

We have strong relationships throughout the industry supply chain from technology and equipment providers to feedstock owners, and RNG off-takers. We believe that the trust and strong reputation we have attained in combination with our understanding of the various and complex Environmental Attributes gives us a competitive advantage relative to new market entrants.

We leverage our relationships built over the past several decades to identify and execute new project opportunities. Typically, new development opportunities come from our existing relationships with landfill owners who value our long operating history and strong reputation in the industry. This includes new projects with or referrals from existing partners. These relationships include Waste Management and Republic Services, the two largest waste management companies in the United States, which operate ten of our 14 landfill sites. We are the leading third-party developer for Waste Management and operate projects on both private and publicly owned landfills. We actively seek to extend the term of our contracts at our project sites and view our positive relationships with the owners and managers of our host landfills as a contributing factor to our ability to extend contract terms as they come due. Additionally, as one of the largest producers of RNG from LFG, we also frequently receive requests for proposals ("*RFPs*") from landfill owners for new biogas facilities at their landfills.

Finally, our prominence in the industry often makes us a preferred suitor for owners seeking to sell existing projects. Acquisition opportunities often come to our attention by direct communications with industry participants as well as firms marketing portfolios of projects.

Large and Diverse Project Portfolio

We believe that we have one of the largest and most technologically diverse project portfolios in the RNG industry. Our ability to solve unique project development challenges and integrate such solutions across our entire project portfolio has supported the long-term successful partnerships we have with our landfill hosts. Because we are able to meet the varying needs of our host partners, we have a strong reputation and are actively sought out for new project and acquisition opportunities. Additionally, our size and financial discipline generally afford us the ability to achieve priority service and pricing from contractors, service providers, and equipment suppliers.

Environmental, Health and Safety and Compliance Leadership

Our executive team places the highest priority on the health and safety of our staff and third parties at our sites, as well as the preservation of the environment. Our corporate culture is built around supporting these priorities, as reflected in our well-established practices and policies. By setting and maintaining high standards in the renewable energy field, we are often able to contribute positively to the safety practices and policies of our host landfills, which reflects favorably on us with potential hosts when choosing a counterparty. Our high safety standards include use of wireless gas monitoring safety devices, active monitoring of all field workers, performing environmental health and safety ("*EHS*") audits and using technology throughout our safety processes from employee training in compliance with operational processes and procedures to emergency preparedness. By extension, we incorporate our EHS standards into our subcontractor selection qualifications to ensure that our commitment to high EHS standards is shared by our subcontractors providing further assurances to our host landfills. As of October 25, 2020, excluding two incidents related to COVID-19, our year-to-date Total Recordable Incident Rate ("*TRIR*") was 1.11, which is lower than the 2019 national average of 1.20 TRIR for the mining, quarrying and oil and gas extraction industries and the 2019 national average of 3.00 TRIR for all industries. As of September 2020, we have not received any U.S. Occupational Health and Safety Administration ("*OSHA*") or state OSHA citations in the last five years.

Our Strategy

We aim to maintain and grow our position as a leading producer of RNG in the United States. We support this objective through a multi-pronged strategy of:

- promoting the reduction of methane emissions and expanding the use of renewable fuels to displace fossil-based fuels;
- expanding our existing project portfolio and developing new project opportunities;
- expanding our industry position as a full-service partner for development opportunities, including through strategic transactions; and
- expanding our capabilities to new feedstock sources and technologies.

Promoting the Reduction of Methane Emissions and Expanding the Use of Renewable Fuels to Displace Fossil-Based Fuels

We share the renewable fuel industry's commitment to providing sustainable renewable energy solutions and to offering products with high economic and ecological value. By simultaneously replacing fossil-based fuels and reducing overall methane emissions, our projects have a substantial positive environmental impact. We are committed to capturing as much biogas from our host landfills as possible for conversion to RNG. As a leading producer of RNG, we believe it is imperative to our continued growth and success that we remain strong advocates for the sustainable development, deployment and utilization of RNG to reduce our dependence on fossil fuels while increasing our domestic energy production.

Many of our team members have been involved in the renewable fuel industry for over 30 years. We are a founding member and active participant in the Renewable Natural Gas Coalition ("*RNGC*"). The RNGC was formed to provide an educational platform and to be an advocate for the protection, preservation and promotion of the RNG industry in North America. The RNGC's diverse membership includes each sector of the RNG industry, such as waste collection and management companies, renewable energy developers, engineers, bankers, financiers, investors, marketers, transporters, manufacturers, and technology and service providers. Our participation allows us to align with industry colleagues to better understand the challenges facing the industry and to collaborate with them to develop creative solutions to such problems.

Expanding Our Existing Project Portfolio and Developing New Project Opportunities

We exercise financial discipline in pursuing projects by targeting project returns that are in line with the relative risk of the specific projects and associated feedstock costs, offtake contracts and any other related attributes that can be monetized. We are currently evaluating three project expansion opportunities at existing project sites and one new electricity-to-RNG conversion project. We regularly analyze potential new projects that are at various stages of negotiation and review. The potential projects typically include a mix of new project sites, project conversions and strategic acquisitions. Currently, no new potential projects are subject to definitive agreements and each potential opportunity is subject to competitive market conditions.

Expanding Operations at Existing Project Sites. We monitor biogas supply availability across our portfolio and seek to maximize production at existing projects by expanding operations when economically feasible. Most of our landfill locations continue to accept waste deliveries and the available LFG at these sites is expected to increase over time, which we expect to support expanded production. Additionally, we are evaluating opportunities to utilize excess gas for RNG production at some of our electricity projects.

Expanding through Acquisition. The RNG industry is highly fragmented with approximately 90% of operating projects owned by companies that own five or fewer projects. We believe that these small project portfolios present opportunity for industry consolidation. We are well-positioned to take advantage of this

consolidation opportunity because of our scale, operational and managerial capabilities, and execution track record in integrating acquisitions. Over the last ten years, we have acquired 11 projects and members of our current management team have led all of those acquisitions. We expect that, as we continue to scale up our business, our increased size, industry position and access to capital will provide us with increased acquisition opportunities.

Converting Existing Electricity Projects to RNG. We periodically evaluate opportunities to convert existing projects from electricity generation to RNG production given the favorable economics for RNG plus RIN sales relative to merchant electricity rates plus REC sales. To date, we have converted two projects from LFG-to-electricity to LFG-to-RNG and one project from ADG-to-electricity to ADG-to-RNG, and we are currently evaluating a fourth conversion opportunity for LFG-to-RNG.

Leveraging and Creating Long-Term Relationships. Dependable and economic sources of renewable methane are critical to our success. Our projects provide our landfill and livestock farm partners with a variety of benefits, including a means to monetize biogas from their sites and support their regulatory compliance. By addressing the management of byproducts of our project hosts' primary businesses, our services allow landfill owners and operators and livestock farms to increase their permitted landfill space and livestock count, respectively. These services facilitate long-term relationships with project hosts that may serve as a source for future projects and relationships.

Expanding Our Industry Position as a Full-Service Partner for Development Opportunities, Including Through Strategic Transactions

Over our three decades of experience, we have developed the full range of RNG project related capabilities from engineering, construction management, and operations, through EHS oversight and Environmental Attributes management. By vertically integrating across RNG services, we are able to reduce development and operational costs, optimize efficiencies and improve operations. Our full suite of capabilities allows us to serve as a multi-project partner for certain project hosts across multiple transactions, including through strategic transactions. To that end, we actively identify and evaluate opportunities to acquire entities that will further our vertically-integrated services.

Expanding Our Capabilities to New Feedstock Sources and Technologies

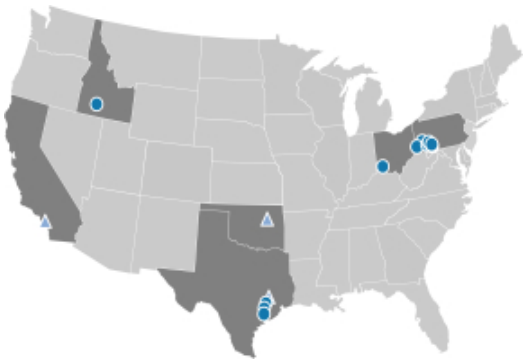
We intend to diversify our project portfolio beyond landfill biogas through expansion into additional methane producing assets, while opportunistically adding third-party developed technology capabilities to boost financial performance and our overall cost competitiveness. We are commercially operating our first livestock waste project (dairy), actively pursuing new fuel supply opportunities in WRRFs, and looking at long-term organic waste and sludge opportunities. The drive toward voluntary and most likely regulatory-required organic waste diversion from landfills is of particular interest as we leverage our current experience base, and we believe this trend will provide long-term growth opportunities.

We believe that the market has not yet unlocked the full potential of RNG and Renewable Electricity. As biogas processing technology continues to improve and the required energy intensity of the RNG and Renewable Electricity production process is reduced, we expect that we will be able to enter new markets for our products, such as providing fuel for the production of energy sources. With our experience and industry expertise, we are well-positioned to take advantage of opportunities to meet the clean energy needs of other industries looking to use renewable energy in their operations.

Our Projects

The map below shows the locations of our 15 operating projects. As of October 2020, approximately 73% of our expected 2020 RNG production has been monetized under fuel supply agreements with a remaining

term of more than 15 years. Additionally, as of October 2020, approximately 89% of our expected 2020 Renewable Electricity production has been monetized under fuel supply agreements with a remaining term of more than 15 years.



Renewable Electricity Generation			
Site	COD (1)	Capacity (MW)	Source
Bowerman Irvine, CA	2016	23.6	Landfill
Security Houston, TX	2003	3.4	Landfill
AEL Sand Spring, OK	2013	3.2	Landfill
Total Capacity (MW)		30.2	

Renewable Natural Gas			
Site	COD(1)	Capacity (MMBtu/day) (2)	Source
Rumpke Cincinnati, OH	1986	7,271	Landfill
Atascocita Humble, TX	2002*/ 2018	5,570	Landfill
McCarty Houston, TX	1986	4,415	Landfill
Apex Amsterdam, OH	2018	2,673	Landfill
Monroeville Monroeville, PA	2004	2,372	Landfill
Valley Harrison City, PA	2004	2,372	Landfill
Galveston Galveston, TX	2019	1,857	Landfill
Raeger Johnston, PA	2006	1,857	Landfill
Shade Cairnbrook, PA	2007	1,857	Landfill (3)
Coastal Plains Alvin, TX	2020	1,775	Landfill
Southern Davidsville, PA	2007	928	Landfill
Pico (4) Jerome, ID	2020	903	Livestock (Dairy)
Total Capacity (MMBtu/day)		33,850	

● = Renewable Natural Gas Project
▲ = Renewable Electricity Project

(1) "COD" refers to the commercial operation date of each site.
(2) This is equivalent to the project's design capacity and assumes inlet methane content of 56% for all sites other than Pico, which assumes inlet methane content of 62%, and process efficiency of 91%.
(3) All of our landfill sites are accepting waste except our Shade site. Our Shade site is closed to accepting new waste, but is currently expected to continue to generate a commercial level of RNG for an additional ten years. Our operating RNG projects have an average expected remaining useful life of approximately 14 years.
(4) Pico was converted from a Renewable Electricity project to an RNG project as of August 2020. Pico is now reported under our Renewable Natural Gas segment as of October 2020.

In the last five years, we have developed six new projects, consisting of three greenfield LFG projects, two LFG projects that converted existing LFG-to-electricity projects to LFG-to-RNG projects, and one project that converted an existing ADG-to-electricity project to an ADG-to-RNG project. Stated capacity reflects the design capacity of each facility. Several of our projects have reserve capacity when comparing design capacity to available biogas feedstock. Several previous acquisitions are gas limited and operate in this fashion. Our larger projects are at or near design capacity and either have expansions planned or are being evaluated for future expansions dependent on the availability of excess biogas feedstock.

Eleven of our current RNG operating projects generate RNG from LFG, and our newest project generates RNG from ADG (livestock waste). Our RNG projects collectively have approximately 33,850 MMBtu/day of design capacity, which equates to emissions reductions of 624,000 tons of carbon dioxide, 252,822 tons

of methane, and 6.30 million metric tons of carbon dioxide equivalents annually over using fossil fuels, or the equivalent of the carbon dioxide, methane, and carbon dioxide equivalents emissions from consuming approximately 1,940,000 gallons of gasoline per day. In 2020, our RNG landfill sites had daily MMBtu/day generation design capacity ranging from approximately 7,271 MMBtu/day to 928 MMBtu/day.

Our LFG projects typically include vertical wells or horizontal trenches at landfills, conveyance pipe, pretreatment, processing and compression. ADG projects consist of an enclosed anaerobic digester as the source of biogas, with downstream pretreatment, processing and compression. Treatment of the gas typically includes the removal of hydrogen sulfide (H2S), moisture and contaminants within the gas, and then separation of the carbon dioxide (CO2) from the methane (CH4). Further treatment of the biogas is often required to remove residual nitrogen and/or oxygen to meet pipeline specifications.

Our Renewable Electricity projects utilize reciprocating engine generator sets to generate electricity at landfills. Our Renewable Electricity projects collectively have a design capacity of 30.2 MW, which equates to emissions reductions of 175,600 tons of carbon dioxide, 60,160 tons of methane, and 1.52 million metric tons of carbon dioxide equivalents annually over using fossil fuels, or the equivalent of the carbon dioxide, methane, and carbon dioxide equivalents emissions from consuming approximately 469,000 gallons of gasoline per day. During 2019, our Renewable Electricity projects collectively produced approximately 236,000 MWh.

How We Generate Revenue

We generate revenue from the sale of RNG and Renewable Electricity under short-, medium-, and long-term contracts that include the Environmental Attributes associated with these products. While RNG has the same chemical composition as natural gas from fossil sources, it has unique Environmental Attributes assigned to it due to its origin from low-carbon, renewable sources.

The Environmental Attributes that we sell are composed of RINs and state low-carbon fuel credits, which are generated from the conversion of biogas to RNG that is used as a transportation fuel, as well as RECs, which are generated from the conversion of biogas to Renewable Electricity. In addition to revenues generated from our product sales, we also generate revenues by providing operations and maintenance services to certain of our biogas site partners.

Our customers for RNG and RINs include large, long-term owner-operators of landfills and livestock farms, local utilities, and large refiners in the natural gas and refining sectors, such as Royal Dutch Shell plc and Exxon Mobil, and commercial RIN off-take parties. In addition to revenues from sales of RNG and RINs, we also share a portion of our Environmental Attributes with our off-take counterparties as in-kind consideration for the counterparty using our RNG as a transportation fuel.

Our customers for electricity typically include investor-owned and municipal electricity utilities that purchase electricity pursuant to fixed-price agreements.

Whenever possible, we seek to mitigate our exposure to commodity and Environmental Attribute pricing volatility. Through contractual arrangements with our site hosts and counterparties, we typically share pricing and production risks, while retaining our ability to benefit from potential upside. A significant portion of the RNG volume we produce is sold under bundled fixed-price arrangements for the RNG and Environmental Attributes, with a sharing arrangement where we benefit from prices above certain thresholds. For our remaining RNG projects, we may enter into in-kind sharing arrangements where our partners receive the Environmental Attributes instead of a cash payment, thereby sharing in the Environmental Attribute pricing risk.

We strive to sell our remaining RNG and Environmental Attributes under medium-, and long-term indexed pricing and margin sharing arrangements designed to give us optimal price and revenue certainty. On the

electricity side, all of our products and related Environmental Attributes are sold under fixed-price contracts with escalators, limiting our pricing risk. Finally, our payments to our site hosts are generally in the form of royalties based on realized revenues, or, in some select cases, based on production volumes.

Selected Risks Associated with Our Business

Our business is subject to a number of risks and uncertainties, including those highlighted in the section titled "Risk Factors" immediately following this prospectus summary. Some of these principal risks include the following and may be further exacerbated by the COVID-19 pandemic:

- Our commercial success depends on our ability to develop and operate individual renewable energy projects.
- If there is not sufficient demand for renewable energy, or if renewable energy projects do not develop or take longer to develop than we anticipate, we may be unable to achieve our investment objectives.
- We may be unable to obtain, modify, or maintain the regulatory permits, approvals and consents required to construct and operate our projects.
- Existing regulations and policies, and future changes to these regulations and policies, may present technical, regulatory and economic barriers to the generation, purchase and use of renewable energy, and may adversely affect the market for credits associated with the production of renewable energy.
- Our use and enjoyment of real property rights for our projects may be adversely affected by the rights of lienholders and leaseholders that are superior to those of the grantors of those real property rights to our projects.
- In order to secure contracts for new projects, we typically face a long and variable development cycle that requires significant resource commitments and a long lead time before we realize revenues.
- While we currently focus on converting methane into renewable energy, in the future we may decide to expand our strategy to include other types of projects. Any future energy projects may present unforeseen challenges and result in a competitive disadvantage relative to our more established competitors.
- Our projects rely on interconnections to distribution and transmission facilities that are owned and operated by third parties, and as a result, are exposed to interconnection and transmission facility development and curtailment risks.
- We are dependent upon our relationships with Waste Management and Republic Services for the operation and maintenance of landfills on which several of our RNG and Renewable Electricity projects operate.
- We have significant customer concentration, with a limited number of customers accounting for a substantial portion of our revenues.
- Our PPAs, fuel-supply agreements, RNG off-take agreements and other agreements contain complex price adjustments, calculations and other terms based on gas price indices and other metrics, the interpretation of which could result in disputes with counterparties that could affect our results of operations and customer relationships.
- Our revenues may be subject to the risk of fluctuations in commodity prices.
- Our operations are subject to numerous stringent environmental, health and safety laws and regulations that may expose us to significant costs and liabilities.

- Our business is subject to the risk of climate change and extreme or changing weather patterns.
- We may be required to write-off or impair capitalized costs or intangible assets in the future or we may incur restructuring costs or other charges, each of which would harm our earnings.
- Our ability to use our U.S. net operating loss carryforwards to offset future taxable income may be subject to certain limitations.
- We may face intense competition and may not be able to successfully compete.
- Technological innovation may render us uncompetitive or our processes obsolete.
- Our business could be negatively affected by security threats, including cybersecurity threats and other disruptions.
- We have identified a material weakness in our internal control over financial reporting. If we are unable to remediate this material weakness, or if we identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect our business.
- No public market for our common stock currently exists in the United States, and an active public trading market may not develop or be sustained following this offering.
- Our shares of common stock may trade on more than one market and this may result in price variations.
- The concentration of our capital stock ownership may limit our stockholders' ability to influence corporate matters and may involve other risks.

Implications of Being a Controlled Company

After the Reorganization Transactions and prior to the completion of the offering, certain parties to the current consortium agreement will beneficially own, in the aggregate, approximately 54.2% of our common stock and, after completion of this offering, they will beneficially own, in the aggregate, approximately % of our common stock (or % if the underwriter exercises in full its option to purchase additional shares of our common stock). Certain stockholders, which are Messrs. Copelyn's and Govender's respective affiliates, have informed us that they intend to enter into the Consortium Agreement whereby the parties thereto will agree to act in concert with respect to voting our common stock, including in the election of directors, among other matters. As a result, we will be a "controlled company" within the meaning of the Nasdaq corporate governance standards. Under these corporate governance standards, a company of which more than 50% of the voting power is beneficially owned by an individual, group, or other company is a "controlled company" and may elect not to comply with certain corporate governance standards, including the requirements that (1) a majority of its board of directors consist of independent directors, (2) its board of directors have a compensation committee that is composed entirely of independent directors, and (3) its director nominees be selected, or recommended to the board of directors, by a majority of independent directors or by a nominations committee that consists entirely of independent directors and that has adopted a written charter or board resolution addressing the nominations process. Accordingly, our stockholders will not have the same protections afforded to stockholders of companies that are subject to these corporate governance requirements. In the event that we cease to be a "controlled company" and our common stock continues to be listed on Nasdaq, we will be required to comply with these provisions within the applicable transition periods.

Implications of Being an Emerging Growth Company

As a company with less than $1.07 billion in revenue during our last completed fiscal year, we qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 (the "*JOBS Act*"). An emerging growth company may take advantage of certain reduced reporting requirements that are otherwise applicable generally to public companies. These reduced reporting requirements include:

- an exemption from compliance with the auditor attestation requirement on the effectiveness of our internal control over financial reporting;
- an exemption from compliance with any requirement that the Public Company Accounting Oversight Board ("*PCAOB*") may adopt regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements;
- reduced disclosure about our executive compensation arrangements;
- an exemption from the requirements to obtain a non-binding advisory vote on executive compensation or any golden parachute arrangements;
- extended transition periods for complying with new or revised accounting standards; and
- the ability to present more limited financial data, including presenting only two years of selected financial data in this registration statement of which this prospectus is a part.

We will remain an emerging growth company until the earliest to occur of: (i) the end of the first fiscal year in which our annual gross revenue is $1.07 billion or more; (ii) the end of the fiscal year in which the market value of our common stock that is held by non-affiliates is at least $700.0 million as of the last business day of our most recently completed second fiscal quarter; (iii) the date on which we have, during the previous three-year period, issued more than $1.0 billion in non-convertible debt; and (iv) the end of the fiscal year during which the fifth anniversary of this offering occurs. We may choose to take advantage of some, but not all, of the available benefits under the JOBS Act.

We currently intend to take advantage of all of the exemptions discussed above, including the extended transaction periods for complying with new or revised accounting standards. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you invest.

See "Risk Factors—Emerging Growth Company Risks" for certain risks related to our status as an emerging growth company.

Corporate Information

Montauk Renewables, Inc. was originally incorporated in the State of Delaware on September 21, 2020. Our principal executive offices are located at 680 Andersen Drive, 5th Floor, Pittsburgh, PA 15220. Our telephone number is (412) 747-8700. Our website address is *www.montaukenergy.com*. Information contained in, or connected to, our website does not and will not constitute part of this prospectus or the registration statement of which this prospectus is a part.

The Offering	
Issuer	Montauk Renewables, Inc.
Common stock offered by us	shares of common stock (or shares of common stock if the underwriter exercises its option to purchase additional shares in full).
Common stock offered by the selling stockholder	shares of common stock.
Common stock to be outstanding after this offering	shares of common stock (or shares of common stock if the underwriter exercises its option to purchase additional shares in full).
Option to purchase additional shares of common stock	The underwriter has an option to purchase an additional shares of common stock from us. The underwriter can exercise this option at any time within 30 days from the date of this prospectus.
Use of proceeds	We estimate that the net proceeds from the sale of our common stock in this offering, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately $ million ($ million if the underwriter exercises its option to purchase additional shares in full) based on an assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus). We intend to use the net proceeds that we receive in this offering to fund the identification of, and diligence activities with respect to, potential new projects, which include evaluating new project sites, project conversions and strategic acquisitions. The timing of our use of the net proceeds received in this offering may vary significantly depending on numerous factors. While we have no current agreements, commitments or understandings for any specific use of the net proceeds at this time, we continue to actively consider potential opportunities. We will not receive any proceeds from the sale of shares of our common stock by the selling stockholder. See "Use of Proceeds" for a complete description of the intended use of proceeds from this offering.
Underwriter warrants	Upon the closing of this offering, we will issue to the underwriter, warrants (the "*underwriter warrants*") entitling it to purchase a number of shares of common stock equal to 5% of the shares of common stock sold in this offering by us at an exercise price equal to 110% of the public offering price of the common stock in this offering. The underwriter warrants will expire five (5) years after the

	effective date of the registration statement of which this prospectus forms a part. See "Underwriting."
Reorganization Transactions	Immediately prior to the completion of this offering, Montauk will participate in a series of Reorganization Transactions with MNK. See "The Reorganization Transactions."
Dividend policy	We declared dividends of $7.6 million and $4.1 million in May 2018 and October 2018, respectively. We did not declare any cash dividends in 2019. The payment of future dividends on our common stock will be at the discretion of our Board of Directors and will depend on, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends, and other considerations that our Board of Directors may deem relevant. See "Dividend Policy."
Risk factors	Investing in our common stock involves a high degree of risk. See the "Risk Factors" section of this prospectus for a discussion of factors you should carefully consider before investing in our common stock.
Listing	We intend to apply to have our common stock listed on Nasdaq under the symbol "MNTK."

Except as otherwise indicated, the number of shares of our common stock outstanding after this offering:

- gives effect to the Distribution (as defined below) of shares of our common stock as a pro rata dividend to holders of MNK's ordinary shares in connection with the Reorganization Transactions;
- assumes no exercise of the underwriter's option to purchase additional shares and no exercise of the underwriter warrants;
- assumes an initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus);
- excludes an aggregate of shares of our common stock that will be available for future equity awards under the Equity Plan (as defined below); and
- gives effect to our Amended and Restated Certificate of Incorporation and our Amended and Restated Bylaws, which will be in effect prior to the completion of this offering.

Summary Consolidated Financial Data

The following tables set forth a summary of the historical consolidated financial data of Montauk USA for the years ended December 31, 2019 and 2018 and the nine months ended September 30, 2020 and 2019. The consolidated financial statements of Montauk USA, our predecessor for accounting purposes, will be our historical financial statements following this offering. The historical summary consolidated financial data set forth in the following tables for the years ended December 31, 2019 and 2018 and the nine months ended September 30, 2020 and 2019 has been derived from Montauk USA's consolidated financial statements included elsewhere in this prospectus. You should read this data together with Montauk USA's financial statements and the related notes appearing elsewhere in this prospectus and the information included under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations." Montauk USA's historical results are not necessarily indicative of our future results.

Statement of Operations Data:

	Year ended December 31,		Nine months ended September 30,	
	2019	2018	2020	2019
	(in thousands, except per share data)			
Total revenues	$107,383	$116,433	$75,559	$83,703
Operating expenses				
Operating and maintenance expenses	39,783	29,073	30,884	30,306
General and administrative expenses	13,632	11,953	11,336	10,593
Royalties, transportation, gathering and production fuel expenses	20,558	22,359	14,769	16,197
Depreciation and amortization	19,760	16,195	16,120	14,754
Impairment loss	2,443	854	278	1,550
Gains on insurance proceeds	—	—	(3,444)	—
Transaction costs	202	176	—	202
Total operating expenses	$ 96,378	$ 80,610	$69,943	$73,602
Operating profit	**$ 11,005**	**$ 35,823**	**$ 5,616**	**$10,101**
Other expenses (income):				
Interest expense	$ 5,576	$ 3,083	$ 3,510	$ 5,293
Equity loss (gain) of nonconsolidated investments	(94)	224	—	(94)
Net loss (gain) on sale of assets	10	(266)	—	10
Other expense (income)	47	(3,781)	250	(17)
Total other expenses (income)	$ 5,539	$ (740)	$ 3,760	$ 5,192
Income tax expense (benefit)	(354)	7,796	(291)	(539)
Net income	$ 5,820	$ 28,767	$ 2,147	$ 5,448
Pro forma basic earnings (loss) per share	$	$	$	$
Pro forma diluted earnings (loss) per share	$	$	$	$
Dividends per share	$	$	$	$

Balance Sheet Data:

	As of December 31,		As of September 30,	
	2019	2018	2020	2019
	(in thousands)			
Cash and cash equivalents	$ 9,788	$ 54,032	$19,537	$ 9,788
Working capital (deficit)	(154)	34,790	6,537	(8,661)

	As of December 31,		As of September 30,	
	2019	2018	2020	2019
	(in thousands)			
Property, plant and equipment—net	193,498	168,418	189,957	187,868
Total assets	243,613	261,732	251,527	230,809
Long-term debt	57,256	74,649	58,656	43,577
Member's equity	154,257	147,941	156,867	154,050

Other Financial and Operating Data:

	Year ended on December 31,		Nine months ended September 30,	
	2019	2018	2020	2019
	(in thousands, unless otherwise indicated)			
Renewable Natural Gas total revenues	$85,826	$98,584	$62,192	$67,322
Renewable Electricity Generation total revenues	$19,859	$18,207	$13,282	$14,927
CY RNG production volumes (MMBtu)	5,361	4,485	4,451	4,040
Total RINs Available for Sale	37,866	21,841	30,767	29,851
Adjusted EBITDA (1)	$33,615	$56,921	$21,376	$27,038

(1) EBITDA Reconciliation:

The following table is a reconciliation of Montauk USA's net income from continuing operations to Adjusted EBITDA for the years ended December 31, 2019 and 2018 and the nine months ended September 30, 2020 and 2019:

	Year ended December 31,		Nine months ended September 30,	
	2019	2018	2020	2019
	(in thousands)			
Net income	$ 5,820	$28,767	$ 2,147	$ 5,448
Depreciation and amortization	19,760	16,195	16,120	14,754
Interest expense	5,576	3,083	3,510	5,293
Income tax expense (benefit)	(354)	7,796	(291)	(539)
EBITDA	30,802	55,841	21,486	24,956
Impairment loss (1)	2,443	854	278	1,550
Transaction costs	202	176	—	202
Equity loss (gain) of nonconsolidated investments	(94)	224	—	(94)
Net loss (gain) on sale of assets	10	(266)	—	10
Non-cash hedging charges	252	92	(388)	414
Adjusted EBITDA	**$33,615**	**$56,921**	**$21,376**	**$27,038**

(1) For the year ended December 31, 2019, we recorded an impairment of $1.5 million associated with our decision to cancel a site conversion agreement and we recorded an impairment loss of $0.9 million associated with an asset distribution from Red Top Renewable AG, LLC ("*Red Top*") for the year ended December 31, 2018. For the nine months ended September 30, 2020, we recorded an impairment loss of $0.3 million related to the termination of a development agreement related to our Pico acquisition. We recorded an impairment loss of $1.6 million for the nine months ended September 30, 2019 related to the cancellation of a site conversion agreement and conversion of existing Renewable Electricity to RNG sites as well as the write-off of Red Top assets.

RISK FACTORS

Investing in our common stock is speculative and involves a high degree of risk. You should carefully consider the following risk factors, as well as the other information in this prospectus, including the consolidated financial statements and the related notes included elsewhere in this prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations" before deciding to invest in our common stock. If any of the events described in the following risk factors actually occur, or if additional risks and uncertainties that are not presently known to us or that we currently deem immaterial later materialize, then our business, financial condition and results of operations could be adversely affected, the trading price of our common stock could decline, and you could lose all or part of your investment.

COVID-19 Risks

The COVID-19 pandemic has had, and is expected to continue to have, an adverse effect on our business, financial condition and results of operations.

In December 2019, there was an outbreak of a novel strain of coronavirus ("*COVID-19*") in China that has since spread to nearly all regions of the world. The outbreak was subsequently declared a pandemic by the World Health Organization in March 2020. To date, the COVID-19 pandemic and preventative measures taken to contain or mitigate the pandemic have caused, and are continuing to cause, business slowdowns or shutdowns in affected areas and significant disruptions in the financial markets both globally and in the United States.

In response to the COVID-19 pandemic and related mitigation measures, we began implementing changes in our business in March 2020 to protect our employees and customers, and to support appropriate health and safety protocols. For example, we arranged shifts at facilities to stagger employees to assist with following social distancing protocols, utilized overnight and weekend remote facility monitoring during normal operating shifts, implemented extensive cleaning and sanitation processes for both facilities and office spaces, incorporated temperature checks and facial covering requirements, instituted employee and visitor fitness questionnaires, restricted corporate travel and visitor access to sites and implemented work-from-home initiatives for certain employees. Further, we established the Infectious Disease and Response Committee (the "*IDRC*") to lead the development and implementation of Montauk's Infectious Disease and Response Plan and to oversee the company's response to any infectious disease event. These measures resulted in additional costs, which we expect will continue into 2021 as we continue to work to address employee safety.

Although we are unable to predict the ultimate effects of the COVID-19 pandemic at this time, to date, the pandemic has adversely affected, and is expected to continue to adversely affect, our business, financial condition and results of operations. While we are considered an essential company under the U.S. Federal Cybersecurity and Infrastructure Security Agency guidance and the various state or local jurisdictions in which we operate, the spread of COVID-19 has disrupted certain aspects of our operations, including our ability to execute on our business strategy and goals, and complete the development of our projects. Commissioning of our development sites was delayed four to five months in 2020. Delayed commissioning also delays the registrations and qualifications necessary for EPA pathways, which in turn delays revenue streams from these facilities. In addition, the COVID-19 pandemic has caused delays and disruptions in our operations, including contract cancellations, and decreased our operational efficiency in maintenance and operations. State and local mitigation protocols have contributed to reduced needs for transportation fuels, which has lowered and could continue to lower state-based environmental premiums. We have also faced a reduction in RINs pricing due to the outbreak of COVID-19.

Additionally, certain third parties with whom we engage, including our project partners, third-party manufacturers and suppliers, and regulators with whom we conduct business have adjusted their operations and are assessing future operational and project needs in light of the COVID-19 pandemic. If these third parties experience shutdowns or continued business disruptions, our ability to conduct our business in the manner and on the timelines presently planned could be materially and adversely affected.

The COVID-19 pandemic could continue to adversely affect our business, financial condition and results of operations in the future. Such future effects may be material, and include, but are not limited to:

- reductions in state-based Environmental Attribute premiums associated with reduced volumes in the transportation sector;
- new "shelter-in-place" orders, quarantines or similar orders, which may reduce our operating effectiveness or the availability of personnel necessary to conduct our business activities;
- disruptions in our supply chain due to transportation delays, travel restrictions, raw material cost increases and shortages, and closures of businesses or facilities;
- delays in construction and other capital expenditure projects, regulatory approvals and collections of our receivables for the services we perform;
- attempts by customers to cancel or delay projects or for customers or subcontractors to invoke force majeure clauses in certain contracts resulting in a decreased or delayed demand for our products and services;
- the inability of a significant portion of our workforce, including our management team, to work as a result of illness or government restrictions; and
- reduced ability to access capital and limited availability of credit or financing upon acceptable terms or at all.

The situation surrounding the COVID-19 pandemic remains dynamic, and given its inherent uncertainty, it could have an adverse effect on our business in the future. The duration and extent of the impact from the COVID-19 pandemic depends on future developments that cannot be accurately predicted at this time, such as the severity and transmission rate of the virus, the extent and effectiveness of containment actions and the impact of these and other factors on our employees, customers, suppliers, and distributors. Should these conditions persist for a prolonged period, the COVID-19 pandemic, including any of the above factors and others that are currently unknown, could have a material adverse effect on our business, financial condition and results of operations. The impact of the COVID-19 pandemic may also exacerbate other risks discussed in these risk factors, any of which could have a material effect on us.

Renewable Energy Risks

Our commercial success depends on our ability to develop and operate individual renewable energy projects.

Our specific focus on the renewable energy sector exposes us to risks related to the supply of and demand for energy commodities and Environmental Attributes, the cost of capital expenditures, government regulation, world and regional events and economic conditions, and the acceptance of alternative power sources. As a renewable energy producer, we may also be negatively affected by lower energy output resulting from variable inputs, mechanical breakdowns, faulty technology, competitive electricity markets or changes to the laws and regulations that mandate the use of renewable energy sources by refiners and importers of gasoline and diesel fuel and electric utilities.

In addition, a number of other factors related to the development and operation of individual renewable energy projects could adversely affect our business, including:

- regulatory changes that affect the demand for or supply of Environmental Attributes and the prices thereof, which could have a significant effect on the financial performance of our projects and the number of potential projects with attractive economics;
- changes in energy commodity prices, such as natural gas and wholesale electricity prices, which could have a significant effect on our revenues;

- changes in pipeline gas quality standards or other regulatory changes that may limit our ability to transport RNG on pipelines for delivery to third parties or increase the costs of processing RNG to allow for such deliveries;
- changes in the broader waste collection industry, including changes affecting the waste collection and biogas potential of the landfill industry, which could impede the LFG resource that we currently target for our projects;
- substantial construction risks, including the risk of delay, that may arise as a result of inclement weather or labor disruptions;
- operating risks and the effect of disruptions on our business, including the effects of the COVID-19 pandemic on us, our customers, suppliers, distributors and subcontractors;
- entering into markets where we have less experience, such as our projects for biogas recovery at livestock farms;
- the need for substantially more capital to complete projects than initially budgeted and exposure to liabilities as a result of unforeseen environmental, construction, technological or other complications;
- failures or delays in obtaining desired or necessary land rights, including ownership, leases or easements;
- a decrease in the availability, pricing and timeliness of delivery of raw materials and components, necessary for the projects to function;
- obtaining and keeping in good standing permits, authorizations and consents from local city, county, state and U.S. federal governments as well as local and U.S. federal governmental organizations; and
- the consent and authorization of local utilities or other energy development off-takers to ensure successful interconnection to energy grids to enable power sales.

Any of these factors could prevent us from completing or operating our projects, or otherwise adversely affect our business, financial condition and results of operations.

If there is not sufficient demand for renewable energy, or if renewable energy projects do not develop or take longer to develop than we anticipate, we may be unable to achieve our investment objectives.

If demand for renewable energy fails to grow sufficiently, we may be unable to achieve our business objectives. In addition, demand for renewable energy projects in the markets and geographic regions that we target may not develop or may develop more slowly than we anticipate. Many factors will influence the widespread adoption of renewable energy and demand for renewable energy projects, including:

- cost-effectiveness of renewable energy technologies as compared with conventional and competitive technologies;
- performance and reliability of renewable energy products as compared with conventional and non-renewable products;
- fluctuations in economic and market conditions that impact the viability of conventional and competitive alternative energy sources;
- increases or decreases in the prices of oil, coal and natural gas;
- continued deregulation of the electric power industry and broader energy industry; and
- availability or effectiveness of government subsidies and incentives.

Regulatory Risks

We may be unable to obtain, modify, or maintain the regulatory permits, approvals and consents required to construct and operate our projects.

In order to construct, modify and operate our projects, we will need to obtain or may need to modify numerous environmental and other regulatory permits, approvals and consents from federal, state and local governmental entities, including air permits, wastewater discharge permits, permits or consents related to the management of municipal solid waste landfills and permits or consents related to the management and disposal of waste. A number of these permits, approvals and consents must be obtained prior to the start of development of a project. Other permits, approvals and consents are required to be obtained at, or prior to, the time of first commercial operation or within prescribed time frames following commencement of commercial operations. Any failure to successfully obtain or modify the necessary environmental and other regulatory permits, approvals and consents on a timely basis could delay the construction, modification or commencement of commercial operation of our projects. In addition, once a permit, approval or consent has been issued or acquired for a project, we must take steps to comply with the conditions of each permit, approval or consent conditions, including conditions requiring timely development and commencement of the project. Failure to comply with certain conditions within a permit, approval or consent could result in the revocation or suspension of such permit, approval or consent; the imposition of penalties; or other enforcement action by governmental entities. We also may need to modify permits, consents or approvals we have already obtained to reflect changes in project design or requirements, which could trigger a legal or regulatory review under a standard more stringent than the standard under which the permits, approvals or consents were originally issued.

Obtaining and modifying necessary permits, approvals and consents is a time-consuming and expensive process, and we may not be able to obtain or modify them on a timely or cost effective basis or at all. In the event that we fail to obtain or modify all necessary permits, approvals or consents, we may be forced to delay construction or operation of a project or abandon the project altogether, which could adversely affect our business, financial condition and results of operations. In addition, we may be required to make capital expenditures on an ongoing basis to comply with increasingly stringent federal, state, provincial and local EHS laws, regulations and permits.

The reduction or elimination of government economic incentives for renewable energy projects or other related policies could adversely affect our business, financial condition and results of operations.

We depend, in part, on Environmental Attributes, which are federal, state and local government incentives in the United States, provided in the form of RINs, RECs, LCFS credits, rebates, tax credits and other incentives to end users, distributors, system integrators and manufacturers of renewable energy projects, that promote the use of renewable energy. RINs are created through the RFS program administered by the EPA, which requires transportation fuel sold in the United States to contain a minimum volume of renewable fuel and permits refineries and importers of transportation fuel to satisfy their RVOs by purchasing either (i) D5 RINs and cellulosic waiver credits ("*CWCs*") or (ii) D3 RINs. RECs are created through state law requirements for utilities to purchase a portion of their energy from renewable energy sources. 56% and 53% of our revenues for 2019 and 2018, respectively, were generated from the sale of Environmental Attributes. These government economic incentives could be reduced or eliminated altogether, or the categories of renewable energy qualifying for such government economic incentives could be changed. These renewable energy program incentives are subject to regulatory oversight and could be administratively or legislatively changed in a manner that could adversely affect our operations. Further, the generation of LCFS credits on our dairy farm project is expected to increase the percentage of our revenues generated from Environmental Attributes. Reductions in, changes to, or eliminations or expirations of governmental incentives could result in decreased demand for, and lower revenues from, our projects. Changes in the level or structure of the RPS of a state for electricity could also result in a decline in our revenues or decreased demand for, and lower revenues from, our electricity projects.

Negative attitudes toward renewable energy projects from the U.S. government, other lawmakers and regulators, and activists could adversely affect our business, financial condition and results of operations.

Parties with an interest in other energy sources, including lawmakers, regulators, policymakers, environmental and advocacy organizations or other activists may invest significant time and money in efforts to delay, repeal or otherwise negatively influence regulations and programs that promote renewable energy. Many of these parties have substantially greater resources and influence than we have. Further, changes in U.S. federal, state or local political, social or economic conditions, including a lack of legislative focus on these programs and regulations, could result in their modification, delayed adoption or repeal. Any failure to adopt, delay in implementing, expiration, repeal or modification of these programs and regulations, or the adoption of any programs or regulations that encourage the use of other energy sources over renewable energy, could adversely affect our business, financial condition and results of operations.

In addition, the current U.S. presidential administration may continue to create regulatory uncertainty in the renewable energy sector generally. Members of the current U.S. presidential administration, including representatives of the U.S. Department of Energy, have made public statements that indicate that the administration may not be supportive of various clean energy programs and initiatives designed to curtail climate change. For example, the United States announced its withdrawal from the 2015 Paris Agreement on climate change mitigation that will be effective on November 4, 2020. In addition, in June 2019, the EPA issued the final Affordable Clean Energy ("*ACE*") rule and repealed the Clean Power Plan (the "*CPP*"), which had previously established standards to limit carbon dioxide emissions from existing power generation facilities. Under the ACE rule, emissions from electric utility generation facilities would be regulated only through the use of various "inside the fence" or onsite efficiency improvements and emission control technologies. In contrast, the CPP allowed facility owners to reduce emissions with "outside the fence" measures, including those associated with renewable energy projects. The ACE rule is currently subject to legal challenges and may be subject to future challenges. The ultimate resolution of such legal challenges, and the ultimate impact of the ACE rule, is uncertain. As a result of the new ACE rule and other policies or actions of the current U.S. administration or the U.S. Congress, we may be subject to significant additional risks, including the following:

- a reduction or removal of clean energy programs and initiatives and the incentives they provide could diminish the market for renewable energy, slow the retirement of aging fossil fuel plants, including the retirements of coal generation plants, and reduce the ability for renewable energy project developers to compete for future projects, which may reduce incentives for such parties to develop renewable energy projects; and
- any effort to overturn federal and state laws, regulations, or policies that are supportive of renewable energy generation or that remove costs or other limitations on other types of electricity generation that compete with renewable energy projects could adversely affect our ability to compete with traditional forms of electricity generation and adversely affect our business, financial condition and results of operations.

The outcome of the 2020 election could lead to significant legislative and regulatory reforms affecting the regulation of our projects. If the current U.S. presidential administration or the U.S. Congress were to take action to eliminate or reduce legislation, regulations and incentives supporting renewable energy, such actions could decrease demand for renewable energy in the United States, which could adversely affect our business, financial condition and results of operations.

Revenue from any projects we complete may be adversely affected if there is a decline in public acceptance or support of renewable energy, or regulatory agencies, local communities, or other third parties delay, prevent, or increase the cost of constructing and operating our projects.

Certain persons, associations and groups could oppose renewable energy projects in general or our projects specifically, citing, for example, misuse of water resources, landscape degradation, land use, food

scarcity or price increase and harm to the environment. Moreover, regulation may restrict the development of renewable energy plants in certain areas. In order to develop a renewable energy project, we are typically required to obtain, among other things, environmental impact permits or other authorizations and building permits, which in turn require environmental impact studies to be undertaken and public hearings and comment periods to be held during which any person, association or group may oppose a project. Any such opposition may be taken into account by government officials responsible for granting the relevant permits, which could result in the permits being delayed or not being granted or being granted solely on the condition that we carry out certain corrective measures to the proposed project. Opposition to our projects' requests for permits or successful challenges or appeals to permits issued for our projects could adversely affect our operating plans.

As a result, we cannot guarantee that the renewable energy plants we currently plan to develop or, to the extent applicable, are developing, will ultimately be authorized or accepted by the local authorities or the local population. For example, the local population could oppose the construction of a renewable energy plant or infrastructure at the local government level, which could in turn lead to the imposition of more restrictive requirements. This type of negative response may lead to legal, public relations or other challenges that could impede our ability to meet our construction targets, achieve commercial operations for a project on schedule, address the changing needs of our projects over time or generate revenues.

In certain jurisdictions, if a significant portion of the local population were to mobilize against a renewable energy plant, it may become difficult, or impossible, for us to obtain or retain the required building permits and authorizations. Moreover, such challenges could result in the cancellation of existing building permits or even, in extreme cases, the dismantling of, or the retroactive imposition of changes in the design of, existing renewable energy plants.

Authorization for the use, construction, and operation of systems and associated transmission facilities on federal, state, and local lands will also require the assessment and evaluation of mineral rights, private rights-of-way, and other easements; environmental, agricultural, cultural, recreational, and aesthetic impacts; and the likely mitigation of adverse effects to these and other resources and uses. The inability to obtain the required permits and other federal, state and local approvals, and any excessive delays in obtaining such permits and approvals due, for example, to litigation or third-party appeals, could potentially prevent us from successfully constructing and operating such projects in a timely manner and could result in the potential forfeiture of any deposit we have made with respect to a given project. Moreover, project approvals subject to project modifications and conditions, including mitigation requirements and costs, could affect the financial success of a given project. Changing regulatory requirements and the discovery of unknown site conditions could also adversely affect the financial success of a given project.

A decrease in acceptance of renewable energy plants by local populations, an increase in the number of legal challenges, or an unfavorable outcome of such legal challenges could adversely affect our business, financial condition and results of operations. We may also be subject to labor unavailability due to multiple simultaneous projects in a geographic region. If we are unable to grow and manage the capacity that we expect from our projects in our anticipated timeframes, it could adversely affect our business, financial condition and results of operations.

Existing regulations and policies, and future changes to these regulations and policies, may present technical, regulatory and economic barriers to the generation, purchase and use of renewable energy, and may adversely affect the market for credits associated with the production of renewable energy.

The market for renewable energy is influenced by U.S. federal, state and local government regulations and policies concerning renewable energy. These regulations and policies are continuously being modified, which could result in a significant future reduction in the potential demand for renewable energy, including RINs, RECs and LCFS credits, renewable energy project development and investments. Any new government regulations applicable to our renewable energy projects or markets for renewable energy may result in significant

additional expenses or related development costs and, as a result, could cause a significant reduction in demand for our renewable energy.

The EPA annually sets proposed RVOs for D3 RINs in accordance with the mandates established by EISA. The EPA's issuance of timely and sufficient annual RVOs to accommodate the RNG industry's growing production levels is necessary to stabilize the RIN market. Although the 590 million D3 RIN volume for 2020 is a 41% increase over 2019 levels, there can be no assurance that the EPA will timely set annual RVOs or that the RVOs will continue to increase or satisfy the growing receivable natural gas market. The manner in which the EPA will establish RVOs beginning in 2023, when the statutory RVO mandates are set to expire, is expected to create additional uncertainty as to RIN pricing. In addition, the EPA has exempted a number of small refineries from their RVOs through the issuance of waivers under U.S. federal law and is expected to continue to do so. Uncertainty as to how the RFS program will continue to be administered and supported by the EPA under the current U.S. presidential administration has created price volatility and illiquidity in the RIN market and the inability to sell RINs on a forward basis beyond the current calendar year. We cannot assure you that we will be able to monetize the RINs we generate at the same price levels as we have in the past.

In order to benefit from RINs and LCFS credits, our RNG projects are required to be registered and are subject to regulatory audit.

We are required to register an RNG project with the EPA and relevant state regulatory agencies. Further, we qualify our RINs through a voluntary Quality Assurance Plan, which typically takes from three to five months from first injection of RNG into the commercial pipeline system. Although no similar qualification process currently exists for LCFS credits, we expect such a process to be implemented and would expect to seek qualification on a state by state basis under such future programs. Delays in obtaining registration, RIN qualification, and any future LCFS credit qualification of a new project could delay future revenues from the project and could adversely affect our cash flow. Further, we typically make a large investment in the project prior to receiving the regulatory approval and RIN qualification. By registering each RNG project with the EPA's voluntary Quality Assurance Plan, we are subject to quarterly third-party audits and semi-annual on-site visits of our projects to validate generated RINs and overall compliance with the RFS program. We are also subject to a separate third party's annual attestation review. The Quality Assurance Plan provides a process for RIN owners to follow, for an affirmative defense to civil liability, if used or transferred Quality Assurance Plan verified RINs were invalidly generated. A project's failure to comply could result in remedial action by the EPA, including penalties, fines, retirement of RINs, or termination of the project's registration, any of which could adversely affect our business, financial condition and results of operations.

Operating Risks

Our renewable energy projects may not generate expected levels of output.

The renewable energy projects that we construct and own are subject to various operating risks that may cause them to generate less than expected amounts of RNG or electricity. These risks include a failure or wearing out of our or our landfill operators', customers' or utilities' equipment; an inability to find suitable replacement equipment or parts; less than expected supply or quality of the project's source of biogas and faster than expected diminishment of such biogas supply; or volume disruption in our fuel supply collection system. Any extended interruption and or volume disruption in the project's operation, or failure of the project for any reason to generate the expected amount of output, could adversely affect our business and operating results. In addition, we have in the past, and may in the future, incur material asset impairment charges if any of our renewable energy projects incurs operational issues that indicate our expected future cash flows from the project are less than the project's carrying value. Any such impairment charge could adversely affect our operating results in the period in which the charge is recorded.

The concentration in revenues from five of our projects and geographic concentration of our projects expose us to greater risks of production interruptions from severe weather or other interruptions of production or transmission.

A substantial portion of our revenues are generated from five project sites. For the years ended December 31, 2019 and 2018, excluding the effect of derivative instruments, approximately 80.4% and 77.2%, respectively, of operating revenues were derived from these locations. During 2019, RNG production at our McCarty, Rumpke, Atascocita and Apex facilities accounted for approximately 22.6%, 29.8%, 20.3%, and 8.2% of our RNG revenues, respectively, and 29.5%, 22.6%, 20.2% and 10.4% of the RNG we produced during 2019, respectively. During 2019, Renewable Electricity production at our Bowerman Power LFG, LLC ("*Bowerman*") facility accounted for approximately 88.6% of our Renewable Electricity Generation revenues and 82.0% of the Renewable Electricity we produced during 2019. A lengthy interruption of production or transmission of renewable energy from one or more of these projects, as a result of a severe weather event, failure or degradation of our or a landfill operator's equipment or interconnection transmission problems could have a disproportionate effect on our revenues and cash flow.

Our Atascocita, McCarty, Galveston and Coastal Plains projects are located within 20 miles of each other near Houston, Texas and seven of our other RNG projects are located in relatively close proximity to each other in Pennsylvania and Ohio. Regional events, such as gas transmission interruptions, regional availability of replacement parts and service in the event of equipment failures and severe weather events in either of those geographic regions could adversely affect our RNG production and transmission more than if our projects were more geographically diversified.

Our use and enjoyment of real property rights for our projects may be adversely affected by the rights of lienholders and leaseholders that are superior to those of the grantors of those real property rights to our projects.

Our projects generally are, and any of our future projects are likely to be, located on land occupied pursuant to long-term easements, leases and rights of way. The ownership interests in the land subject to these easements, leases and rights-of-way may be subject to mortgages securing loans or other liens (such as tax liens) and other easement, lease rights and rights-of-way of third parties (such as leases of oil or mineral rights) that were created prior to our projects' easements, leases and rights-of-way. As a result, certain of our projects' rights under these easements, leases or rights-of-way may be subject, and subordinate, to the rights of those third parties. We may not be able to protect our operating projects against all risks of loss of our rights to use the land on which our projects are located, and any such loss or curtailment of our rights to use the land on which our projects are located and any increase in rent due on such lands could adversely affect our business, financial condition and results of operations.

Our projects are not able to insure against all potential risks and may become subject to higher insurance premiums.

Our projects are exposed to the risks inherent in the construction and operation of renewable energy projects, such as breakdowns, manufacturing defects, natural disasters, terrorist attacks and sabotage. We are also exposed to environmental risks. For example, our McCarty facility experienced the loss of one of its two production engines for the period of November 27, 2019 through March 27, 2020. The related commissioning and ramp up of the replacement engine was completed during the second quarter of 2020. Additionally, our Bowerman facility is located in California near major earthquake faults and fire zones. Recent California wild fires, which occurred in October of 2020, have forced our Bowerman facility to temporarily shut down and caused limited damage to our facility and equipment. We expect our production to be reduced by approximately 50% at the Bowerman facility during the fourth quarter of 2020 and we anticipate resuming full operations in January 2021. We expect that our Bowerman revenues will be reduced by approximately 25% in the fourth quarter of 2020 and by less than 10% through the first half of 2020.

We have insurance policies covering certain risks associated with our business. Our insurance policies do not, however, cover all losses, including those as a result of force majeure. Insurance liabilities are difficult to assess and quantify due to unknown factors, including the severity of an injury, the determination of our liability in proportion to other parties, the number of incidents not reported and the effectiveness of our safety program. In addition, while our insurance policies for some of our projects cover losses as a result of certain types of natural disasters, terrorist attacks or sabotage, among other things, such coverage is subject to important limitations and is not always available in the insurance market on commercially reasonable terms (if at all) and is often capped at predetermined limits. In addition, our insurance policies are subject to annual review by our insurers and may not be renewed on similar or favorable terms or at all. A serious uninsured loss or a loss significantly exceeding the limits of our insurance policies could adversely affect our business, financial condition and results of operations.

New Project and Growth Risks

Acquisition, financing, construction and development of new projects and project expansions and conversions may not commence on anticipated timelines or at all.

Our strategy is to continue to expand in the future, including through the acquisition of additional projects. From time to time, we enter into nonbinding letters of intent for projects. However, until the negotiations are finalized and the parties have executed definitive documentation, we cannot assure you that we will be able to enter into any development or acquisition transactions, or any other similar arrangements, on the terms in the applicable letter of intent or at all.

The acquisition, financing, construction and development of new projects involves numerous risks, including:

- difficulties in identifying, obtaining and permitting suitable sites for new projects;
- failure to obtain all necessary rights to land access and use;
- assumptions with respect to the cost and schedule for completing construction;
- assumptions with respect to the biogas potential, including quality, volume, and asset life, for new projects;
- the ability to obtain financing for a project on acceptable terms or at all;
- delays in deliveries or increases in the prices of equipment;
- permitting and other regulatory issues, license revocation and changes in legal requirements;
- increases in the cost of labor, labor disputes and work stoppages;
- failure to receive quality and timely performance of third-party services;
- unforeseen engineering and environmental problems;
- cost overruns;
- accidents involving personal injury or the loss of life; and
- weather conditions, global health crises such as COVID-19, catastrophic events, including fires, explosions, earthquakes, droughts and acts of terrorism, and other force majeure events.

In addition, new projects have no operating history and may employ recently developed technology and equipment. A new project may be unable to fund principal and interest payments under its debt service obligations or may operate at a loss, which may adversely affect our business, financial condition or results of operations.

We may also experience delays and cost overruns in converting existing facilities from Renewable Electricity to RNG production. During the conversation projects, there is a gap in production and relating

revenue while the electricity project is offline until it commences operation as an RNG facility, which adversely affects our financial condition and results of operations.

In order to secure contracts for new projects, we typically face a long and variable development cycle that requires significant resource commitments and a long lead time before we realize revenues.

The development, design and construction process for our renewable energy projects generally lasts from 12 to 24 months, on average. We frequently receive requests for proposals from potential site hosts as part of their consideration of alternatives for their proposed projects. Prior to responding to an RFP, we typically conduct a preliminary audit of the site host's needs and assess whether the site is commercially viable based on our expected return on investment, investment payback period, and other operating metrics, as well as the necessary permits to develop a project on that site. If we are awarded a project, we then perform a more detailed review of the site's facilities, which serves as the basis for the final specifications of the project. Finally, we negotiate and execute a contract with the site host. This extended development process requires the dedication of significant time and resources from our sales and management personnel, with no certainty of success or recovery of our expenses. A potential site host may go through the entire sales process and not accept our proposal. Further, upon commencement of operations, it typically takes 12 months or longer for the project to ramp up to our expected production level. All of these factors, and in particular, increased spending that is not offset by increased revenues, can contribute to fluctuations in our quarterly financial performance and increase the likelihood that our operating results in a particular period will fall below investor expectations.

We plan to expand our business in part through developing RNG recovery projects at landfills and livestock farms, but we may not be able to identify suitable locations or complete development of new projects.

Historically, development of new RNG projects at landfills and livestock farms has been a significant part of our growth strategy. We plan to continue to develop new RNG projects at landfills and livestock farms to expand our project skillsets and capabilities, expand and complement our existing geographic markets, add experienced management and increase our product offerings. However, we may be unable to implement this growth strategy if we cannot identify suitable landfills and livestock farms on which to develop projects, reach agreements with landfill or livestock farm owners to develop RNG projects on acceptable terms or arrange required financing for new projects on acceptable terms. While the EPA has identified an additional 477 landfills as candidates for biogas projects, based on our industry experience and technical knowledge and analysis, after evaluating their currently available LFG collection systems and potential production capacities, we believe that approximately 25 of these sites are potentially economically viable as projects for acquisition and growth. In the future, additional candidate landfills may become economically viable as their growth increases LFG production and requires installation of LFG collection systems. However, the time and effort involved in attempting to identify suitable sites and development of new projects may divert members of our management from our operations.

Our dairy farm project has, and any future digester project will have, different economic models and risk profiles than our landfill facilities, and we may not be able to achieve the operating results we expect from these projects.

Our dairy farm project produces significantly less RNG than our landfill facilities. As a result, we will be even more dependent on the LCFS credits and RINs produced at our dairy farm project than on the RINs produced at our landfill facilities for the project's commercial viability. Since the number of LCFS credits for RNG generated on dairy farms is significantly greater than the number of LCFS credits for RNG generated at landfills, we are substantially more dependent upon the revenue from LCFS credits for the commercial viability of the dairy farm project. In the event that CARB reduces the CI score that it applies to waste conversion projects, such as dairy digesters, the number of LCFS credits for RNG generated at our dairy farm project will decline. Additionally, revenue from LCFS credits also depends on the price per LCFS credit, which is driven by various market forces, including the supply of and demand for LCFS credits, which in turn depends on the demand for traditional transportation fuel and the supply of renewable fuel from other renewable energy sources, and mandated CI targets, which determine the number of LCFS credits required to offset LCFS deficits, and

which increase over time. Fluctuations in the price of LCFS credits or the number of LCFS credits assigned will have a significantly greater impact on the success of our dairy farm project than the value that RINs have on our landfill facilities. A significant decline in the value of LCFS credits could require us to incur an impairment charge on our dairy farm project and could adversely affect our business, financial condition and results of operations.

While we currently focus on converting methane into renewable energy, in the future we may decide to expand our strategy to include other types of projects. Any future energy projects may present unforeseen challenges and result in a competitive disadvantage relative to our more established competitors.

Our business is currently focused on converting methane into renewable energy. In the future, we may expand our strategy to include other types of projects. We cannot assure you that we will be able to identify attractive opportunities outside of our current area of focus or acquire or develop such projects at a price and on terms that are attractive or that, once acquired or developed, such projects will operate profitably. In addition, these projects could expose us to increased operating costs, unforeseen liabilities or risks, and regulatory and environmental concerns associated with entering into new sectors of the energy industry, including requiring a disproportionate amount of our management's attention and resources, which could adversely affect our business, as well as place us at a competitive disadvantage relative to more established market participants. A failure to successfully integrate such new projects into our existing project portfolio as a result of unforeseen operational difficulties or otherwise, could adversely affect our business, financial condition and results of operations.

Any future acquisitions, investments or other strategic relationships that we make could disrupt our business, cause dilution to our stockholders or harm our business, financial condition or operating results.

We expect future acquisitions of companies, purchases of assets and other strategic relationships to be an important part of our growth strategy. We plan to use acquisitions to expand our capabilities, expand our geographic markets, add experienced management and add to our project portfolio. However, we may not be able to identify suitable acquisition or investment candidates, reach agreements with acquisition targets on acceptable terms or arrange for any required financing for an acquisition on acceptable terms, any of which would materially impact our present strategy. Further, if we are successful in consummating acquisitions, those acquisitions could subject us to a number of risks, including:

- the purchase prices we pay could significantly deplete our cash reserves or result in dilution to our existing stockholders;
- we may find that the acquired companies or assets do not improve our customer offerings or market position as planned;
- we may have difficulty integrating the operations and personnel of the acquired companies;
- key personnel and customers of the acquired companies may terminate their relationships with the acquired companies as a result of or following the acquisition;
- we may experience additional financial and accounting challenges and complexities in areas such as tax planning and financial reporting;
- we may incur additional costs and expenses related to complying with additional laws, rules or regulations in new jurisdictions;
- we may assume or be held liable for risks and liabilities (including for environmental-related costs) as a result of our acquisitions, some of which we may not discover during our due diligence or adequately adjust for in our acquisition arrangements;
- our ongoing business and management's attention may be disrupted or diverted by transition or integration issues and the complexity of managing geographically diverse enterprises;

- we may incur one-time write-offs or restructuring charges in connection with an acquisition;
- we may acquire goodwill and other intangible assets that are subject to amortization or impairment tests, which could result in future charges to earnings; and
- we may not be able to realize the cost savings or other financial benefits we anticipated.

Any of these factors could adversely affect our business, financial condition and operating results.

Third-Party Partner Risks

Failure of third parties to manufacture quality products or provide reliable services in a timely manner could cause delays in developing and operating our projects, which could damage our reputation, adversely affect our partner relationships or adversely affect our growth.

Our success depends on our ability to develop and operate projects in a timely manner, which depends in part on the ability of third parties to provide us with timely and reliable products and services. In developing and operating our projects, we rely on products meeting our design specifications and components manufactured and supplied by third parties, and on services performed by subcontractors. We also rely on subcontractors to perform substantially all of the construction and installation work related to our projects, and we often need to engage subcontractors with whom we have no experience.

If any of our subcontractors are unable to provide services that meet or exceed our customers' expectations or satisfy our contractual commitments, our reputation, business and operating results could be harmed. In addition, if we are unable to avail ourselves of warranties and other contractual protections with providers of products and services, we may incur liability to our customers or additional costs related to the affected products and services, which could adversely affect our business, financial condition and results of operations. Moreover, any delays, malfunctions, inefficiencies or interruptions in these products or services could adversely affect the quality and performance of our projects and require considerable expense to maintain and repair our projects. This could cause us to experience interruption in our production and distribution of renewable energy and generation of related Environmental Attributes, difficulty retaining current relationships and attracting new relationships, or harm our brand, reputation or growth.

Our projects rely on interconnections to distribution and transmission facilities that are owned and operated by third parties, and as a result, are exposed to interconnection and transmission facility development and curtailment risks.

Our projects are interconnected with electric distribution and transmission facilities owned and operated by regulated utilities necessary to deliver the Renewable Electricity that we produce. Our RNG projects are similarly interconnected with gas distribution and interstate pipeline systems that are also required to deliver RNG A failure or delay in the operation or development of these distribution or transmission facilities could result in a loss of revenues or breach of a contract because such a failure or delay could limit the amount of RNG and Renewable Electricity that our operating projects deliver or delay the completion of our construction projects. In addition, certain of our operating projects' generation may be curtailed without compensation due to distribution and transmission limitations, reducing our revenues and impairing our ability to capitalize fully on a particular project's potential. Such a failure or curtailment at levels above our expectations could impact our ability to satisfy our supply agreements and adversely affect our business. For example, our Bowerman project lost a partial day in 2018 (March 31), and five days in 2019 (April 1-5), and then was curtailed for approximately 55 days (ending at 80% of power output) while the utility operator designed and permitted a permanent fix. Our Bowerman project also lost two days in 2019 (June 30-July 1) while the utility operator made permanent repairs. Additionally, we experience work interruptions from time to time due to federally required maintenance shutdowns.

We may acquire projects with their own interconnections to available transmission and distribution networks. In some cases, these projects may cover significant distances. A failure in our operation of these

projects that causes the projects to be temporarily out of service, or subject to reduced service, could result in lost revenues because it could limit the amount of Renewable Electricity and RNG our operating projects are able to deliver.

We are dependent upon our relationships with Waste Management and Republic Services for the operation and maintenance of landfills on which several of our RNG and Renewable Electricity projects operate.

We currently operate or are developing eight renewable energy projects (seven RNG projects and one Renewable Electricity project) on landfills operated by Waste Management and two RNG projects on landfills operated by Republic Services. Our projects located on Waste Management and Republic Services operated landfills represented approximately 30.7% and 23.7%, respectively, of our revenues for 2019. We are dependent upon Waste Management and Republic Services to operate and maintain their landfill facilities and provide a continuous supply of waste for conversion to RNG and Renewable Electricity. Further, we consider our relationship with these landfill operators an important factor in our growth strategy for additional projects. In the event that we fall out of favor with either of these landfill operators due to a dispute, problems with our operations at one of their facilities or otherwise, the landfill operator may seek to terminate the related project and be less inclined to work with us on future projects.

Additionally, Waste Management and Republic Services could seek to develop their own waste-to-renewable energy conversion projects at other existing landfill locations in lieu of contracting with us for these projects. Failure to maintain these favorable relationships could adversely affect our business, growth strategy, financial condition and results of operations.

We have significant customer concentration, with a limited number of customers accounting for a substantial portion of our revenues.

For 2019, sales to Royal Dutch Shell plc, ACT Fuels, Inc., and the City of Anaheim each represented approximately 14% of our operating revenues and sales to Victory Renewables, LLC and BP Products North America each represented approximately 11% of our operating revenues, respectively. In addition, five customers made up approximately 67% and 72% of our accounts receivable as of December 31, 2019 and December 31, 2018, respectively. Revenues from our largest customers may fluctuate from time to time based on our customers' business needs, market conditions or other factors outside of our control. If any of our largest customers terminates its relationship with us, such termination could adversely affect our revenues and results of operations.

Our fuel supply agreements with site hosts have defined contractual periods, and we cannot assure you that we will be able to successfully extend these agreements.

Fuel supply rights are issued by the landfill owner to operators for a contractual period. As operators, we have already invested resources in the development of existing sites and the ability to extend these contracts on expiration would enable us to achieve operational efficiency in continuing to generate revenues from a site without significant additional capital investments. We cannot assure you that we will be able to extend existing fuel supply agreements when they expire.

Our PPAs, fuel-supply agreements, RNG off-take agreements and other agreements contain complex price adjustments, calculations and other terms based on gas price indices and other metrics, the interpretation of which could result in disputes with counterparties that could affect our results of operations and customer relationships.

Certain of our PPAs, fuel supply agreements, RNG off-take agreements and other agreements require us to make payments or adjust prices to counterparties based on past or current changes in gas price indices, project productivity or other metrics and involve complex calculations. Moreover, the underlying indices governing

payments under these agreements are subject to change, may be discontinued or replaced. The interpretation of these price adjustments and calculations and the potential discontinuation or replacement of relevant indices or metrics could result in disputes with the counterparties with respect to these agreements. Any such disputes could adversely affect project revenues, expense margins, customer or supplier relationships, or lead to costly litigation, the outcome of which we would be unable to predict.

Market Pricing Risks

Our renewable fuel projects may be exposed to the volatility of the price of RINs.

The price of RINs is driven by various market forces, including gasoline prices and the availability of renewable fuel from other renewable energy sources and conventional energy sources. Refiners are permitted to carry-over up to 20% RINs generated for one calendar year after the RINs are generated to satisfy their RVOs. As a result, we are only able to sell RINs on a forward basis for the year in which the RINs are generated and the following year. We may be unable to manage the risk of volatility in RIN pricing for all or a portion of our revenues from RINs, which would expose us to the volatility of commodity prices with respect to all or the portion of RINs that we are unable to sell through forward contracts, including risks resulting from changes in regulations, general economic conditions and changes in the level of renewable energy generation. We expect to have quarterly variations in the revenues from the projects in which we generate revenue from the sale of RINs that we are unable to sell through forward contracts.

Our revenues may be subject to the risk of fluctuations in commodity prices.

The operations and financial performance of projects in the renewable energy sectors may be affected by the prices of energy commodities, such as natural gas, wholesale electricity and other energy-related products. For example, the price of renewable energy resources changes in relation to the market prices of natural gas and electricity. The market price for natural gas is sensitive to cyclical demand and capacity supply, changes in weather patterns, natural gas storage levels, natural gas production levels, general economic conditions and the volume of natural gas imports and exports. The market price of electricity is sensitive to cyclical changes in demand and capacity supply, and in the economy, as well as to regulatory trends and developments impacting electricity market rules and pricing, transmission development and investment to power markets within the United States and in other jurisdictions through interconnects and other external factors outside of the control of renewable energy power-producing projects. Volatility of commodity prices also creates volatility in the prices of Environmental Attributes, since the value of D3 RINs is linked to the price of CWCs, which are inversely affected by the wholesale price of unleaded gasoline. In addition, volatility of commodity prices, such as the market price of gas and electricity, may also make it more difficult for us to raise any additional capital for our renewable energy projects that may be necessary to operate, to the extent that market participants perceive that a project's performance may be tied directly or indirectly to commodity prices. Accordingly, the potential revenues and cash flows of these projects may be volatile and adversely affect the value of our investments.

Our off-take agreements for the sale of RNG are typically shorter in duration than our fuel supply agreements. Accordingly, if we are unable to renew or replace an off-take agreement for a project for which we continue to produce RNG, we would be subject to the risks associated with selling the RNG produced at that project at then-current market prices. We may be required to make such sales at a time when the market price for natural gas as a whole or in the region where that project is located, is depressed. If this were to occur, we would be subject to the volatility of gas prices and be unable to predict our revenues from such project, and the sales prices for such RNG may be lower than what we could sell the RNG for under an off-take agreement.

We are subject to volatility in prices of RINs and other Environmental Attributes.

Volatility of commodity prices creates volatility in the price of Environmental Attributes. The value of RINs is inversely proportionate to the wholesale price of unleaded gasoline. Further, the production of RINs

significantly in excess of the RVOs set by the EPA for a calendar year could adversely affect the market price of RINs, particularly towards the end of the year, if refiners and other Obligated Parties have satisfied their RVOs for the year. A significant decline in the price of RINs and price of LCFS credits for a prolonged period could adversely affect our business, financial condition and results of operations, and could require us to take an impairment charge relating to one or more of our projects.

We are exposed to the risk of failing to meet our contractual commitments to sell RINs from our production.

We have in the past, and may from time to time in the future, sell forward a portion of our RINs under contracts to fix the revenues from those attributes for financing purposes or to manage our risk against future declines in prices of such Environmental Attributes. If our RNG projects do not generate the amount of RINs sold under such forward contracts, or if for any reason the RNG we generate does not produce RINs, we may be required to make up the shortfall of RINs under such forward contracts through purchases on the open market or by making payments of liquidated damages.

The failure of our hedge counterparties or significant customers to meet their obligations to us may adversely affect our financial results.

To the extent we are able to hedge our RNG revenues, our hedging transactions expose us to the risk that a counterparty fails to perform under a derivative contract. Disruptions in the financial markets could lead to sudden decreases in a counterparty's liquidity, which could make them unable to perform under the terms of the derivative contract and we may not be able to realize the benefit of the derivative contract. Any default by the counterparty to these derivative contracts when they become due would adversely affect our business, financial condition and results of operations.

We also face credit risk through the sale of our RNG production. We are also subject to credit risk due to concentration of our RNG receivables with a limited number of significant customers. We do not require our customers to post collateral. The inability or failure of our significant customers to meet their obligations to us or their insolvency or liquidation may adversely affect our financial results.

Environmental Risks

Our operations are subject to numerous stringent environmental, health and safety laws and regulations that may expose us to significant costs and liabilities.

Our operations are subject to stringent and complex federal, state and local EHS laws and regulations, including those relating to the release, emission or discharge of materials into the air, water and ground, the generation, storage, handling, use, transportation and disposal of hazardous materials and wastes, the health and safety of our employees and other persons, and the generation of RINs and LCFS credits.

These laws and regulations impose numerous obligations applicable to our operations, including the acquisition of permits before construction and operation of our projects; the restriction of types, quantities and concentration of materials that can be released into the environment; the limitation or prohibition of our activities on certain lands lying within wilderness, wetlands and other protected areas; the application of specific health and safety criteria addressing worker protection; and the imposition of substantial liabilities for pollution resulting from the ownership or operation of our properties. These laws, regulations and permits can require expensive pollution control equipment or operational changes to limit actual or potential impacts to the environment.

Numerous governmental entities have the power to enforce difficult and costly compliance measures or corrective actions pursuant to these laws and regulations and the permits issued under them. We may be required to make significant capital and operating expenditures on an ongoing basis, or to perform remedial or other

corrective actions at our properties, to comply with the requirements of these environmental laws and regulations or the terms or conditions of our permits. Failure to comply with these laws and regulations may result in the assessment of sanctions, including administrative, civil or criminal penalties, the imposition of investigatory or remedial obligations, and the issuance of orders limiting or prohibiting some or all of our operations. In addition, we may experience delays in obtaining or be unable to obtain required environmental regulatory permits or approvals, which may delay or interrupt our operations and limit our growth and revenue.

Our operations inherently risk incurring significant environmental costs and liabilities due to the need to manage waste from our processing facilities. Spills or other releases of regulated substances, including spills and releases that occur in the future, could expose us to material losses, expenditures and liabilities under applicable environmental laws, rules and regulations. Under certain of such laws and regulations, we could be held strictly liable for the removal or remediation of previously released materials or property contamination, regardless of whether we were responsible for the release or contamination and even if our operations met previous standards in the industry at the time they were conducted. In connection with certain acquisitions, we could acquire, or be required to provide indemnification against, environmental liabilities that could expose us to material losses. In addition, claims for damages to persons or property, including natural resources, may result from the EHS impacts of our operations. Our insurance may not cover all environmental risks and costs or may not provide sufficient coverage if an environmental claim is made against us.

New laws, changes to existing laws, new interpretations of existing laws, increased governmental enforcement of environmental laws or other developments could require us to make significant additional expenditures. Continued government and public emphasis on environmental issues can be expected to result in increased future investments for environmental controls at our plants. Present and future environmental laws and regulations, and interpretations of those laws and regulations, applicable to our operations, more vigorous enforcement policies and discovery of currently unknown conditions may require substantial expenditures that could have a material adverse effect on our results of operations and financial condition.

Our ability to generate revenue from sales of RINs and LCFS credits depends on our strict compliance with these federal and state programs, which are complex and can involve a significant degree of judgment. If the agencies that administer and enforce these programs disagree with our judgments, otherwise determine that we are not in compliance, conduct reviews of our activities or make changes to the programs, then our ability to generate or sell these credits could be temporarily restricted pending completion of reviews or as a penalty, permanently limited or lost entirely, and we could also be subject to fines or other sanctions. Moreover, the inability to sell RINs and LCFS credits could adversely affect our business.

Liability relating to contamination and other environmental conditions may require us to conduct investigations or remediation at the properties underlying our projects and may impact the value of properties that we may acquire.

We may incur liabilities for the investigation and cleanup of any environmental contamination at the properties underlying or adjacent to our projects, or at off-site locations where we arrange for the disposal of hazardous substances or wastes. Under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 and other federal, state and local laws, an owner or operator of a property may become liable for costs of investigation and remediation, and for damages to natural resources. These laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release of such hazardous substances or whether the conduct giving rise to the release was legal at the time when it occurred. In addition, liability under certain of these laws is joint and several. We also may be subject to related claims by private parties alleging property damage and personal injury due to exposure to hazardous or other materials at or from those properties.

The presence of environmental contamination at a project may adversely affect an owner’s ability to sell such project or borrow funds using the project as collateral. To the extent that an owner of the real property

underlying one of our projects becomes liable with respect to contamination at the real property, the ability of the owner to make payments to us may be adversely affected.

The presence of any environmental contamination with respect to one of our projects could adversely affect our ability to sell the affected project, and we may incur substantial investigation costs, remediation costs or other damages, thus harming our business, financial condition and results of operations.

Our business is subject to the risk of climate change and extreme or changing weather patterns.

Extreme weather patterns related to climate change could cause changes in rainfall and storm patterns and intensities, water shortages and changing temperatures, which could result in significant volatility in the supply and prices of energy. In addition, legislation and increased regulation regarding climate change could impose significant costs on us and our suppliers, including costs related to capital equipment, environmental monitoring and reporting and other costs to comply with such regulations.

Furthermore, extreme weather events, such as lightning strikes, ice storms, tornados, extreme wind, hurricanes and other severe storms, wildfires and other unfavorable weather conditions or natural disasters, such as floods, fires, earthquakes, and rising sea-levels, could adversely affect the input and output commodities associated with the renewable energy sector. Such weather events or natural disasters could also require us to temporarily or permanently shut down the equipment associated with our renewable energy projects, such as our access to power and our power to biogas collection, separation and transmission systems, which would impede the ability of our projects to operate, and decrease production levels and our revenue. Operational problems, such as degradation of our project's equipment due to wear or weather or capacity limitations or outages on the electrical transmission network, could also affect the amount of energy that our projects are able to deliver. Any of these events, to the extent not fully covered by insurance, could adversely affect our business, financial condition and results of operations.

These events could result in significant volatility in the supply and prices of energy. This volatility may create fluctuations in commodity or energy prices and earnings of companies in the renewable energy sectors.

Capital and Credit Risks

Our senior credit facility contains financial and operating restrictions that may limit our business activities and our access to credit.

Provisions in our Amended Credit Agreement, as described under "Description of Indebtedness," imposes customary restrictions on our and certain of our subsidiaries' business activities and uses of cash and other collateral. These agreements also contain other customary covenants, including covenants that require us to meet specified financial ratios and financial tests.

The Amended Credit Agreement consists of a $95.0 million principal amount term loan and an $80.0 million revolving credit line that matures in December 2023. The Amended Credit Agreement may not be sufficient to meet our needs as our business grows, and we may be unable to extend or replace it on acceptable terms, or at all. Under the Amended Credit Agreement, we are required to maintain a maximum ratio of total liabilities to tangible net worth of no greater than 2.0 to 1.0 as of the end of any fiscal quarter. We are also required to maintain:

- as of the end of each fiscal quarter, a fixed charge coverage ratio (meaning as of any date of determination, the ratio, (a) the numerator of which is consolidated EBITDA (as defined in the Amended Credit Agreement) for the applicable measuring period ending on such date of determination, minus taxes paid in cash during such period, minus Tax Distributions made on a consolidated basis (other than the excluded entities) during such period, minus consolidated maintenance capital expenditures (other than the excluded entities) during such period, and (b) the denominator of which is the Fixed Charges (as defined in the Amended Credit Agreement), for such period) of at least 1.2 to 1.0; and

- as of the end of each fiscal quarter, a total leverage ratio (meaning as of any date of determination, the ratio of (a) Funded Debt (as defined in the Amended Credit Agreement) on a consolidated basis (other than the excluded entities) on such date to (b) the sum of (i) the EBITDA Credit (as defined in the Amended Credit Agreement) as of such date and (ii) consolidated EBITDA for the four preceding fiscal quarters then ending, all as determined on a consolidated basis in accordance with GAAP of not more than 3.0 to 1.0.

Consolidated EBITDA, as used in the Amended Credit Agreement, may be calculated differently than EBITDA or Adjusted EBITDA, as used in this prospectus.

The Amended Credit Agreement also contemplates that we would be in default if for any fiscal quarter, (a) the average monthly D3 RIN price (as determined in accordance with the Amended Credit Agreement) is less than $0.80 per RIN and (b) the consolidated EBITDA for such quarter is less than $6,000,000.

Our failure to comply with these covenants could result in the declaration of an event of default and cause us to be unable to borrow under the Amended Credit Agreement. In addition to preventing additional borrowings under the Amended Credit Agreement, an event of default, if not cured or waived, could result in the acceleration of the maturity of indebtedness outstanding under it which would require us to pay all amounts outstanding. If an event of default occurs, we may not be able to cure it within any applicable cure period, or at all. As of September 30, 2020, we were in compliance with all covenants. Certain of our debt agreements also contain subjective acceleration clauses based on a lender deeming that a "material adverse change" in our business has occurred. If these clauses are implicated, and the lender declares that an event of default has occurred, the outstanding indebtedness would likely be immediately due. If the maturity of our indebtedness is accelerated, we may not have sufficient funds available for repayment or we may not have the ability to borrow or obtain sufficient funds to replace the accelerated indebtedness on terms acceptable to us or at all.

Changes to and replacement of the LIBOR Benchmark Interest Rate may adversely affect our business, financial condition and results of operations.

Our Amended Credit Agreement and certain of our project loans are indexed to the London Interbank Offered Rate ("*LIBOR*") to calculate the loan interest rate. In 2017, the United Kingdom's Financial Conduct Authority ("*FCA*"), a regulator of financial services firms and financial markets in the United Kingdom, stated that it will plan for a phase out of regulatory oversight of LIBOR interest rate indices. The FCA has indicated that they will support the LIBOR indices through 2021 to allow for an orderly transition to alternative reference rates. However, this announcement indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. Consequently, at this time, it is not possible to predict whether and to what extent banks will continue to provide submissions for the calculation of LIBOR. Similarly, it is not possible to predict whether LIBOR will continue to be viewed as an acceptable market benchmark, what rate or rates may become accepted alternatives to LIBOR, or what the effect of any such changes in views or alternatives may be on the markets for LIBOR-indexed financial instruments. In June 2017, the Alternative Reference Rates Committee (the "*ARRC*") convened by the Federal Reserve Board and Federal Reserve Bank of New York announced the Secured Overnight Financing Rate ("*SOFR*") as its recommended alternative to LIBOR for USD obligations. However, because the SOFR is a broad U.S. Treasury repo financing rate that represents overnight secured funding transactions, it differs fundamentally from LIBOR.

Regulators, industry groups and certain committees (e.g., the ARRC) have published recommended fallback language for LIBOR-linked financial instruments, identified recommended alternatives for certain LIBOR rates (e.g., the SOFR as the recommended alternative to USD LIBOR), and proposed implementations of the recommended alternatives in floating rate instruments. However, at this time, it is not possible to predict whether these recommendations and proposals will be broadly accepted, whether they will continue to evolve and what the effect of their implementation may be on the markets for floating-rate financial instruments. The language in our LIBOR-based contracts and financial instruments has developed over time and may have various

events that trigger when a successor rate to the designated rate would be selected. If a trigger is satisfied, contracts and financial instruments may give the calculation agent discretion over the substitute index or indices for the calculation of interest rates to be selected. The implementation of a substitute index or indices for the calculation of interest rates under the Amended Credit Agreement and certain of our project loans may result in our incurring significant expenses in effecting the transition and could adversely affect our financial condition or results of operations.

We may be required to write-off or impair capitalized costs or intangible assets in the future or we may incur restructuring costs or other charges, each of which would harm our earnings.

In accordance with GAAP, we capitalize certain expenditures and advances relating to our acquisitions, pending acquisitions, project development costs, interest costs related to project financing and certain energy assets. In addition, we have considerable unamortized assets. In 2019, we recorded impairment charges of $0.9 million, $0.8 million and $0.8 million related to one digester joint venture, one RNG facility, and one Renewable Electricity facility, respectively. In 2018, we recorded impairment charges of $0.9 million related to two Renewable Electricity facilities. In addition, from time to time in future periods, we may be required to incur a charge against earnings in an amount equal to any unamortized capitalized expenditures and advances, net of any portion thereof that we estimate will be recoverable, through sale or otherwise, relating to: (i) any operation or other asset that is being sold, permanently shut down, impaired or has not generated or is not expected to generate sufficient cash flow; (ii) any pending acquisition that is not consummated; (iii) any project that is not expected to be successfully completed; and (iv) any goodwill or other intangible assets that are determined to be impaired. A material write-off or impairment change could adversely affect our ability to comply with the financial covenants under the Amended Credit Agreement, and otherwise adversely affect our business, financial condition and results of operations.

Our ability to use our U.S. net operating loss carryforwards to offset future taxable income may be subject to certain limitations.

As of December 31, 2019, we had U.S. federal net operating loss ("*NOL*") carryforwards of approximately $60.4 million, of which $42.9 million were incurred prior to the enactment of the U.S. Tax Cuts and Jobs Act of 2017 (the "*Tax Act*") and, therefore, can be carried forward for 20 years to fully offset taxable income in a future year, and of which $17.5 million were incurred in 2018 or later taxable years and, therefore, can generally be carried forward indefinitely to offset 80% of taxable income in a future year. The CARES Act temporarily lifts the 80% limitation, allowing us to use our NOLs to offset 100% of our taxable income for our 2018, 2019, and 2020 taxable years. Our NOL carryforwards incurred in 2017 or earlier taxable years expire between 2027 and 2037, while our NOL carryforwards incurred in 2018 or later taxable years survive indefinitely. Our ability to utilize our U.S. NOL carryforwards is dependent upon our ability to generate taxable income in future periods.

In addition, our U.S. NOL carryforwards and certain other tax attributes may be limited if we have experienced or experience an "ownership change" under Section 382 of the Internal Revenue Code of 1986, as amended (the "*Code*"), which generally occurs if one or more stockholders or groups of stockholders who own at least 5% of our shares increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling period that begins on the later of three years prior to the testing date and the date of the last ownership change. Similar rules may apply under state tax laws. Previous issuances and sales of MNK's ordinary shares, this offering of our common stock, and future issuances and sales of our common stock (including certain transactions involving our common stock that are outside of our control) could have caused or could cause an "ownership change." If an "ownership change" either had occurred or were to occur, Section 382 of the Code would impose an annual limit on the amount of pre-ownership change NOL carryforwards and other tax attributes we could use to reduce our taxable income, potentially increasing and accelerating our liability for income taxes, and also potentially causing certain tax attributes to expire unused. It is possible that such an ownership change could materially reduce our ability to use our U.S. NOL carryforwards or other tax attributes to offset taxable income, which could adversely affect our profitability.

Competition Risks

We may face intense competition and may not be able to successfully compete.

There are a number of other companies operating in the renewable energy and waste-to-energy markets. These include service or equipment providers, consultants, managers or investors.

We may not have the resources to compete with our existing competitors or with any new competitors, including in a competitive bidding process. Some of our competitors have significantly larger personnel, financial and managerial resources than we have, and we may fail to maintain or expand our business. Our competitors may also offer energy solutions at prices below cost, devote significant sales forces to competing with us or attempt to recruit our key personnel by increasing compensation, any of which could improve their competitive positions. Moreover, if the demand for renewable energy increases, new companies may enter the market, and the influx of added competition will pose an increased risk to us.

Further, certain of our strategic partners and other landfill operators could decide to manage, recover and convert biogas from waste to renewable energy on their own which would further increase our competition, limit the number of commercially viable landfill sites available for our projects or require us to reduce our profit margins to maintain or acquire projects.

Technological innovation may render us uncompetitive or our processes obsolete.

Our success will depend on our ability to create and maintain a competitive position in the renewable energy industry. We do not have any exclusive rights to any of the technologies that we utilize, and our competitors may currently use and may be planning to use identical, similar or superior technologies. In addition, the technologies that we use may be rendered obsolete or uneconomical by technological advances, more efficient and cost-effective processes or entirely different approaches developed by one or more of our competitors or others.

We may also face competition based on technological developments that reduce demand for electricity, increase power supplies through existing infrastructure or that otherwise compete with our projects. We also encounter competition in the form of potential customers electing to develop solutions or perform services internally rather than engaging an outside provider such as us.

We may not be able to obtain long-term contracts for the sale of power produced by our projects on favorable terms and we may not meet certain milestones and other performance criteria under existing PPAs.

Obtaining long-term contracts for the sale of power produced by our projects at prices and on other terms favorable to us is essential for the long term success of our business. We must compete for PPAs against other developers of renewable energy projects. This intense competition for PPAs has resulted in downward pressure on PPA pricing for newly contracted projects. The inability to compete successfully against other power producers or otherwise enter into PPAs favorable to us would negatively affect our ability to develop and finance our projects and negatively affect our revenues. In addition, the availability of PPAs depends on utility and corporate energy procurement practices that could evolve and shift allocation of market risks over time. In addition, PPA availability and terms are a function of a number of economic, regulatory, tax, and public policy factors, which are also subject to change.

Our PPAs typically require us to meet certain milestones and other performance criteria. Our failure to meet these milestones and other criteria, including minimum quantities, may result in price concessions, in which case we would lose any future cash flow from the relevant project and may be required to pay fees and penalties to our counterparty. We cannot assure you that we will be able to perform our obligations under such agreements or that we will have sufficient funds to pay any fees or penalties thereunder.

Cybersecurity and Information Technology Risks

A failure of our information technology ("IT") and data security infrastructure could adversely affect our business and operations.

We rely upon the capacity, reliability and security of our IT and data security infrastructure and our ability to expand and continually update this infrastructure in response to the changing needs of our business. Our existing IT systems and any new IT systems we may not perform as expected. We also face the challenge of supporting our older systems and implementing necessary upgrades. If we experience a problem with the functioning of an important IT system or a security breach of our IT systems, including during system upgrades or new system implementations, the resulting disruptions could adversely affect our business.

We and some of our third-party vendors receive and store personal information in connection with our human resources operations and other aspects of our business. Despite our implementation of reasonable security measures, our IT systems, like those of other companies, are vulnerable to damages from computer viruses, natural disasters, fire, power loss, telecommunications failures, personnel misconduct, human error, unauthorized access, physical or electronic security breaches, cyber-attacks (including malicious and destructive code, phishing attacks, ransomware, and denial of service attacks), and other similar disruptions. Such attacks or security breaches may be perpetrated by bad actors internally or externally (including computer hackers, persons involved with organized crime, or foreign state or foreign state-supported actors). Cybersecurity threat actors employ a wide variety of methods and techniques that are constantly evolving, increasingly sophisticated, and difficult to detect and successfully defend against. We have experienced such incidents in the past, and any future incidents could expose us to claims, litigation, regulatory or other governmental investigations, administrative fines and potential liability. Any system failure, accident or security breach could result in disruptions to our operations. A material network breach in the security of our IT systems could include the theft of our trade secrets, customer information, human resources information or other confidential data, including but not limited to personally identifiable information. Although past incidents have not had a material effect on our business operations or financial performance, to the extent that any disruptions or security breach results in a loss or damage to our data, or an inappropriate disclosure of confidential, proprietary or customer information, it could cause significant damage to our reputation, affect our relationships with our customers and strategic partners, lead to claims against us from governments and private plaintiffs, and ultimately harm our business. We cannot guarantee that future cyberattacks, if successful, will not have a material effect on our business or financial results.

Many governments have enacted laws requiring companies to provide notice of cyber incidents involving certain types of data, including personal data. If an actual or perceived cybersecurity breach or unauthorized access to our system or the systems of our third-party vendors, we may incur liability, costs, or damages, contract termination, our reputation may be compromised, our ability to attract new customers could be negatively affected, and our business, financial condition, and results of operations could be materially and adversely affected. Any compromise of our security could also result in a violation of applicable domestic and foreign security, privacy or data protection, consumer and other laws, regulatory or other governmental investigations, enforcement actions, and legal and financial exposure, including potential contractual liability. In addition, we may be required to incur significant costs to protect against and remediate damage caused by these disruptions or security breaches in the future.

We rely on the technology, infrastructure, and software applications of certain third parties in order to host or operate some of our business. Additionally, we rely on computer hardware purchased in order to operate our business. We do not have control over the operations of the facilities of the third parties that we use. If any of these third-party services experience errors, disruptions, security issues, or other performance deficiencies, if these services, software, or hardware fail or become unavailable due to extended outages, interruptions, defects, or otherwise, or if they are no longer available on commercially reasonable terms or prices (or at all), these issues could result in errors or defects in our platforms, cause our platforms to fail, our revenue and margins could decline, or our reputation and brand to be damaged, we could be exposed to legal or contractual liability, our

expenses could increase, our ability to manage our operations could be interrupted, and our processes for servicing our customers could be impaired until equivalent services or technology, if available, are identified, procured, and implemented, all of which may take significant time and resources, increase our costs, and could adversely affect our business. Many of these third-party providers attempt to impose limitations on their liability for such errors, disruptions, defects, performance deficiencies, or failures, and if enforceable, we may have additional liability to our customers or third-party providers. A failure to maintain our relationships with our third-party providers (or obtain adequate replacements), and to receive services from such providers that do not contain any material errors or defects, could adversely affect our ability to deliver effective products and solutions to our customers and adversely affect our business and results of operations.

Our business could be negatively affected by security threats, including cybersecurity threats and other disruptions.

As a renewable energy producer, we face various security threats, including among others, computer viruses, malware, telecommunication and electrical failures, cyber-attacks or cyber-intrusions over the internet, attachments to emails, persons with access to systems inside our organization, cybersecurity threats to gain unauthorized access to sensitive information or to expose, exfiltrate, alter, delete or render our data or systems unusable, threats to the security of our projects and infrastructure or third-party facilities and infrastructure, such as processing projects and pipelines, natural disasters, threats from terrorist acts and war.

Our implementation of various procedures and controls to monitor and mitigate these security threats, and to increase security for our information projects and infrastructure, may result in increased capital and operating costs. Moreover, there can be no assurance that such procedures and controls will be sufficient to prevent security breaches from occurring. If any of these security breaches were to occur, they could lead to the loss of sensitive information, critical infrastructure or capabilities essential to our operations, and could adversely affect our reputation, financial position, results of operations or cash flows. Cybersecurity attacks, in particular, are becoming more sophisticated and include, but are not limited to, malicious software, attempts to gain unauthorized access to data and systems and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information, and corruption of data. These events could lead to financial losses from remedial actions, loss of business or potential liability.

Emerging Growth Company Risks

For as long as we are an emerging growth company, we will not be required to comply with certain requirements that apply to other public companies.

We are an emerging growth company, as defined in the JOBS Act. For as long as we are an emerging growth company, which may be up to five full fiscal years, we, unlike other public companies, will not be required to, among other things: (i) provide an auditor's attestation report on management's assessment of the effectiveness of our system of internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act; (ii) comply with any new requirements adopted by the PCAOB requiring mandatory audit firm rotation or a supplement to the auditor's report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer; (iii) provide certain disclosures regarding executive compensation required of larger public companies; or (iv) hold nonbinding advisory votes on executive compensation and any golden-parachute payments not previously approved. In addition, the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended (the "*Securities Act*"), for adopting new or revised financial accounting standards. We intend to take advantage of the longer phase-in periods for the adoption of new or revised financial accounting standards permitted under the JOBS Act until we are no longer an emerging growth company. If we were to subsequently elect instead to comply with these public company effective dates, such election would be irrevocable pursuant to the JOBS Act.

We will remain an emerging growth company for up to five years, although we will lose that status sooner if we have more than $1.07 billion of revenues in a fiscal year, have more than $700.0 million in market

value of our common stock held by non-affiliates, or issue more than $1.0 billion of non-convertible debt over a three-year period.

For so long as we rely on any of the exemptions available to emerging growth companies, you will receive less information about our executive compensation and internal control over financial reporting than issuers that are not emerging growth companies. We cannot predict whether investors will find our common stock less attractive because we will rely on these exemptions. If some investors find our common stock to be less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

We have identified a material weakness in our internal control over financial reporting. If we are unable to remediate this material weakness, or if we identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect our business.

During the preparation of our interim financial statements in connection with this offering, we and our independent public accounting firm identified a material weakness in internal control over financial reporting. The material weakness related to inadequate procedures and controls with respect to complete and accurate recording of inputs to the consolidated income tax provision and related accruals.

The identified control deficiency could result in a misstatement of our accounts or disclosures that would result in a material misstatement of our annual or interim consolidated financial statements that would not be prevented or detected, and accordingly, we determined that these control deficiencies constitute material weaknesses.

The material weakness also resulted in adjustments to deferred tax assets, income tax payable, member's equity and income tax expense (benefit) in our consolidated financial statements as of and for the nine months ended September 30, 2020 and 2019, which were recorded prior to their issuance.

Prior to the completion of this offering, we were not required to implement internal controls over financial reporting similar to those required by Sections 302 and 404 of the Sarbanes-Oxley Act. We are in the process of implementing measures designed to improve our internal control over financial reporting and remediate the control deficiencies that led to the material weaknesses, including increasing review of our tax calculations by external specialists and initiating design and implementation of our financial control environment which includes creation of additional controls including those designed to strengthen our review processes around preparation of the tax provision.

As a public company, we will be required to comply with the SEC's rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of controls over financial reporting. As an emerging growth company, our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal controls over financial reporting pursuant to Section 404 until the date we are no longer an emerging growth company. At such time, our independent registered public accounting firm may issue a report that is adverse in the event that it is not satisfied with the level at which our controls are documented, designed or operating.

To comply with the requirements of being a public company, we may need to undertake various actions, such as implementing additional internal controls and procedures and hiring additional accounting or internal audit staff. Testing and maintaining internal controls can divert our management's attention from other matters that are important to the operation of our business. If we identify material weaknesses in our internal controls over financial reporting or are unable to comply with the requirements of Section 404 or assert that our internal controls over financial reporting are effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal controls over financial reporting, investors may lose

confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected. In addition, we could become subject to investigations by the SEC or other regulatory authorities, which could require additional financial and management resources.

Common Stock Risks

Our stock price may be volatile, and the value of our common stock may decline.

The market price of our common stock may be highly volatile and may fluctuate or decline substantially as a result of a variety of factors, some of which are beyond our control, including:

- actual or anticipated fluctuations in our operating results due to factors related to our businesses;
- success or failure of our business strategies;
- our quarterly or annual earnings or those of other companies in our industries;
- our ability to obtain financing as needed;
- announcements by us or our competitors of significant acquisitions or dispositions;
- changes in accounting standards, policies, guidance, interpretations or principles;
- the failure of securities analysts to cover our common stock;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- the operating and stock price performance of other comparable companies;
- investor perception of our company;
- overall market fluctuations;
- results from any material litigation or government investigation;
- changes in senior management or key personnel;
- changes in laws and regulations (including energy, environmental and tax laws and regulations) affecting our business;
- natural disasters and weather conditions disrupting our business operations;
- the trading volume of our common stock;
- changes in capital gains taxes and taxes on dividends affecting stockholders; and
- changes in the anticipated future growth rate of our business.

Broad market and industry fluctuations, as well as general economic, political, regulatory and market conditions, may also adversely affect the market price of our common stock, particularly in light of uncertainties surrounding the ongoing COVID-19 pandemic and the related impacts.

No public market for our common stock currently exists in the United States, and an active public trading market may not develop or be sustained following this offering.

No public market for our common stock currently exists in the United States. An active public trading market for our common stock may not develop following the completion of this offering or, if developed, may not be sustained. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. The lack of an active market may also reduce the fair value of your shares. An inactive market may also impair our ability to raise capital to continue to fund operations by selling shares and may impair our ability to acquire other companies by using our shares as consideration.

Our shares of common stock may trade on more than one market and this may result in price variations.

We expect that our common stock will have a secondary listing on the JSE. Trading in our common stock will take place in USD on Nasdaq and ZAR on the JSE, and at different times, resulting from different time

zones, trading days and public holidays in the United States and South Africa. The trading prices of our common stock on these two markets may differ due to these and other factors. Any decrease in the price of our common stock on the JSE could cause a corresponding decrease in the trading price of the common stock on Nasdaq.

Future sales of our common stock in the public market could cause the market price of our common stock to decline.

Sales of a substantial number of shares of our common stock in the public market following the completion of this offering, or the perception that these sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. Many of our existing equity holders have substantial unrecognized gains on the value of the equity they hold based upon the price of this offering, and therefore they may take steps to sell their shares or otherwise secure the unrecognized gains on those shares. We are unable to predict the timing of or the effect that such sales may have on the prevailing market price of our common stock.

All of our directors and officers and certain stockholders will be subject to lock-up agreements that restrict their ability to transfer shares of our capital stock for 180 days from the date of this prospectus, subject to certain exceptions. Roth Capital Partners, LLC may, in its sole discretion, permit our stockholders who are subject to these lock-up agreements to sell shares prior to the expiration of the lock-up agreements, subject to applicable notice requirements. If not earlier released, all of the shares of common stock sold in this offering will become eligible for sale upon expiration of the 180-day lock-up period, except for any shares held by our affiliates as defined in Rule 144 under the Securities Act.

In addition, there were 2,580,647 shares of MNK common stock issuable upon the exercise of outstanding stock options as of September 30, 2020 which will be cancelled in connection with the Reorganization Transactions. We intend to register shares under the Securities Act issuable pursuant to the terms of an equity incentive plan for awards to be granted in the future.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our share price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that securities or industry analysts publish about us. Securities and industry analysts do not currently, and may never, publish research focused on us. If no securities or industry analysts commence coverage of us, the price and trading volume of our common stock likely would be adversely affected. If securities or industry analysts initiate coverage and one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our company, our common stock share price would likely decline. If analysts publish target prices for our common stock that are below the historical sales prices for the ordinary shares of MNK on the JSE or the then-current public price of our common stock, it could cause our stock price to decline significantly. Further, if one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our common stock could decrease, which might cause our common stock price and trading volume to decline.

We are a "controlled company" within the meaning of the Nasdaq rules and, as a result, qualify for, and intend to rely on, exemptions and relief from certain governance requirements.

After the Reorganization Transactions and prior to the completion of the offering, the parties to the Consortium Agreement will beneficially own, in the aggregate, approximately 54.2% of our common stock and, after completion of this offering, they will beneficially own, in the aggregate, approximately % of our common stock (or % if the underwriter exercises in full its option to purchase additional shares of our common stock). These stockholders have informed us that they intend to enter into the Consortium Agreement whereby the parties thereto will agree to act in concert with respect to voting our common stock, including in the election of

directors, among other matters. See "Certain Relationships and Related Person Transactions—Consortium Agreement" for a complete description of the Consortium Agreement. As a result, we will continue to be a "controlled company" within the meaning of the Nasdaq corporate governance standards. Under these corporate governance standards, a company of which more than 50% of the voting power in the election of directors is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain corporate governance requirements. For example, controlled companies are not required to have:

- a board that is composed of a majority of "independent directors," as defined under the Nasdaq rules;
- a compensation committee that is composed entirely of independent directors; and
- director nominations that are made, or recommended to the full board of directors, by its independent directors, or by a nominations/governance committee that is composed entirely of independent directors.

The concentration of our capital stock ownership may limit our stockholders' ability to influence corporate matters and may involve other risks.

As a result of the Consortium Agreement, certain of our stockholders will control matters requiring stockholder approval, including the election of our directors and approval of significant corporate transactions. This concentration of ownership may also have the effect of delaying or preventing a change in control of us that may be otherwise viewed as beneficial by stockholders other than management. Accordingly, other stockholders may not have any influence over significant corporate transactions and other corporate matters. There is also a risk that certain controlling stockholders may have interests which are different from other stockholders and that they will pursue an agenda which is beneficial to themselves at the expense of other stockholders.

You will incur immediate and substantial dilution in your investment because our earlier investors paid less than the initial public offering price when they purchased their shares.

If you purchase shares in this offering, you will incur immediate dilution of $ in net tangible book value per share (or $ if the underwriter exercises its option to purchase additional shares in full), based on an assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus) because the price that you pay will be greater than the net tangible book value per share of the shares acquired. This dilution arises because our earlier investors paid less than the initial public offering price when they purchased their shares of our common stock. See "Dilution."

Provisions of our Amended and Restated Certificate of Incorporation, Amended and Restated Bylaws, and Delaware law may prevent or delay an acquisition of us, which could decrease the trading price of our common stock.

In connection with this offering, we will adopt an Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, which together with applicable Delaware law, may discourage, delay or prevent a merger or acquisition that our stockholders consider favorable. These provisions may discourage, delay or prevent certain types of transactions involving an actual or a threatened acquisition or change in control of us, including unsolicited takeover attempts, even though the transaction may offer our stockholders the opportunity to sell their common stock at a price above the prevailing market price. See "Description of Capital Stock—Anti-takeover Effects of Certain Provisions of Our Amended and Restated Certificate of Incorporation, Amended and Restated Bylaws and Delaware Law" for more information.

Our Amended and Restated Certificate of Incorporation will provide that, unless we determine otherwise, the Court of Chancery of the State of Delaware and the U.S. federal district courts will be the sole and exclusive forums for certain litigation matters, which could discourage stockholder lawsuits or limit our stockholders' ability to bring a claim in any judicial forum that they find favorable for disputes with us or our officers and directors.

Pursuant to our Amended and Restated Certificate of Incorporation, unless we consent in writing to an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware) will be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of us, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law ("*DGCL*"), our Amended and Restated Certificate of Incorporation, or our Amended and Restated Bylaws, or (iv) any action asserting a claim governed by the internal affairs doctrine. We refer to this provision in our Amended and Restated Certificate of Incorporation as the Delaware Forum Provision. The Delaware Forum Provision will not apply to any causes of action arising under the Securities Act or the Exchange Act. Furthermore, unless we consent in writing to the selection of an alternative forum, the U.S. federal district courts will be, to the fullest extent permitted by law, the sole and exclusive forum for any action asserting a claim arising under the Securities Act. We refer to this provision in our Amended and Restated Certificate of Incorporation as the Federal Forum Provision. Any person or entity purchasing or otherwise acquiring an interest in any of our securities shall be deemed to have notice of and to have consented to the Delaware Forum Provision and the Federal Forum Provision, provided, however, that such security holders cannot and will not be deemed to have waived compliance with the U.S. federal securities laws and the rules and regulations thereunder.

The Delaware Forum Provision and the Federal Forum Provision may impose additional litigation costs on security holders in pursuing any such claims to the extent the provisions require the security holders to litigate in a particular or different forum. Additionally, these forum selection clauses may limit our stockholders' ability to bring a claim in a judicial forum that they find favorable for disputes with us or our directors, officers or employees, which may discourage the filing of lawsuits against us and our directors, officers and employees, even though an action, if successful, might benefit our stockholders or us. The Court of Chancery of the State of Delaware and the federal district courts, as applicable, may reach a different judgment or result than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to our stockholders. In addition, while the Delaware Supreme Court ruled in March 2020 that federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court are "facially valid" under Delaware law, there is uncertainty as to whether other courts will enforce our Federal Forum Provision. The Federal Forum Provision may impose additional litigation costs on stockholders who assert that the provision is not enforceable or invalid. If the Federal Forum Provision is found to be unenforceable, we may incur additional costs associated with resolving such matters.

Certain of our directors reside outside of the United States and it may be difficult to enforce judgments against them in the United States.

Two of our directors, all of our executive officers and all of our operating assets reside in the United States. Certain of our directors, including John A. Copelyn, Theventheran (Kevin) G. Govender and Mohamed H. Ahmed are residents of South Africa. Another director, Michael A. Jacobson, is a resident of Australia. As a result, it may not be possible for you to effect service of legal process, within the United States or elsewhere, upon certain of our directors, including matters arising under U.S. federal securities laws. This may make it difficult or impossible to bring an action against these individuals in the United States in the event that a person believes that their rights have been violated under applicable law or otherwise. Even if an action of this type is successfully brought, the laws of the United States and of South Africa or Australia may render a judgment unenforceable.

General Risk Factors

Our issuance of additional capital stock in connection with financings, acquisitions, investments, our equity incentive plans or otherwise will dilute stockholders.

We expect to issue additional capital stock in the future that will result in dilution to stockholders. We expect to grant equity awards to employees, directors and consultants under our equity incentive plans. We may also raise capital through equity financings in the future. As part of our business strategy, we may acquire or make investments in companies and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per share value of our common stock to decline.

We will have broad discretion in the use of the net proceeds to us from this offering and may not use them effectively.

We will have broad discretion in the application of the net proceeds that we receive from this offering, including for any of the purposes described in the section titled "Use of Proceeds," and you will not have the opportunity as part of your investment decision to assess whether the net proceeds are being used appropriately. Because of the number and variability of factors that will determine our use of the net proceeds that we receive from this offering, our ultimate use may vary substantially from our currently intended use. Investors will need to rely upon the judgment of our management with respect to the use of such proceeds. Pending use, we may invest the net proceeds that we receive from this offering in short-term, investment-grade, interest-bearing securities, such as money market accounts, certificates of deposit, commercial paper, and guaranteed obligations of the U.S. government that may not generate a high yield for our stockholders. If we do not use the net proceeds that we receive in this offering effectively, our business, financial condition and results of operations could be harmed, and the market price of our common stock could decline.

We are highly dependent on our senior management team and other highly skilled personnel, and if we are not successful in attracting or retaining highly qualified personnel, we may not be able to successfully implement our business strategy.

Our success depends, in significant part, on the continued services of our senior management team and on our ability to attract, motivate, develop and retain a sufficient number of other highly skilled personnel, including engineering, design, finance, marketing, sales and support personnel. Our senior management team has extensive experience in the renewable energy industry, and we believe that their depth of experience is instrumental to our continued success. The loss of any one or more members of our senior management team, for any reason, including resignation or retirement, could impair our ability to execute our business strategy and adversely affect our business, financial condition and results of operations.

Competition for qualified highly skilled personnel can be strong, and we cannot assure you that we will be successful in attracting or retaining such personnel now or in the future. Any inability to recruit, develop and retain qualified employees may result in high employee turnover and may force us to pay significantly higher wages, which may harm our profitability. Additionally, we do not carry key personnel insurance for any of our management executives, and the loss of any key employee or our inability to recruit, develop and retain these individuals as needed, could adversely affect our business, financial condition and results of operations.

Our ability to pay regular dividends on our common stock is subject to the discretion of our Board of Directors.

Our common stock will have no contractual or other legal right to dividends. The payment of future dividends on our common stock will be at the discretion of our Board of Directors and will depend on, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends and other considerations that our Board of Directors deems relevant. Accordingly, we may not make, or may have to reduce or eliminate, the payment of dividends on our common stock, which could adversely affect the market price of our common stock. See "Dividend Policy."

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains "forward-looking statements" that involve substantial risks and uncertainties. All statements other than statements of historical or current fact included in this prospectus are forward-looking statements. Forward-looking statements refer to our current expectations and projections relating to our financial condition, results of operations, plans, objectives, strategies, future performance, and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "anticipate," "assume," "believe," "can have," "contemplate," "continue," "could," "design," "due," "estimate," "expect," "forecast," "goal," "intend," "likely," "may," "might," "objective," "plan," "predict," "project," "potential," "seek," "should," "target," "will," "would," and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operational performance or other events. For example, all statements we make relating to our estimated and projected costs, expenditures, and growth rates, our plans and objectives for future operations, growth, or initiatives, or strategies are forward-looking statements. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expect and, therefore, you should not unduly rely on such statements. The risks and uncertainties that could cause those actual results to differ materially from those expressed or implied by these forward-looking statements include but are not limited to:

- the impact of the ongoing COVID-19 pandemic on our business, financial condition and results of operations;
- our ability to develop and operate new renewable energy projects, including with livestock farms;
- reduction or elimination of government economic incentives to the renewable energy market;
- delays in acquisition, financing, construction and development of new projects, including expansion plans into new areas such as dairy;
- the length of development cycles for new projects, including the design and construction processes for our renewable energy projects;
- dependence on third parties for the manufacture of products and services;
- identifying suitable locations for new projects;
- reliance on interconnections to distribution and transmission products for our Renewable Natural Gas and Renewable Electricity Generation segments;
- our projects not producing expected levels of output;
- concentration of revenues from a small number of customers and projects;
- dependence on our landfill operators;
- our outstanding indebtedness and restrictions under our credit facility;
- our ability to extend our fuel supply agreements prior to expiration;
- our ability to meet milestone requirements under our PPAs;
- existing regulation and changes to regulations and policies that effect our operations;
- decline in public acceptance and support of renewable energy development and projects;
- our expectations regarding the period during which we qualify as an emerging growth company under the JOBS Act;
- market volatility and fluctuations in commodity prices and the market prices of Environmental Attributes;
- profitability of our planned livestock farm projects;

- sustained demand for renewable energy;
- security threats, including cyber-security attacks;
- the need to obtain and maintain regulatory permits, approvals and consents;
- potential liabilities from contamination and environmental conditions;
- potential exposure to costs and liabilities due to extensive environmental, health and safety laws;
- impacts of climate change, changing weather patterns and conditions, and natural disasters;
- failure of our information technology and data security systems;
- increased competition in our markets;
- continuing to keep up with technology innovations;
- an active trading market for our common stock may not develop;
- our belief that we are taking the appropriate measures to remediate the material weakness identified in our internal control over financial reporting;
- concentrated stock ownership by a few stockholders and related control over the outcome of all matters subject to a stockholder vote; and
- the other risks and uncertainties detailed in the section titled "Risk Factors."

We make many of our forward-looking statements based on our operating budgets and forecasts, which are based upon detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results.

See the "Risk Factors" section and elsewhere in this prospectus for a more complete discussion of the risks and uncertainties mentioned above and for discussion of other risks and uncertainties we face that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. All forward-looking statements attributable to us are expressly qualified in their entirety by these cautionary statements as well as others made in this prospectus and hereafter in our other SEC filings and public communications. You should evaluate all forward-looking statements made by us in the context of these risks and uncertainties.

We caution you that the risks and uncertainties identified by us may not be all of the factors that are important to you. Furthermore, the forward-looking statements included in this prospectus are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events, or otherwise, except as required by law.

THE REORGANIZATION TRANSACTIONS

Existing Organizational Structure

Prior to the completion of this offering, MNK is a holding company that is the ultimate parent of various subsidiaries, including Montauk USA and MEH and its subsidiaries, through which its business is operated.

The Reorganization Transactions

MNK is a holding company whose ordinary shares are currently traded on the JSE under the symbol "MNK." MNK's sole asset consists of our business. Our operations, however, have always been and remain based in the United States. We are pursuing the Reorganization Transactions and this offering to raise the profile of our operations in the United States by obtaining a primary listing on a stock exchange in the country where our core operations are located. In particular, the market for RNG generated from landfill methane, which generation comprises our primary business, is not currently well-developed in South Africa for various reasons, most notably quality constraints in respect of existing landfill sites. The lack of public and market awareness in South Africa regarding this sector diminishes MNK's ability to raise capital in South Africa. We believe that access to a liquid and informed U.S. equity market will be of great benefit to our operations as a potential future source of funding for growth, including through acquisitions, new developments, and redevelopments of existing sites.

Montauk, the issuer of the common stock offered hereby, is a newly formed holding company that will participate in a series of Reorganization Transactions with MNK and its subsidiaries immediately prior to the completion of this offering. Montauk had no operations or assets prior to the Reorganization Transactions.

Montauk USA owns 100% of the shares of MEH. Prior to this offering, MNK's business and operations were conducted entirely through MEH and its subsidiaries, and MNK held no assets other than equity of its subsidiaries.

Immediately prior to the completion of this offering, MNK and its subsidiaries will be reorganized through a series of transactions that will result in Montauk owning all of the assets and entities through which MNK's business and operations are conducted. The key steps involved in this reorganization include:

- Montauk USA will transfer to Montauk all of the issued and outstanding equity of MEH (and any other assets and liabilities of Montauk USA) in exchange for all of the outstanding shares of Montauk common stock. Subsequently, Montauk USA will be the sole stockholder of Montauk and MEH will be a wholly owned subsidiary of Montauk.

- Montauk USA will distribute all of the shares of Montauk common stock to Montauk USA's sole equity holder, MNK, and elect to be disregarded for U.S. tax purposes. Subsequently, Montauk will be a direct wholly owned subsidiary of MNK and Montauk USA will cease to own any assets.
- MNK will distribute all of the outstanding shares of Montauk common stock as a pro rata dividend to holders of MNK's ordinary shares (the "*Distribution*"), subject to any tax withholding obligations under applicable South African law. Each ordinary share of MNK outstanding as of , New York City time, on , 20 , the record date for the Distribution (the "*Record Date*"), will entitle the holder thereof to receive shares of Montauk common stock. The Transaction Implementation Agreement with MNK will govern the Distribution, the allocation of assets and liabilities between MNK and Montauk, and Montauk's relationship with MNK following the Reorganization Transactions. See "Certain Relationships and Related Party Transactions—Relationship with MNK—Transaction Implementation Agreement."
- Following the Distribution, MNK and Montauk USA will be liquidated.

We refer to these transactions collectively as the "*Reorganization Transactions*." All of the Reorganization Transactions are contingent upon one another, and all material approvals and actions required to execute each of the Reorganization Transactions will have been obtained or taken, as appropriate, prior to the commencement of this offering. This offering will not be consummated unless each of the Reorganization Transactions is completed.

Following the Reorganization Transactions, but immediately prior to the consummation of this offering, MNK and holders of MNK's ordinary shares will hold 100% of the outstanding shares of our common stock. Immediately following the consummation of this offering, MNK and holders of MNK's ordinary shares will hold approximately % of the outstanding shares of our common stock, or approximately % if the underwriter exercises its option to purchase additional shares in full.

After the Reorganization Transactions and this offering, (i) Montauk USA will not own any assets and (ii) all entities through which MNK's business and operations are currently conducted will be owned, directly or indirectly, by Montauk. Additionally, MNK will adopt a plan contemporaneously with the completion of the Reorganization Transactions that will authorize the liquidation and dissolution of MNK. As a result, we expect that MNK will be delisted from the JSE and liquidated subsequent to the consummation of this offering. Accordingly, MNK's business is the business in which you are investing if you buy shares of common stock in this offering.

Following the Reorganization Transactions and this offering, Montauk will be the parent holding company of MEH and its subsidiaries as shown below:

We will provide further information regarding the Reorganization Transactions in subsequent amendments to this registration statement of which this prospectus forms a part and prior to the completion of this offering.

USE OF PROCEEDS

We estimate that the net proceeds to us from this offering, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately $ million, or approximately $ million if the underwriter exercises in full its option to purchase additional shares, based on an assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus).

We intend to use the net proceeds that we receive in this offering to fund the identification of, and diligence activities with respect to, potential new projects, which include evaluating new project sites, project conversions and strategic acquisitions. The timing of our use of the net proceeds received in this offering may vary significantly depending on numerous factors. While we have no current agreements, commitments or understandings for any specific use of the net proceeds at this time, we continue to actively consider potential opportunities.

We will not receive any proceeds from the sale of shares of our common stock by the selling stockholder.

Assuming no exercise of the underwriter's option to purchase additional shares, each $1.00 increase (decrease) in the assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus) would increase (decrease) the net proceeds to us from this offering by $ million, assuming the number of shares offered by us, as set forth on the cover of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated expenses payable by us. Similarly, an increase (decrease) of one million shares of common stock sold in this offering by us would increase (decrease) our net proceeds by $, assuming the initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus), remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

The foregoing represents our current intentions with respect to the use and allocation of the net proceeds of this offering based upon our present plans and business condition, but our management will have significant flexibility and discretion in applying the net proceeds. The occurrence of unforeseen events or changed business conditions could result in application of the net proceeds of this offering in a manner other than as described in this prospectus.

DIVIDEND POLICY

We declared dividends of $7.6 million and $4.1 million in May 2018 and October 2018, respectively. We did not declare any cash dividends in 2019. Any future determination as to the declaration and payment of dividends, if any, will be at the discretion of our Board of Directors, subject to compliance with contractual restrictions and covenants in the agreements governing our current and future indebtedness. Any such determination will also depend upon our business prospects, results of operations, financial condition, cash requirements and availability, and other factors that our Board of Directors may deem relevant.

Because we are a holding company and have no direct operations, we will only be able to pay dividends from our available cash on hand and any funds we receive from our subsidiaries. In addition, under Delaware law, our Board of Directors may declare dividends only to the extent of our surplus (which is defined as total assets at fair market value minus total liabilities, minus statutory capital) or, if there is no surplus, out of our net profits for the then current or immediately preceding fiscal year.

Accordingly, you may need to sell your shares of our common stock to realize a return on your investment, and you may not be able to sell your shares at or above the price you paid for them. See “Risk Factors—General Risk Factors—Our ability to pay regular dividends on our common stock is subject to the discretion of our Board of Directors.”

CAPITALIZATION

The following table sets forth our cash and cash equivalents and our capitalization as of September 30, 2020:

- on an actual basis;
- on a pro forma basis to give effect to the Reorganization Transactions as if such transactions had occurred on September 30, 2020; and
- on a pro forma as adjusted basis to give effect to (i) the pro forma adjustments set forth above; (ii) our receipt of the estimated net proceeds from the sale of common stock by us in the offering, after deducting the underwriting discounts and commissions and estimated fees and expenses payable by us, based on an assumed initial public offering price of $ per share (the midpoint of the range appearing on the cover page of this prospectus); and (iii) the application of the net proceeds of this offering, as described in "Use of Proceeds."

You should read this information in conjunction with "Use of Proceeds," "Selected Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the consolidated financial statements and related notes included elsewhere in this prospectus.

	As of September 30, 2020		
	Actual (1)	Pro Forma	Pro Forma as Adjusted (2)
	(in thousands, except per share data)		
Cash and cash equivalents	$ 19,537	$	$
Debt:			
Term Loans	32,500		
Revolving Credit Facility	36,698		
Total debt	69,198		
Member's equity:			
Common stock, $0.01 par value: 1,000 shares authorized, 10 shares issued and outstanding, actual; shares authorized, shares issued and outstanding, pro forma; shares authorized, shares issued and outstanding, pro forma as adjusted	—		
Additional paid-in capital	—		
Accumulated deficit	—		
Accumulated other comprehensive loss	—		
Total Member's equity	156,867		
Total capitalization	$224,345	$	$

(1) Reflects historical consolidated financial data of Montauk USA derived from Montauk USA's unaudited consolidated financial statements included elsewhere in this prospectus.

(2) Each $1.00 increase or decrease in the public offering price per share would increase or decrease, as applicable, our net proceeds, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, by $ million (assuming no exercise of the underwriter's option to purchase additional shares). Similarly, an increase or decrease of one million shares of common stock sold in this offering by us would increase or decrease, as applicable, our net proceeds, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, by $, based on an assumed initial public offering price of $ per share, which is the midpoint of the estimated public offering price range set forth on the cover page of this prospectus.

DILUTION

If you invest in our common stock in this offering, your ownership interest will be immediately diluted to the extent of the difference between the offering price per share and the pro forma as adjusted net tangible book value per share after this offering. Historical net tangible book value per share represents the amount of our total tangible assets less total liabilities, divided by the number of shares of common stock outstanding. Dilution in pro forma net tangible book value per share represents the difference between the amount per share paid by purchasers of our common stock in this offering and the pro forma as adjusted net tangible book value per share of common stock immediately after the consummation of this offering.

Our historical net tangible book value as of September 30, 2020 was $ million, or $ per share. Our pro forma net tangible book value as of September 30, 2020 was approximately $ million, or $ per share.

After giving effect to the sale of shares of common stock in this offering at the assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus), less the underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of September 30, 2020 would have been approximately $, or approximately $ per share. This represents an immediate increase in net tangible book value of $ per share to existing stockholders and an immediate dilution in net tangible book value of $ per share to new investors of common stock in this offering. The following table illustrates this per share dilution:

Assumed initial public offering price per share	$	$
Historical net tangible book value per share as of September 30, 2020		
Pro forma net tangible book value per share as of September 30, 2020		
Increase in pro forma net tangible book value per share attributable to new investors in this offering		
Pro forma net tangible book value per share immediately after this offering		
Dilution per share to new investors in this offering	$	$

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus), would increase (decrease) our as adjusted net tangible book value, after this offering by $ million, or $ per share and the dilution per share to new investors by $, in each case assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriter were to fully exercise its option to purchase additional shares of our common stock, including pursuant to the underwriter warrants, our pro forma net tangible book value would be $ per share. This represents a decrease in pro forma as adjusted net tangible book value of $ per share to our existing investors and an immediate dilution of $ per share to new investors.

A one million share increase (decrease) in the number of shares offered by us would increase (decrease) our as adjusted net tangible book value by approximately $ million, or $ per share, and the dilution per share to new investors by approximately $, in each case assuming the initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, remains the same, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

The following table summarizes, on an as adjusted basis as of September 30, 2020, after giving effect to this offering, the total number of shares of common stock purchased from us, the total cash consideration paid to

us, or to be paid, and the average price per share paid, or to be paid, by new investors purchasing shares in this offering, at an assumed initial public offering price of $ per share, which is the midpoint of the estimated public offering price range set forth on the cover page of this prospectus, before deducting the estimated underwriting discounts and commissions:

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders		%	$	%	$
New investors					
Total		100%	$	100%	$

If the underwriter were to fully exercise its option to purchase additional shares of our common stock, the percentage of shares of our common stock held by existing investors would be %, and the percentage of shares of our common stock held by new investors would be %.

Sales of shares of our common stock by the selling stockholder in this offering will reduce the number of shares held by the existing stockholders to , or approximately % of the total shares of common stock outstanding after this offering (or approximately % of the total shares of common stock outstanding after this offering, if the underwriter exercises its option to purchase additional shares in full) and will increase the number of shares held by new investors to , or approximately % of the total shares of common stock outstanding after this offering (or shares, or approximately % of the total shares of common stock outstanding after this offering, if the underwriter exercises its option to purchase additional shares in full).

The foregoing tables and calculations exclude shares of our common stock, reserved for future issuance under the Equity Plan as of the date hereof, which will be effective upon the completion of this offering. To the extent equity awards are granted and exercised, there will be further dilution to new investors.

The above discussion and tables are based on the number of shares outstanding at , after giving effect to the Reorganization Transactions. In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised through the sale of equity or convertible debt securities, the issuance of such securities could result in further dilution to our stockholders.

SELECTED CONSOLIDATED FINANCIAL DATA

The following tables set forth a summary of the historical consolidated financial data of Montauk USA for the years ended December 31, 2019 and 2018 and the nine months ended September 30, 2020 and 2019. The consolidated financial statements of Montauk USA, our predecessor for accounting purposes, will be our historical financial statements following this offering. The historical summary consolidated financial data set forth in the following tables for the years ended December 31, 2019 and 2018 and the nine months ended September 30, 2020 and 2019 have been derived from Montauk USA's consolidated financial statements included elsewhere in this prospectus. You should read this data together with Montauk USA's financial statements and the related notes appearing elsewhere in this prospectus and the information included under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations." Montauk USA's historical results are not necessarily indicative of our future results.

Statement of Operations Data:

	Year ended December 31,		Nine months ended September 30,	
	2019	2018	2020	2019
	(in thousands, except per share data)			
Total revenues	$ 107,383	$ 116,433	$ 75,559	$ 83,703
Operating expenses				
Operating and maintenance expenses	39,783	29,073	30,884	30,306
General and administrative expenses	13,632	11,953	11,336	10,593
Royalties, transportation, gathering and production fuel expenses	20,558	22,359	14,769	16,197
Depreciation and amortization	19,760	16,195	16,120	14,754
Impairment loss	2,443	854	278	1,550
Gains on insurance proceeds	—	—	(3,444)	—
Transaction costs	202	176	—	202
Total operating expenses	$ 96,378	$ 80,610	$ 69,943	$ 73,602
Operating profit	**$ 11,005**	**$ 35,823**	**$ 5,616**	**$ 10,101**
Other expenses (income):				
Interest expense	$ 5,576	$ 3,083	$ 3,510	$ 5,293
Equity loss (gain) of nonconsolidated investments	(94)	224	—	(94)
Net loss (gain) on sale of assets	10	(266)	—	10
Other expense (income)	47	(3,781)	250	(17)
Total other expenses (income)	$ 5,539	$ (740)	$ 3,760	$ 5,192
Income tax expense (benefit)	(354)	7,796	(291)	(539)
Net income	$ 5,820	$ 28,767	$ 2,147	$ 5,448
Pro forma basic earnings (loss) per share	$	$	$	$
Pro forma diluted earnings (loss) per share	$	$	$	$
Dividends per share	$	$	$	$

Balance Sheet Data:

	As of December 31,		As of September 30,	
	2019	2018	2020	2019
	(in thousands)			
Cash and cash equivalents	$ 9,788	$ 54,032	$ 19,537	$ 9,788
Working capital (deficit)	(154)	34,790	6,537	(8,661)
Property, plant and equipment—net	193,498	168,418	189,957	187,868
Total assets	243,613	261,732	251,527	230,809
Long-term debt	57,256	74,649	58,656	43,577
Member's equity	154,257	147,941	156,867	154,050

Non-GAAP measures:

	Year ended on December 31,		Nine months ended September 30,	
	2019	2018	2020	2019
	(in thousands)			
EBITDA (1)	$30,802	$55,841	$21,486	$24,956
Adjusted EBITDA (1)	$33,615	$56,921	$21,376	$27,038

(1) See "Summary Consolidated Financial Data" for a reconciliation of Montauk USA's income from continuing operations to EBITDA and Adjusted EBITDA for the periods presented.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and the related notes to those statements included elsewhere in this prospectus. The historical consolidated financial data discussed below reflects the historical results of operations and financial position of Montauk USA. The consolidated financial statements of Montauk USA, our predecessor for accounting purposes, will be our historical financial statements following this offering. The historical financial data discussed below relates to periods prior to the Reorganization Transactions. In addition to historical financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties, and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those discussed under "Special Note Regarding Forward-Looking Statements" and "Risk Factors" and elsewhere in this prospectus.

Our Company

Overview

Montauk is a renewable energy company specializing in the recovery and processing of biogas from landfills and other non-fossil fuel sources for beneficial use as a replacement to fossil fuels. We develop, own, and operate RNG projects, using proven technologies that supply RNG into the transportation industry and use RNG to produce Renewable Electricity. Having participated in the industry for over 30 years, we are one of the largest U.S. producers of RNG. We established our operating portfolio of 12 RNG and three Renewable Electricity projects through self-development, partnerships, and acquisitions that span six states and have grown our revenues from $34.0 million in 2014 to $107.4 million in 2019.

Biogas is produced by microbes as they break down organic matter in the absence of oxygen (during a process called anaerobic digestion). Our two current sources of commercial scale biogas are LFG and ADG, which is produced inside an airtight tank used to breakdown organic matter, such as livestock waste. We typically secure our biogas feedstock through long-term fuel supply agreements and property lease agreements with biogas site hosts. Once we secure long-term fuel supply rights, we design, build, own, and operate facilities that convert the biogas into RNG or use the processed biogas to produce Renewable Electricity. We sell the RNG and Renewable Electricity through a variety of short-, medium-, and long-term agreements. Because we are capturing waste methane and making use of a renewable source of energy, our RNG and Renewable Electricity generate valuable Environmental Attributes, which we are able to monetize under federal and state initiatives.

Factors Affecting Revenue

Our total operating revenues include renewable energy and related Environmental Attributes sales. Renewable energy sales primarily consist of the sale of biogas including LFG and ADG, which is either sold or converted to Renewable Electricity. Environmental Attributes are generated and monetized from the renewable energy.

We report revenues from two operating segments: Renewable Natural Gas and Renewable Electricity Generation. Corporate relates to additional discrete financial information for the corporate function; primarily used as a shared service center for maintaining functions such as executive, accounting, treasury, legal, human resources, tax, environmental, engineering, and other operations functions not otherwise allocated to a segment. As such, the corporate entity is not determined to be an operating segment, but is discretely disclosed for purposes of reconciliation to the Company's consolidated financial statements.

- *Renewable Natural Gas Revenues:* We record revenues from the production and sale of RNG and the generation and sale of the Environmental Attributes, such as RINs and LCFS credits, derived from RNG. Our RNG revenues from Environmental Attributes are recorded net of a portion of

Environmental Attributes shared with off-take counterparties as consideration for such counterparties using the RNG as a transportation fuel. We monetize a portion of our RNG production under fixed-price and counterparty sharing agreements, which provide floor prices in excess of commodity indices and sharing percentages of the monetization of Environmental Attributes. Under these sharing arrangements, we receive a portion of the profits derived from counterparty monetization of the Environmental Attributes in excess of the floor prices.

- *Renewable Electricity Generation Revenues:* We record revenues from the production and sale of Renewable Electricity and the generation and sale of the Environmental Attributes, such as RECs, derived from Renewable Electricity. All of our Renewable Electricity production is monetized under fixed-price PPAs from our existing operating projects.
- *Corporate Revenues:* Corporate reports realized and unrealized gains or losses under our gas hedge programs. Corporate also relates to additional discrete financial information for the corporate function; primarily used as a shared service center for maintaining functions such as executive, accounting, treasury, legal, human resources, tax, environmental, engineering and other operations functions not otherwise allocated to a segment.

Our revenues are priced based on published index prices which can be influenced by factors outside our control, such as market impacts on commodity pricing and regulatory developments. With our royalty payments structured as a percentage of revenue, royalty payments fluctuate with changes in revenues. Due to these factors, we place a primary focus on managing production volumes and operating and maintenance expenses as these factors are most controllable by us.

RNG Production

Our RNG production levels are subject to fluctuations based on numerous factors, including:

- *Disruptions to Production:* Disruptions to waste placement operations at our active landfill sites, severe weather events, failure or degradation of our or a landfill operator's equipment or interconnection or transmission problems could result in a reduction of our RNG production. We strive to address any issues that may arise proactively through preventative maintenance, process improvement and flexible redeployment of equipment to maximize production and useful life.
- *Quality of Biogas:* We are reliant upon the quality and availability of biogas from our site partners. The quality of the waste at our landfill project sites is subject to change based on the volume and type of waste accepted. Variations in the quality of the biogas could affect our RNG production levels. At three of our projects, we operate the wellfield collection system, which allows greater control over the quality and consistency of the collected biogas. At two of our projects, we have operating and management agreements by which we earn revenue for managing the wellfield collection systems. Additionally, our dairy farm project will benefit from the consistency of feedstock and controlled environment of collection of waste to improve biogas quality.
- *RNG Production from Our Growth Projects:* We employ a multi-pronged growth strategy that enables us to pursue growth through: (i) expanding, converting and optimizing our existing portfolio, (ii) acquiring and developing new projects and (iii) broadening our sources of fuel supply. We also anticipate increased production at certain of our existing projects as open landfills continue to take in additional waste and the gas available for collection increases. Delays in commencement of production or extended commissioning issues at a new project or a conversion project would delay any realization of production from that project.

Pricing

Our Renewable Natural Gas and Renewable Electricity Generation segments' revenues are primarily driven by the prices under our off-take agreements and PPAs and the amount of RNG and Renewable Electricity

that we produce. We sell the RNG produced from our projects under a variety of short-term and medium-term agreements to counterparties, with contract terms varying from three years to five years. Our contracts with counterparties are typically structured to be based on varying natural gas price indices for the RNG produced. All of the Renewable Electricity produced at our biogas-to-electricity projects is sold under long-term contracts to creditworthy counterparties, typically under a fixed price arrangement with escalators. We are considering conversion to RNG for one Renewable Electricity site in our portfolio.

The pricing of Environmental Attributes, which accounts for a substantial portion of our revenues, is subject to volatility based on a variety of factors, including regulatory and administrative actions and commodity pricing.

Our dairy farm project is expected to be awarded a more attractive CI by CARB, thereby generating LCFS credits at a multiple of those generated by our landfill projects.

The sale of RINs, which is subject to market price fluctuations, accounts for a substantial portion of our revenues. We manage against the risk of these fluctuations through forward sales of RINs, although currently we only sell RINs in the calendar year they are generated and the following calendar year. The EPA set the 2020 RVO for D3 RINs at 590 million gallons, representing a 41% increase over the 2019 RVO, and will set the RVO for the year 2021 in November 2020.

Factors Affecting Operating Expenses

Our operating expenses include royalties, transportation, gathering and production fuel expenses, project operating and maintenance expenses, general and administrative expenses, depreciation and amortization, net loss (gain) on sale of assets, impairment loss and transaction costs.

- *Project Operating and Maintenance Expenses:* Operating and maintenance expenses primarily consist of expenses related to the collection and processing of biogas, including biogas collection system operating and maintenance expenses, biogas processing operating and maintenance expenses, and related labor and overhead expenses. At the project level, this includes all labor and benefit costs, ongoing corrective and proactive maintenance, project level utility charges, rent, health and safety, employee communication, and other general project level expenses.
- *Royalties, Transportation, Gathering and Production Fuel Expenses:* Royalties represent payments made to our facility hosts, typically structured as a percentage of revenue. Transportation and gathering expenses include capacity and metering expenses representing the costs of delivering our RNG and Renewable Electricity production to end users. These expenses include payments to pipeline operators and other agencies that allow for the transmission of our gas and electricity commodities to end users. Production fuel expenses generally represent alternative royalty payments based on quantity usage of biogas feedstock.
- *General and Administrative Expenses:* General and administrative expenses primarily consist of corporate expenses and unallocated support functions for our operating facilities, including personnel costs for executive, finance, accounting, investor relations, legal, human resources, operations, engineering, environmental registration and reporting, health and safety, IT and other administrative personnel and professional fees and general corporate expenses.
- *Depreciation and Amortization:* Expenses related to the recognition of the useful lives of our intangible and fixed assets. We spend significant capital to build and own our facilities. In addition to development capital, we annually reinvest to maintain these facilities.
- *Impairment Loss:* Expenses related to reductions in the carrying value(s) of fixed and/or intangible assets based on periodic evaluations whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

- *Transaction Costs:* Transaction costs primarily consist of expenses incurred for due diligence and other activities related to potential acquisitions and other strategic transactions.

Key Operating Metrics

Total operating revenues reflect both sales of renewable energy and sales of related Environmental Attributes. As a result, our revenues are primarily affected by unit production of RNG and Renewable Electricity, production of Environmental Attributes, and the prices at which we monetize such production. Set forth below is an overview of these key metrics:

- *Production volumes:* We review performance by site based on unit of production calculations for RNG and Renewable Electricity, measured in terms of MMBtu and MWh, respectively. While unit of production measurements can be influenced by schedule facility maintenance schedules, the metric is used to measure the efficiency of operations and the impact of optimization improvement initiatives. We monetize a majority of our RNG commodity production under variable-price agreements, based on indices. A portion of our Renewable Natural Gas segment commodity production is monetized under fixed-priced contracts. A majority of our Renewable Electricity Generation segment commodity production is monetized under fixed-priced PPAs
- *Production of Environmental Attributes:* We monetize Environmental Attributes derived from our production of RNG and Renewable Electricity. We carry-over a portion of the RINs generated from RNG production to the following year and monetize the carried over RINs in such following calendar year. A majority of our Renewable Natural Gas segment Environmental Attributes are self-monetized, though a portion are generated and monetized by third parties under counterparty sharing agreements. A majority of our Renewable Electricity Generation segment Environmental Attributes are monetized as a component of our fixed-price PPAs.
- *Average realized price per unit of production:* Our profitability is highly dependent on the commodity prices for natural gas and electricity, and the Environmental Attribute prices for RINs, LCFS credits, and RECs. Realized prices for Environmental Attributes monetized in a year may not correspond directly with that year's production as attributes may be carried over and subsequently monetized. Realized prices for Environmental Attributes monetized in a year may not correspond directly to index prices due to the forward selling of commitments.

The following table summarizes the key operating metrics described above, which metrics we use to measure performance.

	Year ended December 31,			
	2019	2018	Change $	Change %
	(in thousands, unless otherwise indicated)			
Revenues				
Renewable Natural Gas Total Revenues	$ 85,926	$ 98,584	$(12,658)	(12.8)%
Renewable Electricity Generation Total Revenues	$ 19,859	$ 18,207	$ 1,652	9.1%
RNG Metrics				
CY RNG production volumes (MMBtu)	5,361	4,485	876	19.5%
Less: Current period RNG volumes under fixed/floor-price contracts	(1,987)	(1,952)	(35)	1.8%
Plus: Prior period RNG volumes dispensed in current period	371	154	217	140.9%
Less: Current period RNG production volumes not dispensed	(266)	(371)	105	28.3%
Total RNG volumes available for RIN generation (1)	3,479	2,316	1,163	50.2%
RIN Metrics				
Current RIN generation (x 11.727) (2)	40,791	27,146	13,645	50.3%
Less: Counterparty share (RINs)	(3,729)	(5,389)	1,660	30.8%
Plus: Prior period RINs carried into CY	1,690	1,774	(84)	(4.7)%
Less: CY RINs carried into next CY	(886)	(1,690)	804	47.6%
Total RINs available for sale (3)	37,866	21,841	16,025	73.4%
Less: RINs sold	(36,767)	(22,091)	(14,676)	(66.4)%
RIN Inventory	1,099	(250)	1,349	539.6%
RNG Inventory (volumes not dispensed for RINs) (4)	(266)	(371)	105	28.3%
Average Realized RIN price	$ 1.45	$ 2.37	$ (0.92)	(38.8)%
Operating Expenses				
Renewable Natural Gas Operating Expenses	$ 46,853	$ 37,997	$ 8,856	23.3%
Operating Expenses per MMBtu (actual)	$ 8.74	$ 8.47	$ 0.27	3.2%
Renewable Electricity Generation Operating Expenses	$ 13,299	$ 11,969	$ 1,330	11.1%
$/MWh (actual)	$ 56.36	$ 48.71	$ 7.65	15.7%
Other Metrics				
Renewable Electricity Generation Volumes Produced (MWh)	236	246	(10)	(4.1)%
Average Realized Price $/MWh (actual)	$ 84.16	$ 74.10	$ 10.06	13.6%

(1) RINs are generated in the month following the month that gas is produced and dispensed. Volumes under fixed/floor-price arrangements generate RINs which we do not self-market.
(2) One MMBtu of RNG has the same energy content as 11.727 gallons of ethanol, and thus may generate 11.727 RINs under the RFS program.
(3) Represents RINs available to be self-marketed by us during the reporting period.
(4) Represents gas production for which RINs are not generated.

Results of Operations

Comparison of Years Ended December 31, 2019 and 2018

The following table summarizes our revenues, expenses and net income for the periods set forth below:

	Year ended December 31,			
	2019	2018	Change $	Change %
	(in thousands)			
Total operating revenues	$107,383	$116,433	$ (9,050)	(7.8)%
Operating expenses:				
Operating and maintenance expenses	$ 39,783	$ 29,073	$ 10,710	36.8%
General and administrative expenses	13,632	11,953	1,679	14.0
Royalties, transportation, gathering and production fuel	20,558	22,359	(1,801)	(8.1)
Depreciation and amortization	19,760	16,195	3,565	22.0
Impairment loss	2,443	854	1,589	186.1
Transaction costs	202	176	26	14.8
Total operating expenses	$ 96,378	$ 80,610	$ 15,768	19.6%
Operating profit	11,005	35,823	(24,818)	(69.3)%
Other expenses (income):	5,539	(740)	6,279	848.6%
Income tax expense (benefit)	(354)	7,796	(8,150)	(104.5)%
Net income	$ 5,820	$ 28,767	$(22,947)	(79.8)%

Revenues for the Years Ended December 31, 2019 and 2018

Total revenues in 2019 were $107.4 million, a decrease of $9.0 million (7.8%) compared to $116.4 million in 2018. The primary driver for this decrease related to falling D3 RIN index pricing in 2019 as compared to 2018. Partially offsetting the unfavorable price environment was our ability to increase RNG production. In addition to commissioning a new facility during the fourth quarter of 2019, 2019 included a full year of production from two facilities commissioned during the second and third quarters of 2018. Specifically, the following facilities and their commercial operation dates ("*COD*") were: Atascocita, May 2018; Apex, August 2018; and Galveston, October 2019.

Renewable Natural Gas Revenues

We produced 5.4 million MMBtu of RNG during 2019, an increase over the 4.5 million MMBtu (20%) produced in 2018. Of this increase, 0.9 million MMBtu of RNG were produced from development sites commissioned during 2018. A site commissioned in 2019 produced 0.1 million MMBtu of RNG.

Revenues from the Renewable Natural Gas segment in 2019 were $85.8 million, a decrease of $12.8 million (13%) compared to $98.6 million in 2018. Average commodity pricing for natural gas for 2019 was 34.7% lower than the prior year. During 2019, we self-monetized 36.8 million RINs, representing a 14.7 million increase (67%) compared to 22.1 million in 2018. The increase was attributable to a shift in our strategy to a self-marketing strategy to sell Environmental Attributes based on index pricing rather than under contract arrangements. Average pricing realized on RIN sales during 2019 was $1.44 as compared to $2.38 in 2018, a decrease of 39.6%. This decrease of the D3 RIN index was driven by a drop in RIN demand due to 2018 RIN carryover, small refinery exceptions to RVOs, and industry production. This compares to the average D3 RIN index price for 2019 of $1.15 being approximately 49.9% lower than the average D3 RIN index price in 2018. The CWC price in 2019 was $1.77, a 9.6% decrease from $1.96 from 2018. RIN sales in 2019 were priced generally on the D3 RIN index while 2018 RIN sales also included sales based on the D5 RIN index plus a portion of the CWC.

At December 31, 2019, we had approximately 0.9 million RINs generated and unsold in inventory as well as 0.3 million MMBtu available for RIN generation. We had to purchase RINs in 2019 to satisfy 2018 commitments and had 1.7 million RINs generated and unsold at December 31, 2018. We had 0.4 million MMBtu available for RIN generation at December 31, 2018.

Renewable Electricity Generation Revenues

We produced 0.2 million MWh in Renewable Electricity in 2019, consistent with the prior year. In 2019, we elected to end the contract and exit our Monmouth, New Jersey facility and ended electricity production at our Coastal Plains location during its conversion to an RNG site. In 2018, we ended electricity production at our Atascocita location during its conversion to an RNG site. Finally, in 2018, we acquired Pico and began reporting our electricity production in the Renewable Electricity Generation segment. As of October 1, 2020, Pico is now reported in our Renewable Natural Gas segment due to its conversion to an RNG site.

Revenues from Renewable Electricity facilities in 2019 were $19.9 million, an increase of $1.7 million (9.1%) compared to $18.2 million in 2018. Pico accounted for $1.0 million of the $1.7 million increase in 2019. For 2019, 93.9% of Renewable Electricity Generation segment revenues were derived from the monetization of Renewable Electricity at fixed prices as compared to 88.9% in 2018.

Corporate Revenue

Our gas hedge program during 2019 was priced at rates in excess of the actual index price resulting in realized gains of $1.7 million, an increase of $2.1 million (574.9%) compared to realized losses of $0.4 million in 2018.

Expenses for the Years Ended December 31, 2019 and 2018

General and Administrative Expenses

Total general and administrative expenses of $13.6 million in 2019 increased by $1.7 million (14.0%) compared to $12.0 million in 2018. Employee related costs, including severance, increased approximately $1.3 million (28.9%) in 2019 as compared to the prior year period. Additionally, our insurance premiums increased approximately $0.6 million (48.3%) in 2019 over 2018. Third-party consulting fees decreased approximately $0.7 million (45.6%) in 2019 resulting from our previous efforts at completing a transaction to change securities exchanges.

Renewable Natural Gas Expenses

Operating and maintenance expenses for our RNG facilities in 2019 were $28.6 million, an increase of $10.5 million (57.9%) compared to $18.1 million in 2018. Of the total, $6.1 million related to development sites commissioned during 2018. A site commissioned in 2019 contributed $0.8 million to the total. Exclusive of the effects of these development sites, operating and maintenance expenses in 2019 were $17.7 million, an increase of $3.7 million (26.0%) compared to $14.1 million in 2018. The increase is attributable to the timing of equipment maintenance and expenses relating to gas cleaning component materials. Royalties, transportation, gathering and production fuel expenses for our RNG facilities for 2019 were $18.2 million, a decrease of $1.6 million (8.3%) compared to $19.8 million in 2018; however, royalties, transportation, gathering and production fuel expenses increased as a percentage of RNG revenues from 20.1%, or $19.8 million, in 2018 to 21.2%, or $18.2 million, in 2019. Of the total, $5.7 million related to development sites commissioned during 2018. A site commissioned in 2019 contributed $0.1 million to the total. Exclusive of the effects of the development sites, royalty related costs in 2019 were $12.5 million, a decrease of $5.1 million (28.8%) compared to $17.6 million in 2018. This decrease correlates to the decrease in revenue recognized by non-development sites in 2019 from 2018.

Renewable Electricity Expenses

Operating and maintenance expenses for our Renewable Electricity facilities in 2019 were $11.0 million, an increase of $1.5 million (15.5%) compared to $9.5 million in 2018. We reported the results of Pico within the Renewable Electricity Generation segment until October 2020. Of the total, Pico contributed $1.2 million in 2019 and, exclusive of Pico, Renewable Electricity facility operating and maintenance expenses increased by $0.7 million (7.4%). The increase is largely attributed to non-capitalized optimization costs for the Bowerman electricity generation facility and to a lesser extent the timing of equipment maintenance at the Security electricity generation location. Royalties, transportation, gathering and production fuel expenses for our Renewable Electricity facilities for 2019 were $2.4 million, a decrease of $0.1 million (4.1%) compared to $2.5 million in 2018 and as a percentage of Renewable Electricity Generation segment revenues decreased from 13.9% to 13.1%. This decrease relates to reduced royalty related expenses at sites converted to RNG sites during 2018 and from a site vacated in 2019.

Royalty Payments

Royalties, transportation, gathering, and production fuel expenses in 2019 were $20.6 million, a decrease of $1.8 million (8.1%) compared to $22.4 million in 2018. We make royalty payments to our fuel supply site partners on the commodities we produce and the associated Environmental Attributes. These royalty payments are typically structured as a percentage of revenue subject to a cap, with fixed minimum payments when Environmental Attribute prices fall below a defined threshold. To the extent commodity and Environmental Attributes' prices fluctuate, our royalty payments may fluctuate upon renewal or extension of a fuel supply agreement or in connection with new projects. Our fuel supply agreements are typically structured as 20-year contracts, providing long-term visibility into the margin impact of future royalty payments.

Depreciation

Depreciation and amortization in 2019 was $19.8 million, an increase of $3.6 million (22.0%) compared to $16.2 million in 2018. The increase was due to approximately $52.9 million in development site assets being placed into service during 2018 at the time of COD. In 2019, approximately $21.2 million of assets were placed into service at the time of COD.

Impairment loss

We calculated and recorded an impairment loss of $2.4 million for 2019, an increase of $1.6 million (186.1%) compared to $0.9 million in 2018. The impairment loss was due to the cancellation of a site conversion agreement and conversion of existing Renewable Electricity to RNG sites in 2019 and the write-off of assets distributed from our Red Top joint venture. In 2018, the impairments related to the conversion of existing Renewable Electricity to RNG sites and continued deterioration in market pricing for electricity. We calculated impairments based upon replacement cost, if applicable, and pre-tax cash flow projections.

Other Expenses (Income)

Other expenses in 2019 were $5.5 million, an increase of $4.8 million (685.7%) compared to income of $0.7 million in 2018. During 2018, we realized a gain of $2.6 million attributable to one-time settlement proceeds from arbitration related to the construction of a facility as well as a non-cash gain of $1.2 million related to an outstanding liability for the construction of the same facility which was not required to be paid.

We recorded a gain of $0.1 million in 2019 associated with the sale of the Red Top joint venture interests and related distribution of fixed assets. We recorded our share of losses from Red Top in 2018 of ($0.2) million.

Income Tax Expense (Benefit)

Prior to 2018, we generated sizeable NOLs, which reduced our income tax payable for 2018 and 2019. Based upon our historical pre-tax book income and forecasts, we expect to utilize all remaining NOLs sometime after 2022 and thus have not recorded a valuation allowance against such NOLs.

Our effective income tax rate for 2019 was a benefit of 6.5% compared to an expense of 21.3% for the prior year period. We recorded a deferred tax asset related to disallowed interest expense which was fully offset by a deferred tax liability related to bonus depreciation. In 2018, we revalued our deferred tax assets associated with the enactment of the Tax Act resulting in a reduction of approximately $6.3 million of its existing deferred tax assets.

Operating Profit for the Years Ended December 31, 2019 and 2018

Operating profit in 2019 was $11.0 million, a decrease of $24.8 million (69.3%) compared to $35.8 million in 2018. RNG operating profit for 2019 was $25.7 million, a decrease of $25.1 million (49.5%) compared to $50.8 million in 2018. Renewable Electricity Generation operating loss for 2019 was $2.4 million, an increase of $0.1 million (4.7%) compared to $2.3 million in 2018.

Results of Operations

Comparison of Nine Months Ended September 30, 2020 and 2019

The following table summarizes our revenues, expenses and net income for the periods set forth below:

	Nine months ended September 30,			
	2020	2019	Change $	Change %
	(in thousands)			
Total operating revenues	$75,559	$83,703	$(8,144)	(9.7)%
Operating expenses:				
Operating and maintenance expenses	$30,884	$30,306	$ 578	1.9%
General and administrative expenses	11,336	10,593	743	7.0
Royalties, transportation, gathering and production fuel	14,769	16,197	(1,428)	(8.8)
Depreciation and amortization	16,120	14,754	1,366	9.3
Impairment loss	278	1,550	(1,272)	(82.1)
Gains on insurance proceeds	(3,444)	—	(3,444)	(100)
Transaction costs	—	202	(202)	(100)
Total operating expenses	69,943	73,602	(3,659)	(5.0)
Operating profit	$ 5,616	$10,101	$(4,485)	(44.4)%
Other expenses:				
Interest expense	$ 3,510	$ 5,293	$(1,783)	(33.7)%
Equity loss (gain) of nonconsolidated investments	—	(94)	94	100
Net loss (gain) on sale of assets	—	10	(10)	(100)
Other expense (income)	250	(17)	267	1,571
Income tax benefit	(291)	(539)	248	46.0
Net income	$ 2,147	$ 5,448	$(3,301)	(60.6)%

The following table summarizes the key operating metrics described above, which metrics we use to measure performance.

	Nine months ended September 30,			
	2020	2019	Change $	Change %
Revenues	*(in thousands, unless otherwise indicated)*			
Renewable Natural Gas Total Revenues	$ 62,192	$ 67,322	$(5,130)	(7.6)%
Renewable Electricity Generation Total Revenues	$ 13,282	$ 14,927	$(1,645)	(11.0)%
RNG Metrics				
CY RNG production volumes (MMBtu)	4,451	4,040	411	10.2%
Less: Current period RNG volumes under fixed/floor-price contracts	(1,579)	(1,480)	(99)	(6.7)%
Plus: Prior period RNG volumes dispensed in current period	266	371	(105)	(28.3)%
Less: Current period RNG production volumes not dispensed	(320)	(282)	(38)	(13.5)%
Total RNG volumes available for RIN generation (1)	2,818	2,649	169	6.4%
RIN Metrics				
Current RIN generation (x 11.727) (2)	33,049	31,065	1,984	6.4%
Less: Counterparty share (RINs)	(3,612)	(2,904)	(708)	(24.4)%
Plus: Prior period RINs carried into CY	1,330	1,690	(360)	(21.3)%
Less: CY RINs carried into next CY	—	—	—	—
Total RINs available for sale (3)	30,767	29,851	916	3.1%
Less: RINs sold	(30,269)	(26,686)	(3,583)	(13.4)%
RIN Inventory	498	3,165	(2,667)	(84.3)%
RNG Inventory (volumes not dispensed for RINs) (4)	320	282	38	13.5%
Average Realized RIN price	$ 1.25	$ 1.59	$ (0.34)	(21.4)%
Operating Expenses				
Renewable Natural Gas Operating Expenses	$ 23,015	$ 21,719	$ 1,296	6.0%
Operating Expenses per MMBtu (actual)	$ 5.17	$ 5.38	$ (0.21)	(3.9)%
Renewable Electricity Generation Operating Expenses	$ 9,216	$ 10,309	$(1,093)	(10.6)%
$/MWh (actual)	$ 60.62	$ 56.41	$ 4.21	7.5%
Other Metrics				
Renewable Electricity Generation Volumes Produced (MWh)	152	183	(31)	(16.9)%
Average Realized Price $/MWh (actual)	$ 87.14	$ 81.69	$ 5.45	6.7%

(1) RINs are generated the month following the month gas is produced and dispensed. Volumes under fixed/floor-price arrangements generate RINs which we do not self-market.
(2) One MMBtu of RNG has the same energy content as 11.727 gallons of ethanol, and thus may generate 11.727 RINs under the RFS program.
(3) Represents RINs available to be self-marketed by us during the reporting period.
(4) Represents gas production on which RINs are not generated.

Revenues for the Nine Months Ended September 30, 2020 and 2019

Total revenues for the nine months ended September 30, 2020 were $75.6 million, a decrease of $8.1 million (9.7%) compared to $83.7 million for the nine months ended September 30, 2019. The primary driver for this decrease related to a 7.6% decrease in RNG revenues related to decreased commodity prices of approximately 29.6% and realized RIN pricing of 21.4% as compared to the prior year period. Improved volumes and related increased RIN sales partially offset this decrease. To a lesser extent, reduced renewable electricity volumes in the current year period led to a decrease of 11.0% over the prior year period.

Renewable Natural Gas Revenues

We produced 4.5 million MMBtu of RNG during the nine months ended September 30, 2020, an increase over the 4.0 million MMBtu (10.2%) produced during the nine months ended September 30, 2019. Of this increase, 0.2 million MMBtu of RNG were produced from a development site commissioned after the nine months ended September 30, 2019. Wellfield improvement initiatives at our Apex site yielded an increase of 0.1 million MMBtu over the prior year period. Our McCarty site was unfavorably impacted by the loss of one of its production engines leading to a reduction in 2020 of 0.1 million MMBtu over the 2019 period.

Revenues from the Renewable Natural Gas segment for the nine months ended September 30, 2020 were $62.2 million, a decrease of $5.1 million (7.6%) compared to $67.3 million for the nine months ended September 30, 2019. Average commodity pricing for natural gas for the nine months ended September 30, 2020 was 29.6% lower than the comparative period. During the nine months ended September 30, 2020, we self-monetized 30.3 million RINs, representing a 3.6 million increase (13.4%) compared to 26.7 million during the nine months ended September 30, 2019. The increase was primarily related to increased MMBtu production over the prior year period. D3 RIN pricing continued its decline through 2019, with the third quarter of 2019 experiencing the largest decline with a D3 RIN price index average of $0.68. The negative impact of the COVID-19 pandemic on D3 RIN pricing in the second quarter of 2020 has decreased, and D3 RIN pricing has continued to improve throughout 2020 with a third quarter D3 RIN price index average of $1.55. Average pricing realized on RIN sales during the nine months ended September 30, 2020 was $1.25 as compared to $1.59 during the nine months ended September 30, 2019, a decrease of 21.4%. This compares to the average D3 RIN index price for the nine months ended September 30, 2020 of $1.39 being approximately 10.6% higher than the average D3 RIN index price during the nine months ended September 30, 2019. Approximately 8.0 million of our RIN sales during the nine months ended September 30, 2019 were based on D5 RIN index pricing and the cellulosic waiver credit which results in a RIN sales price in excess of the D3 RIN index.

At September 30, 2020, we had approximately 0.4 million RINs generated and unsold in inventory as well as 0.3 million MMBtu available for RIN generation. We had approximately 3.2 million RINs generated and unsold at September 30, 2019. We had 0.3 million MMBtu available for RIN generation at September 30, 2019.

Renewable Electricity Generation Revenues

We produced 0.2 million MWh in Renewable Electricity during the nine months ended September 30, 2020, consistent with the comparative period. During the nine months ended September 30, 2019, we elected to end the contract and exit our Monmouth, New Jersey facility and ended electricity production at our Coastal Plains location during its conversion to an RNG site.

Revenues from Renewable Electricity facilities for the nine months ended September 30, 2020 were $13.3 million, a decrease of $1.6 million (11.0%) compared to $14.9 million for the nine months ended September 30, 2019. The exit of Monmouth and conversion of Coastal Plains resulted in approximately $1.1 million of the decrease. Pico accounted for $0.4 million of the $1.6 million decrease between the nine months ended September 30, 2020 and 2019. For 2020, 100% of Renewable Electricity Generation segment revenues were derived from the monetization of Renewable Electricity at fixed prices as compared to 70.7% during the nine months ended September 30, 2019.

Corporate Revenue

Our gas hedge program during the nine months ended September 30, 2020 was priced at rates in excess of the actual index price resulting in realized gains of $0.1 million, a decrease of $1.4 million (94.2%) compared to realized gain of $1.5 million during the nine months ended September 30, 2019.

Expenses for the nine months ended September 30, 2020 and 2019

General and Administrative Expenses

Total general and administrative expenses of $11.3 million for the nine months ended September 30, 2020 increased by $0.7 million (7.0%) compared to $10.6 million for the nine months ended September 30, 2019. Employee related costs, including severance, increased approximately $0.2 million (4.1%) for the nine months ended September 30, 2020 as compared to the prior comparative period. Additionally, our insurance premiums increased approximately $0.5 million (40.4%) for the nine months ended September 30, 2020 over the nine months ended September 30, 2019.

Renewable Natural Gas Expenses

Operating and maintenance expenses for our RNG facilities for the nine months ended September 30, 2020 were $23.0 million, an increase of $1.3 million (6.0%) compared to $21.7 million for the nine months ended September 30, 2019. Of the total, $2.4 million related to a development site commissioned after the nine months ended September 30, 2019. A site commissioned during the nine months ended September 30, 2020 contributed $0.1 million to the total. Exclusive of the effects of these development sites, operating and maintenance expenses for the nine months ended September 30, 2020 were $20.3 million, a decrease of $1.2 million (5.6%) compared to $21.5 million for the nine months ended September 30, 2019. The decrease is primarily attributable to reduced media change-outs at our McCarty location. Partially offsetting this decrease were increased utility expenses at our Rumpke location. Royalties, transportation, gathering and production fuel expenses for our RNG facilities for the nine months ended September 30, 2020 were $13.4 million, a decrease of $0.9 million (6.7%) compared to $14.3 million for the nine months ended September 30, 2019; however, royalties, transportation, gathering and production fuel expenses increased as a percentage of RNG revenues from 21.2% for the nine months ended September 30, 2020 to 21.4% for the nine months ended September 30, 2019. Of the total, $0.7 million related to development sites commissioned during October 2019. A site commissioned during the nine months ended September 30, 2020 contributed an immaterial amount. Exclusive of the effects of the development sites, royalty related costs for the nine months ended September 30, 2020 were $12.6 million, a decrease of $1.7 million (11.7%) compared to $14.3 million for the nine months ended September 30, 2019. This decrease correlates to the decrease in revenue recognized by non-development sites for the nine months ended September 30, 2020 compared to the nine months ended September 30, 2019.

Renewable Electricity Expenses

Operating and maintenance expenses for our Renewable Electricity facilities for the nine months ended September 30, 2020 were $7.9 million, a decrease of $0.5 million (6.4%) compared to $8.4 million for the nine months ended September 30, 2019. We reported the results of Pico within the Renewable Electricity Generation segment until October 2020. Of the total, Pico contributed $1.4 million for the nine months ended September 30, 2020 and, exclusive of Pico, Renewable Electricity facility operating and maintenance expenses decreased by $1.1 million (14.4%). The decrease is largely attributed to a reduction of $0.7 million associated with the exit and conversion of our Monmouth and Coastal Plains, respectively, sites. Our Bowerman site also had decreased planned maintenance during the current period. Royalties, transportation, gathering and production fuel expenses for our Renewable Electricity facilities for the nine months ended September 30, 2020 were $1.4 million, a decrease of $0.5 million (29.4%) compared to $1.9 million for nine months ended September 30, 2019 and as a percentage of Renewable Electricity Generation segment revenues decreased from 13.9% for the nine months ended September 30, 2019 to 10.8% in the nine months ended September 30, 2020. This decrease relates to $0.6 million in royalty related expenses incurred in 2019 associated with Monmouth and Coastal Plains.

Royalty Payments

Royalties, transportation, gathering, and production fuel expenses for the nine months ended September 30, 2020 were $14.8 million, a decrease of $1.4 million (8.8%) compared to $16.2 million for the nine

months ended September 30, 2019. We make royalty payments to our fuel supply site partners on the commodities we produce and the associated Environmental Attributes. These royalty payments are typically structured as a percentage of revenue subject to a cap, with fixed minimum payments when Environmental Attribute prices fall below a defined threshold. To the extent commodity and Environmental Attributes' prices fluctuate, our royalty payments may fluctuate upon renewal or extension of a fuel supply agreement or in connection with new projects. Our fuel supply agreements are typically structured as 20-year contracts, providing long-term visibility into the margin impact of future royalty payments.

Depreciation

Depreciation and amortization for the nine months ended September 30, 2020 was $16.1 million, an increase of $1.3 million (9.3%) compared to $14.8 million for the nine months ended September 30, 2019. The increase was due to approximately $21.3 million in development site assets being placed into service after the nine months ended September 30, 2019 at the time of COD. For the nine months ended September 30, 2020, approximately $35.3 million of assets were placed into service at the time of COD.

Impairment Loss

We calculated and recorded an impairment loss of $0.3 million for the nine months ended September 30, 2020, a decrease of $1.3 million (82.1%) compared to $1.6 million for the nine months ended September 30, 2019. The impairment loss for the nine months ended September 30, 2020 was related to the termination of a development agreement related to our Pico acquisition. The impairment loss for the nine months ended September 30, 2019 was due to the cancellation of a site conversion agreement and conversion of existing Renewable Electricity to RNG sites in 2019 and the write-off of assets distributed from our Red Top joint venture. We calculated impairments based upon replacement cost, if applicable, and pre-tax cash flow projections.

Gains on Insurance Proceeds

During the nine months ended September 30, 2020, we received insurance proceeds related to an engine failure at our McCarty RNG location. During the fourth quarter of 2019, one of the McCarty production engines failed resulting in reduced production. The engine was replaced and commissioning began during the first quarter of 2020. We submitted this claim to our insurance carrier and have received total proceeds of $3.4 million for business interruption and property loss, net of deductibles. These proceeds were recorded within "Operating expenses" in the consolidated statements of operations.

Other Expense (Income)

Other expense was $3.8 million for the nine months ended September 30, 2020, a decrease of $1.4 million (27.6%) compared to $5.2 million for the nine months ended September 30, 2019. Other expense for the comparative periods was primarily comprised of interest expense.

Income Tax Benefit

Income tax benefit decreased $248 for the nine months ended September 30, 2020 compared with the nine months ended September 30, 2019 primarily due to the impact of generated tax credits compared to lower pre-tax earnings in the current year. We recorded a tax benefit of ($2,251) in connection with the January 1, 2020 dissolution of the Montauk Energy Capital, LLC partnership which will allow all entities under Montauk Energy Capital, LLC to file as part of our consolidated federal tax group.

See Note 14, "Income Taxes" to our unaudited consolidated financial statements for more information on the computation of the income tax expense in interim periods.

The CARES Act, enacted by the United States on March 27, 2020, did not have a material impact on our provision for income taxes for the nine months ended September 30, 2020. The Company is continuing to analyze the ongoing impact of the CARES Act.

Operating Profit for the Nine Months Ended September 30, 2020 and 2019

Operating profit for the nine months ended September 30, 2020 was $5.6 million, a decrease of $4.5 million (44.4%) compared to $10.1 million for the nine months ended September 30, 2019. RNG operating profit for the nine months ended September 30, 2020 was $18.8 million, a decrease of $3.2 million (14.5%) compared to $22.0 million for the nine months ended September 30, 2019. Renewable Electricity Generation operating loss for the nine months ended September 30, 2020 was $1.8 million, a decrease of $0.7 million (27.8%) compared to $2.5 million for nine months ended September 30, 2019. The aforementioned decreased revenues within our RNG and Renewable Electricity Generation segments drove the decrease in operating profit. The primary reason for the reduced RNG revenues was related to index price declines of both our commodity sales and our RIN sales. To a lesser extent, the lower Renewable Electricity Generation revenues were related to site exits and conversions in the prior year period.

Key Trends

Trends Affecting the Renewable Fuel Market

We believe rising demand for RNG is attributable to a variety of factors, including growing public support for renewable energy, U.S. governmental actions to increase energy independence, environmental concerns increasing demand for natural gas-powered vehicles, job creation, and increasing investment in the renewable energy sector.

Key drivers for the long-term growth of RNG include the following factors:

- Regulatory or policy initiatives, including the federal RFS program and state-level low-carbon fuel programs in states such as California and Oregon, that drive demand for RNG and its derivative Environmental Attributes.
- Efficiency, mobility and capital cost flexibility in our operations enable RNG to compete successfully in multiple markets. Our operating model is nimble, as we commonly use modular equipment; our RNG processing equipment is more efficient than its fossil-fuel correlates.
- Demand for compressed natural gas ("*CNG*") from natural gas-fueled vehicles. The RNG we create is pipeline quality and can be used for transportation fuel when converted to CNG. CNG is commonly used by medium-duty fleets that are close to fueling stations, such as city fleets, local delivery trucks and waste haulers.
- Regulatory requirements, market pressure and public relations challenges increase the time, cost and difficulty of permitting new fossil fuel-fired facilities.

There is significant potential for sustained growth in biogas conversion from waste sources, given evolving consumer preferences, regulatory conditions, ongoing waste industry trends, and project economics. We believe that our status as a large producer of RNG from LFG, our 30-year track record of developing and operating projects, and our deep relationships with some of the largest landfill owners in the country position us well to continue to grow our portfolio. We intend to continue to pursue financially disciplined growth through our proven growth channels, including expansion of existing projects, conversion projects, optimization across our portfolio, greenfield development and acquisitions.

The primary factors that we believe will affect our future operating results are as follows:

Conversion of Electricity Projects to RNG Projects

We periodically evaluate opportunities to convert existing facilities from Renewable Electricity to RNG production. These opportunities tend to be most attractive for any merchant electricity facilities given the favorable economics for the sale of RNG plus RINs relative to the sale of market rate electricity plus RECs. This strategy has been an increasingly attractive avenue for growth since 2014 when RNG from landfills became eligible for D3 RINs. However, during the conversion of a project, there is a gap in production while the electricity project is offline until it commences operation as an RNG facility, which can adversely affect us. This

timing effect may adversely affect our 2021 operating results as a result of our potential conversion of Renewable Electricity projects. Upon completion of a conversion, we expect that the increase in revenue upon commencement of RNG production will more than offset the loss of revenue from Renewable Electricity production. Historically, we have taken advantage of these opportunities on a gradual basis at our merchant electricity facilities, such as Atascocita and Coastal Plains.

Acquisition and Development Pipeline

The timing and extent of our development pipeline affects our operating results due to:

- *Impact of Higher Selling, General and Administrative Expenses Prior to the Commencement of a Project's Operation:* We incur significant expenses in the development of new RNG projects. Further, the receipt of RINs is delayed, and typically does not commence for a period of four to six months after the commencement of injecting RNG into a pipeline, pending final registration approval of the project by the EPA and then the subsequent completion of a third-party quality assurance plan certification. During such time, the RNG is either physically or theoretically stored and later withdrawn from storage to allow for the generation of RINs.
- *Shifts in Revenue Composition for Projects from New Fuel Sources:* As we expand into livestock farm projects, our revenue composition from Environmental Attributes will change. We believe that livestock farms offer us a lucrative opportunity, as the value of LCFS credits for dairy farm projects, for example, are a multiple of those realized from landfill projects due to the significantly more attractive CI score of livestock farms.
- *Incurrence of Expenses Associated with Pursuing Prospective Projects That Do Not Come to Fruition:* We incur expenses to pursue prospective projects with the goal of a site host accepting our proposal or being awarded a project in a competitive bidding process. Historically, we have evaluated opportunities which we decided not to pursue further due to the prospective project not meeting our internal investment thresholds or a lack of success in a competitive bidding process. To the extent we seek to pursue a greater number of projects or bidding for projects becomes more competitive, our expenses may increase.

Regulatory, Environmental and Social Trends

Regulatory, environmental and social factors are key drivers that incentivize the development of RNG and Renewable Electricity projects and influence the economics of these projects. We are subject to the possibility of legislative and regulatory changes to certain incentives, such as RINs, RECs and GHG initiatives. In November 2020, the EPA will set the RVO requests for 2021 which will affect the market price of RINs for that period. The manner in which the EPA will establish RVOs beginning in 2023, when the statutory RVO mandates are set to expire, is expected to create additional uncertainty as to RIN pricing. Further changes to the CI score assigned to a project upon its renewal or a change in the way CARB develops the CI score for a new project could significantly affect the profitability of a project, particularly in the case of a livestock farm project.

Non-GAAP Financial Measures

The following table presents Adjusted EBITDA, a non-GAAP financial measure for each of the periods presented below. We present Adjusted EBITDA because we believe the measure assists investors in analyzing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. In addition, Adjusted EBITDA is a financial measurement of performance that management and the Board of Directors use in their financial and operational decision-making and in the determination of certain compensation programs. Adjusted EBITDA is a supplemental performance measure that is not required by, or presented in accordance with, GAAP. Adjusted EBITDA should not be considered an alternative to net income or any other performance measure derived in accordance with GAAP, or as an alternative to cash flows from operating activities or a measure of our liquidity or profitability.

The following table provides our EBITDA and Adjusted EBITDA for the periods presented, as well as a reconciliation to net income:

	Year ended December 31,		Nine months ended September 30,	
	2019	2018	2020	2019
	(in thousands)			
Net income	$ 5,820	$28,767	$ 2,147	$ 5,448
Depreciation and amortization	19,760	16,195	16,120	14,754
Interest expense	5,576	3,083	3,510	5,293
Income tax expense (benefit)	(354)	7,796	(291)	(539)
EBITDA	30,802	55,841	21,486	24,956
Impairment loss (1)	2,443	854	278	1,550
Transaction costs	202	176	—	202
Equity loss (gain) of nonconsolidated investments	(94)	224	—	(94)
Net loss (gain) on sale of assets	10	(266)	—	10
Non-cash hedging charges	252	92	(388)	414
Adjusted EBITDA	**$33,615**	**$56,921**	**$ 21,376**	**$ 27,038**

(1) For the year ended December 31, 2019, we recorded an impairment of $1.5 million associated with our decision to cancel a site conversion agreement and we recorded an impairment loss of $0.9 million associated with an asset distribution from Red Top for the year ended December 31, 2018. For the nine months ended September 30, 2020, we recorded an impairment loss of $0.3 million related to the termination of a development agreement related to our Pico acquisition. We recorded an impairment loss of $1.6 million for the nine months ended September 30, 2019 related to the cancellation of a site conversion agreement and conversion of existing Renewable Electricity to RNG sites as well as the write-off of Red Top assets.

Liquidity and Capital Resources

Sources of Liquidity

At December 31, 2019 and 2018, our cash and cash equivalents, net of restricted cash, was $9.8 million and $54.0 million, respectively. At September 30, 2020 and 2019, our cash and cash equivalents, net of restricted cash, was $19.5 million and $3.0 million, respectively. We intend to fund near-term development projects using cash flows from operations and borrowings under our revolving credit facility. We believe that we will have sufficient cash flows from operations and borrowing availability under our credit facility to meet our debt service obligations and anticipated required capital expenditures (including for projects under development) for at least the next 24 months. However, we are subject to business and operational risks that could adversely affect our cash flows and liquidity.

At December 31, 2019, we had debt before debt issuance costs of $68.2 million, compared to debt before debt issuance costs of $95.0 million at December 31, 2018. In September 2019, we repaid $38.2 million in term loan debt associated with the Second Amendment (as defined below). These debt maturities are reflected in the contractual obligations table below. The debt is subject to various financial covenants. At September 30, 2020, we had debt before debt issuance costs of $69.2 million, compared to debt before issuance costs of $68.2 million at December 31, 2019. As of September 30, 2020, we were in compliance with all financial covenants associated with the borrowings.

Our debt before issuance costs is as follows:

	As of		
	September 30, 2020	December 31, 2019	December 31, 2018
		(in thousands)	
Term Loans	$ 32,500	$ 40,000	$ 95,000
Revolving Credit Facility	36,698	28,198	—
Debt before debt issuance costs	**$ 69,198**	**$ 68,198**	**$ 95,000**

In addition, we had $36.7 million available to be borrowed under our revolving credit facility at September 30, 2020.

Amended Credit Agreement

On December 12, 2018, we entered into an amended revolving credit and term loan agreement (as amended, the "*Amended Credit Agreement*"), with Comerica Bank ("*Comerica*") and certain other financial institutions. The Amended Credit Agreement, which is secured by substantially all of our assets and assets of certain of our subsidiaries and provides for a five-year $95.0 million term loan and a five-year $80.0 million revolving credit facility.

As of December 31, 2019, $40.0 million was outstanding under the term loan and $28.2 million was outstanding under the revolving credit facility. The term loan amortizes in quarterly installments of $4.75 million and has a final maturity of December 12, 2023 with an interest rate of 4.642% and 5.511% at December 31, 2019 and 2018, respectively. The revolving and term loans under the Amended Credit Agreement bear interest at the Eurodollar Margin or Base Rate Margin based on our Total Leverage Ratio (in each case, as those terms are defined in the Amended Credit Agreement).

The Amended Credit Agreement contains customary covenants applicable to us and certain of our subsidiaries, including financial covenants. The Amended Credit Agreement is subject to customary events of default, and contemplates that we would be in default if, for any fiscal quarter (x) the average monthly D3 RIN price (as determined in accordance with the Amended Credit Agreement) is less than $0.80 per RIN and (y) the consolidated EBITDA for such quarter is less than $6.0 million.

Under the Amended Credit Agreement, we are required to maintain the following ratios:

- a maximum ratio of Total Liabilities to Tangible Net Worth (in each case, as those terms are defined in the Amended Credit Agreement) of greater than 2.0 to 1.0 as of the end of any fiscal quarter; and
- as of the end of each fiscal quarter, (x) a Fixed Charge Coverage Ratio (as defined in the Amended Credit Agreement) of not less than 1.2 to 1.0 and (y) a Total Leverage Ratio (as defined in the Amended Credit Agreement) of not more than 3.0 to 1.0.

On August 28, 2019, we received a waiver for a Specified Event of Default (as defined in the Amended Credit Agreement), for the period from August 31, 2019 to October 1, 2019. The Specified Event of Default related to the average monthly D3 RIN price being less than the minimum required price for a consecutive three-month period. The waiver was temporary in nature and expired on October 1, 2019, at which time no events of default were ongoing.

As of December 31, 2020, we were in compliance with all financial covenants related to the Amended Credit Agreement.

The Amended Credit Agreement replaced our prior credit agreements with Comerica Bank and a portion of the proceeds of the term loan made under the Amended Credit Agreement were used by us to, among other things, fully satisfy an aggregate of $52.5 million outstanding under such credit agreements. For additional information regarding the Amended Credit Agreement, see the sections entitled "Description of Indebtedness" and Note 2, "Debt" to our audited consolidated financial statements.

Debt Financing

We have historically funded our growth and capital expenditures with our working capital, cash flow from operations and debt financing. Our Amended Credit Agreement provides us with an $80.0 million revolving credit facility, with a $75.0 million accordion option, providing us with access to additional capital to implement our acquisition and development strategy.

Cash Flow

The following table presents information regarding our cash flows and cash equivalents for years ended December 31, 2019 and 2018 and the nine months ended September 30, 2020 and 2019:

	Year ended December 31,		Nine months ended September 30,	
	2019	2018	2020	2019
	(in thousands)			
Net cash flows provided by operating activities	$ 27,464	$ 49,681	$ 21,947	$ 21,662
Net cash flows used in investing activities	(44,566)	(52,886)	(13,054)	(32,057)
Net cash flows (used in) provided by financing activities	(27,515)	34,231	1,000	(41,014)
Net (decrease) increase in cash, cash equivalents and restricted cash	(44,617)	31,026	9,893	(51,409)
Restricted cash, end of period	574	947	718	567
Cash and cash equivalents, end of period	10,362	54,979	19,537	3,003

For 2019, we generated $27.5 million of cash from operating activities, a 44.7% decrease from the prior year primarily due to increased operating costs associated with new operating locations being commissioned. When we commission new sites, we invest capital to ramp up operations prior to the project generating revenue. In addition, our operating profit was also adversely affected by lower RIN pricing in 2019 over the prior year period. Our net cash flows used in investing activities has historically focused on project development and facility maintenance. For 2019, our capital expenditures were $45.2 million, of which $12.6 million, $10.7 million and $10.6 million related to the construction of our Galveston, Coastal Plains, and Pico RNG facilities, respectively. For 2018, our capital expenditures were $40.2 million, of which $6.1 million related to the construction of the Atascocita RNG facility, $9.3 million for the Galveston RNG facility, $6.4 million for the Coastal Plains RNG facility, and $9.8 million for the Apex RNG facility. Our net cash flows used in financing activities of $27.5 million for 2019 increased by $61.8 million (180.4%) compared to 2018, primarily due to lower borrowings in 2019. Additionally, we made a distribution to acquire outstanding share rights related to a minority partner of a fully consolidated entity, but otherwise paid no dividends in 2019 as compared to $11.8 million in 2018. Higher debt issuance costs in the prior year period related to closing of the Amended Credit Agreement.

For the nine months ended September 30, 2020, we generated $21.9 million of cash from operating activities, a 1.3% increase from the prior comparative period primarily due to the receipt of insurance proceeds related to the McCarty engine failure of $3.4 million. The proceeds reimbursed the Company for the lost operating profit during the period of reduced production. Without the receipt of these insurance proceeds, cash from operating activities for the nine months ended September 30, 2020 would have decreased $3.0 million compared to the nine months ended September 30, 2019. This decrease would have been driven primarily from reduced commodity and attribute index pricing which negatively impacted operating profit. Our net cash flows

used in investing activities has historically focused on project development and facility maintenance. For the nine months ended September 30, 2020, our capital expenditures were $14.2 million, of which $4.6 million, $4.1 million and $2.0 million related to the construction of our Coastal Plains, McCarty, and Pico RNG facilities, respectively. For the nine months ended September 30, 2019, our capital expenditures were $33.6 million, of which $9.8 million related to the construction of the Coastal Plains RNG facility, $9.0 million for the Galveston RNG facility, $6.4 million for the Pico RNG facility, and $1.7 for the Apex RNG facility. Our net cash flows provided by financing activities of $1.0 million for the nine months ended September 30, 2020 increased by $42.0 million (102.4%) compared to $41.0 million of cash flows used in financing activities the nine months ended September 30, 2019, primarily due to borrowing and repayment activities associated with the September 2019 amendment to our Amended Credit Agreement.

Contractual Obligations and Commitments

The following table summarizes our outstanding contractual obligations as of December 31, 2019 that require us to make future cash payments:

	Payments Due by Period				
	Total	Less than 1 Year	1-3 Years	3-5 years	More than 5 years
			(in thousands)		
Long-term debt (1)	$ 66,566	$ 9,310	$19,140	$ 38,116	$ —
Operating lease obligations (2)	856	301	527	28	—
Minimum obligation under gas rights agreements (3)	57,500	3,408	10,224	10,224	33,644
Total (4) (5)	**$124,922**	**$13,019**	**$29,891**	**$ 48,368**	**$ 33,644**

(1) Includes fixed interest associated with these obligations.
(2) Operating lease obligations consist of leases for various office spaces and equipment.
(3) Minimum royalty and capital obligations associated with fuel supply agreements at certain operating sites.
(4) This table does not include the estimated discounted liability for the decommissioning and removal requirements for specific gas processing and distribution assets of $5.9 million. See Note 10, “Asset Retirement Obligations” to our audited consolidated financial statements.
(5) This table excludes any obligations which may arise in connection with any future site closures.

Internal Control Over Financial Reporting

In the preparation of our financial statements to meet the requirements of this offering, we determined a material weakness in our internal control over financial reporting existed during 2019 and remained unremediated as of September 30, 2020. See “Risk Factors-Emerging Growth Company Risks-We have identified a material weakness in our internal control over financial reporting. If we are unable to remediate this material weakness, or if we identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect our business.”

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in conformity with GAAP and require our management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates, and such estimates may change if the underlying conditions or assumptions change.

Revenue Recognition

The Financial Accounting Standards Board ("*FASB*") issued Revenue from Contracts with Customers ("*ASC 606*") superseding virtually all existing revenue recognition guidance. We adopted this new standard in the first quarter of 2018 using the modified retrospective approach. Revenue from our point in time product sales continue to be recognized when products are shipped or services are invoiced. Revenue from our product and service sales provided under long-term agreements is recognized as we transfer control of the product or renders service to its customers, which approximates the time when the customer is invoiced. The adoption of ASC 606 had no material effect on our financial position, results of operations, or cash flows, and no adjustment to January 1, 2018 opening retained earnings was needed.

Our revenues are comprised of renewable energy and the related Environmental Attribute sales provided under long-term contracts with its customers. All revenue is recognized when we satisfy our performance obligation(s) under the contract (either implicit or explicit) by transferring the promised product to the customer either when (or as) the customer obtains control of the product. A performance obligation is a promise in a contract to transfer a distinct product or service to a customer. A contract's transaction price is allocated to each distinct performance obligation. We allocate the contract's transaction price to each performance obligation using the product's observable market standalone selling price for each distinct product in the contract.

Revenue is measured as the amount of consideration we expect to receive in exchange for transferring our products. As such, revenue is recorded net of allowances and customer discounts. To the extent applicable, sales, value add, and other taxes collected from customers and remitted to governmental authorities are accounted for on a net (excluded from revenues) basis. The nature of our long-term contracts may give rise to several types of variable consideration, such as periodic price increases. This variable consideration is outside of our control as the variable consideration is dictated by the market.

The nature of the Company's long-term contracts may give rise to several types of variable consideration, such as periodic price increases. This variable consideration is outside of the Company's influence as the variable consideration is dictated by the market. Therefore, the variable consideration associated with the long-term contracts is considered fully constrained.

RINs

We generate D3 RINs through our production and sale of RNG used for transportation purposes as prescribed under the RFS program. Our operating costs are associated with the production of RNG. The RINs are generated as an output of our renewable operating projects. The RINs that we generate are able to be separated and sold independently from the energy produced. Therefore, no cost is allocated to the RIN when it is generated. Revenue is recognized on these Environmental Attributes when there is an agreement in place to monetize the credits at an agreed upon price with a customer and transfer of control has occurred.

RECs

We generate RECs through our production and conversion of landfill methane into Renewable Electricity in various states, including California, Oklahoma, and Texas. These states have various laws requiring utilities to purchase a portion of their energy from renewable resources. Our operating costs are associated with the production of Renewable Electricity. The RECs are generated as an output of our renewable operating projects. The RECs that we generate are able to be separated and sold independently from the electricity produced. Therefore, no cost is allocated to the REC when it is generated. Revenue is recognized on these Environmental Attributes when there is an agreement in place to monetize the credits at an agreed upon price with a customer and transfer of control has occurred.

Income Taxes

We are subject to income taxes in the U.S. federal jurisdiction and various state and local jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply.

Our deferred tax assets are a result of NOLs, the difference between book and tax basis in property, plant, and equipment and tax credit carryforwards. The realization of deferred tax assets is dependent upon our ability to generate sufficient future taxable income during the periods in which those temporary differences become deductible, prior to the expiration of the tax attributes. The evaluation of deferred tax assets requires judgment in assessing the likely future tax consequences of events that have been recognized in our financial statements or tax returns and forecasting future profitability by tax jurisdiction.

See Note 15, "Income Taxes" to our audited consolidated financial statements included elsewhere in this prospectus. We evaluate our deferred tax assets at reporting periods on a jurisdictional basis to determine whether adjustments to the valuation allowance are appropriate considering changes in facts or circumstances. As of each reporting date, management considers new evidence, both positive and negative, when determining the future realization of our deferred tax assets. We account for uncertain tax positions using a "more-likely-than-not" threshold for recognizing and resolving uncertain tax positions. The evaluation of uncertain tax positions is based on factors that include, but are not limited to, changes in tax law, the measurement of tax positions taken or expected to be taken in tax returns, the effective settlement of matters subject to audit, new audit activity and changes in facts or circumstances related to a tax position. Given our current level of pre-tax earnings and forecasted future pre-tax earnings, we expect to generate income before taxes in the United States in future periods at a level that would fully utilize our U.S. federal NOL carryforwards and the majority of its state NOL carryforwards prior to their expiration.

Intangible Assets

Separately identifiable intangible assets are recorded at their fair values upon acquisition. We account for intangible assets in accordance with ASC 350, Intangibles—Goodwill and Other. Finite-lived intangible assets include interconnections, customer contracts, and trade names and trademarks. The interconnection intangible asset is the exclusive right to utilize an interconnection line between the operating project and a utility substation to transmit produced electricity. Included in that right is full maintenance provided on this line by the utility. Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful life. We evaluate our finite-lived intangible assets for impairment as events or changes in circumstances indicate the carrying value of these assets may not be fully recoverable. Events that could result in an impairment include, among others, a significant decrease in the market price or the decision to close a site.

Indefinite-lived intangible assets are not amortized and include emission allowances and land use rights. Emission allowances consist of credits that need to be applied to nitrogen oxide ("*NOx*") emissions from internal combustion engines. These engines emit levels of NOx for which environmental permits are required in certain regions in the United States. Except for permanent allocations of NOx credits, allowances available for use each year are capped at a level necessary for ozone attainment per the National Ambient Air Quality Standards. We assess the impairment of intangible assets that have indefinite lives at least on an annual basis or whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable.

If finite-lived or indefinite-lived intangible assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. The fair value is determined based on the present value of expected future cash flows. We use our best estimates in making these evaluations, however, actual future pricing, operating costs and discount rates could vary from the assumptions used in our estimates and the impact of such variations could be material.

Finite-Lived Asset Impairment

In accordance with FASB Accounting Standards Codification ("*ASC*") Topic 360, Property, Plant and Equipment and intangible assets with finite useful lives are evaluated for impairment whenever events or changes in

circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by comparing the carrying amount of an asset or asset group to future undiscounted cash flows expected to be generated by the asset or asset group. Such estimates are based on certain assumptions, which are subject to uncertainty and may materially differ from actual results, including considering project specific assumptions for long-term credit prices, escalated future project operating costs and expected site operations. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Fair value is generally determined by considering (i) internally developed discounted cash flows for the asset group, (ii) third-party valuations, and/or (iii) information available regarding the current market value for such assets. We use our best estimates in making these evaluations and consider various factors, including future pricing and operating costs. However, actual future market prices and project costs could vary from the assumptions used in our estimates and the impact of such variations could be material.

We recorded impairment of $2.4 million and $0.9 million for the years ended December 31, 2019 and 2018, respectively. See Note 4, “Asset Impairment” to our audited consolidated financial statements included elsewhere in this prospectus.

Off-Balance Sheet Arrangements

Off-balance sheet arrangements comprise those arrangements that may potentially impact our liquidity, capital resources and results of operations, even though such arrangements are not recorded as liabilities under GAAP. Our off-balance sheet arrangements are limited to the outstanding letters of credit and operating leases described below. Although these arrangements serve a variety of our business purposes, we are not dependent on them to maintain our liquidity and capital resources, and we are not aware of any circumstances that are reasonably likely to cause the off-balance sheet arrangements to have a material adverse effect on liquidity and capital resources.

During 2019, we did not have off-balance sheet arrangements other than outstanding letters of credit of approximately $7.6 million. During 2018, we did not have off-balance sheet arrangements other than outstanding letters of credit and operating leases of approximately $8.3 million and $0.4 million, respectively.

Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks related to Environmental Attribute pricing, commodity pricing, changes in interest rates and credit risk with our contract counterparties. We currently have no foreign exchange risk and do not hold any derivatives or other financial instruments purely for trading or speculative purposes.

We employ various strategies to economically hedge the risks related to these market risks, including derivative transactions relating to commodity pricing and interest rates. Any realized or unrealized gains or losses from our derivative transactions are reported within corporate revenue in our consolidated financial statements. For information about our realized or unrealized gains or losses with respect to our derivative transactions and the fair value of such financial instruments, see Note 11, “Derivative Instruments” and Note 12, “Fair Value of Financial Instruments” to our audited consolidated financial statements.

Environmental Attribute Pricing Risk

We attempt to negotiate the best prices for our Environmental Attributes and to competitively price our products to reflect the fluctuations in market prices. Reductions in the market prices of Environmental Attributes may have a material adverse effect on our revenues and profits as they directly reduce our revenues.

To manage this market risk we use a mix of short-, medium-, and long-term sales contracts and sell a portion of our Environmental Attributes at fixed-prices, through floor-price margin share agreements and pursuant to forward contracts with terms between one and two years.

We have prepared a sensitivity analysis to estimate our exposure to market risk with respect to RIN prices. Our analysis. which may differ from actual results, was based on a 2020 estimated D3 RIN Index price of approximately $1.35 and our actual 2019 RINs sold. The estimated annual impact of a hypothetical 10% decrease in the average realized price per RIN would have a negative effect on our operating profit of approximately $4.0 million.

RIN and Renewable Electricity Pricing Risk

The price of RNG and Renewable Electricity changes in relation to the market prices of wholesale gas and wholesale electricity, respectively. Pricing for wholesale gas and wholesale electricity is volatile and we expect this volatility to continue in the future. Further, volatility of wholesale gas and electricity prices also creates volatility in the prices of Environmental Attributes.

We use a mix of short-, medium-, and long-term sales contracts and commodity hedging derivatives to manage our exposure to our pricing risk. In particular, during the calendar years 2018 and 2019 we entered into derivative transactions to hedge our exposure to the market price of wholesale gas.

We have prepared a sensitivity analysis to estimate our exposure to market risk with respect to the market price of wholesale gas. Our analysis. which may differ from actual results, was based on a 2020 estimated NYMEX average Index Price of approximately $2.10/MMBtu and our actual 2019 gas production sold pursuant to contracts that do not provide for a fixed or floor price. The estimated annual impact of a hypothetical 10% decrease in the market price of wholesale gas would have a negative effect on our operating profit of approximately $0.6 million.

Interest Rate Risk

In order to maintain liquidity and fund a portion of development and working capital needs, we have the Amended Credit Facility, which bears a variable interest rate based on the Eurodollar Margin or Base Rate Margin based on our Total Leverage Ratio (in each case, as those terms are defined in the Amended Credit Agreement). We use interest rate swaps to set the variable interest rates under the Amended Credit Facility at a fixed interest rate to manage our interest rate risk.

As of December 31, 2019, we had $65.6 million outstanding under the Amended Credit Facility. Our weighted average interest rate on variable debt balances during 2019 was approximately 3.76%. We have prepared a sensitivity analysis to estimate our exposure to market risk with respect to changes in interest rates. Based on our analysis, which may differ from actual results, a hypothetical increase in our effective borrowing rate of 10% would not have a material effect on our annual interest expenses and consolidated financial statements.

Credit Risk

We have certain financial and derivative instruments that subject us to credit risk. These consist of our interest rate swaps and commodity price hedging contracts. We are exposed to credit losses in the event of non-performance by the counterparties to our financial and derivative instruments.

We are also subject to credit risk due to concentration of our RNG receivables with a limited number of significant customers. This concentration increases our exposure to credit risk on our receivables, since the financial insolvency of these customers could have a significant impact on our results of operations.

Emerging Growth Company

We are an emerging growth company, as defined in the JOBS Act. The JOBS Act allows emerging growth companies to delay the adoption of new or revised accounting standards until such time as those

standards apply to private companies. We intend to utilize these transition periods, which may make it difficult to compare our financial statements to those of non-emerging growth companies and other emerging growth companies that have opted out of the transition periods afforded under the JOBS Act.

Recent Accounting Pronouncements

For a description of our recently adopted accounting pronouncements and recently issued accounting standards not yet adopted, see Note 2, "Summary of Significant Accounting Policies" to our consolidated financial statements appearing elsewhere in this prospectus.

INDUSTRY OVERVIEW

This section includes market and industry data that we have developed from publicly available information; various industry publications and other published industry sources and our internal data and estimates. Although we believe the publications and reports are reliable, we have not independently verified the data. Our internal data, estimates and forecasts are based upon information obtained from trade and business organizations and other contacts in the market in which we operate and our management's understanding of industry conditions.

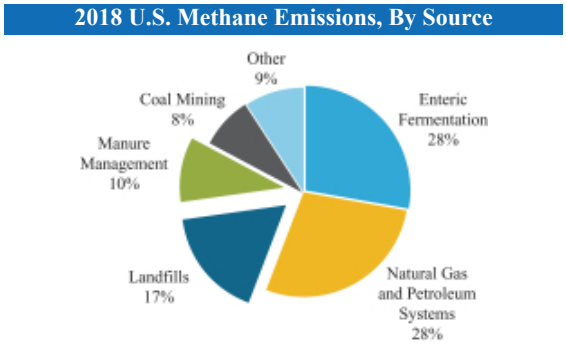
Biogas

Biogas is naturally produced from the decomposition of organic waste in the absence of oxygen. Biogas can be collected and processed for use as RNG (a form of high-Btu fuel), electricity, or boiler heat (a form of medium-Btu fuel). RNG has the same applications as natural gas produced from fossil fuels and can serve as a replacement for pipeline-quality natural gas. Common sources of biogas include landfills, livestock waste and WRRFs.

Biogas is produced from anaerobic digestion either as LFG or as ADG. An anaerobic digester is an airtight tank that creates an oxygen-free environment to enable the breakdown of organic matter and other products into usable products such as biogas.

Methane is the primary component of biogas and natural gas, though the composition of biogas varies depending upon the source and anaerobic conditions. Methane from the decomposition of organic matter in landfills or in digesters from livestock waste and WRRFs can be harvested to produce RNG. Methane is one of the main GHGs, in addition to carbon dioxide and nitrous oxide, and accounts for roughly 9.5 % of all GHG emissions in the United States according to the EPA. Furthermore, methane is a more potent GHG with a global warming potential about 25 times more powerful than that of carbon dioxide according to the EPA. The main sources of methane emissions in the United States include the production and transport of coal, natural gas and petroleum systems, livestock waste and other agricultural practices, and landfills, as outlined in the chart below. Biogas processing facilities can play a key role in reducing methane emissions produced by landfills and livestock waste, which together accounted for 27% of U.S. methane emissions in 2018.

Sources of U.S. Methane Emissions



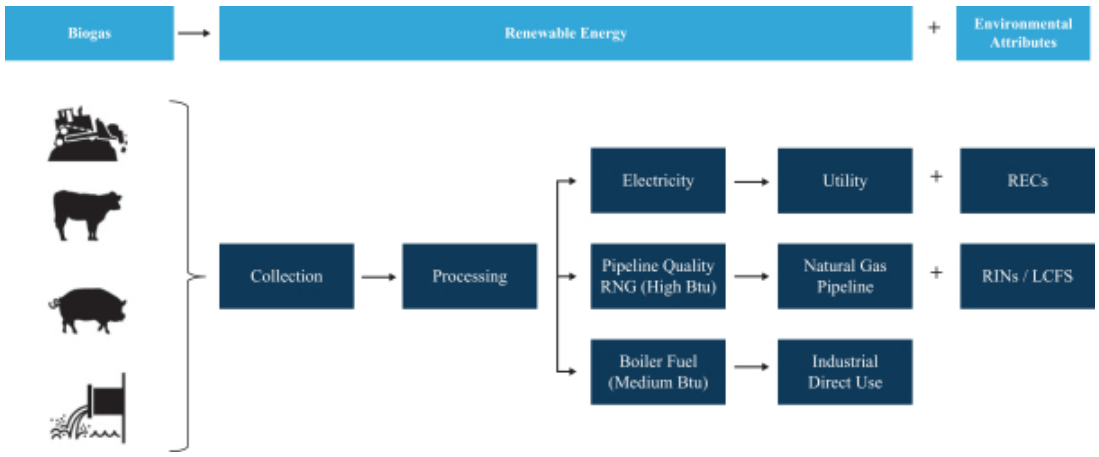
Source: EPA

LFG typically has methane concentrations around 50% while biogas sourced from manure and processed in an anaerobic digester commonly has methane concentrations as high as 55% to 75%. Biogas can replace natural gas in almost any application, but first it must be processed to remove non-methane compounds. The level of processing varies depending on the source of the biogas and the final application of the RNG.

Advantages of Biogas as a Source of Renewable Energy

Due to low feedstock cost and natural production, LFG and ADG are likely to be more economical than ethanol or biodiesel in the renewable fuel market according to the Energy Information Administration ("*EIA*"). Unlike intermittent forms of renewable energy, such as wind and solar, electricity produced from LFG or ADG is a baseload resource that generally can run 24 hours a day, seven days a week. Gas flows continuously from landfills and anaerobic digesters, which enables LFG and ADG projects to typically have capacity factors between 79% and 98%. In comparison, wind and solar had capacity factors of 35% and 25% in 2019, respectively, according to the EIA. Capacity factor is the ratio between what the project is capable of generating at maximum output versus the project's actual generation output over a period of time.

Biogas Pathways to Renewable Energy



RNG

Overview

Biogas can be processed into RNG through treatment processes that reduce the presence of moisture, contaminates, and other gases such as carbon dioxide, hydrogen sulfide and oxygen. Post-processing, RNG has the same chemical composition as fossil fuel based natural gas. RNG can be transported and distributed via existing natural gas pipeline infrastructure, providing natural gas customers access to RNG while requiring no extra capital outlay from the customer or the transmission supplies. RNG can be injected into natural gas pipelines for use as a transportation fuel or for fueling combustion equipment. In the case of transportation fuel, RNG is used to produce the equivalent of CNG and LNG. While RNG can be blended with traditional natural gas for any purpose that natural gas alone can be used, the sale of RNG for end-use as a transportation industry fuel offers a distinct economic benefit driven by government incentives under the RFS program and state-level carbon reduction initiatives.

Environmental Attributes of RNG

The RFS program is a federal program administered by the EPA requiring transportation fuel sold in the United States to contain a minimum volume of renewable fuel. Under the RFS program, refiners and importers of gasoline or diesel fuel are obligated to blend renewable fuels into transportation fuel to meet an EPA-specified RVO, which is based on the Clean Air Act ("*CAA*") volume requirements and projections of gasoline and diesel production for the coming year. The original RFS program was created by the Energy Policy Act of 2005 ("*EPACT 2005*"). In 2007, EISA created the RIN to track compliance by gasoline and diesel refiners and

importers, also known as Obligated Parties, with the RFS. RINs are generated when eligible renewable fuels are produced or imported and blended with a petroleum product for use as a transportation fuel. Obligated Parties can evidence their compliance with the RFS by either blending RNG into their existing fuel supply or purchasing RINs. RINs can be sold along with the physical volume of RNG or purchased separately in the market. If RINs are not sold in the year they were generated, they can be saved ("*banked*") for compliance in the following year. Note that EPA generated RIN price data quotes a RIN price as of the date of the contract, unlike price data provided by certain industry subscription services, which quote the EPA Moderated Transaction System transfer date price.

The RFS program was expanded under the EISA to require 36 billion gallons of renewable fuel blended into gasoline or diesel by 2022 of which 16 billion gallons must be cellulosic biofuel. A cellulosic biofuel must be produced from cellulose, hemicelluloses, or lignin and must meet a 60% lifecycle GHG reduction. In 2014, the EPA ruled that RNG produced from landfills, municipal WRRF digesters, agricultural digesters and separated Municipal Solid Waste ("*MSW*") digesters would qualify as a biofuel under the cellulosic and advanced fuel pathways of the RFS. This action made RNG, when used as transportation fuel, eligible for D3 RINs.

In addition to federal incentives for RNG production through RINs, some states offer additional incentives for the production and sale of RNG. For example, RNG falls under CA LCFS, which uses a market-based cap and trade approach aiming to lower GHG emissions from fossil fuels. CA LCFS requires producers of petroleum-based fuels to reduce the CI of their products, beginning with a quarter of a percent in 2011, culminating in a 10% total reduction in 2020 and a 2030 target of 20% emissions reductions below 1990 levels. Petroleum importers, refiners and wholesalers can either develop their own low-carbon fuel products or buy CA LCFS credits from other companies that develop and sell low carbon alternative fuels, such as RNG.

CARB awards CA LCFS credits to sources of low-carbon transportation fuels based on the CI score of the project pathway relative to CARB's annual CI benchmark for gasoline, diesel and jet fuels. The CI score represents the overall net impact on carbon emissions to the environment for each low-carbon fuel pathway and is determined on a project by project basis taking into account the location and other project and operational specific factors that affect the project's carbon emissions. The amount of CA LCFS credits awarded to each pathway is based on the differential between the pathway's CI score and CARB annual CI benchmark, divided by the fuel's Energy Economy Ratio ("*EER*"). CARB assigns a temporary pathway CI score to new pathways that have not yet obtained a CI score. The current CARB temporary pathway CI score for biomethane produced from livestock waste is -150 gCO2e/MJ, however, operating livestock waste biomethane projects have received approved modeled CI scores up to -532.74 gCO2e/MJ. As shown below, the net impact of carbon emissions from livestock ADG operations is negative due to the capturing and removal of carbon dioxide in the biomethane conversion process that would otherwise be released into the atmosphere. Thus, based on 2020 CI targets and average CA LCFS price per credit, the production of livestock waste biomethane earns a substantially larger amount of CA LCFS credits relative to other pathways. We anticipate that our livestock waste RNG projects could potentially earn two to three times the amount of revenue per MMBtu in credits relative to LFG based on our expected CI scores.

CA LCFS Value Breakdown by Registered Pathways

	2020 CARB CI Diesel Benchmark	CI (gCO2e/MJ)	CA LCFS Differential	2020 Average CA LCFS Price per Credit	Est. Revenue per MMBtu (3)
Livestock Waste	92.92	(150.0) (1)	242.92	$ 198.9	$ 44.27
Landfills	92.92	60.4 (2)	32.52	$ 198.9	$ 4.40

Source: CARB

(1) Represents the temporary CI score assigned by CARB because our Pico pathway(s) have not been assigned CI scores by CARB.
(2) Represents the average CI score for all of our current LFG pathways, other than Atascocita, Coastal and Galveston, which have not been assigned CI scores.
(3) Estimated revenue per MMBtu is calculated by dividing the value of our estimated CA LCFS credit awards by estimated pathway production.

RNG Use in Transportation Fuels

The growing use of natural gas as a transportation fuel further supports demand for RNG. Momentum in the use of natural gas as a transportation fuel has continued to develop since the mid-2000s. Under EPACT 2005, federal tax credits were provided through 2013 to help stimulate the shift of trucks and buses from diesel to natural gas fuel by covering up to 80% of the incremental costs of these new natural gas powered vehicles. A portion of the costs of new refueling infrastructure was also covered. The Transportation Equity Act enacted that same year included an excise tax credit encouraging the fuel shift further by making alternative fuels cheaper than petroleum-derived fuels for retailers and non-profit fuel purchasers. The use of natural gas as a vehicle fuel grew by over 70% between 2013 and 2019, according to the Natural Gas Vehicle Association, from approximately 237 to 404 million gallons of gasoline equivalents.

The shift towards adoption of low-carbon transportation fuels is also expected to remain a key driving factor for the global CNG market. CNG emerged as a substitute transportation fuel for gasoline, diesel and liquefied petroleum gas on account of its lower emission of GHG emissions on combustion. CNG can be used in traditional internal combustion engines that were originally designed for gasoline/diesel, but have been modified for CNG use, which has further propelled adoption of CNG vehicles.

According to the EIA, use of CNG transportation fuel in the United States grew at a five-year compound annual growth rate ("*CAGR*") of 7.7% between 2014 and 2019. Globally, the CNG market is forecasted to grow at a 11.4% CAGR from 2019 to 2025, to a total market size of $46.6 billion by the end of 2025 according to the EIA. Though exploration of shale gas and other non-conventional sources of energy have brought down global CNG prices, increasing government regulation of fossil fuels due to environmental concerns is expected to positively impact the continued growth of the global CNG market.

LFG Fundamentals

LFG is a long-term baseload renewable energy resource that is an environmentally sound alternative to fossil fuels. The EPA endorses LFG as a renewable energy resource in the same category as wind, solar and geothermal resources. In addition to qualifying as a cellulosic biofuel under the RFS program, LFG is also recognized as a renewable resource by each state with an RPS.

Landfills are the main form of solid waste management in the United States. A landfill is an engineered excavation into which solid waste is placed. Solid waste landfills are constructed and operated on land with engineering safeguards and have highly regulated operating procedures that limit the possibility of water and air pollution. A landfill must meet federal, state and local regulations during its design, construction, operation and closure. The operation and closure activities of a solid waste landfill include excavation, construction of liners, continuous spreading and compacting of waste, covering of waste with earth or other acceptable material and constructing the final capping of the landfill. A landfill is divided into compaction areas, or cells, where solid waste is deposited within the landfill. After a cell is filled, it is compacted by heavy equipment, covered permanently with a polyethylene cap and then covered with soil. These operations are carefully planned to maintain environmentally safe conditions and to maximize the use of the space. Given the high level of planning and coordination involved in these operations, landfill owners typically seek to partner closely with LFG project operators with known track records and experience, creating barriers to entry for many new LFG developers without a known track record.

LFG is produced naturally as waste decomposes in a landfill. The decomposition of organic material in landfills occurs under conditions where oxygen is absent (anaerobic). LFG contains roughly 50% methane and 50% carbon dioxide, with less than 1% non-methane organic compounds and trace amounts of inorganic compounds. When waste is first deposited in a landfill, it undergoes an aerobic decomposition stage during which little methane is generated. Then, typically within less than one year, anaerobic conditions are established and methane-producing bacteria decompose the waste and produce methane and carbon dioxide.

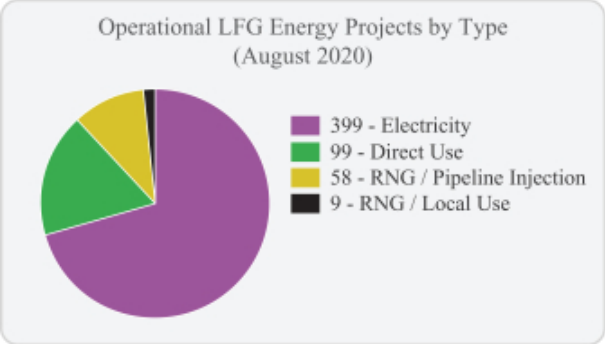
EPA regulations under the CAA require many larger landfills to collect and control LFG in order to minimize the environmental impact, though typically collection begins much sooner than required to maximize gas recovery while controlling odors. An LFG collection system consists of a series of pipes that are embedded in the landfill. A vacuum induction system is used to transport the gas to a collection facility. Subsequently, the gas is either transported to be flared or sent to an energy recovery system. Using LFG in an energy recovery system requires some treatment to remove excess moisture, particulates and other impurities. The type and extent of treatment depends on site-specific characteristics and the type of energy recovery system employed.

According to the EPA, landfills continue to produce LFG for as many as 20 to 30 years after being capped. The amount of gas produced generally increases for up to five to seven years after the waste has been buried, at which time the gas volume begins to gradually decline. Using certain parameters, production history and other statistical information for a given site, engineers can predict the estimated quantity of LFG that a landfill is expected to generate over time. As a result, LFG can provide a more steady, predictable and reliable source of energy relative to other intermittent renewable energy production methods, such as solar and wind. Capturing LFG and using it as an energy resource produces significant energy, environmental, economic and other benefits.

Overview of the LFG Industry

LFG is a reliable, renewable fuel option that remains untapped at many landfills across the United States. The LFG industry has grown rapidly over the last 30 years driven both by EPA regulations and the inclusion of LFG into renewable energy programs. According to the EPA, in 1982 there were only three known LFG projects in the United States. By 1990, the number of LFG projects had increased to 32. According to the EPA, as of August 2020, there were 565 LFG projects in operation in the United States, including 67 RNG projects, 399 operating LFG-to-energy electricity projects and 99 direct-use projects. While historically most LFG projects were used to produce electricity, more recent development has favored RNG facilities (where gas is typically used in industry applications), given the ability to generate D3 RINs beginning in 2014.

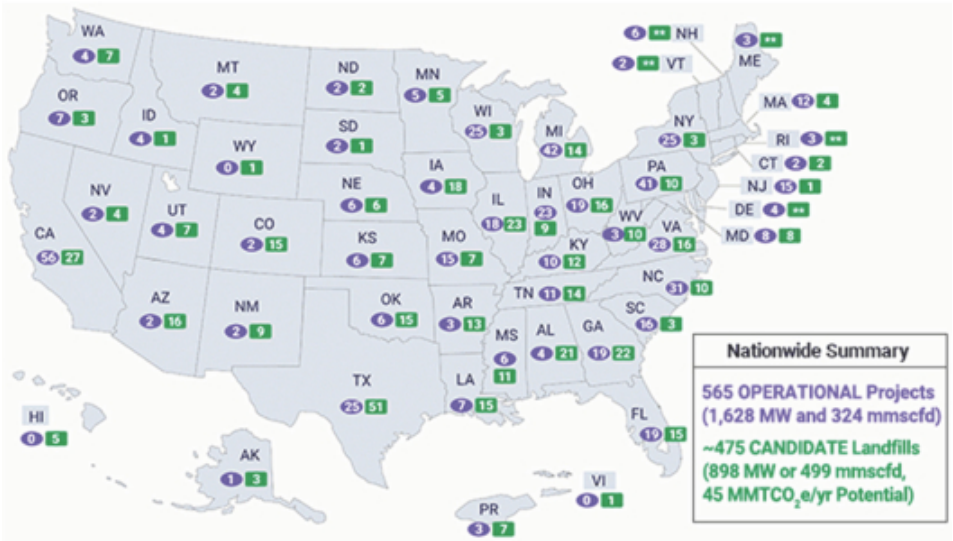
Operational LFG Projects by Type



Source: EPA

While the deployment of LFG projects has accelerated, there is still potential growth in the industry. The EPA has identified 477 landfills as candidate sites, meaning they meet high-level criteria for LFG project suitability and could have their gas turned into an energy source. In addition, there are 399 operating Renewable Electricity projects that have the potential to be converted to produce RNG. Based on our industry experience and technical knowledge and analysis, after evaluating their currently available LFG collection systems and potential production capacities, we believe that approximately 25 of the candidate landfills are potentially economically viable as projects for acquisition and growth. In the future, additional candidate landfills may become economically viable as their growth increases LFG production and requires installation of LFG collection systems.

LFG Projects by State



Source: EPA

The LFG market is heavily fragmented. According to the EPALMOP project database, the top ten players in the LFG industry account for approximately 53% of installed LFG capacity as of August 2020, and over 90% of developers own five or fewer projects. Aside from the top five players in this industry, including us, no company accounts for more than 5% of the total LFG to energy capacity.

The significant regulatory compliance requirements for developing and operating a landfill serve as a barrier to new landfill development and have resulted in a decrease in the number of operating landfills in the United States since 1986 and also in existing landfills becoming larger over time. As of 2019, there were approximately 2,627 Municipal Solid Waste Landfills in the United States. As a result, incumbent LFG operators on operating landfills that have secured long-term fuel supply agreements and established conversion facilities on site are well-positioned to benefit from future growth of existing landfills. These long-term contracts secure access to a steady source of biogas for LFG operators and offer a steady revenue stream in the form of royalties to landfill owners along with helping them to meet regulatory compliance requirements, resulting in a mutually beneficial arrangement.

LFG can be processed to produce pipeline-quality RNG, used to fuel power generation, or delivered by pipeline directly to industrial customers. The economics of an LFG project depend on several factors. Most importantly, RNG projects must have close proximity to off-take infrastructure. LFG-to-energy producers evaluate potential landfills to assess recovery potential, which are dependent on a variety of factors, including

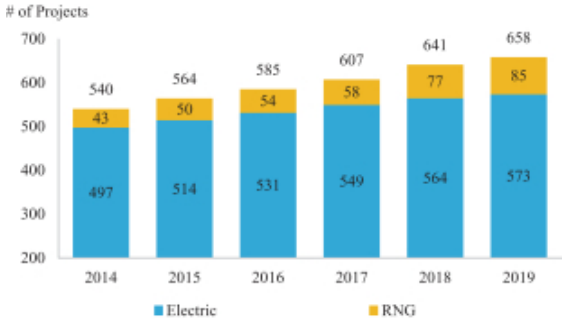
landfill size, age, local precipitation and landfill composition. LFG developers then evaluate the most profitable method of selling their RNG, either for power, pipeline use or direct use in industrial applications. Projects can then be structured in a variety of ways. Typically, the landfill owner operates the wellfield and the LFG operator obtains control at the gas inlet meter to the processing facility. We operate the wellfield collection system at five of our sites, which allows greater control over the quality and consistency of the collected biogas.

Under EPA standards, RNG qualifies as a renewable fuel resource and is therefore eligible for RINs when sold for end-use in the transportation fuel industry. Thus, LFG projects that produce RNG benefit from two revenue streams. The first revenue stream is from the commodity value of the natural gas generated by selling the RNG into the pipeline at market pricing. The second revenue stream is from the Environmental Attributes of RNG which are generated by the registration of a RIN once the RNG is used as a transportation fuel. Additionally, RNG generates revenue when used as a transportation fuel in states with LCFS programs. Since the 2014 EPA ruling that designated RNG produced from LFG facilities as a cellulosic biofuel and eligible for D3 RINs, development of new LFG facilities has trended towards RNG production over electricity production. While LFG-to-RNG facilities have grown at a five-year CAGR of 14.6% from 2014 to 2019, LFG-to-electricity facilities have grown at a 2.9% CAGR.

Historical Growth LFG-to-Electricity and LFG-to-RNG Projects

Historical Electric and RNG Project Growth

The number of RNG projects in the U.S. has grown at a 14.6% CAGR since 2014



Source: EPA

Anaerobic Digester Fundamentals

Anaerobic digestion is a series of biological processes in which microorganisms break down organic matter in the absence of oxygen, which results in ADG. A range of anaerobic digestion technologies are converting livestock waste, municipal wastewater solids, food waste, high strength industrial wastewater and residuals, fats, oils and grease and various other organic waste streams into ADG. Currently, we are focused primarily on developing RNG from LFG and livestock waste due to the positive economics of cellulosic RINs under the RFS program which enables the generation of D3 RINs from our operations.

In order to generate RNG from livestock waste, manure from dairy cows, pigs or other livestock is collected and either flushed or scraped into an anaerobic digester resulting in the production of ADG. Captured biogas is transported via pipe from the digester, either directly to a gas use device or to a gas treatment system for moisture and hydrogen sulfide removal. Captured ADG can be further upgraded by removing carbon dioxide, nitrogen and oxygen to increase purity to meet requirements for pipeline injection. The ADG is then delivered into a processing plant where it is refined to meet the fuel quality standards of pipeline-quality natural gas.

Separated digested solids can be composted, utilized for dairy bedding, directly applied to cropland or converted into other products. Nutrients in the liquid stream are used in agriculture as fertilizer.

There are several types of digesters. A digester can be wet, which means it processes feedstock with less than 15% solids content, whereas a dry digester processes 15% or more solids content. Certain digesters can only process one type of feedstock and other digesters are designed to process multiple feedstocks. Furthermore, in a batch digester, feedstock can be loaded into a digester all at once, whereas in a continuous flow digester, feedstocks are constantly fed into the digester and digested material is continuously removed. Standalone digesters process feedstock from one or more sources for a tipping fee, which is a fee paid by anyone disposing of waste at a landfill, where the primary feedstock is typically food waste. Digesters help farmers manage nutrients, reduce odors and generate additional revenue. Dairy, swine and poultry farms are the primary candidates for digesters given their significant production of livestock waste.

In addition to its economic potential, the increased use of anaerobic digesters has several environmental benefits. Anaerobically digested livestock waste produces significantly less odor than conventional storage and land application systems. The odor of stored livestock waste mainly comes from volatile organic acids and hydrogen sulfide, which has a “rotten egg” smell. In an anaerobic digester, volatile organic compounds are reduced to methane and carbon dioxide, which are odorless gases. The volatized fraction of hydrogen sulfide is captured with the collected ADG and destroyed.

Anaerobic digestion provides several water quality and land conservation benefits as well. Digesters, particularly heated digesters, can destroy more than 90% of disease-causing bacteria that might otherwise enter surface waters and pose a risk to human and animal health. Digesters also reduce biochemical oxygen demand (“*BOD*”). BOD is one measure of the potential for organic wastes to reduce dissolved oxygen in natural waters. Because fish and other aquatic organisms need minimum levels of dissolved oxygen for survival, farm practices that reduce BOD protect the health of aquatic ecosystems. In addition to protecting local water resources, implementing anaerobic digesters on livestock facilities improves soil health. The addition of digestate to soil increases the organic matter content, reduces the need for chemical fertilizers, improves plant growth and alleviates soil compaction. In addition, digestion converts nutrients in manure to a more accessible form for plants to use. The risks of water and soil contamination from flooding of open lagoons are also mitigated by digesters.

Digesters also significantly reduce emissions of GHG that are harmful to the environment. In 2018, the EPA estimated that livestock waste management was responsible for approximately 10% of annual U.S. methane emissions; the majority of those methane emissions came from dairy and swine operations. ADG recovery systems could capture and process methane, significantly reducing methane emissions. The use of ADG to generate energy can also offset fossil fuel use, which in turn lowers emissions of carbon dioxide, another critical GHG.

Overview of Anaerobic Digester Industry

The feasibility of anaerobic digestion projects varies state-to-state; however, advances in technological application and favorable legislative developments are driving investment interest in the space. As of January 2019, there were 255 anaerobic livestock digester systems in the United States operating on commercial livestock facilities, a portion of which could meet our criteria for future RNG projects.

While a large portion of RNG today in the United States is produced at landfills, the market to produce ADG using livestock waste from dairy and swine farms is almost entirely untapped, according to the American Biogas Council.

The dairy RNG market is highly concentrated in a few key states. The top ten states for dairy RNG represent roughly 79% of the market, while the top three states (California, Idaho, and Wisconsin) represent 62% of this share of the market and California alone holds 38% of this share.

Potential Livestock RNG Market

RNG created by anaerobic digestion of livestock waste is among the lowest-carbon intensive transportation fuel options available today achieving up to a 91% reduction compared to petroleum gasoline. Nationwide, "manure management" —field spreading for fertilizer, storage in ponds, among others—is a major source of methane emissions, contributing to over 60 million metric tons of carbon dioxide equivalent ("CO^2E") annually or roughly 10% of total U.S. annual methane emissions according to the EPA.

Wastewater is another significant potential source of RNG. Over 1,200 WRRFs have anaerobic digesters according to the EPA. Food processing plants, resorts, universities and supermarkets are also other potential sites that produce significant volumes of organics that can be collected to put in anaerobic digesters.

Regulatory Incentives for RNG Production

The production and use of RNG as a transportation fuel generates additional revenue through the sale of Environmental Attributes under the EPA's RFS program and state-level low-carbon initiatives. There are several federal and state-level programs that have historically incentivized the conversion of biogas from landfills and other waste sources into RNG and Renewable Electricity, including programs like RFS and LCFS for RNG production, and RPS for Renewable Electricity. Existing air quality laws and RPS targets are also regulatory drivers that incentivize the development of LFG projects.

RFS Program

The EPA administers the RFS program with volume requirements for several categories of renewable fuels. The EPA first issued regulations implementing the RFS program in 2007, which established rules for fuel supplied and created the RIN system for compliance and trading credits and rules for waivers. The EPA calculates a blending standard for each year based on estimates of gasoline usage from the EIA. Separate quotas and blending requirements are determined for cellulosic biofuels, biomass-based diesel ("*BBD*"), advanced biofuels and total renewable fuel.

The individual obligations for producers are called RVO. An RVO is determined by multiplying the output of the producer by the EPA's announced blending ratios for cellulosic biofuels, bio-mass based diesel, advanced biofuels and total renewable fuel. In order to comply with the RFS, diesel and gasoline refiners and importers either blend renewable fuels into the U.S. supply of transportation fuel or buy renewable fuel credits to meet the minimum percentage of renewable fuel production annually under the RVO. The EPA has historically published an RVO target each November for the amount of renewable fuel gallons for the following year. The 2019 RVO for D3 RINs was 418 million gallons. The 2020 RVO for D3 RINs was 590 million gallons, representing a 41% increase over 2019. As the RVO determines the level of RNG that must be in the motor fuel mix in any given year, the RVO sets the demand for RINs, which in effect causes it to have a material effect on RIN pricing. As the RVO increases, a greater number of RINs must be purchased by Obligated Parties, which in turn drives demand for and pricing of RINs. In November 2020, the EPA will set the RVO standards for 2021.

For every gallon equivalent of renewable fuel created, a RIN is issued to the producer which can then be sold to an Obligated Party (such as a fuel refiner). Cellulosic or D3 RINs can be generated by RNG produced through the conversion of organic matter and used as renewable fuel including LFG, ADG and sewage waste treatment. One MMBtu of renewable fuel represents approximately 11.7 RINs. RINs create an additional revenue stream for the developers of RNG assets as they provide an additional cash revenue stream with no additional capital.

The below table lists the various types of RNG recognized by the EPA and the corresponding RIN compliance categories.

Sources of RNG and RIN Compliance

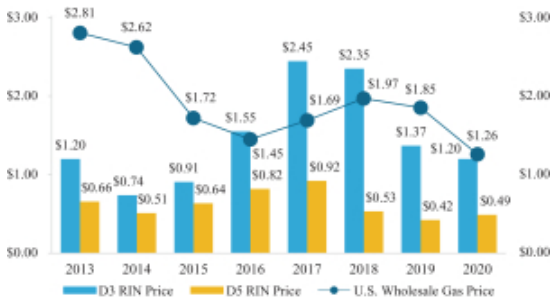
RNG Source	RNG Type	GHG Savings %	RIN Compliance Eligibility
Landfill Gas	**Cellulosic Biofuel**	**60%**	**D3, D5, D6**
Dairy *I* Swine Farms	**Cellulosic Biofuel**	**60%**	**D3, D5, D6**
Waste Water	Cellulosic Biofuel	60%	D3, D5, D6
Soybean *I* Canola *I* Waste Oil or Animal Fats	Biomass-Based Diesel	50%	D4, D5, D6
Sugar-Cane Based Ethanol	Advanced Biofuel	50%	D5, D6
Corn-Based Ethanol	Renewable Fuel	20%	D6

Source: EPA

RIN compliance is nested, such that cellulosic biofuel and BBD are part of the advanced mandate, and the advanced mandate is part of the renewable mandate. Cellulosic biofuel is further subdivided into “cellulosic biofuel” and “cellulosic diesel”; with both types counting towards the cellulosic mandate, and cellulosic diesel also counts towards the BBD mandate.

Historical Pricing of D3 and D5 RINs, Wholesale Gasoline Prices, and the CWC

Historical D3, D5, and U.S. Wholesale Gas Pricing



Historical CWC Pricing

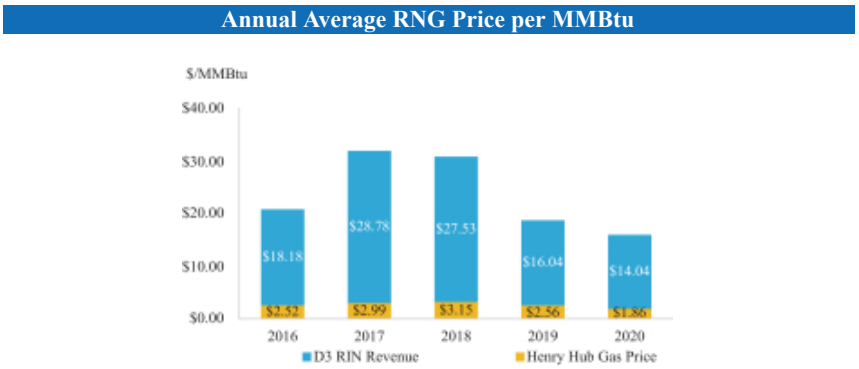
D3 = D5 + CWC – Market Discount

Source: EPA and EIA

Production of cellulosic biofuels has not developed at the pace envisioned in the RFS program, creating a shortage of supply of cellulosic D3 RINs to meet blending requirements. When production volumes do not

meet mandated volume obligations, instead of blending cellulosic biofuel, the EPA allows Obligated Parties to satisfy the RFS compliance obligation through the purchase of CWCs plus D5 RINs or the sole purchase of D3 RINs. D3 RIN prices are therefore a derivative of D5 RINs and CWCs with the D3 RIN price equal to the D5 RIN Price plus the CWC less a market discount. CWC prices are set annually as the greater of (i) $0.25 or (ii) $3.00 (as adjusted by the Consumer Price Index) less the average wholesale price of gasoline for the most recent 12-month period of data available as of September 30th prior to the calendar year in question. CWC prices are and typically published by the EPA each November, with an announced CWC price for 2020 of $1.80. The value of a D3 RIN is therefore a derivative of the market price for D5 RINs and CWCs, which in turn are inversely linked to the wholesale price of gasoline. Given that the CWC price is fixed by statutory formula in advance of each calendar year, D3 RIN price changes are determined by fluctuations in D5 RIN prices or changes in the market discount.

Annual Average RNG Price per MMBtu



Source: EPA

USDA Advanced Biofuel Payment Program

Through the Bioenergy Program for Advanced Biofuels, the U.S. Department of Agriculture sponsors the Advanced Biofuel Payment Program, which makes payments to eligible producers of advanced biofuels to support and ensure an expanding production of advanced biofuels. The Advanced Biofuel Payment Program provides quarterly payments based on actual production volumes. The amounts paid to individual producers depends on the number of producers, the amount of advanced biofuel produced and the amount of funds available during the fiscal year. $7.0 million per year has been set aside for 2019 through 2023. There is no minimum or maximum payment established for the program. Any entity that produces and sells advanced biofuel is eligible to apply.

State Low-Carbon Initiatives

In addition to federal incentives for RNG production through RINs, some states offer incentives for the production and sale of RNG.

California LCFS

Established in 2009, the CA LCFS is the first state-level low-carbon initiative aimed at encouraging the use and production of low-carbon fuels in order to reduce GHG emissions. The CA LCFS requires producers of petroleum-based fuels to reduce the CI of their products, beginning with a quarter of a percent in 2011, a 10% total reduction in 2020, and a 20% reduction from 2010 levels in 2030. Petroleum importers, refiners and wholesalers can either develop their own low-carbon fuel products or buy CA LCFS credits from other companies that develop and sell low-carbon alternative fuels, such as biofuels, electricity, natural gas or hydrogen.

CA LCFS CI Compliance Standards for Diesel and Gasoline

CA LCFS Compliance Standards (gCO_2/MJ)		
Year	Diesel	Gasoline
2016	99.97	96.50
2017	98.44	95.02
2018	96.91	93.55
2019	94.17	93.23
2020	92.92	91.98

Source: CARB

Under the CA LCFS, various low-carbon transportation fuel pathways, using feedstocks such as LFG, ADG, and wastewater, receive approved modeled CI scores by CARB based on the level of GHG emissions across the lifecycle of conversion to a low-carbon fuel (i.e. biomethane). The lifecycle includes the processing, production, transportation, and use of the pathway as biomethane. The number of CA LCFS credits received for the use of a certain pathway is calculated by taking the difference between the pathway's CI score and CARB annual CI benchmark for gasoline or diesel (depending on the end use of the fuel), and dividing by the EER. Revenue from the CA LCFS program is based on the number of credits received for the use of a certain pathway as a low-carbon transportation fuel and the then-current CA LCFS trading price. Based on 2020 CI targets and average CA LCFS price per credit, the production of biomethane earns a substantially large amount of LCFS credits relative to other pathways. We anticipate that our livestock waste projects could potentially earn two to three times the amount of revenue per MMBtu relative to our LFG projects based on our expected CI scores.

Historical Monthly CA LCFS Credit Transfer Pricing

Historical LCFS Trading Price

Source: CARB

(1) Price performance measures the increase in the annual average CARB LCFS credit price between 2020 and the historical time periods indicated.

On September 23, 2020, the California Governor issued an Executive Order N-79-20 setting goals for expanding the sale and use of zero-emission vehicles within California, including 100% of in-state sales of new passenger cars and trucks to be zero-emission by 2035, and 100% of medium-, and heavy-duty truck vehicles in California to be zero-emission by 2045 for all operations where feasible. The Governor also directed CARB to develop and propose regulations to achieve these goals consistent with state and federal law. This order is the latest in a series of targets set by California to transform the energy and transportation fuel sectors and reduce GHG emissions. In September 2018, the state enacted Senate Bill 100, setting a statewide target for 100% of all retail sales of electricity to California end-use customers to be supplied from eligible renewable energy and

zero-carbon resources by 2045. Executive Order B55-18 sets a statewide target to achieve carbon neutrality no later than 2045. The transitioning of California's energy markets to increased reliance on renewable and carbon-free sources has the potential to create favorable market conditions for RNG. Future regulatory actions will be required to meet the state's zero-emission and carbon neutrality targets. Additional incentive programs or mandates, if adopted, could create favorable market conditions or additional revenue streams to biogas projects that produce electricity from biogas.

Other Low-Carbon Initiatives

In 2009, the State of Oregon passed legislation to adopt its Clean Fuels Program ("*CFP*"), which requires a 10% reduction in average CI from 2015 levels by 2025. The program was fully implemented beginning in 2016. In March 2020, Oregon's Governor signed Executive Order No. 20-04, directing the Oregon Department of Environmental Quality ("*DEQ*") to amend the CFP target to a 20% reduction in average CI from 2015 levels by 2025 and a 25% reduction below 2015 levels by 2030. DEQ rulemaking in response to the executive order has been delayed by a lawsuit challenging the executive order. As of December 2018, California and Oregon were the only two states that had passed low-carbon initiatives related to RNG though several other states have been exploring the adoption of similar programs and are expected to pass legislation for implementation over the next several years.

To meet the mandates of the 2019 Climate Leadership and Community Protection Act, New York must reduce its GHG emissions from the transportation sector, the state's largest source of emissions. Various stakeholders have advocated for the state to adopt a LCFS similar to California and Oregon and have supported proposals to require a 20% reduction in CI by 2030.

In 2018, a coalition of nine Northeast and Mid-Atlantic states and the District of Columbia announced their intention to create a program aimed at reducing GHG emissions from transportation fuels. These states and district are all members of the Transportation & Climate Initiative of the Northeast and Mid-Atlantic States ("*TCI*"), which is facilitating the development of this program. The participating TCI jurisdictions designed a regional low-carbon transportation policy proposal that proposes to cap and reduce carbon emissions from the combustion of transportation fuels through a cap-and-invest program or other pricing mechanism, and allow each TCI jurisdiction to invest proceeds from the program into low-carbon and more resilient transportation infrastructure. After the coalition solicited feedback on a draft memorandum of understanding, the final memorandum of understanding is expected to be complete in the fall of 2020, at which point each TCI jurisdiction is expected to decide whether to participate in the program.

Updates to the RPS Volume Standards

With many states looking to increase renewable energy capacity rapidly to meet increasingly stringent RPS targets, there has been heightened interest in the development of LFG facilities. In light of LFG's low development costs and ability to reliably produce as a baseload form of generation, it presents an attractive option for states interested in supporting both the environment and the stability of their electricity grid.

U.S. state RPS and renewable portfolio targets have been a key driver of growth in the Renewable Electricity industry. As of July 2018, 30 states, the District of Columbia, and Puerto Rico have RPS in place, and seven other states have non-binding goals supporting renewable energy. RPS are enacted through the RECs, which is a commodity traded in MWh, representing the environmental and other non-power attributes of Renewable Electricity generation. RECs provide a significant revenue stream for renewable energy producers. Of the ten states with the largest number of operational LFG projects, eight have RPS and two have voluntary or targeted RPS. LFG projects' high capacity factors also mean greater revenue from RECs per unit of capacity than renewables with lower capacity factors such as wind and solar.

RFS Program Volume Standards

On December 9, 2019, the EPA finalized volume requirements under the RFS program for cellulosic biofuel, biomass-based diesel, advanced biofuel, and total renewable fuel for 2020. The volume requirements are listed in the table below.

Renewable Fuel Volume Requirements for 2019-2020

	2019	2020
Cellulosic Biofuel (mm gallons)	418	590
Biomass-based Diesel (bn gallons)	2.1	2.43
Advanced Biofuel (bn gallons)	4.92	5.09
Renewable Fuel (bn gallons)	19.92	20.09
Implied Conventional Biofuel (bn gallons)	15	15

Source: EPA

The RFS program sets forth renewable fuel volumes through 2022 with volumes for subsequent years to be established under a new framework. Historically, the RNG industry has been unable to meet statutory mandates for cellulosic biofuel. When mandated cellulosic biofuel volumes cannot be met, the statute requires that the EPA reduce the annual volume requirement to an amount equal to the amount projected to be available during that calendar year. As permitted under the statute, the EPA reduces the required volume of cellulosic biofuel by allowing refineries and importers of transportation fuel to purchase CWCs to satisfy their RFS obligations through a waiver.

Under the statutory provisions governing the RFS program, the EPA is required to modify, or "reset", the applicable annual volume targets specified in the statute for future years if waivers of those volumes in past years met certain specified thresholds.

For the years after 2022, required volumes of each renewable fuel will be determined by the EPA administrator in coordination with the Secretary of Energy and the Secretary of Agriculture. Although the framework for setting renewable fuel volumes will change, the mandate for cellulosic biofuel is required to be at least the same as it was in 2022 and "shall be based on the assumption that the EPA will not need to issue a waiver for such years." Under this new framework, RFS volumes are to be established no later than 14 months before the first year for which applicable volumes will apply and the EPA, in coordination with the aforementioned government agencies, will consider the following six factors to renewable fuel volumes:

1. The impact of the production and use of renewable fuels on the environment, including on air quality, climate change, conversion of wetlands, ecosystems, wildlife habitat, water quality and water supply;
2. The impact of renewable fuels on the energy security of the United States;
3. The expected annual rate of future commercial production of renewable fuels, including advanced biofuels in each category (D3 cellulosic biofuel and BBD);
4. The impact of renewable fuels on the infrastructure of the Unites States, including deliverability of materials, goods and products other than renewable fuel, and the sufficiency of infrastructure to deliver and use renewable fuel;
5. The impact of the use of renewable fuels on the cost to consumers of transportation fuel and on the cost to transport goods; and
6. The impact of the use of renewable fuels on other factors, including job creation, the price and supply of agricultural commodities, rural economic development, and food prices.

BUSINESS

Our Company

Overview

We are a renewable energy company specializing in the recovery and processing of biogas from landfills and other non-fossil fuel sources for beneficial use as a replacement to fossil fuels. We develop, own, and operate RNG projects, using proven technologies that supply renewable fuel into the transportation and electrical power sectors. Having participated in the industry for over 30 years, we are one of the largest U.S. producers of RNG. We established our operating portfolio of 12 RNG and three Renewable Electricity projects through self-development, partnerships, and acquisitions that span six states and have grown our revenues from $34.0 million in 2014 to $107.4 million in 2019.

Biogas is produced by microbes as they break down organic matter in the absence of oxygen (during a process called anaerobic digestion). Our two current sources of commercial scale biogas are LFG or ADG. We typically secure our biogas feedstock through long-term fuel supply agreements and property lease agreements with biogas site hosts. Once we secure long-term fuel supply rights, we design, build, own, and operate facilities that convert the biogas into RNG or use the processed biogas to produce Renewable Electricity. We sell the RNG and Renewable Electricity through a variety of short-, medium-, and long-term agreements. Because we are capturing waste methane and making use of a renewable source of energy, our RNG and Renewable Electricity generate valuable Environmental Attributes which we are able to monetize under federal and state initiatives.

Based on our analysis, we believe there are numerous sources of waste methane in the United States that could serve as potential future project opportunities. We expect to continue our growth through optimization of our current project portfolio, securing greenfield developments and acquiring existing projects, all while pursuing vertical integration opportunities. Our successful evaluation and execution of project opportunities is based on our ability to leverage our significant industry experience, relationships with customers and vendors, access to interconnections for rights-of-way, and capabilities to construct pipeline and electrical interconnections that ensure the economic viability of opportunities we pursue. We exercise financial discipline in pursuing these projects by targeting project returns that are in line with the relative risk of the specific projects and associated feedstock costs, offtake contracts and any other related attributes that can be monetized.

Our current operating projects generate RNG from landfill sites and livestock farms. We view livestock farms as a significant opportunity for us to expand our RNG business and we are also evaluating other agricultural markets. We believe that our business is highly scalable, which will allow us to continue to grow through development and acquisitions.

Our projects provide our landfill and livestock farm partners with a variety of benefits, including a means to monetize biogas from their sites, support their regulatory compliance, and providing them environmental services. We differentiate ourselves from our competitors based on our long history of working with leading vendors and technologies and through our extensive expertise in designing, tuning and managing gas control collection systems at our host sites. We have significant experience with commercialized beneficial uses of processed biogas, including pipeline quality natural gas, power generation, carbon capture and boiler fuel gas products.

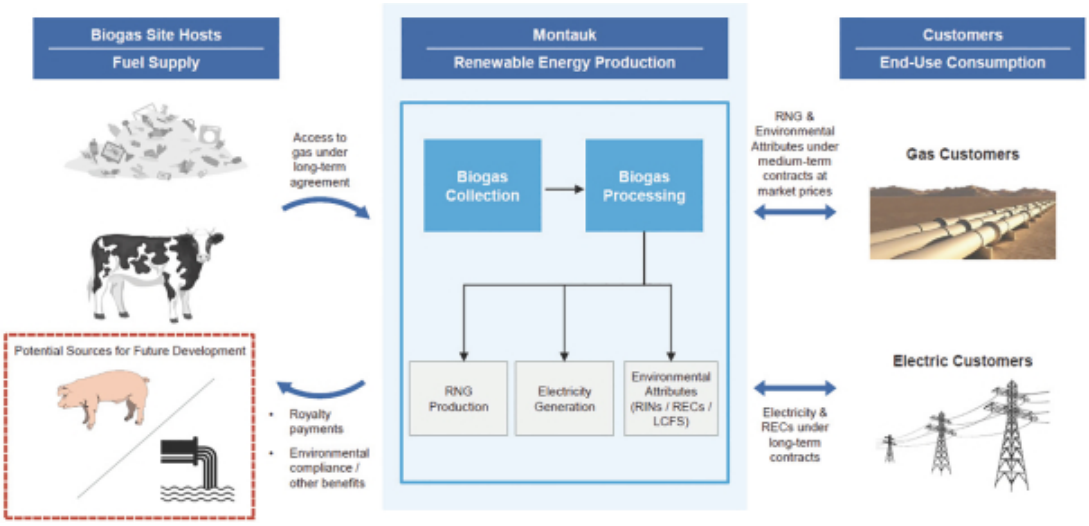
Our revenues are generated from the sale of RNG and Renewable Electricity, under long-term contracts, along with the Environmental Attributes that are derived from these products. RNG has the same chemical composition as natural gas from fossil sources, but has unique Environmental Attributes assigned to it due to its origin from low-carbon, renewable sources, which we can also monetize. Virtually all of the RNG we produce is used as a transportation fuel because this end market generally provides the most value for our RNG production. The RNG we process is pipeline-quality and can be used for transportation fuel when converted to CNG or LNG. CNG has been the most common fuel used by fleets where medium-duty trucks are close to the fueling station,

such as city fleets, local delivery trucks, and waste haulers. The Environmental Attributes that we sell are composed of RINs and state low-carbon fuel credits, which are generated from the conversion of biogas to RNG that is used as a transportation fuel, as well as RECs generated from the conversion of biogas to Renewable Electricity. In addition to revenues generated from our product sales, we also generate revenues by providing operations and maintenance services to certain of our biogas site partners.

Whenever possible, we seek to mitigate our exposure to commodity and Environmental Attribute pricing volatility. Through contractual arrangements with our site hosts and counterparties, we typically share pricing and production risks while retaining our ability to benefit from potential upside. A significant portion of the RNG volume we produce is sold under bundled fixed-price arrangements for the RNG and Environmental Attributes, with a sharing arrangement where we benefit from prices above certain thresholds. For our remaining RNG projects, we sometimes enter into in-kind sharing arrangements where our partners receive the Environmental Attributes instead of a cash payment, thereby sharing in the Environmental Attribute pricing risk.

We strive to sell our remaining RNG and environmental products under medium-and long-term indexed pricing and margin sharing arrangements designed to give us optimal price and revenue certainty. On the electricity side, all of our products and related Environmental Attributes are sold under fixed-price contracts with escalators, limiting our pricing risk. Finally, our payments to our site hosts are entirely in the form of royalties based on realized revenues, or, in some select cases, based on production volumes.

The Montauk Model



Reorganization Transactions

MNK is a holding company whose ordinary shares are currently traded on the JSE under the symbol "MNK." Prior to this offering, 100% of MNK's business and operations were conducted entirely through its subsidiaries, including Montauk USA and MEH and its subsidiaries, and MNK held no assets other than equity of its subsidiaries. As such, in this prospectus we present historical consolidated financial statements of Montauk USA. In connection with the Reorganization Transactions and this offering, MNK and the existing stockholders of MNK will become stockholders of Montauk. After the Reorganization Transactions and the closing of this offering, MNK will not own any significant assets and will be liquidated. Accordingly, MNK's business is the business in which you are investing if you buy shares of our common stock in this offering. For more information, see "The Reorganization Transactions."

Market Opportunity

Increasing Demand for RNG

Demand for RNG produced from biogas is significant and growing in large part due to an increased focus by the public and governments on reducing the emission of GHG, such as methane, and increasing the energy independence of the United States. According to the EPA, methane is a significant GHG, which accounted for roughly 9.5% of all U.S. GHG emissions from human activities in 2018 and which has a comparative impact on global warming that is about 25 times more powerful than that of carbon dioxide (which is produced during the combustion process). Biogas processing facilities could substantially reduce methane emissions at landfills and livestock farms, which together accounted for approximately 27% of U.S. methane emissions in 2018 according to the EPA. The development of this energy source further supports the U.S. national security objective of attaining energy independence, as evidenced by EISA, which aimed to increase U.S. energy security, develop renewable energy production, and improve vehicle fuel economy.

Over the past decade, the fastest growing end market for RNG has been the transportation sector, where RNG is used as a replacement for fossil-based fuel. This growth has been driven, in large part, by more aggressive environmental subsidies to support the production of renewable transportation fuels. According to NGV America, a national organization dedicated to the development of a growing, profitable, and sustainable market for vehicles powered by natural gas or biomethane, from 2015 to 2020, "RNG use as a transportation fuel…increased 291%, displacing close to 7.5 million tons of carbon dioxide equivalent."

Given public calls for, and U.S. federal, state and local regulatory trends and policies aimed at, reducing GHG emissions and increasing U.S. energy independence, we expect continued regulatory support for RNG as a replacement for fossil-based fuels and therefore continued and growing demand for RNG over the next several years.

Availability of Long-Term Feedstock Supply

Biogas can be collected and processed to remove impurities for use as RNG (a form of high-Btu fuel) and injected into existing natural gas pipelines as it is fully interchangeable with natural gas. Partially treated biogas can be used directly in heating applications (as a form of medium-Btu fuel) or in the production of electricity. Common sources of biogas include landfills, livestock farms, and WRRFs.

Landfill- and livestock-sourced biogas represent a significant opportunity to produce RNG and Renewable Electricity, while also reducing GHG emissions. While landfill projects for RNG and Renewable Electricity have been developed over the past few decades, undeveloped landfills remain a significant source of biogas. Moreover, as technology continues to develop and economic incentives grow, livestock farm biogas, in particular, represents a relatively untapped biogas opportunity.

While LFG has accounted for most of the growth in biogas projects to date, we believe that additional economically viable LFG project opportunities exist. According to the EPALMOP project database, as of August 2020, there were 565 LFG projects in operation in the United States, including 399 operating LFG-to-electricity projects that may be converted to produce RNG, 11 construction projects, and 54 planned RNG and Renewable Electricity projects, as well as 477 additional candidate landfills. Based on the EPA data, these 477 candidate landfills have the potential to collect a combined 499 million standard cubic feet of LFG per day, or the equivalent of carbon dioxide emissions from approximately 63,000 barrels of oil. Based on our industry experience and technical knowledge and analysis, after evaluating their currently available LFG collection systems and potential production capacities, we believe that approximately 25 of these sites are potentially economically viable as projects for acquisition and growth. In the future, additional candidate landfills may become economically viable as their growth increases LFG production and requires installation of LFG collection systems.

The LFG market is heavily fragmented, which represents, in our view, a good opportunity for companies like ours to find project opportunities. The top ten players account for approximately 53% of installed

LFG capacity as of August 2020, and over 90% of developers own five or fewer projects, according to the EPA. Aside from the top five players in the industry, which includes us, no company accounts for more than 5% of the total LFG-to-energy capacity. Within the LFG market, over three-quarters of projects are Renewable Electricity projects with PPAs dating back as far as 1984. As these PPAs expire, these legacy facilities present an opportunity for conversion to RNG facilities, which, in certain instances, can provide better financial terms than Renewable Electricity projects. This market fragmentation and limited expertise in RNG processing by other market participants creates significant acquisition opportunities for us.

Biogas from livestock farm waste also represents significant opportunities for RNG production that remain largely untapped. According to the U.S. Department of Agriculture, as of June 2018**,** biogas recovery systems are feasible, notwithstanding economic viability considerations, at 2,704 dairy farms and 5,409 swine farms in the United States, with potential to produce roughly 172.0 million MMBtu of RNG annually, or the equivalent of the carbon dioxide emissions from 4,556 million gallons of gasoline. Although many of the EPA identified project sites are not currently economically viable because of distance from pipelines and contaminants in the biogas, among other reasons as described above, we believe that there is potential for sustained growth in biogas conversion from waste sources given our significant experience in evaluating sites and assessing their viability, evolving consumer preferences, regulatory conditions, ongoing waste industry trends, and project economics. Additionally, all-in prices paid for RNG from livestock farms can be significantly higher than prices for RNG from landfills due to state-level low-carbon fuel incentives for these projects. Given our strong understanding of biogas processing and our market leadership in RNG, we believe that we are well-positioned to take advantage of opportunities in this emerging market.

The availability of additional waste streams, including from organic waste diversion, food waste, sludge, and waste water, in combination with technological advances permitting new or more economical waste processing also have the potential to support long-term feedstock supply availability and the growth of our business.

Use of Environmental Attributes to Promote RNG Growth

When used as a transportation fuel or to produce electricity, RNG can generate additional revenue streams through Environmental Attributes. Environmental Attributes are provided for under a variety of programs, including the national RFS program and state-level RPS and LCFS.

The RFS program requires transportation fuel to contain a minimum volume of renewable fuel. To fulfill this regulatory mandate, the EPA requires Obligated Parties to blend renewable fuel with standard fuel to meet RVOs. Obligated Parties can comply with RVOs by either blending RNG into their existing fuel supply or purchasing RINs. RINs are generated when eligible renewable fuels are produced or imported and blended with a petroleum product for use as a transportation fuel. The RFS program has been a key driver of growth in the RNG industry since 2014 when the EPA ruled that RNG, when used as a transportation fuel, would qualify for D3 RINs (for cellulosic biofuels), which are generally the most valuable of the four RIN categories. In 2019, our projects generated approximately 15% of all D3 RINs in the United States.

The monetization of RNG also benefits from low-carbon fuel initiatives at the state-level, specifically from established programs in California and Oregon. The CA LCFS requires fuel producers and importers to reduce the CI of their products, with goals of a 10% reduction in carbon emissions from 1990 levels by 2020 and a 20% reduction by 2030. CARB awards CA LCFS credits to RNG projects based on each project's CI score relative to the target CI score for gasoline and diesel fuels. The CI score represents the overall net impact of carbon emissions for each RNG pathway and is determined on a project-by-project basis. Based on our expected CI scores, we anticipate that RNG produced by livestock farms can potentially earn two to three times the amount of revenue per MMBtu relative to RNG produced from LFG projects. Several other states are considering LCFS initiatives similar to those implemented in California and Oregon.

Additionally, biogas is considered to be a renewable resource in all 37 states that encourage or mandate the use of renewable energy. Thirty states, the District of Columbia, and Puerto Rico have RPS that require

utilities to supply a percentage of power from renewable resources, and seven states have a Renewable Portfolio Goal that is similar to RPS, but is not a requirement. Many states allow utilities to comply with RPS through tradable RECs, which provide an additional revenue stream to RNG projects that produce electricity from biogas.

Our Strengths

Management and Project Expertise

Our management team has decades of combined experience in the development, design, construction and operation of biogas facilities that produce RNG and Renewable Electricity. We believe that our team's proven track record and focus on development of RNG projects gives us a strategic advantage in continuing to grow our business profitably. Our diverse experience and integration of key technical, environmental, and administrative support functions support our ability to design and operate projects with sustained and predictable cash flows.

Our experience and extensive project portfolio has given us access to the full spectrum of available biogas-to-RNG and biogas-to-Renewable Electricity conversion technologies. We are technology agnostic and base project design on the available technologies (and related equipment) most suitable for the specific application, including membranes, media, and solvent-based gas cleanup technologies. We are actively engaged in the management of each project site and regularly serve in engineering, construction management, and commissioning roles. This allows us to develop a comprehensive understanding of the operational performance of each technology and how to optimize application of the technology to specific projects, including through enhancements and improvements of operating or abandoned projects. We also work with key vendors on initiatives to develop and test upgrades to existing technologies.

We continually seek to optimize the highest-value use of our existing assets. Because our equipment is modular, it can be disassembled and redeployed from one site to another at a lower cost than new greenfield development. For example, when equipment capacity at an existing project is larger than needed and can be repurposed for newer sites with larger production and growth potential where that capacity can be more fully utilized. This can occur at older landfill sites that have limited or no acceptance of waste intake or at sites where fuel supply agreements have expired, but where the equipment still has sufficient remaining useful life.

Access to Development Opportunities

We have strong relationships throughout the industry supply chain from technology and equipment providers to feedstock owners, and RNG off-takers. We believe that the trust and strong reputation we have attained in combination with our understanding of the various and complex Environmental Attributes gives us a competitive advantage relative to new market entrants.

We leverage our relationships built over the past several decades to identify and execute new project opportunities. Typically, new development opportunities come from our existing relationships with landfill owners who value our long operating history and strong reputation in the industry. This includes new projects with or referrals from existing partners. These relationships include Waste Management and Republic Services, the two largest waste management companies in the United States, which operate ten of our 14 landfill sites. We are the leading third-party developer for Waste Management and operate projects on both private and publicly owned landfills. We actively seek to extend the term of our contracts at our project sites and view our positive relationships with the owners and managers of our host landfills as a contributing factor to our ability to extend contract terms as they come due. Additionally, as one of the largest producers of RNG from LFG, we also frequently receive RFPs from landfill owners for new biogas facilities at their landfills.

Finally, our prominence in the industry often makes us a preferred suitor for owners seeking to sell existing projects. Acquisition opportunities often come to our attention by direct communications with industry participants as well as firms marketing portfolios of project.

Large and Diverse Project Portfolio

We believe that we have one of the largest and most technologically diverse project portfolios in the RNG Industry. Our ability to solve unique project development challenges and integrate such solutions across our entire project portfolio has supported the long-term successful partnerships we have with our landfill hosts. Because we are able to meet the varying needs of our host partners, we have a strong reputation and are actively sought out for new project and acquisition opportunities. Additionally, our size and financial discipline generally affords us the ability to achieve priority service and pricing from contractors, service providers, and equipment suppliers.

Environmental, Health and Safety and Compliance Leadership

Our executive team places the highest priority on the health and safety of our staff and third parties at our sites, as well as the preservation of the environment. Our corporate culture is built around supporting these priorities, as reflected in our well-established practices and policies. By setting and maintaining high standards in the renewable energy field, we are often able to contribute positively to the safety practices and policies of our host landfills, which reflects favorably on us with potential hosts when choosing a counterparty. Our high safety standards include use of wireless gas monitoring safety devices, active monitoring of all field workers, performing periodic EHS audits and using technology throughout our safety processes from employee training in compliance with operational processes and procedures to emergency preparedness. By extension, we incorporate our EHS standards into our subcontractor selection qualifications to ensure that our commitment to high EHS standards is shared by our subcontractors which provides further assurances to our host landfills. As of October 25, 2020, excluding two incidents related to COVID-19, our year-to-date TRIR was 1.11 which is lower than the 2019 national average of 1.20 TRIR for the mining, quarrying and oil and gas extraction industries and the 2019 national average of 3.00 TRIR for all industries. As of September 2020, we have not received any U.S. OSHA or state OSHA citations in the last five years. Our EHS programs include partnering with Blackline Safety to provide each of our site employees with a four-gas monitoring device with work-anywhere wireless capabilities; emergency response protocols for all locations which include facility and landfill access, gate access, and site specific alerts to account for employee safety at all points throughout the workday; a learning management system that combines traditional online safety training and instructor-led training; and monthly evaluations for training compliance at each operations facility.

Our Strategy

We aim to maintain and grow our position as a leading producer of RNG in the United States. We support this objective through a multi-pronged strategy of:

- promoting the reduction of methane emissions and expanding the use of renewable fuels to displace fossil-based fuels;
- expanding our existing project portfolio and developing new project opportunities;
- expanding our industry position as a full-service partner for development opportunities, including through strategic transactions; and
- expanding our capabilities to new feedstock sources and technologies.

Promoting the Reduction of Methane Emissions and Expanding the Use of Renewable Fuels to Displace Fossil-Based Fuels

We share the renewable fuel industry's commitment to providing sustainable renewable energy solutions and to offering products with high economic and ecological value. By simultaneously replacing fossil-based fuels and reducing overall methane emissions, our projects have a substantial positive environmental impact. We are committed to capturing as much biogas from our host landfills as possible for conversion to

RNG. As a leading producer of RNG, we believe it is imperative to our continued growth and success that we remain strong advocates for the sustainable development, deployment and utilization of RNG to reduce our dependence on fossil fuels while increasing our domestic energy production.

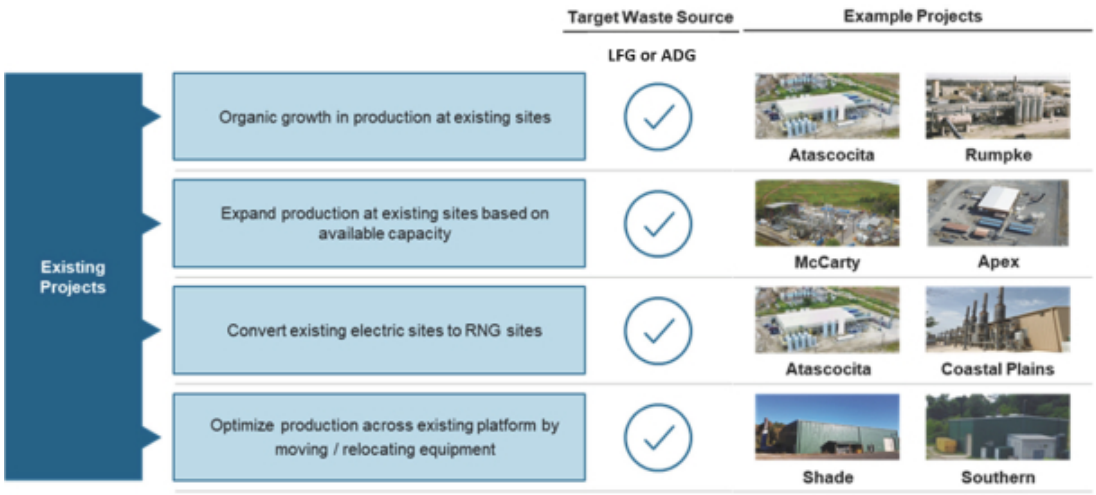
Many of our team members have been involved in the renewable fuel industry for over 30 years. We are a founding member and active participant in the RNGC. The RNGC was formed to provide an educational platform and to be an advocate for the protection, preservation and promotion of the RNG industry in North America. The RNGC's diverse membership includes each sector of the RNG industry, such as waste collection and management companies, renewable energy developers, engineers, bankers, financiers, investors, marketers, transporters, manufacturers, and technology and service providers. Our participation allows us to align with industry colleagues to better understand the challenges facing the industry and to collaborate with them to develop creative solutions to such problems.

As a founding member of the RNGC and participant in several RNGC technical committees, we regularly participate in conferences and regulatory initiatives, including lobbying, to address key issues and promote the RNG industry. Collaborating with the diverse RNGC membership provides us with a holistic view of the RNG industry, which aides us in identifying emerging trends and opportunities. Our participation allows us to align with industry colleagues to better understand the challenges facing the industry and to collaborate with them to develop creative solutions to such problems. A primary function of the RNGC is to educate those in the natural gas industry, including pipeline owners, who are not familiar with RNG and its fungibility with traditional pipeline natural gas. We are focused on maintaining and nurturing our relationships with pipeline off-takers and seek to ensure that such relationships are a priority, including by maintaining continuous communication, enforcing stringent real-time monitoring of our product quality, and providing marketing material to assist with their corporate sustainability messaging.

Expanding Our Existing Project Portfolio and Developing New Development Opportunities

We exercise financial discipline in pursuing projects by targeting project returns that are in line with the relative risk of the specific projects and associated feedstock costs, offtake contracts and any other related attributes that can be monetized. We are currently evaluating three project expansion opportunities at existing project sites and one new electricity-to-RNG conversion project. We regularly analyze several potential new projects that are at various stages of negotiation and review. The potential projects typically include a mix of new project sites, project conversions and strategic acquisitions. Currently, no new potential projects are subject to definitive agreements and each potential opportunity is subject to competitive market conditions.

Montauk Growth Channels



Expanding Operations at Existing Project Sites. We monitor biogas supply availability across our portfolio and seek to maximize production at existing projects by expanding operations when economically feasible. Most of our landfill locations continue to accept waste deliveries and the available LFG at these sites is expected to increase over time, which we expect to support expanded production. This has allowed us to maintain average production availability of approximately 96% at our RNG projects and 93% at our electricity projects, weighted by 2020 expected production, excluding projects that commenced operation in 2020. Additionally, we are evaluating opportunities to utilize excess gas for RNG production at some of our electricity projects. Most recently, we increased the gas production at our McCarty project by 7% through an expansion project completed in January 2018, as described below.

We treat our existing assets as an integrated portfolio rather than a collection of individual projects. This allows us to utilize any new business practices across our entire project portfolio quickly, including advances with respect to troubleshooting, optimization, cost savings, and host site interaction. For example, we recently were able to take advantage of findings from a root cause failure analysis on a particular piece of equipment at a single project site to improve maintenance on similar equipment throughout our portfolio. We frequently identify services that result in a positive reaction from our project partners and then communicate that to other project managers so that they can incorporate such services into their project sites. Our integrated, pro-active and value-add approach helps us maintain strong relationships with our partners, which can often lead to term extensions and new opportunities.

We also experience organic growth in production at our existing projects because of increases in biogas supply at our projects and continued operation optimization. We size our projects to account for this increase in the biogas supply curve over time. For example, at many of our newer projects, such as Apex and Galveston, we expect gradual increases in production as those landfill sites continue to grow. Additionally, many of our expansion efforts to date, such as those at McCarty and Rumpke, have helped to optimize our project capacity to take advantage of excess biogas at older landfills that are still open and growing. Not only have these projects achieved an initial increase in production following the expansion project, but we also expect to see continued gradual increases over time.

Case Study of an Expansion Project: McCarty Landfill: The McCarty landfill is owned and operated by Republic Services and is one of the largest waste disposal facilities in Texas. Our RNG project at this landfill was originally constructed as a 3,892 MMBtu/day facility that achieved commercial operations in 1986. In January 2018, we undertook and completed an expansion of the project to increase RNG production by 7%, to a design capacity of 4,415 MMBtu at a cost of $2.1 million. The expansion effort added blower capacity, which increased the inlet pressure to the main compressors leading to higher production. The increased output from the project did not require amendments to our existing fuel supply and off-take agreements. Prior to commissioning the expansion, we applied for and obtained the necessary permits and other approvals to expand the project and the interconnects that we relied upon at this project. Engineering and design activities began in February 2017, with construction beginning in August 2017 and commissioning in November 2017.

Expanding through Acquisition. The RNG industry is highly fragmented with approximately 90% of operating projects owned by companies that own five or fewer projects. We believe that these small project portfolios present opportunity for industry consolidation. We are well-positioned to take advantage of this consolidation opportunity because of our scale, operational and managerial capabilities, and execution track record in integrating acquisitions. Over the last ten years, we have acquired 11 projects and members of our current management team have led all of those acquisitions. We expect that as we continue to scale up our business, our increased size, industry position and access to capital will provide us with increased acquisition opportunities.

Converting Existing Electricity Projects to RNG. We periodically evaluate opportunities to convert existing projects from electricity generation to RNG production. These opportunities tend to be attractive for our

merchant electricity projects given the favorable economics for RNG plus RIN sales relative to merchant electricity rates plus REC sales. This strategy has been an increasingly attractive avenue for growth since 2014 when RNG from landfills became eligible for D3 RINs. Historically, we have taken advantage of these opportunities on a gradual basis as PPAs for our electricity projects have expired. To date, we have converted two projects from LFG-to-electricity to LFG-to-RNG, and we are currently evaluating a third conversion opportunity.

Looking forward, several of our development and pipeline projects may convert existing electricity projects to RNG. For example, the existing generation facilities at the Coastal Plains project, which currently sells merchant power and RECs into the Electric Reliability Council of Texas market, was shut down in May 2019 and was converted to a RNG production facility with commercial operations that commenced commercial operations in September 2020.

Case Study of a Conversion Project: Atascocita Landfill: We acquired the Atascocita project, an LFG-to-electricity project located in Humble, Texas, from Viridis Energy (Texas), LP in 2011. The Atascocita landfill is owned and operated by Waste Management. Electricity produced by the facility was sold on a merchant basis into the Electric Reliability Council of Texas market. Recognizing an opportunity to realize returns on favorable pricing for RNG and RIN attributes, we approached Waste Management about converting the project to RNG in 2016. We signed an updated gas supply agreement with Waste Management in October 2016, which included a royalty based on the monetization of Environmental Attributes, including RINs and LCFS credits. Construction was managed in-house and completed over 19 months after the gas supply agreement was signed, with the project achieving commercial operations in May 2018, making it one of the largest plants constructed for processing RNG. All of these aspects required unique design and implementation along with cooperation from Waste Management in order to meet regulatory requirements.

New equipment installed includes membrane separation, nitrogen removal, deoxygenation, and H_2S removal technologies. The repurposed facility has a design capacity of 5,570 MMBtu/day. Known vendors and suppliers were used to procure the majority of equipment and systems. As such, timely ordering and delivery of equipment was achieved relative to the construction schedule. The total capital expenditures to convert Atascocita were approximately $40 million. The project has a remaining fuel supply contract with Waste Management for 20 years from commercial operation.

Leveraging and Creating Long-Term Relationships. Dependable and economic sources of renewable methane are critical to our success. Our projects provide our landfill and livestock farm partners with a variety of benefits, including a means to monetize biogas from their sites and support their regulatory compliance. By addressing the management of byproducts of our project hosts' primary businesses, our services allow landfill owners and operators and livestock farms to increase their permitted landfill space and livestock count, respectively. These services facilitate long-term relationships with project hosts that may serve as a source for future projects and relationships.

Expanding Our Industry Position as a Full-Service Partner for Development Opportunities, Including Through Strategic Transactions

Over our three decades of experience, we have developed the full range of RNG project related capabilities from engineering, construction, management and operations, through EHS oversight and Environmental Attributes management. By vertically integrating across RNG services, we are able to reduce development and operations costs, optimize efficiencies and improve operations. Our full suite of capabilities allows us to serve a multi-project partner for certain project hosts across multiple transactions, including through strategic transactions. To that end, we actively identify and evaluate opportunities to acquire entities that will further our vertically-integrated services.

Expanding Our Capabilities to New Feedstock Sources and Technologies

We intend to diversify our project portfolio beyond landfill biogas through expansion into additional methane producing assets, while opportunistically adding third-party developed technology capabilities to boost financial performance and our overall cost competitiveness. We are commercially operating our first livestock waste project (dairy), actively pursuing new fuel supply opportunities in WRRFs, and looking at long-term organic waste and sludge opportunities. The drive toward voluntary and most likely regulatory-required organic waste diversion from landfills is of particular interest as we leverage our current experience base, and we believe this trend will provide long-term growth opportunities.

We believe that the market has not yet unlocked the full potential of RNG and Renewable Electricity. We do not own any material registered intellectual property. However, as biogas processing technology continues to improve and the required energy intensity of the RNG and Renewable Electricity production process is reduced, we expect that we will be able to enter new markets for our products, such as providing fuel for the production of energy sources. With our experience and industry expertise, we are well-positioned to take advantage of opportunities to meet the clean energy needs of other industries looking to use renewable energy in their operations.

Products Sold

The revenues received from selling renewable energy consist of two main components. The first component is revenues from the commodity value of the natural gas or electricity generated. The second component is from the Environmental Attributes derived from the production of RNG and Renewable Electricity. For RNG, Environmental Attribute revenues are substantially generated from RINs when used as a transportation fuel. In addition, RNG can generate an additional revenue stream when used as a transportation fuel in states that have adopted low-carbon fuel incentive programs. The primary Environmental Attributes derived from the production of electricity from renewable resources are RECs, which translate into additional revenues for units of Renewable Electricity produced.

RNG

LFG and gas from livestock digesters can be processed into pipeline-quality RNG by removing the majority of the non-methane components including carbon dioxide, water, sulfur, nitrogen, and other trace compounds. RNG can be used for transportation fuel when compressed (CNG) or liquefied (LNG) and virtually all of the RNG we produce is used in this manner.

RNG, like traditional natural gas, is traded nationally. Once in an interstate pipeline, RNG can be transported to vehicle fueling stations to be used as a transportation fuel, to utilities to generate power, or for use in generating fuel cell energy anywhere within the North American pipeline system. This flexibility enables us to capture value from the renewable attributes of biogas by delivering RNG to markets and customers that place a premium on renewable energy.

RNG is priced in line with the wholesale natural gas market, based on Henry Hub pricing, with regional variation according to demand and supply issues. We sell the RNG produced from our projects under a variety of short-term and medium-term agreements to counterparties, with tenures varying from three years to five years. Our contracts with counterparties are typically structured to be based on varying natural gas price indices for the RNG produced. We also share a portion of our Environmental Attributes with our off-take counterparties as consideration for the counterparty using our RNG as a transportation fuel.

D3 RINs

RNG has the same chemical composition as natural gas from fossil sources, but has unique Environmental Attributes assigned to it due to its origin from organic sources. These attributes qualify RNG as a renewable fuel under the federal RFS program, established pursuant to the EPACT 2005 and EISA, allowing RNG to generate renewable fuel credits called RINs when the RNG is used as a transportation fuel.

RINs are saleable regulatory credits that represent a quantity of qualifying fuel and are used by refiners and importers to evidence compliance with their RFS obligations. Given that the RFS is a national program, the price of a RIN is the same anywhere in the United States. The RFS program originally contemplated 1.75 billion gallons of fuel from cellulosic biofuels by 2014, the use of which would be tracked through D3 RINs. However, cellulosic biofuel production grew slower than expected, with 2013 output at only 281,819 gallons (422,740 RINs). This prompted the EPA to expand the definition of biofuels that could qualify for D3 RINs in July 2014, to include fuels from cellulosic biogas, including biogas from landfills, livestock farms, and WRRFs. This significantly increased the quantity of D3 RINs produced, with production increasing to over 33 million gallons in 2014 and 250.6 million gallons in 2017. In addition, given the historic shortage in supply of D3 RINs to meet blending requirements, the EPA allows obligated refiners to satisfy RFS compliance obligations for D3 RINs by either purchasing CWC plus D5 RINs or by purchasing D3 RINs. CWC prices are set annually as the greater of (i) $0.25 or (ii) $3.00 (as adjusted by Consumer Price Index) less the average wholesale price of gasoline for the most recent 12-month period of data available as of September 30th prior to the calendar year in question. CWC prices are typically published by the EPA each November, with an announced CWC price for 2020 of $1.80. The value of a D3 RIN is therefore a derivative of the market price for D5 RINs and CWCs, which in turn are inversely linked to the wholesale price of gasoline.

We have been active in the RFS program since 2014 and expect to remain a significant contributor to the overall generation of RINs from RNG. We monetize our portion of the RINs, directly, at auction or through third-party agents or marketers.

CA LCFS

CA LCFS credits are environmental credits generated in California in order to stimulate the use of cleaner, low-carbon fuels. This program encourages the production of low-carbon fuels by setting annual CI standards, which are intended to reduce GHG emissions from the state's transportation sector. One of the key aspects of the program is that it encourages the use of low-carbon transportation fuel, such as CNG, in vehicles instead of gasoline. This program further encourages use of renewable fuels in vehicles over CNG from fossil fuels.

The value of an CA LCFS credit varies according to the CI value of the fuel source as determined by CARB. Fuels that have a lower CI score benefit from a higher CA LCFS credit. RNG from LFG and livestock digester biogas that are used as a transport fuel both qualify for CA LCFS credits. The number of CA LCFS credits for RNG from livestock digesters is significantly higher than the number of CA LCFS credits for RNG from landfills, due to the relative CI scores of the two fuels. Fuel that is eligible for RINs can also receive CA LCFS credits. As a result, CA LCFS credits represent a revenue stream incremental to the value RNG producers receive for RINs. For livestock digester RNG projects, CA LCFS credits are a substantial revenue driver. We currently earn CA LCFS credits on seven of our projects, and we expect the revenue generated by CA LCFS credits to increase as we continue to develop and bring additional livestock digester projects online over the next few years.

Several states in the United States also have or are considering adopting this model. Oregon's Clean Fuels Program, enacted in 2009 and implemented in 2016, operates using a credit system similar to the CA LCFS program. Similar to RINs, LCFS credits can be sold separately from the RNG fuel sold, allowing us to monetize LCFS credits for fuel produced and purchased outside of states that have LCFS programs.

Renewable Electricity

Electricity is a commodity that trades and is priced on a regional basis in and among regional control areas. Pricing for commodity-sold electricity can be based on day-ahead prices for scheduled deliveries or hourly, real-time prices for unscheduled deliveries. Prices vary across the country based on weather, load patterns and local power and transmission restrictions. The Renewable Electricity produced at our biogas-to-electricity

projects is sold under long-term contracts to credit-worthy counterparties, typically under a fixed price with escalators. The terms of these contracts range from 6 to 23 years, with a weighted average remaining tenure of 15 years, as of March 31, 2020, based on 2020 expected electricity production.

RECs

Biogas is considered to be a renewable resource in all 37 states that encourage or mandate the use of renewable energy. Thirty states, the District of Columbia, and Puerto Rico have RPS that require utilities to supply a percentage of power from renewable resources, and seven states have a Renewable Portfolio Goal that is similar to RPS, but is an objective or goal and not a requirement. Many states allow utilities to comply with RPS through tradable RECs, which provide an additional revenue stream to RNG projects that produce electricity from biogas.

The value of a REC is dependent on each state's renewable energy requirements as mandated by its RPS. REC values are higher in states which require a percentage of total electricity to come from renewable resources. In states with no renewable energy requirements, RECs can have no value at all. In some markets, we have entered into PPAs under which we sell RECs and other renewable attributes bundled with the power being sold at a combined price. This occurs where the utility off-take counterparty offers a combined rate for the renewable energy it needs to satisfy RPS or other business requirements that is the best combined price for one of our projects.

Our Projects

We currently own and operate 15 projects, 12 of which are RNG projects and three of which are Renewable Electricity projects. Of our three Renewable Electricity projects we currently operate, we expect to convert one of them to produce RNG. In addition to the electricity-to-RNG conversion project, we are currently in the process of developing one additional RNG project from LFG. We are also working on other projects which will repurpose equipment from existing biogas facilities for use at new project sites.

We have a long history of operating our projects with partners, with our oldest relationship going back 46 years. On average, we have had an 18-year history with our current project site owners. Our operating RNG projects have an average expected remaining useful life of approximately 14 years, as weighted by 2020 expiration. Our operating electricity projects have an average expected remaining useful life of approximately 15 years, as weighted by 2020 expected expiration.

Approximately 73% of our expected 2020 RNG production has been monetized under fuel supply agreements with expiration dates more than 15 years from September 30, 2020. Additionally, approximately 89% of our expected 2020 Renewable Electricity production has been monetized under fuel supply agreements with expiration dates more than 15 years from September 30, 2020. Concurrent with our fuel supply agreements, we typically enter into property leases with our project hosts, which govern access rights, permitted activities, easements and other property rights. We own all equipment and facilities on each leased property, other than equipment provided by utility companies providing services on-site. Lease termination typically requires the restoration of the leased area to its original condition. We have successfully ended leases on four facilities and are currently restoring a fifth facility.

Once collected, biogas can be processed into pipeline-quality RNG or converted into electricity. The conversion facility is typically located on landfill property away from the active fill operations where additional waste is added to the landfill site.

An RNG project involves the conversion of raw LFG into pipeline quality gas for introduction to a natural gas transmission or distribution line. An RNG plant processes the gas by removing the majority of the non-methane components including carbon dioxide, water, and other volatile and non-volatile organic compounds to attain pipeline quality gas. This complex process has numerous variables that need to be managed

in order to be cost-effective and efficient. At the end of the gas processing chain, RNG is typically compressed and then sold into a natural gas pipeline or to a dedicated end user. These sales occur at market prices for the energy and the value of the Environmental Attributes derived from the use of the RNG as a transportation fuel.

Our projects currently utilize three of the four proven commercial technologies available to process raw biogas into RNG, including: PSA, Membrane Filtration and solvent scrubbing. We also have historically used the other proven technology, refrigerated physical absorption, commonly referred to as Kryosol; however, it is not in use at any of our existing operating projects. All four of these technologies have similar features, but are distinguished primarily by the means employed to separate carbon dioxide from methane in biogas. We are capable of working with virtually all available biogas processing technologies at our sites. We attend industry conferences and maintain an ongoing dialogue with key equipment providers to ensure we stay informed of the latest technology that could be deployed at our current and future facilities.

Electricity is generated using gas-fueled engines or turbine-driven electrical generators, which are designed to operate efficiently on medium-Btu gas. As such, electricity generation typically involves producing medium-Btu gas, which is then pumped into a generating facility. The electricity is metered and sold under long-term contracts to utilities and municipalities or at spot prices.

Stated capacity reflects the design capacity of each facility. Several of our projects have reserve capacity when comparing design capacity to available biogas feedstock. Several previous acquisitions are gas limited and operate in this fashion. Our larger projects are at or near design capacity and either have expansions planned or are being evaluated for future expansions dependent on the availability of excess biogas feedstock.

RNG Projects

We currently own and operate 12 RNG projects in Ohio (two), Pennsylvania (five), Texas (four) and Idaho (one) which, in the aggregate, have a total design capacity of approximately 33,850 MMBtu/day, which equates to 624,000 tons of carbon dioxide emission reduction annually over using fossil fuels, or the equivalent of the carbon dioxide emissions from consuming approximately 1,940,000 gallons of gasoline per day.

RNG Projects

Site	Location	Capacity*
Rumpke	Cincinnati, OH	7,271 MMBtu/day
Atascocita	Humble, TX	5,570 MMBtu/day
McCarty	Houston, TX	4,415 MMBtu/day
Apex	Amsterdam, OH	2,673 MMBtu/day
Monroeville	Monroeville, PA	2,372 MMBtu/day
Valley	Harrison City, PA	2,372 MMBtu/day
Galveston	Galveston, TX	1,857 MMBtu/day
Raeger Mountain	Johnstown, PA	1,857 MMBtu/day
Shade	Cairnbrook, PA	1,857 MMBtu/day
Coastal Plains	Alvin, TX	1,775 MMBtu/day
Southern	Davidsville, PA	928 MMBtu/day
Pico	Jerome, ID	903 MMBtu/day
Total		33,850 MMBtu/day

* Assumes inlet methane content of 56% for all sites other than Pico, which assumes inlet methane content of 62%, and process efficiency of 91%.

Typically, a biogas-to-RNG facility includes three phases: biogas collection, primary processing and additional processing.

At landfills, biogas collection systems can be configured as vertical wells or horizontal trenches. The most common method is drilling vertical wells into the waste mass and connecting the wellheads to lateral piping that transports the gas to a collection header using a blower or vacuum induction system. Horizontal trench systems are useful in areas of landfills that continue to have active filling. Some landfills use a combination of vertical wells and horizontal collectors. Collection system operators "tune" or adjust the wellfield to maximize the volume and quality of biogas collected while maintaining environmental compliance.

A basic biogas processing plant includes a knock-out drum to remove moisture, blowers to provide a vacuum to "pull" the gas and pressure to convey the gas, and a flare. System operators monitor parameters to maximize system efficiency. Using biogas in an energy recovery system usually requires some treatment of the gas to remove excess moisture, particulates, and other impurities. The type and extent of treatment depends on site-specific biogas characteristics and the type of energy recovery system. Treatment of the gas typically includes the removal of hydrogen sulfide (H2S), moisture and contaminants within the gas, and then separation of the carbon dioxide (CO2) from the methane (CH4). Further treatment of the biogas is often required to remove residual nitrogen and/or oxygen to meet pipeline specifications. Some end uses, such as pipeline injection or vehicle fuel projects, require additional cleaning and compression of the biogas.

Illustrative Projects

Rumpke. The Rumpke landfill, located in Cincinnati, Ohio, is an open landfill with significant filling capacity available. The landfill, which is our largest site by capacity, currently holds approximately 62 million tons of waste, receives over 10,000 tons of waste per day and is expected to operate through 2052 under its current permits. The landfill has filed for a new MSW permit to expand its footprint. The MSW permit includes a Land-GEM model that anticipates the landfill accepting waste through 2085.

At this site, we own and operate a 15 million standard cubic feet per day ("*SCFD*") RNG processing facility using PSA technology. The facility consists of one, six million SCFD plant that was placed into service in 1985, one, five million SCFD plant that was placed into service in 2007 and one, three million SCFD plant that was placed into service in 1994. Pursuant to a fuel supply agreement with the owner of the landfill we have fuel for this project through December 31, 2037. We are responsible for operation, maintenance and costs of this site's biogas collection system.

The Rumpke project is registered with the EPA as a qualified facility for the generation of RINs under the RFS program and with CARB as a qualified facility for the generation of CA LCFS credits for fuel generated for use as a transportation fuel. We currently sell the RNG and Environmental Attributes produced at this facility at a fixed price. The fixed price is supplemented by sharing of incremental revenues from monetization of the Environmental Attributes under a margin sharing agreement.

Atascocita. The Atascocita landfill, located in Humble, Texas, is an open landfill with approximately 25.3 million tons of capacity available. The landfill currently holds approximately 36.4 million tons of waste, receives over 3,600 tons of waste per day and is expected to operate through 2045 under its current permits.

At this site, we shut down a merchant electricity project that was only able to process a portion of the gas the site was producing and repurposed it to an RNG project where we own and operate a 10.8 million SCFD RNG processing facility using membrane separation technology. The project was placed into service in May 2018. The plant is equipped with membrane separation, nitrogen removal, deoxygenation, and H_2S removal technologies. Pursuant to a fuel supply agreement, we have fuel supply for this project through May 1, 2038. We are responsible for the operation, management and capital costs of the processing facility.

The Atascocita project is registered with the EPA as a qualified facility for the generation of RINs under the RFS program and for fuel generated for use as a transportation fuel. We currently sell the RNG produced at

this facility at market prices under contract through 2023, and separately sell the RINs produced to Obligated Parties on either a spot or forward basis based on current calendar year.

McCarty. The McCarty landfill, located in Houston, Texas, is an open landfill that holds approximately 62.4 million tons of waste, receives approximately 4,700 tons per day, has been in operation since 1967 and is expected to operate through 2024 under its current permits.

At this site, we own and operate a nine million SCFD RNG gas processing facility that employs Selexol, a solvent scrubbing based gas separator technique.

Pursuant to a fuel supply agreement, we have fuel supply for this project through December 31, 2036, and we are responsible for the operation, management and capital costs of the LFG collection system.

The McCarty project is registered with the EPA as a qualified facility for the generation of RINs under the RFS program and with CARB as a qualified facility for the generation of CA LCFS credits. We currently sell the RNG produced at this facility at market prices under a contract extending through January 31, 2024, and separately sell the RINs produced to Obligated Parties on either a spot or forward basis based on current calendar year.

Renewable Electricity Projects

We currently own and operate the following three Renewable Electricity projects in California, Oklahoma, and Texas which, in the aggregate, have a total design capacity of approximately 30.2 MW, which equates to 175,600 tons of carbon dioxide emission annually over using fossil fuels, or the equivalent of the carbon dioxide emissions from consuming approximately 469,000 gallons of gasoline per day. During 2019, our Renewable Electricity projects collectively produced 236,000 MWh. Our Renewable Electricity projects utilize reciprocating engine generator sets to generate electricity at landfills.

Renewable Electricity Projects

Site	Location	Capacity*
Bowerman Power	Irvine, CA	23.6 MW
Security	Cleveland, TX	3.4 MW
Tulsa/AEL	Sand Springs, OK	3.2 MW
Total		30.2 MW

* Assumes inlet methane content of 56% and process efficiency of 91%

Illustrative Projects

Bowerman Power. The Bowerman Power Facility, located in Irvine, California, is an open landfill with over 54 million tons of waste, receives approximately 6,800 tons of waste per day, has been in operation since 1990, and is expected to operate through 2053 under its current permits.

At this site, we own and operate a 19.6 MW (net) electricity generation facility which consists of seven CAT CG-260-16 reciprocating engine generator sets. The Bowerman facility is located in the southern part of the California Independent System Operator ("*CAISO*") Regional Transmission Organization. CAISO is a regional transmission organization ("*RTO*") that coordinates the movement of wholesale electricity in all or parts of California and Nevada. CAISO acts as a neutral, independent party that operates a competitive wholesale electricity market and manages the high-voltage electricity grid. CAISO provides an attractive and ready market for energy, capacity and RECs for new and existing resources.

Bowerman's electricity output is sold under a PPA with the City of Anaheim, California, with a term running through 2036. Pursuant to a fuel supply agreement with the owner of the landfill, we have fuel supply for this project through 2067.

New Projects

Much of our historic growth has come from the addition of new projects either through third-party acquisitions or new development. We plan to leverage both of these avenues for growth as we seek to continue to expand our business. We exercise financial discipline in pursuing these projects by targeting project returns that are in line with the relative risk of the specific projects and associated feedstock costs, offtake contracts and any other related attributes that can be monetized. We are currently evaluating three project expansion opportunities at existing project sites and one new electricity-to-RNG conversion project. We regularly analyze several potential new projects that are at various stages of negotiation and review. The potential projects typically include a mix of new project sites, project conversions and strategic acquisitions. Currently, no new potential projects are subject to definitive agreements and each potential opportunity is subject to competitive market conditions.

Acquisition of Existing Projects

Pursuing opportunities for acquisitions of existing projects has and continues to be a key component of our growth strategy. Small project portfolios present the opportunity for industry consolidation that we believe we are well-positioned to take advantage of because of our scale, operational efficiency, execution track record and technological flexibility. In evaluating new opportunities, we often look for underperforming projects or underutilized sites where we can leverage our premier operational platform to optimize efficiency at these facilities. As we continue to acquire new projects, we have the ability to improve synergies across our portfolio that we believe give us an advantage over other LFG operators and new entrants into the industry.

While new project and acquisition opportunities exhibit attractive processable biomethane quantities, we are experienced in both understanding the common deviations between feedstock projections (both in quantity and quality), and the best approach to plan and execute on development investments in making those projections reality. In evaluating a potential project, we evaluate whether there is economically viable access to an interconnection. We use our experience in the complexities of interconnection study and design, the securitization of rights-of-way, oversight of utility construction and self-construction of pipeline and electrical interconnections to determine economic viability. In addition to interconnection experience, our experience in detailed and scheduled preventative maintenance allows us to develop realistic operating cost projections for greenfield and other acquisition project opportunities at their onset.

In particular, a major focus area for us is the acquisition of existing LFG-to-electricity projects that we can convert to RNG. We look for opportunities where existing operators have a PPA with a limited remaining contract life or are selling power on a merchant basis and where sites are located close to existing natural gas pipelines. We believe we have a competitive advantage in pursuing these opportunities because of our strong track record as an RNG producer. Cleaning up biogas for use as RNG is a significantly more involved process than electricity production. There are few others that have the capabilities that we have to tune wellfields to process gas in the manner needed to produce pipeline-quality RNG. As a result, we are well-positioned to acquire these projects where the existing operator is not positioned to pursue the technology conversion on their own and merchant electricity prices do not support continued operation of the electricity facility.

Much of our historic growth has been achieved through acquisitions and our management team has significant experience in identifying, executing, closing and integrating acquisitions. Most recently, we closed on an acquisition of an existing anaerobic digester and Jenbacher engines at a large commercial dairy farm in Idaho. The project was converted to an RNG facility in order to sell transportation fuel into the California transportation market and began commercial operation in September 2020.

Our operational capabilities across a broad array of gas clean-up and electricity generation technologies, including solvent scrubbing, PSA, membrane separation, reciprocating engines, and turbines, gives us flexibility to pursue a variety of potential projects. We have strong relationships with most major industry vendors and landfill owners. We believe we can use these existing relationships and our reputation in the industry to identify potential transactions and to minimize concerns about a change of the operator of a biogas project.

Greenfield Development

We are always looking for opportunities to expand our portfolio through new projects that we can design, build, own and operate at greenfield sites. A significant portion of our pipeline for new development comes from our existing relationships with landfill owners who value our long operating history and strong reputation in the industry. This includes new projects with existing partners as well as projects we have sourced through referrals from existing partners. For example, our Apex project, which was completed in 2019, came to us through our existing relationship with the landfill owner.

As one of the largest producers of RNG from LFG, we also frequently receive RFPs from landfill owners for new biogas facilities at their landfills. We exercise financial discipline in pursuing these projects by targeting project returns that are in line with the relative risk of the specific projects and associated feedstock costs, offtake contracts and any other related attributes that can be monetized.

With our broad geographic footprint, we believe we are well-positioned to take advantage of opportunities in states where we currently operate. Although we believe that many of the EPA identified candidate landfills are not currently economically viable, approximately 40% of the these sites that we have identified as potentially economically viable are located in states in which we currently operate and we believe, due to our industry experience and technical knowledge, we will continue to be able to identify potentially economically viable sites in these locations in the future. Additionally, we also currently operate in three of the top four states with the largest biogas production potential from livestock farms. Our geographic footprint strategically positions us to take advantage of these opportunities given our existing relationships with operators, vendors and regulators, and our ability to realize operational synergies with nearby projects.

New Sources of Fuel Supply

Historically, our business has grown through new LFG projects. While we will continue to pursue LFG opportunities, we also anticipate projects that utilize other sources of fuel supply, including livestock farms and WRRFs, as major opportunities to further expand and diversify our footprint.

Dairy

We view dairy farms as a significant opportunity for us to expand our RNG business. Processing biogas from dairy farms requires similar expertise and capabilities as processing biogas from landfills. Meanwhile, the collection of the fuel supply is much easier at dairy farms than at landfills due to higher quality, more uniform feedstock, less volatility in inlet gas and biogas collection in a more controlled environment.

The presence of our digester benefits dairy farmers in a number of ways, creating a mutually beneficial relationship. We assist in managing the waste for the dairy farmer, which they would otherwise have to manage. Additionally, processing this waste in a digester is significantly more environmentally friendly by reducing GHG emissions. Finally, a byproduct of the production process can be returned to farmers for use as bedding, alleviating the need to purchase other materials for bedding for the cows.

We undertook a dairy farm project when we closed on the acquisition of Pico, the anaerobic digester and two Jenbacher engines at the Bettencourt dairy farm in Jerome, Idaho in September 2018. The project sources manure from a dairy farm with approximately 18,500 milking cows as of October 2020. While Pico was initially a Renewable Electricity site, we have developed an RNG facility at this project that came online in August 2020. The facility sells transportation fuel into the California transportation market.

Other Waste Sources

Our long-term strategy is to continue to seek new opportunities for biogas processing with alternative sources of fuel supply as we have done recently with our entrance into the dairy farm biogas industry. Other industries that present opportunities of scale for biogas conversion include swine farms and WRRFs. Similar to dairy farms, biogas production from swine farms is a nascent biogas industry, with less than 1% of swine farms with biogas processing capabilities. Additionally, roughly 23% of WRRFs have biogas processing facilities, however, most process biogas for electricity production creating additional opportunities for acquisition and conversion to RNG facilities. As with LFG and dairy farms, biogas from both swine farms and WRRFs qualify for D3 RINs under the RFS program. We believe our demonstrated versatility to operate processing facilities using multiple fuel supply sources will give us a competitive advantage in these markets relative to other new entrants who have only demonstrated capabilities with one fuel supply source.

Fuel Supply Agreements

A critical component of our business is our ability to negotiate and maintain long-term fuel supply agreements. We have developed strong working relationships with our landfill site owners, including ten of 14 operating projects and one development project with Waste Management and Republic Services, the two largest waste companies in the United States, and actively seek to strategically extend our tenure at our project sites.

Our projects provide our landfill and dairy farm partners a solution to monetize biogas from their sites, support their regulatory compliance and provide them with environmental services. We have had working relationships with Republic Services since 1986 and with Waste Management since 2004 and we enable monetization of their biogas while maintaining regulatory compliance. We seek to differentiate ourselves from our competitors through our extensive experience across a variety of commercialized beneficial uses of processed biogas, including pipeline quality natural gas, power generation and boiler fuel gas products. To date, we have not had any fuel supply agreement terminated by any site partner once we have established a facility on the site, which we believe serves as evidence of our operational expertise, reliability and consistent value delivered to our site partners. The table below is a summary of the expiration periods of those agreements.

Fuel Supply Agreement Summary

RNG Projects

Fuel Supply Agreement Expiration Dates	Current Sites as of September 30, 2020	% of 2019 Total RNG Production
Within 0-5 years	0	0.0%
Between 6-15 years	3	7.3%
Greater than 15 years (1)	9	92.7%

Renewable Electricity Projects

Fuel Supply Agreement Expiration Dates	Current Sites as of September 30, 2020	% of 2019 Total Renewable Electricity Production
Within 0-5 years	0	0.0%
Between 6-15 years	1	7.0%
Greater than 15 years (1)	3	93.0%

(1) Our Pico project is included in both RNG and Renewable Electricity fuel supply agreements due to its conversion from a Renewable Electricity site to an RNG site in August 2020.

Each of our RNG projects in development has a contract length of 20 years from commencement of commercial operation, except for Pico, which has a contract length of 20 years from the date of the fuel supply agreement. Our fuel supply agreement expiration dates account for contract extensions at our option. We are

consistently reviewing and pursuing extensions for all of our fuel supply agreements well before their expirations and for future agreements, we continue to target contracts with expiration of 20 years from commencement of operation with options for extension.

Customers

Our customers for RNG and RINs typically include large, long-term owner-operators of landfills and livestock farms, local utilities, and large refiners in the natural gas and refining sectors. Royalty structures included in our agreements, as well as the large size of our counterparties, limit their credit risk. For 2019, our sales to Royal Dutch Shell plc represented approximately 14% of our operating revenues. We sell RNG and Environmental Attributes to Royal Dutch Shell plc at a fixed price, which is supplemented by sharing of incremental revenues from monetization of the Environmental Attributes under a margin sharing agreement. Further, Victory Renewables, LLC and BP Products North America each represented approximately 11% of our operating revenues in 2019 from the sale of Environmental Attributes. ACT Fuels, Inc. represented approximately 14% of our operating revenues in 2019 as the largest off-taker of RINs during this period. We sell RINs to numerous RIN off-take parties and our largest RIN off-taker as a percentage of revenue can vary year to year given the short-term nature of these contracts. In addition to revenues from sales of RNG and RINs, we also share a portion of our Environmental Attributes with our off-take counterparties as in-kind consideration for the counterparty using our RNG as a transportation fuel.

Our customers for electricity typically include investor-owned and municipal electricity utilities. For the sale of Renewable Electricity and RECs, the City of Anaheim represented approximately 14.1% of our operating revenues in 2019. These sales occurred under a PPA between us and the City of Anaheim, in which electricity and RECs are sold at fixed prices. By the end of 2020, we expect to convert 100% of the monetization of our Renewable Electricity production and Environmental Attributes to fixed-price agreements. For our electricity sales, all of our customers with whom we have off-take agreements are investment-grade entities with low credit risk.

No other single customer represented more than 10% of our total 2019 operating revenues.

Suppliers and Equipment Vendors

We use a variety of technological means to operate facilities that produce RNG and electricity from raw biogas collected from landfills and digesters. This affords Montauk experience with substantially all major vendors in the sector, and technical expertise in numerous technologies.

The major technologies used by our projects for gas processing include solvent scrubbing, pressure swing adsorption ("*PSA*"), and membrane separation. For electricity generation, we use reciprocating engines and gas turbines.

We source equipment from a variety of major suppliers with specialties in each technology. We enter into written ordinary-course agreements with suppliers to obtain industry-standard equipment for use in our operations. The contracts generally do not include any intellectual property rights other than for the intended use of the equipment. Membrane separation equipment is primarily provided by UOP and Air Liquide. PSA equipment is primarily provided by Xebec, Air Products, and BioFerm. Solvent scrubbing is primarily provided by Selexol. RNG ancillary constituent removal is done using equipment provided by Iron Sponge, MV Technologies, Thiopaq, Guild Associates, and PSB Industries. Electricity generation equipment is provided by Solar Turbines, CAT, and Jenbacher.

We have made substantial investments in a centralized Enterprise Resource Planning ("*ERP*") system (Microsoft Dynamics) to better integrate operations across our projects. This system centralizes maintenance operations across all of our projects. Our proactive approach to maintenance, corrective maintenance, root cause analysis, failure reporting, project management, and budgeting are all completed using the ERP system.

Competition

There are a number of other companies operating in the renewable energy and waste-to-energy space, ranging from other project developers to service or equipment providers.

Our primary competition is from other companies or solutions for access to biogas from waste. Evolving consumer preferences, regulatory conditions, ongoing waste industry trends, and project economics have a strong effect on the competitive landscape and our relative ability to continue to generate revenues and cash flows. We believe that our status as one of the largest operators of LFG-to-RNG projects, our 30-year track record of operating and developing projects, and our deep relationships with some of the largest landfill owners and dairy farms in the country position us very well to continue to operate and grow our portfolio, and respond to competitive pressures. We have demonstrated a track record of strategic flexibility across our 30-year history which has allowed us to pivot towards projects and markets that we believe deliver optimal returns and stockholder value in response to changes in market, regulatory and competitive pressures.

The biogas market is heavily fragmented. We believe our size relative to many other LFG companies and our expected capital structure upon the completion of this offering will leave us in a strong position to compete for new project development opportunities or acquisitions of existing projects. However, competition for such opportunities, including the prices being offered for fuel supply, will impact the expected profitability of projects to us, and may make projects unsuitable to pursue. Likewise, prices being offered by our competitors for fuel supply may increase the royalty rates that we pay under our fuel supply agreements when such agreements expire and need to be renewed or when expansion opportunities present themselves at the landfills where our projects currently operate. It is also possible that more landfill owners may seek to install their own LFG projects on their sites, which would reduce the number of opportunities for us to develop new projects. Our overall size, reputation, access to capital, experience and decades of proven execution on LFG project development and operation leave us well-positioned to compete with other companies in our industry.

We are aware of several competitors in the United States that have a similar business model to our own, including Aria Energy and Morrow Renewables, as well as companies with biogas-to-energy facilities as a segment or subsidiary of their operations, including DTE and Ameresco. In addition, certain landfill operators such as Waste Management have also chosen to selectively pursue biogas conversion projects at their sites.

Governmental Regulation

Each of our projects is subject to federal, state and local air quality, solid waste, and water quality regulations and permitting requirements. Specific construction and operating permit requirements may differ among states. Specific permits we frequently must obtain when developing our projects include: air permits, nonhazardous waste management permits, pollutant discharge elimination permits, and beneficial use permits. Our existing projects must also maintain compliance with relevant federal, state and local environmental, health and safety requirements.

Our RNG projects are subject to federal RFS program regulations, including the EPACT 2005 and EISA. The EPA administers the RFS program with volume requirements for several categories of renewable fuels. The EPA's RFS regulations establish rules for fuel supplied and administer the RIN system for compliance, trading credits and rules for waivers. The EPA calculates a blending standard for each year based on estimates of gasoline usage from the Department of Energy's Energy Information Agency. Separate quotas and blending requirements are determined for cellulosic biofuels, BBD, advanced biofuels and total renewable fuel. Further, we are required to register each RNG project with the EPA and relevant state regulatory agencies. We qualify our RINs through a voluntary Quality Assurance Plan, which typically takes from three to five months from first injection of RNG into the commercial pipeline system. Further, we typically make a large investment in the project prior to receiving the regulatory approval and RIN qualification. In addition to registering each RNG project, we are subject to quarterly audits under the Quality Assurance Plan of our projects to validate our qualification.

Our RNG projects are also subject to state renewable fuel standard regulations. The CA LCFS program requires producers of petroleum-based fuels to reduce the CI of their products, beginning with a quarter of a percent in 2011 a 10% total reduction in 2020, and a 20% total reduction in 2030. Petroleum importers, refiners and wholesalers can either develop their own low-carbon fuel products, or buy CA LCFS credits from other companies that develop and sell low-carbon alternative fuels, such as biofuels, electricity, natural gas or hydrogen. We are subject to a qualification process similar to that for RINs, including verification of CI levels and other requirements, currently exists for CA LCFS credits.

The CAA regulates emissions of pollutants to protect the environment and public health and contains provisions for New Source Review ("*NSR*") permits and Title V permits. New biogas projects may be required to obtain construction permits under the NSR program. The combustion of biogas results in emissions of carbon monoxide, oxides of nitrogen, sulfur dioxide, volatile organic compounds and particulate matter. The CAA and state and local laws and regulations impose significant monitoring, testing, recordkeeping and reporting requirements for these emissions. Requirements vary for control of these emissions, depending on local air quality. Applicability of the NSR permitting requirements will depend on the level of emissions resulting from the technology used and the project's location. Many biogas projects must obtain operating permits that satisfy Title V of the 1990 CAA Amendments. The operating permit describes the emission limits and operating conditions that a facility must satisfy and specifies the reporting requirements that a facility must meet to show compliance with all applicable air pollution regulations. A Title V operating permit must be renewed every five years. Even when a biogas project doesn't require a Title V permit, the project may be subject to other federal, state and/or local air quality regulations and permits.

In addition, our operations and the operations of the landfills at which we operate may be subject to New Source Performance Standards and emissions guidelines, pursuant to the CAA, applicable to municipal solid waste landfills and to oil and gas facilities. Among other things, these regulations are designed to address the emission of methane, a potent GHG, into the atmosphere.

Before an RNG project can be developed, all Resource Conservation and Recovery Act ("*RCRA*") Subtitle D requirements (requirements for nonhazardous solid waste management) must be satisfied. In particular, methane is explosive in certain concentrations and poses a hazard if it migrates beyond the project boundary. Biogas collection systems must meet RCRA Subtitle D standards for gas control. RNG projects may be subject to other federal, state and local regulations that impose requirements for nonhazardous solid waste management.

Certain biogas projects may be subject to federal requirements to prepare for and respond to spills or releases from tanks and other equipment located at these projects and provide training to employees on operation, maintenance and discharge prevention procedures and the applicable pollution control laws. At such projects, we may be required to develop spill prevention, control and countermeasure plans to memorialize our preparation and response plans and to update them on a regular basis.

Our operations may result in liability for hazardous substances or other materials placed into soil or groundwater. Pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 or other federal, state or local laws governing the investigation and cleanup of sites contaminated with hazardous substances, we may be required to investigate and/or remediate soil and groundwater contamination at our projects, contiguous and adjacent properties and other properties owned and/or operated by third parties.

Additionally, biogas projects may need to obtain National Pollutant Discharge Elimination System permits if wastewater is discharged directly to a receiving water body. If wastewater is discharged to a local sewer system, biogas projects may need to obtain an industrial wastewater permit from a local regulatory authority for discharges to a Publicly Owned Treatment Works. The authority to issue these permits may be delegated to state or local governments by the EPA. The permits, which typically last five years, limit the quantity and concentration of pollutants that may be discharged. Permits may require wastewater treatment or

impose other operating conditions to ensure compliance with the limits. In addition, the Clean Water Act and implementing state laws and regulations require individual permits or coverage under general permits for discharges of storm water runoff from certain types of facilities.

FERC

The Federal Energy Regulatory Commission ("*FERC*") regulates the sale of electricity at wholesale and the transmission of electricity in interstate commerce pursuant to its regulatory authority under the FPA. FERC also regulates certain natural gas transportation and storage facilities and services, and regulates the rates and terms of service for natural gas transportation in interstate commerce under the Natural Gas Act and the Natural Gas Policy Act.

With respect to electricity transmission and sales, FERC's jurisdiction includes, among other things, authority over the rates, charges and other terms for the sale of electricity at wholesale by public utilities (entities that own or operate projects subject to FERC jurisdiction) and for transmission services. In most cases, wholesale sales of electricity take place at market-based rates where sellers (electric generators and other energy suppliers) have FERC-approved market-based rate ("*MBR*") authority. In order to be eligible for MBR authority, and to maintain exemptions from certain FERC regulations, our projects must obtain market based rate authorization from FERC. With respect to its regulation of the transmission of electricity, FERC requires transmission providers to provide open access transmission services, which supports the development of competitive markets by assuring nondiscriminatory access to the transmission grid. FERC has also encouraged the formation of RTOs to allow greater access to transmission services and certain competitive wholesale markets administered by ISOs and RTOs.

In 2005, the U.S. federal government enacted the EPACT 2005 conferring new authority for FERC to act to limit wholesale market power if required and strengthening FERC's civil penalty authority (including the power to assess fines of up to $1.0 million per day per violation), and adding certain disclosure requirements. EPACT 2005 also directed FERC to develop regulations to promote the development of transmission infrastructure, which provides incentives for transmitting utilities to serve renewable energy projects and expanded and extended the availability of U.S. federal tax credits to a variety of renewable energy technologies, including wind power. EPACT 2005's market conduct, penalty and enforcement provisions also apply to fraud and certain other misconduct in the natural gas sector.

Qualifying Facilities

PURPA established a class of generating facilities that would receive special rate and regulatory treatment, termed qualifying facilities ("*QFs*"). There are two categories of QFs: qualifying small power production facilities and qualifying cogeneration facilities. A small power production facility is a generating facility of 80 MW or less whose primary energy source is hydro, wind, solar, biomass, waste, or geothermal. A cogeneration facility is a generating facility that produces electricity and another form of useful thermal energy (such as heat or steam) in a way that is more efficient than the separate production of both forms of energy. QFs are generally subject to reduced regulatory requirements. Small power production facilities up to 20 MW are exempt from rate regulation under Sections 205 and 206 of the Federal Power Act.

In addition, PUHCA provides FERC and state regulatory commissions with access to the books and records of holding companies and other companies in holding company systems. It also provides for the review of certain costs. Companies that are holding companies under PUHCA solely with respect to one or more exempt wholesale generators, QFs or foreign utilities are exempt from these PUHCA books and records requirements.

State Utility Regulation

While federal law provides the utility regulatory framework for our sales of electricity at wholesale in interstate commerce, there are also important areas in which state regulatory control over traditional public

utilities that fall under state jurisdiction may have an effect on our projects. For example, the regulated electricity utility buyers of electricity from our projects are generally required to seek state public utility commission approval for the pass through in retail rates of costs associated with PPAs entered into with a wholesale seller. Certain states, such as New York, regulate the acquisition, divestiture, and transfer of some wholesale power projects and financing activities by the owners of such projects. California, which is one of our markets, requires compliance with certain operations and maintenance reporting requirements for wholesale generators. In addition, states and other local agencies require a variety of environmental and other permits.

State law governs whether an independent generator or power marketer can sell retail electricity in that state, and whether gas can be sold by an entity other than a traditional, state-franchised gas utility. Some states, such as Florida, prohibit most sales of retail electricity except by the state's franchised utilities. In other states, such as New Jersey and Pennsylvania, an independent generator may sometimes sell retail electricity power to a co-located or adjacent business customer, and a gas supplier can sometimes make on-premises or adjacent-premises gas deliveries to a single plant or customer. Some states, such as Massachusetts and New York, permit retail power and gas marketers to use the facilities of the state's franchised utilities to sell power and/or gas to retail customers as competitors of the utilities.

Independent System Operators and Regional Transmission Organizations

The bulk electricity transmission system and the electricity markets in several geographic regions of the U.S. are operated by FERC-regulated ISOs and RTOs. Each of the ISOs/RTOs established the market design, market rules, tariffs, cost allocations and bidding rules to which its market participants are subject. There is also a separate ISO in an entirely intrastate market in a portion of Texas that is not directly subject to FERC regulation under the FPA.

ISO/RTO market participants include traditional utilities that own transmission and distribution facilities and sell power to retail customers; transmission and distribution utilities within an ISO/RTO market turn control over their facilities over to the ISO/RTO. ISO/RTO market participants also include independent generating companies that produce and sell electricity to other market participants who in turn typically re-sell the electricity; municipal and cooperative utilities that distribute and sell electricity to customers in their service territories; power management businesses that engage in load-reduction and provide power management contract services; and power marketers that engage in power trading and re-sales from generation assets owned or operated by others.

Each ISO/RTO has a monopoly on the provision of transmission service over the facilities of the ISO/RTO's member utilities that the ISO/RTO controls but does not own, and on the management of the wholesale power sales market that relies on the same utilities' facilities. The ISOs/RTOs themselves develop and determine their own market rules, market clearing practices, pricing rules including floors and ceilings on electricity prices, and establish eligibility requirements for market participation. Bulk power transmission within the ISO/RTO regional markets is only available from the ISOs/RTOs and not from transmission-owning utilities.

RNG Production and Sale

Our projects typically convert biogas to RNG for sale as a fuel product. FERC regulates the natural gas pipelines that transport gas in interstate commerce, and specifies or approves a gas pipeline's tariff that sets the rates, terms and conditions, gas quality, and other requirements applicable to transportation of natural gas on the pipelines, including shipping RNG. Our sites are not permitted, and may not be physically able, to deliver RNG to a FERC-regulated pipeline unless the pipeline's receipt of the gas is consistent with the standards adopted in the pipeline's FERC tariff. State regulators determine whether RNG may be purchased by the state's local gas utilities, and whether a site operator may directly sell gas to a retail, or direct end-use, customer. Purely local gas sales not utilizing FERC-regulated or certificated facilities are typically not subject to FERC gas regulation. The local distribution of gas to end-use customers by a state-regulated gas utility is also typically outside the scope of

FERC's gas regulatory jurisdiction. The opening and operation of a landfill or dairy farm that is expected to produce gas does not ordinarily require a FERC certificate or the acceptance by FERC of a gas tariff.

Future Regulations

The regulations that are applicable to our projects vary according to the type of energy being produced and the jurisdiction of the facility. As part of our growth strategy, we are looking to grow by pursuing development and acquisition opportunities. Such opportunities may exist in jurisdictions where we have no current operations and, as such, we may become exposed to different regulations for which we have no experience. Some states periodically revisit their regulation of electricity and gas sales. Other states, such as South Carolina and Florida, have adhered to traditional exclusive-franchise practices, and in these and other states most electricity and gas customers may receive service only from a utility that holds an exclusive geographic franchise to provide service at that customer's location. In some states that have experienced energy price hikes or market volatility, such as New York and California, investments in expanding facilities or buying or building additional facilities may be subject to changing regulatory requirements that may encourage competitive market entry.

Effect of Existing or Probable Government Regulations on Our Business

Our business is affected by numerous laws and regulations on the international, federal, state and local levels, including energy, environmental, conservation, tax and other laws and regulations relating to our industry. Failure to comply with any laws and regulations may result in the assessment of administrative, civil and criminal penalties, the imposition of injunctive relief or both. Moreover, changes in any of these laws and regulations could have a material adverse effect on our business. In view of the many uncertainties with respect to current and future laws and regulations, including their applicability to us, we cannot predict the overall effect of such laws and regulations on our future operations.

We believe that our operations comply in all material respect with applicable laws and regulations and that the existence and enforcement of such laws and regulations have no more restrictive an effect on our operations than on other similar companies in our industry. We do not anticipate any material capital expenditures to comply with international, federal and state environmental requirements.

Employees

We have 118 full time professionals as of September 10, 2020. None of our employees are subject to any collective bargaining agreements.

The success and growth of our business is significantly correlated with our ability to recruit, train, promote and retain talented individuals at all levels of our organization. To succeed in a competitive labor market, we have developed and maintain key recruitment and retention strategies. These include competitive salary structures, including bonus compensation programs, and competitive benefits policies, including paid time off for vacations, sick leave and holidays, short-term and long-term disability coverage, group term life insurance, tuition reimbursement for job-related education and training, and various retirement savings and incentive plans.

Safety of our personnel is a core value of Montauk and maintaining a safe work environment is critical to an energy company's ability to attract and retain employees. As described in "Risk Factors," to support the health and safety of our employees due to the COVID-19 pandemic, we have enhanced our safety protocols by arranging shifts at facilities to stagger employees to ensure social distancing, implemented more extensive cleaning and sanitation processes for both facilities and office spaces, incorporated temperature checks, required facial covering, instituted employee and visitor fitness questionnaires, restricted corporate travel and visitor access to sites and implemented work-from-home and work-flex initiatives for certain employees. We also

established the IDRC to lead the development and implementation of such policies and to oversee the Company's response to any infectious disease event. See "Business—Our Strengths—Environmental, Health and Safety and Compliance Leadership" for a description of our employee-level EHS programs.

Segments and Geographic Information

We have two operating segments: Renewable Natural Gas and Renewable Electricity Generation. While our corporate entity is not an operating segment, we discretely disclose corporate entity revenues for purposes of reconciliation of the Company's consolidated financial statements. For information regarding revenues and other information regarding our results of operations for each of our last two financial years, please refer to our financial statements included in this prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in this Prospectus.

Properties

Our principal executive office is located in Pittsburgh, Pennsylvania. We lease a 10,874 square foot office space at this site for $19,279 per month pursuant to a lease which expires on December 31, 2022.

We also lease a 8,400 square foot office and warehouse in Houston, Texas, pursuant to a lease which expires on December 31, 2022, for $3,816 per month. We currently own and operate 15 projects, 12 of which are RNG projects and three of which are Renewable Electricity projects. See "—Our Projects" for further descriptions of our properties.

Legal Proceedings

From time to time we and our subsidiaries may be parties to legal proceedings arising in the normal course of our business. We and our subsidiaries are currently not a party, nor is our property subject, to any material pending legal proceedings. None of our directors, officers, affiliates, or any owner of record or beneficially of more than 5% of our common stock, is involved in a material proceeding adverse to us or our subsidiaries or has a material interest adverse to us or our subsidiaries.

MANAGEMENT

Executive Officers and Directors

We expect that following the Reorganization Transactions, the executive officers and most of the directors of MNK, Montauk USA and/or MEH will serve as our executive officers and directors.

Below is a list of the names, ages, positions, and a brief summary of the business experience of the individuals who are expected to serve as our executive officers and directors following the Reorganization Transactions (ages as of September 30, 2020).

Name	Age	Position
Sean F. McClain	46	President and Chief Executive Officer, Director
Kevin A. Van Asdalan	43	Chief Financial Officer
James A. Shaw	49	Vice President of Operations
Scott Hill	53	Vice President of Business Development
John Ciroli	49	Vice President, General Counsel and Secretary
Mohamed H. Ahmed	56	Director
John A. Copelyn	70	Director
Theventheran (Kevin) G. Govender	49	Director
Michael A. Jacobson	52	Director
Bruce S. Raynor	70	Director

Executive Officers

Sean F. McClain. Mr. McClain has served as the President and Chief Executive Officer of MNK since September 2019, and as a member of the Board of Directors of MNK since August 2014. From August 2014 until September 2019, he served as Chief Financial Officer of MNK and, from April 2011 until September 2019, he served as the Chief Financial Officer of MEH and Montauk USA. Mr. McClain has more than 25 years of business and financial management experience including with public and private equity placements, debt structuring transactions, acquisitions, financial reporting, compliance and accounting. Prior to joining MEH and Montauk USA, he held various management positions with BPL Global Limited, Bayer A.G. and Dick's Sporting Goods, Inc. and was in public accounting at Arthur Andersen LLP. He is a Certified Public Accountant. As our Chief Executive Officer, Mr. McClain's insight into the business and related risks and challenges will contribute to the Board and in its understanding of our business and strategy.

Kevin A. Van Asdalan. Mr. Van Asdalan has served as the Chief Financial Officer and a member of the Board of Directors of MNK since September 2019. Since September 2019, he has served as Chief Financial Officer of MEH and Montauk USA. He previously served as Controller of MEH and Montauk USA from March 2018 to September 2019. Prior to joining MEH and Montauk USA, Mr. Van Asdalan served as Controller, Construction Products, Controller, Tubular Products, and Manager of External Financial Reporting at the L.B. Foster Company, a manufacturer and distributor of products and provider of service for transportation and energy infrastructure ("*L.B. Foster*"), from July 2011 to March 2018. Prior to L.B. Foster, Mr. Van Asdalan held senior associate positions at PricewaterhouseCoopers LLP and Sisterson & Co LLP, both accounting firms. He has 20 years of business and financial management experience including accounting, financial reporting, corporate compliance and acquisitions. He is a Certified Public Accountant and Chartered Global Management Accountant.

James A. Shaw. Mr. Shaw has served as Vice President of Operations of MEH since September 2019. He previously served as North Region Manager of MEH from May 2016 to September 2019. He also held the position of Site Manager for five MEH operating sites in Pennsylvania from April 2015 to April 2016 and two MEH operating sites in Pennsylvania from June 2010 to March 2015. Prior to joining MEH, he was a facility

manager for SONY Electronics Inc. at the world's first vertically integrated television manufacturing facilities. Mr. Shaw has more than 25 years of experience in facilities operations and management.

Scott Hill. Mr. Hill joined Montauk in 2010 and has served as Vice President of Business Development of MEH and Montauk USA since December 2020. Mr. Hill served as Vice President of Engineering from April 2018 to December 2020, Vice President of Engineering and Operations from September 2015 to April 2018, and Vice President of Operations from May 2010 to September 2015. Mr. Hill has over 30 years of experience in landfill and landfill-to-gas operations and engineering, including contract negotiation, permitting, construction, design, and management. Prior to joining MEH and Montauk USA, he held positions with Energy Systems Group, Energy Developments Inc., Ecogas Corporation, HDR Engineering, Inc. and the City of Los Angeles. Mr. Hill obtained his Bachelor of Science degree in Agricultural Engineering from Texas A&M University. He is a registered Professional Engineer.

John Ciroli. Mr. Ciroli joined MEH in July 2020 as the Vice President General Counsel and Corporate Secretary. Immediately prior to joining Montauk from July 2016 to July 2020, Mr. Ciroli was the North American Counsel and HR Manager for the North American subsidiaries of FAAC Group, a company that designs, builds and markets reliable solutions for pedestrian and vehicle needs, representing all the entities in their American and Canadian portfolio. From 2014 to July 2016, Mr. Ciroli was a Senior Litigation Counsel with the Housing Authority of the City of Pittsburgh. Mr. Ciroli has over 23 years of experience representing and advising domestic and international corporations and government entities in the areas of contracts, mergers and acquisitions, litigation, employment and governmental procurement and regulatory affairs. He was also a professor for Concord Law School, now Purdue Global, in the areas of Contracts, Constitutional Law, Torts and Evidence and is a member of the Pennsylvania State Bar and the bar of the U.S. Supreme Court.

Directors

Mohamed H. Ahmed. Mr. Ahmed has served on the Board of Directors of MNK as the lead independent non-executive director since August 2014. He has served as an executive director of Ritz Tiles, an importer and distributor of tiles, since 2002. Mr. Ahmed is also a director for investment holding companies and a real estate investment trust, and previously held directorships with other companies in the clothing and textile industry. We believe that Mr. Ahmed's qualifications to serve as a director include his finance and leadership experience over more than 25 years and related industry and investment experience.

John A. Copelyn. Mr. Copelyn has served as the non-executive chairman of the Board of Directors of MNK since December 2014 and commenced service on the Board of Directors of MNK in June 2011. He has served as the Chief Executive Officer of Hosken Consolidated Investments Limited ("*HCI*"), an investment holding company, since 1997. He has served as a non-executive independent director of Platinum Group Metals Ltd., a mining company focused on platinum and palladium, since May 2018. He previously served as a member of the parliament of South Africa from 1994 to 1997, and as General Secretary in various unions in the clothing and textile industry from 1974 to 1994. We believe that Mr. Copelyn's qualifications to serve as a director include his leadership positions at natural-resource and financial companies, as well as his policymaking and public affairs experience.

Theventheran (Kevin) G. Govender. Mr. Govender has served as a member of the Board of Directors of MNK since September 2018. He has served as an executive director at HCI, an investment holding company, since 1998 and was formerly HCI's Chief Financial Officer from 2001 to August 2019. He also serves as a director on the boards of directors of several of HCI's subsidiaries. We believe that Mr. Govender's qualifications to serve as a director include his financial expertise, and extensive executive and director experience.

Michael A. Jacobson. Mr. Jacobson has served as a member of the Board of Directors of MNK and Montauk USA since August 2014. He has served as an executive director of Oceania Capital Partners, an investment holding

company, since January 2012. He previously served in various executive positions with HCI. We believe that Mr. Jacobson's qualifications to serve as a director include his global executive and director leadership experience.

Bruce S. Raynor. Mr. Raynor has served as a member of the Board of Directors of MNK since August 2014. He has served as Principal of R and S Associates LLC, a consulting firm, since October 2011. He has also served as President of The Sidney Hillman Foundation, a foundation that supports and rewards socially conscious journalism, since January 2001, a member of the Board of Directors of the TransAfrica Forum Inc., a foreign-policy organization promoting diversity, equity and justice, since January 2003, and Chairman of the Board of Directors of the Rockland BOCES Family Resource Center Foundation, a community-based education non-profit, since January 2005. Previously, Mr. Raynor served as Executive Vice President of the Service Employees International Union, a labor union, and as President of Workers United, a labor union, from 2009 to 2011. We believe that Mr. Raynor's qualifications to serve as a director include his extensive leadership and policymaking experience.

Family Relationships

There are no family relationships between any of our expected executive officers or directors.

Board of Directors

Following this offering, our business and affairs will be managed under the direction of our Board of Directors. In connection with this offering, we will adopt an Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws. Our Amended and Restated Certificate of Incorporation will provide that our Board of Directors will consist of such number of directors as the Board of Directors may from time to time exclusively determine, provided that the directors then in office are not less than 33 1/3% of the total number of directors then authorized and subject to the rights, if any, of the holders of any series of preferred stock to elect directors. Immediately after this offering, we currently expect that our Board of Directors will initially be composed of six members.

Classified Board of Directors

Our Amended and Restated Certificate of Incorporation will provide that our Board of Directors will be divided into three classes with staggered three-year terms. While our Board of Directors is classified, only one class of directors will be elected at each annual meeting of stockholders, with the other classes continuing for the remainder of their respective three-year terms. Our Board of Directors will be designated as follows:

- Messrs. Ahmed and Copelyn will serve as Class I directors, and their terms will expire at the annual meeting of stockholders to be held in 2021;
- Messrs. Govender and Jacobson will serve as Class II directors, and their terms will expire at the annual meeting of stockholders to be held in 2022; and
- Messrs. McClain and Raynor will serve as Class III directors, and their terms will expire at the annual meeting of stockholders to be held in 2023.

Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of our directors. Each director whose term expires at the 2028 annual meeting of stockholders (expected to be our eighth annual meeting) or any annual meeting thereafter shall be elected for a term expiring at the next annual meeting of stockholders. As a result of these provisions, beginning with the 2030 annual meeting of stockholders (expected to be our tenth annual meeting), all of our directors will be subject to annual election.

The division of our Board of Directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control. See "Description of Capital Stock—Anti-takeover Effects of Certain Provisions of Our Amended and Restated Certificate of Incorporation, Amended and Restated Bylaws and Delaware Law" for a discussion of other anti-takeover provisions found in our Amended and Restated Certificate of Incorporation.

Independence

Our Board of Directors is expected to determine that Messrs. Ahmed, Jacobson, and Raynor are "independent directors" as defined under the Nasdaq listing requirements. Further, Mr. Ahmed is expected to be our lead independent director with Mr. Copelyn appointed as our chairman of the Board of Directors. In making these independence determinations, our Board of Directors has reviewed and discussed information provided by the directors to us with regard to each director's business and personal activities and relationships as they may relate to us and our management, including the beneficial ownership of our capital stock following the Reorganization Transactions by each non-employee director and the transactions involving them described in the section entitled "Certain Relationships and Related Party Transactions." In addition to determining whether each director satisfies the director independence requirements set forth in the Nasdaq listing requirements, in the case of members of the audit committee, our Board of Directors will also make an affirmative determination that members satisfy separate independence requirements under the SEC rules for such members. As a newly public company and a "controlled company" within the meaning of the Nasdaq listing rules, we may avail ourselves of certain exemptions relating to director independence, including that we are not required to have fully independent compensation or nominating and corporate governance committees for so long as we are a "controlled company."

Controlled Company Exception

After the Reorganization Transactions and prior to the completion of the offering, the parties to the Consortium Agreement will beneficially own approximately 54.2% of our common stock. After the completion of this offering, they will beneficially own approximately % of our common stock (or % if the underwriter exercises in full its option to purchase additional shares of our stock). As a result, we will be a "controlled company" within the meaning of the Nasdaq corporate governance standards. The Consortium Agreement is described in the section entitled "Certain Relationships and Related Person Transactions—Consortium Agreement."

Under these corporate governance standards, a company of which more than 50% of the voting power for the election of directors is held by an individual, a group or another company is a "controlled company" and may elect not to comply with certain corporate governance standards, including the requirements (1) that a majority of our Board of Directors consist of independent directors, (2) that our Board of Directors have a compensation committee that consists entirely of independent directors with a written charter addressing the committee's purpose and responsibilities, and (3) that our director nominees be selected, or recommended to our full Board of Directors, by a majority of our independent directors or by a nominations committee that consists entirely of independent directors and that we adopt a written charter or board resolution addressing the nominations process. Accordingly, our stockholders will not have the same protections afforded to stockholders of companies that are subject to these corporate governance requirements. In the event that we cease to be a "controlled company" and our shares continue to be listed on the Nasdaq, we will be required to comply with these provisions within the applicable transition periods.

Committees of the Board of Directors

Upon the consummation of this offering, we will establish three standing committees of our Board of Directors, each of which will operate under a written charter: an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee. The expected composition and responsibilities of each committee are described below. Members will serve on these committees until their resignation or until otherwise determined by our Board of Directors. The charters for each of our committees will be available on our website upon completion of this offering.

Audit Committee

Our Audit Committee is expected to consist of Messrs. Jacobson (Chair), Raynor, and Ahmed as of the consummation of this offering. Messrs. Jacobson, Raynor, and Ahmed are expected to be deemed independent under the listing standards and Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), as of the consummation of this offering. Each director that will be appointed to the Audit Committee will be financially literate and will qualify as an audit committee financial expert in accordance with SEC rules. We intend to comply with the independence requirements for all members of the Audit Committee within the time periods specified under applicable rules.

Our Audit Committee will be responsible for, among other things:

- appointing, approving the compensation of, and assessing the independence of our independent registered public accounting firm;
- pre-approving audit and permissible non-audit services, and the terms of such services, to be provided by our independent registered public accounting firm;
- reviewing at least annually, a report by our independent registered public accounting firm regarding the independent registered public accounting firm's internal-quality control procedures, any material issues relating thereto, and any steps taken to deal with any such issues;
- coordinating the oversight and reviewing the adequacy of our internal control over financial reporting with both management and our independent registered public accounting firm;
- reviewing and discussing with the appropriate officers and our independent registered public accounting firm our annual and quarterly financial statements and related disclosures;
- periodically advising the Board of Directors with respect to our policies and procedures regarding compliance with applicable laws and regulations and with our Code of Business Conduct and Ethics;
- discussing guidelines and policies with respect to risk assessment and risk management to assess and manage our exposure to risk;
- approving, if appropriate, all transactions between us and our subsidiaries and any related party (as described in Item 404 of Regulation S-K);
- establishing policies for the hiring of employees and former employees of our independent registered public accounting firm; and
- preparing, with the assistance of management, the independent auditors, and outside legal counsel the audit committee report required by SEC rules to be included in our annual proxy statement.

The Audit Committee will have the power to investigate any matter brought to its attention within the scope of its duties and the authority and to retain counsel and advisors at our expense to fulfill its responsibilities and duties.

Compensation Committee

Our Compensation Committee is expected to consist of Messrs. Raynor (Chair), Copelyn, and Jacobson as of the consummation of this offering. Messrs. Raynor, and Jacobson are expected to be deemed independent under the listing standards and Rule 10C-1 under the Exchange Act as of the consummation of this offering. We intend to comply with the independence requirements for all members of the Compensation Committee within the time periods specified under applicable rules.

Our Compensation Committee will be responsible for, among other things:

- reviewing and approving our overall executive and director compensation philosophy to support our overall business strategy and objectives;

- reviewing and approving base salary, cash incentive compensation, equity compensation, and severance rights for our executive officers, including our CEO;
- administering our broad-based equity incentive plans, including the granting of stock awards; and
- managing such other matters that are specifically delegated to our Compensation Committee by applicable law or by the Board of Directors from time to time.

The Compensation Committee will have the power to investigate any matter brought to its attention within the scope of its duties and authority and to retain counsel and advisors at our expense to fulfill its responsibilities and duties.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee is expected to consist of Messrs. Copelyn (Chair) and Ahmed as of the consummation of this offering. Mr. Ahmed is expected to be deemed independent under the listing standards as of the consummation of this offering. We intend to comply with the independence requirements for all members of the Nominating and Corporate Governance Committee within the time periods specified under applicable rules.

Our Nominating and Corporate Governance Committee will be responsible for, among other things:

- assessing, developing, and communicating with our Board of Directors concerning the appropriate criteria for nominating and appointing directors, including the size and composition of the Board of Directors, corporate governance policies, applicable listing standards, laws, rules and regulations, the consideration of stockholder nominees to the Board of Directors, and other factors considered appropriate by our Board of Directors or the Nominating and Corporate Governance Committee;
- identifying and recommending to our Board of Directors the director nominees for meetings of our stockholders, or to fill a vacancy on the Board of Directors;
- having sole authority to retain and terminate any search firm used to identify director candidates and approve the search firm's fees and other retention terms;
- recommending to the Board of Directors candidates for appointment to our standing committees;
- reviewing, as necessary, any executive officer's request to accept a directorship position with another company;
- at least annually, reviewing our Corporate Governance Guidelines, and recommending changes as appropriate;
- recommending to the Board of Directors appropriate revisions to our Amended and Restated Certificate of Incorporation, Amended and Restated Bylaws, and committee charters;
- overseeing an annual evaluation of our Board of Directors, its committees, and each director;
- developing with management and monitoring the process of orienting new directors and continuing education for all directors;
- overseeing our policies, objectives and initiatives regarding corporate social responsibility matters; and
- regularly reporting its activities and any recommendations to our Board of Directors.

The Nominating and Corporate Governance Committee will have the power to investigate any matter brought to its attention within the scope of its duties. It will also have the authority to retain independent counsel and independent advisors at our expense for any matters related to the fulfillment of its responsibilities and duties.

Other Committees

Our Board of Directors may establish other committees as it deems necessary or appropriate from time to time.

Compensation Committee Interlocks and Insider Participation

Prior to the completion of the Reorganization Transactions, MNK's board of directors had a standing committee (the "*Remuneration Committee*") that had equivalent functions as our Compensation Committee will have upon the completion of this offering. Except as disclosed under "Certain Relationships and Related Party Transactions," no member of the Remuneration Committee is or has been one of our officers or employees, and none has any relationships with us of the type that is required to be disclosed under Item 404 of Regulation S-K. None of our executive officers serves or has served as a member of the board of directors, compensation committee or other board committee performing equivalent functions of any entity that has one or more executive officers serving as one of our directors or on the Remuneration Committee.

No member of our Compensation Committee upon the completion of this offering will be or has been one of our officers or employees, and none has any relationships with us of the type that is required to be disclosed under Item 404 of Regulation S-K. None of our executive officers serves or has served as a member of the board of directors, compensation committee or other board committee performing equivalent functions of any entity that has one or more executive officers serving as one of our directors or on our Compensation Committee.

Code of Business Conduct and Ethics

We will adopt a Code of Business Conduct and Ethics, which will be posted on our website upon completion of this offering, that applies to all employees, officers, and directors, including our principal executive officer and principal financial officer. The purpose of the Code of Business Conduct and Ethics will be to promote, among other things, honest and ethical conduct, full, fair, accurate, timely and understandable disclosure in public communications and reports and documents that we file with, or submit to, the SEC, compliance with applicable governmental laws, rules and regulations, accountability for adherence to the code and the reporting of violations thereof. We expect that any amendment to the Code of Business Conduct and Ethics, or any waivers of its requirements, will be disclosed on our website. The identification of our website in this prospectus does not include or incorporate by reference the information on our website into this prospectus.

EXECUTIVE COMPENSATION

We expect that following the Reorganization Transactions, all of the executive officers of MNK will serve as our executive officers and hold the same positions. The Remuneration Committee of the MNK Board of Directors determined the compensation of the executive officers of MNK for 2019. This section describes the material elements of compensation awarded to, earned by or paid to the following named executive officers ("*NEOs*"), which include MNK's Chief Executive Officer, the two other most highly compensated individuals who served as MNK's executive officers as of the end of 2019, and the former Chief Executive Officer of MNK who departed from MNK in 2019:

- Sean F. McClain, President and Chief Executive Officer
- Kevin A. Van Asdalan, Chief Financial Officer
- James A. Shaw, Vice President of Operations
- Martin L. Ryan, Former President and Chief Executive Officer

Summary Compensation Table—2019

Name and Principal Position	Year ($)	Salary ($)	Bonus ($) (1)	Option Awards ($) (2)	All Other Compensation ($) (3)	Total ($)
Sean F. McClain, *President and Chief Executive Officer*	2019	219,477	17,664	919,000	12,204	1,168,345
Kevin A. Van Asdalan, *Chief Financial Officer*	2019	141,283	5,824	513,000	7,510	667,617
James A. Shaw, *Vice President of Operations*	2019	170,865	19,801	513,000	9,856	713,522
Martin L. Ryan, *Former President and Chief Executive Officer*	2019	237,214	37,500	—	1,947,014	2,221,728

(1) Amounts reflect discretionary cash bonuses paid to the NEOs for 2019 performance.

(2) Amounts reflect stock options ("*Options*") granted to the NEOs. The value of Options included herein is equal to the aggregate grant date fair value computed in accordance with ASC Topic 718. The values were calculated using a Black-Scholes pricing model with a volatility indicator of 90% and an annual interest rate of between 1.74-1.79%. See Note 2, "Summary of Significant Accounting Policies" and Note 16, "Share-Based Compensation" in our audited consolidated financial statements appearing elsewhere in this prospectus.

(3) Amounts reflected in this column represent the values of all other compensation awarded to the NEOs in 2019. The amount reported for Mr. McClain reflects $11,867 in company contributions under the 401(k) plan and $337 in company-paid life insurance premiums. The amount reported for Mr. Van Asdalan reflects $7,347 in company contributions under the 401(k) plan and $163 in company-paid life insurance premiums. The amount reported for Mr. Shaw reflects $9,527 in company contributions under the 401(k) plan and $329 in company-paid life insurance premiums. The amount reported for Mr. Ryan reflects $13,553 in company contributions under the 401(k) plan, $422 in company-paid life insurance premiums, $378,116 representing the value of in-the money Options on the employment termination date that vested in connection with his termination (the number of in-the-money Options that vested multiplied by the spread between the exercise price per ordinary share and the closing market price per ordinary share of MNK on the termination date (September 30, 2019)), $1,278,282 representing the value of restricted stock that vested in connection with his termination of employment (representing the value of his 646,400 shares of restricted stock that vested in connection with his employment termination multiplied by the closing market price per ordinary share on

the termination date), $16,641 relating to company-paid 12 months of continued medical coverage post-employment termination, and $260,000 in severance cash payments. MNK's closing stock price per ordinary share on September 30, 2019 was ZAR 29.99 (or $1.98 per share based on the exchange rate of 1 ZAR to .06594 USD on September 30, 2019).

Narrative Disclosure to Summary Compensation Table

Employment and Severance Agreements

Employment Agreements with Executive Officers. In connection with his employment as President and Chief Executive Officer, Mr. McClain entered into an employment agreement with MEH, effective September 25, 2019. Pursuant to Mr. McClain's employment agreement, his annual base salary is $260,000, and he is eligible to continue to participate in MEH's existing annual bonus plan, with a target amount equal to 50% of his annual base salary amount based on individual and company performance goals. Mr. McClain is entitled to receive additional incentive compensation on a discretionary basis as approved annually by MEH or MEH's board of managers. Mr. McClain's employment agreement provides that, subject to his execution of a release of claims and compliance with certain post-termination restrictive covenants (including a 12 month post-termination non-compete), he will receive the following payments and benefits upon a termination by the board of managers of MEH without cause or upon Mr. McClain's termination of his employment for good reason: (1) continued payment of base salary for a period of 12 months following his termination date, (2) the cost of COBRA premiums for Mr. McClain and his family for 12 months following his termination date, and (3) a pro rata bonus for the year in which such termination occurred (as well as any accrued but unpaid bonus for any prior fiscal year). In the event Mr. McClain's employment terminates as a result of his death or permanent disability, he will instead receive continued salary through the date on which such death occurred or continued salary for six months after the permanent disability is determined, respectively, as well as a pro rata bonus for the year in which such termination occurred (as well as any accrued but unpaid bonus for any prior fiscal year).

In connection with his employment as Chief Financial Officer, Mr. Van Asdalan entered into an employment agreement with MEH, effective September 25, 2019. Pursuant to Mr. Van Asdalan's employment agreement, Mr. Van Asdalan's annual base salary is $190,000, and he is eligible to continue to participate in MEH's existing annual bonus plan, with a target bonus amount equal to 30% of his annual base salary amount based on individual and company performance goals.

In connection with his employment as Vice President of Operations, Mr. Shaw entered into an employment agreement with MEH, effective September 24, 2019. Pursuant to Mr. Shaw's employment agreement, Mr. Shaw's annual base salary is $190,000, and he is eligible to continue to participate in MEH's existing annual bonus plan, with a target bonus amount equal to 30% of his annual base salary amount based on individual and company performance goals.

Severance Agreement with Former President and Chief Executive Officer. In connection with his resignation as President and Chief Executive Officer, Mr. Ryan entered into a severance agreement and release of claims in which he received, subject to his non-revocation of the release of claims, the following payments and benefits (among others): (1) continued payment of base salary for a period of 12 months following his separation date (September 30, 2019) in accordance with our payroll practices, (2) continued participation in the group medical plan for a period of 12 months (subject to his continued payment of related premiums), (3) vesting of his options in the aggregate amount of 746,798 MNK ordinary shares and restricted stock award in the amount of 646,400 MNK ordinary shares, and (4) payment of a pro-rata bonus for the period of April 1, 2019 through the separation date of September 30, 2019. Mr. Ryan further agreed to cooperate with respect to any matter that occurred during his employment, not to disparage MEH and its affiliates, and not to disclose confidential information regarding MEH and its affiliates.

Base Salary

Each of the currently employed NEOs receives a fixed base salary in an amount determined by the Remuneration Committee of the MNK Board of Directors in accordance with his employment agreement. The base salary payable to each NEO is intended to provide a fixed component of compensation reflecting the NEO's skill set, experience, role and responsibilities. Each NEO's base salary for 2019 is listed in the "Summary Compensation Table – 2019," above.

Discretionary Bonuses

For 2019, each of the NEOs received discretionary bonuses equal to approximately 30% of their respective eligible target bonus amount. In the case of Mr. Ryan, such amount was pro-rated based on the period from April 1, 2019 through September 30, 2019.

Long-Term Equity Compensation

Option awards were granted to certain U.S. employees of MNK, including the NEOs, under the Montauk Holdings Limited Employee Share Appreciation Rights Scheme for U.S. Affiliates (the "*Plan*"). Any full-time employee of a U.S. Affiliate (each, a "*Participant*") was eligible to receive awards under the Plan. "*U.S. Affiliate*" means direct wholly or majority owned subsidiaries of MNK in the U.S., consisting of Montauk USA, MEH, and Montauk Energy Capital, LLC, and any successors thereto (each, an "*Employer Company*"). The Plan became effective on October 29, 2015 and is governed by the laws of the Republic of South Africa. All outstanding Option awards under the Plan will be cancelled in connection with the Reorganization Transactions.

The aggregate number of MNK ordinary shares that could have been issued under the Plan was 7,514,231, and the aggregate number of MNK ordinary shares that any one Participant could have acquired under the Plan was 2,000,000, subject to certain adjustments as described in the Plan. As of September 30, 2020, the maximum number of MNK ordinary shares that could be issued upon the exercise of outstanding Options was 2,580,647.

Options may only be exercised in accordance with the terms of the Plan and related award agreement. Upon the valid exercise of an Option, the Participant will receive the number of MNK ordinary shares ("*Settlement Shares*") calculated in accordance with the following formula:

$$A = (B - C) \times D / B$$

Where:

A = the number of Settlement Shares, provided that where A is not a whole number, it will be rounded down to the nearest whole number;
B = the Fair Market Value (as defined below) as of the date the Option is exercised by the Participant;
C = the Fair Market Value as of the date of the grant of the Option (the "*Option Price*"); and
D = the number of MNK ordinary shares underlying the Option that are eligible to be exercised.

For the purposes of the Plan, the "*Fair Market Value*" means (i) the closing sale price of a MNK ordinary share as reported on an established stock exchange on which the MNK ordinary shares are regularly traded on such date or, if there were no sales on such date, on the last date preceding such date on which a sale was reported; or (ii) if the MNK ordinary shares are not listed for trading on an established stock exchange, the Fair Market Value shall be determined by the MNK Board of Directors in good faith and otherwise in accordance with Section 409A of the Code, and any regulations and other guidance thereunder.

Options generally will lapse on the date of the Participant's Termination of Employment (as defined in the Plan) prior to the occurrence of any Maturity Date (as defined below), or following the Maturity Date if such

Termination of Employment is not a Qualifying Termination (as defined below); provided that the MNK Board of Directors will be entitled, but not obliged, to direct that the Participant may exercise such Option on a date as may be determined by the MNK Board of Directors within its sole discretion, provided that such date may not be later than the date that is three months after the Maturity Date, unless otherwise specified in the applicable award agreement.

For the purposes of the Plan, the term "*Maturity Date*" means, unless otherwise provided in the applicable award agreement, the earlier to occur of:

(i) the Participant's continued employment with the Employer Company or MNK or any of its subsidiaries through the date or dates specified in the applicable award agreement, and

(ii) a Qualifying Termination of the Participant (i.e., Termination of Employment due to death or Disability (as defined in the Plan), by MNK without Cause (as defined in the Plan), or in connection with his or her retirement after reaching the age of 65).

The MNK Board of Directors has the power and authority to amend the Plan at any time, subject to the terms of the Plan and the approval of the JSE; provided, however, that the MNK Board of Directors will not, without the requisite approval of MNK shareholders, make any amendment that requires shareholder approval under applicable South African law or under any other applicable law or rule of any stock exchange that lists the MNK ordinary shares.

Option Awards in 2019

On November 7, 2019, Mr. McClain was granted an Option to purchase 402,083 MNK ordinary shares at an exercise price of ZAR 33.50 per share ($2.28 based on the exchange rate of 1 ZAR to .0679 USD on November 7, 2019) under the Plan and, on June 3, 2019, Mr. McClain was granted an Option to purchase 248,864 MNK ordinary shares at an exercise price of ZAR 40.00 per share ($2.77 based on the exchange rate of 1 ZAR to .0692 USD on June 3, 2019) under the Plan. Mr. McClain's Options vest in full on the third anniversary of the grant date (each vesting date, a Maturity Date as described above). On November 7, 2019, Messrs. Van Asdalan and Shaw were each granted Options to purchase 353,671 MNK ordinary shares at an exercise price of ZAR 33.50 per share ($2.28 based on the exchange rate of 1 ZAR to .0679 USD on November 7, 2019) under the Plan. Messrs. Van Asdalan's and Shaw's Options vest in three equal installments on the third, fourth and fifth anniversaries of the grant date (each vesting date, a Maturity Date as described above). The Options expire on the date that is the three-month anniversary of the applicable Maturity Date for each of Messrs. McClain, Van Asdalan and Shaw. In addition, as described above, the Options will generally lapse upon Termination of Employment prior to the occurrence of any Maturity Date or following the Maturity Date but prior to the applicable expiration date if such Termination of Employment is not a Qualifying Termination.

401(k) Plan

The NEOs participate in a 401(k) plan (the "*401(k) Plan*"), under which fixed annual contributions are made for the account of each participating employee. After two months of employment, an employee is eligible to participate in the 401(k) Plan. Upon reaching eligibility, MEH will automatically fund a contribution of 3% of eligible compensation on the employee's behalf and will match 50% of the employee's first 4% voluntary deferral.

Outstanding Equity Awards at Fiscal Year-End – 2019

The following table summarizes the equity awards MNK made to the NEOs that were outstanding as of the end of 2019. In accordance with the applicable SEC disclosure guidance, this table and the accompanying

footnotes do not account for any awards that may have been exercised or have vested pursuant to their terms in the ordinary course since the end of 2019.

Name	Grant Date	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Option exercise price ($)	Option expiration date
Sean F. McClain	12/11/2015 (1)	—	25,000	0.54	(1)
	06/03/2019 (2)	—	248,864	2.77	09/03/2022
	11/07/2019 (3)	—	402,083	2.28	02/07/2023
Kevin A. Van Asdalan	11/07/2019 (4)	—	353,671	2.28	(4)
James A. Shaw	11/07/2019 (4)	—	353,671	2.28	(4)
Martin L. Ryan	—	—	—	—	—

(1) Represents a grant of an Option with an exercise price of ZAR 8.50 per share ($0.54 per share based on the exchange rate of 1 ZAR to .0662 USD on December 11, 2015) under the Plan. Subject to continued employment, the Option vests in three equal installments on the 3rd, 4th and 5th anniversaries of the grant date. The Option expires in three ratable tranches on the date that is the three-month anniversary of the applicable vesting date.

(2) Represents a grant of an Option with an exercise price of ZAR 40.00 per share ($2.77 per share based on the exchange rate of 1 ZAR to .0692 USD on June 3, 2019) under the Plan. Subject to continued employment, the Option vests on the third anniversary of the grant date.

(3) Represents a grant of an Option at an exercise price of ZAR 33.50 per share ($2.28 per share based on the exchange rate of 1 ZAR to .0679 USD on November 7, 2019) under the Plan. Subject to continued employment, the Option vests on the third anniversary of the grant date.

(4) Represents grants of Options each with an exercise price of ZAR 33.50 per share ($2.28 per share based on the exchange rate of 1 ZAR to .0679 USD on November 7, 2019) under the Plan. Subject to continued employment, the Options vest in three equal installments on the 3rd, 4th and 5th anniversaries of the grant date. The Options expire in three ratable tranches on the date that is the three-month anniversary of the applicable vesting date.

Director Compensation

We expect that following the Reorganization Transactions, all of the directors of MNK, other than Mr. Van Asdalan and Naziema F. Jappie, will serve as our directors. The Remuneration Committee of the MNK Board of Directors determined the compensation of the directors of MNK for 2019 in ZAR. For 2018, non-employee directors earned a basic fee of ZAR 114,000 plus a maximum of ZAR 48,000 for serving on MNK Board of Directors' committees. For 2019, non-employee directors earned a basic fee of ZAR 120,000 plus a maximum of ZAR 48,075 for serving on MNK Board of Directors committees. Employee directors do not receive additional equity or cash compensation.

The table below reflects compensation paid to MNK's directors during 2019.

Name	Fees earned or paid in cash ($) (1)	Total ($)
John A. Copelyn	11,185	11,185
Sean F. McClain	—	—
Kevin A. Van Asdalan	—	—
Mohamed H. Ahmed	11,185	11,185
Michael A. Jacobson	7,989	7,989
Naziema B. Jappie	11,185	11,185
Bruce S. Raynor	18,185	18,185
Theventheran (Kevin) G. Govender	7,989	7,989

(1) Represents fees earned or paid in cash on January 1, 2019 (based on the exchange rates of 1 ZAR to 0.0714 USD on January 1, 2019) and fees earned or paid in cash on December 31, 2019 (based on the exchange rate of 1 ZAR to 0.0685 USD on December 31, 2019).

Compensation Arrangements to be Adopted in Connection with this Offering

Key Employee Separation Plan

In connection with this offering, our Board of Directors will adopt the Montauk Renewables, Inc. Key Employee Separation Plan which will provide for the payment of certain amounts and benefits in the event a participating employee is terminated without cause (as defined therein) or terminates for "good reason" (as defined therein) outside of or in connection with a change in control (as defined therein).

In the event a participating employee's employment is terminated by us without cause or by a participant for good reason prior to the 90 days preceding a change in control, such employee, contingent upon his or her execution (and non-revocation) of a release of claims, will be entitled to receive the following: (1) his or her base salary and target bonus multiplied by the applicable benefit factor (in the case of each currently employed NEO, the factor is expected to be 1.5); (2) a pro-rata share of any individual annual cash bonuses or individual annual cash incentive compensation, based on the portion of the year in which such employee was employed by us; provided, however, that the payments will continue to be subject to the attainment of the applicable performance goals; (3) any accrued base salary and other amounts accrued and/or owing to the employee; (4) certain health benefits until the earliest to occur of: (x) the employee reaching the age of 65, (y) the employee obtaining substantially similar benefits from another employer, or (z) the expiration of the COBRA continuation period (generally 18 months); and (5) a cash payment of $15,000 to cover outplacement assistance services and other expenses associated with seeking another position. All of the above payments are generally required to be made, in lump sum, no later than 60 days after the employment termination date.

In the event a participating employee's employment is terminated by us without cause or by the participant for good reason during the 90 days prior to, or on or within one year after a change in control, such employee, contingent upon his or her execution (and non-revocation) of a release of claims, will be entitled to receive the following: (1) his or her base salary and target bonus multiplied by the applicable benefit factor (in the case of each currently employed NEO, the factor is expected to be two); (2) a pro-rata share of any individual annual cash bonuses or individual annual cash incentive compensation, based on target levels set for these bonuses and the portion of the year in which the participant was employed by us; (3) any accrued base salary and other amounts accrued and/or owing to the participant; (4) certain health benefits until the earliest to occur of: (x) the employee reaching the age of 65, (y) the employee obtaining substantially similar benefits from another employer, or (z) the expiration of the COBRA continuation period; and (5) a cash payment of $15,000 to cover outplacement assistance services and other expenses associated with seeking another position. All of the above payments are generally required to be made, in lump sum, no later than 60 days after the employment termination date.

Equity and Incentive Compensation Plan

In connection with this offering, our Board of Directors will adopt, and our stockholder will approve, the Montauk Renewables, Inc. Equity and Incentive Compensation Plan (the "*Equity Plan*"). The material terms of the Equity Plan are as follows:

Purpose. The purpose of the Equity Plan is to permit the grant of awards to our non-employee directors, officers and other employees and certain consultants, and to provide to such persons incentives and rewards for service and/or performance.

Administration; Effectiveness. The Equity Plan will generally be administered by the Compensation Committee of our Board of Directors (the "*Committee*"); provided that, at the discretion of the Board of Directors, the Equity Plan may be administered by the Board of Directors. The Committee has the authority to

determine eligible participants in the Equity Plan, and to interpret and make determinations under the Equity Plan. Any interpretation or determination by the Committee under the Equity Plan will be final and conclusive. The Committee may delegate all or any part of its authority under the Equity Plan to any subcommittee thereof, and may delegate its administrative duties or powers to one or more of our officers, agents or advisors. The Equity Plan will be effective immediately prior to the completion of this offering.

Shares Available for Awards under the Equity Plan. Subject to adjustment as described in the Equity Plan, the number of shares of our common stock available for awards under the Equity Plan shall be, in the aggregate, shares of our common stock, plus any shares of our common stock that become available under the Equity Plan as a result of forfeiture, cancellation, expiration, or cash settlement of awards (which we refer to as the "*Available Shares*"), with such shares subject to adjustment to reflect any split or combination of our common stock. The Available Shares may be shares of original issuance, treasury shares or a combination of the foregoing.

The Equity Plan also contains limits on the maximum value at grant for awards to non-employee directors in any calendar year of $500,000 and requires that all awards granted under the Equity Plan (other than cash based awards) be subject to a minimum vesting period or minimum performance period, as applicable, of one year, subject to certain exceptions included therein.

Share Counting. The aggregate number of shares of our common stock available for award under the Equity Plan will be reduced by one share of our common stock for every one share of our common stock subject to an award granted under the Equity Plan.

Shares of our common stock subject to an award that is cancelled or forfeited, expires, is settled for cash or is unearned (in whole or in part) will be added (or added back, as applicable) to the aggregate number of shares of our common stock available under the Equity Plan, however the following shares of our common stock will not be added (or added back, as applicable): (i) shares of our common stock withheld by us in payment of the exercise price of a stock option granted under the Equity Plan; (ii) shares of our common stock tendered or otherwise used in payment of the exercise price of a stock option granted under the Equity Plan; (iii) shares of our common stock withheld by us or tendered or otherwise used to satisfy a tax withholding obligation; (iv) shares of our common stock subject to share-settled appreciation rights granted under the Equity Plan that are not actually issued in connection with the settlement of such appreciation right; and (v) shares of our common stock reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of stock options. In addition, if under the Equity Plan a participant has elected to give up the right to receive cash compensation in exchange for shares of our common stock based on fair market value, such shares of our common stock will not count against the aggregate number of shares of our common stock available under the Equity Plan.

Shares of our common stock issued or transferred pursuant to awards granted under the Equity Plan in substitution for or in conversion of, or in connection with the assumption of, awards held by awardees of an entity engaging in a corporate acquisition or merger with us or any of our subsidiaries (which we refer to as "*Substitute Awards*") will not count against, nor otherwise be taken into account in respect of, the share limits under the Equity Plan unless otherwise provided in the Equity Plan. Additionally, shares of common stock available under certain plans that we or our subsidiaries may assume in connection with corporate transactions from another entity may be available for certain awards under the Equity Plan, but will not count against, nor otherwise be taken into account in respect of, the share limits under the Equity Plan.

Types of Awards Under the Equity Plan. Pursuant to the Equity Plan, we may grant stock options (including "incentive stock options" as defined in Section 422 of the Code (which we refer to as "*Incentive Stock Options*")), appreciation rights, restricted stock, restricted stock units, performance shares, performance units, cash incentive awards, and certain other awards based on or related to shares of our common stock.

Each grant of an award under the Equity Plan will be evidenced by an award agreement or agreements, which will contain such terms and provisions as the Committee may determine, consistent with the Equity Plan.

Those terms and provisions include the number of our shares of our common stock subject to each award, earning or vesting terms and any other terms consistent with the Equity Plan. A brief description of the types of awards which may be granted under the Equity Plan is set forth below.

Stock Options. Stock options granted under the Equity Plan may be either Incentive Stock Option or non-qualified stock options. Incentive Stock Options may only be granted to employees. Except with respect to Substitute Awards, Incentive Stock Options and non-qualified stock options must have an exercise price per share that is not less than the fair market value of a share of our common stock on the date of grant. The term of a stock option may not extend more than ten years after the date of grant. Each grant will specify the form of consideration to be paid in satisfaction of the exercise price.

Appreciation Rights. The Equity Plan provides for the grant of appreciation rights. An appreciation right is a right to receive from us an amount equal to 100%, or such lesser percentage as the Committee may determine, of the spread between the base price and the value of shares of our common stock on the date of exercise. An appreciation right may be paid in cash, shares of our common stock or any combination thereof. Except with respect to Substitute Awards, the base price of an appreciation right may not be less than the fair market value of a share of common stock on the date of grant. The term of an appreciation right may not extend more than ten years from the date of grant

Restricted Stock. Restricted stock constitutes an immediate transfer of the ownership of shares of our common stock to the participant in consideration of the performance of services, entitling such participant to dividend, voting and other ownership rights, subject to the substantial risk of forfeiture and restrictions on transfer determined by the Committee for a period of time determined by the Committee or until certain management objectives specified by the Committee are achieved. Each such grant or sale of restricted stock may be made without additional consideration or in consideration of a payment by the participant that is less than the fair market value per share of our common stock on the date of grant. Any grant of restricted stock may specify the treatment of dividends or distributions paid on restricted stock that remains subject to a substantial risk of forfeiture. Any such dividends or other distributions on restricted stock shall be deferred until, and paid contingent upon, the vesting of such restricted stock.

Restricted Stock Units. Restricted stock units awarded under the Equity Plan constitute an agreement by us to deliver shares of our common stock, cash, or a combination thereof, to the participant in the future in consideration of the performance of services, but subject to the fulfillment of such conditions (which may include the achievement of management objectives) during the restriction period as the Committee may specify. Each grant or sale of restricted stock units may be made without additional consideration or in consideration of a payment by the participant that is less than the fair market value of shares of our common stock on the date of grant. During the applicable restriction period, the participant will have no ownership, transfer or voting rights in the shares of our common stock underlying the restricted stock units. Rights to dividend equivalents may be extended to and made part of any restricted stock unit award at the discretion of and on the terms determined by the Committee, provided that any dividend equivalents or other distributions on the shares of our common stock underlying the restricted stock units shall be deferred until and paid contingent upon the vesting of such restricted stock units. Each grant of restricted stock units will specify that the amount payable with respect to such restricted stock units will be paid in cash, shares of our common stock, or a combination of the two.

Cash Incentive Awards, Performance Shares, and Performance Units. Performance shares, performance units and cash incentive awards may also be granted to participants under the Equity Plan. A performance share is a bookkeeping entry that records the equivalent of one share of our common stock, and a performance unit is a bookkeeping entry that records a unit equivalent to $1.00 or such other value as determined by the Committee. Each grant will specify the number or amount of performance shares or performance units, or the amount payable with respect to cash incentive awards, being awarded, which number or amount may be subject to adjustment to reflect changes in compensation or other factors.

These awards, when granted under the Equity Plan, become payable to participants upon of the achievement of specified management objectives and upon such terms and conditions as the Committee

determines at the time of grant. Each grant will specify the management objectives regarding the earning of the award. Each grant will specify the time and manner of payment of cash incentive awards, performance shares or performance units that have been earned, and any grant may further specify that any such amount may be paid or settled in cash, shares of our common stock, or any combination thereof. Any grant of performance shares or performance units may provide for the payment of dividend equivalents in cash or in additional shares of our common stock, provided that such dividend equivalents shall be subject to deferral and payment on a contingent basis based on the earning and vesting of the performance shares or performance units, as applicable, with respect to which such dividend equivalents are paid.

The management objectives that may apply with respect to awards of performance shares, performance units, or cash incentive awards (or, when so determined by the Committee, stock options, appreciation rights, restricted stock, restricted stock units, dividend equivalents or other awards pursuant to the Equity Plan) may include (but are not limited to) objectives related to earnings before interest, taxes, depreciation and amortization, income or net income (loss) (either before or after interest, taxes, depreciation and/or amortization), earnings, changes in the market price of our common stock, funds from operations or similar measures, sales, revenue (including recurring revenue), growth in revenue, enterprise value or economic value added, mergers, acquisitions or other strategic transactions, divestitures, financings, operating income (loss), cash flow (including, but not limited to, operating cash flow and free cash flow), return on capital, return on investments, assets, return on assets, net asset turnover, debt (including debt reduction), return on operating revenue, working capital, regulatory compliance, improvement of financial ratings, annual spend or license annual spend, equity investments, investing activities and financing activities (or any combination thereof) stockholder returns, dividend ratio, orders, return on sales, marketing, gross or net profit levels, productivity, volumes produced and/or transported, margins, leverage ratio, coverage ratio, strategic business objectives (including operating efficiency, geographic business expansion goals, partnerships, customer/client satisfaction, talent recruitment and retention, productivity ratios, product quality, sales of new products, employee turnover, supervision of IT), operating efficiency, productivity, product innovation, number of customers, customer satisfaction and related metrics, individual performance, quality improvements, growth or growth rate, intellectual property, expenses or costs (including cost reduction programs), budget comparisons, implementation of projects or processes, formation of joint ventures, research and development collaborations, marketing or customer service collaborations, employee engagement and satisfaction, diversity, environmental and social measures, IT, technology development, human resources management, litigation, research and development, working capital, earnings (loss) per share of common stock, and market share, any of which may be measured either in absolute terms or as compared to any incremental increase or as compared to results of a peer group. If the Committee determines that a change in our business, operations, corporate structure or capital structure, or the manner in which we conducts its business, or other events or circumstances render such management objectives unsuitable, the Committee may in its discretion modify such management objectives or the goals or actual levels of achievement regarding the management objectives, in whole or in part, as the Committee deems appropriate and equitable.

Other Awards. The Committee may authorize the grant of such other awards (which we refer to as "*other awards*") that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, shares of our common stock or factors that may influence the value of such shares of our common stock, including, without limitation, convertible or exchangeable debt securities, other rights convertible or exchangeable into shares of our common stock, purchase rights for shares of our common stock, awards with value and payment contingent upon our performance of specified subsidiaries, affiliates or other business units or any other factors designated by the Committee, and awards valued by reference to the book value of the shares of our common stock or the value of securities of, or the performance of our subsidiaries, affiliates or other business units.

Adjustments; Corporate Transactions. The Committee will make or provide for such adjustments in the: (i) number of shares of our common stock covered by outstanding stock options, appreciation rights, restricted stock, restricted stock units, performance shares and performance units granted under the Equity Plan;

(ii) if applicable, number of shares of our common stock covered by other awards granted pursuant to the Equity Plan; (iii) exercise price or base price provided in outstanding stock options and appreciation rights; (iv) kind of shares covered thereby; (v) cash incentive awards; and (vi) other award terms, as the Committee determines to be equitably required in order to prevent dilution or enlargement of the rights of participants that otherwise would result from (a) any extraordinary cash dividend, stock dividend, stock split, combination of shares, recapitalization or other change in our capital structure, (b) any merger, consolidation, spin-off, spin-out, split-off, split-up, reorganization, partial or complete liquidation or other distribution of assets, issuance of rights or warrants to purchase securities or (c) any other corporate transaction or event having an effect similar to any of the foregoing.

In the event of any such transaction or event, or in the event of a change in control (as defined in the Equity Plan), the Committee may provide in substitution for any or all outstanding awards under the Equity Plan such alternative consideration (including cash), if any, as it may in good faith determine to be equitable under the circumstances and will require in connection therewith the surrender of all awards so replaced in a manner that complies with Section 409A of the Code. In addition, for each stock option or appreciation right with an exercise price greater than the consideration offered in connection with any such transaction or event or change in control, the Committee may in its discretion elect to cancel such stock option or appreciation right without any payment to the person holding such stock option or appreciation right. The Committee will make or provide for such adjustments to the number of shares available for issuance under the Equity Plan and the share limits of the Equity Plan as the Committee in its sole discretion may in good faith determine to be appropriate in connection with such transaction or event.

Transferability of Awards. Except as otherwise provided by the Committee, no stock option, appreciation right, restricted share, restricted stock unit, performance share, performance unit, cash incentive award, other award or dividend equivalents paid with respect to awards made under the Equity Plan may be transferred by a participant except by will or the laws of descent and distribution.

Amendment and Termination of the Equity Plan. Our Board of Directors generally may amend the Equity Plan from time to time in whole or in part. However, if any amendment (i) would materially increase the benefits accruing to participants under the Equity Plan, (ii) would materially increase the number of shares of our common stock which may be issued under the Equity Plan, (iii) would materially modify the requirements for participation in the Equity Plan, or (iv) must otherwise be approved by our stockholders in order to comply with applicable law or the rules, then such amendment will be subject to stockholder approval and will not be effective unless and until such approval has been obtained.

Our Board of Directors may, in its discretion, terminate the Equity Plan at any time. Termination of the Equity Plan will not affect the rights of participants or their successors under any awards outstanding and not exercised in full on the date of termination. No grant will be made under the Equity Plan more than ten years after the effective date of the Equity Plan, but all grants made prior to such date shall continue in effect thereafter subject to the terms of the Equity Plan.

IPO Equity Grants

In connection with this offering, we expect the Compensation Committee to approve awards of restricted stock units under the Equity Plan to all of our employees with a grant date value of approximately $3,000, including our currently employed NEOs and other executive officers. These restricted stock unit awards are expected to vest in full on the first anniversary of the grant date, subject to continued employment through such anniversary date. Following the vesting date, these restricted stock unit awards are expected to be settled in shares of our common stock.

Additionally, we expect the Compensation Committee to approve awards of restricted stock under the Equity Plan to the NEOs currently employed with the Company in connection with the closing of this offering.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

All of the outstanding shares of our common stock are currently beneficially owned by a sole stockholder. In connection with the Reorganization Transactions, immediately prior to the completion of this offering, MNK will acquire all of the outstanding shares of our common stock and distribute shares of our common stock as a pro rata dividend to the holders of outstanding MNK ordinary shares, subject to any tax withholding obligations under applicable South African law.

The following table presents certain information with respect to the beneficial ownership of (i) MNK ordinary shares as of September 30, 2020**,** (ii) shares of common stock after the Reorganization Transactions and before this offering, (iii) shares of common stock after the Reorganization Transactions and this offering, assuming no exercise of the underwriter's option to purchase additional shares, and (iv) shares of common stock after the Reorganization Transactions and this offering, assuming the underwriter exercises its option to purchase additional shares in full, by:

- each of the NEOs;
- each person who we expect will serve as a director;
- all of our expected executive officers and directors as a group; and
- each person known to us to be the beneficial owner of more than 5% of outstanding MNK ordinary shares.

We have determined beneficial ownership in accordance with the rules of the SEC and the information is not necessarily indicative of beneficial ownership for any other purpose. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table below have sole voting and sole investment power with respect to all MNK ordinary shares and shares of common stock that they beneficially own, subject to community property laws where applicable. Percentage of beneficial ownership before the Reorganization Transactions and this offering is based on 138,312,713 MNK ordinary shares outstanding as of September 30, 2020, held by 3,940 stockholders of record. Upon the closing of this offering, the Company will issue warrants ("*Warrants*") to purchase shares of our common stock to the underwriter as described in "Underwriting." In computing the number of MNK ordinary shares beneficially owned by a person and the percentage ownership of that person, none of the ordinary shares of MNK relating to Options were included since none of them are currently exercisable or exercisable within 60 days of September 30, 2020. No shares relating to Options or Warrants were included for the purpose of computing the percentage ownership of any person.

The percentage of beneficial ownership after the Reorganization Transactions and before this offering is based on shares of common stock expected to be outstanding as of , 2020, assuming a distribution ratio of one share of common stock for each MNK ordinary share. The percentage of beneficial ownership after the Reorganization Transactions and after this offering, assuming no exercise of the underwriter's option to purchase additional shares is based on shares of common stock expected to be outstanding as of , 2020, assuming a distribution ratio of one share of common stock for each MNK ordinary share and based on the assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus). Percentage of beneficial ownership after the Reorganization Transactions and after this offering, assuming the underwriter exercises its option to purchase additional shares in full is based on shares of common stock expected to be outstanding as of , 2020, assuming a distribution ratio of one share of common stock for each MNK ordinary share and based on the assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus).

	Securities Beneficially Owned Before the Reorganization Transactions and this Offering		Securities Beneficially Owned After the Reorganization Transactions and Before this Offering		Securities Beneficially Owned After the Reorganization Transactions and this Offering (Assuming No Exercise of the Option to Purchase Additional Shares)		Securities Beneficially Owned After the Reorganization Transactions and this Offering (Assuming Full Exercise of the Option to Purchase Additional Shares)	
Name of Beneficial Owner (1)	**MNK Ordinary Shares**	**Percentage**	**Shares of common stock**	**Percentage**	**Shares of common stock**	**Percentage**	**Shares of common stock**	**Percentage**
Five Percent Stockholders								
Shares subject to the Consortium Agreement (2)	74,900,640	54.2%						
Entities Controlled by Mr. Copelyn (3)	57,622,308	41.7%						
Entity Controlled by Mr. Govender (4)	17,278,332	12.5%						
CFB Clean Energy Capital Ltd (5)	12,170,268	8.8%						
Entities Affiliated with Andre Van der Veen (6)	10,479,504	7.6%						
Selling Stockholder								
Montauk Holdings Limited (7)	—	—						
Directors and NEOs								
Sean F. McClain	512,211	*						
Kevin A. Van Asdalan	—	—						
James Shaw	—	—						
Martin L. Ryan	798,405	*						
John A. Copelyn (3)(8)	57,622,308	41.7%						
Mohamed H. Ahmed	—	—						
Michael A. Jacobson	1,460,040	*						
Bruce S. Raynor (9)	775,078	*						
Theventheran G. Govender (4)(10)	17,526,137	12.7%						
All directors and executive officers as a group (10 persons)	78,508,194	56.8%						

* Less than 1.0%

(1) Unless otherwise indicated, the address for each of the stockholders listed above is 680 Andersen Drive, 5th Floor, Pittsburgh, PA 15220.

(2) These shares include the shares beneficially owned by the "Entities Controlled by Mr. Copelyn" and the "Entity Controlled by Mr. Govender" described in Footnotes 3 and 4, respectively. In connection with the closing of the offering, these entities will enter into the Consortium Agreement with respect to their ownership of our common stock. Pursuant to the Consortium Agreement, the parties thereto have agreed to act in concert with respect to voting matters relating to the Company, including the election of directors, and have provided the other parties thereto certain pre-emptive rights with respect to any potential sale of our common stock by a stockholder party thereto. Because of the arrangements in the Consortium Agreement, the parties will be deemed to have formed a "group" for purposes of Section 13(d)(3) of the Exchange Act, and such "group" will be deemed to beneficially own an aggregate of shares of our common stock, which represents approximately % of the total number of shares of our common stock issued and outstanding following the Reorganization Transactions and this offering. As a result, we will be a "controlled company" within the meaning of the Nasdaq corporate governance standards.

(3) All of these shares will be subject to the Consortium Agreement and consist of shares held indirectly by certain companies under Mr. Copelyn's control. Mr. Copelyn, who is the sole director of each entity, has sole voting and investment power over all of these shares. Except with respect to the Consortium Agreement, there are no voting agreements or other arrangements among the entities controlled by Mr. Copelyn.

(4) Excludes shares held by Mr. Govender directly as a stockholder. All of these shares are subject to the Consortium Agreement and consist of shares held indirectly by a company under Mr. Govender's control. Mr. Govender, who is the sole director of this entity, and has sole voting and investment power over all of the shares. Except with respect to the Consortium Agreement, there are no voting agreements or other arrangements with the entity controlled by Mr. Govender. 16,278,332 of the shares have been pledged as collateral with respect to a loan agreement. Such pledge will not apply to our common stock.

(5) Represents shares held by CFB Clean Energy Capital Ltd based on the information available to the Company as of the date hereof. The address for CFB Clean Energy Capital Ltd is Talstrasse 82, 8001 Zurich, Switzerland.

(6) All of these shares are held by entities affiliated with Andre van der Veen, including 9,809,772 shares held by Nport Investment Holdings (Pty) Ltd. To our knowledge, Mr. Van der Veen has voting and investment power over 669,732 of these shares and may be deemed to have shared voting and investment power over the shares held by Nport Investment Holdings (Pty) Ltd. Mr. Van der Veen disclaims beneficial ownership over the shares held by Nport Investment Holdings (Pty) Ltd. The address for Mr. Van Der Veen is 3 Meson Street, Techno Park, Stellenbosch, 7600, South Africa.

(7) Represents shares expected to be held by MNK following the Reorganization Transactions. See "The Reorganization Transactions."

(8) Mr. Copelyn does not own any shares of our common stock or MNK ordinary shares directly. See Footnote 3 for information regarding shares held by entities under the common control of Mr. Copelyn.

(9) Includes shares held by Mr. Raynor's spouse.

(10) Includes 247,805 shares held by Mr. Govender directly as a stockholder, all of which have been pledged as collateral with respect to an overdraft facility. Such pledge will not apply to our common stock. See Footnote 4 for information regarding shares held by an entity controlled by Mr. Govender.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following are summaries of the terms of certain material agreements, which will be filed as exhibits to the registration statement of which this prospectus is a part. The summaries include a summary of the Transaction Implementation Agreement entered into between us and MNK, and which will govern the separation of our business from MNK and provides a framework for our relationship with MNK after the Reorganization Transactions. For more information, see "The Reorganization Transactions."

These summaries are qualified in their entirety by reference to the full text of such agreements.

Transaction Implementation Agreement

We entered into a transaction implementation agreement (the "*Transaction Implementation Agreement*") with MNK. The Transaction Implementation Agreement governs the overall terms of the Reorganization Transactions, the Distribution and the relationship between the Company and MNK following the Distribution. The Transaction Implementation Agreement requires MNK and the Company to use commercially reasonable efforts to obtain consents, approvals and amendments required to complete the Reorganization Transactions and the Distribution, including using commercially reasonable efforts to terminate all guarantees or to cause a member of its group, as applicable, to be substituted in all respects for any guarantee of the other entity.

Unless otherwise provided in the Transaction Implementation Agreement or any of the related ancillary agreements, the equity securities of MEH will be transferred to the Company on an "as is, where is" basis. Generally, the Transaction Implementation Agreement provides for the termination of all intercompany agreements and accounts between the Company and its subsidiaries, on the one hand, and MNK, on the other hand, other than with respect to the promissory note described below, and will be accompanied by a mutual release of claims between MNK and the Company for all matters arising prior to the Distribution. In addition, the Transaction Implementation Agreement governs the treatment of access to information, rights to privileged information and record retention.

Promissory Note with MNK

On or after the Distribution, and subject to MNK obtaining exchange control approval from the South African Reserve Bank, we will advance a cash loan of approximately $5,000,000 or less pursuant to the Loan Agreement and Secured Promissory Note (the "*Promissory Note*") to MNK for MNK to pay its dividends tax liability arising from the Distribution under the South African Income Tax Act, 1962 (Act No. 58 of 1962), as amended. The Promissory Note will, among other things, (1) allow MNK (as borrower) to pay interest by increasing the outstanding principal amount of the note or by paying cash to us (or both), (2) grant us a pledge over our shares withheld by MNK to satisfy tax obligations arising from the Distribution as security for MNK's loan obligations and (3) require MNK to use the proceeds of any sale of the withheld shares to prepay the amounts due to us under the Promissory Note.

Consortium Agreement

Certain stockholders, which are Messrs. Copelyn's and Govender's respective affiliates, have informed us that they intend to enter into the Consortium Agreement whereby the parties thereto will agree to act in concert with respect to voting our common stock in the election of directors, among other matters. After the Reorganization Transactions and prior to the completion of the offering, the parties to the Consortium Agreement will beneficially own, in the aggregate. approximately 54.2% of our common stock, and, after giving effect to this offering, will beneficially own approximately % of our common stock.

The Consortium Agreement will replace an existing consortium agreement amongst certain of MNK's shareholders, including Mr. Copelyn, certain of his affiliates, and an affiliate of Mr. Govender, whereby the

parties thereto have agreed to act in concert with respect to certain voting matters relating to MNK and have provided the other parties thereto certain pre-emptive rights with respect to any potential sale of MNK ordinary shares. We expect that the Consortium Agreement will include similar terms as the consortium agreement governing the MNK ordinary shares.

Because of the arrangements in the Consortium Agreement, the parties to that agreement will be deemed to have formed a "group" for purposes of Section 13(d)(3) of the Exchange Act, and such "group" will be deemed to beneficially own greater than 50% of the voting power for the election of our directors. As a result, we will be a "controlled company" within the meaning of the Nasdaq corporate governance standards.

Administrative Services Agreement with HCI

As described in the "Management" section, Mr. Copelyn is the chief executive officer of HCI and Mr. Govender is the executive director of HCI. Mr. Copelyn and Mr. Govender both serve on the board of directors of HCI Managerial Services (Pty) Limited, a subsidiary of HCI ("*HCI Managerial*"). Since 2014, HCI Managerial has provided certain administrative services to MNK pursuant to an administrative services agreement, which provides that HCI Managerial's services to MNK will include, among other matters, (1) corporate secretarial services relating to calling and holding shareholder meetings, maintaining documents and records, and assisting with regulatory compliance matters; (2) assistance with managing MNK's expenses, budgeting, and tax matters; (3) assistance with preparing MNK's financial reporting information as required by applicable law; and (4) assistance with capital management strategies, including interacting with key stakeholders. In consideration for these services, MNK paid HCI the aggregate amounts of $48,032, $50,074, and $47,252 in each of 2019, 2018, and 2017, respectively, under the agreement. MNK will continue to employ HCI's services following the offering until such time that MNK is liquidated as described in "The Reorganization Transactions."

Indemnification Agreements

Upon the completion of this offering, we expect to enter into indemnification agreements with our directors, executive officers and certain other officers and agents pursuant to which they are provided indemnification rights that are broader than the specific indemnification provisions contained in the DGCL. These indemnification agreements generally require us, among other things, to indemnify our directors, executive officers, and certain other officers and agents against liabilities that may arise by reason of their status or service. These indemnification agreements also require us to advance all expenses incurred by the directors, executive officers, and certain other officers and agents in investigating or defending any such action, suit, or proceeding. We believe that these agreements are necessary to attract and retain qualified individuals to serve on our behalf.

Policies and Procedures for Related Party Transactions

In connection with this offering, we will adopt a written policy relating to the approval of related party transactions. A "related party transaction" is a transaction, arrangement or relationship, or series of similar transactions, arrangements or relationships, in which we participate (whether or not we are a party) and a related party has a direct or indirect material interest in such transaction. Our Audit Committee will review and approve or disapprove, or ratify, all relationships and related party transactions between us and (1) our directors, director nominees or executive officers, (2) more than 5% record or beneficial owner of our common stock, (3) any immediate family member of any person specified in (1) and (2) above, and (4) any firm, corporation or other entity in which any person specified in (1), (2) or (3) above is employed or is a partner or principal or in a similar position, or in which such person has more than a 5% beneficial ownership interest. The Audit Committee will review all related party transactions reported to it and, where the Audit Committee determines that such transactions are in our best interests, approve such transactions in advance of such transaction being given effect.

As will be set forth in the related party transaction policy, in the course of its review and approval or ratification of a related party transaction, the Audit Committee will, in its judgment, consider in light of the

relevant facts and circumstances whether the transaction is, or is not inconsistent with, our best interests, including consideration of various factors enumerated in the policy.

Any member of the Audit Committee who is a related person with respect to a transaction under review will not be permitted to participate in the discussions or approval or ratification of the transaction. However, such member of the Audit Committee will provide all material information concerning the transaction to the Audit Committee. Our policy will also provide the Audit Committee with the discretion to pre-approve certain transactions.

DESCRIPTION OF CAPITAL STOCK

The following description summarizes certain important terms of our capital stock to be in effect following the Reorganization Transactions and prior to the completion of this offering. We will adopt an Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws that will become effective following the Reorganization Transactions and prior to the completion of this offering, and this description summarizes the provisions that are included in such documents. Because it is only a summary, it does not contain all the information that may be important to you. For a complete description of the matters set forth in this section, you should refer to our form of Amended and Restated Certificate of Incorporation and form of Amended and Restated Bylaws, which are included as exhibits to the registration statement of which this prospectus forms a part, and to the applicable provisions of Delaware law.

Authorized Capital Stock

Following the Reorganization Transactions and prior to the completion of this offering, our authorized capital stock will consist of shares of capital stock, par value $0.01 per share, of which:

- shares are designated as common stock; and
- shares are designated as preferred stock.

Outstanding Capital Stock

As of October 1, 2020 , there were 10 shares of our common stock outstanding and no shares of our preferred stock outstanding. Following the Reorganization Transactions and prior to the completion of this offering, we expect to have shares of our common stock outstanding and no shares of our preferred stock outstanding. Following this offering, we expect to have shares of common stock outstanding and no shares of preferred stock outstanding.

Common stock

Voting Rights

Except as provided by law, our Amended and Restated Certificate of Incorporation or the certificate of designation pursuant to which a particular series of preferred stock is issued, the holders of our common stock will be entitled to one vote per share on any matter to be voted upon by stockholders, including the election of directors. An election of directors by our stockholders shall be determined by a plurality of the votes properly cast by the stockholders at a meeting for the election of directors at which a quorum is present. There will be no cumulative voting in the election of directors. The holders of a majority of the voting power of the shares of stock issued and outstanding and entitled to vote at a meeting, present in person or represented by proxy, will constitute a quorum at all meetings of stockholders for the transaction of business, except as otherwise provided by law or the certificate of designation pursuant to which a particular series of preferred stock is issued. Except as otherwise provided by law, our Amended and Restated Certificate of Incorporation, our Amended and Restated Bylaws or the certificate of designation pursuant to which a particular series of preferred stock is issued, if a quorum is present at a meeting of the stockholders, matters will be decided by the affirmative vote of a majority of shares present in person or represented by proxy and entitled to vote on the matter, except in the election of directors.

Dividend Rights

The holders of our common stock will be entitled to dividends if, as, and when declared by our Board of Directors, from funds legally available therefor, subject to certain contractual limitations on our ability to declare and pay dividends or the preferential dividend rights of outstanding preferred stock (if any). See “Dividend Policy.”

Liquidation Rights

Upon any voluntary or involuntary liquidation, dissolution, or winding up of our affairs, the holders of our common stock will be entitled to share ratably in all assets remaining after payment of creditors and subject to prior distribution rights of our preferred stock, if any.

Other Rights

Upon the completion of this offering, no holder of our common stock will have any preemptive or other subscription rights for any shares of our capital stock issued in the future. In addition, no conversion, redemption or sinking fund provisions will apply to our common stock, and our common stock will not be liable to further call or assessment by us or subject to any restriction on alienability, except as required by law.

Preferred Stock

Following the completion of this offering, our Board of Directors will be authorized, subject to limitations prescribed by Delaware law, to issue preferred stock in one or more series, to establish from time to time the number of shares to be included in each series, and to fix the designation, powers, preferences, and relative participation, optional or other rights of the shares of each series and any of its qualifications, limitations, or restrictions, in each case without further vote or action by our stockholders. Our Board of Directors may increase or decrease the number of shares of any series of preferred stock, but not below the number of shares of that series then outstanding, without any further vote or action by our stockholders. Our Board of Directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring, or preventing a change in our control and might adversely affect the market price of our common stock and the voting and other rights of the holders of our common stock. We have no current plan to issue any shares of preferred stock.

Anti-takeover Effects of Certain Provisions of Our Amended and Restated Certificate of Incorporation, Amended and Restated Bylaws and Delaware Law

Certain provisions of our Amended and Restated Certification of Incorporation, our Amended and Restated Bylaws, and the DGCL could have anti-takeover effects and may delay, deter or prevent a tender offer or takeover attempt that a stockholder might consider to be in its best interests, as discussed below.

DGCL Section 203—Business Combinations with Interested Stockholders

We will be subject to the provisions of Section 203 of the DGCL, regulating corporate takeovers. In general, those provisions prohibit a Delaware corporation from engaging in any "business combination" with any interested stockholder for a period of three years following the date that the stockholder became an interested stockholder, unless:

- prior to the time that the person became an interested stockholder, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for the purpose of determining the number of shares outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned by (i) the corporation's officers and directors and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- at or subsequent to the time the business combination is approved by the corporation's board of directors and authorized at an annual or special meeting of its stockholders, and not by written consent, by the affirmative vote of at least 66-2/3% of its outstanding voting stock that is not owned by the interested stockholder.

The term "business combination" is broadly defined to include mergers, consolidations, and sales and other dispositions of assets having an aggregate market value equal to 10% or more of the consolidated assets of the corporation, and other specified transactions resulting in financial benefits to the interested stockholder. An "interested stockholder" is a person who, together with affiliates and associates, owns (or within three years did own) 15% or more of the corporation's voting stock.

The restrictions on business combinations with interested stockholders contained in Section 203 of the DGCL do not apply to a corporation whose certificate of incorporation or bylaws contains a provision expressly electing not to be governed by the statute. Neither our Amended and Restated Certificate of Incorporation nor our Amended and Restated Bylaws will contain a provision electing to "opt-out" of Section 203. Section 203 of the DGCL could prohibit or delay mergers or other takeover or change in control attempts and, accordingly, may discourage attempts to acquire us.

Undesignated Preferred Stock

As discussed above under "Preferred Stock," our Board of Directors has the authority to designate and issue preferred stock with voting or other rights or preferences that could delay, defer or prevent any attempt to acquire or control us.

Classified Board of Directors

The number of directors will be fixed solely by resolution duly adopted from time to time by our Board of Directors, provided that the directors then in office are not less than 33 1/3% of the total number of directors then authorized, subject to the rights, if any, of the holders of preferred stock as specified in a certificate of designation. The directors, other than those directors who may be elected by the holders of preferred stock, will be in classes with respect to the term for which they severally hold office. Our Amended and Restated Certificate of Incorporation will provide that our Board of Directors is divided into three classes, with the number of directors in each class to be as nearly equal as possible. Our classified Board of Directors staggers the three-year terms of the three classes. With this structure, only approximately one-third of the members of our Board of Directors will be elected each year. This classification of directors has the effect of making it more difficult for stockholders to change the composition of our Board of Directors. As described above under "Management—Classified Board of Directors," each director whose term expires at the 2028 annual meeting of stockholders (expected to be our eighth annual meeting) or any annual meeting thereafter shall be elected for a term expiring at the next annual meeting of stockholders. Beginning with the 2030 annual meeting of stockholders (expected to be our tenth annual meeting), all of our directors will be subject to annual election.

Vacancies; Removal

Subject to any rights of any holders of preferred stock to elect directors and fill vacancies on the Board of Directors, all vacancies created in our Board of Directors resulting from any increase in the authorized number of directors or the death, resignation, disqualification, removal from office or other cause will be filled solely by the affirmative vote of a majority of the remaining directors on our Board of Directors then in office, even if less than a quorum is present or by a sole remaining director. Any director appointed to fill a vacancy on our Board of Directors will be appointed for the full term of the class of directors in which the new directorship was created or the vacancy occurred, if applicable, and until such director's successor will have been duly elected and qualified. No decrease in the number of directors will shorten the terms of any incumbent director.

While the Board of Directors is classified, directors may be removed by the affirmative vote of holders of 66 2/3% of the voting power of the outstanding shares of our capital stock entitled to vote generally in the election of directors voting together as a single class, but only for cause, except as otherwise provided by law. Following such time as our Board of Directors is no longer classified, our directors may be removed with or without cause by the affirmative vote of holders of a majority of the voting power of the outstanding shares of our capital stock entitled to vote generally in the election of directors, voting together as a single class, except as otherwise provided by law. In addition, the certificate of designation pursuant to which a particular series of preferred stock is issued may provide holders of that series of preferred stock with the right to elect additional directors.

Advance Notice Requirements

Our Amended and Restated Bylaws will establish advance notice procedures for stockholders seeking to nominate candidates for election to the Board of Directors or for proposing matters which can be acted upon at stockholders' meetings.

Stockholder Action by Unanimous Written Consent

Our Amended and Restated Certificate of Incorporation will prohibit stockholder action by written consent in lieu of a meeting, except by unanimous written consent.

Special Meetings of Stockholders

Our Amended and Restated Bylaws will provide that special meetings of stockholders may be called by (a) the Chairman of the Board of Directors, (b) our Chief Executive Officer, or (c) our Secretary acting at the request of the Chairman of the Board of Directors or a majority of the total number of directors that would comprise our Board of Directors if there were no vacancies on the Board of Directors.

Amendments to Our Governing Documents

Generally, amendments to our Amended and Restated Certificate of Incorporation will require the approval of our Board of Directors and an affirmative vote of a majority of the outstanding stock entitled to vote thereon, and a majority of the outstanding stock of each class entitled to vote thereon as a class. However, prior to the conclusion of the 2030 annual meeting of our stockholders, an amendment to certain provisions of our Amended and Restated Certificate of Incorporation that relate to (a) the amendment of our Amended and Restated Bylaws, (b) the number, election and terms of our directors, (c) the nomination of director candidates, (d) newly created directorships and vacancies, (e) the removal of our directors, and (f) the indemnification of our directors will require the affirmative vote of at least 66 2/3% of the voting power of all shares of our capital stock entitled to vote generally in the election of directors then outstanding, voting together as a single class. Our Amended and Restated Certificate of Incorporation will provide that the Board of Directors is expressly authorized to make, amend or repeal our Amended and Restated Bylaws. After the conclusion of the 2030 annual meeting of our stockholders, all amendments to our Amended and Restated Certificate of Incorporation will require the approval of our Board of Directors and an affirmative vote of a majority of our outstanding capital stock entitled to vote thereon, and a majority of our outstanding capital stock of each class entitled to vote thereon as a class.

Generally, amendments to our Amended and Restated Bylaws will require approval (a) at a meeting of the stockholders, provided the proposed amendment or supplement has been properly described or referred to in the notice of meeting or (b) by the Board of Directors, provided that no amendment adopted by our Board of Directors may vary or conflict with any amendment adopted by our stockholders, except as otherwise provided by law, our Amended and Restated Certificate of Incorporation or our Amended and Restated Bylaws. However, our Amended and Restated Certificate of Incorporation and our Amended and Restated Bylaws will provide that,

prior to the conclusion of the 2030 annual meeting, our stockholders may amend certain provisions of our Amended and Restated Bylaws that relate to (a) the classification of our directors, (b) the removal of our directors and (c) the amendment of our Amended and Restated Bylaws only with the approval of at least 66 2/3% of the voting power of all shares of our capital stock entitled to vote generally in the election of directors then outstanding, voting together as a single class. After the conclusion of the 2030 annual meeting of our stockholders, all amendments to our Amended and Restated Bylaws will require approval (a) at a meeting of the stockholders, provided the proposed amendment or supplement has been properly described or referred to in the notice of meeting or (b) by the Board of Directors, provided that no amendment adopted by our Board of Directors may vary or conflict with any amendment adopted by our stockholders.

Certain Effects of Authorized but Unissued Stock

We may issue additional shares of common stock or preferred stock without stockholder approval, subject to applicable rules of Nasdaq and the DGCL, for a variety of corporate purposes, including future public or private offerings to raise additional capital, corporate acquisitions, and employee benefit plans and equity grants. The existence of unissued and unreserved common stock and preferred stock may enable us to issue shares to persons who are friendly to current management, which could discourage an attempt to obtain control of the Company by means of a proxy contest, tender offer, merger or otherwise. We will not solicit approval of our stockholders for issuance of common stock or preferred stock unless our Board of Directors believes that approval is advisable or is required by applicable stock exchange rules or the DGCL.

Choice of Forum

Unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (of if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware) will be, the sole and exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a claim of breach of fiduciary duty owed by any of our directors, officers, or other employees to us or to our stockholders; any action asserting a claim arising pursuant to the DGCL, our Amended and Restated Certificate of Incorporation or our Amended and Restated Bylaws; or any action asserting a claim that is governed by the internal affairs doctrine. Furthermore, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall be, to the fullest extent permitted by law, the sole and exclusive forum for any action asserting a claim arising under the Securities Act. Any person or entity purchasing or otherwise acquiring an interest in any of our securities shall be deemed to have notice of and to have consented to the forum provisions in our Amended and Restated Certificate of Incorporation. Although we believe this provision benefits us by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, the provision may have the effect of discouraging lawsuits against our directors and officers. In addition, while the Delaware Supreme Court ruled in March 2020 that federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court are “facially valid” under Delaware law, there is uncertainty as to whether other courts will enforce our Federal Forum Provision. The Federal Forum Provision may impose additional litigation costs on stockholders who assert that the provision is not enforceable or invalid. If the Federal Forum Provision is found to be unenforceable, we may incur additional costs associated with resolving such matters.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is expected to be Computershare Investor Services.

Listing

We have applied to have our common stock listed on Nasdaq under the symbol “MNTK.”

DESCRIPTION OF INDEBTEDNESS

Amended Credit Agreement

On December 12, 2018, we entered into the Second Amended and Restated Revolving Credit and Term Loan Agreement (as amended by the First Amendment to Second Amended and Restated Revolving Credit and Term Loan Agreement, dated as of March 21, 2019 (the "*First Amendment*"), and as further amended by the Second Amendment to Second Amended and Restated Revolving Credit and Term Loan Agreement, dated as of September 12, 2019 (the "*Second Amendment*"), and as may be further amended from time to time, the "*Amended Credit Agreement*"), with Comerica Bank, as administrative agent, sole lead arranger and sole bookrunner, and the other financial institutions from time to time party thereto.

The Amended Credit Agreement, which is secured by substantially all of our assets and assets of certain of our subsidiaries, provides for a five-year $95.0 million term loan and a five-year $80.0 million revolving credit facility. The term loan amortizes in quarterly installments of $4.75 million and has a final maturity of December 12, 2023. The revolving and term loans under the Amended Credit Agreement bear interest at the Eurodollar Margin or Base Rate Margin based on our Total Leverage Ratio (in each case, as those terms are defined in the Amended Credit Agreement).

The Amended Credit Agreement contains customary covenants applicable to the Company and certain of its subsidiaries, including financial covenants. Under the Amended Credit Agreement, we are required to maintain a maximum ratio of Total Liabilities to Tangible Net Worth (in each case, as those terms are defined in the Amended Credit Agreement) of greater than 2.0 to 1.0 as of the end of any fiscal quarter. We are also required to maintain, as of the end of each fiscal quarter, (x) a Fixed Charge Coverage Ratio (as defined in the Amended Credit Agreement) of not less than 1.2 to 1.0 and (y) a Total Leverage Ratio (as defined in the Amended Credit Agreement) of not more than 3.0 to 1.0. The Amended Credit Agreement is subject to customary events of default, and contemplates that we would be in default if for any fiscal quarter, (x) the average monthly D3 RIN Price (as determined in accordance with the Amended Credit Agreement) is less than $0.80 per RIN and (y) the consolidated EBITDA for such quarter is less than $6.0 million.

Our obligations under the Amended Credit Agreement are required to be guaranteed by certain of our subsidiaries. As of September 30, 2020, the subsidiary guarantors of the Amended Credit Agreement are Montauk Energy Holdings, LLC, Montauk Energy Capital, LLC, Montauk Holdings USA LLC, MEDC, LLC, MH Energy LLC, MH Energy (GP), LLC, TX LFG, LLC, Monroeville LFG, LLC, Valley LFG, LLC, GSF Energy, LLC, Johnstown LFG Holdings Inc., Johnstown Regional Energy, LLC, Apex LFG Energy, LLC, Montauk Renewable Ag, LLC, Galveston LFG, LLC, Bowerman Power LFG, LLC and Pico Energy, LLC.

A copy of the Amended Credit Agreement is filed as an exhibit to the registration statement of which this prospectus forms a part.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to the completion of this offering, there has been no public market for our common stock. Future sales of our common stock in the public market, or the perception that sales may occur, could materially adversely affect the prevailing market price of our common stock at such time and our ability to raise equity capital in the future.

Sale of Restricted Securities

Upon completion of this offering, we will have shares of our common stock outstanding (or shares, if the underwriter exercises its option to purchase additional shares in full). Of these shares, all shares sold in this offering will be freely tradable without further restriction or registration under the Securities Act, except that any shares purchased by our affiliates may generally only be sold in compliance with Rule 144, which is described below. Of the remaining outstanding shares, shares will be deemed "restricted securities" under the Securities Act and may be subject to lock-up agreements. These remaining shares will generally become available for sale in the public market as follows:

- no restricted shares will be eligible for immediate sale upon the closing of this offering; and
- shares will be eligible for sale upon expiration of the lock-up agreements 181 days after the date of this prospectus, subject to any volume and other limitations applicable to the holders of such shares.

Rule 144

In general, a person who has beneficially owned restricted shares of our common stock for at least six months would be entitled to sell their securities provided that (i) such person is not deemed to have been one of our affiliates at the time of, or at any time during the 90 days preceding, a sale, (ii) we have been subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale, and (iii) we are current in our Exchange Act reporting at the time of sale. Additionally, a person who has beneficially owned restricted shares for at least one year and who is not deemed to have been one of our affiliates at the time of, or at any time during the 90 days before the sale, would be entitled to sell those securities at any time.

Persons who have beneficially owned shares of our common stock for at least six months, but who are our affiliates at the time of, or any time during the 90 days preceding, a sale, would be subject to additional restrictions, by which such person would be entitled to sell within any three-month period only a number of securities that does not exceed the greater of either of the following:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately shares immediately after the completion of this offering; and
- the average weekly trading volume of our common stock on during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

Such sales by affiliates must also comply with the manner of sale, current public information, and notice provisions of Rule 144.

Rule 701

In general, under Rule 701 a person who purchased shares of our common stock pursuant to a written compensatory plan or contract and who is not deemed to have been one of our affiliates during the immediately preceding 90 days may sell these shares in reliance upon Rule 144, but without being required to comply with the notice, manner of sale, public information requirements, or volume limitation provisions of Rule 144. Rule 701 also permits affiliates to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. All holders of Rule 701 shares, however, are required to wait until 90 days after the date of this prospectus before selling such shares pursuant to Rule 701.

Lock-Up Agreements

In connection with this offering, we, each of our directors, executive officers and certain other stockholders will enter into lock-up agreements with Roth Capital Partners, LLC. See "Underwriting—Lock-up Agreements."

Registration Statement on Form S-8

We intend to file a registration statement on Form S-8 under the Securities Act promptly after the completion of this offering to register the offer and sale of shares of our common stock reserved for future issuance under our Equity Plan. The registration statement on Form S-8 will become effective immediately upon filing, and shares of our common stock covered by the registration statement may then be publicly resold under a valid exemption from registration and subject to the Rule 144 limitations applicable to affiliates, vesting restrictions and any applicable market standoff agreements and lock-up agreements. See "Executive Compensation—Compensation Arrangements to be Adopted in Connection with this Offering—Equity and Incentive Compensation Plan" for a description of our equity incentive plan.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following is a summary of certain U.S. federal income tax consequences relevant to the purchase, ownership, and disposition of our common stock sold pursuant to this offering by non-U.S. holders (as defined below), but does not purport to be a complete analysis of all the potential tax considerations relating thereto. This summary is based upon the provisions of the Code, Treasury regulations promulgated or proposed thereunder, judicial decisions, and published rulings and administrative pronouncements of the U.S. Internal Revenue Service (the "*IRS*"), in each case in effect as of the date hereof. These authorities may be changed, possibly with retroactive effect, so as to result in U.S. federal income tax consequences different from those set forth below. We have not sought, and will not seek, any rulings from the IRS regarding the matters discussed below, and there can be no assurance that the IRS will not take a position contrary to those discussed below or that any position taken by the IRS will not be sustained.

This summary is limited to non-U.S. holders who purchase our common stock pursuant to this offering and who hold shares of our common stock as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment purposes). This summary does not address the tax consequences arising under the laws of any non-U.S., state, or local jurisdiction or under U.S. federal gift and estate tax laws or the effect, if any, of the alternative minimum tax, the Medicare contribution tax imposed on net investment income, or the effects of Section 451 of the Code conforming the timing of income accruals to financial statements. In addition, this discussion does not address tax considerations applicable to an a non-U.S. holder's particular circumstances or to a non-U.S. holder that may be subject to special tax rules, including, without limitation:

- banks, insurance companies, or other financial institutions;
- partnerships or other entities or arrangements classified as partnerships for U.S. federal income tax purposes and investors therein;
- tax-exempt organizations or governmental organizations;
- controlled foreign corporations, passive foreign investment companies, and corporations that accumulate earnings to avoid U.S. federal income tax;
- brokers or dealers in securities or currencies;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;
- U.S. expatriates and former citizens or former long-term residents of the United States;
- persons who hold our common stock as a position in a hedging transaction, "straddle," "conversion transaction," or other risk reduction transaction;
- persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- tax-qualified retirement plans;
- qualified foreign pension funds as defined in Section 897(l)(2) of the Code and entities all of the interest which are held by qualified foreign pension funds; and
- persons deemed to sell our common stock under the constructive sale provisions of the Code.

In addition, if a partnership (including an entity or arrangement classified as a partnership for U.S. federal income tax purposes) holds our common stock, the tax treatment of a partner generally will depend on the status of the partner and upon the activities of the partnership. Accordingly, partnerships that hold our common stock, and partners in such partnerships, should consult their tax advisors.

YOU SHOULD CONSULT YOUR TAX ADVISOR WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO YOUR PARTICULAR SITUATION, AS WELL AS

ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP, AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX RULES, U.S. ALTERNATIVE MINIMUM TAX RULES, OR UNDER THE LAWS OF ANY NON-U.S., STATE, OR LOCAL TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Non-U.S. Holder Defined

For purposes of this discussion, you are a "non-U.S. holder" if you are a beneficial owner of our common stock and you are neither a "U.S. person" nor an entity or arrangement classified as a partnership for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as:

- an individual who is a citizen or resident of the United States;
- a corporation or other entity taxable as a corporation created or organized in the United States or under the laws of the United States, any state thereof, or the District of Columbia;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust (x) whose administration is subject to the primary supervision of a U.S. court and which has one or more "United States person" (as defined in the Code) who have the authority to control all substantial decisions of the trust or (y) which has made an election under applicable Treasury regulations to be treated as a United States person for U.S. federal income tax purposes.

Distributions

As described under "Dividend Policy" in this prospectus, we do not expect to make any distributions for the foreseeable future. However, if we do make distributions on our common stock, other than certain pro rata distributions of common stock, those distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent distributions exceed both our current and our accumulated earnings and profits, they will first constitute a return of capital and will reduce your adjusted tax basis in our common stock, but not below zero, and then any excess will be treated as capital gain from the sale of our common stock, subject to the tax treatment described below in "—Gain on Sale or Other Taxable Disposition of Common Stock."

Any dividend paid to you generally will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividend, or such lower rate as may be specified by an applicable income tax treaty, except to the extent that the dividends are "effectively connected" dividends, as described below. In order to claim treaty benefits to which you are entitled, you must provide us with a properly completed IRS Form W-8BEN or W-8BEN-E certifying qualification for the reduced treaty rate. If you do not timely furnish the required documentation, but are otherwise eligible for a reduced rate of U.S. federal withholding tax pursuant to an income tax treaty, you may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. If you hold our common stock through a financial institution or other agent acting on your behalf, you will be required to provide appropriate documentation to the agent, who then will be required to provide certification to us or our paying agent, either directly or through other intermediaries.

We may withhold up to 30% of the gross amount of the entire distribution even if greater than the amount constituting a dividend, as described above, to the extent provided for in the Treasury Regulations. If tax is withheld on the amount of a distribution in excess of the amount constituting a dividend, then a refund of any such excess amounts may be obtained if a claim for refund is timely filed with the IRS.

Dividends received by you that are effectively connected with your conduct of a trade or business within the United States (and, if an applicable income tax treaty requires, attributable to a permanent establishment or fixed base maintained by you in the United States) are exempt from the U.S. federal withholding tax described

above. In order to claim this exemption, you must provide us with an IRS Form W-8ECI (or other successor form) properly certifying that the dividends are effectively connected with your conduct of a trade or business within the United States. Such effectively connected dividends, although not subject to U.S. federal withholding tax, are generally taxed at the same graduated U.S. federal income tax rates applicable to U.S. persons, net of certain deductions and credits. In addition, if you are a corporate non-U.S. holder, you may also be subject to a branch profits tax at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) on your effectively connected earnings and profits for the taxable year that are attributable to such dividends, as adjusted for certain items.

Gain on Sale or Other Taxable Disposition of Common Stock

Subject to the discussions below regarding FATCA and backup withholding, you generally will not be required to pay U.S. federal income tax on any gain realized upon the sale or other taxable disposition of our common stock unless:

- the gain is effectively connected with your conduct of a U.S. trade or business (and, if an applicable income tax treaty requires, the gain is attributable to a permanent establishment or fixed base maintained by you in the United States);
- you are an individual who is present in the United States for a period or periods aggregating 183 days or more during the taxable year in which the sale or disposition occurs and certain other conditions are met; or
- our common stock constitutes a U.S. real property interest by reason of our status as a "United States real property holding corporation," or a USRPHC, for U.S. federal income tax purposes, at any time during the shorter of the five-year period ending on the date of the sale or other taxable disposition of, or your holding period for, our common stock.

If you are a non-U.S. holder described in the first bullet above, you generally will be subject to U.S. federal income tax on the gain derived from the sale or other taxable disposition (net of certain deductions or credits) under regular graduated U.S. federal income tax rates generally applicable to U.S. persons, and corporate non-U.S. holders described in the first bullet above also may be subject to branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

If you are an individual non-U.S. holder described in the second bullet above, you will be subject to U.S. federal income tax at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) on the gain derived from the sale or other taxable disposition, which may be offset by U.S. source capital losses for that taxable year (even though you are not considered a resident of the United States), provided that you have timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet above, in general, we would be a USRPHC if our "U.S. real property interests" comprised at least 50% of the sum of the fair market value of our worldwide real property interests plus our other assets used or held in our trade or business. We believe that we are not currently and (based upon our projections as to our business) will not become a USRPHC. However, because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property interests relative to the fair market value of our non-U.S. real property interests and our other business assets, there can be no assurance that we will not become a USRPHC in the future. Even if we are or were to become a USRPHC, gain arising from the sale or other taxable disposition by a non-U.S. holder of our common stock will not be subject to U.S. federal income tax if our common stock is "regularly traded" (within the meaning of applicable Treasury regulations) on an established securities market, and such non-U.S. holder owned, actually or constructively, five percent or less of our common stock at any time during the applicable period described above.

You should consult your tax advisor regarding any potential applicable income tax or other treaties that may provide for different rules.

Backup Withholding and Information Reporting

Payments of dividends on our common stock will not be subject to backup withholding, provided you either certify your non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E, or W-8ECI, or otherwise establish an exemption. However, information returns are required to be filed with the IRS in connection with any dividends on our common stock paid to you, regardless of whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of our common stock within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting, if the applicable withholding agent receives the certification described above or you otherwise establish an exemption. Proceeds of a disposition of our common stock conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to tax authorities in your country of residence, establishment, or organization.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules maybe allowed as a refund or credit against a non-U.S. holder's U.S. federal income tax liability, provided that the required information is furnished to the IRS in a timely manner.

Additional Withholding Tax on Payments Made to Foreign Accounts

Sections 1471 through 1474 of the Code and Treasury regulations thereunder, commonly referred to as FATCA, generally imposes a U.S. federal withholding tax of 30% on dividends on, and the gross proceeds from the sale or other disposition of, our common stock paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. The United States Treasury Department has released proposed Treasury regulations which, if finalized in their present form, would eliminate the application of this regime with respect to payments of gross proceeds (but not dividends). Pursuant to these proposed Treasury regulations, we and any other applicable withholding agent may (but are not required to) rely on this proposed change to FATCA withholding until final regulations are issued or until such proposed regulations are rescinded. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. government requiring, among other things, that it undertakes to withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders, and to annually identify accounts held by certain "specified United States persons" or "United States-owned foreign entities" (each as defined in the Code). Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules. Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits of such taxes. Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of FATCA on their investment in our common stock.

THE PRECEDING DISCUSSION OF U.S. FEDERAL TAX CONSEQUENCES IS FOR GENERAL INFORMATION ONLY. THIS DISCUSSION IS NOT TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR REGARDING THE PARTICULAR U.S. FEDERAL, STATE, AND LOCAL AND NON-U.S. TAX CONSEQUENCES OF PURCHASING, HOLDING, AND DISPOSING OF OUR COMMON STOCK, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAWS.

UNDERWRITING

We have entered into an underwriting agreement with the underwriter, Roth Capital Partners, LLC, and the selling stockholder. We refer to Roth Capital Partners, LLC as the "underwriter." Subject to the terms and conditions of the underwriting agreement, we and the selling stockholder have agreed to sell to the underwriter, and the underwriter has agreed to purchase from us and the selling stockholder, shares of our common stock.

Pursuant to the terms and subject to the conditions contained in the underwriting agreement, we and the selling stockholder have agreed to sell to the underwriter named below, and the underwriter has agreed to purchase from us and the selling stockholder, the number of shares of common stock set forth opposite its name below:

Name	Number of Shares
Roth Capital Partners, LLC	
Total	

The underwriting agreement provides that the obligation of the underwriter to purchase the shares of common stock offered by this prospectus, other than those covered by the option to purchase additional shares of common stock described below, is subject to certain conditions. The underwriter is obligated to purchase all of the shares of common stock offered hereby if any of the shares are purchased.

The underwriter is offering the shares of common stock, subject to prior sale, when, as and if issued to and accepted by it, subject to approval of legal matters by its counsel and other conditions specified in the underwriting agreement. The underwriter reserves the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Discounts, Commissions and Expenses

The underwriter proposes to offer the shares to the public at the public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of $ per share. After this offering, the public offering price and concession may be changed by the underwriter. No such change shall change the amount of proceeds to be received by us as set forth on the cover page of this prospectus.

In connection with the sale of the shares to be purchased by the underwriter, the underwriter will be deemed to have received compensation in the form of underwriting commissions and discounts. The underwriter's commissions and discounts will be % of the gross proceeds of this offering, or $ per share of common stock based on the public offering price set forth on the cover page of this prospectus.

The expenses of this offering, not including the underwriting discounts and commissions, are estimated at $ and are payable by us. We also have agreed to reimburse the underwriter for reasonable out-of-pocket expenses in connection with this offering, including fees and disbursements of counsel.

In addition, we have agreed to issue the underwriter warrants to the underwriter to purchase a number of shares of common stock equal to 5% of the number of shares sold in this offering by us. The underwriter warrants will be exercisable upon issuance, will have an exercise price equal to 110% of the initial public offering price and will terminate on the fifth anniversary of the effective date of the registration statement of which this prospectus is a part. The underwriter warrants and the underlying shares of common stock have been deemed compensation by the Financial Industry Regulatory Authority, Inc., or FINRA, and are therefore subject to FINRA Rule 5110(g)(1). In accordance with FINRA Rule 5110(g)(1), neither the underwriter warrants nor any of our shares issued upon exercise of the underwriter warrants may be sold, transferred, assigned, pledged or hypothecated, or be the subject of any hedging, short sale, derivative, put or call transaction that would result in the effective economic disposition of such securities by any person, for a period of 180 days immediately following the date of effectiveness or commencement of sales of the offering pursuant to which the underwriter warrants are being issued, subject to certain exceptions.

We have granted the underwriter an overallotment option. This option, which is exercisable for up to 30 days after the date of this prospectus, permits the underwriter to purchase up to shares of common stock at the public offering price, less underwriting discounts and commissions, to cover overallotments, if any.

The following table shows the total underwriting discounts and commissions payable to the underwriter by us in connection with this offering (assuming both the exercise in full and non-exercise of the overallotment option to purchase additional shares of common stock we have granted to the underwriter):

	Per Share		Total	
	Without Over-allotment Option	With Over-allotment Option	Without Over-allotment Option	With Over-allotment Option
Public offering price	$	$	$	$
Underwriting discounts and commissions to be paid by us				
Underwriting discounts and commissions to be paid by the selling stockholder				
Proceeds, before expenses, to us				
Proceeds, before expenses, to the selling stockholder				

Indemnification

Pursuant to the underwriting agreement, we and the selling stockholder have agreed to indemnify the underwriter against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the underwriter or such other indemnified parties may be required to make in respect of those liabilities.

Lock-Up Agreements

We, the selling stockholder and certain of our large stockholders have agreed not to (i) offer, pledge, issue, sell, contract to sell, purchase, contract to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for our common stock; (ii) enter into any swap or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of shares of common stock; or (iii) file any registration statement with the SEC relating to the offering of any shares of our common stock or any securities convertible into or exercisable or exchangeable for shares of our common stock, without the prior written consent of Roth Capital Partners, LLC and subject to limited exceptions, for a period of 180 days following the date of this prospectus (the "*Lock-up Period*"). This consent may be given at any time without public notice. These restrictions on future issuances are subject to exceptions for (i) the issuance of shares of our common stock, (ii) the issuance of shares of our common stock or options to acquire shares of our common stock pursuant to our equity incentive plans and (iii) the filing of one or more registration statements on Form S-8 with respect to shares of our common stock underlying our equity incentive plans from time to time, including the Equity Plan.

In addition, each of our directors and executive officers have entered into a lock-up agreement with the underwriter. Under the lock-up agreements, the directors and executive officers may not, subject to certain exceptions, directly or indirectly, sell, offer to sell, contract to sell, or grant any option for the sale (including any short sale), grant any security interest in, pledge, hypothecate, hedge, establish an open "put equivalent position" (within the meaning of Rule 16a-1(h) under the Exchange Act), or otherwise dispose of, or enter into any transaction which is designed to or could be expected to result in the disposition of, any shares of our common stock or securities convertible into or exchangeable for shares of our common stock, or publicly announce any intention to do any of the foregoing, without the prior written consent of Roth Capital Partners, LLC and subject to limited exceptions, for a period of 180 days from the date of this prospectus. This consent may be given at any time without public notice.

Electronic Distribution

This prospectus may be made available in electronic format on websites or through other online services maintained by the underwriter or by its affiliates. In those cases, prospective investors may view offering terms

online and prospective investors may be allowed to place orders online. Other than this prospectus in electronic format, the information on the underwriter's website or our website and any information contained in any other websites maintained by the underwriter or by us is not part of this prospectus or the registration statement of which this prospectus forms a part, has not been approved and/or endorsed by us or the underwriter in its capacity as underwriter, and should not be relied upon by investors.

Price Stabilization, Short Positions and Penalty Bids

In connection with the offering, the underwriter may engage in stabilizing transactions, syndicate covering transactions and penalty bids in accordance with Regulation M under the Exchange Act:

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- Sales by the underwriter of securities in excess of the number of securities the underwriter is obligated to purchase creates a syndicate short position. The underwriter may close out any syndicate short position by purchasing shares in the open market.
- Syndicate covering transactions involve purchases of the common stock in the open market after the distribution has been completed in order to cover syndicate short positions.
- Penalty bids permit the underwriter to reclaim a selling concession from a syndicate member when the common stock originally sold by the syndicate member is purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of the common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. These transactions may be discontinued at any time.

Neither we, the selling stockholder nor the underwriter make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our shares of common stock. In addition, neither we, the selling stockholder nor the underwriter make any representation that the underwriter will engage in these transactions or that any transaction, if commenced, will not be discontinued without notice.

Passive Market Making

In connection with this offering, the underwriter may engage in passive market making transactions in our common stock on the Nasdaq in accordance with Rule 103 of Regulation M under the Exchange Act, during a period before the commencement of offers or sales of the shares and extending through the completion of the distribution. A passive market maker must display its bid at a price not in excess of the highest independent bid of that security. However, if all independent bids are lowered below the passive market maker's bid, then that bid must then be lowered when specified purchase limits are exceeded.

Other Relationships

From time to time, the underwriter and its affiliates have provided, and may provide in the future, various advisory, investment and commercial banking and other services to us in the ordinary course of business, for which they have received and may continue to receive customary fees and commissions. However, except as disclosed in this prospectus, we have no present arrangements with the underwriter for any further services.

Pricing of the Offering

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be determined by negotiations between us and the representative. Among the factors to be considered

in determining the initial public offering price are our future prospects and those of our industry in general, our sales, earnings, and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.

Offer Restrictions Outside the United States

Other than in the United States, no action has been taken by us or the underwriter that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Selling Restrictions

European Economic Area and the United Kingdom

In relation to each Member State of the European Economic Area and the United Kingdom (each, a "*Relevant State*"), no shares of common stock have been offered or will be offered to the public in that Relevant State prior to the publication of a prospectus in relation to the shares of common stock that has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State (all in accordance with the Prospectus Regulation), except that an offer to the public of any shares of common stock in that Relevant State may be made at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the underwriter for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation; and

further provided that no such offer of shares of common stock shall result in a requirement for the publication by us or the underwriter of a prospectus pursuant to Article 3 of the Prospectus Regulation, or a supplement to a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares of common stock in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of common stock to be offered so as to enable an investor to decide to purchase any shares of common stock, and the expression "Prospectus Regulation" means Regulation 2017/1129/EU (as amended).

United Kingdom

The underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of

section 21 of the Financial Services and Markets Act 2000 (the "*FSMA*") received by it in connection with the issue or sale of any shares of common stock in circumstances in which section 21(1) of the FSMA does not apply to us;

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any shares of common stock in, from or otherwise involving the United Kingdom.

In the United Kingdom, this prospectus is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Regulation) who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "*Order*") and/or (ii) are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "*relevant persons*"). This prospectus must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this prospectus relates is only available to, and will be engaged in with, relevant persons.

Hong Kong

The shares of common stock have not been and may not and will not be offered or sold in Hong Kong, by means of any document, other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the shares of common stock has been, may be or will be issued, or has been, may be, or will be in the possession of any person for the purposes of issue (in each case, whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares of common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

The contents of this prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this prospectus, you should obtain independent professional advice.

The information and this prospectus are strictly confidential to the person whom it is addressed and must not be distributed, published, reproduced or disclosed (in whole or in part) by recipient to any other person or used for any purpose in Hong Kong.

China

The shares of common stock may not be offered or sold directly or indirectly to the public in the People's Republic of China ("*China*") and neither this prospectus, which has not been submitted to the Chinese Securities and Regulatory Commission or registered with the Asset Management Association of China, nor any offering material or information contained herein relating to the shares of common stock, may be supplied to the public in China or used in connection with any offer for the subscription or sale of shares of common stock to the public in China. The shares of common stock may only be offered or sold to China-related organizations which are authorized to engage in foreign exchange business and offshore investment from outside of China. Such

qualified institutional investors shall be subject to foreign exchange control approval and filing requirements under the relevant Chinese foreign exchange regulations with respect to the subscription and trading of the shares of common stock.

South Africa

No "offer to the public" (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (the "*South African Companies Act*")) is being made in connection with the issue of the shares of common stock in connection with this offering. Accordingly, this document does not, nor is it intended to, constitute a "registered prospectus" (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. Any issue or offering of the shares in South Africa constitutes an offer of the shares in South Africa for subscription or sale in South Africa only to persons who fall within the exemption from "offers to the public" set out in section 96(1)(a) of the South African Companies Act. Accordingly, this document must not be acted on or relied on by persons in South Africa who do not fall within section 96(1)(a) of the South African Companies Act (such persons being referred to as "*SA Relevant Persons*"). Any investment or investment activity to which this document relates is available in South Africa only to SA Relevant Persons and will be engaged in South Africa only with SA Relevant Persons.

LEGAL MATTERS

The validity of the issuance of the shares of common stock offered by this prospectus will be passed on for us by Jones Day. Certain legal matters relating to this offering will be passed on for the underwriter by Gibson, Dunn & Crutcher LLP.

EXPERTS

The audited consolidated financial statements of Montauk Holdings USA, LLC as of December 31, 2019 and 2018 and for the years then ended included in this prospectus and elsewhere in the registration statement have been so included in reliance upon the report of Grant Thornton LLP, independent registered public accountants, upon the authority of said firm as experts in accounting and auditing.

The audited financial statements of Montauk Renewables, Inc. as of November 15, 2020 included in this prospectus and elsewhere in the registration statement have been so included in reliance upon the report of Grant Thornton LLP, independent registered public accountants, upon the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to our shares of common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement and the exhibits and schedules thereto. Some items are omitted in accordance with the rules and regulations of the SEC. For further information with respect to us and the shares of common stock offered hereby, we refer you to the registration statement and the exhibits and schedules filed therewith. Statements contained in this prospectus as to the contents of any contract, agreement or any other document are summaries of the material terms of such contract, agreement or other document. With respect to each of these contracts, agreements or other documents filed as an exhibit to the registration statement, reference is made to the exhibits for a more complete description of the matter involved. The SEC maintains a web site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. The address of the SEC's website is *www.sec.gov*.

Upon completion of this offering, we will be required to file periodic reports, proxy statements and other information with the SEC pursuant to the Exchange Act. To comply with these requirements, we will file periodic reports, proxy statements and other information with the SEC.

We intend to make available on or through our internet website, *www.montaukenergy.com*, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

GLOSSARY OF KEY TERMS

Unless the context requires otherwise, references to "Montauk," the "Company," "we," "us" or "our" refer to Montauk Renewables, Inc. and its consolidated subsidiaries following completion of the Reorganization Transactions. Unless the context requires otherwise, for periods prior to the Reorganization Transactions, references to "MNK" refer to Montauk Holdings Limited and its consolidated subsidiaries, through which our business and operations have historically been conducted.

Unless we otherwise indicate, or unless the context requires otherwise, any references in this prospectus to:

- "*ADG*" refers to anaerobic digested gas.
- "*CARB*" refers to the California Air Resource Board.
- "*CNG*" refers to compressed natural gas.
- "*CI*" refers to carbon intensity.
- "*CWCs*" refers to cellulosic waiver credits.
- "*D3*" refers to cellulosic biofuel with a 60% GHG reduction requirement.
- "*D5*" refers to advanced biofuels with a 50% GHG reduction requirement.
- "*EHS*" refers to environment, health and safety.
- "*EIA*" refers to the U.S. Energy Information Administration.
- "*EPA*" refers to the U.S. Environmental Protection Agency.
- "*Environmental Attributes*" refer to federal, state and local government incentives in the United States, provided in the form of RINs, RECs, LCFS credits, rebates, tax credits and other incentives to end users, distributors, system integrators and manufacturers of renewable energy projects, that promote the use of renewable energy.
- "*FERC*" refers to the U.S. Federal Energy Regulatory Commission
- "*GHG*" refers to greenhouse gases.
- "*JSE*" refers to the Johannesburg Stock Exchange.
- "*LCFS*" refers to Low Carbon Fuel Standard.
- "*LFG*" refers to landfill gas.
- "*LNG*" refers to liquefied natural gas.
- "*PPAs*" refers to power purchase agreements.
- "*RECs*" refers to Renewable Energy Credits.
- "*Renewable Electricity*" refers to electricity generated from renewable sources.
- "*RFS*" refers to the EPA's Renewable Fuel Standard.
- "*RINs*" refers to Renewable Identification Numbers.
- "*RNG*" refers to renewable natural gas.
- "*RPS*" refers to Renewable Portfolio Standards.
- "*RVOs*" refers to renewable volume obligations.
- "*WRRFs*" refers to water resource recovery facilities.

MONTAUK HOLDINGS USA, LLC

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Members and Board of Directors
Montauk Holdings USA, LLC

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of Montauk Holdings USA, LLC (a Delaware limited liability company) and subsidiaries (the "Company") as of December 31, 2019 and 2018, the related consolidated statements of operations, member's equity, and cash flows for each of the two years in the period ended December 31, 2019, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2007.

Pittsburgh, Pennsylvania
October 14, 2020

MONTAUK HOLDINGS USA, LLC

CONSOLIDATED BALANCE SHEETS

(in thousands):	As of the year ended December 31, 2019	2018
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 9,788	$ 54,032
Restricted cash	7	—
Accounts and other receivables, net	9,968	11,023
Prepaid expenses and other current assets	2,779	1,431
Total current assets	$ 22,542	$ 66,486
Property, plant & equipment, net	$ 193,498	$ 168,418
Operating lease right-of-use assets	769	—
Deferred tax assets	8,745	7,847
Intangible assets, net	12,338	13,084
Restricted cash	567	947
Goodwill	60	60
Investments	—	1,096
Other assets	5,094	3,794
Total assets	**$ 243,613**	**$ 261,732**
LIABILITIES AND MEMBER'S EQUITY		
Current Liabilities:		
Accounts payable	$ 3,844	$ 4,541
Accrued liabilities	8,685	6,993
Current portion of operating lease liability	269	—
Income taxes payable	—	1,502
Current portion of derivative instruments	588	347
Current portion of long-term debt	9,310	18,313
Total current liabilities	$ 22,696	$ 31,696
Non-current portion of operating lease liability	$ 511	$ —
Non-current portion of derivative instruments	1,045	127
Long-term debt, less current portion	57,256	74,649
Asset retirement obligations	5,928	5,399
Other liabilities	1,920	1,920
Total liabilities	$ 89,356	$ 113,791
Member's equity	$ 154,257	$ 147,941
Total liabilities and member's equity	**$ 243,613**	**$ 261,732**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

MONTAUK HOLDINGS USA, LLC

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands except per share data):	For the year ended December 31, 2019	2018
Total operating revenues	$107,383	$116,433
Operating expenses:		
Operating and maintenance expenses	$ 39,783	$ 29,073
General and administrative expenses	13,632	11,953
Royalties, transportation, gathering and production fuel	20,558	22,359
Depreciation and amortization	19,760	16,195
Impairment loss	2,443	854
Transaction costs	202	176
Total operating expenses	$ 96,378	$ 80,610
Operating profit	$ 11,005	$ 35,823
Other expenses (income):		
Interest expense	$ 5,576	$ 3,083
Equity loss (gain) of nonconsolidated investments	(94)	224
Net loss (gain) on sale of assets	10	(266)
Other expense (income)	47	(3,781)
Total other expenses (income)	$ 5,539	$ (740)
Income before income taxes	$ 5,466	$ 36,563
Income tax expense (benefit)	(354)	7,796
Net income	$ 5,820	$ 28,767
Pro forma earnings per share (unaudited):		
Basic		
Diluted		
Pro forma weighted-average common shares outstanding (unaudited):		
Basic		
Diluted		

The accompanying notes to the consolidated financial statements are an integral part of these statements.

MONTAUK HOLDINGS USA, LLC

CONSOLIDATED STATEMENTS OF MEMBER'S EQUITY

(in thousands):	Member's Equity
Balance December 31, 2017	**$130,293**
Net income	28,767
Stock-based compensation	637
Dividends	(11,756)
Balance December 31, 2018	**$147,941**
Net income	5,820
Stock-based compensation	570
Class B Shareholder repurchase	(74)
Balance December 31, 2019	**$154,257**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

MONTAUK HOLDINGS USA, LLC

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands):	For the year ended December 31, 2019	2018
Cash flows from operating activities:		
Net Income	$ 5,820	$ 28,767
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	19,760	16,195
Provision for deferred income taxes	(898)	6,300
Stock-based compensation	570	637
Non-cash asset held for sale transfer	—	1,234
Derivative mark-to-market and settlements	994	430
Net gain on sale of assets	(40)	(322)
Accretion of asset retirement obligations	391	399
Amortization of debt issuance costs	1,118	655
Inventory obsolescence	—	105
Non-cash adjustment to capital expenditures	(361)	29
Equity (income) loss of nonconsolidated investments	(94)	224
Impairment loss	2,443	854
Accounts receivables and other current assets	(2,287)	(3,196)
Accounts payable and other accrued expenses	48	(2,630)
Net cash provided by operating activities	$ 27,464	$ 49,681
Cash flows from investing activities:		
Capital expenditures	$(45,249)	$ (40,191)
Cash collateral deposits, net	353	(46)
Proceeds from sale of equity method investments	300	—
Proceeds from insurance recovery	30	401
Distributions from equity method investment	—	(1,320)
Proceeds from sale of assets	—	1,250
Acquisitions, net of cash received	—	(12,980)
Net cash used in investing activities	$(44,566)	$ (52,886)
Cash flows from financing activities:		
Borrowings of long-term debt	$ 28,198	$ 114,500
Repayments of long-term debt	(55,001)	(66,165)
Debt issuance costs	(638)	(2,348)
Dividends	—	(11,756)
Class B shareholder repurchase	(74)	—
Net cash provided by (used in) financing activities	$(27,515)	$ 34,231
Net increase or decrease in cash, cash equivalents and restricted cash	$(44,617)	$ 31,026
Cash, cash equivalents and restricted cash at beginning of year	$ 54,979	$ 23, 953
Cash, cash equivalents and restricted cash at end of year	$ 10,362	$ 54,979
Reconciliation of cash, cash equivalents and restricted cash at end of year:		
Cash and cash equivalents	$ 9,788	$ 54,032
Restricted cash and cash equivalents—current	7	—
Restricted cash and cash equivalents—non-current	567	947
	$ 10,362	$54,979
Supplemental cash flow information:		
Capital expenditures financed by accounts payable	$ 92	$ 821
Cash paid for interest (net of amounts capitalized)	4,847	2,843
Cash paid for income taxes	2,679	349
Change in asset retirement obligation estimate	—	(1,778)

The accompanying notes to the consolidated financial statements are an integral part of these statements.

MONTAUK HOLDINGS USA, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(all amounts in thousands, unless otherwise indicated)

NOTE 1—DESCRIPTION OF BUSINESS

Operations and organization

Montauk Holdings USA, LLC and subsidiaries ("*Montauk USA*" or the "*Company*") is a holding company, formed on November 20, 2006 for the specific purpose of acquiring the membership interests in Montauk Energy Capital, LLC ("*MEC*"). On November 20, 2010, Montauk USA formed Montauk Energy Holdings, LLC ("*MEH*"), a wholly-owned subsidiary to which Montauk USA contributed its membership interests in MEC. All references to operations and operating results pertain to the combined operations of MEC and MEH (collectively "*Montauk Energy*"). The Company is 100% owned by Montauk Holdings Ltd., an investment holding company, incorporated in South Africa with its operating subsidiaries domiciled in the United States.

Montauk Energy is a renewable energy company specializing in the management, recovery and conversion of biogas into Renewable Natural Gas ("*RNG*"). The Company captures methane, preventing it from being released into the atmosphere, converting it into either RNG or electrical power for the electrical grid ("*Renewable Electricity*"). The Company, headquartered in Pittsburgh, Pennsylvania, has more than 30 years of experience in the development, operation and management of landfill methane-fueled renewable energy projects. The Company has current operations at 15 operating projects located in California, Idaho, Ohio, Oklahoma, Pennsylvania and Texas. The Company sells RNG and Renewable Electricity, taking advantage of Environmental Attributes (as defined below) premiums available under federal and state policies that incentivize their use.

One of the Company's key revenue drivers is the selling of captured gas and the selling of Renewable Identification Numbers ("*RINs*") to fuel blenders. The Renewable Fuel Standard ("*RFS*") is an Environmental Protection Agency (the "*EPA*") administered federal law that requires transportation fuel to contain a minimum volume of renewable fuel. RNG derived from landfill methane, agricultural digesters and wastewater treatment facilities used as a vehicle fuel qualifies as a D3 (cellulosic biofuel with a 60% greenhouse gas reduction requirement) RIN. The RINs are compliance units for fuel blenders that were created by the RFS program in order to reduce greenhouse gases and imported petroleum into the United States.

An additional program utilized by the Company is the Low Carbon Fuel Standard ("*LCFS*"). This is state specific and is designed to stimulate the use of low-carbon fuels. To the extent that RNG from the Company's facilities is used as a transportation fuel in states that have adopted an LCFS program, it is eligible to receive an Environmental Attribute additional to the RIN value under the federal RFS.

The second primary revenue driver is the selling of captured electricity and the associated environmental premiums related to renewable sales. The Company's electric facilities are designed to conform to and monetize various state renewable portfolio standards requiring a percentage of the electricity produced in that state to come from a renewable resource. Such premiums are in the form of Renewable Energy Credits ("*RECs*"). All four of the Company's electric facilities receive revenue for the monetization of RECs either as a part of a power sales agreement or separately.

Collectively, the Company benefits from federal, state and local government incentives in the United States, provided in the form of RINs, RECs, LCFS credits, rebates, tax credits and other incentives to end users, distributors, system integrators and manufacturers of renewable energy projects, that promote the use of renewable energy, as environmental attributes ("*Environmental Attributes*").

MONTAUK HOLDINGS USA, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Montauk USA, MEH, MEC and their respective subsidiaries and joint ventures in which a controlling interest is held. All intercompany balances and transactions have been eliminated in consolidation. The Company utilizes the equity method of accounting for companies where its ownership is greater than 50% and significant but controlling interest does not exist.

Unaudited Pro Forma Information

Prior to the completion of our initial public offering ("*IPO*"), Montauk Holdings Ltd. will distribute the common stock of Montauk Renewables, Inc. to its shareholders and immediately prior thereto Montauk Renewables, Inc. will enter into a series of transactions in which it will assume the assets and liabilities of Montauk Energy ("*Reorganization Transactions*").

Segment Reporting

The Company reports segment information consistent with the internal reporting provided to the chief operating decision maker evaluates operating results and performance. The aforementioned business services and offerings described in Note 1 are grouped and defined by management as two distinct operating segments: RNG and Renewable Electricity Generation. Below is a description of the Company's operating segments and other activities.

Our RNG segment represents the sale of gas sold at fixed-price contracts, counterparty share RNG volumes and applicable Environmental Attributes. This business unit represents the majority of the revenues generated by the Company.

The Renewable Electricity Generation segment represents the sale of captured electricity and applicable Environmental Attributes.

Corporate & Other relates to additional discrete financial information for the corporate function; primarily used as a shared service center for maintaining functions such as executive, accounting, treasury, legal, human resources, tax, environmental, engineering and other operations functions not otherwise allocated to a segment. As such, the corporate entity is not determined to be an operating segment but is discretely disclosed for purposes of reconciliation to the Company's consolidated financial statements.

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States ("*GAAP*"), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents include highly liquid investments with maturity dates of three months or less from the date of purchase and are recorded at cost. From time to time, the Company holds cash in banks in excess of

federally insured limits. Restricted cash is classified as current or non-current based on the terms of the underlying agreements and represents cash held as deposits, cash held in escrow and cash collateral for financial letters of credit.

Accounts and Other Receivables

Accounts and other receivables on the Consolidated Balance Sheets represent outstanding billings for goods and services delivered to customers on an unsecured basis as well as reimbursable expenses. In evaluating its allowance for doubtful accounts for accounts receivable, the Company performs ongoing reviews of its outstanding receivables to determine if any amounts are uncollectable and adjusts the allowance for doubtful accounts accordingly. The Company recorded an immaterial allowance for doubtful accounts related to other than trade receivables at December 31, 2019. There were no such allowances for doubtful accounts at December 31, 2018.

Property, Plant and Equipment

Property, plant and equipment purchases are stated at cost. Depreciation and amortization are based on costs less estimated salvage values, primarily using the straight-line method over the estimated useful lives or, if applicable, the term of the related gas rights agreements or power purchase agreements, whichever is shorter. Maintenance and repairs are expensed as incurred. Major improvements that extend the useful lives of property are capitalized.

The estimated useful lives of the Company's property, plant and equipment reflect the expected consumption of the economic benefit of these assets as noted in the following table:

Buildings and improvements	5—30 years
Machinery and equipment	1—43 years
Gas mineral rights	15—25 years

The Company received insurance proceeds of $30 for business interruption at one of its RNG facilities as a result of a truck crash during 2019. During 2018, the Company received insurance proceeds of $401, net of deductibles of $250, related to schedule and performance inefficiencies due to a forced interconnection curtailment at one of its electric generation facilities. These insurance proceeds are included in Other income in the Consolidated Statements of Operations.

Goodwill and Intangible Assets

Goodwill is the cost of an acquisition less the fair value of the identified net assets of the acquired business. The Company recorded goodwill of $60 resulting from the acquisition of Pico Energy, LLC ("*Pico*") on September 21, 2018. More information about Pico is included in Note 3.

Separately identifiable intangible assets are recorded at their fair values upon acquisition. The Company accounts for its intangible assets in accordance with ASC 350, *Intangibles—Goodwill and Other* ("*ASC 350"*). Finite-lived intangible assets include interconnections, customer contracts and trade name & trademarks. The interconnection intangible asset is the exclusive right to utilize an interconnection line between the operating plant and a utility substation to transmit produced electricity. Included in that right is full maintenance provided on this line by the utility. Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful life as depicted in the chart below. Indefinite intangible assets are not amortized and include emission allowances

and land use rights. Emission allowances consist of permanent allocations of nitrogen oxide ("*NOx*") credits. In certain regions of the United States, our business operations require us to obtain environmental permits, including environmental permits for the emission of NOx from internal combustion engines. Except for permanent allocations of NOx credits, the NOx credits available for use each year are capped at a level necessary for ozone attainment per the National Ambient Air Quality Standards. Permanent allowance allocations represent an ongoing authorization to emit NOx, making permanent allocations highly valuable. The Company acquired permanent allowance allocations through a prior acquisition and they are required in order to operate sites that were part of the acquisition.

The estimated useful lives of separately identified intangible assets are as follows:

Interconnection	10—25 years
Customer contracts	2—15 years
Emissions allowances	Indefinite
Land use rights	Indefinite

Assets Held for Sale

Assets classified as held for sale are reported at the lower of their carrying value or fair value less costs to sell. Assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction, rather than through continued use. This condition is met only when the sale is highly probable and the assets are available for immediate sale in their present condition, subject only to terms that are usual and customary for sales of such assets. Management must be committed to a sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale and actions required to complete the plan of sale indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Impairment losses on initial classification as held-for-sale are recognized in the consolidated statement of operations. Assets held for sale are no longer depreciated or amortized. At December 31, 2019 and December 31, 2018, the Company had no assets classified as held for sale. See Note 8 for more information on the Company's investment in Red Top.

Investments

Investments in companies in which the Company has the ability to exert significant influence, but not control, over operating and financial policies (generally, 20% to 50% ownership) are accounted for using the equity method. Under the equity method, investments are initially recorded at cost and adjusted for dividends and undistributed earnings and losses. The equity method of accounting requires a company to recognize a loss in the value of an equity method investment that is other than a temporary decline.

Long-Lived Asset Impairment

In accordance with ASC 360*, Property, Plant and Equipment* ("*ASC 360*") and intangible assets with finite useful lives are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by comparing the carrying amount of an asset or asset group to future undiscounted cash flows expected to be generated by the asset or asset group. Such estimates are based on certain assumptions, which are subject to uncertainty and may materially differ from actual results. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

MONTAUK HOLDINGS USA, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A summary of impairment losses on tangible and intangible assets for the year ended December 31, 2019 and 2018 is included in Note 4.

Indefinite-Lived Asset Impairment

Indefinite-lived intangible assets are required to be evaluated for impairment at least annually or whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. The evaluation of impairment under ASC 350 requires the use of projections, estimates and assumptions as to the future performance of the Company's operations, including anticipated future revenues, expected operating costs and the discount factor used. Actual results may differ from projections which, in turn, may result in the recognition of an impairment loss.

Asset Retirement Obligations

The Company accounts for asset retirement obligations as required under ASC 410, *Asset Retirement and Environmental Obligations,* ("*ASC 410*"). ASC 410 requires the fair value of a liability for an asset retirement obligation be recognized in the period in which the legal obligation arises, with the associated discounted asset retirement costs being capitalized as a part of the carrying amount of the long-lived asset and the annual accretion expense recorded in operations. The Company has recorded in the consolidated financial statements estimates for asset retirement obligations related to the decommissioning and removal requirements for specific gas processing and distribution assets, as required by their associated gas rights agreements.

Income Taxes

Montauk USA has elected to be treated as a corporation for income tax purposes. Therefore, income taxes are accounted for under the liability method on a consolidated basis by Montauk USA in accordance with ASC 740, *Income Taxes* ("*ASC 740*"). Deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws. The provision for income taxes includes federal and state income taxes.

The Company recognizes the financial statement benefit of a tax position only after determining the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the consolidated financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company recognizes accrued interest and penalties related to unrecognized tax benefits in income tax expense.

Derivative Instruments

The Company applies the provisions of ASC 815, *Derivatives and Hedging,* ("*ASC 815*"). ASC 815 requires each derivative instrument to be recorded in the Consolidated Balance Sheets at its fair value. Changes in a derivative instrument's fair value are recognized currently in earnings unless specific hedge criteria are met.

Fair Value of Financial Instruments

The Company employs varying methods and assumptions in estimating the fair value of each class of financial instruments for which it is practicable to estimate fair value. For cash and cash equivalents, receivables and payables, the carrying amounts approximate fair value due to the short maturity of these instruments. For

long-term debt, the carrying amounts approximate fair value as the interest rates obtained by the Company approximate the prevailing interest rates available to the Company for similar instruments.

In accordance with ASC 820, *Fair Value Measurement* ("*ASC 820*"), a hierarchy is established which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The hierarchy defines three levels of inputs that may be used to measure fair value:

Level 1—Unadjusted quoted prices in active markets for identical unrestricted assets and liabilities that the reporting entity has the ability to access at the measurement date.

Level 2—Inputs other than quoted prices included within Level 1 that are observable for the assets and liabilities or can be corroborated with observable market data for substantially the entire contractual term of the assets or liabilities.

Level 3—Unobservable inputs that reflect the entity's own assumptions about the assumptions market participants would use in the pricing of the assets or liabilities and are consequently not based on market activity but rather through particular valuation techniques. The Company uses the fair value methodology to value the assets and liabilities recorded at fair value, including the Company's derivative instruments and asset retirement obligations.

The Company's gas hedges are valued based on the observable market price of the commodity hedged and are considered a Level 1 measurement. The Company's electricity hedges were valued based on unobservable inputs with no readily available market data and are considered a Level 3 measurement. The values of the Level 2 interest rate derivatives were determined using a model, which incorporates market inputs including the implied forward interest rate yield curve for the same period as the future interest rate swap settlement. The Company has also considered both its own credit risk and counterparty credit risk in determining fair value and determined these adjustments were insignificant for the years ended December 31, 2019 and 2018. The Company's asset retirement obligations are recorded at fair value at the time the liability is incurred if a reasonable estimate of fair value can be made. Fair value is determined by calculating the estimated present value of the cost to retire the asset as determined by qualified engineers, based on currently available information and inflation estimates and is considered a Level 3 measurement.

A summary of changes in the fair values of the Company's Level 3 instruments, attributable to asset retirement obligations, for the years ended December 31, 2019 and 2018 is included in Note 12.

Renewable Identification Numbers

The Company generates D3 RINs through its production and sale of RNG used for transportation purposes as prescribed under the Federal Renewable Fuel Standard. The RINs that the Company generates as an output of its renewable operating projects can be separated and sold independent from the energy produced. Therefore, no cost is allocated to the RIN when it is generated. Revenue is recognized on these Environmental Attributes when there is an agreement in place to monetize the credits at an agreed upon price with a customer and transfer of control has occured. Realized prices for Environmental Attributes monetized in a year may not correspond directly to index prices due to the forward selling of commitments. The Company had 886 and 1,690 RINs generated and unsold as of December 31, 2019 and 2018, respectively.

MONTAUK HOLDINGS USA, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Renewable Energy Credits

The Company generates RECs through its production and sale of landfill methane into renewable electric energy as prescribed by the State of California Renewables Portfolio Standard or the EPA. The RECs that the Company generates as an output of its renewable operating projects are able to be separated and sold independent from the electricity produced. Therefore, no cost is allocated to the REC when it is generated. Revenue is recognized on these Environmental Attributes when there is an agreement in place to monetize the credits at an agreed upon price with a customer and transfer of control has occurred.

Equity-Based Compensation

The Company accounts for equity-based compensation under the provisions of ASC 718, *Compensation – Stock Compensation,* ("*ASC 718*"). ASC 718 requires compensation costs related to share-based payment transactions, measured based on the fair value of the instruments issued, be recognized in the consolidated financial statements over the requisite service period of the award. Stock options are initially measured on the grant date using the Black-Scholes valuation model, which requires the use of subjective assumptions related to the expected stock price volatility, term, risk-free interest rate and dividend yield. For restricted stock shares, the Company determines the grant date fair value based on the closing market price of the stock on the date of the grant.

Employee Benefits

Leave entitlement

Employee entitlements to annual leave are recognized when they accrue to employees. An accrual is made for the estimated liability to the employees for annual leave up to the financial year end date. This liability is included in "Accrued Liabilities" in the Consolidated Balance Sheets.

Bonus Plans

The Company recognizes a liability and an expense for incentive compensation bonuses awarded based on the achievement of Company and personnel goals where contractually obliged or where there is a past practice that has created a constructive obligation. An accrual is maintained for the appropriate proportion of the expected bonuses which would become payable at year end.

Recently Adopted Accounting Standards

In May 2014, the FASB issued ASC 606, *Revenue from Contracts with Customers* ("*ASC 606*"). ASC 606 is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. It also requires additional disclosure about the nature, amount, timing and uncertainty of revenue, cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. ASC 606 is effective for fiscal years beginning after December 15, 2017, including interim periods within that reporting period. The Company adopted the provisions of ASC 606 on January 1, 2018, using the modified retrospective approach. Revenue from the Company's point in time product sales continue to be recognized when products are shipped, or services are invoiced and control transferred. Revenue from the Company's product and service sales provided under long-term agreements is recognized as the Company transfers control of the product or renders service to its customers, which approximates the time when the customer is invoiced. The adoption of ASC 606 had no material effect on the Company's financial position, results of operations, or cash flows, and no adjustment to January 1, 2018 opening retained earnings was needed. The Company has presented the disclosures required by ASC 606 in Note 5.

MONTAUK HOLDINGS USA, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In October 2016, the FASB issued ASU 2016-16, *Income Taxes—Intra-Entity Transfers of Assets Other Than Inventory (Topic 740)*, ("*ASU 2016-16*") which requires an entity to recognize the income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs. The ASU was effective on for annual reporting periods beginning after December 15, 2018 and was adopted by the Company on January 1, 2019, using the modified retrospective approach. The adoption of ASU 2016-16 had no material effect on the Company's financial position, results of operations.

On January 1, 2019, the Company early adopted FASB ASU 2016-02, *Leases*, ("*ASU 2016-02*"). This ASU requires lessees to recognize a right-of-use asset and lease liability on the Consolidated Balance Sheet for leases classified as operating leases. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize a right-of-use asset and lease liability. Additionally, when measuring assets and liabilities arising from a lease, optional payments should be included only if the lessee is reasonably certain to exercise an option to extend the lease, exercise a purchase option, or not exercise an option to terminate the lease. A right-of-use asset represents an entity's right to use the underlying asset for the lease term, and a lease liability represents an entity's obligation to make lease payments. Currently, an asset and liability only are recorded for leases classified as capital leases (financing leases). The measurement, recognition and presentation of expenses and cash flows arising from leases by a lessee remains the same. In connection with the adoption of this guidance, the Company has completed an assessment resulting in an accumulation of all of its leasing arrangements and has validated the information for accuracy and completeness. Upon adoption of the new lease guidance, management recorded a right-of-use asset and lease liability, each in the amount of approximately $1,007, on the Company's Consolidated Balance Sheet for various types of operating leases, including office space and other equipment. This amount is equivalent to the aggregate future minimum lease payments on a discounted basis. The Company has also elected to apply the package of transitional practical expedients of the new lease guidance by allowing the Company not to: (1) reassess if expired or existing contracts are, or contain, leases; (2) reassess lease classification for any expired or existing leases; and (3) reassess initial direct costs for any existing leases. Additionally, in July 2018, the FASB issued guidance to provide for an alternative transition method to the new lease guidance, whereby an entity can choose not to reflect the impact of the new lease guidance in the prior periods included in its condensed consolidated financial statements. The Company has utilized this alternative transition method in connection with its adoption on January 1, 2019. The Company has included the enhanced disclosures required by this guidance in its consolidated financial statements for the year ended December 31, 2019.

Recently Issued Accounting Standards

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses* ("*ASU 2016-13*"). The new guidance changes how entities measure credit losses on financial instruments and the timing of when such losses are recorded. The new standard is effective for fiscal years beginning after December 15, 2022, with early adoption permitted. The Company is currently evaluating the impact this ASU will have on its consolidated financial statements and related disclosures.

In August 2018, the FASB issued ASU 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software* ("*ASU 2018-15*"). The ASU requires capitalization of certain implementation costs incurred in a cloud computing arrangement that is a service contract. The amendments in the ASU are effective for fiscal years beginning after December 15, 2020 and for interim periods therein with early adoption permitted. The Company is currently evaluating the potential impact of the ASU on its consolidated financial position, results of operations and cash flows.

In December 2019, the FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes* ("*ASU 2019-12*"). The new guidance which simplifies the accounting for income taxes, eliminates certain exceptions

with ASC 740 and clarifies certain aspects of the current guidance to promote consistency among reporting entities. The new standard is effective for fiscal years beginning after December 15, 2021, with early adoption permitted. The Company is currently evaluating the impact this ASU will have on its consolidated financial statements and related disclosures.

NOTE 3—ACQUISITIONS

On September 21, 2018, the Company completed the acquisition of 100% of Pico, a dairy digester Renewable Electricity facility, for $14,900 in cash and contingent consideration. The acquisition was accounted for under the acquisition method of accounting under GAAP, which requires an acquiring entity to recognize, with limited exceptions, all the assets acquired and liabilities assumed in a transaction at fair value as of the acquisition date. Goodwill is the cost of an acquisition less the fair value of the identified net assets of the acquired business. The Company incurred $2,443 of acquisition-related costs that are included in the results of operations for the fiscal year ended December 31, 2018.

The purchase agreement for Pico includes an earn-out provision dependent on, and calculated as a factor of, achieving certain levels of EBITDA and production volumes (each as determined under such agreement) during the term of the related gas rights agreement. Any potential earn-out would not be paid until after the commercial operation date of the site. The Company performed a risk adjusted analysis in order to reasonably estimate the earn-out obligation. Based upon the risk adjusted analysis, the preliminary contingent consideration was calculated to be $1,920. A range including an estimated maximum is not readily determinable as the earn-out calculation is dependent on the level of EBITDA and production volumes attained. The earn-out is shown in the purchase price allocation table below as contingent consideration. With the commercial operation date occurring during the period ended September 30, 2020, the first calculation period to determine payment under the earn-out provisions ends December 31, 2020. No such payment has been made as of September 30, 2020.

Included in the Company's consolidated results from the date of acquisition are revenues of $1,612 and a pre-tax loss of $987. Had the acquisition occurred on the first day of the financial reporting period, approximately an additional $383 in revenues and a pre-tax loss of approximately $413 would have been included in the consolidated statement of operations.

The following table presents the preliminary allocation of purchase price based on estimated values made during the measurement period:

	Preliminary	Adjustments	Final
Trade receivables	$ 120	$ (120)	$ —
Inventories	390	(149)	241
Property, plant and equipment	11,031	1,185	12,216
Identified intangible assets	5,219	(2,836)	2,383
Total identified assets acquired	16,760	(1,920)	14,840
Trade payables	(80)	80	—
Net identified assets acquired	16,680	(1,840)	14,840
Goodwill	—	60	60
Contingent consideration	(3,700)	1,780	(1,920)
Purchase price allocation	**$ 12,980**	**$ —**	**$12,980**

The $2,383 of acquired identified intangible assets will be amortized over their respective, expected useful lives. Of the amount allocated to identified intangible assets, $1,883 was assigned to gas mineral rights (20-year useful lives) and $500 was assigned to customer contracts (3.25-year useful life). The weighted average useful life of intangible assets acquired was 16.5 years. The amount allocated to goodwill reflects the cost of the acquisition less the fair value of the identifiable assets of Pico and is deductible for income tax purposes.

MONTAUK HOLDINGS USA, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4—ASSET IMPAIRMENT

The Company completed an evaluation of asset impairment due to triggering events in accordance with ASC 360, the Company calculated and recorded an impairment loss as of December 31, 2019 of approximately $2,443. Of this loss, $1,690 and $753 is included in RNG and Renewable Electricity Generation, respectively. The impairment loss was due to the continued deterioration in market pricing for electricity, conversion of existing Renewable Electricity to RNG sites, cancellation of a site conversion agreement, and calculated based upon replacement cost and pre-tax cash flow projections, which is considered a Level 3 measurement. The impairment loss was recorded as a component of operating expenses and property, plant and equipment —net within the Consolidated Statements of Operations for the year ended December 31, 2019 and Consolidated Balance Sheet as of December 31, 2019. The Company recorded an impairment loss of $854 for the year ended December 31, 2018 in Renewable Electricity Generation. The impairment loss was due to the conversion of certain Renewable Electricity facilities to RNG facilities and the continued deterioration in market pricing for electricity as well as a cancellation of a site conversion agreement.

NOTE 5—REVENUES FROM CONTRACTS WITH CUSTOMERS

The Company's revenues are comprised of renewable energy and related Environmental Attribute sales provided under long-term contracts with its customers. All revenue is recognized when (or as) the Company satisfies its performance obligation(s) under the contract (either implicit or explicit) by transferring the promised product or service to its customer either when (or as) its customer obtains control of the product or service. A performance obligation is a promise in a contract to transfer a distinct product or service to a customer. A contract's transaction price is allocated to each distinct performance obligation. The Company allocates the contract's transaction price to each performance obligation using the product's observable market standalone selling price for each distinct product in the contract.

Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring its products or services. As such, revenue is recorded net of allowances and customer discounts. To the extent applicable, sales, value add and other taxes collected from customers and remitted to governmental authorities are accounted for on a net (excluded from revenues) basis.

The Company's performance obligations related to the sale of renewable energy (i.e. RNG and Renewable Electricity) are generally satisfied over time. Revenue related to the sale of renewable energy is generally recognized over time either using an output or measure based upon the product quantity delivered to the customer. This measure is used to best depict the Company's performance to date under the terms of the contract. Revenue from products transferred to customers over time accounted for approximately 38% and 36% of revenue for the years ended December 31, 2019 and December 31, 2018, respectively.

The nature of the Company's long-term contracts may give rise to several types of variable consideration, such as periodic price increases. This variable consideration is outside of the Company's influence as the variable consideration is dictated by the market. Therefore, the variable consideration associated with the long-term contracts is considered fully constrained.

The Company's performance obligations related to the sale of Environmental Attributes are generally satisfied at a point in time and were approximately 62% and 64% of revenue for the years ended December 31, 2019 and December 31, 2018, respectively. The Company recognizes Environmental Attribute revenue at the point in time in which the customer obtains control of the Environmental Attributes, which is generally when the title of the Environmental Attribute passes to the customer upon delivery. In limited cases, title does not transfer to the customer and revenue is not recognized until the customer has accepted the Environmental Attributes.

MONTAUK HOLDINGS USA, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following tables display the Company's revenue by major source, excluding realized and unrealized gains or losses under the Company's gas hedge program, based on product type and timing of transfer of goods and services for the years ended December 31, 2019 and December 31, 2018:

	Year ended December 31, 2019		
	Goods transferred at a point in time	Goods transferred over time	Total
Major Goods/Service Line:			
Natural Gas Commodity	$ 6,591	$ 27,263	$ 33,854
Natural Gas Environmental Attributes	52,204	—	52,204
Electric Commodity	—	12,396	12,396
Electric Environmental Attributes	7,231	—	7,231
	$ 66,026	$ 39,659	$105,685
Operating Segment:			
Renewable Natural Gas	$ 58,795	$ 27,263	$ 86,058
Renewable Electricity Generation	7,231	12,396	19,627
	$ 66,026	$ 39,659	$105,685

	Year ended December 31, 2018		
	Goods transferred at a point in time	Goods transferred over time	Total
Major Goods/Service Line:			
Natural Gas Commodity	$ 13,069	$ 30,174	$ 43,243
Natural Gas Environmental Attributes	55,341	—	55,341
Electric Commodity	—	12,044	12,044
Electric Environmental Attributes	6,163	—	6,163
	$ 74,573	$ 42,218	$116,791
Operating Segment:			
Renewable Natural Gas	$ 68,410	$ 30,174	$ 98,584
Renewable Electricity Generation	6,163	12,044	18,207
	$ 74,573	$ 42,218	$116,791

Practical expedients

Under the new revenue standard, companies may elect various practical expedients upon adoption. As a result, the Company elected to recognize the sale of the gas and electric commodities using the right to invoice practical expedient. The Company determined that the amounts invoiced to customers correspond directly with the value to customers and the Company's satisfaction of the performance obligations to date. Furthermore, with the election of the right to invoice practical expedient, the Company also elects to omit disclosures on the remaining, or unsatisfied performance obligations since the revenue recognized corresponds to the amount that the Company has the right to invoice.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6—ACCOUNTS AND OTHER RECEIVABLES

The Company extends credit based upon an evaluation of the customer's financial condition and, while collateral is not required, the Company periodically receives surety bonds that guarantee payment. Credit terms are consistent with industry standards and practices. Reserves for uncollectible accounts, if any, are recorded as part of general and administrative expenses in the Consolidated Statements of Operations and were $360 and $0 for the years ended December 31, 2019 and December 31, 2018 respectively.

Accounts and other receivables consist of the following as of December 31, 2019 and 2018:

	Year ended December 31,	
	2019	2018
Accounts receivable	$ 10,032	$ 11,023
Other receivables	8	—
Allowance for doubtful accounts	(72)	—
Accounts and Other Receivables, Net	**$ 9,968**	**$ 11,023**

NOTE 7—PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment consists of the following as of December 31, 2019 and 2018:

	Year ended December 31,	
	2019	2018
Buildings and improvements	$ 13,999	$ 15,626
Machinery and equipment	229,793	195,007
Gas mineral rights	40,451	39,951
Construction work in progress	30,125	20,649
Total	314,368	271,233
Less: Accumulated depreciation and amortization	(120,870)	(102,815)
Property, Plant & Equipment, Net	**$ 193,498**	**$ 168,418**

Depreciation expense for property plant and equipment was approximately $15,878 and $12,368 and amortization expense for gas mineral rights was approximately $2,355 and $2,256 for the years ended December 31, 2019 and December 31, 2018, respectively.

NOTE 8—INVESTMENTS

On July 18, 2018, the Company entered into a joint venture, Red Top, in which it maintained an 80% ownership interest while a dairy farm owned 20% and represented the Company's first RNG project on a dairy farm. Red Top was established to own and operate a manure digester and build, own and operate an RNG facility for a term of 20 years from commercial operation.

Under applicable guidance for variable interest entities on ASC 810, *Consolidation* ("*ASC 810*"), the Company determined that Red Top was a variable interest entity. The Company concluded that it was not the primary beneficiary of the variable interest entity, as the Company did not have the power to direct the activities that most significantly impacted the economic performance of Red Top. The Company accounted for Red Top under the equity method of accounting.

MONTAUK HOLDINGS USA, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company made an initial capital contribution to Red Top of $1,000 and an additional capital contribution of $320 in August 2018. The Company recorded equity in the losses of Red Top of $224 for the year ended December 31, 2018.

In March 2019, pursuant to the underlying joint venture agreement, the Company made the decision to sell its equity interest and no longer classified Red Top as a variable interest entity. The Company concluded that Red Top has met the criteria under applicable guidance for a long-lived asset to be held for sale and reclassified its investment in Red Top of $1,096 as a current asset held for sale. On July 26, 2019, the Company entered into an agreement to sell Red Top to the 20% owner for $300. The terms of the sale included the distribution of approximately $892 in fixed assets to the Company. After this distribution, the Company recorded a gain of approximately $94. The Company continued to classify the $892 of fixed assets as held for sale.

At December 31, 2019, the Company estimated the fair value the $892 of fixed assets held for sale and concluded that the carrying value exceeded the fair values and recorded an impairment of $892 for the year ended December 31, 2019.

NOTE 9—INTANGIBLE ASSETS, NET

Intangible assets consist of the following as of December 31, 2019 and December 31, 2018:

	Year ended December 31,	
	2019	2018
Intangible assets with indefinite lives:		
Emissions allowances	$ 777	$ 777
Land use rights	329	329
Total intangible assets with indefinite lives:	$ 1,106	$ 1,106
Intangible assets with finite lives:		
Interconnection, net of accumulated amortization of $1,613 and $1,041	$ 9,327	$ 9,248
Customer contracts, net of accumulated amortization of $15,832 and $14,878	1,905	2,730
Total intangible assets with definite lives:	$ 11,232	$ 11,978
Total Intangible Assets	**$ 12,338**	**$ 13,084**

The weighted average useful life of the customer contracts and interconnection is approximately 14 years and 19 years, respectively. Amortization expense was approximately $1,526 and $1,570 for the years ended December 31, 2019 and December 31, 2018, respectively. Amortization expense for customer contracts and interconnection the next five years is as follows:

	Customer contracts	Inter-Connections
Year Ending:		
2020	$ 884	$ 639
2021	880	639
2022	37	639
2023	27	570
2024	14	554
Thereafter	63	6,286

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10—ASSET RETIREMENT OBLIGATIONS

The following table summarizes the activity associated with asset retirement obligations of the Company for the years ended December 31, 2019 and December 31, 2018:

	Year ended December 31,	
	2019	2018
Asset retirement obligations—beginning of year	$ 5,399	$ 6,472
Accretion expense	391	399
Changes in asset retirement obligations estimate	—	(1,778)
New asset retirement obligations	177	306
Decommissioning	(39)	—
Asset retirement obligations—end of year	$ 5,928	$ 5,399

During 2018, the gas rights at three sites were extended. The asset retirement obligations were reduced as a result, due to increased discounting periods, and corresponding adjustments made to the property, plant and equipment items to which the cost of the asset retirement obligations were initially capitalized.

NOTE 11—DERIVATIVE INSTRUMENTS

To mitigate market risk associated with fluctuations in energy commodity prices (natural gas) and interest rates, the Company utilizes various hedges to secure energy commodity pricing and interest rates under a board-approved program. As a result of the hedging strategy employed, the Company had the following realized and unrealized gains and losses in the Consolidated Statements of Operations for the years ended December 31, 2019 and December 31, 2018:

		Year ended December 31,	
Derivative Instrument	Location	2019	2018
Commodity Contracts:			
Realized Natural Gas	Gas commodity sales	$ 1,446	$ (451)
Unrealized Natural Gas	Other income	252	91
Interest Rate Swaps	Interest expense	(1,246)	(520)
Net gain (loss)		**$ 452**	**$ (880)**

NOTE 12—FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's assets and liabilities that are measured at fair value on a recurring basis include the following as of December 31, 2019 and 2018, set forth by level, within the fair value hierarchy:

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Current commodity derivative asset	$ 388	$ —	$ —	$ 388
Interest rate swap derivative liabilities	—	(1,633)	—	(1,633)
Asset retirement obligations	—	—	(5,928)	(5,928)
	$388	$(1,633)	$(5,928)	$(7,173)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	December 31, 2018			
	Level 1	Level 2	Level 3	Total
Interest rate swap derivative assets	$ —	$ 223	$ —	$ 223
Current commodity derivative asset	136	—	—	136
Interest rate swap derivative liabilities	—	(610)	—	(610)
Asset retirement obligations	—	—	(5,399)	(5,399)
	$136	$(387)	$(5,399)	$(5,650)

A summary of changes in the fair values of the Company's Level 3 instruments, attributable to asset retirement obligations, for the years ended December 31, 2019 and 2018 is included in Note 10.

In addition, certain assets are measured at fair value on a non-recurring basis when an indicator of impairment is identified and the assets fair value is determined to be less than its carrying value. See Note 4 for additional information.

NOTE 13—ACCRUED LIABILITIES

The Company's Accrued Liabilities consists of the following as of December 31, 2019 and December 31, 2018:

	Year ended December 31,	
	2019	2018
Accrued expenses	$ 4,952	$ 1,803
Payroll and related benefits	849	610
Royalty	1,440	3,145
Utility	1,105	1,000
Other	339	435
Accrued Liabilities	**$ 8,685**	**$ 6,993**

NOTE 14—DEBT

The Company's debt consists of the following as of December 31, 2019 and December 31, 2018:

	Year ended December 31,	
	2019	2018
Term Loans	$ 40,000	$ 95,000
Revolving credit facility	28,198	—
Less: current principal maturities	(10,000)	(19,000)
Less: debt issuance costs (on long-term debt)	(942)	(1,351)
Long-term Debt	$ 57,256	$ 74,649
Current Portion of Long-term Debt	9,310	18,313
Total Debt	**$ 66,566**	**$ 92,962**

Amended Credit Agreement

On December 12, 2018, the Company entered into the Second Amended and Restated Revolving Credit and Term Loan Agreement (as amended by the First Amendment to Second Amended and Restated Revolving Credit

and Term Loan Agreement, dated as of March 21, 2019 (the "*First Amendment*"), and the Second Amendment to Second Amended and Restated Revolving Credit and Term Loan Agreement, dated as of September 12, 2019 (the "*Second Amendment*"), and as may be further amended from time to time (the "*Credit Agreement*"), by and among the Company, the financial institutions from time to time party thereto as lenders and Comerica Bank, as the administrative agent, sole lead arranger and sole bookrunner ("*Comerica*"). The Credit Agreement (i) amends and restates in its entirety the Amended and Restated Revolving Credit And Term Loan Agreement, dated as of August 4, 2017 (as amended by the First Amendment to Amended and Restated Revolving Credit And Term Loan Agreement, dated as of August 14, 2018 (the "*Prior Credit Agreement*"), by and between the Company and Comerica and (ii) replaces in its entirety the Credit Agreement, dated as of August 4, 2017 (as amended by the First Amendment to Credit Agreement, dated as of July 30, 2018 (the "*Prior Subsidiary Credit Agreement*"), by and between Bowerman Power LFG, LLC, a wholly-owned subsidiary of the Company, and Comerica. Proceeds of the term loan made under the Credit Agreement were used by the Company to, among other things, fully satisfy $28,232 of outstanding borrowings under the Prior Credit Agreement and $24,336 of outstanding borrowings under the Prior Subsidiary Credit Agreement.

The Credit Agreement, which is secured by a lien on substantially all assets of the Company and certain of its subsidiaries, provides for a $95,000 term loan and a $90,000 revolving credit facility. The term loan amortizes in quarterly installments of $4,750 and has a final maturity of December 12, 2023 with an interest
rate of 4.642% and 5.511% at December 31, 2019 and 2018, respectively.

On March 21, 2019, the Company entered into the First Amendment, which clarified a variety of terms, definitions and calculations in the Credit Agreement. The Credit Agreement requires the Company to maintain customary affirmative and negative covenants, including certain financial covenants, which are measured at the end of each fiscal quarter.

On August 28, 2019 the Company received a temporary waiver for an anticipated Event of Default (as defined in the Credit Agreement) for the consecutive three-month period ending on August 31, 2019 (the "*Specified Event of Default*"). The Specified Event of Default was waived through October 1, 2019. On September 12, 2019, the Company entered into the Second Amendment. Among other matters, the Second Amendment redefined the Fixed Charge Coverage Ratio (as defined in the Credit Agreement), reduced the commitments under the revolving credit facility to $80,000, redefined the Total Leverage Ratio (as defined in the Credit Agreement) and eliminated the RIN Floor (as defined in the Second Amendment) as an Event of Default. In connection with the Second Amendment, the Company paid down the outstanding term loan by $38,250 and the resulting quarterly principal installments were reduced to $2,500. The maturity date of the Credit Agreement was not changed by the Second Amendment and remains December 12, 2023.

As of December 31, 2019, $40,000 was outstanding under the term loan and $28,198 was outstanding under the revolving credit facility. In addition, the Company had $7,565 of outstanding letters of credit as of December 31, 2019. Amounts available under the revolving credit facility are reduced by any amounts outstanding under letters of credit. As of December 31, 2019, the Company's capacity available for borrowing under the revolving credit facility was $44,237. Borrowings of the term loans and revolving credit facility bear interest at the LIBOR rate plus an applicable margin or the Prime Reference Rate plus an applicable margin, as elected by the Company.

The Company accounted for the Credit Agreement as a debt modification in accordance with ASC 470, *Debt* ("*ASC 470*"). In connection with the Credit Agreement, the Company paid a total of $1,821 in new debt issuance costs comprised of $836 in costs paid to the lenders and $985 in costs paid as arranger fees. Of this amount, $364 was expensed and $1,457 was capitalized and will be amortized over the life of the Credit Agreement. The Company also incurred $59 in legal fees associated with the Credit Agreement.

As of December 31, 2019, the Company was in compliance with all financial covenants related to the Credit Agreement.

Prior Credit Agreement

On August 4, 2017, the Company entered into the Prior Credit Agreement, by and between the Company and Comerica. The Prior Credit Agreement provided a three-year term loan in the amount of $20,000 and a three-year revolving credit facility in the amount of $20,000. On August 14, 2018, the Company entered into the First Amendment to Amended and Restated Revolving Credit and Term Loan Agreement (the "*First Amendment to Prior Credit Agreement*"), which among other items, temporarily increased commitments of the revolving credit facility to $40,000 and amended certain financial covenants thereunder. The Prior Credit Agreement replaced the Company's $12,000 term loan and $12,000 revolving credit facility outstanding as of March 31, 2017. In connection with entering into the Prior Credit Agreement, the Company recorded a loss on extinguishment of approximately $1,611. The Company paid approximately $1,127 related to this extinguishment. The Company was the sole borrower under the Prior Credit Agreement, mandatory repayments were due in monthly installments through August 2020, and the obligations thereunder were secured by a lien on substantially all of the assets of the Company, except for those assets secured by the Prior Subsidiary Credit Agreement. The Prior Credit Agreement required the Company to maintain customary affirmative and negative covenants, including certain financial ratios, which were measured at the end of each fiscal quarter. As of December 31, 2018, the Company was in compliance with all financial covenants related to the Prior Credit Agreement. As described above, the Prior Credit Agreement was paid in full on December 12, 2018 when the Company entered into the Credit Agreement.

In addition, the Company had $8,260 of outstanding letters of credit under the Prior Credit Agreement as of December 31, 2018. Amounts available under the revolving credit facility were reduced by any amounts outstanding under letters of credit. The Company's capacity available for borrowing under the revolving credit facility was $13,700 for the year ended December 31, 2018.

Under the Prior Credit Agreement, the term loans and revolving credit facilities bore interest at the LIBOR plus an applicable margin or the Prime Reference Rate (as defined in the Prior Credit Agreement) plus an applicable margin, as elected by the Company. As of December 31, 2018, the interest rate on the outstanding term loan under the Prior Credit Agreement was 5.590%.

The Company was in compliance with all financial covenants related to the Prior Credit Agreement through December 12, 2018 when it was amended and restated by the Credit Agreement.

Prior Subsidiary Credit Agreement

On August 4, 2017, Bowerman Power LFG, LLC, a wholly-owned subsidiary of the Company ("*Bowerman*"), entered into the Prior Subsidiary Credit Agreement, by and between Bowerman and Comerica. The Prior Subsidiary Credit Agreement, which was secured by a lien on substantially all of the assets of Bowerman, provided for a five-year term loan in the amount of $27,500 and a five-year revolving credit facility in the amount of $10,000. On July 30, 2018, the Company entered into the First Amendment to Credit Agreement (the "*First Amendment to Prior Subsidiary Credit Agreement*"), which among other items, reduced the monthly principal payment and increased the payoff amount at the end of the term under the Prior Subsidiary Credit Agreement. The proceeds from the Prior Subsidiary Credit Agreement were used to repay all indebtedness outstanding under Bowerman's construction term loan that was outstanding as of August 4, 2017. Mandatory repayments of the Prior Subsidiary Credit Agreement were payable in monthly installments through August 2022 at an interest rate of 4.914%. The Prior Subsidiary Credit Agreement was paid in full on December 12, 2018 when the Company entered into the Credit Agreement.

The Prior Subsidiary Agreement required Bowerman to maintain customary affirmative and negative covenants, including certain financial ratios, which were measured at the end of each fiscal quarter. Amounts available under the Prior Subsidiary Credit Agreement's revolving credit facility were reduced by $1,960 in outstanding letters of credit.

The Company was in compliance with all financial covenants related to the Prior Subsidiary Agreement through December 12, 2018 when it was fully repaid and replaced by the Credit Agreement.

Capitalized Interest

Capitalized interest was $1,706 and $1,022 for the years ended December 31, 2019 and December 31, 2018, respectively. Interest is capitalized using the borrowing rate for the assets being constructed. Interest capitalized during 2019 and 2018 was for the construction of three and two LFG-to-energy projects, respectively.

Annual Maturities of Long-Term Debt

The following is a summary of annual principal maturities of long-term debt as of December 31, 2019:

	Amount
Year Ending	
2020	$ 9,310
2021	9,475
2022	9,665
2023	38,116
2024	—
Total	**$ 66,566**

NOTE 15—INCOME TAXES

The Company is subject to income taxes in the U.S. federal jurisdiction and various state and local jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply.

On December 22, 2017, the United States enacted the Tax Cuts and Jobs Act (the "*Tax Act*") which significantly changed U.S. corporate income tax laws beginning, generally, in 2018. These changes included, among others, (i) a permanent reduction of the U.S. corporate income tax rate from a top marginal rate of 35 percent to a flat rate of 21 percent, (ii) elimination of the corporate alternative minimum tax, (iii) immediate deductions for certain new investments instead of deductions for depreciation expense over time, (iv) limitation on the tax deduction for interest expense to 30 percent of adjusted taxable income, (v) limitation of the deduction for net operating losses to 80 percent of current year taxable income and elimination of net operating loss carrybacks and (vi) elimination of many business deductions and credits, including the domestic production activities deduction, the deduction for entertainment expenditures and the deduction for certain executive compensation in excess of $1 million. The 2019 and 2018 tax provisions reflect the legislative changes noted above, including the new corporate tax rate of 21 percent.

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The following table details the components of the Company's income tax provision (benefit) for the years ended December 31, 2019 and December 31, 2018:

	Year ended December 31,	
	2019	2018
Current expense (benefit):		
Federal	$ —	$ (973)
State	544	2,469
	$ 544	$ 1,496
Deferred expense (benefit):		
Federal	$ (722)	$ 4,784
State	(176)	1,516
	$ (898)	$ 6,300
Income tax expense (benefit)	$ (354)	$ 7,796

Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

The following table illustrates the deferred tax assets and liabilities as of December 31, 2019 and December 31, 2018:

	Year ended December 31,	
	2019	2018
Deferred tax assets:		
Net operating loss carry forwards	$ 16,843	$ 15,851
Federal tax credits	8,402	6,498
Book reserves	1,768	1,387
Intangible asset amortization	852	1,039
Interest expense	6,501	1,960
Other	2,235	1,351
Total deferred tax assets	36,601	28,086
Less: valuation allowance	(4,174)	(3,540)
Net deferred tax assets	$ 32,427	$ 24,546
Deferred tax liabilities:		
Property depreciation	$ (23,682)	$ (16,699)
Total deferred tax liabilities	(23,682)	(16,699)
Net Deferred Tax Assets	**$ 8,745**	**$ 7,847**

As of December 31, 2019, the Company has net operating loss ("*NOL*") carryforwards of $60,423 and federal tax credit carryforwards that expire 20 years from the date incurred. Current NOL carryforwards and tax credits are set to expire between 2027 and 2037. Of the Company's carryforwards of $60,423, $42,887 were incurred prior to the enactment of the Tax Cuts and Jobs Act and, therefore, can fully offset taxable income in a future year, and $17,536 of the Company's NOL carryforwards were incurred in 2018 or later taxable years and thus can generally offset 80% of taxable income in a future year.

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Section 382 of the Internal Revenue Code has the potential to limit the Company's ability to utilize existing NOL carryovers once the Company experiences an ownership change. Generally, an ownership change occurs when, within a span of 36 months (or, if shorter, the period beginning the day after the most recent ownership change), there is an increase in the stock ownership by one or more stockholders of more than 50 percentage points. Management continues to track possible ownership changes and currently does not believe there have been any changes that under Section 382 would limit the Company's usage of NOL carryforwards.

The following table details the components of the Company's income tax provision (benefit) for the years ended December 31, 2019 and December 31, 2018:

	Year ended December 31,	
	2019	2018
Tax provision at federal statutory rate of 21%	$ 1,125	$ 7,693
State tax provision (benefit)	(29)	2,576
Non-controlling interests	16	(15)
Valuation allowance	634	467
Tax credits	(1,881)	(2,821)
Return to provision	(24)	(284)
Other	(195)	$ 180
Total income tax expense (benefit)	**$ (354)**	**$ 7,796**

The Company has completed an Internal Revenue Service ("*IRS*") examination for the period ended March 31, 2011 with no material adjustments. Additionally, the IRS completed an exam for the period ended March 31, 2018 with a "No Change" result. As of December 31, 2019, the tax years 2016, 2017 and 2018 are subject to examination by the IRS.

Valuation Allowance

The Company annually reviews its deferred tax assets for the possibility they will not be realized. A valuation allowance will be recorded if it is determined more than a 50% likelihood exists that a deferred tax asset will not be realized. A $4,174 valuation allowance exists for Monmouth Energy, Inc., which represents the subsidiary's deferred tax assets that are not expected to be realized.

The Company has a $27,552 gross deferred tax asset related to Section 163(j) interest disallowance. As a result of the dissolution of the MEC partnership (see Note 22), the Company's history of earnings, and the Company's future forecasts, the Company does not believe a valuation allowance is required at this time related to previously disallowed interest expense.

Uncertain Tax Position

The calculation of the Company's tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations in both federal and state jurisdictions. ASC 740 states that a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, on the basis of each situation's technical merits.

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The Company (1) records unrecognized tax benefits as liabilities in accordance with ASC 740 and (2) adjusts these liabilities when its judgment changes as a result of the evaluation of new information not previously available. Because of the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from our current estimate of the unrecognized tax benefit liabilities. These differences will be reflected as increases or decreases to income tax expense in the period in which new information is available. The Company has not recorded any liability for unrecognized tax benefits as of December 31, 2019 or 2018.

At this point in time the Company is not aware of any tax positions taken that would give rise to recording an uncertain tax position.

NOTE 16—SHARE-BASED COMPENSATION

The Company records and reports share-based compensation for stock options ("*Options*") and restricted stock. When vested and exercised, Options and restricted stock are converted into shares of, and issued by, the Company's parent, Montauk Holdings Ltd. The Company does not have an equity plan from which it issues options or restricted stock.

In December 2015, the Board of Directors awarded 525,000 Options to certain executives, which vest 1/3 per year over three years beginning in December 2018. The Board of Directors awarded an additional 425,000 Options to certain executives in October 2016, of those Options 250,000 vest 1/3 per year over three years beginning October 2019 and the remaining 175,000 were scheduled to fully vest in October 2019. The Board of Directors awarded 204,480 Options to an executive in March 2018, which were scheduled to vest 1/3 per year over three years beginning in March 2021.

In June 2019, the Board of Directors awarded 918,241 Options to certain executives which vest in full approximately three years following the grant date. In November 2019, the Board of Directors awarded 1,109,425 Options to certain executives of which 402,083 vest in full approximately three years following the grant date and 707,342 vest 1/3 per year over three years beginning in November 2022. Under the Black Scholes Model, a risk-free rate of 1.79% and a volatility factory of 90% were utilized.

In September 2019, the Board of Directors approved an agreement upon the resignation of the Company's former Chief Executive Officer in which the remaining 746,798 unvested Options and 646,400 shares of restricted stock immediately vested. In September 2019, the Board of Directors terminated the employment of a certain executive and 204,480 Options awarded to this executive were forfeited.

The Options issued allows the recipient to receive common stock equal to the appreciation in the fair market value of the Company's common stock between the date the award was granted and the conversion date of the shares vested.

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In March 2016, the Board of Directors granted shares of restricted stock to certain executives, which vested as follows: 20% by March 2018, 60% by March 2019 and 100% by March 2020. Compensation cost is recorded based on the fair value of the shares at grant date. The following table summarizes the Options and restricted stock as of December 31, 2019 and December 31, 2018:

	Options		Restricted Stock	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Beginning of period—January 1, 2018	875,000	$ 0.44	1,939,200	$ 0.95
Granted	204,480	1.84	—	—
End of period—December 31, 2018	**1,079,480**	**$ 0.81**	**1,939,200**	**$ 0.95**
Beginning of period—January 1, 2019	1,079,480	$ 0.81	1,939,200	$ 0.95
Granted	2,027,666	1.15	—	—
Forfeited	(626,278)	1.67	—	—
Exercised	(608,334)	0.86	—	—
End of period—December 31, 2019	**1,872,534**	**$ 0.88**	**1,939,200**	**$ 0.95**
Vested and exercisable—December 31, 2019	**50,000**	**$ 0.92**	**1,422,080**	**$ 0.95**

During the period ended December 31, 2019, the intrinsic value of the 608,334 Options exercised was $1,002. The Company received $23 related to the exercise of a portion of these Options. At December 31, 2019 and December 31, 2018, the aggregate intrinsic value (difference between exercise price and closing price at that date) of all Options outstanding was $3,410 and $5,238, respectively.

Stock-based compensation expense for the years ended December 31, 2019 and 2018 was $570 and $637, respectively, and is included in general and administrative expense in the Consolidated Statement of Operations.

As of December 31, 2019, unrecognized compensation expense for awards the Company expects to vest approximated $2,202 and will be recognized over approximately 5 years.

In May 2007, MEC issued 50.7 restricted Class B units to certain executives of MEC. Twenty percent of the units vested immediately upon issuance. The remaining units vested in four equal annual installments beginning in May 2008. The grant date fair value of the units issued was approximately $0.2 million. Six units issued in May 2007 were forfeited during 2011. The value of the units forfeited was immaterial. During 2016, 29.52 units issued in May 2007 were repurchased for an immaterial amount and 8.28 units issued in May 2007 were surrendered. No Class B units were issued and no units were forfeited during the years ended December 31, 2019 or 2018.

In July 2007, MEC issued options to purchase up to 5.52 Class B units to an executive of MEC, with an exercise price of $3,600 per unit. Twenty percent of the options vested immediately upon issuance. The remaining options vested in four equal annual installments beginning in July 2008. In September 2019, 6.9 Class B units were canceled associated with the September 2019 resignation of the Company's former Chief Executive Officer. In October 2019, 5.52 units were surrendered in consideration of a restricted stock award discussed previously.

As MEC's units are not publicly traded, the Company utilized the probability-weighted expected return method ("*PWERM*") to value the Class B units issued. Under the PWERM, the value of the units was estimated based

upon a probability-weighted present value of expected future investment returns for the enterprise assuming various future outcomes. The future outcomes considered were an initial public offering, a merger or sale, dissolution or continued operation as the existing private enterprise. The discount rate utilized was 15%, with an additional 33% discount on the estimated value for the lack of marketability of the units.

NOTE 17—DEFINED CONTRIBUTION PLAN

The Company maintains a 401(k) defined contribution plan for eligible employees. The Company matches 50% of an employee's deferrals up to 4%. The Company also contributes 3% of eligible employee's compensation expense as a safe harbor contribution. The matching contributions vest ratably over four years of service, while the safe harbor contributions vest immediately. Incurred expense related to the 401(k) plan was approximately $438 and $400 the years ended December 31, 2019 and December 31, 2018, respectively.

NOTE 18—RELATED-PARTY TRANSACTIONS

Executive Loans

In March 2019, the Company's former Chief Executive Officer and Vice President of Engineering exercised 100,000 and 25,000 shares, respectively, of a vested tranche of Options. In connection with this exercise, the Company loaned to its former Chief Executive Officer and Vice President Engineering $80 and $20, respectively, related to the personal income tax consequences of the exercise. Both of these loans have an interest rate of 2.53% and matured on July 31, 2019. In July 2019, the maturity of both of these loans was amended to mature on March 21, 2020. The Company's former Chief Executive Officer repaid the loan in February 2020 and the Vice President of Engineering repaid the loan in March 2020.

These loans are included in Prepaid expenses and other current assets in the Consolidated Balance Sheet.

Options

In December 2019, the Company's current Chief Executive Officer and former Vice President and General Counsel exercised 50,000 and 83,334 shares, respectively, of a vested tranche of Options. In connection with this exercise, the Company loaned its current Chief Executive Officer and former Vice President and General Counsel $29 and $36, respectively related to the personal income tax consequences of the exercise. Both of these loans were repaid in January 2020.

These loans were included in Prepaid expenses and other current assets in the December 31, 2019 Consolidated Balance Sheet.

NOTE 19—SEGMENT INFORMATION

The Company's reportable segments for the year ended December 31, 2019 are Renewable Natural Gas and Renewable Electricity Generation. Renewable Natural Gas includes the production of RNG. Renewable Electricity Generation includes generation of electricity at biogas-to-electricity plants. The corporate entity is not determined to be an operating segment, but is discretely disclosed for purposes of reconciliation of the Company's consolidated financial statements. The following table is consistent with the manner in which the chief operating decision maker evaluates the performance of each segment and allocates the Company's resources. In the following tables "RNG" refers to Renewable Natural Gas and "REG" refer to Renewable Electricity Generation.

MONTAUK HOLDINGS USA, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended December 31, 2019			
	RNG	REG	Corporate	Total
Total revenues	$ 85,826	$19,859	$ 1,698	$107,383
Adjusted EBITDA (1)	39,019	6,185	(11,589)	33,615
Net income (loss)	25,640	(1,635)	(18,185)	5,820
Total assets	136,068	83,051	24,494	243,613
Capital expenditures	33,326	11,553	370	45,249

(1) 2019 EBITDA Reconciliation

The following table is a reconciliation of the Company's reportable segments' net income from continuing operations to Adjusted EBITDA for the year ended December 31, 2019:

	For the year ended December 31, 2019			
	RNG	REG	Corporate	Total
Net Income (loss)	$25,640	$(1,635)	$(18,185)	$ 5,820
Depreciation and amortization	11,702	7,878	180	19,760
Interest expense	—	7	5,569	5,576
Income tax expense (benefit)	—	(822)	468	(354)
Consolidated EBITDA	$37,342	$ 5,428	$(11,968)	$30,802
Impairment loss	1,690	753	—	2,443
Transaction costs	83	4	115	202
Equity loss (gain) of nonconsolidated investments	(94)	—	—	(94)
Net loss (gain) of sale of assets	(2)	—	12	10
Non-cash hedging charges	—	—	252	252
Adjusted EBITDA	$39,019	$ 6,185	$(11,589)	$33,615

	For the year ended December 31, 2018			
	RNG	REG	Corporate	Total
Total revenues	$ 98,584	$18,207	$ (358)	$116,433
Adjusted EBITDA (1)	59,877	8,489	(11,445)	56,921
Net income (loss)	51,102	(1,639)	(20,696)	28,767
Total assets	115,392	84,008	62,332	261,732
Capital expenditures	37,557	2,471	163	40,191

(1) 2018 EBITDA Reconciliation

The following table is a reconciliation of the Company's reportable segments' net income from continuing operations to Adjusted EBITDA for the year ended December 31, 2018:

	For the year ended December 31, 2018			
	RNG	REG	Corporate	Total
Net Income (loss)	$ 51,102	$(1,639)	$(20,696)	$28,767
Depreciation and amortization	9,074	6,952	169	16,195
Interest expense	—	1,180	1,903	3,083
Income tax expense (benefit)	—	885	6,911	7,796
Consolidated EBITDA	$ 60,176	$ 7,378	$(11,713)	$55,841

MONTAUK HOLDINGS USA, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended December 31, 2018			
	RNG	REG	Corporate	Total
Impairment loss	$ —	$ 854	$ —	$ 854
Transaction costs	—	—	176	176
Equity loss (gain) of nonconsolidated investments	224	—	—	224
Net loss (gain) of sale of assets	(523)	257	—	(266)
Non-cash hedging charges	—	—	92	92
Adjusted EBITDA	$59,877	$8,489	$(11,445)	$56,921

For the years ended December 31, 2019 and December 31, 2018, five and three customers, respectively, made up greater than 10% of our total revenues.

	For the year ended December 31, 2019			
	RNG	REG	Corporate	Total
Customer A	—	14.1%	—	14.1%
Customer B	13.7%	—	—	13.7%
Customer C	13.7%	—	—	13.7%
Customer D	10.8%	—	—	10.8%
Customer E	10.8%	—	—	10.8%

	For the year ended December 31, 2018			
	RNG	REG	Corporate	Total
Customer B	18.1%	—	—	18.1%
Customer C	15.8%	—	—	15.8%
Customer A	—	11.7%	—	11.7%

NOTE 20—LEASES

The Company leases office space and other office equipment under operating lease arrangements (with initial terms greater than twelve months), expiring in various years through 2025. These leases have been entered into to better enable the Company to conduct business operations. Office space is leased to provide adequate workspace for all employees in Pittsburgh, Pennsylvania and Houston, Texas.

The Company determines if an arrangement is, or contains, a lease at inception based on whether that contract conveys the right to control the use of an identified asset in exchange for consideration for a period of time. For all operating lease arrangements, the Company presents at the commencement date: a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term.

The Company has elected, as a practical expedient, not to separate non-lease components from lease components, and instead accounts for each separate component as a single lease component for all lease arrangements, as lessee. In addition, the Company has elected, as a practical expedient, not to apply lease recognition requirements to short-term lease arrangements, generally those with a lease term of less than twelve months, for all classes of underlying assets. In determination of the lease term, the Company considers the likelihood of lease renewal options and lease termination provisions.

MONTAUK HOLDINGS USA, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company uses its incremental borrowing rate, as the basis to calculate the present value of future lease payments, at lease commencement. The incremental borrowing rate represents the rate that would approximate the rate to borrow funds on a collateralized basis over a similar term and in a similar economic environment.

As of December 31, 2019, there were no leases entered into which have not yet commenced and that would entitle the Company to significant rights or create additional obligations. The total lease cost included in our consolidated financial statements statement of operations for the year ended December 31, 2019 was $308.

Leases with an initial term of 12 months or less are not recorded on the Consolidated Balance Sheet and the lease expense for those leases is recognized on a straight-line basis. The short-term lease expense for the year ended December 31, 2019 was approximately $354.

Supplemental information related to operating lease arrangements was as follows as of and for the year ended December 31, 2019:

Cash paid for amounts included in the measurement of operating lease liabilities	$ 83
Weighted average remaining lease term (in years)	3.06
Weighted average discount rate	5.00%

Future minimum lease payments for the years ending December 31, 2019 are as follows:

	Amount
Year Ending	
2020	$ 301
2021	255
2022	272
2023	8
2024	20
Interest	(76)
Total	**$ 780**

As previously disclosed under the ASC 840, *Leases* ("*ASC 840*"), future minimum lease payments of operating lease arrangements were approximately as follows:

	Amount
Year Ending	
2020	$ 332
2021	255
2022	267
2023	8
2024	1

NOTE 21—COMMITMENTS AND CONTINGENCIES

Concentrations

A substantial portion of the Company's revenues are generated from five locations in 2019 and 2018, each in separate areas of the country. For the years ended December 31, 2019 and December 31, 2018, excluding the

impact of derivative instruments, approximately 81% and 77%, respectively, of operating revenues were derived from these locations. The Company's financial position, results of operations and cash flows could be adversely affected if production volumes related to these locations would significantly decrease. In addition, five customers make up approximately 67% and 72% of accounts receivable as of December 31, 2019 and December 31, 2018, respectively.

Environmental

The Company is subject to a variety of environmental laws and regulations governing discharges to the air and water, as well as the handling, storage and disposing of hazardous or waste materials. The Company believes its operations currently comply in all material respects with all environmental laws and regulations applicable to its business. However, there can be no assurance that environmental requirements will not change in the future or that the Company will not incur significant costs to comply with such requirements.

Contingencies

The Company, from time to time, may be involved in litigation. At December 31, 2019, management does not believe there are any matters outstanding that would have a material adverse effect on the Company's financial position or results of operations.

In June 2016, the Company initiated an arbitration proceeding against the contractor responsible for the engineering, procurement and construction of the Company's renewable electric facility located in Southern California related to certain schedule and performance issues. In February 2018, the Company and the contractor entered into a settlement and release agreement related to this arbitration proceeding. Among other matters as described in the underlying agreement, the Company recorded a gain in the Consolidated Statements of Operations associated with the $2,600 payment received from the contractor. Also, the Company recorded a non-cash gain of $1,234 related to an outstanding liability for the construction of the facility which the Company was not required to pay.

NOTE 22—SUBSEQUENT EVENTS

Subsequent Events

The Company evaluated its December 31, 2019 consolidated financial statements through October 13, 2020, the date the financial statements were available to be issued. The Company is not aware of any subsequent events which would require disclosure in the consolidated financial statements except for the matters discussed below.

In March 2020, the Company entered into an agreement to terminate a customer contract associated with the Pico acquisition. Upon termination, the Company recorded an impairment of approximately $278.

The outbreak of COVID-19 during mid-January 2020 and the related pandemic government response mitigation efforts has disrupted the global economic markets. The Company is classified as an essential business under federal, state and local regulations in the jurisdictions in which it operates. The Company did not experience any material production or supply chain disruptions related to various mitigation efforts put in place in the various jurisdictions in which it operates. The Company had firm sales commitments for RINs during the first six months of 2020 which mitigated index price volatility. However, there remains uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the Company is unable to determine if it will have a material impact to its operations.

MONTAUK HOLDINGS USA, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In response to the COVID-19 epidemic, various changes to existing tax laws were implemented via the CARES Act. NOLs, alternative minimum tax credits and business interest disallowance rules have been affected by the CARES Act. The Company does not expect the CARES Act legislation to have a material impact on the Company's financial statements.

On December 9, 2019, the sale of Johnstown LFG Holdings Inc.'s, a wholly owned subsidiary of MEH, share of the MEC partnership to MEH was completed and made effective as of October 7, 2019. On January 1, 2020, the dissolution of the MEC partnership will allow MEC and all entities under MEC to file as part of the Company's consolidated federal tax group.

The Company's parent, Montauk Holdings Ltd., experienced reporting delays in South Africa associated with the outbreak of COVID-19 which impacted the timing of the Company's financial statements being available to be issued. From April 30, 2020 through July 30, 2020, the Company was in technical violation of its 120-day covenant to furnish audited consolidated financial statements to its five-bank syndicate. The Company communicated these delays to the arranger, its primary commercial bank, of the five-bank Amended Credit Agreement. The Amended Credit Agreement, as amended, has provisions that a default associated with the furnishing of audited consolidated financial statements is deemed cured upon the delivery of the financial statements. The technical violation was cured under the terms of the Amended Credit Agreement by providing audited financials on July 30, 2020 to the Company's five-bank syndicate.

MONTAUK HOLDINGS USA, LLC

UNAUDITED CONSOLIDATED BALANCE SHEETS

(in thousands):	As of, September 30, 2020	December 31, 2019
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 19,537	$ 9,788
Restricted cash	151	7
Accounts and other receivables, net	8,876	9,968
Prepaid expenses and other current assets	4,403	2,779
Total current assets	$ 32,967	$ 22,542
Property, plant & equipment, net	$ 189,957	$ 193,498
Operating lease right-of-use assets	563	769
Deferred tax assets	9,117	8,745
Intangible assets, net	14,393	12,338
Restricted cash	567	567
Goodwill	60	60
Other assets	3,903	5,094
Total assets	**$ 251,527**	**$ 243,613**
LIABILITIES AND MEMBER'S EQUITY		
Current Liabilities:		
Accounts payable	$ 4,403	$ 3,844
Accrued liabilities	10,966	8,685
Current portion of operating lease liability	247	269
Income taxes payable	77	—
Current portion of derivative instruments	1,294	588
Current portion of long-term debt	9,443	9,310
Total current liabilities	$ 26,430	$ 22,696
Non-current portion of operating lease liability	$ 331	$ 511
Non-current portion of derivative instruments	1,332	1,045
Long-term debt, less current portion	58,656	57,256
Asset retirement obligations	5,991	5,928
Other liabilities	1,920	1,920
Total liabilities	$ 94,660	$ 89,356
Member's equity	$ 156,867	$ 154,257
Total liabilities and member's equity	**$ 251,527**	**$ 243,613**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

MONTAUK HOLDINGS USA, LLC

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands except per share data):	For the nine months ended September 30, 2020	2019
Total operating revenues	$75,559	$83,703
Operating expenses:		
Operating and maintenance expenses	$30,884	$30,306
General and administrative expenses	11,336	10,593
Royalties, transportation, gathering and production fuel	14,769	16,197
Depreciation and amortization	16,120	14,754
Impairment loss	278	1,550
Gain on insurance proceeds	(3,444)	—
Transaction costs	—	202
Total operating expenses	$69,943	$73,602
Operating profit	$ 5,616	$10,101
Other expenses (income):		
Interest expense	$ 3,510	$ 5,293
Equity (gain) of nonconsolidated investments	—	(94)
Net loss on sale of assets	—	10
Other expense (income)	250	(17)
Total other expenses	$ 3,760	$ 5,192
Income before income taxes	$ 1,856	$ 4,909
Income tax benefit	(291)	(539)
Net income	$ 2,147	$ 5,448
Pro forma earnings per share (unaudited):		
Basic		
Diluted		
Pro forma weighted-average common shares outstanding (unaudited):		
Basic		
Diluted		

The accompanying notes to the consolidated financial statements are an integral part of these statements.

MONTAUK HOLDINGS USA, LLC

UNAUDITED CONSOLIDATED STATEMENT OF MEMBER'S EQUITY

(in thousands):	Member's Equity
Balance December 31, 2018	**$ 147,941**
Net income	5,448
Stock-based compensation	661
Balance September 30, 2019	**$ 154,050**
Balance December 31, 2019	**$ 154,257**
Net income	2,147
Stock-based compensation	463
Balance September 30, 2020	**$ 156,867**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

MONTAUK HOLDINGS USA, LLC

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands):	For the nine months ended September 30, 2020	2019
Cash flows from operating activities:		
Net Income	$ 2,147	$ 5,448
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	16,120	14,754
Provision for deferred income taxes	(372)	(1,744)
Stock-based compensation	463	661
Non-cash asset held for sale transfer	—	(893)
Related party receivable (loans to executives)	164	(98)
Derivative mark-to-market and settlements	1,381	1,216
Gain on property insurance proceeds	(1,169)	—
Net gain (loss) on sale or disposal of assets	—	10
Accretion of asset retirement obligations	109	310
Amortization of debt issuance costs	532	882
Non-cash adjustment to capital expenditures	(524)	(211)
Equity (income) loss of nonconsolidated investments	—	(95)
Impairment loss	278	1,550
Accounts receivables and other current assets	695	1,795
Accounts payable and other accrued expenses	2,123	(1,923)
Net cash provided by operating activities	$ 21,947	$ 21,662
Cash flows from investing activities:		
Capital expenditures	$ (14,223)	$ (33,640)
Cash collateral deposits, net	—	360
Proceeds from sale of equity method investments	—	300
Proceeds from insurance recovery	1,169	30
Distributions from equity method investment	—	893
Net cash used in investing activities	$ (13,054)	$ (32,057)
Cash flows from financing activities:		
Borrowings of long-term debt	$ 8,500	$ 12,198
Repayments of long-term debt	(7,500)	(52,500)
Debt issuance costs	—	(712)
Net cash provided by (used in) financing activities	$ 1,000	$ (41,014)
Net increase or decrease in cash, cash equivalents and restricted cash	$ 9,893	$ (51,409)
Cash, cash equivalents and restricted cash at beginning of year	$ 10,362	$ 54,979
Cash, cash equivalents and restricted cash at end of year	$ 20,255	$ 3,570
Reconciliation of cash, cash equivalents and restricted cash at end of year:		
Cash and cash equivalents	$ 19,537	$ 3,003
Restricted cash and cash equivalents—current	151	—
Restricted cash and cash equivalents—non-current	567	567
	$ 20,255	$ 3,570
Supplemental cash flow information:		
Capital expenditures financed by accounts payable	$ 165	$ 1,852
Cash paid for interest (net of amounts capitalized)	3,162	4,011
Cash paid for income taxes	(468)	6
Change in asset retirement obligation estimate	(150)	—

The accompanying notes to the consolidated financial statements are an integral part of these statements.

MONTAUK HOLDINGS USA, LLC

UNAUDITED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(all amounts in thousands, unless otherwise indicated)

NOTE 1—DESCRIPTION OF BUSINESS

Operations and organization

Montauk Holdings USA, LLC and subsidiaries ("*Montauk USA*" or the "*Company*") is a holding company, formed on November 20, 2006 for the specific purpose of acquiring the membership interests in Montauk Energy Capital, LLC ("*MEC*"). On November 20, 2010, Montauk USA formed Montauk Energy Holdings, LLC ("*MEH*"), a wholly-owned subsidiary to which Montauk USA contributed its membership interests in MEC. All references to operations and operating results pertain to the combined operations of MEC and MEH (collectively "*Montauk Energy*"). The Company is 100% owned by Montauk Holdings Ltd., an investment holding company, incorporated in South Africa with its operating subsidiaries domiciled in the United States.

Montauk Energy is a renewable energy company specializing in the management, recovery and conversion of biogas into Renewable Natural Gas ("*RNG*"). The Company captures methane, preventing it from being released into the atmosphere, converting it into either RNG or electrical power for the electrical grid ("*Renewable Electricity*"). The Company, headquartered in Pittsburgh, Pennsylvania, has more than 30 years of experience in the development, operation and management of landfill methane-fueled renewable energy projects. The Company has current operations at 15 operating projects located in California, Idaho, Ohio, Oklahoma, Pennsylvania and Texas. The Company sells RNG and Renewable Electricity, taking advantage of Environmental Attributes (as defined below) premiums available under federal and state policies that incentivize their use.

One of the Company's key revenue drivers is the selling of captured gas and the selling of Renewable Identification Numbers ("*RINs*") to fuel blenders. The Renewable Fuel Standard ("*RFS*") is an Environmental Protection Agency (the "*EPA*") administered federal law that requires transportation fuel to contain a minimum volume of renewable fuel. RNG derived from landfill methane, agricultural digesters and wastewater treatment facilities used as a vehicle fuel qualifies as a D3 (cellulosic biofuel with a 60% greenhouse gas reduction requirement) RIN. The RINs are compliance units for fuel blenders that were created by the RFS program in order to reduce greenhouse gases and imported petroleum into the United States.

An additional program utilized by the Company is the Low Carbon Fuel Standard ("*LCFS*"). This is state specific and is designed to stimulate the use of low-carbon fuels. To the extent that RNG from the Company's facilities is used as a transportation fuel in states that have adopted an LCFS program, it is eligible to receive an Environmental Attribute additional to the RIN value under the federal RFS.

The second primary revenue driver is the selling of captured electricity and the associated environmental premiums related to renewable sales. The Company's electric facilities are designed to conform to and monetize various state renewable portfolio standards requiring a percentage of the electricity produced in that state to come from a renewable resource. Such premiums are in the form of Renewable Energy Credits ("*RECs*"). All four of the Company's electric facilities receive revenue for the monetization of RECs either as a part of a power sales agreement or separately.

Collectively, the Company benefits from federal, state and local government incentives in the United States, provided in the form of RINs, RECs, LCFS credits, rebates, tax credits and other incentives to end users, distributors, system integrators and manufacturers of renewable energy projects, that promote the use of renewable energy, as environmental attributes ("*Environmental Attributes*").

MONTAUK HOLDINGS USA, LLC

UNAUDITED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

COVID-19

In March 2020, the World Health Organization classified the outbreak of COVID-19 as a pandemic and recommended containment and mitigation measures worldwide. The Company is considered an essential company under the U.S. Federal Cybersecurity and Infrastructure Security Agency guidance and various state or local jurisdictions in which we operate. In response to the COVID-19 pandemic, the Infectious Disease and Response Plan ("*IDRC*") was activated to lead the development and response to any infectious disease event.

The Company implemented, and continues to undertake, measures to protect the health the well-being of its employees, including arranging shifts at facilities to stagger employees to assist with following social distancing protocols, utilizing overnight and weekend remote facility monitoring during normal operating shifts, implementing extensive cleaning and sanitation processes for both facilities and office spaces, incorporating temperature checks and facial covering requirements, instituting employee and visitor fitness questionnaires, restricting corporate travel and visitor access to sites and implemented work-from-home initiatives for certain employees. These measures resulted, and may continue to result, in additional costs. Although the Company has not experienced any material disruptions in its ability to continue its business operations or a material impact to its financial results to date due to COVID-19, the potential future impact cannot be predicted with certainty.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited financial statements of the Company have been prepared as though they were required to be in accordance with Rule 10-01 of Regulation S-X for interim financial statements, however, they do not include all information and footnotes required by United States generally accepted accounting principles ("*GAAP*") for complete financial statements. The information furnished herein reflects all normal recurring adjustments which are, in the opinion of management, necessary for a fair presentation of the results for the interim periods presented. The results of operations for the period ended September 30, 2020 are not necessarily indicative of the results that will be realized for the year ending December 31, 2020 or any other period. The balance sheet as of December 31, 2019 has been derived from our audited financial statements as of that date. For further information, refer to our audited financial statements and notes thereto included for the year ended December 31, 2019.

Unaudited Pro Forma Information

Prior to the completion of our initial public offering ("*IPO*"), Montauk Holdings Ltd. will distribute the common stock of Montauk Renewables, Inc. to its shareholders and immediately prior thereto Montauk Renewables, Inc. will enter into a series of transactions in which it will assume the assets and liabilities of Montauk Energy ("*Reorganization Transactions*").

Renewable Identification Numbers

The Company generates D3 RINs through its production and sale of RNG used for transportation purposes as prescribed under the Federal Renewable Fuel Standard. The RINs that the Company generates can be separated and sold independent from the energy produced. Therefore, no cost is allocated to the RIN when it is generated. The Company had 0.5 million and 3.5 million RINs generated and unsold as of September 30, 2020 and 2019, respectively.

Recently Adopted Accounting Standards

In August 2018, the FASB issued ASU 2018-15, *Intangibles–Goodwill and Other–Internal-Use Software, ("ASU 2018-15")* associated with a customer's accounting for implementation costs incurred in a cloud computing

arrangement that is a service contract. The amendments align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. Costs for implementation activities in the application development stage are capitalized as prepayments depending on the nature of the costs, while costs incurred during the preliminary project and post-implementation stages are expensed as the activities are performed. The Company early adopted this amended guidance on January 1, 2020 prospectively, and it did not have a material impact on our consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes ("ASU 2019-12")*. The new guidance which simplifies the accounting for income taxes, eliminates certain exceptions with ASC 740 and clarifies certain aspects of the current guidance to promote consistency among reporting entities. The new standard is effective for fiscal years beginning after December 15, 2020, with early adoption permitted. The Company early adopted this guidance on January 1, 2020 prospectively, and it did not have a material impact on our consolidated financial statements.

NOTE 3—ASSET IMPAIRMENT

The Company recorded an impairment loss of $278 for the nine months ended September 30, 2020 in Renewable Electricity Generation segment. The impairment loss was due to termination of a development agreement related to the acquisition of Pico. For the nine months ended September 30, 2019, the Company calculated and recorded an impairment loss of $1,550. Of this loss, $797 and $753 is included in RNG and Renewable Electricity Generation, respectively. The impairment loss was due to the cancellation of a site conversion agreement and specifically identified costs incurred and pre-tax cash flow projections, which is considered a Level 3 measurement. The impairment loss was recorded as a component of operating expenses and property, plant and equipment—net within the Consolidated Statements of Operations for the nine months ended September 30, 2019.

NOTE 4—REVENUES FROM CONTRACTS WITH CUSTOMERS

The Company's revenues are comprised of renewable energy and related Environmental Attribute sales provided under long-term contracts with its customers. All revenue is recognized when (or as) the Company satisfies its performance obligation(s) under the contract (either implicit or explicit) by transferring the promised product or service to its customer either when (or as) its customer obtains control of the product or service. A performance obligation is a promise in a contract to transfer a distinct product or service to a customer. A contract's transaction price is allocated to each distinct performance obligation. The Company allocates the contract's transaction price to each performance obligation using the product's observable market standalone selling price for each distinct product in the contract.

Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring its products or services. As such, revenue is recorded net of allowances and customer discounts. To the extent applicable, sales, value add, and other taxes collected from customers and remitted to governmental authorities are accounted for on a net (excluded from revenues) basis.

The Company's performance obligations related to the sale of renewable energy (i.e. RNG and Renewable Electricity) are generally satisfied over time. Revenue related to the sale of renewable energy is generally recognized over time either using an output or measure based upon the product quantity delivered to the customer. This measure is used to best depict the Company's performance to date under the terms of the contract. Revenue from products transferred to customers over time accounted for approximately 35% and 36% of revenue for the nine months ended September 30, 2020 and September 30, 2019, respectively.

MONTAUK HOLDINGS USA, LLC

UNAUDITED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The nature of the Company's long-term contracts may give rise to several types of variable consideration, such as periodic price increases. This variable consideration is outside of the Company's influence as the variable consideration is dictated by the market. Therefore, the variable consideration associated with the long-term contracts is considered fully constrained.

The Company's performance obligations related to the sale of Environmental Attributes are generally satisfied at a point in time and were approximately 65% and 64% of revenue for the nine months ended September 30, 2020 and September 30, 2019, respectively. The Company recognizes Environmental Attribute revenue at the point in time in which the customer obtains control of the Environmental Attributes, which is generally when the title of the Environmental Attribute passes to the customer upon delivery. In limited cases, title does not transfer to the customer and revenue is not recognized until the customer has accepted the Environmental Attributes.

The following tables display the Company's revenue by major source, excluding realized and unrealized gains or losses under the Company's gas hedge program, based on product type and timing of transfer of goods and services for the nine months ended September 30, 2020 and September 30, 2019:

	Nine months ended September 30, 2020		
	Goods transferred at a point in time	Goods transferred over time	Total
Major Goods/Service Line:			
Natural Gas Commodity	$ 4,684	$ 18,352	$23,036
Natural Gas Environmental Attributes	39,100	—	39,100
Electric Commodity	—	8,035	8,035
Electric Environmental Attributes	5,226	—	5,226
	$ 49,010	$ 26,387	$75,397
Operating Segment:			
Renewable Natural Gas	$ 43,784	$ 18,352	$62,136
Renewable Electricity Generation	5,226	8,035	13,261
	$ 49,010	$ 26,387	$75,397

	Nine months ended September 30, 2019		
	Goods transferred at a point in time	Goods transferred over time	Total
Major Goods/Service Line:			
Natural Gas Commodity	$ 6,450	$ 19,937	$26,387
Natural Gas Environmental Attributes	41,001	—	41,001
Electric Commodity	—	9,485	9,485
Electric Environmental Attributes	5,377	—	5,377
	$ 52,828	$ 29,422	$82,250
Operating Segment:			
Renewable Natural Gas	$ 47,451	$ 19,937	$67,388
Renewable Electricity Generation	5,377	9,485	14,862
	$ 52,828	$ 29,422	$82,250

MONTAUK HOLDINGS USA, LLC

UNAUDITED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5—ACCOUNTS AND OTHER RECEIVABLES

The Company extends credit based upon an evaluation of the customer's financial condition and, while collateral is not required, the Company periodically receives surety bonds that guarantee payment. Credit terms are consistent with industry standards and practices. Reserves for uncollectible accounts, if any, are recorded as part of general and administrative expenses in the Consolidated Statements of Operations and were $0 and $360 for the nine months ended September 30, 2020 and 2019 respectively.

Accounts and other receivables consist of the following as of September 30, 2020 and December 31, 2019:

	As of	
	September 30, 2020	December 31, 2019
Accounts receivable	$ 8,764	$ 10,032
Other receivables	95	8
Reimbursable expenses	17	—
Allowance for doubtful accounts	—	(72)
Accounts and Other Receivables, Net	**$ 8,876**	**$ 9,968**

NOTE 6—PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment consists of the following as of September 30, 2020 and December 31, 2019:

	As of	
	September 30, 2020	December 31, 2019
Buildings and improvements	$ 28,266	$ 13,999
Machinery and equipment	254,074	229,793
Gas mineral rights	40,451	40,451
Construction work in progress	2,833	30,125
Total	325,624	314,368
Less: Accumulated depreciation and amortization	(135,667)	(120,870)
Property, Plant & Equipment, Net	**$ 189,957**	**$ 193,498**

Depreciation expense for property plant and equipment was approximately $13,582 and $11,728 and amortization expense for gas mineral rights was approximately $1,472 and $1,865 for the nine months ended September 30, 2020 and 2019, respectively.

NOTE 7—INVESTMENTS

In March 2019, pursuant to the underlying joint venture agreement, the Company made the decision to sell its equity interest and no longer classified Red Top as a variable interest entity. The Company concluded that Red Top has met the criteria under applicable guidance for a long-lived asset to be held for sale and reclassified its investment in Red Top of $1,096 as a current asset held for sale. On July 26, 2019, the Company entered into an agreement to sell Red Top to the 20% owner for $300. The terms of the sale included the distribution of approximately $892 in fixed assets to the Company which were classified as held for sale. After this distribution, the Company recorded a gain of approximately $94.

MONTAUK HOLDINGS USA, LLC

UNAUDITED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

At December 31, 2019, the Company estimated the fair value the $892 of fixed assets held for sale and concluded that the carrying value exceeded the fair values and recorded an impairment of $892 for the year ended December 31, 2019.

NOTE 8—INTANGIBLE ASSETS, NET

Intangible assets consist of the following as of September 30, 2020 and December 31, 2019:

	As of,	
	September 30, 2020	December 31, 2019
Intangible assets with indefinite lives:		
Emissions allowances	$ 777	$ 777
Land use rights	329	329
Total intangible assets with indefinite lives:	$ 1,106	$ 1,106
Intangible assets with finite lives:		
Interconnection, net of accumulated amortization of $2,093 and $1,613	$ 12,187	$ 9,327
Customer contracts, net of accumulated amortization of $16,183 and $15,832	1,100	1,905
Total intangible assets with definite lives:	$ 13,287	$ 11,232
Total Intangible Assets	**$ 14,393**	**$ 12,338**

The weighted average useful life of the customer contracts and interconnection is approximately 14 years and 19 years, respectively. Amortization expense was approximately $1,065 and $1,160 for the nine months ended September 30, 2020 and 2019, respectively.

NOTE 9—ASSET RETIREMENT OBLIGATIONS

The following table summarizes the activity associated with asset retirement obligations of the Company as of September 30, 2020 and December 31, 2019:

	As of	
	September 30, 2020	December 31, 2019
Asset retirement obligations—beginning of year	$ 5,928	$ 5,399
Accretion expense	258	391
Changes in asset retirement obligations estimate	(150)	—
New asset retirement obligations	350	177
Decommissioning	(395)	(39)
Asset retirement obligations—end of year	$ 5,991	$ 5,928

NOTE 10—DERIVATIVE INSTRUMENTS

To mitigate market risk associated with fluctuations in energy commodity prices (natural gas) and interest rates, the Company utilizes various hedges to secure energy commodity pricing and interest rates under a board-

approved program. As a result of the hedging strategy employed, the Company had the following realized and unrealized gains and losses in the Consolidated Statements of Operations for the nine months ended September 30, 2020 and September 30, 2019:

Derivative Instrument	Location	Nine months ended September 30, 2020	2019
Commodity Contracts:			
Realized Natural Gas	Gas commodity sales	$ 551	$ 1,040
Unrealized Natural Gas	Other income	(388)	565
Interest Rate Swaps	Interest expense	(993)	(1,630)
Net gain (loss)		**$ (830)**	**$ (25)**

NOTE 11—FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's assets and liabilities that are measured at fair value on a recurring basis include the following as of September 30, 2020 and December 31, 2019, set forth by level, within the fair value hierarchy:

	As of September 30, 2020			
	Level 1	Level 2	Level 3	Total
Interest rate swap derivative liabilities	$ —	$(2,626)	$ —	$(2,626)
Asset retirement obligations	—	—	(5,991)	(5,991)
	$ —	$(2,626)	$(5,991)	$(8,617)

	As of December 31, 2019			
	Level 1	Level 2	Level 3	Total
Current commodity derivative asset	$ 388	$ —	$ —	$ 388
Interest rate swap derivative liabilities	—	(1,633)	—	(1,633)
Asset retirement obligations	—	—	(5,928)	(5,928)
	$ 388	$(1,633)	$(5,928)	$(7,173)

A summary of changes in the fair values of the Company's Level 3 instruments, attributable to asset retirement obligations, for the nine months ended September 30, 2020 and year ended December 31, 2019 is included in Note 9.

In addition, certain assets are measured at fair value on a non-recurring basis when an indicator of impairment is identified and the assets fair value is determined to be less than its carrying value. See Note 3 for additional information.

MONTAUK HOLDINGS USA, LLC

UNAUDITED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12—ACCRUED LIABILITIES

The Company's accrued liabilities consist of the following as of September 30, 2020 and December 31, 2019:

	As of	
	September 30, 2020	December 31, 2019
Accrued expenses	$ 4,699	$ 4,952
Payroll and related benefits	1,863	849
Royalty	2,586	1,440
Utility	1,122	1,105
Other	696	339
Accrued Liabilities	**$ 10,966**	**$ 8,685**

NOTE 13—DEBT

The Company's debt consists of the following as of September 30, 2020 and December 31, 2019:

	As of	
	September 30, 2020	December 31, 2019
Term Loans	$ 32,500	$ 40,000
Revolving credit facility	36,698	28,198
Less: current principal maturities	(10,000)	(10,000)
Less: debt issuance costs (on long-term debt)	(542)	(942)
Long-term Debt	$ 58,656	$ 57,256
Current Portion of Long-term Debt	9,443	9,310
Total Debt	**$ 68,099**	**$ 66,566**

Capitalized Interest

Capitalized interest was $1,113 and $1,706 for the nine months ended September 30, 2020 and the year ended December 31, 2019, respectively. Interest is capitalized using the borrowing rate for the assets being constructed. Interest capitalized during the nine months ended September 30, 2020 and 2019 was for the construction of two and three LFG-to-energy projects, respectively.

Amended Credit Agreement

On December 12, 2018, the Company entered into the Second Amended and Restated Revolving Credit and Term Loan Agreement (as amended by the First Amendment to Second Amended and Restated Revolving Credit and Term Loan Agreement, dated as of March 21, 2019 (the "*First Amendment*"), and as further amended by the Second Amendment to Second Amended and Restated Revolving Credit and Term Loan Agreement, dated as of September 12, 2019 (the "*Second Amendment*"), and as may be further amended from time to time (the "*Amended Credit Agreement*"), with Comerica Bank, as administrative agent, sole lead arranger and sole bookrunner, and the other financial institutions from time to time party thereto.

The Amended Credit Agreement, which is secured by a lien on substantially all assets of the Company and certain of its subsidiaries, provides for a $95,000 term loan and a $90,000 revolving credit facility. The term loan amortizes in quarterly installments of $4,750 and has a final maturity date of December 12, 2023 with an interest rate of 2.981% and 4.642% at September 30, 2020 and December 31, 2019, respectively.

MONTAUK HOLDINGS USA, LLC

UNAUDITED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As of September 30, 2020 and December 31, 2019, respectively, $32,500 and $40,000 was outstanding under the term loan and $36,698 and $28,198 was outstanding under the revolving credit facility. In addition, the Company had $7,145 and $7,565 of outstanding letters of credit as of September 30, 2020 and December 31, 2019, respectively. Amounts available under the revolving credit facility are reduced by any amounts outstanding under letters of credit. As of September 30, 2020 and December 31, 2019, the Company's capacity available for borrowing under the revolving credit facility was $36,157 and $44,237, respectively. Borrowings under the term loans and revolving credit facility bear interest at the LIBOR rate plus an applicable margin or the Prime Reference Rate plus an applicable margin, as elected by the Company.

The Company's parent, Montauk Holdings Ltd., experienced reporting delays in South Africa associated with the outbreak of COVID-19 which impacted the timing of the Company's financial statements being available to be issued. From April 30, 2020 through July 30, 2020, the Company was in technical violation of its 120-day covenant to furnish audited consolidated financial statements to its five-bank syndicate. The Company communicated these delays to the arranger, its primary commercial bank, of the five-bank Amended Credit Agreement. The Amended Credit Agreement, as amended, has provisions that a default associated with the furnishing of audited consolidated financial statements is deemed cured upon the delivery of the financial statements. The technical violation was cured under the terms of the Amended Credit Agreement by providing audited financials on July 30, 2020 to the Company's five-bank syndicate.

As of September 30, 2020, the Company was in compliance with all financial covenants related to the Amended Credit Agreement.

NOTE 14—INCOME TAXES

The Company is subject to income taxes in the U.S. federal jurisdiction and various state and local jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply.

The Company's effective tax rate ("*ETR*") from continuing operations excluding discrete items for the nine month periods ended September 30, 2020 and 2019 was approximately 105.6% and (11.1%), respectively. The Company's ETR is significantly impacted by our ability to generate tax credits from our operations. The tax rate is higher than the U.S. federal statutory tax rate of 21% due to state taxes, permanent differences, and the current year generation of tax credits as compared to forecasted earnings. In addition, we estimated the tax impacts from the dissolution of the MEC partnership, which resulted in a discrete tax benefit of ($2,251).

During the nine months ended September 30, 2020, the Company elected to early adopt ASU 2019-12 though this impact did not have a material impact on the Company's consolidated results of operations.

NOTE 15—SHARE-BASED COMPENSATION

The Company records and reports share-based compensation for stock options ("*Options*") and restricted stock. When vested and exercised, Options and restricted stock are converted into shares of, and issued by, the Company's parent, Montauk Holdings Ltd. The Company does not have an equity plan from which it issues options or restricted stock.

The Options issued allows the recipient to receive common stock equal to the appreciation in the fair market value of Montauk Holdings Ltd. common stock between the date the award was granted and the conversion date of the shares vested.

MONTAUK HOLDINGS USA, LLC

UNAUDITED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Compensation cost is recorded based on the fair value of the shares at grant date. The following table summarizes the Options and restricted stock as of September 30, 2020 and 2019:

	Options		Restricted Stock	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Beginning of period—January 1, 2020	1,872,534	$ 1.24	1,939,200	$ 0.95
Granted	924,779	1.00	—	—
Forfeited	(166,666)	1.01	—	—
Exercised	(50,000)	1.71	—	—
End of period—September 30, 2020	**2,580,647**	**$ 1.16**	**1,939,200**	**$ 0.95**
Vested and exercisable—September 30, 2020	—	—	**1,939,200**	**$ 0.95**

	Options		Restricted Stock	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Beginning of period—January 1, 2019	1,079,480	$ 0.81	1,939,200	$ 0.95
Granted	918,241	1.59	—	—
Forfeited	(626,278)	1.67	—	—
Exercised	(475,000)	0.77	—	—
End of period—September 30, 2019	**896,443**	**$ 1.03**	**1,939,200**	**$ 0.95**

During the nine months ended September 30, 2020, the intrinsic value of the 50,000 Options exercised was $50. The Company received $56 related to the exercise of a portion of these Options. At September 30, 2020 and 2019, the aggregate intrinsic value difference between exercise price and closing price at that date of all Options outstanding was $3,983 and $854, respectively.

Stock-based compensation expense for the nine months ended September 30, 2020 and 2019 was $463 and $661 respectively, and is included in general and administrative expense in the Consolidated Statement of Operations.

NOTE 16—DEFINED CONTRIBUTION PLAN

The Company maintains a 401(k) defined contribution plan for eligible employees. The Company matches 50% of an employee's deferrals up to 4%. The Company also contributes 3% of eligible employee's compensation expense as a safe harbor contribution. The matching contributions vest ratably over four years of service, while the safe harbor contributions vest immediately. Incurred expense related to the 401(k) plan was approximately $340 and $334 the nine months ended September 30, 2020 and 2019.

NOTE 17—RELATED-PARTY TRANSACTIONS

Executive Loans

In March 2019, the Company's former Chief Executive Officer and Vice President of Engineering exercised 100,000 and 25,000 shares, respectively, of a vested tranche of Options. In connection with this exercise, the Company loaned to its former Chief Executive Officer and Vice President Engineering $80 and $20,

respectively, related to the personal income tax consequences of the exercise. Both of these loans have an interest rate of 2.53% and matured on July 31, 2019. In July 2019, the maturity of both of these loans was amended to mature on March 21, 2020. The Company's former Chief Executive Officer repaid the loan in February 2020 and the Vice President of Engineering repaid the loan in March 2020.

These loans are included in Prepaid expenses and other current assets in the September 30, 2019 and December 31, 2019 Consolidated Balance Sheets.

Options

In December 2019, the Company's current Chief Executive Officer and former Vice President and General Counsel exercised 50,000 and 83,334 shares, respectively, of a vested tranche of Options. In connection with this exercise, the Company loaned its current Chief Executive Officer and former Vice President and General Counsel $29 and $36, respectively related to the personal income tax consequences of the exercise. Both of these loans were repaid in January 2020.

These loans were included in Prepaid expenses and other current assets in the December 31, 2019 Consolidated Balance Sheet.

NOTE 18—SEGMENT INFORMATION

The Company's reportable segments for the nine months ended September 30, 2020 and 2019 are Renewable Natural Gas and Renewable Electricity Generation. Renewable Natural Gas includes the production of RNG. Renewable Electricity Generation includes generation of electricity at biogas-to-electricity plants. The corporate entity is not determined to be an operating segment, but is discretely disclosed for purposes of reconciliation of the Company's consolidated financial statements. The following table is consistent with the manner in which the chief operating decision maker evaluates the performance of each segment and allocates the Company's resources. In the following tables "RNG" refers to Renewable Natural Gas and "REG" refer to Renewable Electricity Generation.

	Nine months ended September 30, 2020			
	RNG	REG	Corporate	Total
Total revenues	$ 62,192	$13,282	$ 85	$ 75,559
Adjusted EBITDA (1)	29,100	3,912	(11,636)	21,376
Net income (loss)	18,700	(1,955)	(14,598)	2,147
Total assets	135,359	80,485	35,683	251,527
Capital expenditures	11,097	3,068	58	14,223

(1) Nine months ended September 30, 2020 EBITDA Reconciliation

MONTAUK HOLDINGS USA, LLC

UNAUDITED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table is a reconciliation of the Company's reportable segments' net income from continuing operations to Adjusted EBITDA for the nine months ended September 30, 2020:

	Nine months ended September 30, 2020			
	RNG	REG	Corporate	Total
Net Income (loss)	$18,700	$(1,955)	$(14,598)	$ 2,147
Depreciation and amortization	10,400	5,587	133	16,120
Interest expense	—	—	3,510	3,510
Income tax expense (benefit)	—	2	(293)	(291)
Consolidated EBITDA	$29,100	$ 3,634	$(11,248)	$21,486
Impairment loss	—	278	—	278
Non-cash hedging charges	—	—	(388)	(388)
Adjusted EBITDA	$29,100	$ 3,912	$(11,636)	$21,376

	Nine months ended September 30, 2019			
	RNG	REG	Corporate	Total
Total revenues	$ 67,322	$14,927	$ 1,454	$ 83,703
Adjusted EBITDA (1)	31,401	4,269	(8,632)	27,038
Net income (loss)	22,032	(2,062)	(14,522)	5,448
Total assets	133,296	79,645	17,868	230,809
Capital expenditures	27,067	6,271	302	33,640

(1) Nine months ended September 30, 2019 EBITDA Reconciliation

The following table is a reconciliation of the Company's reportable segments' net income from continuing operations to Adjusted EBITDA for the nine months ended September 30, 2019:

	Nine months ended September 30, 2019			
	RNG	REG	Corporate	Total
Net Income (loss)	$ 22,032	$(2,062)	$(14,522)	$ 5,448
Depreciation and amortization	8,585	6,033	136	14,754
Interest expense	—	7	5,286	5,293
Income tax expense (benefit)	—	(466)	(73)	(539)
Consolidated EBITDA	$ 30,617	$ 3,512	$ (9,173)	$24,956
Impairment loss	797	753	—	1,550
Transaction costs	83	4	115	202
Equity (gain) of nonconsolidated investments	(94)	—	—	(94)
Net loss (gain) of sale of assets	(2)	—	12	10
Non-cash hedging charges	—	—	414	414
Adjusted EBITDA	$ 31,401	$ 4,269	$ (8,632)	$27,038

MONTAUK HOLDINGS USA, LLC

UNAUDITED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2020 and September 30, 2019, four and five customers, respectively, made up greater than 10% of our total revenues.

	Nine months ended September 30, 2020			
	RNG	REG	Corporate	Total
Customer A	—	15.0%	—	15.0%
Customer B	12.3%	—	—	12.3%
Customer C	14.5%	—	—	14.5%
Customer D	11.3%	—	—	11.3%

	Nine months ended September 30, 2019			
	RNG	REG	Corporate	Total
Customer A	—	13.4%	—	13.4%
Customer C	13.2%	—	—	13.2%
Customer D	13.2%	—	—	13.2%
Customer E	12.0%	—	—	12.0%
Customer F	11.5%	—	—	11.5%

NOTE 19—LEASES

The Company leases office space and other office equipment under operating lease arrangements (with initial terms greater than twelve months), expiring in various years through 2025. These leases have been entered into to better enable the Company to conduct business operations. Office space is leased to provide adequate workspace for all employees in Pittsburgh, Pennsylvania and Houston, Texas.

The Company determines if an arrangement is, or contains, a lease at inception based on whether that contract conveys the right to control the use of an identified asset in exchange for consideration for a period of time. For all operating lease arrangements, the Company presents at the commencement date: a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term.

The Company has elected, as a practical expedient, not to separate non-lease components from lease components, and instead accounts for each separate component as a single lease component for all lease arrangements, as lessee. In addition, the Company has elected, as a practical expedient, not to apply lease recognition requirements to short-term lease arrangements, generally those with a lease term of less than twelve months, for all classes of underlying assets. In determination of the lease term, the Company considers the likelihood of lease renewal options and lease termination provisions.

The Company uses its incremental borrowing rate, as the basis to calculate the present value of future lease payments, at lease commencement. The incremental borrowing rate represents the rate that would approximate the rate to borrow funds on a collateralized basis over a similar term and in a similar economic environment.

As of September 30, 2020, there were no leases entered into which have not yet commenced that would entitle the Company to significant rights or create additional obligations.

MONTAUK HOLDINGS USA, LLC

UNAUDITED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Supplemental information related to operating lease arrangements was as follows as of and for the nine months ended September 30, 2020:

Cash paid for amounts included in the measurement of operating lease liabilities	$ 226
Weighted average remaining lease term (in years)	2.68
Weighted average discount rate	5.00%

Future minimum lease payments as of September 30, 2020 are as follows:

	Amount
Year Ending	
2021	$ 255
2022	267
2023	8
2024	1
2025	—
Interest	(36)
Total	**$ 495**

NOTE 20—COMMITMENTS AND CONTINGENCIES

Concentrations

A substantial portion of the Company's revenues are generated from five locations in the nine months ended September 30, 2020 and 2019, each in separate areas of the country. For the nine months ended September 30, 2020 and 2019, excluding the impact of derivative instruments, approximately 79% and 81%, respectively, of operating revenues were derived from these locations. The Company's financial position, results of operations and cash flows could be adversely affected if production volumes related to these locations would significantly decrease. In addition, five customers make up approximately 89% and 67% of accounts receivable as of September 30, 2020 and December 31, 2019, respectively.

Environmental

The Company is subject to a variety of environmental laws and regulations governing discharges to the air and water, as well as the handling, storage and disposing of hazardous or waste materials. The Company believes its operations currently comply in all material respects with all environmental laws and regulations applicable to its business. However, there can be no assurance that environmental requirements will not change in the future or that the Company will not incur significant costs to comply with such requirements.

Contingencies

The Company, from time to time, may be involved in litigation. At September 30, 2020, management does not believe there are any matters outstanding that would have a material adverse effect on the Company's financial position or results of operations.

During the nine months ended September 30, 2020, the Company received insurance proceeds related to an engine failure at our McCarty RNG location. During the fourth quarter of 2019, one of the McCarty production engines failed resulting in reduced production. The engine was replaced and commissioning began during the first quarter of 2020. The Company submitted this claim to its insurance carrier and as of September 30, 2020 has received total proceeds of $3,444 for business interruption and property loss, net of deductibles. These proceeds were recorded within "Operating expenses" in the consolidated statements of operations. Upon finalization of the claim process, the Company will record any additional proceeds that may be received as additional gain on insurance proceeds.

MONTAUK HOLDINGS USA, LLC

UNAUDITED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 21—SUBSEQUENT EVENTS

Subsequent Events

The Company evaluated its September 30, 2020 consolidated financial statements through December 11, 2020, the date the financial statements were available to be issued. The Company is not aware of any subsequent events which would require disclosure in the consolidated financial statements except for the matters discussed below.

In October 2020, a wildfire broke out near one of the Company's electricity generating facilities. Only minor damage was sustained to the facility and assets owned by the Company. The wellfield and infrastructure surrounding the facility, not owned or maintained by the Company, was damaged which cut off the flow of gas to the electricity generating facility taking it offline. The Company anticipates the temporary halt of operations at the facility, until the gas line can be repaired, to impact Renewable Electricity Generation revenues for the year ended December 31, 2020 and REC revenues for the year ended December 31, 2021. The Company expects the facility to resume normal operations in January 2021.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholder
Montauk Renewables, Inc.

Opinion on the financial statements

We have audited the accompanying balance sheet of Montauk Renewables, Inc. (a Delaware corporation) (the "Company") as of November 15, 2020 and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of November 15, 2020 in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2020.

Pittsburgh, Pennsylvania
December 11, 2020

MONTAUK RENEWABLES, INC.

CONSOLIDATED BALANCE SHEET

	As of November 15, 2020
ASSETS	
Current Assets:	
Cash	$ 10.00
Total current assets	10.00
Total assets	$ 10.00
STOCKHOLDER'S EQUITY	
Common Stock, par value $0.01 per share, 1,000 shares authorized, 10 shares issued and outstanding	$ 0.10
Additional paid-in capital	9.90
Total stockholder's equity	$ 10.00

The accompanying notes to the consolidated financial statements are an integral part of these statements.

MONTAUK RENEWABLES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1—DESCRIPTION OF BUSINESS

Operations and organization

Montauk Renewables, Inc. (or the "*Company*") was organized as a Delaware corporation on September 21, 2020. Pursuant to a series of reorganization transactions, the Company will continue to conduct the business and operations now conducted by Montauk Holdings USA, LLC ("*Montauk USA*").

COVID-19

In March 2020, the World Health Organization classified the outbreak of COVID-19 as a pandemic and recommended containment and mitigation measures worldwide. The Company is considered an essential company under the U.S. Federal Cybersecurity and Infrastructure Security Agency guidance and various state or local jurisdictions in which we operate. In response to the COVID-19 pandemic, the Infectious Disease and Response Plan ("*IDRC*") was activated to lead the development and response to any infectious disease event.

Although the Company has not experienced any material disruptions in its ability to continue its business operations or a material impact to its financial results to date due to COVID-19, the potential future impact cannot be predicted with certainty.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Balance Sheet has been prepared in accordance with United States generally accepted accounting principles ("*GAAP*"). Separate statements of operations, changes in stockholders' equity and cash flows have not been presented in the financial statements because there have been no activities in this entity or because the single transaction is fully disclosed below.

Cash

Cash includes highly liquid investments with maturity dates of three months or less from the date of purchase and are recorded at cost. From time to time, the Company holds cash in banks in excess of federally insured limits.

NOTE 3—STOCKHOLDER'S EQUITY

The Company is authorized to issue 1,000 shares of Common Stock, par value $0.01 per share, under the Company's certificate of incorporation in effect as of September 21, 2020. In exchange for $10.00, the Company issued 10 shares of Common Stock as of September 30, 2020.

NOTE 4—SUBSEQUENT EVENTS

Subsequent Events

The Company evaluated its November 15, 2020 consolidated financial statements through December 11, 2020, the date the financial statements were available to be issued. The Company is not aware of any subsequent events which would require recognition or disclosure in the consolidated financial statements.

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Shares

MONTAUK RENEWABLES, INC.

common stock

PROSPECTUS

ROTH CAPITAL PARTNERS

, 20

Until and including , 20 (25 days after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the expenses payable by the registrant expected to be incurred in connection with the issuance and distribution of the shares of common stock being registered hereby (other than underwriting discounts and commissions). We have agreed to pay all offering expenses, other than underwriting discounts and commissions, for the selling stockholder incurred in connection with the sale of shares of our common stock by the selling stockholder. All of such expenses are estimates, other than the filing and listing fees payable to the SEC, FINRA, and stock exchange listing fee.

	Amount to be Paid
SEC registration fee(1)	$ 2,182
FINRA filing fee	*
Stock exchange listing fee	*
Transfer agent's fees and expenses	*
Printing expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Blue Sky fees and expenses	*
Miscellaneous expenses	*
Total	$ *

* To be provided by amendment

(1) The SEC registration fee amount does not include any registration fee for the shares of our common stock to be sold by the selling stockholder.

Item 14. Indemnification of Directors and Officers.

Section 145 of the DGCL provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses, including attorneys' fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with specified actions, suits, and proceedings, other than a derivative action by or in the right of the corporation, if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification extends only to expenses, including attorneys' fees, actually and reasonably incurred in connection with the defense or settlement of such action and the statute requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. The statute provides that it is not exclusive of other indemnification that may be granted by a corporation's certificate of incorporation, bylaws, disinterested director vote, stockholder vote, agreement, or otherwise.

Our current Certificate of Incorporation limits the liability of our directors for monetary damages for a breach of fiduciary duty as a director to the fullest extent permitted by the DGCL and any other applicable law. In connection with this offering, we will adopt an Amended and Restated Certificate of Incorporation that will contain similar provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by the DGCL and any other applicable law. The Amended and Restated Certification of Incorporation will provide that each person who was or is made a party or is threatened to be made a party to a proceeding by reason of the fact that he or she is or was our director or officer or is or was serving at our request as a director, officer, employee or agent of another entity will be indemnified by us to the fullest extent permitted or required by the DGCL and any other applicable law, as the same exists or may hereafter be amended.

In connection with and upon the completion of this offering, we expect to enter into indemnification agreements with our directors, executive officers and certain other officers and agents pursuant to which they are provided indemnification rights that are broader than the specific indemnification provisions contained in the DGCL. These indemnification agreements generally require us, among other things, to indemnify our directors, executive officers, and certain other officers and agents against liabilities that may arise by reason of their status or service. These indemnification agreements may also require us to advance all expenses incurred by the directors, executive officers, and certain other officers and agents in investigating or defending any such action, suit, or proceeding. We believe that these agreements are necessary to attract and retain qualified individuals to serve on our behalf.

The limitation of liability and indemnification provisions that are expected to be included in our Amended and Restated Certificate of Incorporation and the indemnification agreements that we expect to enter into with our directors, executive officers, and certain other officers and agents may discourage stockholders from bringing a lawsuit against our directors and officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and officers as required by these indemnification provisions. At present, we are not aware of any pending litigation or proceeding involving any person who is or was one of our directors, executive officers, and certain other officers and agents or is or was serving at our request as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

We have obtained insurance policies under which, subject to the limitations of the policies, coverage is provided to our directors and executive officers against loss arising from claims made for breach of fiduciary duty or other wrongful acts as a director or executive officer and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law. Prior to the completion of this offering, we will enter into additional and enhanced insurance arrangements to provide coverage to our directors and executive officers against loss arising from claims relating to public securities matters.

Certain of our non-employee directors may, through their relationships with their employers, be insured and/or indemnified against certain liabilities incurred in their capacity as members of our Board of Directors.

The underwriting agreement will provide for indemnification by the underwriter of us and our officers, directors, and employees for certain liabilities arising under the Securities Act or otherwise.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling our company pursuant to the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 15. Recent Sales of Unregistered Securities.

On September 22, 2020 and in connection with our initial formation, Montauk Renewables, Inc. sold 10 shares of its common stock to Ms. Melissa Zotter for $10 under Section 4(a)(2) of the Securities Act on the basis that the transaction did not involve a public offering.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits

Exhibit Number	Exhibit Description
1.1*	Form of Underwriting Agreement
2.1+	Transaction Implementation Agreement, dated as of November 6, 2020, between Montauk Renewables, Inc., Montauk Holdings Limited and Montauk Holdings USA, LLC
3.1	Certificate of Incorporation of Montauk Renewables, Inc., as currently in effect
3.2	Form of Amended and Restated Certificate of Incorporation of Montauk Renewables, Inc., to be in effect prior to the consummation of the offering made under this registration statement
3.3	Bylaws of Montauk Renewables, Inc., as currently in effect
3.4	Form of Amended and Restated Bylaws of Montauk Renewables, Inc., to be in effect prior to the consummation of the offering made under this registration statement
4.1*	Form of Underwriter Warrant
5.1	Form of Opinion of Jones Day
10.1^	Form of Montauk Renewables, Inc. Equity and Incentive Compensation Plan
10.2^	Form of Montauk Renewables, Inc. Key Employee Separation Plan
10.3^	Form of Nonqualified Stock Option Agreement
10.4^	Form of Restricted Stock Unit Award Agreement (Employees)
10.5^	Form of Restricted Stock Unit Award Agreement (Non-Employee Directors)
10.6^+	Form of Restricted Stock Agreement
10.7^	Form of Option Cancellation Agreement
10.8^	Form of Indemnification Agreement between Montauk Renewables, Inc. and each of its directors and executive officers
10.9^	Employment Agreement, effective September 25, 2019, between Montauk Energy Holdings LLC and Sean F. McClain
10.10^+	Employment Agreement, effective September 25, 2019, between Montauk Energy Holdings LLC and Kevin A. Van Asdalan
10.11^+	Employment Agreement, effective September 24, 2019, between Montauk Energy Holdings LLC and James A. Shaw
10.12^	Severance Agreement, effective September 30, 2019, between Montauk Energy Holdings LLC and Martin L. Ryan
10.13+	Second Amended and Restated Revolving Credit and Term Loan Agreement, dated as of December 12, 2018, by and among Montauk Energy Holdings LLC, the financial institutions from time to time party thereto, as lenders, and Comerica Bank, as administrative agent, sole lead arranger and sole book runner
10.14	First Amendment, dated as of March 21, 2019, to the Second Amended and Restated Revolving Credit and Term Loan Agreement, dated as of December 12, 2018, by and among Montauk Energy Holdings LLC, the financial institutions from time to time party thereto, as lenders, and Comerica Bank, as administrative agent, sole lead arranger and sole book runner

Exhibit Number	Exhibit Description
10.15	Second Amendment, dated as of September 12, 2019, to the Second Amended and Restated Revolving Credit and Term Loan Agreement, dated as of December 12, 2018, by and among Montauk Energy Holdings LLC, the financial institutions from time to time party thereto, as lenders, and Comerica Bank, as administrative agent, sole lead arranger and sole book runner
10.16†+*	Second Amended & Restated Landfill Gas Rights & Production Facilities Agreement, by and between County of Orange and Bowerman Power LFG, LLC
10.17†+*	First Amendment to the Second Amended & Restated Landfill Gas Rights & Production Facilities Agreement, by and between County of Orange and Bowerman Power LFG, LLC
10.18†+*	Renewable Power Purchase and Sale Agreement by and between the City of Anaheim and Bowerman Power LFG, LLC
10.19†+*	Amended and Restated Gas Sale and Purchase Agreement, by and between McCarty Road Landfill TX, LP and GSF Energy, LLC
10.20+*	Base Contract for Sale and Purchase of Natural Gas, dated as of August 24, 2018, by and between Trillium Transportation Fuels, LLC and GSF Energy, LLC
10.21†+*	Transaction Confirmation, dated as of August 24, 2018, by and between Trillium Transportation Fuels, LLC and GSF Energy, LLC
10.22†+*	First Amendment to Transaction Confirmation, dated as of August 24, 2018, by and between Trillium Transportation Fuels, LLC and GSF Energy, LLC
10.23†+*	Third Amended and Restated Gas Lease Agreement, dated January 1, 2018, by and between Rumpke Sanitary Landfill, Inc. and GSF Energy, LLC
10.24+*	Base Contract for Sale and Purchase of Natural Gas, dated as of May 9, 2016, by and between Logen D3 Biofuel Partners LLC and GSF Energy, LLC
10.25†+*	Transaction Confirmation, dated as of May 9, 2016, by and between Logen D3 Biofuel Partners LLC and GSF Energy, LLC
10.26†+*	First Amendment to Transaction Confirmation, dated as of May 20, 2016, by and between Logen D3 Biofuel Partners LLC and GSF Energy, LLC
10.27†+*	Second Amendment to Transaction Confirmation, dated as of May 22, 2018, by and between Logen D3 Biofuel Partners LLC and GSF Energy, LLC
10.28†+*	Third Amendment to Transaction Confirmation, dated as of September 17, 2019, by and between Logen D3 Biofuel Partners LLC and GSF Energy, LLC
10.29+*	Base Contract for Sale and Purchase of Natural Gas, dated as of May 6, 2016, by and between Shell Energy North America (US), L.P. and GSF Energy, LLC
10.30†+*	Transaction Confirmation, dated as of May 6, 2016, by and between Shell Energy North America (US), L.P. and GSF Energy, LLC
10.31†+*	First Amendment to Transaction Confirmation, dated as of May 24, 2016, by and between Shell Energy North America (US), L.P. and GSF Energy, LLC
10.32+*	Base Contract for Sale and Purchase of Natural Gas, dated as of October 9, 2019, by and between Bluesource LLC and GSF Energy, LLC
10.33†+*	Transaction Confirmation, dated as of October 15, 2019, by and between Bluesource LLC and GSF Energy, LLC
10.34†+*	Amended and Restated Landfill Gas Purchase and Sale Agreement, dated October 17, 2016, by and between Waste Management of Texas, Inc. and TX LFG Energy, LP

Exhibit Number	Exhibit Description
10.35+*	Base Contract for Sale and Purchase of Natural Gas, dated as of February 27, 2017, by and between BP Energy Company and BP Products North America Inc. (formerly Clean Energy Renewable Fuels, LLC) and TX LFG Energy, LP
10.36†+*	Transaction Confirmation, dated as of February 27, 2017, by and between BP Energy Company and BP Products North America Inc. (formerly Clean Energy Renewable Fuels, LLC) and TX LFG Energy, LP
10.37†+*	First Amendment to Transaction Confirmation, dated as of February 7, 2018, by and between BP Energy Company and BP Products North America Inc. (formerly Clean Energy Renewable Fuels, LLC) and TX LFG Energy, LP
10.38*	Consortium Agreement, dated as of , by and among the stockholders named therein
10.39	Administrative Services Agreement, effective as of December 15, 2014, by and among HCI Managerial Services Proprietary Limited and Montauk Holdings Limited
10.40*	Intercompany Loan Agreement and Promissory Notes, dated as of , by and between Montauk Holdings Limited and Montauk Renewables, Inc.
21.1	List of subsidiaries of Montauk Renewables, Inc.
23.1	Consent of Jones Day (included in Exhibit 5.1)
23.2	Consent of Grant Thornton LLP
23.3	Consent of Grant Thornton LLP
24.1	Power of Attorney (included on the signature page hereto)

* Exhibits marked with an asterisk (*) will be filed by amendment.
^ Exhibits marked with a carrot (^) are management contracts or compensation plans or arrangements.
\+ Exhibits marked with a (+) exclude certain immaterial schedules and exhibits pursuant to the provisions of Regulation S-K, Item 601(a)(5). A copy of any of the omitted schedules and exhibits will be furnished to the Securities and Exchange Commission upon request.
† Exhibits marked with a (†) exclude certain portions of the exhibit pursuant to Item 601(b)(10)(iv) of Regulation S-K. A copy of the omitted portions will be furnished to the Securities and Exchange Commission upon request.

(b) Financial Statement Schedules

All financial statement schedules are omitted because the information called for is not required or is shown either in the consolidated financial statements or in the notes thereto. See the Index to Financial Statements included on page F-1 for a list of the financial statements and schedules included in this registration statement.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a

claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit, or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Montauk Renewables, Inc. has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Pittsburgh, Commonwealth of Pennsylvania, on December 11, 2020.

MONTAUK RENEWABLES, INC.

By: /s/ Scott Loughman
Name: Scott Loughman
Title: Chief Executive Officer and President

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned constitutes and appoints each of Sean F. McClain, John Ciroli, Scott Loughman and Erik Watson, or any of them, each acting alone, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for such person and in his name, place and stead, in any and all capacities, to sign this Registration Statement (including all pre-effective and post-effective amendments and registration statements filed pursuant to Rule 462(b) under the Securities Act of 1933), and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming that any such attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on December 11, 2020.

Signature	Title	Date
/s/ Scott Loughman Scott Loughman	Chief Executive Officer, President and Director (*Principal Executive Officer*)	December 11, 2020
/s/ Erik Watson Erik Watson	Chief Financial Officer, Chief Accounting Officer and Director (*Principal Financial and Accounting Officer*)	December 11, 2020
/s/ Melissa Sprankle Melissa Sprankle	Senior Vice President and Director	December 11, 2020
/s/ Melissa Zotter Melissa Zotter	Secretary, Treasurer and Director	December 11, 2020

TRANSACTION IMPLEMENTATION AGREEMENT

BY AND BETWEEN

MONTAUK HOLDINGS LIMITED,

MONTAUK HOLDINGS USA, LLC

AND

MONTAUK RENEWABLES, INC.

DATED NOVEMBER 6, 2020

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TRANSACTION IMPLEMENTATION AGREEMENT

THIS TRANSACTION IMPLEMENTATION AGREEMENT, dated November 6, 2020 (this "Agreement"), is by and between Montauk Holdings Limited, a South African company ("MNK"), Montauk Holdings USA, LLC, a Delaware limited liability company wholly owned subsidiary of MNK ("Montauk USA"), and Montauk Renewables, Inc., a Delaware corporation ("MRI"). Capitalized terms used herein and not otherwise defined will have the respective meanings assigned to them in Article I.

RECITALS

WHEREAS, the board of directors of MNK (the "MNK Board") has determined that it is in the best interests of MNK and its shareholders to create a new publicly traded company incorporated and listed in the United States that will operate the MRI Business;

WHEREAS, in furtherance of the foregoing, the MNK Board and MNK, the sole member of Montauk USA, have determined that it is appropriate and desirable to undertake an internal restructuring (the "Reorganization Transactions");

WHEREAS, MNK is a holding company listed on the Johannesburg Stock Exchange ("JSE") with no significant assets other than 100% of the equity of Montauk USA, which in turn owns no assets other than 100% of the equity of Montauk Energy Holdings LLC, a Delaware limited liability company ("MEH"), which in turn conducts all of the business and operations of MNK directly and indirectly through its Subsidiaries;

WHEREAS, to effect the Reorganization Transactions, Montauk USA will consummate the Share Exchange and the Pre-Spin Distribution and the other actions required pursuant to Article II, following which Montauk USA will no longer hold any assets and will be sold to a Third Party that will formally wind up and dissolve Montauk USA;

WHEREAS, subsequent to the Reorganization Transactions and pursuant to the terms of this Agreement, MNK intends to distribute all of the outstanding shares of MRI common stock, par value $0.01 ("MRI Shares"), owned by MNK to the holders of record of the ordinary shares of MNK with no par value ("MNK Shares"), as of the Record Date (the "Record Holders"), with such distribution to be made with regard to the respective shareholding of Record Holders, with each Record Holder entitled to receive one MRI Share for every one MNK Share (or such other ratio as agreed to by MRI and MNK prior to the Effective Time, the "Distribution Ratio")), excluding fractional MRI Shares, subject to the withholding by MNK of the Withholding Shares (the "Distribution");

WHEREAS, following the Distribution, MNK, which will no longer hold any significant assets other than the Withholding Shares withheld by MNK to satisfy tax liabilities of certain Record Holders associated with the Distribution, will engage in no activities other than wind-up activities, delist from the JSE and ultimately be formally dissolved;

WHEREAS, MNK has prepared the Shareholder Circular which sets forth disclosure concerning MRI, the Reorganization Transactions, and the Distribution;

WHEREAS, each of MNK, Montauk USA and MRI has determined that it is appropriate and desirable to set forth the principal corporate transactions required to effect the Reorganization Transactions, the Distribution and certain other agreements that will govern certain matters relating to the Reorganization Transactions and the Distribution and the relationship of MNK, MRI and the members of their respective Groups following the Distribution; and

WHEREAS, concurrently with the execution and delivery of this Agreement, (a) MRI, Montauk USA and the sole stockholder of MRI have executed and delivered a Share Exchange Agreement, attached hereto as Exhibit A (the "Share Exchange Agreement") pursuant to which the parties thereto shall consummate the Share Exchange, and (b) MNK, MRI and a Third Party acquiror have executed a Membership Interest Purchase Agreement, attached hereto as Exhibit B (the "Montauk USA Wind-Up Agreement"), pursuant to which such Third Party will acquire all of the issued and outstanding membership interests of Montauk USA from MNK for the nominal consideration of $1.00 for purposes of conducting the wind up and dissolution of Montauk USA in accordance with terms of Montauk USA's operating agreement and the Delaware Limited Liability Company Act.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I

DEFINITIONS

For the purpose of this Agreement, the following terms will have the following meanings:

"Action" means any demand, action, claim, dispute, suit, countersuit, arbitration, inquiry, subpoena, proceeding or investigation of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) by or before any federal, state, provincial, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.

"Affiliate" means, when used with respect to a specified Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified Person. For the purpose of this definition, "control" (including with correlative meanings, "controlled by" and "under common control with"), when used with respect to any specified Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by Contract, release, warranty, commitment, undertaking or otherwise. It is expressly agreed that, prior to, at and after the Effective Time, for purposes of this Agreement and the Ancillary Agreements, (a) no member of the MRI Group will be deemed to be an Affiliate of any member of the MNK Group and (b) no member of the MNK Group will be deemed to be an Affiliate of any member of the MRI Group.

"Agent" means Computershare Investor Services in the capacity as distribution agent, transfer agent and registrar for the MRI Shares in connection with the Distribution.

"Agreement" has the meaning set forth in the Preamble.

"Ancillary Agreement" means all agreements (other than this Agreement) entered into by the Parties and/or members of their respective Groups (but as to which no Third Party is a party) in connection with the Reorganization Transactions, the Distribution, or the other transactions contemplated by this Agreement, including the Share Exchange Agreement.

"Approvals or Notifications" means any consents, waivers, approvals, permits or authorizations to be obtained from, notices, registrations or reports to be submitted to, or other filings to be made with, any Third Party, including any Governmental Authority.

"Arbitration Request" has the meaning set forth in Section 7.2(a).

"Benefit Plan" means any (a) "employee benefit plan," as defined in ERISA Section 3(3) (whether or not such plan is subject to ERISA); and (b) employment, compensation, severance, redundancy, salary continuation, bonus, incentive, retirement, savings, pension, workers' compensation, termination benefit (including termination notice requirements), other indemnification, supplemental unemployment benefit, profit sharing, deferred compensation, profits interest, stock ownership, stock purchase, stock option, stock appreciation right, restricted stock, performance stock, "phantom" stock, performance stock unit, restricted stock unit, other equity-based incentive, change in control, paid time off, perquisite, fringe benefit, vacation, disability, life, or other insurance, death benefit, hospitalization, medical, or other compensatory or benefit plan, program, fund, agreement, arrangement, scheme, Contract, or policy of any kind (whether written or oral, qualified or nonqualified, funded or unfunded, foreign or domestic, currently effective or terminated), and any trust, escrow or similar agreement related thereto, whether or not funded.

"Code" means the Internal Revenue Code of 1986, as amended.

"Companies Act" means the Companies Act, 2008 (Act No. 71 of 2008), as amended.

"Contract" means any written or oral agreement, contract, commitment, lease, instrument, guarantee, bid, order, proposal, understanding or arrangement.

"CPR Arbitration Procedure" has the meaning set forth in Section 7.2(a).

"Dispute" has the meaning set forth in Section 7.1.

"Distribution" has the meaning set forth in the Recitals.

"Distribution Date" means the date on which the Distribution will be implemented, which will be determined by the MNK Board.

"Distribution Ratio" has the meaning set forth in the Recitals.

"Effective Time" means the effective time of the Distribution on the Distribution Date as determined by the MNK Board.

"Employee" means, as applicable, an employee on the payroll of MNK (or any other member of the MNK Group), MEH, or MRI (or any other member of the MRI Group), including any employee absent from work on account of vacation, annual leave, jury duty, funeral leave, furlough, personal leave, sickness, short-term disability, long-term disability or workers'

compensation leave (in each case, unless treated as a separated employee for employment purposes), military leave, family leave, parental leave (whether paid or unpaid), pay continuation leave, garden leave, or other approved leave of absence or for whom an obligation to recall, rehire or otherwise return to employment exists under a contractual obligation or Law.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"Force Majeure" means, with respect to a Party, an event beyond the control of such Party (or any Person acting on its behalf), which event (a) does not arise or result from the fault or negligence of such Party (or any Person acting on its behalf) and (b) by its nature would not reasonably have been foreseen by such Party (or such Person), or, if it would reasonably have been foreseen, was unavoidable, and includes acts of God, acts of civil or military authority, embargoes, epidemics (including the novel COVID-19 virus), war, riots, insurrections, fires, explosions, earthquakes, floods, unusually severe weather conditions, labor problems or, in the case of computer systems, any failure in electrical or air conditioning equipment. Notwithstanding the foregoing, the receipt by a Party of an unsolicited takeover offer or other acquisition proposal, even if unforeseen or unavoidable, and such Party's response thereto, will not be deemed an event of Force Majeure.

"Governmental Authority" means any nation or government, any state, province, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, provincial, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, government and any executive official thereof.

"Group" means either the MRI Group or the MNK Group, as the context requires.

"Initial Notice" has the meaning set forth in Section 7.1.

"IRS" means the U.S. Internal Revenue Service.

"JSE" has the meaning set forth in the Recitals.

"Law" means any national, supranational, federal, state, provincial, local or similar law (including common law), statute, code, order, ordinance, rule, regulation, treaty, license, permit, authorization, approval, consent, decree, injunction, binding judicial or administrative interpretation or other requirement, in each case, enacted, promulgated, issued or entered by a Governmental Authority.

"Liabilities" means all debts, guarantees, assurances, commitments, liabilities, responsibilities, Taxes, damages, penalties, remediation, deficiencies, damages, fines, penalties, settlements, sanctions, costs, expenses, interest and obligations of any nature or kind, whether accrued or fixed, absolute or contingent, matured or unmatured, accrued or not accrued, asserted or unasserted, liquidated or unliquidated, foreseen or unforeseen, known or unknown, reserved or unreserved, or determined or determinable, including those arising under any Law, claim (including any third-party claim), Benefit Plan, demand, Action, or order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental

Authority or arbitration tribunal, and those arising under any Contract, obligation, indenture, instrument, promise, release, warranty, commitment or undertaking, or any fines, damages or equitable relief that is imposed, in each case, including all costs and expenses relating thereto.

"MEH" has the meaning set forth in the Recitals.

"MEH Employee" means any Employee who is employed by MEH immediately prior to the Effective Time or who continues in employment with MEH or any member of the MRI Group from and after the Effective Time, or (b) hired by any member of the MRI Group on or after the Effective Time.

"MRI" has the meaning set forth in the Preamble.

"MRI Business" means the business, operations and activities of MRI and each other member of the MRI Group and Montauk USA as conducted at any time prior to the Effective Time.

"MRI Bylaws" means the Amended and Restated Bylaws of MRI, substantially in the form of Exhibit C.

"MRI Certificate of Incorporation" means the Amended and Restated Certificate of Incorporation of MRI, substantially in the form of Exhibit D.

"MRI Group" means MRI and each Person that is or will be a Subsidiary of MRI as of immediately after the consummation of the Share Exchange, including but not limited to, MEH.

"MRI Marks" means the names, marks, trade dress, logos, monograms, domain names and other source or business identifiers of either Party or any member of its Group using or containing "Montauk," "Montauk Energy" or "Montauk Holdings" either alone or in combination with other words or elements, and all names, marks, trade dress, logos, monograms, domain names and other source or business identifiers confusingly similar to or embodying any of the foregoing either alone or in combination with other words or elements, together with the goodwill associated with any of the foregoing.

"MRI Option" means a stock option to acquire MRI Shares.

"MRI Shares" has the meaning set forth in the Recitals.

"MNK" has the meaning set forth in the Preamble.

"MNK Board" has the meaning set forth in the Recitals.

"MNK Group" means MNK and Montauk USA.

"MNK Note" has the meaning set forth in Section 3.5.

"MNK Option" means an option to acquire MNK Shares that was granted under the MNK Share Appreciation Rights Scheme for U.S. Affiliates, which was approved by shareholders of MNK on 29 October 2015.

"MNK Shares" has the meaning set forth in the Recitals.

"Montauk USA" has the meaning set forth in the Recitals.

"Montauk USA Wind-Up Agreement" has the meaning set forth in Section 5.5.

"Nasdaq" means the Nasdaq Stock Market.

"Notice" has the meaning set forth in Section 9.5.

"Parties" means the parties to this Agreement.

"Person" means an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability entity, any other entity and any Governmental Authority.

"Pre-Spin Distribution" has the meaning set forth in Section 2.1(b).

"Privileged Information" means any information, in written, oral, electronic, or other tangible or intangible forms, including any communications by or to attorneys (including attorney-client privileged communications), memoranda and other materials prepared by attorneys or under their direction (including attorney work product), as to which a Party or any member of its Group would be entitled to assert or have asserted a privilege, including the attorney-client and attorney work product privileges.

"Record Date" means the date to be determined by the MNK Board, as the record date for the Record Holders entitled to receive MRI Shares pursuant to the Distribution.

"Record Holders" has the meaning set forth in the Recitals.

"Reorganization Transactions" has the meaning set forth in the Recitals.

"Representatives" means, with respect to any Person, any of such Person's directors, officers, employees, agents, consultants, advisors, accountants, attorneys or other representatives and advisors.

"Security Interest" means any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer, or other encumbrance of any nature whatsoever.

"Share Exchange" has the meaning set forth in Section 2.1(a).

"Share Exchange Agreement" has the meaning set forth in the Recitals.

"Shareholder Circular" means the shareholder circular to be circulated by MNK to the MNK shareholders in connection with the Distribution in terms of which, amongst other things, the approval of the holders of MNK Shares is sought for the Distribution.

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (a) beneficially owns, either directly or indirectly, more than 50% of (i) the total combined voting power of all classes of voting securities, (ii) the total combined equity interests or (iii) the capital or profit interests, in the case

of a partnership or limited liability company, or (b) otherwise has the power to elect, either directly or indirectly, a majority of the board of directors or similar governing body.

"Tax or Taxes" means all federal, state, local, provincial, municipal, foreign or other taxes, charges or other assessments, including all income, alternative, minimum, add-on minimum, accumulated earnings, personal holding company, net worth, intangibles, gross receipts, capital, sales, use, ad valorem, value added, transfer, franchise, profits, intangibles, goods and services, customs duties, conveyance, mortgage, registration, documentary, recording, premium, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, unemployment insurance, severance, environmental, disability, workers' compensation, health care natural resources, excise, severance, stamp, occupancy, rent, real property, personal property, estimated or other similar taxes, duties, levies or other governmental charges or assessments or deficiencies thereof, including all interest, penalties, fines, additions to tax or additional amounts imposed on the foregoing amounts by any taxing authority.

"Third Party" means any Person other than the Parties or any members of their respective Groups.

"Total Distribution Shares" means the number of MRI Shares equal to the product of (a) the number of issued and outstanding MNK Shares as of date on which the finalization announcement regarding the Distribution is published on the JSE's Stock Exchange News Service pursuant to the JSE Listings Requirements *multiplied by* (b) the Distribution Ratio (as finally as agreed to by MRI and MNK prior to the Share Exchange).

"U.S. Offering" means the public offering of up to $20,000,000 of new MRI Shares on the Nasdaq to be completed substantially concurrently with the Distribution.

"Withholding Shares" means those MRI Shares (if any) withheld by MNK in relation to any Record Holders: (i) to enable MNK to settle the dividends tax liability arising from the Distribution to a Record Holder in terms of the Income Tax Act, 1962 (Act No. 58 of 1962), as amended; or (ii) who delivered a demand made in terms of section 164(5) of the Companies Act, in terms of which such Record Holder demanded that MNK pay such Record Holders the fair value for all of the MNK Shares which such Record Holder holds.

ARTICLE II

THE REORGANIZATION TRANSACTIONS

2.1 Pre-Distribution Restructuring.

(a) *Share Exchange*. On the Business Day immediately prior to the Record Date (or such other date as may be agreed by MRI and MNK, provided such date is prior to the Record Date), Montauk USA will transfer and assign to MRI all of the issued and outstanding membership interests of MEH in exchange for the issuance by MRI to Montauk USA of the Total Distribution Shares (the "Share Exchange"), in each case, in accordance with the Share Exchange Agreement. Upon the consummation of the Share Exchange, Montauk USA will own all of the issued and outstanding common stock of MRI and MRI will own all of the issued and outstanding membership interests of MEH.

(b) *Distribution of Total Distribution Shares*. Immediately following the consummation of the Share Exchange, Montauk USA will declare a special distribution consisting of the Total Distribution Shares to MNK (Montauk USA's sole member) (the "Pre-Spin Distribution") and will execute and deliver to MNK a stock power substantially in the form attached hereto as Exhibit E. Immediately following the Pre-Spin Distribution, MNK will directly hold the Total Distribution Shares, representing all of the issued and outstanding common stock of MRI.

2.2 Approvals and Notifications. To the extent that the Share Exchange, the Pre-Spin Distribution, the Reorganization Transactions or the Distribution require any Approvals or Notifications, the Parties will use their commercially reasonable efforts to obtain or make such Approvals or Notifications as soon as reasonably practicable; provided, however, that, except to the extent expressly provided in this Agreement or any of the Ancillary Agreements or as otherwise agreed between MNK and MRI, neither MNK nor MRI will be obligated to contribute capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make such Approvals or Notifications.

2.3 Treatment of Guarantees and Security Interests. In furtherance of, and not in limitation of, the obligations set forth in Section 2.2:

(a) Each of MNK and MRI will, and will cause their respective Subsidiaries to, use commercially reasonable efforts to have any MNK and Montauk USA, as applicable, removed as guarantor of, indemnitor of or obligor for any Liability of any member of the MRI Group, including the removal of any Security Interest on or in any of their respective assets that may serve as collateral or security.

(b) To the extent required to obtain a release from a guarantee or indemnity of MNK or Montauk USA, MRI or one or more members of the MRI Group will execute a guarantee or indemnity agreement in the form of the existing guarantee or indemnity or such other form as is agreed to by the relevant parties to such guarantee or indemnity agreement, except to the extent that such existing guarantee or indemnity contains representations, covenants or other terms or provisions either (A) with which MRI would be reasonably unable to comply or (B) which MRI would not reasonably be able to avoid breaching.

2.4 Termination of Agreements.

(a) Except as set forth in Section 2.4(b), in furtherance of the releases and other provisions of Article IV, MRI and each member of the MRI Group, on the one hand, and MNK and Montauk USA, on the other hand, hereby terminate any and all agreements, arrangements, commitments or understandings, whether or not in writing, between or among MRI and/or any member of the MRI Group, on the one hand, and MNK and/or Montauk USA on the other hand, effective as of the Effective Time. No such terminated agreement, arrangement, commitment or understanding (including any provision thereof which purports to survive termination) will be of any further force or effect after the Effective Time. Each Party will, at the reasonable request of the other Parties, take, or cause to be taken, such other actions as may be necessary to effect the foregoing.

(b) The provisions of Section 2.4 will not apply to any of the following agreements, arrangements, commitments or understandings (or to any of the provisions thereof): (i) this Agreement and the Ancillary Agreements (and each other agreement or instrument expressly contemplated by this Agreement or any Ancillary Agreement to be entered into by any of the Parties or any of the members of their respective Groups or to be continued from and after the Effective Time) and (ii) any agreements, arrangements, commitments or understandings to which any Third Party is a party.

(c) All of the intercompany accounts receivable and accounts payable between any member of the MNK Group, on the one hand, and any member of the MRI Group, on the other hand, outstanding as of the Effective Time will, prior to the Effective Time, be repaid, settled or otherwise eliminated by means of cash payments, a dividend, capital contribution, a combination of the foregoing, or otherwise as determined by MNK in its sole and absolute discretion; *provided*, that for the avoidance of doubt, the foregoing shall not affect the MNK Note to be delivered pursuant to Section 3.5.

2.5 Ancillary Agreements. Effective on or prior to the Effective Time, each of MNK and MRI will, or will cause the applicable members of their Groups to, execute and deliver all Ancillary Agreements to which it (or any member of its Group) is a party.

ARTICLE III

THE DISTRIBUTION

3.1 Sole and Absolute Discretion; Cooperation.

(a) MNK will, in its sole and absolute discretion, determine the terms of the Distribution, including the form, structure and terms of any transaction(s) and/or offering(s) to effect the Distribution and the timing and conditions to the consummation of the Distribution. In addition, MNK may, at any time and from time to time until the consummation of the Distribution, modify or change the terms of the Distribution, including by accelerating or delaying the timing of the consummation of all or part of the Distribution. Nothing will in any way limit MNK's right to terminate this Agreement or the Distribution as set forth in Article VIII or alter the consequences of any such termination from those specified in Article VIII.

(b) MRI will cooperate with MNK to accomplish the Distribution and will, at MNK's direction, promptly take any and all actions necessary or desirable to effect the Distribution.

3.2 Actions Prior to the Distribution. Prior to the Effective Time and subject to the terms and conditions set forth herein, the Parties will take, or cause to be taken, the following actions in connection with the Distribution:

(a) *MRI Certificate of Incorporation and MRI Bylaws*. Prior to the Effective Time, but following the Pre-Spin Distribution, MNK and MRI will take all necessary actions so that, as of or immediately prior to the Effective Time, the MRI Certificate of Incorporation and the MRI Bylaws will become the certificate of incorporation and bylaws of MRI, respectively.

(b) *MRI Directors and Officers*. Prior to the Effective Time, but following the Pre-Spin Distribution, MNK and MRI will take all necessary actions so that as of immediately prior

to the Effective Time: (i) the directors and executive officers of MRI will be those set forth in Schedule 3.2, unless otherwise agreed by the Parties; and (ii) MRI will have such other officers as MRI will appoint.

(c) *The Distribution Agent*. MNK and MRI, as applicable, will enter into a distribution agent agreement with the Agent or otherwise provide instructions to the Agent regarding the Distribution.

3.3 Conditions to the Distribution.

(a) The consummation of the Distribution will be subject to the satisfaction, or waiver by MNK in its sole and absolute discretion, of the following conditions:

(i) the holders of MNK Shares shall have approved the Distribution in terms of sections 112 and 115 of the Companies Act, by the requisite majority at the shareholders' general meeting by voting in favor of the resolutions approving the Distribution, provided that this condition shall not be fulfilled if MNK shareholders' holding, in aggregate, 1.0% or more of the issued Shares (or such other number as the MNK Board may determine), vote against the special resolution approving the Distribution and exercise their appraisal rights by giving notice objecting to such special resolution in accordance with section 164(3) of the Companies Act and delivering valid demands in accordance with sections 164(5) of the Companies Act;

(ii) the MNK Board shall have authorized and approved the Distribution and not withdrawn such authorization and approval, and shall have declared the dividend *in specie* of MRI Shares to the MNK shareholders;

(iii) Montauk USA and MRI will have consummated the Share Exchange and the Pre-Spin Distribution pursuant to Section 2.1;

(iv) MNK and MRI shall have completed each of the pre-Distribution actions set forth in Section 3.2;

(v) the actions and filings necessary or appropriate under applicable U.S. and South African Laws and the rules and regulations thereunder will have been taken or made, and, where applicable, have become effective or been accepted by the applicable Governmental Authority;

(vi) the South African Reserve Bank (or an Authorized Dealer) having granted its unconditional approval for the Distribution, or such approval having been granted subject to conditions acceptable to the MNK Board;

(vii) the Takeover Regulation Panel shall have issued a compliance certificate, in accordance with section 121(b) of the Companies Act, to MNK in respect of the Distribution;

(viii) each of the Ancillary Agreements will have been duly executed and delivered by the applicable parties thereto;

(ix) no order, interdict, injunction or decree issued by any Governmental Authority of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Reorganization Transactions, the Distribution or any of the transactions related thereto will be in effect and no other event outside the control of Montauk shall have occurred or failed to occur that prevents the consummation of the Distribution;

(x) the MRI Shares to be distributed in the Distribution will have been accepted for listing on the Nasdaq, subject to official notice of distribution and completion of the U.S. Offering;

(xi) the MRI Shares to be distributed in the Distribution will have been accepted for a secondary inward listing on the Main Board of the JSE, subject to the implementation of the Distribution;

(xii) no other events or developments will exist or will have occurred that, in the judgment of the MNK Board, in its sole and absolute discretion, (A) makes it inadvisable to effect the Reorganization Transactions, the Distribution or the transactions contemplated by this Agreement or any Ancillary Agreement or (B) would result in the Reorganization Transactions, the Distribution or the transactions contemplated by this Agreement or any Ancillary Agreement having a material adverse effect on MNK or its shareholders.

(b) The foregoing conditions are for the sole benefit of MNK and will not give rise to or create any duty on the part of MNK or the MNK Board to waive or not waive any such condition or in any way limit MNK's right to terminate this Agreement as set forth in Article VIII or alter the consequences of any such termination from those specified in Article VIII. Any determination made by the MNK Board prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in Section 3.3(a) will be conclusive and binding on the Parties.

3.4 The Distribution.

(a) Subject to Section 3.3, on or prior to the Effective Time, MRI will deliver to the Agent, for the benefit of the Record Holders, book-entry transfer authorizations for the Total Distribution Shares (being the number of the outstanding MRI Shares as is necessary to effect the Distribution), subject to the withholding by MNK of the Withholding Shares, and will cause the transfer agent for the MNK Shares, as the case may be, to instruct the Agent to (i) distribute at the Effective Time the appropriate whole number of MRI Shares to each such Record Holder or designated transferee or transferees of such Record Holder by way of direct registration in book-entry form and (ii) receive and hold for and on behalf of each Record Holder the amount of fractional MRI Shares to which such Record Holder would otherwise be entitled to receive in the Distribution. MRI will not issue paper share certificates in respect of the MRI Shares. The Distribution will be effective at the Effective Time.

(b) Subject to Sections 3.3, 3.4(a) and 3.4(c), each Record Holder will be entitled to receive in the Distribution the number of MRI Shares equal to the product of (i) the number of MNK Shares held by such Record Holder on the Record Date *multiplied by* (ii) the Distribution

Ratio, excluding fractional MRI Shares, subject to the withholding by MNK of the Withholding Shares.

(c) No fractional MRI Shares will be distributed or credited to book-entry accounts in connection with the Distribution, and any such fractional MRI Shares interests to which a Record Holder would otherwise be entitled will not entitle such Record Holder to vote or to any other rights as a shareholder of MRI. In lieu of any such fractional MRI Shares, each Record Holder who, but for the provisions of this Section 3.4, would be entitled to receive a fractional share interest of a MRI Share pursuant to the Distribution, as applicable, will be paid cash, without any interest thereon, as hereinafter provided. On the Record Date, MNK will direct the Agent to determine the number of whole and fractional MRI Shares allocable to each Record Holder, to aggregate all such fractional MRI Shares into whole MRI Shares, and to sell the whole MRI Shares obtained thereby in the open market when, how, and through which broker-dealers as determined in its sole discretion without any influence by MNK or MRI, and to cause to be distributed to each such Record Holder, in lieu of any fractional MRI Share, such Record Holder's ratable share of the total proceeds of such sale, after deducting any Taxes required to be withheld and applicable transfer Taxes, and after deducting the costs and expenses of such sale and distribution, including brokers fees and commissions. None of MNK, MRI or the Agent will be required to guarantee any minimum sale price for the fractional MRI Shares sold in accordance with this Section 3.4(c). Neither MNK nor MRI will be required to pay any interest on the proceeds from the sale of fractional MRI Shares. Neither the Agent nor the broker-dealers through which the aggregated fractional MRI Shares are sold will be Affiliates of MNK or MRI. Solely for purposes of computing fractional MRI Share interests pursuant to this Section 3.4(c) and Section 3.4(d), the beneficial owner of MNK Shares held of record in the name of a nominee in any nominee account will be treated as the Record Holder with respect to such MNK Shares.

(d) Any MRI Shares or cash in lieu of fractional MRI Shares with respect to MRI Shares that remain unclaimed by any Record Holder 180 days after the Distribution Date will be delivered to MRI, and MRI will hold such MRI Shares for the account of such Record Holder, and the Parties agree that all obligations to provide such MRI Shares and cash, if any, in lieu of fractional MRI Share interests will be obligations of MRI, subject in each case to applicable prescription, escheat or other abandoned property Laws, and MNK will have no Liability with respect thereto.

(e) Until the MRI Shares are duly transferred in accordance with this Section 3.4 and applicable Law, from and after the Effective Time, MRI will regard the Persons entitled to receive such MRI Shares as Record Holders in accordance with the terms of the Distribution without requiring any action on the part of such Persons. MRI agrees that, subject to any transfers of such MRI Shares, from and after the Effective Time (i) each such holder will be entitled to receive all dividends payable on, and exercise voting rights and all other rights and privileges with respect to, the MRI Shares then held by such Record Holder, and (ii) each such Record Holder will be entitled, without any action on the part of such Record Holder, to receive evidence of ownership of the MRI Shares then held by such Record Holder.

(f) Notwithstanding anything herein to the contrary, each MNK Option that is outstanding as of the Distribution, whether vested or unvested, will be canceled in its entirety without payment to the holder of such MNK Option. At or following the Effective Time, each holder of any such MNK Option will receive a number of MRI Options or other equity incentive

award to be determined by the MRI Board in accordance with the terms of an equity incentive plan to be adopted by MRI.

3.5 MNK Note. On the Distribution Date, subject to MNK obtaining any required exchange control approval, MRI shall advance a cash loan to MNK in a principal amount equal to the aggregate amount required by MNK to settle the dividends tax liability arising from the Distribution in terms of the Income Tax Act, 1962 (Act No. 58 of 1962), as amended, with respect to the Withholding Shares in exchange for MNK's delivery of a promissory note, in the form and on such terms as are acceptable to MRI (the "MNK Note"). For the avoidance of doubt, subject to the terms and conditions of the MNK Note, any net proceeds from dispositions of the Withholding Shares by MNK shall be paid by MNK to MRI to reduce the outstanding principal amount to be repaid (together with accrued interest thereon) under the MNK Note.

ARTICLE IV

MUTUAL RELEASES OF PRE-DISTRIBUTION CLAIMS

4.1 MRI Release of MNK. Except as provided in Sections 4.3 and 4.4, effective as of the Effective Time, MRI does hereby, for itself and each other member of the MRI Group, and their respective successors and assigns, and, to the extent permitted by Law, all Persons who at any time prior to the Effective Time have been equity holders, directors, managers, officers, agents or employees of any member of the MRI Group (in each case, in their respective capacities as such), remise, release and forever discharge (i) MNK and the members of the MNK Group, and their respective successors and assigns and (ii) all Persons who at any time prior to the Effective Time have been equity holders, directors, managers, officers, agents or employees of any member of the MNK Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, in each case from: (A) all Liabilities arising from or in connection with the transactions and all other activities to implement the Reorganization Transactions and the Distribution and (B) all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time).

4.2 MNK and Montauk USA Release of MRI. Except as provided in Sections 4.3 and 4.4, effective as of the Effective Time, each of MNK and Montauk USA does hereby, for itself and their respective successors and assigns, and, to the extent permitted by Law, all Persons who at any time prior to the Effective Time have been equity holders, directors, managers, officers, agents or employees of any of MNK and Montauk USA, respectively (in each case, in their respective capacities as such), remise, release and forever discharge MRI and the members of the MRI Group and their respective successors and assigns, from (A) all Liabilities arising from or in connection with the transactions and all other activities to implement the Reorganization Transactions and the Distribution and (C) all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature,

become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time).

4.3 Obligations Not Affected. Nothing contained in Sections 4.1 or 4.2 will impair any right of any Person to enforce this Agreement, any Ancillary Agreement, in each case in accordance with its terms. Nothing contained in Sections 4.1 or 4.2 will release any Person from:

(a) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any member of any Group under, this Agreement or any Ancillary Agreement; or

(b) any Liability the release of which would result in the release of any Person other than a Person released pursuant to Sections 4.1 or 4.2.

In addition, nothing contained in Section 4.1 will release any member of the MNK Group from honoring its existing obligations to indemnify any director, manager, officer or employee of MRI who was a director, manager, officer or employee of any member of the MNK Group on or prior to the Effective Time, to the extent such director, officer or employee becomes a named defendant in any Action with respect to which such director, officer or employee was entitled to such indemnification pursuant to such existing obligations; it being understood that, if the underlying obligation giving rise to such Action is a Liability a member of the MRI Group, MRI will indemnify MNK and Montauk USA, as applicable, for such Liability (including MNK's costs to indemnify the director, officer or employee) in accordance with the provisions set forth in this Article IV.

4.4 No Claims. MRI will not make, and will not permit any member of the MRI Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against MNK or Montauk USA, or any other Person released pursuant to Section 4.1, with respect to any Liabilities released pursuant to Section 4.1. Neither MNK nor Montauk USA will make any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification against MRI or any other member of the MRI Group, or any other Person released pursuant to Section 4.1, with respect to any Liabilities released pursuant to Section 4.1.

4.5 Execution of Further Releases. At any time at or after the Effective Time, at the request of either Party, the other Party will cause each member of its respective Group to execute and deliver releases reflecting the provisions of this Article IV.

ARTICLE V

CERTAIN OTHER MATTERS

5.1 Insurance Matters. Prior to the Effective Time, MNK, Montauk USA and MRI will use commercially reasonable efforts to either obtain separate insurance policies for MRI and the relevant members of the MRI Group or ensure that MRI and the relevant members of the MRI Group are named insureds under existing insurance policies covering MRI or any member of the MRI Group (it being understood that MRI will be responsible for all premiums, costs and fees associated with any insurance policies covering MRI or any member of the MRI Group pursuant

to this Section 5.1). At the Effective Time, MRI will have in effect all insurance programs required to comply with MRI's contractual obligations and such other insurance policies required by Law or as reasonably necessary or appropriate for companies operating a business similar to MRI's.

5.2 Employee Matters.

(a) *Employee Liabilities.* From and after the Effective Time, the Parties intend for MEH Employees to remain employed by MEH or another member of the MRI Group, and the MRI Group will retain all Liabilities relating to, arising out of, or resulting from the employment (or termination of employment) of any MEH Employee.

(b) *Benefit Plans.* From and after the Effective Time, the MRI Group will (or will cause another member of the MRI Group to) continue in effect all Benefit Plans sponsored, maintained, or contributed to by MEH that were in effect prior to the Reorganization Transactions. For the avoidance of doubt, the Parties intend that the employment of all MEH Employees, and all Benefit Plans sponsored, maintained, or contributed to by MEH as in effect prior to the Effective Time, will remain unchanged and unaffected by the consummation of the transactions set forth in this Agreement.

(c) *Tax Reporting and Withholding.* Following the Effective Time, the Parties intend that the MRI Group will continue to be responsible for all income, payroll and other tax remittance and reporting related to income of MEH Employees, and, to the extent required, individuals who are or were MRI non-employee directors. If applicable, MNK or MRI, as applicable, will facilitate performance by the other Party of its obligations hereunder by promptly remitting amounts or shares withheld in conjunction with a transfer of shares or cash, either (as mutually agreed by the Parties) directly to the applicable taxing authority or to the other Party for remittance to such taxing authority. The Parties will cooperate and communicate with each other and with third-party providers to effectuate withholding and remittance of taxes, as well as required tax reporting, in a timely, efficient and appropriate manner. If MNK or MRI determines in its reasonable judgment that any action required under this Section 5.2(c) will not achieve the intended tax, accounting and legal results, including, without limitation, the intended results under Code Section 409A or FASB ASC Topic 718 – Stock Compensation, then at the request of MNK or MRI, as applicable, MNK and MRI will mutually cooperate in taking such actions as are necessary or appropriate to achieve such results, or most nearly achieve such results if they originally-intended results are not fully attainable.

(d) *Code Section 409A*. Notwithstanding any other provision of this Agreement to the contrary, any cancellation or issuance of any MNK Option and/or any MRI Option will be made taking into account the requirements of Code Section 409A, and, to the extent applicable, will be performed such that any such cancellation and/or issuance will comply with, or be exempt from, Section 409A of the Code.

5.3 Post-Effective Time Conduct. The Parties acknowledge that, after the Effective Time (or, in the case of Montauk USA, following the execution of the Montauk USA Wind-up Agreement), except as otherwise provided in Article IV, each Party will be independent of the other Party, with responsibility for its own actions and inactions and its own Liabilities relating to, arising out of or resulting from the conduct of its business, operations and activities following

the Effective Time, except as may otherwise be provided in this Agreement or any Ancillary Agreement, and each Party will use commercially reasonable efforts to prevent such Liabilities from being inappropriately borne by the other Party.

5.4 MRI Marks. MRI, on behalf of itself and the other members of the MRI Group, from and after the Effective Time, hereby grants to MNK and Montauk USA a transitional, non-exclusive, fully paid-up, non-transferable and non-sublicenseable license to use the MRI Marks solely in connection with the operation and support of the MNK and Montauk USA, respectively, in each case, solely in a manner consistent with their use in connection with the MRI Business as of immediately prior to the Effective Time. The transitional license granted by this Section 5.4 shall terminate with respect to each of MNK and Montauk USA upon the their respective dissolution.

5.5 Dissolution of Montauk USA. After the Pre-Spin Distribution and no later than the Distribution Date, Montauk USA will file an IRS Form 8832 with the IRS electing for Montauk USA to be treated as a disregarded entity for U.S. tax purposes, effective as of the day after the Pre-Spin Distribution. On the next Business Day following the Distribution Date, MNK will consummate the transactions contemplated by the Montauk USA Wind-Up Agreement.

5.6 Dissolution of MNK. After the Distribution, MNK resolves to conduct no business operations and engage in no activities other than winding-up activities. As soon as reasonably practicable following the Distribution, MNK will become delisted from the JSE. Subsequently, but no later than the date that is 24 months following the Distribution Date (unless MNK and MRI agree that additional time in necessary to complete formal liquidation and dissolution), MNK will be formally dissolved.

5.7 Tax Treatment. The Parties intend that, for U.S. federal income tax purposes, (a) the transfer of all of the membership interests of MEH to MRI by Montauk USA in exchange for all of the MRI Shares pursuant to the Share Exchange, together with (i) the subsequent distribution of the MRI Shares by Montauk USA to MNK pursuant to the Pre-Spin Distribution, followed by (ii) (x) the election of Montauk USA to be treated as a disregarded entity for U.S. tax purposes and (y) the subsequent formal dissolution of Montauk USA, will together be treated as a tax-free reorganization pursuant to Section 368(a)(1)(F) of the Code; and (b) the Distribution will be treated as a distribution of the MRI Shares by MNK pursuant to the complete liquidation of MNK under Section 331 of the Code (and any subsequent cash distributions by MNK to its shareholders of cash remaining after payment of winding up expenses, if any, will also be treated as made pursuant to the complete liquidation of MNK under Section 331 of the Code). The Parties agree not to take any position inconsistent with this Section 5.7 on any tax return, in any tax audit or otherwise, unless required pursuant to applicable Law.

5.8 Taxes, Fees and Expenses of MNK and Montauk USA. From and after the date hereof, to the extent MNK or Montauk USA, respectively, do not have sufficient funds to pay all of their respective costs, expenses, taxes, fees, penalties or other Liabilities when they become due, MRI shall pay, and shall reimburse MNK and Montauk USA, for any and all such costs, expenses, taxes, fees, penalties or other Liabilities incurred by MNK (including invoices of HCI Management Services Proprietary Limited, as MNK's administrator) or Montauk USA, respectively, solely to the extent reasonably necessary for the continued maintenance and existence of MNK and Montauk USA, respectively, and for the future dissolution and winding

up of each of MNK and Montauk USA, respectively; *provided*, that (i) in the case of MNK, subject to exchange control approval, MNK and Montauk USA shall pay any such costs, expenses, taxes, fees, penalties or other Liabilities are they come due to the extent that they have available cash on hand, prior to seeking payment or reimbursement from MRI and (ii) to the extent MNK or Montauk USA has any remaining assets immediately prior to dissolution after paying all costs, expenses, taxes, fees, penalties or other Liabilities, such entity shall use such assets to repay MRI for any amounts previously paid on its behalf pursuant to this Section 5.8. Any request for payment or reimbursement by MNK or Montauk USA hereunder shall include invoices or other supporting documentation reasonably necessary for MRI or its representatives to confirm and verify such reasonable costs, expenses, taxes, fees, penalties or other liabilities.

5.9 Further Assurances. In addition to the actions specifically provided for elsewhere in this Agreement, each of the Parties will use its reasonable best efforts, prior to, on and after the Effective Time, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable Laws, regulations and agreements to consummate and make effective the transactions contemplated by this Agreement and the Ancillary Agreements.

ARTICLE VI

EXCHANGE OF INFORMATION; CONFIDENTIALITY

6.1 Agreement for Exchange of Information.

(a) Subject to Section 6.5 and any other applicable confidentiality obligations, each of MNK, Montauk USA and MRI, on behalf of itself and each member of its Group, agrees to use commercially reasonable efforts to provide or make available, or cause to be provided or made available, to any other Party and the members of such other Party's Group, at any time before, on or after the Effective Time, as soon as reasonably practicable after written request therefor, any information (or a copy thereof) in the possession or under the control of such Party or its Group to the extent that such information is required by the requesting Party to comply with its obligations under this Agreement or any Ancillary Agreement; or such information relates to MEH Employees or is required by the requesting Party to comply with any obligation imposed by any Governmental Authority (including, but not limited to, any obligation relating to withholding, reporting, or remitting any Tax that may be due to any Governmental Authority with respect to any MEH Employee); provided, however, that, in the event that the Party to whom the request has been made determines that any such provision of information could be detrimental to the Party providing the information, violate any Law or Contract, or waive any privilege available under applicable Law, including any attorney-client privilege, then the Parties will use commercially reasonable efforts to permit compliance with such obligations to the extent and in a manner that avoids any such harm or consequence. The Party providing information pursuant to this Section 6.1 will only be obligated to provide such information in the form, condition and format in which it then exists, and in no event will such Party be required to perform any improvement, modification, conversion, updating or reformatting of any such information.

(b) Notwithstanding anything to the contrary herein, until the end of the first full fiscal year of MNK and MRI following the Distribution, each of MNK and MRI agree to use

commercially reasonable efforts to provide or make available, or cause to be provided or made available, to any other Party and the members of such other Party's Group, such assistance, documentation and information reasonably required by the other Party and the members of such other Party's Group with their respective financial reporting and audit obligations.

6.2 Ownership of Information. The provision of any information pursuant to Section 6.1 will not affect the ownership of such information (which will be determined solely in accordance with the terms of this Agreement and the Ancillary Agreements), or constitute a grant of rights in or to any such information.

6.3 Compensation for Providing Information. The Party requesting information pursuant to a request for information in accordance with this Article VI agrees to reimburse the other Party for the reasonable costs, if any, of creating, gathering, copying, transporting and otherwise complying with the request with respect to such information (including any reasonable costs and expenses incurred in any review of information for purposes of protecting the Privileged Information of the providing Party or in connection with the restoration of backup media for purposes of providing the requested information). Except as may be otherwise specifically provided elsewhere in this Agreement, any Ancillary Agreement or any other agreement between the Parties, such costs will be computed in accordance with the providing Party's standard methodology and procedures.

6.4 Privileged Matters.

(a) The Parties recognize that legal and other professional services that have been and will be provided prior to the Effective Time have been and will be rendered for the collective benefit of each of the members of the MNK Group and the MRI Group, and that each of the members of the MNK Group and the MRI Group should be deemed to be the client with respect to such services for the purposes of asserting all privileges which may be asserted under applicable Law in connection therewith. The Parties recognize that legal and other professional services will be provided following the Effective Time, which services will be rendered solely for the benefit of the MNK Group or the MRI Group, as the case may be.

(b) The Parties agree as follows:

(i) MNK will be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to MNK and not to the MRI Group or the MRI Business, whether or not the Privileged Information is in the possession or under the control of any member of the MNK Group or any member of the MRI Group;

(ii) MRI will be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to the MRI Business and not to MNK, whether or not the Privileged Information is in the possession or under the control of any member of the MRI Group or any member of the MNK Group. MRI will also be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to any Actions that are now pending or may be asserted in the future,

whether or not the Privileged Information is in the possession or under the control of any member of the MRI Group or any member of the MNK Group; and

(iii) if the Parties do not agree as to whether certain information is Privileged Information, then such information will be treated as Privileged Information, and the Party that believes that such information is Privileged Information will be entitled to control the assertion or waiver of all privileges and immunities in connection with any such information unless the Parties otherwise agree. The Parties will use the procedures set forth in Article VII to resolve any disputes as to whether any information relates solely to MNK, solely to the MRI Group or the MRI Business, or to both MNK, on the one hand, and the MRI Group or the MRI Business, on the other hand.

(c) Subject to the remaining provisions of this Section 6.4, the Parties agree that they will have a shared privilege or immunity with respect to all privileges and immunities not allocated pursuant to Section 6.4(b) and all privileges and immunities relating to any Actions or other matters that involve both Parties (or one or more members of their respective Groups) and in respect of which both Parties have Liabilities under this Agreement, and that no such shared privilege or immunity may be waived by either Party without the consent of the other Party.

(d) If any Dispute arises between the Parties or any members of their respective Group regarding whether a privilege or immunity should be waived to protect or advance the interests of either Party and/or any member of their respective Group, each Party agrees that it will (i) negotiate with the other Party in good faith; (ii) endeavor to minimize any prejudice to the rights of the other Party; and (iii) not unreasonably withhold consent to any request for waiver by the other Party. Further, each Party specifically agrees that it will not withhold its consent to the waiver of a privilege or immunity for any purpose except in good faith to protect its own legitimate interests.

(e) In the event of any adversarial Action or Dispute among MNK, Montauk USA or MRI, or any members of their respective Groups, either Party may waive a privilege in which the other Party or member of such other Party's Group has a shared privilege, without obtaining consent pursuant to Section 6.4(c); provided that such waiver of a shared privilege will be effective only as to the use of information with respect to the Action between the Parties and/or the applicable members of their respective Groups, and will not operate as a waiver of the shared privilege with respect to any Third Party.

(f) Upon receipt by either Party, or by any member of its respective Group, of any subpoena, discovery or other request that may reasonably be expected to result in the production or disclosure of Privileged Information subject to a shared privilege or immunity or as to which another Party has the sole right hereunder to assert a privilege or immunity, or if either Party obtains knowledge that any of its, or any member of its respective Group's, current or former directors, officers, agents or employees have received any subpoena, discovery or other requests that may reasonably be expected to result in the production or disclosure of such Privileged Information, such Party will promptly notify the other Party of the existence of the request (which Notice will be delivered to such other Party no later than five business days following the receipt of any such subpoena, discovery or other request) and will provide the other Party a reasonable opportunity to review the Privileged Information and to assert any rights it or they

may have under this Section 6.4 or otherwise, to prevent the production or disclosure of such Privileged Information.

(g) Any furnishing of, or access or transfer of, any information pursuant to this Agreement is made in reliance on the agreement of the Parties set forth in this Section 6.4 and in Section 6.5 to maintain the confidentiality of Privileged Information and to assert and maintain all applicable privileges and immunities. The Parties agree that their respective rights to any access to information, witnesses and other Persons, the furnishing of Notices and documents and other cooperative efforts between the Parties contemplated by this Agreement, and the transfer of Privileged Information between the Parties and members of their respective Groups pursuant to this Agreement, will not be deemed a waiver of any privilege that has been or may be asserted under this Agreement or otherwise.

(h) In connection with any matter contemplated by this Section 6.4, the Parties agree to, and to cause the applicable members of their Group to, use commercially reasonable efforts to maintain their respective separate and joint privileges and immunities, including by executing joint defense and/or common interest agreements where necessary or useful for this purpose.

6.5 Confidentiality.

(a) *Confidentiality*. Subject to Section 6.6, from and after the Effective Time, MNK and Montauk USA agree to hold, and to cause their respective Representatives to hold, in strict confidence all confidential and proprietary information concerning MRI, any member of the MRI Group or the MRI Business that is either in its possession (including confidential and proprietary information in its possession prior to the date hereof), and will not use any such confidential and proprietary information other than for such purposes as will be expressly permitted hereunder or thereunder, except, in each case, to the extent that such confidential and proprietary information has been in the public domain or generally available to the public, other than as a result of a disclosure by MNK or Montauk USA or any of their respective Representatives in violation of this Agreement.

(b) *No Release; Return or Destruction*. MNK and Montauk USA agree not to release or disclose, or permit to be released or disclosed, any information addressed in Section 6.5(a) to any other Person, except its Representatives who need to know such information in their capacities as such (who will be advised of their obligations hereunder with respect to such information), and except in compliance with Section 6.6.

6.6 Protective Arrangements. In the event that either MNK or Montauk USA determines on the advice of its counsel that it is required to disclose any information pursuant to applicable Law or receives any request or demand under lawful process or from any Governmental Authority to disclose or provide information of MRI (or any member of the MRI Group) that is subject to the confidentiality provisions hereof, MNK or Montauk USA, as applicable, will notify MRI (to the extent legally permitted) as promptly as practicable under the circumstances prior to disclosing or providing such information and will, to the extent reasonably practicable, cooperate, at the expense of MRI, in seeking any appropriate protective order requested by MRI. In the event that MRI fails to receive such appropriate protective order in a timely manner and MNK or Montauk USA, as applicable, reasonably determines that its failure to disclose or provide such information will actually prejudice MNK or Montauk USA, as applicable, then

MNK or Montauk USA, as applicable, may thereafter disclose or provide information to the extent required by such Law (as so advised by its counsel) or by lawful process or such Governmental Authority, and MNK or Montauk USA, as applicable, will promptly provide MRI with a copy of the information so disclosed, in the same form and format so disclosed, together with a list of all Persons to whom such information was disclosed, in each case to the extent legally permitted.

6.7 Whistleblower Protection. Notwithstanding anything herein to the contrary, nothing in this Agreement is intended to restrict, prohibit, impede or interfere with any Person providing information to, or from reporting possible violations of law or regulation to, any governmental agency or entity, from participating in investigations, testifying in proceedings regarding either Party's or any member of its Group's past or future conduct, or from making other disclosures that are protected under South African Laws or U.S. Laws, including, state or federal law or regulation, engaging in any future activities protected under statutes administered by any government agency (including but not limited, to the U.S. Department of Justice, the SEC, the United States Congress, and any agency Inspector General), or from receiving and retaining a monetary award from a government-administered whistleblower award program for providing information directly to a government-administered whistleblower award program. Such Persons do not need the prior authorization of either Party to make such reports or disclosures, and are not required to notify either Party that he or she has made any such reports or disclosures.

ARTICLE VII

DISPUTE RESOLUTION

7.1 Good-Faith Negotiation. Subject to Section 7.4, either Party seeking resolution of any dispute, controversy or claim arising out of or relating to this Agreement or Ancillary Agreement (a "Dispute"), will provide Notice thereof to the other Party (the "Initial Notice"), and within 30 days of the delivery of the Initial Notice, the Parties will attempt in good faith to negotiate a resolution of the Dispute. The negotiations will be conducted by executives who hold, at a minimum, the title of vice president. All such negotiations will be confidential and will be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. If the Parties are unable for any reason to resolve a Dispute within 30 days after the delivery of such Initial Notice or if a Party reasonably concludes that the other Party is not willing to negotiate as contemplated by this Section 7.1, the Dispute will be submitted to arbitration in accordance with Section 7.2.

7.2 Arbitration.

(a) In the event that a Dispute has not been resolved in accordance with Section 7.1, then such Dispute will, upon the written request of a Party (the "Arbitration Request") be submitted to be finally resolved by binding arbitration pursuant to the International Institute for Conflict Prevention and Resolution Arbitration Procedure (the "CPR Arbitration Procedure"). The arbitration will be held in Pittsburgh, Pennsylvania or such other place as the Parties may mutually agree in writing. Unless otherwise agreed by the Parties in writing, any Dispute to be decided pursuant to this Section 7.2 will be decided (i) before a sole arbitrator if the amount in dispute, inclusive of all claims and counterclaims, totals less than $5.0 million; or (ii) by a panel

of three arbitrators if the amount in dispute, inclusive of all claims and counterclaims, totals $5.0 million or more.

(b) The panel of three arbitrators will be chosen as follows: (i) within 15 days from the date of the receipt of the Arbitration Request, each Party will name an arbitrator; and (ii) the two Party-appointed arbitrators will thereafter, within 30 days from the date on which the second of the two arbitrators was named, name a third, independent arbitrator who will act as chairperson of the arbitral tribunal. In the event that either Party fails to name an arbitrator within 15 days from the date of receipt of the Arbitration Request, then upon written application by either Party, that arbitrator will be appointed pursuant to the CPR Arbitration Procedure. In the event that the two Party-appointed arbitrators fail to appoint the third, then the third, independent arbitrator will be appointed pursuant to the CPR Arbitration Procedure. If the arbitration will be before a sole independent arbitrator, then the sole independent arbitrator will be appointed by agreement of the Parties within 15 days of the date of receipt of the Arbitration Request. If the Parties cannot agree to a sole independent arbitrator, then upon written application by either party, the sole independent arbitrator will be appointed pursuant to the CPR Arbitration Procedure.

(c) The arbitrator(s) will have the right to award, on an interim basis, or include in the final award, any relief which it deems proper in the circumstances, including money damages (with interest on unpaid amounts from the due date), injunctive relief (including specific performance) and attorneys' fees and costs; provided that the arbitrator(s) will not award any relief not specifically requested by the Parties and, in any event, will not award any indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages of the other arising in connection with the transactions contemplated hereby (other than any such Liability with respect to a Third-Party claim). Upon selection of the arbitrator(s) following any grant of interim relief by a special arbitrator or court pursuant to Section 7.4, the arbitrator(s) may affirm or disaffirm that relief, and the Parties will seek modification or rescission of the order entered by the court as necessary to accord with the decision of the arbitrator(s). The award of the arbitrator(s) will be final and binding on the Parties, and may be enforced in any court of competent jurisdiction. The initiation of mediation or arbitration pursuant to this Article VII will toll the applicable statute of limitations for the duration of any such proceedings.

7.3 Litigation and Unilateral Commencement of Arbitration. Notwithstanding the foregoing provisions of this Article VII, (a) a Party may seek preliminary provisional or injunctive judicial relief with respect to a Dispute without first complying with the procedures set forth in Section 7.1 and Section 7.2 if such action is reasonably necessary to avoid irreparable damage and (b) either Party may initiate arbitration before the expiration of the periods specified in Section 7.2 if such Party has failed to comply with Section 7.2 in good faith with respect to commencement and engagement in arbitration. In such event, the other Party may commence and prosecute such arbitration unilaterally in accordance with the CPR Arbitration Procedure.

7.4 Conduct During Dispute Resolution Process. Unless otherwise agreed to in writing, the Parties will, and will cause their respective members of their Group to, continue to honor all commitments under this Agreement and each Ancillary Agreement to the extent required by such agreements during the course of dispute resolution pursuant to the provisions of this Article VII, unless such commitments are the specific subject of the Dispute at issue.

ARTICLE VIII

TERMINATION

8.1 Termination. This Agreement may be terminated and the Distribution may be amended, modified or abandoned at any time prior to the Effective Time by MNK, in its sole and absolute discretion, without the approval or consent of any other Person, including MRI. After the Effective Time, this Agreement may not be terminated except by an agreement in writing signed by a duly authorized officer of each of the Parties.

8.2 Effect of Termination. In the event of any termination of this Agreement prior to the Effective Time, no Party (nor any of its directors, officers or employees) will have any Liability or further obligation to the other Party by reason of this Agreement.

ARTICLE IX

MISCELLANEOUS

9.1 Counterparts; Entire Agreement; Corporate Power.

(a) This Agreement each Ancillary Agreement may be executed (including by facsimile, PDF or other electronic transmission) with counterpart signature pages or in any number of counterparts, each of which will be deemed to be an original as against any party whose signature appears thereon, and all of which will together constitute one and the same instrument.

(b) This Agreement and Ancillary Agreements and the Exhibits and Schedules hereto and thereto contain the entire agreement between the Parties with respect to the subject matter hereof, and supersede all prior and contemporaneous agreements, understandings, inducements and conditions, express or implied, oral or written, of any nature whatsoever with respect to such subject matter.

(c) MNK and Montauk USA represent each represent, and MRI represents on behalf of itself and each other member of the MRI Group, as follows:

(i) each such Person has the requisite power and authority and has taken all action necessary in order to execute, deliver and perform this Agreement and each Ancillary Agreement to which it is a party and to consummate the transactions contemplated hereby and thereby; and

(ii) this Agreement and each Ancillary Agreement to which it is a party has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms thereof.

9.2 Governing Law. The provisions of this Agreement and, unless expressly provided there, each Ancillary Agreement will be construed and interpreted in accordance with the laws of the State of Delaware, without regard to the principles of conflicts of laws thereof.

9.3 Assignability. Except as set forth in any Ancillary Agreement, this Agreement and each Ancillary Agreement will be binding upon and inure to the benefit of the Parties and the parties thereto, respectively, and their respective successors and permitted assigns; provided, however, that neither Party nor any such party thereto may assign its rights or delegate its obligations under this Agreement or any Ancillary Agreement without the express prior written consent of the other Party hereto or other parties thereto, as applicable. Notwithstanding the foregoing, no such consent will be required for the assignment of a party's rights and obligations under this Agreement and the Ancillary Agreements (except as may be otherwise provided in any such Ancillary Agreement) in whole (i.e., the assignment of a party's rights and obligations under this Agreement and all Ancillary Agreements all at the same time) in connection with a change of control of a Party so long as the resulting, surviving or transferee Person assumes all the obligations of the relevant party thereto by operation of Law or pursuant to an agreement in form and substance reasonably satisfactory to the other Party.

9.4 Third-Party Beneficiaries. The provisions of this Agreement and each Ancillary Agreement are solely for the benefit of the Parties and are not intended to confer upon any Person except the Parties any rights or remedies hereunder and there are no third-party beneficiaries of this Agreement or any Ancillary Agreement and neither this Agreement nor any Ancillary Agreement will provide any Third Party with any remedy, claim, Liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement or any Ancillary Agreement.

9.5 Notices. All notice, report or other communication (each a "Notice") required or permitted to be given under this Agreement and, to the extent applicable and unless otherwise provided therein, under each Ancillary Agreement will be in writing and will be given by being delivered (a) by hand, (b) by courier or overnight carrier, or (c) by e-mail to the addresses set forth below:

To MNK:

Montauk Holdings Limited
680 Anderson Drive, 5th Floor
Pittsburgh, PA 15220
Attention: Sean F. McClain, Chief Executive Officer;
Kevin A. Van Asdalan, Chief Financial Officer; and
John Ciroli, Chief Legal Officer
e-mail: smcclaim@montaukenergy.com;
kvanasdalan@montaukenergy.com; and
jciroli@montaukenergy.com

with a copy (which will not constitute Notice) to:

Jones Day
500 Grant St., Suite 4500
Pittsburgh, PA 15219
Attention: Amy I. Pandit
email: apandit@jonesday.com

To Montauk USA:

Montauk Holdings USA, LLC
680 Anderson Drive, 5th Floor
Pittsburgh, PA 15220
Attention: Chief Legal Officer
e-mail: jciroli@montaukenergy.com

with a copy (which will not constitute Notice) to:

Jones Day
500 Grant St., Suite 4500
Pittsburgh, PA 15219
Attention: Amy I. Pandit
email: apandit@jonesday.com

To MRI:

Montauk Renewables, Inc.
680 Anderson Drive, 5th Floor
Pittsburgh, PA 15220
Attention: General Counsel
e-mail: jciroli@montaukenergy.com

with a copy (which will not constitute Notice) to:

Jones Day
500 Grant St., Suite 4500
Pittsburgh, PA 15219
Attention: Amy I. Pandit
email: apandit@jonesday.com

Any Party may at any time give Notice to the other Party of a change in its address for the purposes of this Section 9.5.

9.6 Severability. The provisions of this Agreement and the Ancillary Agreements are independent of and severable from each other, and no provision will be affected or rendered invalid or unenforceable by virtue of the fact that for any reason any other or others of them may be invalid or unenforceable in whole or in part.

9.7 Force Majeure. No Party will be deemed in default of this Agreement or, unless otherwise expressly provided therein, any Ancillary Agreement for any delay or failure to fulfill any obligation (other than a payment obligation) hereunder or thereunder so long as and to the extent to which any delay or failure in the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. In the event of any such excused delay, the time for performance of such obligations (other than a payment obligation) will be extended for a period equal to the time lost by reason of the delay. A Party claiming the benefit of this provision will, as soon as reasonably practicable after the occurrence of any such event, (a) provide Notice to the other Party of the nature and extent of any such

Force Majeure condition; and (b) use commercially reasonable efforts to remove any such causes and resume performance under this Agreement and the Ancillary Agreements, as applicable, as soon as reasonably practicable.

9.8 Expenses. Except as otherwise expressly set forth in this Agreement or any Ancillary Agreement or as otherwise agreed to in writing by the Parties, (a) all fees, costs and expenses, including all accounting, legal, financial advisory, or Third Party fees, incurred prior to the Effective Time in connection with the preparation, execution, delivery and implementation of this Agreement and any Ancillary Agreement, the Reorganization Transactions, the Shareholder Circular and the Distribution and the consummation of the transactions contemplated hereby will be borne by MRI; and (b) all fees, costs and expenses, including all accounting, legal, financial advisory, or Third Party fees, incurred after the Effective Time will be borne by the Party or its applicable Subsidiary incurring such fees, costs or expenses.

9.9 Headings. The article, section and paragraph headings contained in this Agreement and the Ancillary Agreements are for convenience only, and they neither form a part of this Agreement or any Ancillary Agreement nor are they to be used in the construction or interpretation hereof or thereof.

9.10 No Waiver. Neither the failure nor any delay on the part of a Party to exercise any right, remedy, power or privilege under this Agreement or any Ancillary Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege, nor will any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver will be effective unless it is in writing and is signed by the Party asserted to have granted such waiver.

9.11 Specific Performance. Subject to the provisions of Article VII, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement or any Ancillary Agreement, the Party or Parties who are, or are to be, thereby aggrieved will have the right to specific performance and injunctive or other equitable relief in respect of its or their rights under this Agreement or such Ancillary Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies will be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the Parties.

9.12 Amendments. Neither this Agreement nor any Ancillary Agreement will be amended, supplemented, terminated, modified, discharged or otherwise changed, in whole or in part, except by an instrument in writing signed by the parties hereto or thereto, or their respective successors or permitted assignees.

9.13 Interpretation. For the purposes of this Agreement and the Ancillary Agreements, (a) whenever the context may require, any pronoun will include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs will include the

plural and vice versa, (b) the words "include," "includes" and "including" will be deemed to be followed by the words "without limitation;" (c) the word "or" is not exclusive, (d) the words "herein," "hereof" and "herewith" and words of similar import will, unless otherwise stated, be construed to refer to this Agreement (or the applicable Ancillary Agreement) as a whole (including all of the Schedules and Exhibits hereto and thereto), (e) references to any Person include the successors and permitted assigns of that Person, (f) "to the extent" means the degree to which a subject or other thing extends, and such phrase does not mean simply "if," (g) unless the context otherwise requires, Articles, Sections, Schedules and Exhibits mean Articles of, Sections of and Schedules and Exhibits attached to this Agreement (or the applicable Ancillary Agreement), (h) references to "business day" will mean any day other than a Saturday, a Sunday or a day on which banking institutions are generally authorized or required by law to close in New York City, NY or Johannesburg, South Africa, (i) references herein to this Agreement or any other agreement contemplated herein will be deemed to refer to this Agreement or such other agreement as of the date on which it is executed and as it may be amended, modified or supplemented thereafter, unless otherwise specified, (j) unless expressly stated to the contrary in this Agreement or in any Ancillary Agreement, all references to "the date hereof," "the date of this Agreement," "hereby" and "hereupon" and words of similar import will be references to the date of this Agreement and (k) any reference to "$" or "dollar" shall refer to U.S. Dollars. This Agreement and the Ancillary Agreements will be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting an instrument or causing any instrument to be drafted. The Schedules and Exhibits referred to herein will be construed with, and as an integral part of, this Agreement (or the applicable Ancillary Agreement) to the same extent as if they were set forth verbatim herein or therein.

9.14 Limitations of Liability. Notwithstanding anything in this Agreement to the contrary, neither MRI or any member of the MRI Group, on the one hand, nor MNK or any member of the MNK Group, on the other hand, will be liable under this Agreement to the other for any indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages of the other arising in connection with the transactions contemplated hereby (other than any such Liability with respect to a Third-Party claim).

9.15 Performance. MNK will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the MNK Group. MRI will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the MRI Group.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the Parties have caused this Transaction Implementation Agreement to be executed by their duly authorized representatives as of the date first written above.

MONTAUK HOLDINGS LIMITED

By: /s/ John Ciroli

Name: John Ciroli

Title: VP General Counsel

MONTAUK HOLDINGS USA, LLC

By: /s/ John Ciroli

Name: John Ciroli

Title: VP General Counsel

MONTAUK RENEWABLES, INC.

By: /s/ Scott Loughman

Name: Scott Loughman

Title: Chief Executive Officer and President

SCHEDULE 3.2

Montauk Renewables, Inc. Directors and Executive Officers

Name	Position
Sean F. McClain	President and Chief Executive Officer, Director
Kevin A. Van Asdalan	Chief Financial Officer
James Shaw	Vice President of Operations
Scott Hill	Vice President of Engineering
John Ciroli	Vice President, General Counsel and Secretary
Mohamed H. Ahmed	Director
John A. Copelyn	Director
Theventheran G. Govender	Director
Michael A. Jacobson	Director
Bruce S. Raynor	Director

CERTIFICATE OF INCORPORATION

OF

MONTAUK ENERGY, INC.

A STOCK CORPORATION

I, the undersigned, for the purpose of incorporating and organizing a corporation under the General Corporation Law of the State of Delaware, do hereby certify as follows:

FIRST: The name of the corporation (the "***Corporation***") is:

Montauk Energy, Inc.

SECOND: The address of the Corporation's registered office in the State of Delaware is 251 Little Falls Drive, City of Wilmington, County of New Castle, Delaware 19808. The name of the Corporation's registered agent at such address is Corporation Service Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH: The total number of shares that the Corporation has authority to issue is one thousand (1,000) shares of Common Stock, par value of $0.01 per share.

FIFTH: Elections of directors need not be by written ballot except and to the extent provided in the bylaws of the Corporation.

SIXTH: To the full extent permitted by the General Corporation Law of the State of Delaware or any other applicable laws presently or hereafter in effect, no director of the Corporation will be personally liable to the Corporation or its stockholders for or with respect to any acts or omissions in the performance of his or her duties as a director of the Corporation.
Any repeal or modification of this Article Sixth will not adversely affect any right or protection of a director of the Corporation existing immediately prior to such repeal or modification.

SEVENTH: Each person who is or was or had agreed to become a director or officer of the Corporation, or each such person who is or was serving or who had agreed to serve at the request of the Board of Directors or an officer of the Corporation as an employee or agent of the Corporation or as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (including the heirs, executors, administrators or estate of such person), shall be indemnified by the Corporation to the full extent permitted by the General Corporation Law of the State of Delaware or any other applicable laws as presently or hereafter in effect. Without limiting the generality or the effect of the foregoing, the Corporation may enter into one or more agreements with any person which provide for indemnification greater or different than that provided in this Article Seventh. Any repeal or modification of this Article

Seventh shall not adversely affect any right or protection existing hereunder immediately prior to such repeal or modification.

EIGHTH: In furtherance and not in limitation of the rights, powers, privileges, and discretionary authority granted or conferred by the General Corporation Law of the State of Delaware or other statutes or laws of the State of Delaware, the Board of Directors is expressly authorized to make, alter, amend or repeal the bylaws of the Corporation, without any action on the part of the stockholders, but the stockholders may make additional bylaws and may alter, amend or repeal any bylaw whether adopted by them or otherwise. The Corporation may in its bylaws confer powers upon the Board of Directors in addition to the foregoing and in addition to the powers and authorities expressly conferred upon the Board of Directors by applicable law.

NINTH: The Corporation reserves the right at any time and from time to time to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed herein or by applicable law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to this reservation.

TENTH: The name and mailing address of the incorporator is:

Adam M. Cromie
500 Grant Street, Suite 4500
Pittsburgh, PA 15219

[*Signature page follows.*]

IN WITNESS WHEREOF, I the undersigned, being the incorporator hereinabove named, do hereby execute this Certificate of Incorporation this 21st day of September, 2020.

/s/ Adam M. Cromie
Adam M. Cromie
Sole Incorporator

CERTIFICATE OF AMENDMENT
TO THE
CERTIFICATE OF INCORPORATION OF
MONTAUK ENERGY, INC.

Pursuant to Section 242 of the General Corporation Law of the State of Delaware, Renovar, Inc. (the "Corporation"), a corporation organized and existing under the laws of the State of Delaware, does hereby certify as follows:

1. The Certificate of Incorporation of the Corporation was filed with the Secretary of State of Delaware on September 21, 2020;

2. The Board of Directors of the Corporation, by unanimous written consent, duly adopted resolutions proposing and declaring advisable the following amendment to the Certificate of Incorporation of the Corporation;

3. Article First of the Certificate of Incorporation of the Corporation, is hereby deleted in its entirety and replaced with the following:

FIRST: The name of the corporation is "Montauk Renewables, Inc." (the "Corporation").

4. The amendment to the Certificate of Incorporation of the Corporation as set forth herein was duly adopted in accordance with the provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware.

5. All other provisions of the Certificate of Incorporation shall remain in full force and effect.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to the Certificate of Incorporation to be signed by its duly appointed officer this 9th day of October, 2020.

Montauk Energy, Inc.

By: /s/ Melissa Zotter
Melissa Zotter
President, Secretary and Treasurer

FORM OF
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
MONTAUK RENEWABLES, INC.

Montauk Renewables, Inc., a corporation organized and existing under the laws of the State of Delaware (the "***Company***") hereby certifies as follows:

1. The name of the Company is Montauk Renewables, Inc., formerly incorporated as Montauk Energy, Inc. The Company's original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on September 21, 2020 (the "***Certificate***").

2. This Amended and Restated Certificate of Incorporation of the Company, in the form attached hereto as **Exhibit A**, has been duly adopted in accordance with the provisions of Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware by the directors and stockholders of the Company.

3. This Amended and Restated Certificate of Incorporation amends and restates the Certificate in its entirety, reads in its entirety as set forth in **Exhibit A** attached hereto and is incorporated herein by reference.

4. This Amended and Restated Certificate of Incorporation shall be effective on the date of filing with the Secretary of State of the State of Delaware.

IN WITNESS WHEREOF, the Company has caused this Amended and Restated Certificate of Incorporation to be executed by the undersigned duly authorized officer on this ____ day of _____, 2021.

MONTAUK RENEWABLES, INC.

By: _____
Name:
Title:

EXHIBIT A

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

MONTAUK RENEWABLES, INC.

ARTICLE I

The name of the corporation is Montauk Renewables, Inc. (the "***Company***").

ARTICLE II

The address of the Company's registered office in the State of Delaware is Corporation Service Company, 251 Little Falls Drive, Wilmington, County of New Castle, DE, 19808. The name of the Company's registered agent at such address is Corporation Service Company. The Company may have such other offices, either within or without the State of Delaware, as the Board of Directors of the Company (the "***Board***") may designate or as the business of the Company may from time to time require.

ARTICLE III

The purpose of the Company is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware, as amended (the "***DGCL***").

ARTICLE IV

Section 1. Authorized Capital Stock. The Company is authorized to issue two classes of capital stock, designated Common Stock and Preferred Stock. The total number of shares of capital stock that the Company is authorized to issue is _____ shares, consisting of _____ shares of Common Stock, par value $0.01 per share, and _____ shares of Preferred Stock, par value $0.01 per share.

Section 2. Preferred Stock. The Preferred Stock may be issued in one or more series. The Board is hereby authorized to issue the shares of Preferred Stock in such series and to fix from time to time before issuance the number of shares to be included in any such series and the designation, powers, preferences and relative participating, optional or other rights, if any, and the qualifications, limitations or restrictions thereof. The authority of the Board with respect to each such series will include, without limiting the generality of the foregoing, the determination of any or all of the following:

(a) the number of shares of any series and the designation to distinguish the shares of such series from the shares of all other series;

(b) the voting powers, if any, and whether such voting powers are full or limited in such series;

(c) the redemption provisions, if any, applicable to such series, including the redemption price or prices to be paid;

(d) whether dividends, if any, will be cumulative or noncumulative, the dividend rate of such series, and the dates and preferences of dividends on such series;

(e) the rights of such series upon the voluntary or involuntary dissolution of, or upon any distribution of the assets of, the Company;

(f) the provisions, if any, pursuant to which the shares of such series are convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same or any other class or classes of stock, or any other security, of the Company or any other corporation or other entity, and the rates or other determinants of conversion or exchange applicable thereto;

(g) the right, if any, to subscribe for or to purchase any securities of the Company or any other corporation or other entity;

(h) the provisions, if any, of a sinking fund applicable to such series; and

(i) any other relative, participating, optional, or other special powers, preferences or rights and qualifications, limitations, or restrictions thereof;

all as may be determined from time to time by the Board and stated or expressed in the resolution or resolutions providing for the issuance of such Preferred Stock (collectively, a "***Preferred Stock Designation***").

Section 3. Common Stock. Subject to the rights of the holders of any series of Preferred Stock, the holders of Common Stock will be entitled to one vote on each matter submitted to a vote at a meeting of stockholders for each share of Common Stock held of record by such holder as of the record date for such meeting.

ARTICLE V

The Board may make, amend, and repeal the Bylaws of the Company. Any Bylaw made by the Board under the powers conferred hereby may be amended or repealed by the Board (except as specified in any such Bylaw so made or amended) or by the stockholders in the manner provided in the Bylaws of the Company. Notwithstanding the foregoing and anything contained in this Certificate of Incorporation or the Bylaws to the contrary, prior to the conclusion of the Transition Time (as defined below), Bylaws 15(b), 17 and 38 may not be amended or repealed by the stockholders, and no provision inconsistent therewith may be adopted by the stockholders, without the affirmative vote of the holders of at least 66 2/3% of the voting power of the outstanding Voting Stock (as defined below), voting together as a single class. The Company may in its Bylaws confer powers upon the Board in addition to the foregoing and in addition to the powers and authorities expressly conferred upon the Board by applicable law. For the purposes of this Certificate of Incorporation, "***Voting Stock***" means stock of the Company of any class or series entitled to vote generally in the election of directors. Notwithstanding anything contained in this Certificate of Incorporation to the contrary, prior to the Transition Time, the affirmative vote of the holders of at least 66 2/3% of the Voting Stock, voting together as a single class, is required to amend or repeal, or to adopt any provision inconsistent with, this Article V.

ARTICLE VI

Subject to the rights of the holders of any series of Preferred Stock:

(a) any action required or permitted to be taken by the stockholders may be taken only at a duly called annual or special meeting of stockholders or without a meeting, without prior notice and without a vote by means of a consent in writing, setting forth the action to be so taken, signed by all of the holders of outstanding stock of the Company and delivered to the Company's registered office, its principal place of business or an officer or agent of the Company having custody of the book in which proceedings of meetings of stockholders are recorded; and

(b) special meetings of stockholders may be called only (i) by the Chairman of the Board (the "***Chairman***"), (ii) by the Chief Executive Officer of the Company (the "***Chief Executive Officer***"), or (iii) by the Secretary of the Company (the "***Secretary***") acting at the request of the Chairman, the Chief Executive Officer or a majority of the total number of directors then authorized.

At any annual meeting or special meeting of stockholders, only such business will be conducted or considered as has been brought before such meeting in the manner provided in the Bylaws of the Company.

ARTICLE VII

Section 1. Number, Election, and Terms of Directors.

(a) Subject to the rights, if any, of the holders of any series of Preferred Stock to elect additional directors under circumstances specified in a Preferred Stock Designation, the Board shall consist of such number of the directors as shall be determined from time to time solely by resolution adopted by a majority of the directors then in office; *provided*, *however*, that the directors then in office are not less than 33 1/3 % of the total number of directors then authorized.

(b) The directors, other than those who may be elected by the holders of any series of Preferred Stock, will be classified until the conclusion of the 2030 annual meeting of stockholders (the "***Transition Time***") with respect to the time for which they severally hold office into three classes, as nearly equal in number as possible, designated Class I, Class II, and Class III. At any meeting of stockholders at which directors are to be elected, the number of directors elected may not exceed the greatest number of directors then in office in any class of directors. The directors first appointed to Class I will hold office for a term expiring at the annual meeting of stockholders to be held in 2021; the directors first appointed to Class II will hold office for a term expiring at the annual meeting of stockholders to be held in 2022; and the directors first appointed to Class III will hold office for a term expiring at the annual meeting of stockholders to be held in 2023, with the members of each class to hold office until their successors are elected and qualified. At each succeeding annual meeting until the 2028 annual meeting of stockholders, the successors to the class of directors whose term expires at that meeting shall be elected to hold office for a three-year term expiring at the annual meeting of stockholders held in the third year following the year of their election and until their successors are elected and qualified. In order to transition from classified

directors, at the 2028 annual meeting of stockholders, the directors elected at that meeting shall be elected to hold office for a one-year term expiring at the 2029 annual meeting of stockholders and until their successors are elected and qualified; at the 2029 annual meeting of stockholders, the directors elected at that meeting shall be elected to hold office for a one-year term expiring at the 2030 annual meeting of stockholders and until their successors are elected and qualified; at the 2030 annual meeting of stockholders, the directors elected at that meeting shall be elected to hold office for a one-year term expiring at the 2031 annual meeting of stockholders and until their successors are elected and qualified, at which point all of the directors will cease to be classified; and at each annual meeting of stockholders thereafter, all directors shall be elected to hold office for a one-year term expiring at the next annual meeting of stockholders and until such director's successor shall have been elected and qualified.

(c) Each person to be elected as a director will be elected as such by plurality vote of all votes properly cast by stockholders upon his or her election at a meeting for the election of directors at which a quorum is present. Subject to the rights, if any, of the holders of any series of Preferred Stock to elect additional directors under circumstances specified in a Preferred Stock Designation, directors may be elected by the stockholders only at an annual meeting of stockholders. Election of directors of the Company need not be by written ballot unless requested by the presiding officer or by the holders of a majority of the Voting Stock present in person or represented by proxy at a meeting of the stockholders at which directors are to be elected. If authorized by the Board, such requirement of a written ballot shall be satisfied by a ballot submitted by electronic transmission, provided that any such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the stockholder or proxy holder.

Section 2. Nomination of Director Candidates. Advance notice of stockholder nominations for the election of directors must be given in the manner provided in the Bylaws of the Company.

Section 3. Newly Created Directorships and Vacancies. Subject to the rights, if any, of the holders of any series of Preferred Stock to elect additional directors under circumstances specified in a Preferred Stock Designation, newly created directorships resulting from any increase in the number of directors and any vacancies on the Board resulting from death, resignation, disqualification, removal, or other cause will be filled solely by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board, or by a sole remaining director. Any director elected in accordance with the preceding sentence will hold office for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred, if applicable, and until such director's successor has been elected and qualified. No decrease in the number of directors constituting the Board may shorten the term of any incumbent director.

Section 4. Removal.

(a) Subject to the rights, if any, of the holders of any series of Preferred Stock to elect additional directors under circumstances specified in a Preferred Stock Designation and except as otherwise provided by law, prior to the Transition Time, any director may be removed from office by the stockholders only for cause and only in the manner provided in this Article VII, Section 4(a). At any annual meeting or special

meeting of the stockholders prior to the Transition Time, the notice of which states that the removal of a director or directors is among the purposes of the meeting and identifies the director or directors proposed to be removed, the affirmative vote of the holders of at least 66 2/3% of the voting power of the outstanding Voting Stock, voting together as a single class, may remove such director or directors for cause.

(b) Subject to the rights, if any, of the holders of any series of Preferred Stock to elect additional directors under circumstances specified in a Preferred Stock Designation, except as otherwise provided by law, after the Transition Time, any director may be removed from office by the stockholders with or without cause and only in the manner provided in this Article VII, Section 4(b). At any annual meeting or special meeting of the stockholders after the Transition Time, the notice of which states that the removal of a director or directors is among the purposes of the meeting and identifies the director or directors proposed to be removed, the affirmative vote of the holders of majority of the voting power of the outstanding Voting Stock, voting together as a single class, may remove such director or directors with or without cause.

Section 5. Amendment, Repeal, Etc. Notwithstanding anything contained in this Certificate of Incorporation to the contrary, prior to the Transition Time, the affirmative vote of the holders of at least 66 2/3% of the voting power of the outstanding Voting Stock, voting together as a single class, is required to amend or repeal, or adopt any provision inconsistent with, this Article VII.

ARTICLE VIII

To the full extent permitted by the Delaware General Corporation Law and any other applicable law currently or hereafter in effect, no director of the Company will be personally liable to the Company or its stockholders for or with respect to any breach of fiduciary duty or other act or omission as a director of the Company. No repeal or modification of this Article VIII will adversely affect the protection of any director of the Company provided hereby in relation to any breach of fiduciary duty or other act or omission as a director of the Company occurring prior to the effectiveness of such repeal or modification.

ARTICLE IX

Section 1. Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise subject to or involved in any claim, demand, action, suit or proceeding, whether civil, criminal, administrative or investigative (a "***Proceeding***"), by reason of the fact that he or she is or was a director or an officer of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of another company or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (an "***Indemnitee***"), whether the basis of such Proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified by the Company to the fullest extent permitted or required by the Delaware General Corporation Law and any other applicable law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than such law permitted the Company to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or

suffered by such Indemnitee in connection therewith ("***Indemnifiable Losses***"); provided, however, that, except as provided in Section 4 of this Article IX with respect to Proceedings to enforce rights to indemnification, the Company shall indemnify any such Indemnitee pursuant to this Section 1 in connection with a Proceeding (or part thereof) initiated by such Indemnitee only if such Proceeding (or part thereof) was authorized by the Board.

Section 2. Right to Advancement of Expenses. The right to indemnification conferred in Section 1 of this Article IX shall include the right to advancement by the Company of any and all expenses (including, without limitation, attorneys' fees and expenses) incurred in defending any such Proceeding in advance of its final disposition (an "***Advancement of Expenses***"); provided, however, that, if the Delaware General Corporation Law so requires, an Advancement of Expenses incurred by an Indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such Indemnitee, including without limitation service to an employee benefit plan) shall be made pursuant to this Section 2 only upon delivery to the Company of an undertaking (an "***Undertaking***"), by or on behalf of such Indemnitee, to repay, without interest, all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (a "***Final Adjudication***") that such Indemnitee is not entitled to be indemnified for such expenses under this Section 2. An Indemnitee's right to an Advancement of Expenses pursuant to this Section 2 is not subject to the satisfaction of any standard of conduct and is not conditioned upon any prior determination that Indemnitee is entitled to indemnification under Section 1 of this Article IX with respect to the related Proceeding or the absence of any prior determination to the contrary.

Section 3. Contract Rights. The rights to indemnification and to the Advancement of Expenses conferred in Sections 1 and 2 of this Article IX shall be contract rights and such rights shall continue as to an Indemnitee who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the Indemnitee's heirs, executors and administrators.

Section 4. Right of Indemnitee to Bring Suit. If a claim under Section 1 or 2 of this Article IX is not paid in full by the Company within 60 calendar days after a written claim has been received by the Company, except in the case of a claim for an Advancement of Expenses, in which case the applicable period shall be 20 calendar days, the Indemnitee may at any time thereafter bring suit against the Company to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Company to recover an Advancement of Expenses pursuant to the terms of an Undertaking, the Indemnitee shall be entitled to the fullest extent permitted or required by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader reimbursements of prosecution or defense expenses than such law permitted the Company to provide prior to such amendment), to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the Indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the Indemnitee to enforce a right to an Advancement of Expenses) it shall be a defense that, and (ii) any suit brought by the Company to recover an Advancement of Expenses pursuant to the terms of an Undertaking, the Company shall be entitled to recover such expenses, without interest, upon a Final Adjudication that, the Indemnitee has not met any applicable standard for indemnification set forth in the Delaware General Corporation Law. Neither the failure of the Company (including the Board or a committee thereof, its stockholders or independent legal counsel) to have made a determination prior to the commencement of such suit that indemnification of the Indemnitee is proper in the circumstances because the Indemnitee has

met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Company (including the Board or a committee thereof, its stockholders or independent legal counsel) that the Indemnitee has not met such applicable standard of conduct, shall create a presumption that the Indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the Indemnitee, be a defense to such suit. In any suit brought by an Indemnitee to enforce a right to indemnification or to an Advancement of Expenses hereunder, or brought by the Company to recover an Advancement of Expenses hereunder pursuant to the terms of an Undertaking, the burden of proving that the Indemnitee is not entitled to be indemnified, or to such Advancement of Expenses, shall be on the Company.

Section 5. Non-Exclusivity of Rights. The rights to indemnification and to the Advancement of Expenses conferred in this Article IX shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, the Company's Certificate of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise. Nothing contained in this Article IX shall limit or otherwise affect any such other right or the Company's power to confer any such other right.

Section 6. Insurance. The Company may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Company or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Company would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

Section 7. No Duplication of Payments. The Company shall not be liable under this Article IX to make any payment to an Indemnitee in respect of any Indemnifiable Losses to the extent that the Indemnitee has otherwise actually received payment (net of any expenses incurred in connection therewith and any repayment by the Indemnitee made with respect thereto) under any insurance policy or from any other source in respect of such Indemnifiable Losses

Section 8. Amendment, Repeal, Etc. Notwithstanding anything contained in this Certificate of Incorporation to the contrary, prior to the conclusion of the Transition Time, the affirmative vote of the holders of at least 66 2/3% of the Voting Stock, voting together as a single class, is required to amend or repeal, or to adopt any provision inconsistent with, this Article IX.

ARTICLE X

Section 1. Forum. Unless the Company consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Company to the Company or the Company's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL or the Company's Certificate of Incorporation or Bylaws (as either may be amended from time to time), or (iv) any action asserting a claim governed by the internal affairs doctrine, shall be the Court of Chancery in the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware). If any action the subject matter of which is within the scope of the preceding sentence is filed in a court other than a court located within the State of Delaware (a "***Foreign Action***") in the name of any stockholder, such stockholder shall be deemed to have consented to (i) the personal jurisdiction of the state and

federal courts located within the State of Delaware in connection with any action brought in any such court to enforce the preceding sentence and (ii) having service of process made upon such stockholder in any such action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder. Unless the Company consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be, to the fullest extent permitted by law, the sole and exclusive forum for any action asserting a claim arising under the Securities Act of 1933. Any person or entity purchasing or otherwise acquiring any interest in any security of the corporation shall be deemed to have notice of and consented to this provision.

Section 2. Enforceability. If any provision of this Article X shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provision in any other circumstance and of the remaining provisions of this Article X (including, without limitation, each portion of any sentence of this Article X containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities or circumstances shall not in any way be affected or impaired thereby.

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Exhibit 3.3

MONTAUK RENEWABLES, INC.

AMENDED AND RESTATED BYLAWS

October 9, 2020

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(Continued)

AMENDED AND RESTATED BYLAWS

ARTICLE I

MEETINGS OF STOCKHOLDERS

Section 1. Time and Place of Meetings. All meetings of the stockholders for the election of directors or for any other purpose shall be held at such time and place, within or without the State of Delaware, as may be designated by the board of directors (the "***Board of Directors***") of Montauk Renewables, Inc., a Delaware corporation (the "***Corporation***"), or by the Chairman of the Board of Directors, the President or the Secretary in the absence of a designation by the Board of Directors, and stated in the notice of the meeting or in a duly executed waiver of notice thereof. Stockholders may participate in an annual or special meeting of the stockholders by use of any means of communication by which all stockholders participating may simultaneously hear each other during the meeting. A stockholder's participation in a meeting by any such means of communication constitutes presence in person at the meeting.

Section 2. Annual Meeting. An annual meeting of the stockholders shall be held at such date and time as shall be designated from time to time by the Board of Directors, at which meeting the stockholders shall elect by a plurality vote the directors to succeed those whose terms expire and shall transact such other business as may properly be brought before the meeting.

Section 3. Special Meetings. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by law or by the Certificate of Incorporation, may be called by the Board of Directors, the Chairman of the Board of Directors or the President.

Section 4. Notice of Meetings. Notice of every meeting of the stockholders, stating the place, if any, date and hour of the meeting, the means of remote communication, if any, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, and

delivered in accordance with Section 1 of Article III hereof, shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting, except as otherwise provided herein or by law. When a meeting is adjourned to another place, date or time, written notice need not be given of the adjourned meeting if the place, date and time thereof and the means of remote communication, if any, are announced at the meeting at which the adjournment is taken; *provided*, *however*, that if the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, written notice of the place, date and time of the adjourned meeting shall be given in conformity herewith. At any adjourned meeting, any business may be transacted which might have been transacted at the original meeting.

Section 5. Quorum. The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by law or by the Certificate of Incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented.

Section 6. Voting. Except as otherwise provided by law or by the Certificate of Incorporation, each stockholder shall be entitled at every meeting of the stockholders to one vote for each share of stock having voting power standing in the name of such stockholder on the books of the Corporation on the record date for the meeting and such votes may be cast either in person or by written proxy. Every proxy must be duly executed and filed with the Secretary of the Corporation. A stockholder may revoke any proxy which is not irrevocable by attending the

meeting and voting in person or by filing an instrument in writing revoking the proxy or another duly executed proxy bearing a later date with the Secretary of the Corporation. The vote upon any question brought before a meeting of the stockholders may be by voice vote, unless the holders of a majority of the outstanding shares of all classes of stock entitled to vote thereon present in person or by proxy at such meeting shall so determine. When a quorum is present at any meeting, the vote of the holders of a majority of the stock that has voting power present in person or represented by proxy shall decide any question properly brought before such meeting, unless the question is one upon which by express provision of law, the Certificate of Incorporation or these bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 7. Action Without Meeting.

(a) Unless otherwise provided in the Certificate of Incorporation, any action required by the Delaware General Corporation Law ("***DGCL***") to be taken at any annual or special meeting of the stockholders, or any action that may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing or by e-mail or other electronic transmission ("***electronic transmission***"), setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

(b) No written consent or electronic transmission shall be effective to take the corporate action referred to therein unless, within sixty days of the earliest dated consent delivered to the Corporation in the manner herein required, written consents or electronic transmissions signed by a sufficient number of stockholders to take action are delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded.

(c) Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing or by electronic transmission and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents or electronic transmissions signed by a sufficient number of stockholders to take action were delivered to the Corporation as provided in Section 228(c) of the DGCL.

(d) An electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, or by a person or persons authorized to act for a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this Article I, Section 7, provided that any such electronic transmission sets forth or is delivered with information from which the Corporation can determine (i) that the electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for the stockholder or proxyholder and (ii) the date on which such stockholder, proxyholder or authorized person or persons transmitted such electronic transmission. The date on which such electronic transmission is transmitted shall be deemed to be the date on which such consent was signed.

ARTICLE II

DIRECTORS

Section 1. Powers. The business and affairs of the Corporation shall be managed by or under the direction of its Board of Directors, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law or by the Certificate of Incorporation directed or required to be exercised or done by the stockholders.

Section 2. Number and Term of Office. The Board of Directors shall consist of one or more members and the number of directors shall be fixed by resolution from time to time of the Board of Directors or by the stockholders at the annual meeting or a special meeting. The directors shall be elected at the annual meeting of the stockholders, except as provided in Section 3 of this Article, and each director elected shall hold office until such director's successor is elected and qualified or until such director's earlier resignation, removal or death, in each case except as required by law. The Board of Directors may, at its discretion, elect a Chairman of the Board of Directors from the directors currently in office by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the Chairman so elected shall hold office until the next annual meeting of the stockholders and until his/her successor is elected and qualified, except as required by law. Any decrease in the authorized number of directors shall not be effective until the expiration of the term of the directors then in office, unless, at the time of such decrease, there shall be vacancies on the Board of Directors which are being eliminated by such decrease.

Section 3. Vacancies and New Directorships. Vacancies and newly created directorships resulting from any increase in the authorized number of directors which occur between annual meetings of the stockholders may be filled by a majority of the directors then in

office, though less than a quorum, or by a sole remaining director, and the directors so elected shall hold office until the next annual meeting of the stockholders and until their successors are elected and qualified, except as required by law.

Section 4. Regular Meetings. Regular meetings of the Board of Directors may be held without notice immediately after the annual meeting of the stockholders and at such other time and place as shall from time to time be determined by the Board of Directors.

Section 5. Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board of Directors or the President on one day's notice to each director by whom such notice is not waived, given in accordance with Section 1 of Article III hereof, and shall be called by the President or the Secretary in like manner and on like notice on the written request of any director.

Section 6. Quorum. At all meetings of the Board of Directors, a majority of the total number of directors then in office shall constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time to another place, time or date, without notice other than announcement at the meeting, until a quorum shall be present.

Section 7. Written Action. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee.

Section 8. Participation in Meetings by Conference Telephone. Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors, or a meeting of any such committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

Section 9. Committees. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate one or more committees, each committee to consist of one or more of the directors of the Corporation and each to have such lawfully delegable powers and duties as the Board of Directors may confer and each such committee shall serve at the pleasure of the Board of Directors. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Except as otherwise provided by law, any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it. Any committee or committees so designated by the Board of Directors shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. Unless otherwise prescribed by the Board of Directors, a majority of the members of the committee shall constitute a quorum for the transaction of business, and the act of a majority of the members present at a meeting at which there is a quorum shall be the act of such committee. Each committee shall prescribe its own rules for calling and holding

meetings and its method of procedure, subject to any rules prescribed by the Board of Directors, and shall keep a written record of all actions taken by it.

Section 10. Compensation. The Board of Directors may establish such compensation for, and reimbursement of the expenses of, directors for attendance at meetings of the Board of Directors or committees, or for other services by directors to the Corporation, as the Board of Directors may determine.

Section 11. Rules. The Board of Directors may adopt such special rules and regulations for the conduct of their meetings and the management of the affairs of the Corporation as they may deem proper, not inconsistent with law or these bylaws.

ARTICLE III

NOTICES

Section 1. Generally. Whenever by law or under the provisions of the Certificate of Incorporation or these bylaws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at such director's or stockholder's address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Except as otherwise required or prohibited by law, notice to directors and stockholders may also be given by facsimile, by telephone, electronic mail, posting on an electronic network together with separate notice to the director or stockholder of such specific posting (which notice shall be deemed given upon the later of such posting and the giving of such separate notice), or by any other form of electronic transmission consented to by the stockholder or director to whom the notice is given.

Except as otherwise stated therein, notice pursuant to the preceding sentence will be deemed to be given at the time when the same is sent.

Section 2. Waivers. Whenever any notice is required to be given by law or under the provisions of the Certificate of Incorporation or these bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, or a waiver by electronic transmission by the person entitled to such notice, in each case, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to such notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE IV

OFFICERS

Section 1. Generally. The officers of the Corporation shall be elected by the Board of Directors and shall consist of a President, a Secretary and a Treasurer. The Board of Directors may also elect such other officers, as the Board of Directors deems desirable, including, without limitation, the election of a Chief Executive Officer and a Chief Financial Officer. Any number of offices may be held by the same person.

Section 2. Compensation. The compensation of all officers and agents of the Corporation who are also directors of the Corporation shall be fixed by the Board of Directors. The Board of Directors may delegate the power to fix the compensation of other officers and agents of the Corporation to an officer of the Corporation.

Section 3. Succession. The officers of the Corporation shall hold office until their successors are elected and qualified or until such officer's earlier resignation, removal or death.

Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the directors. Any vacancy occurring in any office of the Corporation may be filled by the Board of Directors.

Section 4. Authority and Duties. Each of the officers of the Corporation shall have such authority and shall perform such duties as are customarily incident to their respective offices, or as may be specified from time to time by the Board of Directors in a resolution which is not inconsistent with these bylaws.

Section 5. Execution of Documents and Action with Respect to Securities of Other Corporations. The President, Secretary and Treasurer shall have, and each is hereby given, full power and authority, except as otherwise required by law or directed by the Board of Directors, (a) to execute, on behalf of the Corporation, all duly authorized contracts, agreements, deeds, conveyances or other obligations of the Corporation, applications, consents, proxies and other powers of attorney, and other documents and instruments, and (b) to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of stockholders, members, partners or other equity holders (or with respect to any action of such stockholders, members, partners or other equity holders) of any other corporation, limited liability company, partnership or other entity in which the Corporation may hold securities and otherwise to exercise any and all rights and powers which the Corporation may possess by reason of its ownership of securities. In addition, the President, Secretary or Treasurer may delegate to other officers, employees and agents of the Corporation the power and authority to take any action which such officer is authorized to take under this Section 5, with such limitations as such officer may specify; such authority so delegated by the President, Secretary or Treasurer shall not be re-delegated by the person to whom such execution authority has been delegated.

ARTICLE V

STOCK

Section 1. Uncertificated Shares. The shares of the Corporation shall be represented by uncertificated shares, in accordance with Section 158 of the DGCL. Within a reasonable time after the issuance or transfer of uncertificated stock, the Company shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to Sections 151, 156, 202(a) or 218(a) of the DGCL or a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Section 2. Transfer. Transfers of shares shall be made upon the books of the Corporation only by the holder of record thereof, or by a duly authorized agent, transferee or legal representative. Upon receipt of proper transfer instructions from the registered owner of uncertificated shares, (i) such uncertificated shares shall be canceled, (ii) issuance of new equivalent uncertificated shares shall be made to the person entitled thereto, and (iii) the transaction shall be recorded upon the books of the Corporation. No transfer shall be made that is inconsistent with the provisions of applicable law.

Section 3. Record Date.

(a) In order that the Corporation is able to determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than

sixty nor less than ten days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided*, *however*, that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

ARTICLE VI

INDEMNIFICATION

Section 1. Actions Other Than by or in the Right of the Corporation. The Corporation shall to the fullest extent permitted by applicable law indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, manager, partner, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceedings, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create

a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

Section 2. Actions by or in the Right of the Corporation. The Corporation shall indemnify to the fullest extent permitted by applicable law any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, manager, partner, officer, employee or agent of another, corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery of the State of Delaware or such other court shall deem proper.

Section 3. Success on the Merits. To the extent that any person described in Section 1 or 2 of this Article VI has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in said Sections, or in defense of any claim, issue or matter therein, he or

she shall be indemnified against all expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 4. Specific Authorization. Any indemnification under Section 1 or 2 of this Article VI (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of any person described in said Sections is proper in the circumstances because he or she has met the applicable standard of conduct set forth in said Sections. Such determination shall be made (a) by the Board of Directors by a majority vote of Directors who were not parties to such action, suit or proceeding (even though less than a quorum), (b) if there are no disinterested Directors or if a majority of disinterested Directors so directs, by independent legal counsel (who may be regular legal counsel to the Corporation) in a written opinion, or (c) by the stockholders of the Corporation.

Section 5. Advance Payment. Expenses incurred in defending a pending or threatened civil or criminal action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of any person described in said Section to repay such amount if it shall ultimately be determined that he or she is not entitled to indemnification by the Corporation as authorized in this Article VI.

Section 6. Non-Exclusivity. The indemnification and advancement of expenses provided by, or granted pursuant to, the other Sections of this Article VI shall not be deemed exclusive of any other rights to which those provided indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.

Section 7. Insurance. The Board of Directors may authorize, by a vote of the majority of the full Board of Directors, the Corporation to purchase and maintain insurance on behalf of any person who is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article VI.

Section 8. Continuation of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to this Article VI shall continue as to a person who has ceased to be a director, officer, employee or agent of the Corporation and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 9. Severability. If any word, clause or provision of this Article VI or any award made hereunder shall for any reason be determined to be invalid, the provisions hereof shall not otherwise be affected thereby but shall remain in full force and effect.

Section 10. Intent of Article. The intent of this Article VI is to permit indemnification and advancement of expenses to the fullest extent permitted by Section 145 of the General Corporation Law of Delaware. To the extent that such Section or any successor section may be amended or supplemented from time to time, this Article VI shall be amended automatically and construed so as to permit indemnification and advancement of expenses to the fullest extent from time to time permitted by law.

ARTICLE VII

GENERAL PROVISIONS

Section 1. Fiscal Year. The fiscal year of the Corporation shall be fixed from time to time by the Board of Directors.

Section 2. Corporate Seal. The Board of Directors may adopt a corporate seal and use the same by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 3. Reliance upon Books, Reports and Records. Each director, each member of a committee designated by the Board of Directors and each officer of the Corporation will, in the performance of his or her duties, be fully protected in relying in good faith upon the records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of the Corporation's officers or employees, or committees of the Board of Directors, or by any other person as to matters the director, committee member or officer reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

Section 4. Time Periods. In applying any provision of these bylaws which requires that an act be done or not be done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used, the day of the doing of the act shall be excluded and the day of the event shall be included.

Section 5. Dividends. The Board of Directors may from time to time declare and the Corporation may pay dividends (whether cash or otherwise) upon its outstanding shares of capital stock, in the manner and upon the terms and conditions provided by law and the Certificate of Incorporation.

ARTICLE VIII

AMENDMENTS

Section 1. Amendments. These bylaws may be altered, amended or repealed, or new bylaws may be adopted, by the stockholders or by the Board of Directors.

Exhibit 3.4

FORM OF
MONTAUK RENEWABLES, INC.
BYLAWS

As Adopted and Effective
on _____, 2021

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STOCKHOLDERS MEETINGS

1. Time and Place of Meetings. All meetings of stockholders will be held at such time and place, within or without the State of Delaware, as may be designated by the Board of Directors (the "***Board***") of Montauk Renewables, Inc., a Delaware corporation (the "***Company***"), from time to time or, in the absence of a designation by the Board, by the Chairman, the Chief Executive Officer or the Secretary, and stated in the notice of the meeting. Notwithstanding the foregoing, the Board may, in its sole discretion, determine that a meeting of stockholders will not be held at any place, but may instead be held by means of remote communications, subject to such guidelines and procedures as the Board may adopt from time to time and in accordance with General Corporation Law of the State of Delaware, as amended (the "***DGCL***"). The Board may cancel or reschedule to an earlier or later date any previously scheduled annual or special meeting of stockholders.

2. Annual Meetings. At each annual meeting of stockholders, the stockholders will elect the directors from the nominees for director, to succeed those directors whose terms expire at such meeting and will transact such other business, in such case as may properly be brought before the meeting in accordance with Bylaws 8, 9, 10 and 11.

3. Special Meetings.

(a) General. A special meeting of stockholders may be called only (i) by the Chairman, (ii) by the Chief Executive Officer, or (iii) by the Secretary acting at the request of the Chairman, the Chief Executive Officer or a majority of the total number of directors that the Company would have if there were no vacancies on the Board (the "***Whole Board***"), in each case to transact only such business as is specified in the notice of the meeting or authorized by a majority of the Whole Board to be brought before the meeting. For the avoidance of doubt, stockholders shall not be permitted to propose business to be brought before a special meeting of stockholders.

(b) Meetings of Preferred Stockholders. Notwithstanding the foregoing provisions of this Bylaw 3, special meetings of holders of any outstanding Preferred Stock may be called in the manner and for the purposes provided in the applicable Preferred Stock Designation.

4. Notice of Meetings. Written notice of every meeting of stockholders, stating the place, if any, date and time thereof, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, will be given, in a form permitted by Bylaw 27 or by the DGCL, not less than ten nor more than 60 calendar days before the date of the meeting to each stockholder of record entitled to vote at such meeting, except as otherwise provided by law. When a meeting is recessed or adjourned to another place, date, or time, notice need not be given of the recessed or adjourned meeting if the place, if any, date and time thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such recessed or adjourned meeting, are announced at the meeting at which the recess or adjournment is taken; *provided*, *however*, that if the recess or adjournment is for more than 30 calendar days, or if after the recess or adjournment a new record date is fixed for the recessed or adjourned meeting, written notice of the place, if any, date and time thereof, and the means of remote

communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such recessed or adjourned meeting, must be given in conformity herewith or as otherwise provided or permitted under the DGCL.

5. Inspectors. The Board will, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report thereof. The Board may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the presiding officer of the meeting will appoint one or more inspectors to act at the meeting.

6. Quorum. Except as otherwise provided by law or in a Preferred Stock Designation, the holders of a majority in voting power of the shares of stock issued and outstanding and entitled to vote at the meeting, present in person or represented by proxy, will constitute a quorum at a meeting of stockholders for the transaction of business thereat. A quorum, once established, will not be broken by the subsequent withdrawal of enough votes to leave less than a quorum. If, however, such a quorum shall not be present or represented at any meeting of the stockholders, the presiding officer of the meeting shall have the power to adjourn the meeting from time to time, in the manner provided in Bylaw 13, until a quorum is present or represented.

7. Voting; Proxies.

(a) General. Except as otherwise provided by law, by the Company's Amended and Restated Certificate of Incorporation (the "***Certificate of Incorporation***"), or in a Preferred Stock Designation, each stockholder will be entitled at every meeting of the stockholders to one vote for each share of stock having voting power standing in the name of such stockholder on the books of the Company on the record date for the meeting and such votes may be cast either in person or by proxy. Every proxy must be authorized in a manner permitted by Section 212 of the DGCL (or any successor provision).

(b) Vote Required for Stockholder Action.

(i) When a quorum is present at any meeting of stockholders and except as otherwise provided by law, the Certificate of Incorporation, these Bylaws or in a Preferred Stock Designation, the affirmative vote of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the matter shall be the act of the stockholders with respect to all matters other than the election of directors, who will be elected by a plurality of all votes properly cast.

8. Order of Business. The Chairman, or an officer of the Company designated from time to time by a majority of the Whole Board, will call meetings of stockholders to order and will act as presiding officer thereof. Unless otherwise determined by the Board prior to the meeting, the presiding officer of any meeting of stockholders will also determine the order of business and have the authority in his or her sole discretion to determine the rules of procedure and regulate the conduct of the meeting, including without limitation by: (a) imposing restrictions on the persons (other than stockholders or their duly appointed proxy holders) that may attend the meeting; (b) ascertaining whether any stockholder or his or her proxy holder may be excluded from the meeting based upon any determination by the presiding officer, in his or

her sole discretion, that any such person has disrupted or is likely to disrupt the proceedings thereat; (c) determining the circumstances in which any person may make a statement or ask questions at the meeting; (d) ruling on all procedural questions that may arise during or in connection with the meeting; (e) determining whether any nomination or business proposed to be brought before the meeting has been properly brought before the meeting; and (f) determining the time or times at which the polls for voting at the meeting will be opened and closed.

9. Notice of Stockholder Proposals.

(a) Business to Be Conducted at Annual Meeting. At an annual meeting of stockholders, only such business may be conducted as has been properly brought before the meeting. To be properly brought before an annual meeting, business (other than the nomination of a person for election as a director, which is governed by Bylaw 10, and, to the extent applicable, Bylaw 11), must be (i) brought before the meeting by or at the direction of the Board or (ii) otherwise properly brought before the meeting by a stockholder who (A) has complied with all applicable requirements of this Bylaw 9 and Bylaw 11 in relation to such business, (B) was a stockholder of record of the Company at the time of giving the notice required by Bylaw 11(a) and is a stockholder of record of the Company at the time of the annual meeting, and (C) is entitled to vote at the annual meeting. For the avoidance of doubt, the foregoing clause (ii) will be the exclusive means for a stockholder to submit business before an annual meeting of stockholders (other than proposals properly made in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended (such act, and the rules and regulations promulgated thereunder, the "***Exchange Act***") and included in the notice of meeting given by or at the direction of the Board).

(b) Required Form for Stockholder Proposals. To be in proper form, a stockholder's notice to the Secretary must set forth in writing, on the form provided to the stockholder upon written request to the Secretary and verification that the requesting party is a stockholder or is acting on behalf of a stockholder, including the following information, which must be updated and supplemented, if necessary, so that the information provided or required to be provided will be true and correct on the record date of the annual meeting and as of such date that is ten business days prior to the annual meeting or any adjournment or postponement thereof; which update shall be delivered to the Secretary no later than five business days after the record date for the Annual Meeting and not later than eight business days prior to the date of the Annual Meeting.

(i) Information Regarding the Proposing Person. As to each Proposing Person (as such term is defined in Bylaw 11(d)(ii)):

(A) the name and address of such Proposing Person, as it appears on the Company's stock transfer book;

(B) the class, series and number of shares of the Company directly or indirectly beneficially owned or held of record by such Proposing Person (including any shares of any class or series of the Company as to which such Proposing Person has a right to acquire beneficial ownership, whether such right is exercisable immediately or only after the passage of time);

(C) a representation (1) that the stockholder giving the notice is a holder of record of stock of the Company entitled to vote at the annual meeting and intends to appear at the annual meeting to bring such business before the annual meeting and (2) as to whether any Proposing Person intends to deliver a proxy statement and form of proxy to holders of at least the percentage of shares of the Company entitled to vote and required to approve the proposal and, if so, identifying such Proposing Person;

(D) a description of any (1) option, warrant, convertible security, stock appreciation right or similar right or interest (including any derivative securities, as defined under Rule 16a-1 under the Exchange Act or other synthetic arrangement having characteristics of a long position), assuming for purposes of these Bylaws presently exercisable, with an exercise or conversion privilege or a settlement or payment mechanism at a price related to any class or series of securities of the Company or with a value derived in whole or in part from the value of any class or series of securities of the Company, whether or not such instrument or right is subject to settlement in whole or in part in the underlying class or series of securities of the Company or otherwise, directly or indirectly held of record or owned beneficially by such Proposing Person and whether or not such Proposing Person may have entered into transactions that hedge or mitigate the economic effects of such security or instrument and (2) each other direct or indirect right or interest that may enable such Proposing Person to profit or share in any profit derived from, or to manage the risk or benefit from, any increase or decrease in the value of the Company's securities, in each case regardless of whether (x) such right or interest conveys any voting rights in such security to such Proposing Person, (y) such right or interest is required to be, or is capable of being, settled through delivery of such security, or (z) such Proposing Person may have entered into other transactions that hedge the economic effect of any such right or interest (any such right or interest referred to in this clause (D) being a "***Derivative Interest***");

(E) any proxy, contract, agreement, arrangement, understanding or relationship pursuant to which the Proposing Person has a right to vote any shares of the Company or which has the effect of increasing or decreasing the voting power of such Proposing Person;

(F) any contract, agreement, arrangement, understanding or relationship including any repurchase or similar so called "stock borrowing" agreement or arrangement, the purpose or effect of which is to mitigate loss, reduce economic risk or increase or decrease voting power with respect to any capital stock of the Company or which provides any party, directly or indirectly, the opportunity to profit from any decrease in the price or value of the capital stock of the Company;

(G) any material pending or threatened legal proceeding involving the Company, any affiliate of the Company or any of their respective directors or officers, to which such Proposing Person or its affiliates is a party;

(H) any rights directly or indirectly held of record or beneficially by the Proposing Person to dividends on the shares of the Company that are separated or separable from the underlying shares of the Company;

(I) any equity interests, including any convertible, derivative or short interests, in any principal competitor of the Company;

(J) any performance-related fees (other than an asset-based fee) to which the Proposing Person or any affiliate or immediate family member of the Proposing Person may be entitled as a result of any increase or decrease in the value of shares of the Company or Derivative Interests; and

(K) any other information relating to such Proposing Person that would be required to be disclosed in a proxy statement or other filing required pursuant to Section 14(a) of the Exchange Act to be made in connection with a general solicitation of proxies or consents by such Proposing Person in support of the business proposed to be brought before the meeting.

(ii) Information Regarding the Proposal: As to each item of business that the stockholder giving the notice proposes to bring before the annual meeting:

(A) a description in reasonable detail of the business desired to be brought before the annual meeting and the reasons why such stockholder or any other Proposing Person believes that the taking of the action or actions proposed to be taken would be in the best interests of the Company and its stockholders;

(B) a description in reasonable detail of any material interest of any Proposing Person in such business and a description in reasonable detail of all agreements, arrangements and understandings among the Proposing Persons or between any Proposing Person and any other person or entity (including their names) in connection with the proposal; and

(C) the text of the proposal or business (including the text of any resolutions proposed for consideration).

(c) No Right to Have Proposal Included. A stockholder is not entitled to have its proposal included in the Company's proxy statement and form of proxy solely as a result of such stockholder's compliance with the foregoing provisions of this Bylaw 9.

(d) Requirement to Attend Annual Meeting. If a stockholder does not appear at the annual meeting to present its proposal, such proposal will be disregarded (notwithstanding that proxies in respect of such proposal may have been solicited, obtained or delivered).

10. Notice of Director Nominations.

(a) Nomination of Directors. Subject to the rights, if any, of any series of Preferred Stock to nominate or elect directors under circumstances specified in a Preferred Stock Designation, only persons who are nominated in accordance with the procedures set forth in this Bylaw 10 will be eligible to serve as directors. Nominations of persons for election as directors of the Company may be made only at an annual meeting of stockholders and only (i) by or at the direction of the Board or (ii) by a stockholder who (A) has complied with all applicable requirements of this Bylaw 10 and Bylaw 11 in relation to such nomination, (B) was a stockholder of record of the Company at the time of giving the notice required by Bylaw 11(a) and is a stockholder of record of the Company at the time of the annual meeting, (C) is entitled to vote at the annual meeting and (D) subject to Bylaw 11, has nominated a number of nominees that does not exceed the number of directors that will be elected at such meeting.

(b) Required Form for Director Nominations. To be in proper form, a stockholder's notice to the Secretary must set forth in writing, substantially in the form provided to the stockholder upon written request to the Secretary, which form shall be provided only upon the receipt of evidence reasonably satisfactory to the Secretary verifying that the requesting party is a stockholder or is acting on behalf of a stockholder:

(i) Information Regarding the Nominating Person. As to each Nominating Person (as such term is defined in Bylaw 11(d)(iii)), the information set forth in Bylaw 9(b)(i) (except that for purposes of this Bylaw 10, the term "***Nominating Person***" will be substituted for the term "***Proposing Person***" in all places where it appears in Bylaw 9(b)(i) and any reference to "***business***" or "***proposal***" therein will be deemed to be a reference to the "***nomination***" contemplated by this Bylaw 10).

(ii) Information Regarding the Nominee: As to each person whom the stockholder giving notice proposes to nominate for election as a director:

(A) all information with respect to such proposed nominee that would be required to be set forth in a stockholder's notice pursuant to Bylaw 9(b)(i) if such proposed nominee were a Nominating Person;

(B) all information relating to such proposed nominee that would be required to be disclosed in a proxy statement or other filing required pursuant to Section 14(a) under the Exchange Act to be made in connection with a general solicitation of proxies for an election of directors in a contested election (including such proposed nominee's written consent to be named in the proxy statement as a nominee and to serve as a director if elected);

(C) a reasonably detailed description of all direct and indirect compensation and other material monetary agreements, arrangements or understandings during the past three years, any other material relationships, between or among such Nominating Person and its affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee and his or her affiliates, associates or others acting in concert therewith, on the other hand, including all information that would be required to be disclosed pursuant to Items 403 and 404 under Regulation S-K if the stockholder giving the notice or any other Nominating Person were the "registrant" for purposes of such rule and the proposed nominee were a director or executive officer of such registrant;

(D) a completed questionnaire (in the form provided by the Secretary upon written request) with respect to the identity, background and qualification of the proposed nominee and the background of any other person or entity on whose behalf the nomination is being made; and

(E) a written representation and agreement (in the form provided by the Secretary upon written request) that the proposed nominee (1) is qualified and if elected intends to serve as a director of the Company for the entire term for which such proposed nominee is standing for election, (2) is not and will not become a party to (x) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how the proposed nominee, if elected as a director of the Company, will act or vote on any issue or question (a "***Voting Commitment***") that has not been disclosed to the

Company or (y) any Voting Commitment that could limit or interfere with the proposed nominee's ability to comply, if elected as a director of the Company, with the proposed nominee's fiduciary duties under applicable law, (3) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Company with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein, and (4) if elected as a director of the Company, the proposed nominee would be in compliance and will comply, with all applicable publicly disclosed corporate governance, ethics, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Company.

The Company may require any proposed nominee to furnish such other information as may be reasonably required by the Company to determine the qualifications and eligibility of such proposed nominee to serve as a director.

(c) No Right to Have Nominees Included. A stockholder is not entitled to have its nominees included in the Company's proxy statement solely as a result of such stockholder's compliance with the foregoing provisions of this Bylaw 10.

(d) Requirement to Attend Annual Meeting. If a stockholder does not appear at the annual meeting to present its nomination, such nomination will be disregarded (notwithstanding that proxies in respect of such nomination may have been solicited, obtained or delivered).

11. Additional Provisions Relating to the Notice of Stockholder Business and Director Nominations.

(a) Timely Notice. To be timely, a stockholder's notice required by Bylaw 9(a) or Bylaw 10(a) must be delivered to or mailed and received by the Secretary at the principal executive offices of the Company not less than 90 nor more than 120 calendar days prior to the first anniversary of the date on which the Company held the preceding year's annual meeting of stockholders; *provided, however*, that if the date of the annual meeting is scheduled for a date more than 30 calendar days prior to or more than 30 calendar days after the anniversary of the preceding year's annual meeting, notice by the stockholder to be timely must be so delivered not later than the close of business on the later of the 90th calendar day prior to such annual meeting and the 10th calendar day following the day on which public disclosure of the date of such meeting is first made. In no event will a recess or adjournment of an annual meeting (or any announcement of any such recess or adjournment) commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(b) Updating Information in Notice. A stockholder providing notice of business proposed to be brought before an annual meeting pursuant to Bylaw 9 or notice of any nomination to be made at an annual meeting pursuant to Bylaw 10 must further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to Bylaw 9 or Bylaw 10, as applicable, is true and correct as of the record date for notice of the meeting and as of the date that is ten days prior to the meeting or any recess, adjournment or postponement thereof. Any such update and supplement must be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Company, as promptly as practicable.

(c) Determinations of Form, Effect of Noncompliance, Etc. The presiding officer of any annual meeting will, if the facts warrant, determine that a proposal was not made in accordance with the procedures prescribed by Bylaw 9 and this Bylaw 11 or that a nomination was not made in accordance with the procedures prescribed by Bylaw 10 and this Bylaw 11, and if he or she should so determine, he or she will so declare to the meeting and the defective proposal or nomination, as applicable, will be disregarded. Notwithstanding anything in these Bylaws to the contrary: (i) no nominations shall be made or business shall be conducted at any annual meeting or special meeting except in accordance with the procedures set forth in Bylaws 9, 10 and 11, and (ii) unless otherwise required by law, if a Proposing Person intending to propose business or a Nominating Person intending to make nominations at an annual meeting or special meeting pursuant to Bylaws 9, 10 and 11, as applicable, does not provide the information required under Bylaws 9, 10 and 11 to the Company in accordance with the applicable timing requirements set forth in these Bylaws, or the Proposing Person or Nominating Person (or a qualified representative thereof) does not appear at the meeting to present the proposed business or nominations, such business or nominations shall not be considered, notwithstanding that proxies in respect of such business or nominations may have been received by the Company.

(d) Certain Definitions.

(i) For purposes of Bylaw 9 and Bylaw 10 and this Bylaw 11, "***public disclosure***" means disclosure in a press release reported by the Dow Jones News Service, Bloomberg, Associated Press or comparable national news service or in a document filed by the Company with the Securities and Exchange Commission pursuant to Exchange Act or furnished by the Company to stockholders.

(ii) For purposes of Bylaw 9 and this Bylaw 11, "***Proposing Person***" means (A) the stockholder providing the notice of business proposed to be brought before an annual meeting, (B) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the business proposed to be brought before the annual meeting is given, and (C) any Affiliate or Associate (each within the meaning of Rule 12b-2 under the Exchange Act) of such stockholder or beneficial owner.

(iii) For purposes of Bylaw 10 and this Bylaw 11, "***Nominating Person***" means (A) the stockholder providing the notice of the nomination proposed to be made at an annual meeting, (B) the beneficial owner or beneficial owners, if different, on whose behalf the notice of nomination proposed to be made at the annual meeting is given, and (C) any Affiliate or Associate (each within the meaning of Rule 12b-2 under the Exchange Act) of such stockholder or beneficial owner.

12. Record Dates.

(a) Voting Record Dates. In order that the Company may determine the stockholders entitled to notice of any meeting of stockholders, the Board may fix a record date, which will not precede the date upon which the Board resolution fixing the same is adopted and will not be more than 60 nor less than 10 calendar days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record

date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders will be at the close of business on the calendar day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the calendar day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of the stockholders will apply to any recess or adjournment of the meeting; *provided, however*, that the Board may fix a new record date for the determination of stockholders entitled to vote at the recessed or adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to such notice of such recessed or adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the foregoing provisions of this Bylaw 12(a) at the recessed or adjourned meeting.

(b) Payment Record Dates. In order that the Company may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board may fix a record date, which record date will not be more than 60 calendar days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose will be at the close of business on the calendar day on which the Board adopts the resolution relating thereto.

(c) Identity of Registered Holder. The Company will be entitled to treat the person in whose name any share of its stock is registered as the owner thereof for all purposes, and will not be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether or not the Company has notice thereof, except as expressly provided by applicable law.

13. Recesses and Adjournments. A meeting of stockholders may be recessed or adjourned from time to time by the presiding officer of the meeting. Upon any recessed or adjourned meeting being reconvened, any business may be transacted which properly could have been transacted in the absence of such recess or adjournment.

DIRECTORS

14. Function. The business and affairs of the Company will be managed under the direction of the Board.

15. Number, Election and Terms.

(a) Subject to the rights, if any, of any series of Preferred Stock to elect additional directors under circumstances specified in a Preferred Stock Designation, the authorized number of directors may be fixed from time to time only by a resolution adopted by a majority of the directors then in office; *provided*, *however*, that the directors then in office are not less than 33 1/3% of the total number of directors then authorized.

(b) Until the conclusion of the 2030 annual meeting of the stockholders (the "***Transition Time***"), the directors, other than those who may be elected by the holders of any

series of the Preferred Stock, will be classified with respect to the time for which they severally hold office in accordance with the provisions of the Certificate of Incorporation. Beginning with the 2030 annual meeting of the stockholders and at each annual meeting of stockholders thereafter, directors will be elected at each annual meeting of stockholders in accordance with the provisions of the Certificate of Incorporation to serve as such until the next annual meeting of stockholders and until their successors are elected and qualified; provided that any directors that are to be elected by the holders of any series of the Preferred Stock will be so elected in the manner provided in the applicable Preferred Stock Designation. Accordingly, in order to transition from classified directors, at the 2028 annual meeting of stockholders, the directors elected at that meeting shall be elected to hold office for a one-year term expiring at the 2029 annual meeting of stockholders and until their successors are elected and qualified; at the 2029 annual meeting of stockholders, the directors elected at that meeting shall be elected to hold office for a one-year term expiring at the 2030 annual meeting of stockholders and until their successors are elected and qualified; at the 2030 annual meeting of stockholders, the directors elected at that meeting shall be elected to hold office for a one-year term expiring at the 2031 annual meeting of stockholders and until their successors are elected and qualified, at which point all of the directors will cease to be classified; and at each annual meeting of stockholders thereafter, all directors shall be elected to hold office for a one-year term expiring at the next annual meeting of stockholders and until such director's successor shall have been elected and qualified.

16. Vacancies and Newly Created Directorships. Subject to the rights, if any, of the holders of any series of Preferred Stock to elect additional directors under circumstances specified in a Preferred Stock Designation, newly created directorships resulting from any increase in the authorized number of directors and any vacancies on the Board resulting from death, resignation, disqualification, removal or other cause may be filled only by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board, or by a sole remaining director. Any director elected in accordance with the preceding sentence will hold office for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and until such director's successor is elected and qualified. No decrease in the authorized number of directors will shorten the term of any incumbent director.

17. Removal. Unless otherwise restricted by statute, any director or the entire Board may be removed only in accordance with Article VII, Section 4 of the Certificate of Incorporation.

18. Resignation. Any director may resign at any time upon notice given in writing or by electronic transmission to the Chairman or the Secretary. Any resignation is effective when the resignation is delivered to the Company unless the resignation specifies a later effective date or an effective date that is contingent upon the occurrence or non-occurrence of one or more specified events.

19. Regular Meetings. Regular meetings of the Board may be held immediately after the annual meeting of the stockholders and at such other time and place either within or without the State of Delaware as may from time to time be determined by the Board. Notice of regular meetings of the Board need not be given.

20. Special Meetings. Special meetings of the Board may be called by the Chairman on one day's notice to each director by whom such notice is not waived, given in a manner permitted by Bylaw 27 or by the DGCL, and will be called by the Chairman, in like manner and on like notice, upon the request of a majority of the Whole Board. The time and place of any such special meeting shall be as specified in the notice of such meeting.

21. Quorum. At all meetings of the Board, a majority of the Whole Board will constitute a quorum for the transaction of business. Except for action to be taken by committees of the Board as provided in Bylaw 23, and except for actions required by these Bylaws or the Certificate of Incorporation to be taken by a majority of the Whole Board, the act of a majority of the directors present at any meeting at which there is a quorum will be the act of the Board. If a quorum is not present at any meeting of the Board, the directors present thereat may adjourn the meeting from time to time to another place, time, or date, without notice other than announcement at the meeting, until a quorum is present.

22. Participation in Meetings by Remote Communications. Members of the Board or any committee designated by the Board may participate in a meeting of the Board or any such committee, as the case may be, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting will constitute presence in person at the meeting.

23. Committees. The Board may designate one or more committees, each committee to consist of one or more of the directors. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board, or in these Bylaws, will have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Company, and may authorize the seal of the Company to be affixed to all papers which may require it; but no such committee will have the power or authority in reference to the following matters: (a) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval or (b) making, adopting, amending or repealing any provision of these Bylaws. Unless the Board provides otherwise, each committee designated by the Board may make, alter and repeal rules and procedures for the conduct of its business. In the absence of such rules and procedures, each committee shall conduct its business in the same manner as the Board conducts its business. Any resolution of the Board establishing or directing any committee of the Board or establishing or amending the charter of any such committee may establish requirements or procedures relating to the governance and/or operation of such committee that are different from, or in addition to, those set forth in these Bylaws and, to the extent that there is any inconsistency between these Bylaws and any such resolution or charter, the terms of such resolution or charter shall be controlling.

24. Compensation. The Board may establish the compensation of directors, including without limitation compensation for membership on the Board and on committees of the Board,

attendance at meetings of the Board or committees of the Board, and for other services provided to the Company or at the request of the Board.

25. Rules. The Board may adopt rules and regulations for the conduct of meetings and the oversight of the management of the affairs of the Company.

26. Chairman of the Board. The Board, by a majority vote of the Whole Board, shall elect a Chairman from among the members of the Board. The Chairman shall not be considered an officer of the Company in his or her capacity as such. The Chairman may be removed from that capacity by a majority vote of the Whole Board. The Chairman shall preside at meetings of the Board and of the stockholders and exercise and perform such other powers and duties as may from time to time be assigned to him or her by the Board or as may be prescribed by these Bylaws. In the absence of the Chairman, such other director of the Company designated by the Chairman or by the Board shall act as chairman of any such meeting. The Chairman or the Board may appoint a Vice Chairman of the Board to exercise and perform such other powers and duties as may from time to time be assigned to him or her by the Chairman or by the Board.

NOTICES

27. Generally.

(a) Form of Notices. Except as otherwise provided by law, these Bylaws, or the Certificate of Incorporation, whenever by law or under the provisions of the Certificate of Incorporation or these Bylaws notice is required to be given to any director or stockholder, it will not be construed to require personal notice, but such notice may be given in writing, by mail or courier service or, to the extent permitted by the DGCL, by electronic transmission, addressed to such director or stockholder. Any notice sent to stockholders by mail or courier service shall be sent to the address of such stockholder as it appears on the records of the Company, with postage thereon prepaid, and such notice will be deemed to be given at the time when the same is deposited in the United States mail or with the courier service. Notices sent by electronic transmission shall be deemed effective as set forth in Section 232 of the DGCL. For purposes of this Bylaw 27, "***electronic transmission***" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

(b) Notices to Directors. Notices to directors may be given by mail or courier service, telephone, electronic transmission or as otherwise may be permitted by these Bylaws.

28. Waivers. Whenever any notice is required to be given by law or under the provisions of the Certificate of Incorporation or these Bylaws, a waiver thereof in writing, signed by the person entitled to such notice, or a waiver by electronic transmission by the person entitled to such notice, whether before or after the time of the event for which notice is to be given, will be deemed equivalent to such notice. Attendance of a person at a meeting will constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

29. Generally.

(a) The officers of the Company will be elected annually by the Board and will consist of a Chief Executive Officer, a President, a Secretary and a Treasurer. The Board may also choose one or more Vice Presidents (who may be given particular designations with respect to authority, function, or seniority), one or more Assistant Secretaries, one or more Assistant Treasurers and such other officers as the Board may from time to time determine. Notwithstanding the foregoing, the Board may authorize the Chief Executive Officer to appoint any person to any office. Any number of offices may be held by the same person. Any of the offices may be left vacant from time to time as the Board may determine. In the case of the absence or disability of any officer of the Company or for any other reason deemed sufficient by a majority of the Board, the Board may delegate the absent or disabled officer's powers or duties to any other officer or to any director.

(b) Chief Executive Officer; President. Unless the Board has designated another person as the Company's Chief Executive Officer, the President shall be the Chief Executive Officer of the Company. The Chief Executive Officer shall have general charge and supervision of the business of the Company subject to the direction of the Board, and shall perform all duties and have all powers that are commonly incident to the office of chief executive or that are delegated to such officer by the Board. The President shall perform such other duties and shall have such other powers as the Board or the Chief Executive Officer (if the President is not the Chief Executive Officer) may from time to time prescribe.

(c) Vice Presidents. Each Vice President shall have such powers and perform such duties as may be assigned to him or her from time to time by the Board or the Chief Executive Officer (or the President if there is no Chief Executive Officer). The Board may assign to any Vice President the title of Executive Vice President, Senior Vice President or any other title selected by the Board.

(d) Secretary; Assistant Secretary. The Secretary, or an Assistant Secretary, shall attend all sessions of the Board and all meetings of the stockholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose, and shall perform like duties for committees when required. He or she shall give, or cause to be given, notice of all meetings of the stockholders and meetings of the Board, and shall perform such other duties as may be assigned by the Board. The Secretary, or an Assistant Secretary, shall keep in safe custody the seal of the Company and have authority to affix the seal to all documents requiring it and attest to the same.

(e) Treasurer; Assistant Treasurer. The Treasurer, or an Assistant Treasurer, shall have the custody of the corporate funds and other property of the Company, except as otherwise provided by the Board, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Company and shall deposit all moneys and other valuable effects in the name and to the credit of the Company in such depositories as may be designated by the Board. The Treasurer, or an Assistant Treasurer, shall disburse the funds of the Company as may be ordered by the Board, taking proper vouchers for such disbursements, and whenever requested by the Board, shall render an account of all his or her transactions as treasurer and of

the financial condition of the Company, and shall perform such other duties as may be assigned by the Board.

(f) Delegation of Authority. The Board may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding the provisions herein.

(g) Voting Securities Owned by the Company. Powers of attorney, proxies, waivers of notice of meeting, consents and other instruments relating to securities owned by the Company may be executed in the name of and on behalf of the Company by the Chief Executive Officer, the President, any Vice President or any other officer authorized to do so by the Board and any such officer may, in the name of and on behalf of the Company, take all such action as any such officer may deem advisable to vote in person or by proxy at any meeting of security holders of any company in which the Company may own securities and at any such meeting shall possess and may exercise any and all rights and power incident to the ownership of such securities and which, as the owner thereof, the Company might have exercised and possessed if present. The Board may, by resolution, from time to time confer like powers upon any other person or persons.

(h) Chairman of the Board. The Board, in its discretion, may choose a Chairman (who shall be a director but need not be elected as an officer). The Chairman of the Board shall preside at all meetings of the stockholders and all meetings of the Board. The Chairman of the Board shall perform such other duties and may exercise such other powers as may from time to time be assigned by these Bylaws or by the Board.

30. Compensation. The compensation of all directors who are also officers and agents of the Company and the executive officers of the Company will be fixed by the Board or by a committee of the Board. The Board may fix or delegate the power to fix, the compensation of other officers and agents of the Company to an officer of the Company.

31. Succession. The officers of the Company will hold office until their successors are elected and qualified or until such officer's earlier death, resignation or removal. Any officer may be removed at any time by the affirmative vote of a majority of the Whole Board. Any vacancy occurring in any office of the Company may be filled by the Board or as otherwise provided in Bylaw 29. Any officer of the Company may resign at any time by giving written notice of his or her resignation to the Chief Executive Officer, the President or the Secretary. Such resignation shall be effective upon receipt unless such notice provides that the resignation is effective at some later time or upon the occurrence of some later event.

32. Authority and Duties. Each of the officers of the Company will have such authority and will perform such duties as are customarily incident to their respective offices or as may be specified from time to time by the Board.

STOCK

33. Certificates. The Board may provide by resolution or resolutions that some or all of any classes or series of stock of the Company shall be uncertificated shares. Certificates, if any, representing shares of stock of the Company will be in such form as is determined by the Board, subject to applicable legal requirements. Each such certificate shall be numbered and

shall be signed by, or in the name of the Company by, the Chairman, or Chief Executive Officer or Chief Financial Officer, and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary. Any or all of the signatures on a certificate may be a facsimile signature. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Company with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

34. Transfer. Transfers of shares shall be made upon the books of the Company (i) only by the holder of record thereof, or by a duly authorized agent, transferee or legal representative and (ii) in the case of certificated shares, upon the surrender to the Company of the certificate or certificates for such shares. No transfer shall be made that is inconsistent with the provisions of applicable law.

35. Lost, Stolen or Destroyed Certificates. The Secretary may direct a new certificate or certificates or uncertificated shares to be issued in place of any certificate or certificates theretofore issued by the Company alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact, satisfactory to the Secretary, by the person claiming the certificate of stock to be lost, stolen or destroyed. As a condition precedent to the issuance of a new certificate or certificates, the Secretary may require the owners of such lost, stolen or destroyed certificate or certificates to give the Company a bond in such sum and with such surety or sureties as the Secretary may direct as indemnity against any claims that may be made against the Company with respect to the certificate alleged to have been lost, stolen or destroyed or the issuance of the new certificate or uncertificated shares.

GENERAL

36. Fiscal Year. The fiscal year of the Company will end on December 31 of each calendar year or such other date as may be fixed from time to time by the Board.

37. Reliance Upon Books, Reports and Records. Each director, each member of a committee designated by the Board, and each officer of the Company will, in the performance of his or her duties, be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports, or statements presented to the Company by any of the Company's officers or employees, or committees of the Board, or by any other person or entity as to matters the director, committee member, or officer believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company.

38. Amendments. Except as otherwise provided by law or by the Certificate of Incorporation or these Bylaws, these Bylaws or any of them may be amended in any respect or repealed at any time, either (a) at any meeting of stockholders, provided that any amendment or supplement proposed to be acted upon at any such meeting has been properly described or referred to in the notice of such meeting, or (b) by the Board, provided that no amendment adopted by the Board may vary or conflict with any amendment adopted by the stockholders in accordance with the Certificate of Incorporation and these Bylaws. Notwithstanding the foregoing and anything contained in these Bylaws to the contrary, prior to the Transition Time, Bylaws 15(b), 17 and 38 may not be amended or repealed by the stockholders, and no provision

inconsistent therewith may be adopted by the stockholders, without the affirmative vote of the holders of at least 66-2/3% of the Voting Stock, voting together as a single class.

39. Certain Defined Terms. Capitalized terms used herein and not otherwise defined have the meanings given to them in the Certificate of Incorporation.

Exhibit 5.1

[Jones Day Letterhead]

[ ], 2021

Montauk Renewables, Inc.
680 Andersen Drive, 5th Floor
Pittsburgh, PA 15220

Re: Registration Statement on Form S-1, as amended (No. 333-[ ])
Relating to the Initial Public Offering of up to
[ ] shares of Common Stock of Montauk Renewables, Inc.

Ladies and Gentlemen:

We are acting as counsel for Montauk Renewables, Inc., a Delaware corporation (the "***Company***"), in connection with the initial public offering and sale of (i) up to [ ] shares (the "***Company Shares***") of the Company's common stock, par value $0.01 per share (the "***Common Stock***"), by the Company and (ii) up to [ ] shares (the "***Selling Stockholder Shares***" and, together with the Company Shares, the "***Shares***") of Common Stock by a certain stockholder of the Company named in the Registration Statement on Form S-1 (No. 333-[ ]) (the "***Registration Statement***"), pursuant to the Underwriting Agreement (the "***Underwriting Agreement***") proposed to be entered into by and among the Company, the selling stockholder party thereto and Roth Capital Partners, LLC.

In connection with the opinions expressed herein, we have examined such documents, records and matters of law as we have deemed relevant or necessary for purposes of such opinions. Based upon the foregoing and subject to the further assumptions, qualifications and limitations set forth herein, we are of the opinion that:

1. The Company Shares, when issued and delivered pursuant to the Underwriting Agreement against payment of the consideration therefor, as provided in the Underwriting Agreement, will be validly issued, fully paid and nonassessable.

2. The Selling Stockholder Shares are validly issued, fully paid and nonassessable.

In rendering the opinions set forth above, we have assumed that the Underwriting Agreement will have been executed and delivered by the parties thereto and the resolutions authorizing the Company to issue and deliver the Company Shares pursuant to the Underwriting Agreement will be in full force and effect at all times at which the Company Shares are issued and delivered by the Company. In rendering the foregoing opinions, we have also assumed that the Company will issue and deliver the Shares after filing the Company's Amended and Restated

Certificate of Incorporation with the Secretary of State of the State of Delaware to be in effect upon completion of the Company's initial public offering, in the form approved by us and filed as an exhibit to the Registration Statement, filed by the Company to effect registration of the Shares under the Securities Act of 1933 (the "***Act***").

The opinions expressed herein are limited to the General Corporation Law of the State of Delaware, as currently in effect, and we express no opinion as to the effect of the laws of any other jurisdiction on the opinions expressed herein.

We hereby consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement and to the reference to us under the caption "Legal Matters" in the prospectus constituting a part of such Registration Statement. In giving such consent, we do not thereby admit that we are included in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

Very truly yours,

FORM OF
MONTAUK RENEWABLES, INC.
EQUITY AND INCENTIVE COMPENSATION PLAN

1. **Purpose.** The purpose of this Plan is to permit the grant of awards to non-employee Directors, officers and other employees of the Company and its Subsidiaries, and certain Consultants to the Company and its Subsidiaries, and to provide to such persons incentives and rewards for service and/or performance.

2. **Definitions.** Except as otherwise provided herein, the following are the definitions used in this Plan:

(a) "Affiliate" means a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified.

(b) "Appreciation Right" means a right granted pursuant to **Section 5** of this Plan.

(c) "Base Price" means the price to be used as the basis for determining the Spread upon the exercise of an Appreciation Right.

(d) "Board" means the Board of Directors of the Company.

(e) "Cash Incentive Award" means a cash award granted pursuant to **Section 8** of this Plan.

(f) "Change in Control" has the meaning set forth in **Section 12** of this Plan.

(g) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations thereunder, as such law and regulations may be amended from time to time.

(h) "Committee" means the Compensation Committee of the Board (or its successor(s)), or any other committee of the Board designated by the Board to administer this Plan pursuant to **Section 10** of this Plan.

(i) "Common Stock" means the common stock, par value $.01 per share, of the Company or any security into which such common stock may be changed by reason of any transaction or event of the type referred to in **Section 11** of this Plan.

(j) "Company" means Montauk Renewables, Inc., a Delaware corporation, and its successors.

(k) "Consultant" means a natural person that provides bona fide services to the Company and/or its Affiliates; provided, however, that a Consultant shall not include a person whose services are in connection with the offer or sale of the Company's securities in a capital-raising transaction including, directly or indirectly, the promotion or maintenance of a market for the Company's securities."

(l) "Date of Grant" means the date provided for by the Committee on which a grant of Option Rights, Appreciation Rights, Performance Shares, Performance Units, Cash Incentive Awards, or other awards contemplated by **Section 9** of this Plan, or a grant or sale of Restricted Stock, Restricted Stock Units, or other awards contemplated by **Section 9** of this Plan, will become effective (which date will not be earlier than the date on which the Committee takes action with respect thereto).

(m) "Director" means a member of the Board.

(n) "Effective Date" means the date this Plan is approved by the Stockholders.

(o) "Evidence of Award" means an agreement, certificate, resolution or other type or form of writing or other evidence approved by the Committee that sets forth the terms and conditions of the awards granted under this Plan. An Evidence of Award may be in an electronic medium, may be limited to notation on the books and records of the Company and, unless otherwise determined by the Committee, need not be signed by a representative of the Company or a Participant.

(p) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and the rules and regulations thereunder, as such law, rules and regulations may be amended from time to time.

(q) "Incentive Stock Option" means an Option Right that is intended to qualify as an "incentive stock option" under Section 422 of the Code or any successor provision.

(r) "Management Objectives" means performance objective or objectives established pursuant to this Plan for Participants who have received grants of Performance Shares, Performance Units or Cash Incentive Awards or, when so determined by the Committee, Option Rights, Appreciation Rights, Restricted Stock, Restricted Stock Units, dividend equivalents or other awards pursuant to this Plan and include, but is not limited to, objectives related to earnings before interest, taxes, depreciation and amortization, income or net income (loss) (either before or after interest, taxes, depreciation and/or amortization), earnings, changes in the market price of Common Stock, funds from operations or similar measures, sales, revenue (including recurring revenue), growth in revenue, enterprise value or economic value added, mergers, acquisitions or other strategic transactions, divestitures, financings, operating income (loss), cash flow (including, but not limited to, operating cash flow and free cash flow), return on capital, return on investments, assets, return on assets, net asset turnover, debt (including debt reduction), return on operating revenue, working capital, regulatory compliance, improvement of financial ratings, annual spend or license annual spend, equity investments, investing activities and financing activities (or any combination thereof) stockholder returns, dividend ratio, orders, return on sales, marketing, gross or net profit levels, productivity, volumes produced and/or transported, margins, leverage ratio, coverage ratio, strategic business objectives (including operating efficiency, geographic business expansion goals, partnerships, customer/client satisfaction, talent recruitment and retention, productivity ratios, product quality, sales of new products, employee turnover, supervision of information technology), operating efficiency, productivity, product innovation, number of customers, customer satisfaction and related metrics, individual performance, quality improvements, growth or growth rate, intellectual property, expenses or costs (including cost

reduction programs), budget comparisons, implementation of projects or processes, formation of joint ventures, research and development collaborations, marketing or customer service collaborations, employee engagement and satisfaction, diversity, environmental and social measures, information technology, technology development, human resources management, litigation, research and development, working capital, earnings (loss) per share of Common Stock, and market share, any of which may be measured either in absolute terms or as compared to any incremental increase or as compared to results of a peer group. If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which it conducts its business, or other events or circumstances render the Management Objectives unsuitable, the Committee may in its discretion modify such Management Objectives or the goals or actual levels of achievement regarding the Management Objectives, in whole or in part, as the Committee deems appropriate and equitable.

(s) "Market Value per Share" means, as of any particular date, the closing price of a share of Common Stock as reported for that date on the Nasdaq Stock Market or, if the Common Stock is not then listed on the Nasdaq Stock Market, on any other national securities exchange on which the Common Stock is listed, or if there are no sales on such date, on the next trading day after which a sale occurred. If there is no regular public trading market for the Common Stock, then the Market Value per Share shall be the fair market value as determined in good faith by the Committee. The Committee is authorized to adopt another fair market value pricing method provided such method is stated in the applicable Evidence of Award and is in compliance with the fair market value pricing rules set forth in Section 409A of the Code.

(t) "Optionee" means the optionee named in an Evidence of Award evidencing an outstanding Option Right.

(u) "Option Price" means the purchase price payable on exercise of an Option Right.

(v) "Option Right" means the right to purchase Common Stock upon exercise of an award granted pursuant to **Section 4** of this Plan.

(w) "Participant" means a person who is selected by the Committee to receive benefits under this Plan and who is at the time (i) a non-employee Director, (ii) an officer or other employee of the Company or any Subsidiary, including a person who has agreed to commence serving in such capacity within 90 days of the Date of Grant, or (iii) a Consultant.

(x) "Performance Period" means, in respect of a Cash Incentive Award, Performance Share or Performance Unit, a period of time established pursuant to **Section 8** of this Plan within which the Management Objectives relating to such Cash Incentive Award, Performance Share or Performance Unit are to be achieved.

(y) "Performance Share" means a bookkeeping entry that records the equivalent of one share of Common Stock awarded pursuant to **Section 8** of this Plan, and may be payable in cash, Common Stock or a combination thereof.

(z) "Performance Unit" means a bookkeeping entry award granted pursuant to **Section 8** of this Plan that records a unit equivalent to $1.00 or such other value as is determined by the Committee, and may be payable in cash, Common Stock or a combination thereof.

(aa) "Plan" means this Montauk Renewables, Inc. Equity and Incentive Compensation Plan, as may be amended or amended and restated from time to time.

(bb) "Restricted Stock" means Common Stock granted or sold pursuant to **Section 6** of this Plan as to which neither the substantial risk of forfeiture nor the prohibition on transfer has expired.

(cc) "Restricted Stock Units" means an award made pursuant to **Section 7** of this Plan of the right to receive Common Stock, cash or a combination thereof at the end of the applicable Restriction Period.

(dd) "Restriction Period" means the period of time during which Restricted Stock Units are subject to restrictions, as provided in **Section 7** of this Plan.

(ee) "Stockholder" means an individual or entity that owns one or more shares of Common Stock.

(ff) "Spread" means the excess of the Market Value per Share on the date when an Appreciation Right is exercised over the Base Price provided for with respect to the Appreciation Right.

(gg) "Subsidiary" means a corporation, company or other entity (i) more than 50% of whose outstanding shares or securities (representing the right to vote for the election of directors or other managing authority) are or (ii) which does not have outstanding shares or securities (as may be the case in a partnership, joint venture, limited liability company, unincorporated association or other similar entity), but more than 50% of whose ownership interest representing the right generally to make decisions for such other entity, is, now or hereafter, owned or controlled, directly or indirectly, by the Company; provided, however, that for purposes of determining whether any person may be a Participant for purposes of any grant of Incentive Stock Options, "Subsidiary" means any corporation in which the Company at the time owns or controls, directly or indirectly, more than 50% of the total combined Voting Power represented by all classes of stock issued by such corporation.

(hh) "Voting Power" means, at any time, the combined voting power of the then-outstanding securities entitled to vote generally in the election of Directors in the case of the Company or members of the board of directors or similar body in the case of another entity.

3. **Shares Available Under this Plan.**

(a) Maximum Shares Available Under this Plan.

(i) Subject to adjustment as provided in **Section 11** of this Plan and the share counting rules set forth in **Section 3(b)** of this Plan, the number of shares of Common Stock available under this Plan for

awards of (A) Option Rights or Appreciation Rights, (B) Restricted Stock, (C) Restricted Stock Units, (D) Performance Shares or Performance Units, (E) awards contemplated by **Section 9** of this Plan, or (F) dividend equivalents paid with respect to awards made under this Plan will not exceed, in the aggregate, **[_____]** shares of Common Stock. Such shares may be shares of original issuance or treasury shares or a combination of the foregoing.

(ii) Subject to the share counting rules set forth in **Section 3(b)** of this Plan, the aggregate number of shares of Common Stock available under **Section 3(a)(i)** of this Plan will be reduced by one share of Common Stock for every one share of Common Stock subject to an award granted under this Plan.

(b) Share Counting Rules.

(i) Except as provided in **Section 22** of this Plan or herein, if any award granted under this Plan (in whole or in part) is cancelled or forfeited, expires, is settled for cash, or is unearned, the Common Stock subject to such award will, to the extent of such cancellation, forfeiture, expiration, cash settlement, or unearned amount, again be available under **Section 3(a)(i)** above.

(ii) Notwithstanding anything to the contrary contained in this Plan: (A) shares of Common Stock withheld by the Company, tendered or otherwise used in payment of the Option Price of an Option Right will not be added (or added back, as applicable) to the aggregate number of shares of Common Stock available under **Section 3(a)(i)** of this Plan; (B) shares of Common Stock withheld by the Company, tendered or otherwise used to satisfy tax withholding will not be added (or added back, as applicable) to the aggregate number of shares of Common Stock available under **Section 3(a)(i)** of this Plan; (C) shares of Common Stock subject to a share-settled Appreciation Right that are not actually issued in connection with the settlement of such Appreciation Right on the exercise thereof will not be added back to the aggregate number of shares of Common Stock available under **Section 3(a)(i)** of this Plan; and (D) shares of Common Stock reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of Option Rights will not be added (or added back, as applicable) to the aggregate number of shares of Common Stock available under **Section 3(a)(i)** of this Plan.

(iii) If, under this Plan, a Participant has elected to give up the right to receive cash compensation in exchange for Common Stock based on fair market value, such Common Stock will not count against the aggregate limit under **Section 3(a)(i)** of this Plan.

(c) Limit on Incentive Stock Options. Notwithstanding anything to the contrary contained in this Plan, and subject to adjustment as provided in **Section 11** of this Plan, the aggregate number of shares of Common Stock actually issued or transferred by the Company upon the exercise of Incentive Stock Options will not exceed **[_____]** shares of Common Stock.

(d) Non-Employee Director Compensation Limit. Notwithstanding anything to the contrary contained in this Plan, in no event will any non-employee Director in any one calendar year be granted compensation for such service having an aggregate maximum value (measured at the Date of Grant as applicable, and calculating the value of any awards based on the grant date fair value for financial reporting purposes) in excess of $500,000.

(e) Minimum Vesting Requirement. Except in the case of cash based awards, awards granted under this Plan to Participants shall either be subject to a minimum vesting period or minimum performance period, as applicable, of one year. Notwithstanding the foregoing, (i) the Committee may authorize acceleration of vesting of such awards in the event of the Participant's death, disability, termination of employment or service or the occurrence of a Change in Control, (ii) the Committee may grant awards without the above-described minimum requirements with respect to awards covering up to 5% of the aggregate number of shares authorized for issuance under this Plan, and (iii) with respect to awards granted to non-employee Directors, the vesting of such awards will be deemed to satisfy the minimum vesting requirement to the extent that the awards vest based on the approximate one-year period beginning on each regular annual meeting of the Company's stockholders and ending on the date of the next regular annual meeting of the Company's stockholders.

4. **Option Rights.** The Committee may, from time to time and upon such terms and conditions as it may determine, authorize the granting to Participants of Option Rights. Each such grant may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

(a) Each grant will specify the number of shares of Common Stock to which it pertains subject to the limitations set forth in **Section 3** of this Plan.

(b) Each grant will specify an Option Price per share of Common Stock, which Option Price (except with respect to awards under **Section 22** of this Plan) may not be less than the Market Value per Share on the Date of Grant.

(c) Each grant will specify whether the Option Price will be payable (i) in cash, by check acceptable to the Company or by wire transfer of immediately available funds, (ii) by the actual or constructive transfer to the Company of Common Stock owned by the Optionee having a value at the time of exercise equal to the total Option Price, (iii) subject to any conditions or limitations established by the Committee, by the withholding of Common Stock otherwise issuable upon exercise of an Option Right pursuant to a "net exercise" arrangement, (iv) by a combination of such methods of payment, or (v) by such other methods as may be approved by the Committee.

(d) Each grant will specify the period or periods of continuous service by the Optionee with the Company or any Subsidiary, if any, that is necessary before any Option Rights

or installments thereof will vest, and provide for any other terms that are consistent with the terms of this Plan.

(e) Any grant of Option Rights may specify Management Objectives regarding the vesting of such rights.

(f) Option Rights granted under this Plan may be (i) options, including Incentive Stock Options, that are intended to qualify under particular provisions of the Code, (ii) options that are not intended to so qualify, or (iii) combinations of the foregoing. Incentive Stock Options may only be granted to Participants who meet the definition of "employees" under Section 3401(c) of the Code.

(g) No Option Right will be exercisable more than 10 years from the Date of Grant. The Committee may provide in any Evidence of Award for the automatic exercise of an Option Right upon such terms and conditions as established by the Committee.

(h) Option Rights granted under this Plan may not provide for any dividends or dividend equivalents thereon.

(i) Each grant of Option Rights will be evidenced by an Evidence of Award. Each Evidence of Award will be subject to this Plan and will contain such terms and provisions, consistent with this Plan, as the Committee may approve.

5. **Appreciation Rights**.

(a) The Committee may, from time to time and upon such terms and conditions as it may determine, authorize the granting to any Participant of Appreciation Rights. An Appreciation Right will be the right of the Participant to receive from the Company an amount determined by the Committee, which will be expressed as a percentage of the Spread (not exceeding 100%) at the time of exercise.

(b) Each grant of Appreciation Rights may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

(i) Each grant may specify that the amount payable on exercise of an Appreciation Right will be paid by the Company in cash, Common Stock or any combination thereof.

(ii) Each grant will specify the period or periods of continuous service by the Participant with the Company or any Subsidiary, if any, that is necessary before the Appreciation Rights or installments thereof will vest, and provide for any other terms that are consistent with the terms of this Plan.

(iii) Any grant of Appreciation Rights may specify Management Objectives regarding the vesting of such Appreciation Rights.

(iv) Appreciation Rights granted under this Plan may not provide for any dividends or dividend equivalents thereon.

(v) Each grant of Appreciation Rights will be evidenced by an Evidence of Award. Each Evidence of Award will be subject to this Plan and will contain such terms and provisions, consistent with this Plan, as the Committee may approve.

(c) Also, regarding Appreciation Rights:

(i) Each grant will specify in respect of each Appreciation Right a Base Price, which (except with respect to awards under **Section 22** of this Plan) may not be less than the Market Value per Share on the Date of Grant; and

(ii) No Appreciation Right granted under this Plan may be exercised more than 10 years from the Date of Grant. The Committee may provide in any Evidence of Award for the automatic exercise of an Appreciation Right upon such terms and conditions as established by the Committee.

6. **Restricted Stock.** The Committee may, from time to time and upon such terms and conditions as it may determine, authorize the grant or sale of Restricted Stock to Participants. Each such grant or sale may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

(a) Each such grant or sale will constitute an immediate transfer of the ownership of shares of Common Stock to the Participant in consideration of the performance of services, entitling such Participant to voting, dividend and other ownership rights, but subject to the substantial risk of forfeiture and restrictions on transfer hereinafter described.

(b) Each such grant or sale may be made without additional consideration or in consideration of a payment by such Participant that is less than the Market Value per Share on the Date of Grant.

(c) Each such grant or sale will provide that the Restricted Stock covered by such grant or sale will be subject to a "substantial risk of forfeiture" within the meaning of Section 83 of the Code for a period to be determined by the Committee on the Date of Grant or until achievement of Management Objectives referred to in **Section 6(e)** of this Plan.

(d) Each such grant or sale will provide that during or after the period for which such substantial risk of forfeiture is to continue, the transferability of the Restricted Stock will be prohibited or restricted in the manner and to the extent prescribed by the Committee on the Date of Grant (which restrictions may include rights of repurchase or first refusal of the Company or provisions subjecting the Restricted Stock to a continuing substantial risk of forfeiture while held by any transferee).

(e) Any grant of Restricted Stock may specify Management Objectives regarding the vesting of such Restricted Stock.

(f) Restricted Stock may provide for continued vesting or the earlier vesting of such Restricted Stock, and any other terms consistent with the terms of this Plan.

(g) Any such grant or sale of Restricted Stock may require that any and all dividends or other distributions paid thereon during the period of such restrictions be automatically deferred and/or reinvested in additional Restricted Stock, which will be subject to the same restrictions as the underlying award. For the avoidance of doubt, any such dividends or other distributions on Restricted Stock shall be deferred until, and paid contingent upon, the vesting of such Restricted Stock.

(h) Each grant or sale of Restricted Stock will be evidenced by an Evidence of Award. Each Evidence of Award will be subject to this Plan and will contain such terms and provisions, consistent with this Plan, as the Committee may approve. Unless otherwise directed by the Committee, (i) all certificates representing Restricted Stock will be held in custody by the Company until all restrictions thereon will have lapsed, together with a stock power or powers executed by the Participant in whose name such certificates are registered, endorsed in blank and covering such shares or (ii) all Restricted Stock will be held at the Company's transfer agent in book entry form with appropriate restrictions relating to the transfer of such Restricted Stock.

7. **Restricted Stock Units.** The Committee may, from time to time and upon such terms and conditions as it may determine, authorize the granting or sale of Restricted Stock Units to Participants. Each such grant or sale may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

(a) Each such grant or sale will constitute the agreement by the Company to deliver Common Stock or cash, or a combination thereof, to the Participant in the future in consideration of the performance of services, but subject to the fulfillment of such conditions (which may include achievement regarding Management Objectives) during the Restriction Period as the Committee may specify.

(b) Each such grant or sale may be made without additional consideration or in consideration of a payment by such Participant that is less than the Market Value per Share on the Date of Grant.

(c) Notwithstanding anything to the contrary contained in this Plan, Restricted Stock Units may provide for continued vesting or the earlier lapse or other modification of the Restriction Period, and any other terms consistent with the terms of this Plan.

(d) During the Restriction Period, the Participant will have no right to transfer any rights under his or her award and will have no rights of ownership in the Common Stock deliverable upon payment of the Restricted Stock Units and will have no right to vote them, but the Committee may, at or after the Date of Grant, authorize the payment of dividend equivalents on such Restricted Stock Units on a deferred and contingent basis, either in cash or in additional shares of Common Stock; provided, however, that dividend equivalents or other distributions on

Common Stock underlying Restricted Stock Units shall be deferred until and paid contingent upon the vesting of such Restricted Stock Units.

(e) Each grant or sale of Restricted Stock Units will specify the time and manner of payment of the Restricted Stock Units that have been earned. Each grant or sale will specify that the amount payable with respect thereto will be paid by the Company in Common Stock or cash, or a combination thereof.

(f) Each grant or sale of Restricted Stock Units will be evidenced by an Evidence of Award. Each Evidence of Award will be subject to this Plan and will contain such terms and provisions, consistent with this Plan, as the Committee may approve.

8. **Cash Incentive Awards, Performance Shares and Performance Units.** The Committee may, from time to time and upon such terms and conditions as it may determine, authorize the granting of Cash Incentive Awards, Performance Shares and Performance Units. Each such grant may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

(a) Each grant will specify the number or amount of Performance Shares or Performance Units, or cash amount payable with respect to a Cash Incentive Award, to which it pertains, which number or amount may be subject to adjustment to reflect changes in compensation or other factors.

(b) The Performance Period with respect to each Cash Incentive Award or grant of Performance Shares or Performance Units will be such period of time as will be determined by the Committee, which may be subject to continued vesting or earlier lapse or other modification, and provide for any other terms consistent with the terms of this Plan.

(c) Each grant of a Cash Incentive Award, Performance Shares or Performance Units will specify Management Objectives regarding the earning of the award.

(d) Each grant will specify the time and manner of payment of a Cash Incentive Award, Performance Shares or Performance Units that have been earned.

(e) The Committee may, on the Date of Grant of Performance Shares or Performance Units, provide for the payment of dividend equivalents to the holder thereof either in cash or in additional shares of Common Stock, which dividend equivalents shall be subject to deferral and payment on a contingent basis based on the Participant's earning and vesting of the Performance Shares or Performance Units, as applicable, with respect to which such dividend equivalents are paid.

(f) Each grant of a Cash Incentive Award, Performance Shares or Performance Units will be evidenced by an Evidence of Award. Each Evidence of Award will be subject to this Plan and will contain such terms and provisions, consistent with this Plan, as the Committee may approve.

9. **Other Awards.**

(a) Subject to applicable law and the applicable limits set forth in **Section 3** of this Plan, the Committee may authorize the grant to any Participant of Common Stock or such other awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, shares of Common Stock or factors that may influence the value of such shares, including, without limitation, convertible or exchangeable debt securities, other rights convertible or exchangeable into shares of Common Stock, purchase rights for shares of Common Stock, awards with value and payment contingent upon performance of the Company or specified Subsidiaries, Affiliates or other business units thereof or any other factors designated by the Committee, and awards valued by reference to the book value of the shares of Common Stock or the value of securities of, or the performance of specified Subsidiaries or Affiliates or other business units of the Company. The Committee will determine the terms and conditions of such awards. Common Stock delivered pursuant to an award in the nature of a purchase right granted under this **Section 9** will be purchased for such consideration, paid for at such time, by such methods, and in such forms, including, without limitation, Common Stock, other awards, cash, notes or other property, as the Committee determines.

(b) Cash awards, as an element of or supplement to any other award granted under this Plan, may also be granted pursuant to this **Section 9**.

(c) The Committee may authorize the grant of shares of Common Stock as a bonus, or may authorize the grant of other awards in lieu of obligations of the Company or a Subsidiary to pay cash or deliver other property under this Plan or under other plans or compensatory arrangements, subject to such terms as will be determined by the Committee in a manner that complies with Section 409A of the Code.

(d) The Committee may, at or after the Date of Grant, authorize the payment of dividends or dividend equivalents on awards granted under this **Section 9** on a deferred and contingent basis, either in cash or in additional shares of Common Stock; provided, however, that dividend equivalents or other distributions on Common Stock underlying awards granted under this **Section 9** shall be deferred until and paid contingent upon the earning and vesting of such awards.

(e) Each grant of an award under this **Section 9** will be evidenced by an Evidence of Award. Each such Evidence of Award will be subject to this Plan and will contain such terms and provisions, consistent with this Plan, as the Committee may approve, and will specify the time and terms of delivery of the applicable award.

(f) Notwithstanding anything to the contrary contained in this Plan, awards under this **Section 9** may provide for the earning or vesting of, or earlier elimination of restrictions applicable to, such award, and any other terms consistent with the terms of this Plan.

10. **Administration of this Plan.**

(a) This Plan will be administered by the Committee; provided, that, at the discretion of the Board, the Plan may be administered by the Board, including with respect to the administration of any responsibilities and duties held by the Committee hereunder. The Committee may from time to time delegate all or any part of its authority under this Plan to a

subcommittee thereof. To the extent of any such delegation, references in this Plan to the Committee will be deemed to be references to such subcommittee.

(b) The interpretation and construction by the Committee of any provision of this Plan or of any Evidence of Award (or related documents) and any determination by the Committee pursuant to any provision of this Plan or of any such agreement, notification or document will be final and conclusive. No member of the Committee shall be liable for any such action or determination made in good faith. In addition, the Committee is authorized to take any action it determines in its sole discretion to be appropriate subject only to the express limitations contained in this Plan, and no authorization in any Plan section or other provision of this Plan is intended or may be deemed to constitute a limitation on the authority of the Committee.

(c) To the extent permitted by law, the Committee may delegate to one or more of its members, to one or more officers of the Company, or to one or more agents or advisors, such administrative duties or powers as it may deem advisable, and the Committee, the subcommittee, or any person to whom duties or powers have been delegated as aforesaid, may employ one or more persons to render advice with respect to any responsibility the Committee, the subcommittee or such person may have under this Plan. The Committee may, by resolution, authorize one or more officers of the Company to do one or both of the following on the same basis as the Committee: (i) designate employees to be recipients of awards under this Plan and (ii) determine the size of any such awards; provided, however, that the Committee will not delegate such responsibilities to any such officer for awards granted to an employee who is an officer (for purposes of Section 16 of the Exchange Act), a Director, or more than 10% "beneficial owner" (as such term is defined in Rule 13d-3 promulgated under the Exchange Act) of any class of the Company's equity securities that is registered pursuant to Section 12 of the Exchange Act, as determined by the Committee in accordance with Section 16 of the Exchange Act; (B) the resolution providing for such authorization shall set forth the total number of shares of Common Stock such officer(s) may grant; and (C) the officer(s) will report periodically to the Committee regarding the nature and scope of the awards granted pursuant to the authority delegated.

11. **Adjustments.** The Committee shall make or provide for such adjustments in the number of and kind of shares of Common Stock covered by outstanding Option Rights, Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares and Performance Units granted hereunder and, if applicable, in the number of and kind of shares of Common Stock covered by other awards granted pursuant to **Section 9** of this Plan, in the Option Price and Base Price provided in outstanding Option Rights and Appreciation Rights, respectively, in Cash Incentive Awards, and in other award terms, as the Committee, in its sole discretion, determines, in good faith, is equitably required to prevent dilution or enlargement of the rights of Participants that otherwise would result from (a) any extraordinary cash dividend, stock dividend, stock split, combination of shares, recapitalization or other change in the capital structure of the Company, (b) any merger, consolidation, spin-off, split-off, spin-out, split-up, reorganization, partial or complete liquidation or other distribution of assets, issuance of rights or warrants to purchase securities, or (c) any other corporate transaction or event having an effect similar to any of the foregoing. Moreover, in the event of any such transaction or event or in the event of a Change in Control, the Committee may provide in substitution for any or all outstanding awards under this Plan such alternative consideration (including cash), if any, as it, in good faith, may determine to be equitable in the circumstances and shall require in connection therewith the

surrender of all awards so replaced in a manner that complies with Section 409A of the Code. In addition, for each Option Right or Appreciation Right with an Option Price or Base Price, respectively, greater than the consideration offered in connection with any such transaction or event or Change in Control, the Committee may in its discretion elect to cancel such Option Right or Appreciation Right without any payment to the person holding such Option Right or Appreciation Right. The Committee shall also make or provide for such adjustments in the number of shares of Common Stock specified in **Section 3** of this Plan as the Committee in its sole discretion, determines, in good faith, is appropriate to reflect any transaction or event described in this **Section 11**.

12. **Change in Control**. For purposes of this Plan, except as may be otherwise prescribed by the Committee in an Evidence of Award made under this Plan or as otherwise provided in another plan or agreement applicable to the Participant, a "Change in Control" will be deemed to have occurred upon the occurrence (after the Effective Date) of any of the following events:

(a) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of voting securities of the Company where such acquisition causes such Person to own 50% or more of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of Directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this **subsection (a)**, the following acquisitions shall not be deemed to result in a Change in Control:

(i) any acquisition directly from the Company that is approved by the Incumbent Board (as defined in **subsection (b)** below),

(ii) any acquisition by the Company,

(iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation or other entity controlled by the Company, or

(iv) any acquisition by any corporation or other entity pursuant to a transaction that complies with **clauses (i), (ii) and (iii)** of **subsection (c)** below; provided, further, that if any Person's beneficial ownership of the Outstanding Company Voting Securities reaches or exceeds 50% as a result of a transaction described in **clause (i) or (ii)** above, and such Person subsequently acquires beneficial ownership of additional voting securities of the Company, such subsequent acquisition shall be treated as an acquisition that causes such Person to own 50% or more of the Outstanding Company Voting Securities; and provided, further, that if at least a majority of the members of the Incumbent Board determines in good faith that a Person has acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more

of the Outstanding Company Voting Securities inadvertently, and such Person divests as promptly as practicable a sufficient number of shares so that such Person beneficially owns (within the meaning of Rule 13d-3 promulgated under the Exchange Act) less than 50% of the Outstanding Company Voting Securities, then no Change in Control shall have occurred as a result of such Person's acquisition;

(b) individuals who, as of the Effective Date, constitute the Board (the "Incumbent Board" as modified by this **subsection (b)**) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a Director subsequent to the Effective Date whose election, or nomination for election by the Stockholders, was approved by a vote of at least a majority of the Directors then comprising the Incumbent Board (either by specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for Director, without objection to such nomination) shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest or the use of any proxy access procedures in the Company's organizational documents with respect to the election or removal of Directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(c) the consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets of another corporation or other transaction ("Business Combination") excluding, however, such a Business Combination pursuant to which

(i) the individuals and entities who were the beneficial owners of the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, of the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries),

(ii) no Person (excluding any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 35% or more of the combined voting power of the then outstanding securities entitled to vote generally in the election of directors of the entity resulting from such Business Combination, and

(iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the

initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) consummation of a complete liquidation or dissolution of the Company except pursuant to a Business Combination that complies with **clauses (i), (ii) and (iii)** of **subsection (c)** above.

Notwithstanding the foregoing, with respect to any award under the Plan that is characterized as "non-qualified deferred compensation" within the meaning of Section 409A of the Code, an event shall not be considered to be a Change in Control under the Plan for purposes of any payment in respect of such award unless such event would also constitute a "change in ownership," a "change in effective control" or a "change in the ownership of a substantial portion of the assets of" the Company under Section 409A of the Code.

13. **Detrimental Activity and Recapture Provisions**. Any Evidence of Award may reference a clawback policy of the Company or provide for the cancellation or forfeiture of an award or the forfeiture and repayment to the Company of any gain related to an award, or other provisions intended to have a similar effect, upon such terms and conditions as may be determined by the Committee from time to time, if a Participant, either (a) during employment or other service with the Company or a Subsidiary, or (b) within a specified period after termination of such employment or service, engages in any detrimental activity, as described in the applicable Evidence of Award or such clawback policy. In addition, notwithstanding anything in this Plan to the contrary, any Evidence of Award or such clawback policy may also provide for the cancellation or forfeiture of an award or the forfeiture and repayment to the Company of any Common Stock issued under and/or any other benefit related to an award, or other provisions intended to have a similar effect, including upon such terms and conditions as may be required by the Committee or under Section 10D of the Exchange Act and any applicable rules or regulations promulgated by the Securities and Exchange Commission or any national securities exchange or national securities association on which the Common Stock may be traded.

14. **Non-U.S. Participants.** In order to facilitate the making of any grant or combination of grants under this Plan, the Committee may provide for such special terms for awards to Participants who are foreign nationals or who are employed by the Company or any Subsidiary outside of the United States of America or who provide services to the Company or any Subsidiary under an agreement with a foreign nation or agency, as the Committee may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Committee may approve such supplements to or amendments, restatements or alternative versions of this Plan (including sub-plans) as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of this Plan as in effect for any other purpose, and the secretary or other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as this Plan. No such special terms, supplements, amendments or restatements, however, will include any provisions that are inconsistent with the terms of this Plan as then in effect unless this Plan could have been amended to eliminate such inconsistency without further approval by the Stockholders.

15. **Transferability.**

(a) Except as otherwise determined by the Committee, and subject to compliance with **Section 17(b)** of this Plan and Section 409A of the Code, no Option Right, Appreciation Right, Restricted Stock, Restricted Stock Unit, Performance Share, Performance Unit, Cash Incentive Award, award contemplated by **Section 9** of this Plan or dividend equivalents paid with respect to awards made under this Plan will be transferable by the Participant except by will or the laws of descent and distribution. In no event will any such award granted under this Plan be transferred for value. Where transfer is permitted, references to "Participant" shall be construed, as the Committee deems appropriate, to include any permitted transferee to whom such award is transferred. Except as otherwise determined by the Committee, Option Rights and Appreciation Rights will be exercisable during the Participant's lifetime only by him or her or, in the event of the Participant's legal incapacity to do so, by his or her guardian or legal representative acting on behalf of the Participant in a fiduciary capacity under state law or court supervision.

(b) The Committee may specify on the Date of Grant that part or all of the shares of Common Stock that are (i) to be issued or transferred by the Company upon the exercise of Option Rights or Appreciation Rights, upon the termination of the Restriction Period applicable to Restricted Stock Units or upon payment under any grant of Performance Shares or Performance Units or (ii) no longer subject to the substantial risk of forfeiture and restrictions on transfer referred to in **Section 6** of this Plan, will be subject to further restrictions on transfer, including minimum holding periods.

16. **Withholding Taxes.** To the extent that the Company is required to withhold federal, state, local or foreign taxes or other amounts in connection with any payment made or benefit realized by a Participant or other person under this Plan, and the amounts available to the Company for such withholding are insufficient, it will be a condition to the receipt of such payment or the realization of such benefit that the Participant or such other person make arrangements satisfactory to the Company for payment of the balance of such taxes or other amounts required to be withheld, which arrangements (in the discretion of the Committee) may include relinquishment of a portion of such benefit. If a Participant's benefit is to be received in the form of Common Stock, and such Participant fails to make arrangements for the payment of taxes or other amounts, then, unless otherwise determined by the Company, the Company will withhold shares of Common Stock having a value equal to the amount required to be withheld. Notwithstanding the foregoing, when the Participant is required to pay the Company an amount required to be withheld under applicable income, employment, tax or other laws, the Participant may elect, unless otherwise determined by the Committee, to satisfy the obligation, in whole or in part, by having withheld, from the shares of Common Stock delivered or required to be delivered to the Participant, shares of Common Stock having a value equal to the amount required to be withheld or by delivering to the Company other shares of Common Stock held by such Participant. The Committee may also provide for automatic and mandatory withholding of shares of Common Stock from an award by the Company in connection with the Participant's satisfaction of such obligation. The Common Stock used for tax or other withholding will be valued at an amount equal to the fair market value of such Common Stock on the date the benefit is to be included in Participant's income. In no event will the fair market value of the Common Stock to be withheld and delivered pursuant to this **Section 16** exceed the minimum amount required to be withheld, unless (i) an additional amount can be withheld and not result in adverse accounting consequences and (ii) such additional withholding amount is authorized by the Committee. Participants will also make such arrangements as the Company may require for the payment of any withholding tax or other

obligation that may arise in connection with the disposition of Common Stock acquired upon the exercise of Option Rights.

17. **Compliance with Section 409A of the Code.**

(a) To the extent applicable, it is intended that this Plan and any grants made hereunder comply with the provisions of Section 409A of the Code, so that the income inclusion provisions of Section 409A(a)(1) of the Code do not apply to the Participants. This Plan and any grants made hereunder will be administered in a manner consistent with this intent. Any reference in this Plan to Section 409A of the Code will also include any regulations or any other formal guidance promulgated with respect to such section by the U.S. Department of the Treasury or the Internal Revenue Service.

(b) Neither a Participant nor any of a Participant's creditors or beneficiaries will have the right to subject any deferred compensation (within the meaning of Section 409A of the Code) payable under this Plan and grants hereunder to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A of the Code, any deferred compensation (within the meaning of Section 409A of the Code) payable to a Participant or for a Participant's benefit under this Plan and grants hereunder may not be reduced by, or offset against, any amount owed by a Participant to the Company or any of its Subsidiaries.

(c) If, at the time of a Participant's separation from service (within the meaning of Section 409A of the Code), (i) the Participant will be a specified employee (within the meaning of Section 409A of the Code and using the identification methodology selected by the Company from time to time) and (ii) the Company makes a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A of the Code) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A of the Code in order to avoid taxes or penalties under Section 409A of the Code, then the Company will not pay such amount on the otherwise scheduled payment date but will instead pay it, without interest, on the tenth business day of the seventh month after such separation from service.

(d) Solely with respect to any award that constitutes nonqualified deferred compensation subject to Section 409A of the Code and that is payable on account of a Change in Control (including any installments or stream of payments that are accelerated on account of a Change in Control), a Change in Control shall occur only if such event also constitutes a "change in the ownership," "change in effective control," and/or a "change in the ownership of a substantial portion of assets" of the Company as those terms are defined under Treasury Regulation §1.409A-3(i)(5), but only to the extent necessary to establish a time and form of payment that complies with Section 409A of the Code, without altering the definition of Change in Control for any purpose in respect of such award.

(e) Notwithstanding any provision of this Plan and grants hereunder to the contrary, in light of the uncertainty with respect to the proper application of Section 409A of the Code, the Company reserves the right to make amendments to this Plan and grants hereunder as the Company deems necessary or desirable to avoid the imposition of taxes or penalties under

Section 409A of the Code. In any case, a Participant will be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on a Participant or for a Participant's account in connection with this Plan and grants hereunder (including any taxes and penalties under Section 409A of the Code), and neither the Company nor any of its affiliates will have any obligation to indemnify or otherwise hold a Participant harmless from any or all of such taxes or penalties.

18. **Amendments.**

(a) The Board may at any time and from time to time amend this Plan in whole or in part; provided, however, that if an amendment to this Plan, for purposes of applicable stock exchange rules and except as permitted under **Section 11** of this Plan, (i) would materially increase the benefits accruing to Participants under this Plan, (ii) would materially increase the number of securities which may be issued under this Plan, (iii) would materially modify the requirements for participation in this Plan, or (iv) must otherwise be approved by the Stockholders in order to comply with applicable law or the rules of the Nasdaq Stock Market or, if the Common Stock is not traded on the Nasdaq Stock Market, the principal national securities exchange upon which the Common Stock is traded or quoted, all as determined by the Board, then, such amendment will be subject to approval by the Stockholders and will not be effective unless and until such approval has been obtained.

(b) Except in connection with a corporate transaction or event described in **Section 11** or **Section 22** of this Plan or in connection with a Change in Control, the terms of outstanding awards may not be amended to reduce the Option Price of outstanding Option Rights or the Base Price of outstanding Appreciation Rights, or cancel outstanding "underwater" Option Rights or Appreciation Rights (including following a Participant's voluntary surrender of "underwater" Option Rights or Appreciation Rights) in exchange for cash, other awards or Option Rights or Appreciation Rights with an Option Price or Base Price, as applicable, that is less than the Option Price of the original Option Rights or Base Price of the original Appreciation Rights, as applicable, without approval by the Stockholders. This **Section 18(b)** is intended to prohibit the repricing of "underwater" Option Rights and Appreciation Rights and will not be construed to prohibit the adjustments provided for in **Section 11** and **Section 22** of this Plan. Notwithstanding any provision of this Plan to the contrary, this **Section 18(b)** may not be amended without approval by the Stockholders.

(c) If permitted by Section 409A of the Code, but subject to the paragraph that follows, including in the case of termination of employment or service, or in the case of unforeseeable emergency or other circumstances or in the event of a Change in Control, to the extent a Participant holds an Option Right or Appreciation Right not immediately exercisable in full, or any Restricted Stock as to which the substantial risk of forfeiture or the prohibition or restriction on transfer has not lapsed, or any Restricted Stock Units as to which the Restriction Period has not been completed, or any Cash Incentive Awards, Performance Shares or Performance Units which have not been fully earned, or any dividend equivalents or other awards made pursuant to **Section 9** of this Plan subject to any vesting schedule or transfer restriction, or who holds Common Stock subject to any transfer restriction imposed pursuant to **Section 15(b)** of this Plan, the Committee may, in its sole discretion, provide for continued vesting or accelerate the time at which such Option Right, Appreciation Right or other award may vest or be exercised or

the time at which such substantial risk of forfeiture or prohibition or restriction on transfer will lapse or the time when such Restriction Period will end or the time at which such Cash Incentive Awards, Performance Shares or Performance Units will be deemed to have been earned or the time when such transfer restriction will terminate or may waive any other limitation or requirement under any such award.

(d) Subject to **Section 18(b)** of this Plan, the Committee may amend the terms of any award theretofore granted under this Plan prospectively or retroactively. Except for adjustments made pursuant to **Section 11** of this Plan, no such amendment will materially impair the rights of any Participant without his or her consent. The Board may, in its discretion, terminate this Plan at any time. Termination of this Plan will not affect the rights of Participants or their successors under any awards outstanding hereunder and not exercised in full on the date of termination.

19. **Governing Law.** This Plan and all grants and awards and actions taken hereunder will be governed by and construed in accordance with the internal substantive laws of the State of Delaware.

20. **Effective Date/Termination.** This Plan will be effective as of the Effective Date. No grant will be made under this Plan on or after the tenth anniversary of the Effective Date, but all grants made prior to such date will continue in effect thereafter subject to the terms thereof and of this Plan.

21. **Miscellaneous Provisions.**

(a) The Company will not be required to issue any fractional shares of Common Stock pursuant to this Plan. The Committee may provide for the elimination of fractions or for the settlement of fractions in cash.

(b) This Plan will not confer upon any Participant any right with respect to continuance of employment or other service with the Company or any Subsidiary, nor will it interfere in any way with any right the Company or any Subsidiary would otherwise have to terminate such Participant's employment or other service at any time.

(c) Except with respect to **Section 21(e)** of this Plan, to the extent that any provision of this Plan would prevent any Option Right that was intended to qualify as an Incentive Stock Option from qualifying as such, that provision will be null and void with respect to such Option Right. Such provision, however, will remain in effect for other Option Rights and there will be no further effect on any provision of this Plan.

(d) No award under this Plan may be exercised by the holder thereof if such exercise, and the receipt of cash or shares thereunder, would be, in the opinion of counsel selected by the Company, contrary to law or the regulations of any duly constituted authority having jurisdiction over this Plan.

(e) Absence on leave approved by a duly constituted officer of the Company or any of its Subsidiaries will not be considered interruption or termination of service of any employee for any purposes of this Plan or awards granted hereunder.

(f) No Participant will have any rights as a Stockholder with respect to any Common Stock subject to awards granted to him or her under this Plan prior to the date as of which he or she is actually recorded as the holder of such Common Stock upon the share records of the Company.

(g) The Committee may condition the grant of any award or combination of awards authorized under this Plan on the surrender or deferral by the Participant of his or her right to receive a cash bonus or other compensation otherwise payable by the Company or a Subsidiary to the Participant.

(h) Except with respect to Option Rights and Appreciation Rights, the Committee may permit Participants to elect to defer the issuance of Common Stock under this Plan pursuant to such rules, procedures or programs as it may establish for purposes of this Plan and which are intended to comply with the requirements of Section 409A of the Code. The Committee also may provide that deferred issuances and settlements include the crediting of dividend equivalents or interest on the deferral amounts.

(i) If any provision of this Plan is or becomes invalid or unenforceable in any jurisdiction, or would disqualify this Plan or any award under any law deemed applicable by the Committee, such provision will be construed or deemed amended or limited in scope to conform to applicable laws or, in the discretion of the Committee, it will be stricken and the remainder of this Plan will remain in full force and effect. Notwithstanding anything in this Plan or an Evidence of Award to the contrary, nothing in this Plan or in an Evidence of Award prevents a Participant from providing, without prior notice to the Company, information to governmental authorities regarding possible legal violations or otherwise testifying or participating in any investigation or proceeding by any governmental authorities regarding possible legal violations, and for purpose of clarity a Participant is not prohibited from providing information voluntarily to the Securities and Exchange Commission pursuant to Section 21F of the Exchange Act.

22. **Share-Based Awards in Substitution for Awards Granted by Another Company.** Notwithstanding anything in this Plan to the contrary:

(a) Awards may be granted under this Plan in substitution for or in conversion of, or in connection with an assumption of, stock options, stock appreciation rights, restricted stock, restricted stock units or other share or share-based awards held by awardees of an entity engaging in a corporate transaction, including acquisition or merger transactions, with the Company or any Subsidiary. Any conversion, substitution or assumption will be effective as of the close of the transaction, and, to the extent applicable, will be conducted in a manner that complies with Section 409A of the Code. The awards so granted may reflect the original terms of the awards being assumed or substituted or converted for and need not comply with other specific terms of this Plan, and may account for Common Stock substituted for the securities covered by the original awards and the number of shares subject to the original awards, as well as any exercise or purchase prices applicable to the original awards, adjusted to account for differences in stock prices in connection with the transaction.

(b) In the event that a company acquired by the Company or any Subsidiary or with which the Company or any Subsidiary merges has shares available under a pre-existing plan

previously approved by shareholders and not adopted in contemplation of such acquisition or merger, the shares available for grant pursuant to the terms of such plan (as adjusted, to the extent appropriate, to reflect such acquisition or merger) may be used for awards made after such acquisition or merger under this Plan; provided, however, that awards using such available shares may not be made after the date awards or grants could have been made under the terms of the pre-existing plan absent the acquisition or merger, and may only be made to individuals who were not employees or directors of the Company or any Subsidiary prior to such acquisition or merger.

(c) Any Common Stock that is issued or transferred by, or that are subject to any awards that are granted by, or become obligations of, the Company under **Sections 22(a) or 22(b)** of this Plan will not reduce the shares of Common Stock available for issuance or transfer under this Plan or otherwise count against the limits contained in **Section 3** of this Plan, except as otherwise provided in this Plan. In addition, no shares of Common Stock subject to an award that is granted by, or becomes an obligation of, the Company under **Sections 22(a) or 22(b)** of this Plan, will be added to the aggregate limit contained in **Section 3(a)(i)** of this Plan.

Form of Plan Document
and
Summary Plan Description
of the
Montauk Renewables, Inc.
Key Employee Separation Plan

Effective January [__], 2021

MONTAUK RENEWABLES, INC.
KEY EMPLOYEE SEPARATION PLAN

ARTICLE 1. INTRODUCTION

1.1 Purpose. The purpose of this Montauk Renewables, Inc. Key Employee Separation Plan is to assist the Company in retaining the services of key employees by providing eligible employees of the Company and its Affiliates with certain severance and welfare benefits in the event their employment is involuntarily terminated (or constructively terminated).

1.2 Term of the Plan. The Plan shall generally be effective as of the Effective Date, but subject to amendment from time to time in accordance with Article 7. The Plan shall continue until terminated pursuant to Article 7 hereof.

ARTICLE 2. DEFINITIONS

Except as may otherwise be specified or as the context may otherwise require, the following terms shall have the respective meanings set forth below whenever used herein:

(a) "Affiliate" shall mean any parent entities, affiliated Subsidiaries and/or divisions of the Company.

(b) "Base Pay" shall mean Participant's annual base salary rate, exclusive of bonuses, commissions and other incentive pay, as in effect immediately preceding Participant's Date of Termination.

(c) "Benefit Factor" shall mean the multiple (either 3, 2.5, 2.0, 1.5, 1.0, or .5) which has been assigned to each Participant for purposes of determining Participant's benefit under Section 4.1(b) and Section 4.2(b), as the case may be, and which Benefit Factor may be different for each of Section 4.1(b) and Section 4.2(b).

(d) "Benefit Plans" shall mean the health and welfare benefits plans and policies to which Participant is entitled to participate.

(e) "Board" shall mean the Board of Directors of Montauk.

(f) "Cause" shall mean "Cause" as defined in Participant's Employment Agreement, if any. If Participant does not have an effective Employment Agreement on the date of such Participant's Separation from Service, then "Cause" shall mean:

(i) Participant's conviction of or plea of guilty or *nolo contendere* to a crime constituting a felony under the laws of the United States or any State thereof or any other jurisdiction in which the Company or its Subsidiaries conduct business;

(ii) Participant's willful misconduct in the performance of Participant's duties to the Company or its Subsidiaries and failure to cure such breach within 30 days following written notice thereof from the Company;

(iii) Participant's willful failure or refusal to follow directions from the Board (or direct reporting executive) and failure to cure such breach within 30 days following written notice thereof from the Board; or

(iv) Participant's willful breach of fiduciary duty to the Company or its Subsidiaries.

Any failure by the Company or a Subsidiary to notify Participant after the first occurrence of an event constituting Cause shall not preclude any subsequent occurrences of such event (or a similar event) from constituting Cause. The determination as to whether or not Cause exists for termination of Participant's employment will be made by the Board.

(g) "Change in Control" shall mean the first to occur, after the Effective Date, of any of the following:

(i) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act) of voting securities of Montauk where such acquisition causes such Person to own 50% or more of the combined voting power of the then outstanding voting securities of Montauk entitled to vote generally in the election of Directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (i), the following acquisitions shall not be deemed to result in a Change in Control:

(A) any acquisition directly from Montauk that is approved by the Incumbent Board (as defined in subsection (ii) below),

(B) any acquisition by Montauk,

(C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation or other entity controlled by the Company, or

(D) any acquisition by any corporation or other entity pursuant to a transaction that complies with clauses (A), (B) and (C) of subsection (iii) below; provided, further, that if any Person's beneficial ownership of the Outstanding Company Voting Securities reaches or exceeds 50% as a result of a transaction described in clause (A) or (C) above, and such Person subsequently acquires beneficial ownership of additional voting securities of Montauk, such subsequent acquisition shall be treated as an acquisition that causes such Person to own 50% or more of the Outstanding Company Voting Securities; and provided, further, that if at least a majority of the members of the Incumbent Board determines in good faith that a Person has acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act) of 50% or more of the Outstanding Company Voting Securities inadvertently, and such Person divests as promptly as practicable a

sufficient number of shares so that such Person beneficially owns (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act) less than 50% of the Outstanding Company Voting Securities, then no Change in Control shall have occurred as a result of such Person's acquisition;

(ii) individuals who, as of the Effective Date, constitute the Board (the "Incumbent Board" as modified by this subsection (ii)) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a Director subsequent to the Effective Date whose election, or nomination for election by the stockholders of Montauk, was approved by a vote of at least a majority of the Directors then comprising the Incumbent Board (either by specific vote or by approval of the proxy statement of Montauk in which such person is named as a nominee for Director, without objection to such nomination) shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest or the use of any proxy access procedures in Montauk's organizational documents with respect to the election or removal of Directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(iii) the consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of Montauk or the acquisition of assets of another corporation or other transaction ("Business Combination") excluding, however, such a Business Combination pursuant to which

(A) the individuals and entities who were the beneficial owners of the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that as a result of such transaction owns Montauk or all or substantially all of Montauk's assets either directly or through one or more subsidiaries),

(B) no Person (excluding any employee benefit plan (or related trust) of Montauk or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 35% or more of the combined voting power of the then outstanding securities entitled to vote generally in the election of directors of the entity resulting from such Business Combination, and

(C) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the

initial agreement, or of the action of the Board, providing for such Business Combination; or

(iv) consummation of a complete liquidation or dissolution of Montauk except pursuant to a Business Combination that complies with clauses (A), (B) and (C) of subsection (iii) above.

(h) "COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

(i) "COBRA Continuation Period" shall mean the continuation period for medical and dental insurance to be provided under the terms of this Plan which shall commence on the first day of the calendar month following the month in which the Date of Termination falls.

(j) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(k) "Committee" shall mean the Compensation Committee of the Board.

(l) "Company" shall mean Montauk Renewables, Inc., a Delaware limited liability company, and its parent entities, Subsidiaries and Affiliates as may employ a Participant from time to time; provided that a Subsidiary which ceases to be, directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with Montauk prior to a Change in Control (other than in connection with and as an integral part of a series of transactions resulting in a Change in Control) shall, automatically and without any further action, cease to be (or be a part of) the Company and its Affiliates for purposes hereof.

(m) "Covered Change in Control Termination" shall mean, with respect to a Participant, if, during the 90-day period immediately preceding a Change in Control, or on or within the one-year period immediately following a Change in Control, an Involuntary Termination Associated with a Change in Control occurs.

(n) "Covered Termination Prior to Change in Control" shall mean, at any time prior to the 90-day period immediately preceding a Change in Control, Participant's involuntary Separation from Service with the Company (i) by the Company and any Affiliate for any reason other than (A) Cause, (B) Participant's death, or (C) Participant's Disability; or (ii) by Participant on account of Good Reason.

(o) "Date of Termination" shall mean the date on which a Covered Change in Control Termination or Covered Termination Prior to Change in Control occurs, as the case may be.

(p) "Director" means a member of the Board.

(q) "Disability" shall mean a circumstance in which Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months and otherwise satisfies the requirements to be disabled under Section 409A of the Code.

(r) "Effective Date" shall mean January [_], 2021.

(s) "Employment Agreement" shall mean in an individual employment agreement in effect between a Participant and the Company or any Subsidiary or Affiliate on such Participant's Date of Termination.

(t) "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

(u) "Good Reason" shall mean "Good Reason" as defined in Participant's Employment Agreement, if any. If Participant does not have an effective Employment Agreement on the date of such Participant's Separation from Service, then "Good Reason" shall mean, without Participant's written consent, one of the following events:

(i) A material reduction in Participant's (A) annual Base Pay, (B) Target Bonus opportunity, or (C) equity-based incentive compensation opportunities (unless such reduction in (A), (B), and/or (C) relates to an across-the-board reduction similarly affecting Participant and all or substantially all other executives of the Company and its Affiliates);

(ii) The Company makes or causes to be made a material adverse change in Participant's scope of duties or responsibilities which results in a significant diminution in the Participant's scope of duties or responsibilities, except in connection with (A) a reassignment to a New Job Position, or (B) a termination of Participant's employment with the Company for Cause, due to Participant's Disability or death, or temporarily as a result of Participant's incapacity or other absence for an extended period; or

(iii) A relocation of the Company's principal place of business, or of Participant's own office as assigned to Participant by the Company to a location in excess of fifty (50) miles from its location as of the date Participant was designated by the Committee to be a Participant in this Plan.

In order for Participant to terminate for Good Reason, (x) the Company must be notified by Participant in writing within 90 days of the event constituting Good Reason, (y) the event must remain uncorrected by the Company for 30 days following the Company's receipt of such notice (the "Notice Period"), and (z) Participant must terminate his or her employment within 60 days after the expiration of the Notice Period.

(v) "Involuntary Termination Associated With a Change in Control" means Participant's Separation from Service related to a Change in Control: (i) by the Company and any Affiliate for any reason other than (A) Cause, (B) the Participant's death, or (C) Participant's Disability; or (ii) on account of a termination of employment by Participant due to Good Reason.

(w) "Montauk" shall mean Montauk Renewables, Inc., a Delaware corporation, or its successors.

(x) "New Job Position" shall mean a change in Participant's position, authority, duties or responsibilities with the Company or any Affiliate due to Participant's demonstrated

inadequate or unsatisfactory performance, provided that Participant had been notified of such inadequate performance and had been given at least 30 days to cure such inadequate performance.

(y) "Notice of Termination" shall mean a notice given by the Company or Participant, as applicable, which shall indicate the specific termination provision in the Plan relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Participant's employment under the provisions so indicated.

(z) "Participant" shall have the meaning ascribed by Article 3.

(aa) "Plan" shall mean this Montauk Renewables, Inc. Key Employee Separation Plan, as it may be amended from time to time in accordance with Article 7.

(bb) "Plan Administrator" shall have the meaning ascribed by Article 12.

(cc) "Release" shall have the meaning ascribed by Section 4.3.

(dd) "Securities Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(ee) "Separation from Service" shall mean Participant's termination of employment with the Company and all of its controlled group members within the meaning of Section 409A of the Code. The determination of controlled group members shall be made pursuant to the provisions of Section 414(b) and 414(c) of the Code; provided that the language "at least 50 percent" shall be used instead of "at least 80 percent" in each place it appears in Section 1563(a)(1), (2) and (3) of the Code and Treas. Reg. Sec. 1.414(c)-2; provided, further, where legitimate business criteria exist (within the meaning of Treas. Reg. Sec. 1.409A-1(h)(3)), the language "at least 20 percent" shall be used instead of "at least 80 percent" in each place it appears. Whether a Participant has Separated from Service will be determined based on all of the facts and circumstances and in accordance with the guidance issued under Section 409A. A Participant will be presumed to have experienced a Separation from Service when the level of bona fide services performed permanently decreases to a level less than twenty percent (20%) of the average level of bona fide services performed during the immediately preceding thirty-six (36)-month period or such other period as provided by regulation.

(ff) "Subsidiary" shall mean a corporation, company or other entity (i) more than 50% of whose outstanding shares or securities (representing the right to vote for the election of directors or other managing authority) are or (ii) which does not have outstanding shares or securities (as may be the case in a partnership, joint venture, limited liability company, unincorporated association or other similar entity), but more than 50% of whose ownership interest representing the right generally to make decisions for such other entity, is, now or hereafter, owned or controlled, directly or indirectly, by the Company.

(gg) "Target Bonus" shall mean 100% of the annual bonus, if any, which is established by the Committee or the Board, as applicable, with respect to a Participant.

ARTICLE 3. PARTICIPATION

3.1 Employees of the Company or any Affiliate who are determined by the Committee, as provided in Article 5, to be responsible for the continued growth, development and future financial success of the Company shall be eligible to participate in the Plan. Any such employee selected to participate in the Plan shall be referred to herein as "Participant." The initial Participants and their respective Benefit Factors shall be selected and approved by the Committee and shall be set forth in a separate list maintained by the Committee. The Company, in its discretion, may add Participants to the Plan and assign and approve for each of them their respective Benefit Factors, from time to time, and shall periodically review and update the list of Participants.

3.2 Notwithstanding the foregoing and subject to Section 7.2, the Committee may terminate a Participant's participation in the Plan at any time, in its sole and absolute discretion. Subject to Section 7.2, a termination of Participant's employment with the Company and any Affiliate except under the circumstances described in Section 4.1 and Section 4.2, shall automatically, with no further act on the part of the Company or any Affiliate, terminate any right of such Participant to participate, or receive any benefits under, this Plan.

ARTICLE 4. BENEFITS

4.1 Compensation and Benefits Upon Covered Change in Control Termination. Subject to Participant's execution of the Release as provided in Section 4.3, in the event of a Covered Change in Control Termination, the Company shall pay and provide to Participant:

(a) (i) any Base Pay earned, accrued or owing to him or her through the Date of Termination, (ii) any individual bonuses or individual incentive compensation not yet paid, but due and payable to Participant under the Company's and/or its Affiliates' plans for years prior to the year of Participant's termination of employment, (iii) reimbursement to Participant for all reasonable and customary expenses incurred by Participant in performing services for the Company prior to the Date of Termination, and (iv) payment equal to the amount of Participant's accrued, but unused, vacation time.

(b) A lump sum cash payment equal to the applicable Benefit Factor multiplied by: (i) Participant's Base Pay in effect as of the Date of Termination; plus (ii) Participant's Target Bonus for the year in which the Date of Termination occurs.

(c) A pro rata share of any individual annual cash incentive bonuses or individual annual cash incentive compensation awarded to Participant for the year in which Participant's termination of employment occurs, based on the target levels set for such bonuses, under the Company's and its Affiliates' applicable plans for the year of Participant's termination of employment based on the portion of such year that Participant was employed by the Company and any Affiliate and regardless of whether the applicable performance goals as specified in the applicable plan are achieved.

(d) To the extent permitted by applicable law and the Benefit Plans, if Participant elects continuation coverage under the Company's medical and dental plans pursuant to COBRA, then the Company shall reimburse Participant for Participant's COBRA payments for such medical and dental coverage (provided that such reimbursement does not result in any taxes

or penalties for the Company), until the earlier to occur of: (i) Participant obtaining the age of 65, (ii) the date Participant becomes eligible for benefits under another employer's medical plan that are substantially comparable to the benefits provided by the Benefit Plans (which Participant must provide prompt notice with respect thereto to the Company), or (iii) the expiration of the COBRA Continuation Period. During the applicable period of coverage described in the foregoing sentence, Participant shall be entitled to benefits, on substantially the same basis as would have otherwise been provided had Participant not been terminated, and the Company will have no obligation to pay any benefits to, or premiums on behalf of, Participant after such period ends. The Company shall make any such reimbursement within 30 days following receipt of evidence from Participant of Participant's payment of the COBRA premium. To the extent that such benefits are available under the Benefit Plans and Participant had such coverage immediately prior to termination of employment, reimbursement for such continuation of benefits for Participant shall also cover Participant's dependents for so long as Participant is receiving such benefits under this Section 4.1(d). The COBRA Continuation Period for medical and dental insurance under this Section 4.1(d) shall be deemed to run concurrent with the continuation period federally mandated by COBRA (generally 18 months), or any other legally mandated and applicable federal, state, or local coverage period for benefits provided to terminated employees under the health care plan.

(e) A lump sum cash payment of $15,000 in order to cover the cost of outplacement assistance services for Participant and other expenses associated with seeking another employment position.

(f) All payments to be made pursuant to this Section 4.1 (other than Sections 4.1(a)(ii) and 4.1(c) shall be made, in lump sum, on the 60th day following such termination; provided, however, that any amounts due under this sentence during the 60-day period following such termination shall not be paid during such 60-day period but instead shall be paid on the 60th day following termination. The amount payable under Sections 4.1(a)(ii) and 4.1(c) shall be paid in a lump sum at the normal time(s) such bonuses are paid to other employees of the Company in accordance with the time provided in the applicable annual bonus plan to which such bonuses relate.

4.2 Compensation and Benefits Upon Covered Termination Prior to Change in Control. Subject to Participant's execution of the Release described in Section 4.3, in the event of a Covered Termination Prior to Change in Control, the Company shall pay and provide to the Participant after his or her Date of Termination:

(a) (i) any Base Pay earned, accrued or owing to him or her through the Date of Termination, (ii) any individual bonuses or individual incentive compensation not yet paid, but due and payable to Participant under the Company's and/or its Affiliates' plans for years prior to the year of Participant's termination of employment, (iii) reimbursement to Participant for all reasonable and customary expenses incurred by Participant in performing services for the Company prior to the Date of Termination, and (iv) payment equal to the amount of Participant's accrued, but unused, vacation time.

(b) A lump sum cash payment equal to the applicable Benefit Factor multiplied by: (i) Participant's Base Pay in effect as of the Date of Termination; plus (ii) Participant's Target Bonus for the year in which the Date of Termination occurs.

(c) A pro rata share of any individual annual cash incentive bonuses or individual annual cash incentive compensation awarded to Participant for the year in which Participant's termination of employment occurs under the Company's and its Affiliates' applicable plans for the year of Participant's termination of employment based on the portion of such year that Participant was employed by the Company and any Affiliate; provided, however, that the payment of individual annual cash incentive bonuses or individual annual cash incentive compensation will continue to be subject to the attainment of performance goals as specified in the applicable plan.

(d) To the extent permitted by applicable law and the Benefit Plans, if Participant elects continuation coverage under the Company's medical and dental plans pursuant to COBRA, then the Company shall reimburse Participant for Participant's COBRA payments for such medical and dental coverage (provided that such reimbursement does not result in any taxes or penalties for the Company), until the earlier to occur of: (i) Participant obtaining the age of 65, (ii) the date Participant becomes eligible for benefits under another employer's medical plan that are substantially comparable to the benefits provided by the Benefit Plans (which Participant must provide prompt notice with respect thereto to the Company), or (iii) the expiration of the COBRA Continuation Period. During the applicable period of coverage described in the foregoing sentence, Participant shall be entitled to benefits, on substantially the same basis as would have otherwise been provided had Participant not been terminated, and the Company will have no obligation to pay any benefits to, or premiums on behalf of, Participant after such period ends. The Company shall make any such reimbursement within 30 days following receipt of evidence from Participant of Participant's payment of the COBRA premium. To the extent that such benefits are available under the Benefit Plans and Participant had such coverage immediately prior to termination of employment, reimbursement for such continuation of benefits for Participant shall also cover Participant's dependents for so long as Participant is receiving such benefits under this Section 4.2(d). The COBRA Continuation Period for medical and dental insurance under this Section 4.2(d) shall be deemed to run concurrent with the continuation period federally mandated by COBRA (generally 18 months), or any other legally mandated and applicable federal, state, or local coverage period for benefits provided to terminated employees under the health care plan.

(e) A lump sum cash payment of $15,000 in order to cover the cost of outplacement assistance services for Participant and other expenses associated with seeking another employment position.

(f) All payments to be made pursuant to this Section 4.2 (other than Sections 4.2(a)(ii) and 4.2(c) shall be made, in lump sum, on the 60th day following such termination; provided, however, that any amounts due under this sentence during the 60-day period following such termination shall not be paid during such 60-day period but instead shall be paid on the 60th day following termination. The amount payable under Sections 4.2(a)(ii) and 4.2(c) shall be paid in a lump sum at the normal time(s) such bonuses are paid to other employees of the Company in accordance with the time provided in the applicable annual bonus plan to which such bonuses relate.

4.3 Release. Notwithstanding any other provision of the Plan to the contrary, no payment or benefit otherwise provided for under or by virtue of Section 4.1 and/or Section 4.2 (other than in subsections (a) thereto) of the Plan shall be paid or otherwise made available unless

and until the Participant executes and does not revoke a general release agreement (which includes certain restrictive covenants, including a non-competition obligation) in a form provided by the Company and substantially as attached as Exhibit A hereto (the "Release") within 45 days of the Date of Termination. If the Company determines that Participant has not fully complied with any of the terms of the Release, the Company and any Affiliate may withhold benefits described in Sections 4.1 and/or 4.2, other than in subsections (a) thereto, and discontinue the payment of such other benefits and require the Participant, by providing written notice of such repayment obligation to Participant, to repay any portion of such other benefits already received under the Plan. If the Company notifies a Participant that repayment of all or any portion of the benefits received under the Plan is required, such amounts shall be repaid within 30 calendar days of the date written notice is sent. Any remedy under this Section 4.3 shall be in addition to, and not in place of, any other remedy, including injunctive relief, that the Company and any Affiliate may have.

4.4 WARN. Notwithstanding any other provision of the Plan to the contrary, to the extent permitted by the Worker Adjustment and Retraining Notification Act ("WARN"), any benefit payable hereunder to a Participant as a consequence of the Participant's Covered Change in Control Termination or Covered Termination Prior to a Change in Control, as the case may be, shall be reduced by any amounts required to be paid under Section 2104 of WARN to such Participant in connection with such termination.

4.5 Termination of Employment on Account of Disability, Cause or Death. Notwithstanding anything in this Plan to the contrary, if the Participant's employment with the Company and any Affiliate terminates on account of Participant's Disability or death, or is terminated by the Company or any Affiliate for Cause, Participant shall not be considered to have terminated employment under Section 4.1 or Section 4.2 of this Plan and shall not receive benefits pursuant to Section 4.1 or Section 4.2 hereof. However, the Participant shall be eligible to receive disability benefits, if applicable, under any disability program then maintained by the Company or any Affiliate that covers the Participant as provided under the terms of such disability program.

ARTICLE 5. ADMINISTRATION

5.1 The Plan shall be administered by the Committee appointed by the Board.

5.2 The Committee shall have the full and absolute power, authority and sole discretion to construe, interpret and administer the Plan, to make factual determinations, to correct deficiencies therein, and to supply omissions, including resolving any ambiguity or uncertainty arising under or existing in the terms and provisions of the Plan, which determinations shall be final, conclusive, and binding on the Company, its Affiliates, Participant and any and all interested parties.

5.3 The Committee may delegate any and all of its powers and responsibilities hereunder to other persons as determined by the Committee. Any such delegation may be rescinded at any time by written notice from the Committee to the person to whom delegation is made.

5.4 The Committee shall have the full and absolute authority to employ and rely on such legal counsel, actuaries and accountants (which may also be those of the Company and its

Affiliates), and other agents, designees and delegatees, as it may deem advisable to assist in the administration of the Plan.

5.5 (a) Payments to be made under this Plan are intended to be excepted from coverage under Section 409A of the Code and the regulations promulgated thereunder and shall be construed accordingly. Notwithstanding any provision of this Plan to the contrary, if any payment or benefit provided under this Plan is subject to the provisions of Section 409A of the Code and the regulations issued thereunder (and not excepted therefrom), the provisions of the Plan shall be administered, interpreted and construed in a manner necessary to comply with Section 409A, the regulations issued thereunder (or disregarded to the extent such provision cannot be so administered, interpreted, or construed). Accordingly, if a Participant is a "specified employee for purposes of Section 409A" (as such term is defined in Section 409A of the Code, and determined in accordance with the procedures established by the Company) and a payment subject to Section 409A to the Participant is due upon Separation from Service, such payment shall be delayed for a period of six (6) months after the date the Participant Separates from Service (or, if earlier, the death of the Participant). The Company reserves the right to accelerate, delay or modify distributions to the extent permitted under Section 409A, the regulations and other binding guidance promulgated thereunder.

(b) Notwithstanding anything to the contrary in this Plan, if any reimbursements or in-kind benefits provided by the Company pursuant to this Plan would constitute deferred compensation for purposes of Section 409A of the Code, such reimbursements or in-kind benefits shall be subject to the following rules: (i) the amounts to be reimbursed, or the in-kind benefits to be provided, shall be determined pursuant to the terms of the applicable benefit plan, policy or agreement and shall be limited to Participant's lifetime and the lifetime of Participant's eligible dependents; (ii) the amounts eligible for reimbursement, or the in-kind benefits provided, during any calendar year may not affect the expenses eligible for reimbursement, or the in-kind benefits provided, in any other calendar year; (iii) any reimbursement of an eligible expense shall be made on or before the last day of the calendar year following the calendar year in which the expense was incurred; and (iv) Participant's right to an in-kind benefit or reimbursement is not subject to liquidation or exchange for cash or another benefit.

ARTICLE 6. PARACHUTE TAX PROVISIONS

6.1 The provisions of this Article 6 shall apply notwithstanding anything in this Plan to the contrary. In the event that it shall be determined that any payment or distribution by the Company or its Affiliates to, or for the benefit of, the Participant, whether paid or payable or distributed or distributable pursuant to the terms of this Plan or otherwise (a "Payment"), would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, the Company and its Affiliates will apply a limitation on the Payment amount as specified in Section 6.2 unless it is determined that the "Net After Tax Benefits" to the Participant would be greater if the limitations of Section 6.2 were not imposed. For purposes of this Article 6, "Net After Tax Benefits" shall mean the present value of the Payments net of all taxes imposed on the Participant with respect thereto, including but not limited to excise taxes imposed under Section 4999 of the Code, determined by applying the highest marginal income tax rate applicable to the Participant for such year.

6.2 The aggregate present value of the Payments under Article 4 of this Plan ("Plan Payments") shall be reduced (but not below zero) to the Reduced Amount. The "Reduced Amount" shall be an amount expressed in present value which maximizes the aggregate present value of Plan Payments without causing any Payment to be subject to the limitation of deduction under Section 280G of the Code. For purposes of this Article 6, "present value" shall be determined in accordance with Section 280G(d)(4) of the Code. The total reduction to Plan Payments required under this Article 6 necessary to achieve the Reduced Amount shall be made against Plan Payments that are exempt from Section 409A of the Code.

6.3 Except as set forth in the next sentence, all determinations to be made under this Article 6 shall be made by the nationally recognized independent public accounting firm used by the Company immediately prior to the Change in Control ("Accounting Firm"), which Accounting Firm shall provide its determinations and any supporting calculations to the Company and the Participant within ten (10) days of the Participant's Date of Termination; provided, however, that, in the event the Accounting Firm will not or cannot make such a determination, the Company and its Affiliates shall select the appropriate accounting firm to make such determination. The value of any applicable non-competition covenant shall be determined by independent appraisal by a nationally-recognized business valuation firm, and a portion of the Plan Payments shall, to the extent of that appraised value, be specifically allocated as reasonable compensation for such non-competition covenant and shall not be treated as a parachute payment.

6.4 All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this Article 6 shall be borne solely by the Company and its Affiliates.

ARTICLE 7. AMENDMENT AND TERMINATION

7.1 Subject to Section 7.2, the Committee shall have the right in its discretion at any time to amend the Plan in any respect or to terminate the Plan prior to a Change in Control.

7.2 Notwithstanding any other provision of the Plan to the contrary, the Plan (including, without limitation, this Section 7.2) as applied to any particular Participant may not be amended or terminated at any time within the 90-day period immediately prior to, on or within one (1) year after the occurrence of a Change in Control in any manner adverse to the interests of such Participant, without the express written consent of such Participant, except in the event (a) of a termination of Participant's employment with the Company and its Affiliates under the circumstances described in Section 4.5 and/or (b) the Committee determines to amend the Plan in order to conform the provisions of the Plan with Section 409A of the Code, the regulations issued thereunder or an exception thereto, regardless of whether such modification, amendment, or termination of the Plan shall adversely affect the rights of a Participant under the Plan.

ARTICLE 8. EMPLOYMENT RIGHTS

Nothing expressed or implied in this Plan will create any right or duty on the part of the Company, any Affiliate or Participant to have Participant remain in the employment of the Company or any Affiliate.

ARTICLE 9. MISCELLANEOUS

9.1 (a) The Company and its Affiliates shall require any successor (whether direct or indirect, by purchase, merger, reorganization, consolidation, acquisition of property or stock, liquidation, or otherwise) to all or substantially all of the business or assets of the Company and its Affiliates (taken as a whole) expressly to assume and agree to perform under the terms of the Plan in the same manner and to the same extent that the Company and its Affiliates would be required to perform it if no such succession had taken place (provided that such a requirement to perform which arises by operation of law shall be deemed to satisfy the requirements for such an express assumption and agreement), and in such event the Company and its Affiliates (as constituted prior to such succession) shall have no further obligation under or with respect to the Plan. Regardless of whether such express assumption is executed, this Plan shall be binding upon any successor in accordance with the operation of law and such successor shall be deemed the "Company" for purposes of this Plan. Effective upon a transfer or assignment of this Plan, the term "Company" shall mean any successor to the Company's business or assets as aforesaid which assumes and agrees (or is otherwise required) to perform the Plan. Nothing in this Section 9.1(a) shall be deemed to cause any event or condition which would otherwise constitute a Change in Control not to constitute a Change in Control.

(b) To the maximum extent permitted by law, the right of any Participant or other person to any amount under the Plan may not be subject to voluntary or involuntary anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment by creditors of the Participant or such other person.

(c) The terms of the Plan shall inure to the benefit of and be enforceable by the personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees of each Participant. If a Participant shall die while an amount would still be payable to Participant hereunder if they had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of the Plan to the Participant's devisee, legatee or other designee or, if there is no such designee, their estate.

9.2 Except as expressly provided in Section 4.1 and Section 4.2, Participants shall not be required to mitigate damages or the amount of any payment or benefit provided for under the Plan by seeking other employment or otherwise, nor will any payments or benefits hereunder be subject to offset in the event a Participant does mitigate.

9.3 ***Notwithstanding any provision of this Plan to the contrary, the Company shall not be liable for, and nothing provided or contained in this Plan will be construed to obligate or cause the Company to be liable for, any tax, interest or penalties imposed on a Participant related to or arising with respect to any violation of Section 409A of the Code.***

9.4 All notices under the Plan shall be in writing, and if to the Company or the Committee, shall be delivered to the General Counsel of Montauk, or mailed to Montauk's principal office, addressed to the attention of the General Counsel of Montauk; and if to Participant (or the estate or beneficiary thereof), shall be delivered personally or mailed to Participant at the address appearing in the records of the Company and its Affiliates.

9.5 Unless otherwise determined by the Company in an applicable plan or arrangement, no amounts payable hereunder upon a Covered Termination Prior to Change in Control or a Covered Change in Control Termination, as the case may be, shall be deemed salary or compensation for the purpose of computing benefits under any employee benefit plan or other arrangement of the Company and/or any Affiliate for the benefit of employees unless the Company shall determine otherwise.

9.6 Participation in the Plan shall not limit any right of a Participant to receive any payments or benefits under any employee benefit or executive compensation plan of the Company and/or its Affiliates; provided that in no event shall any Participant be entitled to any payment or benefit under the Plan which duplicates a payment or benefit received or receivable by the Participant under any severance or similar plan, agreement or policy of the Company and/or its Affiliates (including, but not limited to, any applicable Employment Agreement that provides for the payment of severance benefits). The total reduction to Plan payments or benefits as required by this Section 9.6 shall be made against payments and/or benefits under the Plan that are exempt from Section 409A.

9.7 Any payments hereunder shall be made out of the general assets of the Company. Each Participant shall have the status of general unsecured creditors of the Company, and the Plan constitutes a mere promise by the Company to make payments under the Plan in the future as and to the extent provided herein.

9.8 The Company shall be entitled to withhold from any payments or deemed payments any amount of tax withholding required by law.

9.9 The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision of the Plan which shall remain in full force and effect.

9.10 The use of captions in the Plan is for convenience. The captions are not intended to and do not provide substantive rights.

9.11 Except as otherwise preempted by the laws of the United States, the Plan shall be construed, administered and enforced according to the laws of the State of Delaware, without regard to principles of conflicts of law, and any action relating to this Plan must be brought in state and federal courts located in the Commonwealth of Pennsylvania.

ARTICLE 10. CLAIMS PROCEDURE

If a Participant believes that he or she is eligible for benefits and has not been so notified, such Participant should submit a written request for benefits to the Plan Administrator. Such Participant must take such action no later than 60 days after the date of such Participant's Separation from Service.

Initial Claims

All claims must be presented to the Plan Administrator in writing. Within 90 days after receiving a claim, a claims official appointed by the Plan Administrator will consider the claim

and issue his or her determination thereon in writing. The claims official may extend the determination period for up to an additional 90 days by giving Participant written notice. Any claims that Participant does not pursue in good faith through the initial claims stage will be treated as having been irrevocably waived.

Claims Decisions

If the claim is granted, the benefits or relief Participant seeks will be provided.

If Participant Claim is Denied

If all or part of a Participant's claim for benefits is wholly or partially denied, such Participant will receive written notice of the denial from the Plan Administrator within 60 days (or a longer period, as described above) after such Participant has applied for a benefit. This notice will, in a manner calculated to be understood by Participant, include:

* the specific reason(s) for the denial;
* specific reference(s) to the specific Plan provisions on which the denial is based;
* a description of any additional material or information which must be submitted to perfect the claim, and an explanation of why such material or information is necessary; and
* an explanation of the procedures for appealing denied claims.

If Participant disagrees with the decision, such Participant may file a written notice to have such Participant's claim reviewed by the Plan Administrator. The Participant must file the notice for review within 60 days after the denial was given or mailed to such Participant. The Participant should file one copy of the notice with the Plan Administrator. In connection with the review of Participant's claim, Participant (or such Participant's authorized representative) will be given the opportunity to review all documentation pertaining to the decision, and to submit issues and comments in writing. Participant may present all evidence and theories relating to the claim during the appeal without regard to whether such evidence and theories were submitted or considered during the initial claims stage. Any claims that Participant does not pursue in good faith through the appeals stage, such as by failing to file a timely appeal request, will be treated as having been irrevocably waived.

Participant's claim will be reconsidered and Participant will receive written notice of the decision within 60 days after such Participant's application for review is received by the Plan Administrator. If special circumstances require an extension, Participant will receive written notice to that effect; in this case, Participant will be informed of the final decision within 120 days. This decision will be in writing, will be set forth in a manner calculated to be understood by Participant, and will include the reason for the decision, with specific reference(s) to pertinent Plan provisions. All interpretations, determinations and decisions of the Plan Administrator will be final and binding.

If a Participant's claim for benefits is denied in whole or in part, such Participant may contest the actual or deemed denial of that claim under Section 502(a) of ERISA in a court of competent jurisdiction. ***Notwithstanding, before such Participant may file suit in a state or federal court, Participant must exhaust the Plan's administrative claims procedure. If any such judicial or administrative proceeding is undertaken, the evidence presented will be strictly limited to the evidence timely presented to the Plan Administrator. In addition, any such judicial or administrative proceeding must be filed within six (6) months after the Plan Administrator's final decision.***

ARTICLE 11. STATEMENT OF ERISA RIGHTS

As a Participant in the Plan, each Participant is entitled to certain rights and protections under ERISA. ERISA provides that all Participants shall be entitled to:

Receive Information About the Plan and Benefits

Examine, without charge, at the Plan Administrator's office and at other specified locations, all documents governing the Plan, including, if applicable, a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including, if applicable, copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of Participants and beneficiaries. No one, including a Participant's employer or any other person, may fire such Participant or otherwise discriminate against a Participant in any way to prevent such Participant from obtaining a welfare benefit or exercising such Participant's rights under ERISA. However, this rule neither guarantees continued employment, nor affects the Company's right to terminate a Participant's employment for other reasons.

Enforce Participant Rights

If a Participant's claim for a benefit is denied or ignored, in whole or in part, a Participant has a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps a Participant can take to enforce the above rights. For instance, if a Participant requests a copy of Plan documents and does not receive them within 30 days, such Participant may file suit in a Federal court. In such case, the court may require the Plan Administrator to provide the materials and pay such Participant up to $110 a day until Participant receives the materials, unless the materials were not sent because of reasons beyond the control of

the Plan Administrator. If a Participant has a claim for benefits which is denied or ignored, in whole or in part, such Participant may file suit in a state or Federal court. If a Participant is discriminated against for asserting such Participant's rights, such Participant may seek assistance from the U.S. Department of Labor, or may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If a Participant is successful the court may order the person such Participant has sued to pay these costs and fees. If a Participant loses, the court may order such Participant to pay these costs and fees, for example, if it finds such Participant's claim is frivolous.

Assistance with Participant Question

If a Participant has any questions about the Plan, such Participant should contact the Plan Administrator. If a Participant has any questions about this statement or about such Participant's rights under ERISA, or if a Participant needs assistance in obtaining documents from the Plan Administrator, such Participant should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in such Participant's telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. A Participant may also obtain certain publications about such Participant's rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

ARTICLE 12. SUMMARY PLAN DESCRIPTION INFORMATION

Name of Plan: The name of the plan under which benefits are provided is the Montauk Renewables, Inc. Key Employee Separation Plan.

Plan Sponsor: The Sponsor of the Plan is:

Montauk Renewables, Inc.
680 Anderson Drive, 5th Floor
Pittsburgh, PA 15220

Plan Administrator: The Plan Administrator of the Plan is:

The Compensation Committee of the Board of Directors
of Montauk Renewables, Inc.
Montauk Renewables, Inc.
680 Anderson Drive, 5th Floor
Pittsburgh, PA 15220
(412) 747-8700

Employer Identification Number and Plan Number: The Employer Identification Number (EIN) assigned to the Plan Sponsor by the Internal Revenue Service is 85-3189583.

Type of Plan: Severance Pay Employee Welfare Benefit Plan.

Plan Number: 001

Type of Administration: The Plan is self-administered.

Funding: Benefits payable under the Plan are provided from the general assets of the Company.

Agent for Service of Legal Process: For disputes arising under the Plan, service of legal process may be made upon the General Counsel of Plan Sponsor at 680 Anderson Drive, 5th Floor. Pittsburgh, PA 15220.

Plan Year: The Plan's fiscal records are kept on a calendar year basis (January 1 to December 31).

EXHIBIT A

GENERAL RELEASE, NON-DISPARAGEMENT AND NON-COMPETITION AGREEMENT

THIS GENERAL RELEASE, NON-DISPARAGEMENT AND NON-COMPETITION AGREEMENT (the "Agreement") is made as of this _____ day of _____, _____, by and between _____ (the "Company") and _____ (the "Employee").

WHEREAS, the Employee's employment with the Company has been terminated effective as of _____, _____ (the "Date of Termination");

WHEREAS, the Employee was designated by the Compensation Committee of the Board of Directors (the "Board") of Montauk Renewables, Inc. to be a participant in the Montauk Renewables, Inc. Key Employee Separation Plan (the "Plan");

WHEREAS, the circumstances surrounding the termination of the Employee's employment entitle the Employee to receive certain severance benefits under the Plan, subject to the terms and conditions set forth in the Plan and this Agreement;

WHEREAS, an express condition of the Employee's entitlement to the payments and benefits under the Plan is the execution without revocation of this Agreement;

WHEREAS, the Employee and the Company mutually desire to effectuate a full and final general release of all claims and rights the Employee may have against the Company to the fullest extent permitted by law, excepting only those rights and claims that cannot, as a matter of law, be released with this Agreement; and

WHEREAS, the Company advises the Employee to consult with an attorney before signing this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED by and between the Employee and the Company as follows:

1. (a) The Employee, for and in consideration of the commitments of the Company as set forth in paragraph 7 of this Agreement and the Plan, and intending to be legally bound, does hereby REMISE, RELEASE AND FOREVER DISCHARGE the Company, its affiliates, predecessors, subsidiaries and parents, and their present or former officers, directors, managers, stockholders, employees, members and agents, and its and their respective successors, assigns, heirs, executors, and administrators and the current and former trustees or administrators of any pension or other benefit plan applicable to the employees or former employees of the Company (collectively, "Releasees") from all causes of action, suits, debts, claims and demands whatsoever in law or in equity, which the Employee ever had, now has, or hereafter may have, whether known or unknown, or which the Employee's heirs, executors, or administrators may have, by reason of any matter, cause or thing whatsoever, from any time prior to the date of this Agreement, and particularly, but without limitation of the foregoing general terms, any claims arising from

or relating in any way to the Employee's employment relationship with the Company, the terms and conditions of that employment relationship, and the termination of that employment relationship, including, but not limited to, any claims arising under the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Employee Retirement Income Security Act of 1974, the Pennsylvania Human Relations Act, the Pittsburgh Human Relations Act, any claims related to status (perceived or actual) as a whistleblower, and any other claims under any federal, state or local common law, statutory, or regulatory provision, now or hereafter recognized, and any claims for attorneys' fees and costs. This Agreement is effective without regard to the legal nature of the claims raised and without regard to whether any such claims are based upon tort, equity, implied or express contract or discrimination of any sort.

(b) To the fullest extent permitted by law, and subject to the provisions of paragraph 12 and paragraph 14 below, the Employee represents and affirms that the Employee has not filed or caused to be filed on the Employee's behalf any charge, complaint or claim for relief against the Company or any Releasee and, to the best of the Employee's knowledge and belief, no outstanding charges, complaints or claims for relief have been filed or asserted against the Company or any Releasee on the Employee's behalf; and the Employee has not reported any improper, unethical or illegal conduct or activities to any supervisor, manager, department head, human resources representative, agent or other representative of the Company or any Releasee, to any member of the Company's or any Releasee's legal or compliance departments, or to the ethics hotline, and has no knowledge of any such improper, unethical or illegal conduct or activities. In the event that there is outstanding any such charge, complaint or claim for relief, Employee agrees to seek its immediate withdrawal and dismissal with prejudice. In the event that for any reason said charge, complaint or claim for relief cannot be immediately withdrawn with prejudice, Employee shall execute such other papers or documents as the Company's counsel determines may be necessary from time to time to have said charge, complaint or claim for relief dismissed with prejudice at the earliest appropriate time. Nothing herein shall prevent Employee from testifying in any cause of action when required to do so by process of law. Employee shall promptly inform the Company if called upon to testify on matters relating to the Company.

(c) The Employee does not waive any right to file a charge with the Equal Employment Opportunity Commission ("EEOC") or participate in an investigation or proceeding conducted by the EEOC, but explicitly waives any right to file a personal lawsuit or receive monetary damages that the EEOC might recover if said charge results in an EEOC lawsuit against the Company or Releasees.

(d) Employee does not waive the right to challenge the validity of this Agreement as a release of claims arising under the federal Age Discrimination in Employment Act.

(e) Employee does not waive rights or claims that may arise after the date this Agreement is executed.

2. In consideration of the Company's agreements as set forth in paragraph 7 herein, the Employee agrees to comply with the limitations set forth in paragraphs 3 and 4 of this Agreement.

3. Ownership and Protection of Intellectual Property and Confidential Information.

(a) The Employee acknowledges and agrees that all information, ideas, concepts, improvements, innovations, developments, methods, processes, designs, analyses, drawings, reports, discoveries, and inventions, whether patentable or not or reduced to practice, which were conceived, made, developed or acquired by Employee, individually or in conjunction with others, during Employee's employment by the Company or any of its affiliates and at the time of termination of employment (whether during business hours or otherwise and whether on the Company's premises or otherwise) which relate to the business, products or services of the Company or its affiliates (including, without limitation, all such information relating to corporate opportunities, research, financial and sales data, pricing and trading terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer's organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names, marks, and any copyrightable work, trade mark, trade secret or other intellectual property rights (whether or not composing confidential information, and all writings or materials of any type embodying any of such items (collectively, "Work Product"), are the sole and exclusive property of the Company or a Company affiliate, as the case may be, and shall be treated as "work for hire." The Employee does hereby assign to the Company all right, title, and interest that the Employee has in any Work Product to the Company. It is recognized that the Employee was an experienced executive in the business of the Company and its affiliates and through several decades of prior work in the industry acquired and retains knowledge, contacts, and information which are not bound by this paragraph 3.

(b) In connection with the Employee's execution of this Agreement, the Employee shall disclose, in writing, all Work Product to the Company and shall cooperate and perform all actions reasonably requested by the Company (including after the termination of the Employee's employment) to establish, confirm and protect the Company's and/or its affiliates' right, title and interest in such Work Product. Without limiting the generality of the foregoing, the Employee agrees to assist the Company, at the Company's expense, to secure the Company's and its affiliates' rights in the Work Product in any and all countries, including the execution by the Employee of all applications and all other instruments and documents which the Company and/or its affiliates shall deem necessary in order to apply for and obtain rights in such Work Product and in order to assign and convey to the Company and/or its affiliates the sole and exclusive right, title and interest in and to such Work Product. If the Company is unable because of the Employee's mental or physical incapacity or for any other reason (including the Employee's refusal to do so after request therefor is made by the Company) to secure the Employee's signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering Work Product belonging to or assigned

to the Company and/or its affiliates pursuant to paragraph 3(a) above, then the Employee by this Agreement irrevocably designates and appoints the Company and its duly authorized officers and agents as the Employee's agent and attorney-in-fact to act for and in the Employee's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents or copyright registrations thereon with the same legal force and effect as if executed by the Employee. The Employee agrees not to apply for or pursue any application for any United States or foreign patents or copyright registrations covering any Work Product other than pursuant to this paragraph in circumstances where such patents or copyright registrations are or have been or are required to be assigned to the Company or any of its affiliates.

(c) The Employee acknowledges that the businesses of the Company and its affiliates are highly competitive and that their strategies, methods, books, records, and documents, their technical information concerning their products, equipment, services, and processes, procurement procedures and pricing techniques, the names of and other information (such as credit and financial data) concerning their former, present or prospective customers and business affiliates, all comprise confidential business information and trade secrets which are valuable, special, and unique assets which the Company and/or its affiliates use in their business to obtain a competitive advantage over their competitors. The Employee further acknowledges that protection of such confidential business information and trade secrets against unauthorized disclosure and use is of critical importance to the Company and its affiliates in maintaining their competitive position. The Employee acknowledges that by reason of the Employee's duties to, and association with, the Company and its affiliates, the Employee has had access to, and has become informed of, confidential business information which is a competitive asset of the Company and its affiliates. The Employee hereby agrees that the Employee will not, at any time during or after his or her employment by the Company, make any unauthorized disclosure of any confidential business information or trade secrets of the Company or its affiliates, or make any use thereof, except in the carrying out of his or her responsibilities hereunder. The Employee shall take all necessary and appropriate steps to safeguard confidential business information and protect it against disclosure, misappropriation, misuse, loss and theft. Confidential business information shall not include information in the public domain (but only if the same becomes part of the public domain through a means other than a disclosure prohibited hereunder). The above notwithstanding, a disclosure shall not be unauthorized if (i) it is required by law or by a court of competent jurisdiction or (ii) it is in connection with any judicial, arbitration, dispute resolution or other legal proceeding in which the Employee's legal rights and obligations under this Agreement are at issue; provided, however, that the Employee shall, to the extent practicable and lawful in any such events, give prior notice to the Company of his or her intent to disclose any such confidential business information in such context so as to allow the Company or its affiliates an opportunity (which the Employee will not oppose) to obtain such protective orders or similar relief with respect thereto as may be deemed appropriate. Any information not specifically related to the Company and its affiliates would not be considered confidential to the Company and its affiliates.

(d) The Employee shall promptly deliver to the Company all written materials, records, and other documents made by, or coming into the possession of, the Employee

during the period of the Employee's employment by the Company which contain or disclose confidential business information or trade secrets of the Company or its affiliates, or which relate to the Employee's Work Product described in paragraph 3(a) above, which shall be and remain the property of the Company, or its affiliates, as the case may be.

(e) The U.S. Defend Trade Secrets Act of 2016 ("DTSA") provides that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (a) is made in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, the DTSA provides that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

4. Covenant Not To Compete. As set forth in the Plan, the Employee's entitlement to any payments or benefits under the Plan pursuant to a Covered Change in Control Termination (as defined in the Plan) or Covered Termination Prior to a Change in Control (as defined in the Plan), less any applicable offsets as required under the Plan, is expressly conditioned upon the Employee's covenants of confidentiality, not to compete and not to solicit as provided herein. In the event the Employee breaches his or her obligations to the Company as provided herein, the Company's obligations to provide the payments and benefits set forth in Sections 4.1 or 4.2, as the case may be, of the Plan shall cease without prejudice to any other remedies that may be available to the Company.

(a) In consideration for the Company's payment of benefits to the Employee as set forth in paragraph 7 of this Agreement and the Plan, the Employee agrees that, for a period of one year following Employee's Date of Termination (the "Non-Compete Period"), he or she will not, in association with or as an officer, principal, manager, member, advisor, agent, partner, director, material stockholder, employee or consultant of any corporation (or sub-unit, in the case of a diversified business) or other enterprise, entity or association, work on the acquisition or development of, or engage in any line of business, property or project which is, directly or indirectly, competitive with any business that the Company or any of its affiliates engages in or is planning to engage in during the term of the Employee's employment with the Company or any affiliate of the Company, as evidenced by the books and records of the Company or its affiliates, including but not limited to, owning and operating renewable natural gas and electric operations and facilities (the "Business"). Such restriction shall cover the Employee's activities anywhere in the contiguous United States or within a 100-mile radius of any and all Company location(s) in, to, or for which the Employee worked, or to which the Employee was assigned or had any responsibility (either direct or supervisory) as of the Date of Termination and at any time during the two (2) year period prior to such date.

(b) During the Non-Compete Period, the Employee will not solicit or induce any person who is or was employed by any of the Company or its affiliates at any time

during such term or period (i) to interfere with the activities or businesses of the Company or any of its affiliates or (ii) to discontinue his or her employment with the Company or any of its affiliates.

(c) During the Non-Compete Period, the Employee will not, directly or indirectly, influence or attempt to influence any customers, distributors or suppliers of the Company or any of its affiliates to divert their business to any competitor of the Company or any of its affiliates or in any way interfere with the relationship between any such customer, distributor or supplier and the Company and/or any of its affiliates (including, without limitation, making any negative statements or communications about the Company and its affiliates). During such Non-Compete Period, the Employee will not, directly or indirectly, acquire or attempt to acquire any business in the contiguous United States to which the Company or any of its affiliates, prior to the Employee's Date of Termination, has made an acquisition proposal relating to the possible acquisition of such business by the Company or any of its affiliates, or has planned, discussed or contemplated making such an acquisition proposal (such business, an "Acquisition Target"), or take any action to induce or attempt to induce any Acquisition Target to consummate any acquisition, investment or other similar transaction with any person other than the Company or any of its affiliates.

(d) The Employee understands that the provisions of paragraphs 4(a), 4(b) and 4(c) hereof may limit his or her ability to earn a livelihood in a business in which he or she is involved, but as a member of the management group of the Company and its affiliates he or she nevertheless agrees and hereby acknowledges that: (i) such provisions do not impose a greater restraint than is necessary to protect the goodwill or other business interests of the Company and any its affiliates; (ii) such provisions contain reasonable limitations as to time, scope of activity, and geographical area to be restrained; and (iii) the consideration provided hereunder, including without limitation, any amounts or benefits provided under Section 4.1 and Section 4.2, as the case may be, of the Plan, is sufficient to compensate the Employee for the restrictions contained in paragraphs 4(a), 4(b) and 4(c) hereof. In consideration of the foregoing and in light of the Employee's education, skills and abilities, the Employee agrees that Employee will not assert that, and it should not be considered that, any provisions of paragraphs 4(a), 4(b) and 4(c) otherwise are void, voidable or unenforceable or should be voided or held unenforceable.

(e) If, at the time of enforcement of paragraphs 3 or 4 of this Agreement, a court shall hold that the duration, scope, or area restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be allowed and directed to revise the restrictions contained herein to cover the maximum period, scope and area permitted by law. The Employee acknowledges that he or she was a member of the Company's and its affiliates' management group with access to the Company's and its affiliates' confidential business information and his or her services are unique to the Company and its affiliates. The Employee therefore agrees that the remedy at law for any breach by him or her of any of the covenants and agreements set forth in paragraphs 3 and 4 will be inadequate and that in the event of any such breach, the Company and its affiliates may, in addition to the other

remedies which may be available to them at law, apply to any court of competent jurisdiction to obtain specific performance and/or injunctive relief prohibiting the Employee (together with all those persons associated with him or her) from the breach of such covenants and agreements and to enforce, or prevent any violations of, the provisions of this Agreement. In addition, in the event of a breach or violation by the Employee of this paragraph 4, the Non-Compete Period set forth in this paragraph shall be tolled until such breach or violation has been cured.

(f) Each of the covenants of paragraphs 3 and 4 are given by the Employee as part of the consideration for the benefits to be received by the Employee under the Plan and as an inducement to the Company to grant such benefits under the Plan and accept the obligations thereunder.

(g) Provisions of paragraph 4 shall not be binding on the Employee if the Company fails to perform any material obligation under the Plan, including, without limitation, the failure of the Company to make timely payments of monies due to the Employee under Section 4.1 or Section 4.2, as the case may be, of the Plan; provided, that (i) the Employee has notified the Company in writing within 30 days of the date of the failure of the Company to perform such material obligation and (ii) such failure remains uncorrected and/or uncontested by the Company for 15 days following the date of the Company's receipt of such notice.

5. Notwithstanding anything to the contrary, nothing in this Agreement or the Plan shall be construed as superseding or replacing any restrictive covenant obligations to which the Employee is bound pursuant to any other agreement, and all such obligations of the Employee shall remain in full force and effect.

6. The Employee further agrees and recognizes that the Employee has permanently and irrevocably severed the Employee's employment relationship with the Company, that the Employee shall not seek employment with the Company or any affiliated entity at any time in the future, and that the Company has no obligation to employ him or her in the future.

7. The Employee further agrees that the Employee will not disparage or subvert the Company or any Releasee, or make any statement reflecting negatively on the Company, its affiliated corporations or entities, or any of their officers, directors, managers, members, employees, agents or representatives, including, but not limited to, any matters relating to the operation or management of the Company or any Releasee, the Employee's employment and the termination of the Employee's employment, irrespective of the truthfulness or falsity of such statement.

8. In consideration for the Employee's promises, as set forth herein, the Company agrees to pay or provide to or for the Employee the payments and benefits described in the Plan, the provisions of which are incorporated herein by reference. Except as set forth in this Agreement, it is expressly agreed and understood that Releasees do not have, and will not have, any obligations to provide the Employee at any time in the future with any payments, benefits or considerations other than those recited in this paragraph, or

those required by law, other than under the terms of any benefit plans which provide benefits or payments to former employees according to their terms.

9. The Employee understands and agrees that the payments, benefits and agreements provided in this Agreement are being provided to him or her in consideration for the Employee's acceptance and execution of, and in reliance upon the Employee's representations in, this Agreement. The Employee acknowledges that if the Employee had not executed this Agreement containing a release of all claims against the Releasees, including, without limitation, the covenants relating to confidentiality, non-competition and non-disparagement, the Employee would not have been entitled to the payments and benefits set forth in the Plan.

10. The Employee acknowledges and agrees that this Agreement and the Plan supersede any other agreement the Employee has with the Company or any Releasee as to the subjects set forth in this Agreement; provided, however, that this Agreement shall not supersede or replace any such agreements that contain restrictive covenant obligations to which the Employee is bound. To the extent the Employee has entered into any other enforceable written agreement with the Company or any Releasee that contains provisions that are outside the scope of this Agreement and the Plan and are not in direct conflict with the provisions in this Agreement or the Plan, the terms in this Agreement and the Plan shall not supersede, but shall be in addition to, any other such agreement. Except as set forth expressly herein, no promises or representations have been made to the Employee in connection with the termination of the Employee's employment agreement, if any, or offer letter, if any, with the Company, or the terms of this Agreement or the Plan.

11. The Employee agrees not to disclose the terms of this Agreement or the Plan to anyone, except the Employee's spouse, attorney and, as necessary, tax/financial advisor. It is expressly understood that any violation of the confidentiality obligation imposed hereunder constitutes a material breach of this Agreement.

12. The Employee represents that the Employee does not, without the Company's prior written consent, presently have in the Employee's possession any records and business documents, whether on computer or hard copy, and other materials (including but not limited to computer disks and tapes, computer programs and software, office keys, correspondence, files, customer lists, technical information, customer information, pricing information, business strategies and plans, sales records and all copies thereof) (collectively, the "Corporate Records") provided by the Company and/or its predecessors, subsidiaries or affiliates or obtained as a result of the Employee's prior employment with the Company and/or its predecessors, subsidiaries or affiliates, or created by the Employee while employed by or rendering services to the Company and/or its predecessors, subsidiaries or affiliates. The Employee acknowledges that all such Corporate Records are the property of the Company. In addition, the Employee shall promptly return in good condition any and all Company owned equipment or property, including, but not limited to, automobiles, personal data assistants, facsimile machines, copy machines, pagers, credit cards, cellular telephone equipment, business cards, laptops, computers, and any other items requested by the Company. As of the Date of Termination, the Company will make

arrangements to remove, terminate or transfer any and all business communication lines including network access, cellular phone, fax line and other business numbers.

13. Nothing in this Agreement shall prohibit or restrict the Employee from: (a) making any disclosure of information required by law; (b) providing information to, or testifying or otherwise assisting in any investigation or proceeding brought by, any federal regulatory or law enforcement agency or legislative body, any self-regulatory organization, or the Company's designated legal, compliance or human resources officers; (c) providing, without prior notice to the Company, information to governmental authorities regarding, or filing, testifying, participating in or otherwise assisting in a proceeding relating to, an alleged violation of any federal, state or municipal law relating to fraud, or any rule or regulation of the Securities and Exchange Commission or any self-regulatory organization; or (d) engaging in any future activities protected under the whistleblower statutes administered by any government agency (e.g., EEOC, NLRB, SEC, etc.) or receiving a monetary award from a government-administered whistleblower award program for providing information directly to a government agency. The Company nonetheless asserts and does not waive its attorney-client privilege over any information appropriately protected by privilege.

14. The parties agree and acknowledge that the agreement by the Company described herein, and the settlement and termination of any asserted or unasserted claims against the Releasees, are not and shall not be construed to be an admission of any violation of any federal, state or local statute or regulation, or of any duty owed by any of the Releasees to the Employee.

15. The Employee agrees and recognizes that should the Employee breach any of the obligations or covenants set forth in this Agreement, the Company will have no further obligation to provide the Employee with the consideration set forth herein, and will have the right to seek repayment of all consideration paid up to the time of any such breach. Further, the Employee acknowledges in the event of a breach of this Agreement, Releasees may seek any and all appropriate relief for any such breach, including equitable relief and/or money damages, attorneys' fees and costs. Notwithstanding the foregoing, in the event the Company fails to perform any material obligation under the Plan, including, without limitation, the failure of the Company to make timely payments of monies due to the Employee under Section 4.1 or Section 4.2, as the case may be, of the Plan, this Release shall be null and void and the Employee shall have the right to pursue any and all appropriate relief for any such failure, including monetary damages, attorneys' fees and costs; provided, that (a) the Employee has notified the Company in writing within 30 days of the date of the failure of the Company to perform such material obligation and (b) such failure remains uncorrected and/or uncontested by the Company for 15 days following the date of the Company's receipt of such notice.

16. The Employee further agrees that the Company shall be entitled to preliminary and permanent injunctive relief, without the necessity of proving actual damages, as well as to an equitable accounting of all earnings, profits and other benefits arising from any violations of this Agreement, which rights shall be cumulative and in addition to any other rights or remedies to which the Company may be entitled.

17. This Agreement and the obligations of the parties hereunder shall be construed, interpreted and enforced in accordance with the laws of the State of Pennsylvania.

18. The parties agree that this Agreement shall be deemed to have been made and entered into in Pittsburgh, Pennsylvania. Jurisdiction and venue in any proceeding by the Company or Employee to enforce their rights hereunder is specifically limited to any court geographically located in Pennsylvania.

19. The Employee certifies and acknowledges as follows:

(a) That the Employee has read the terms of this Agreement, and that the Employee understands its terms and effects, including the fact that the Employee has agreed to RELEASE AND FOREVER DISCHARGE the Releasees from any legal action arising out of the Employee's employment relationship with the Company and the termination of that employment relationship; and

(b) That the Employee has signed this Agreement voluntarily and knowingly in exchange for the consideration described herein, which the Employee acknowledges is adequate and satisfactory to him and which the Employee acknowledges is in addition to any other benefits to which the Employee is otherwise entitled; and

(c) That the Company advises the Employee (in writing) to consult with an attorney before signing this Agreement; and

(d) That the Employee does not waive rights or claims that may arise after the date this Agreement is executed; and

(e) That the Company has provided Employee with a period of forty-five (45) days within which to consider this Agreement, and that the Employee has signed on the date indicated below after concluding that this General Release, Non-Disparagement and Non-Competition Agreement is satisfactory to Employee; and

(f) The Employee acknowledges that this Agreement may be revoked by him or her within seven (7) days after execution, and it shall not become effective until the expiration of such seven (7) day revocation period. In the event of a timely revocation by the Employee, this Agreement will be deemed null and void and the Company will have no obligations hereunder.

[*SIGNATURE PAGE FOLLOWS*]

Intending to be legally bound hereby, the Employee and the Company executed the foregoing General Release, Non-Disparagement and Non-Competition Agreement this _____ day of _____, _____.

_____ Witness: _____

EMPLOYEE

[COMPANY]

Intending to be legally bound hereby, the Employee and the Company executed the foregoing General Release, Non-Disparagement and Non-Competition Agreement this _____ day of _____, _____.

_____ Witness: _____

EMPLOYEE

[COMPANY]

Exhibit 10.3

MONTAUK RENEWABLES, INC.
NOTICE OF GRANT OF NONQUALIFIED STOCK OPTION
(Employees)

Montauk Renewables, Inc. (the "Company") hereby grants to Optionee an Option Right (the "Option") to purchase the number of shares of Common Stock set forth below under the Montauk Renewables, Inc. Equity and Incentive Compensation Plan (the "Plan"). The Option is subject to all of the terms and conditions in this Notice of Grant of Nonqualified Stock Option (this "Grant Notice"), in the Nonqualified Stock Option Agreement attached hereto (the "Agreement") and in the Plan. Capitalized terms used, but not otherwise defined, in this Grant Notice will have the meanings given to such terms in the Plan or Agreement, as applicable, and the Plan and Agreement are hereby incorporated by reference into this Grant Notice. If there are any inconsistences between this Grant Notice or Agreement and the Plan, the terms of the Plan shall govern.

Optionee:	[Name]
Type of Grant:	Nonqualified Stock Option
Date of Grant:	[Grant Date]
Number of Shares Subject to the Option:	[#]
Option Price (per share):	$[#]
Vesting Schedule:	Subject to the conditions set forth in the Agreement, including but not limited to Optionee's continuous employment with the Company or a Subsidiary until the applicable vesting date, [100% of the Option shall vest and become exercisable on the first anniversary of the Date of Grant.]

MONTAUK RENEWABLES, INC.

Nonqualified Stock Option Agreement

Montauk Renewables, Inc. (the "Company") has granted, pursuant to the Montauk Renewables, Inc. Equity and Incentive Compensation Plan (the "Plan"), to the Optionee named in the Notice of Grant of Nonqualified Stock Option (the "Grant Notice") to which this Nonqualified Stock Option Agreement is attached (together with the Grant Notice, this "Agreement") an Option Right (the "Option") to purchase shares of Common Stock as set forth in such Grant Notice, subject to the terms and conditions set forth in this Agreement.

1. **Certain Definitions**. Capitalized terms used, but not otherwise defined, in this Agreement will have the meanings given to such terms in the Plan.

2. **Grant of Option**. Subject to and upon the terms, conditions and restrictions set forth in this Agreement and in the Plan, the Company has granted to Optionee, as of the Date of Grant, an Option to purchase the number of shares of Common Stock set forth in the Grant Notice at the Option Price specified therein. The Option Price represents at least the Market Value per Share on the Date of Grant. The Option is intended to be a nonqualified stock option.

3. **Vesting of Option**.

(a) Except as otherwise provided herein, the Option shall vest and become exercisable ("Vest," or "Vested") as set forth in the Grant Notice if Optionee remains in the continuous employment of the Company or a Subsidiary in accordance with the Vesting Schedule (the period from the Date of Grant until such date, the "Vesting Period"). Any portion of the Option that does not become Vested will be forfeited, including, except as provided in **Section 3(b)** below, if Optionee ceases to be continuously employed by the Company or a Subsidiary prior to the end of the Vesting Period. For purposes of this Agreement, "continuously employed" (or substantially similar terms) means the absence of any interruption or termination of Optionee's employment with the Company or a Subsidiary. Continuous employment shall not be considered interrupted or terminated in the case of transfers between locations of the Company and its Subsidiaries.

(b) Notwithstanding **Section 3(a)** above, the Option shall become Vested upon the occurrence of any of the following events in the following manner:

(i) if at any time before the end of the Vesting Period (or forfeiture of the Option), and while Optionee is continuously employed by the Company or a Subsidiary, Optionee's employment terminates due to Optionee's Retirement, then a pro-rated portion of the Option will become Vested on such date based on the number of full calendar months in the Vesting Period that Optionee was employed prior to the Retirement.

(ii) if at any time before the end of the Vesting Period (or forfeiture of the Option), and while Optionee is continuously employed by the Company or a

Subsidiary, Optionee's employment is terminated by the Company or a Subsidiary without Cause, the Option will Vest in full.

(iii) if at any time before the end of the Vesting Period (or forfeiture of the Option), and while Optionee is continuously employed by the Company or a Subsidiary, Optionee's employment is terminated due to death or Disability (as defined below), the Option will Vest in full.

(iv) if at any time before the end of the Vesting Period (or forfeiture of the Option), and while Optionee is continuously employed by the Company or a Subsidiary, a Change in Control occurs, then the Option will Vest in full (except to the extent that a Replacement Award is provided to Optionee in accordance with **Section 3(c)** to continue, replace or assume the Option covered by this Agreement (the "Replaced Award")) immediately prior to (and contingent upon) the Change in Control.

For purposes of this Agreement, a "Replacement Award" means an award (A) of an option to purchase publicly traded equity securities of the Company or its successor in the Change in Control or another entity that is affiliated with the Company or its successor following the Change in Control, (B) that has a value at the time of grant or adjustment at least equal to the value of the Replaced Award, (C) if Optionee is subject to U.S. federal income tax under the Code, the tax consequences of which to such Optionee under the Code are not less favorable to such Optionee than the tax consequences of the Replaced Award, and (D) the other terms and conditions of which are not less favorable to Optionee than the terms and conditions of the Replaced Award (including the provisions that would apply in the event of a subsequent Change in Control). A Replacement Award may be granted only to the extent it does not result in the Replaced Award or Replacement Award failing to comply with or be exempt from Section 409A of the Code. Without limiting the generality of the foregoing, the Replacement Award may take the form of a continuation of the Replaced Award if the requirements of the two preceding sentences are satisfied. The determination of whether the conditions of this paragraph are satisfied will be made by the Board or the Committee, as constituted immediately before the Change in Control, in its sole discretion.

If, after receiving a Replacement Award, Optionee experiences a termination of employment with the Company or a Subsidiary (or any of their successors) (as applicable, the "Successor") by reason of a termination by the Successor without Cause during the remaining vesting period for the Replacement Award, the Replacement Award shall Vest upon such termination.

4. **Right To Exercise; Termination of the Option**. Any portion of the Option that becomes Vested in accordance with **Section 3** shall remain exercisable until (and shall terminate on) the earliest of the following dates:

(a) Three months after termination of Optionee's employment, unless such termination of employment (i) is a result of a termination for Cause; (ii) is a result of Optionee's Retirement as described in **Section 3(b)(i)**; (iii) is a result of a termination of Optionee's employment by the Company or a Subsidiary without Cause as described in **Section 3(b)(ii)**; (iv) is a result of Optionee's death or Disability as described in **Section 3(b)(iii)**; or (v) is a result of a termination of Optionee's employment by the Company, Subsidiary, or Successor without Cause after a Change in Control as described in **Section 3(b)(iv)**;

(b) One (1) year after termination of Optionee's employment: (1) due to Optionee's Retirement as described in **Section 3(b)(i)**; (2) by the Company or a Subsidiary without Cause as described in **Section 3(b)(ii)**; (3) due to death or Disability as described in **Section 3(b)(iii)**; or (4) by the Company, Subsidiary, or Successor without Cause after a Change in Control as described in **Section 3(b)(iv)**;

(c) The date of termination of Optionee's employment by the Company or any Subsidiary for Cause; or

(d) Ten (10) years from the Date of Grant.

For the avoidance of doubt, any portion of the Option that remains outstanding, whether or not Vested, will terminate immediately on the tenth anniversary of the Date of Grant.

5. **Exercise and Payment of Option**. To the extent exercisable, the Option may be exercised in whole or in part from time to time and will be settled in Common Stock by Optionee giving written notice to the Company at its principal office specifying the number of shares of Common Stock for which the Option is to be exercised and paying the aggregate Option Price for such Common Stock. Payment of the Option Price by Optionee shall be (a) in cash, by check acceptable to the Company or by wire transfer of immediately available funds, (b) by the actual or constructive transfer to the Company of Common Stock owned by Optionee having a value at the time of exercise equal to the total Option Price, (c) by a combination of such methods of payment, or (d) by such other methods as may be approved by the Board or the Committee.

6. **Transferability, Binding Effect**. Subject to Section 15 of the Plan, the Option is not transferable by Optionee otherwise than by will or the laws of descent and distribution, and in no event shall the Option be transferred for value.

7. **Certain Definitions**.

(a) "Cause" shall mean "Cause" (or a term of substantively similar meaning) as defined in an individual employment agreement then in effect between Optionee and the Company or any Subsidiary (an "Employment Agreement") or as set forth in an executive severance plan in which Optionee participates, if any in each case, or, if Optionee does not then have an effective Employment Agreement or participate in such an executive severance plan (or such Employment Agreement or plan does not define "Cause"), then (i) Optionee's conviction of or plea of guilty or *nolo contendere* to a crime constituting a felony under the laws of the United States or any State thereof or any other jurisdiction in which the Company or its Subsidiaries conduct business; (ii) Optionee's

willful misconduct in the performance of Optionee's duties to the Company or its Subsidiaries and failure to cure such breach within thirty (30) days following written notice thereof from the Company; (iii) Optionee's willful failure or refusal to follow directions from the Board (or direct reporting executive) and failure to cure such breach within thirty (30) days following written notice thereof from the Board; or (iv) Optionee's willful breach of fiduciary duty to the Company or its Subsidiaries. Any failure by the Company or a Subsidiary to notify Optionee after the first occurrence of an event constituting Cause shall not preclude any subsequent occurrences of such event (or a similar event) from constituting Cause.

(b) "Disability" (or similar terms) shall mean a circumstance in which Optionee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months and otherwise satisfies the requirements to be disabled under Section 409A of the Code.

(c) "Retirement" means Optionee's termination of employment after attaining age 60 with at least ten (10) years of continuous employment or service with the Company or a Subsidiary.

8. **No Dividend Equivalents**. Optionee shall not be entitled to dividend equivalents with respect to the Option or the Common Stock underlying the Option until such Common Stock is issued after the exercise of the Option (or portion thereof).

9. **Adjustments**. The number of shares of Common Stock issuable subject to the Option and the other terms and conditions of the grant evidenced by this Agreement are subject to mandatory adjustment, including as provided in Section 11 of the Plan.

10. **Taxes and Withholding**. To the extent that the Company is required to withhold federal, state, local or foreign taxes or other amounts in connection with any payment made to or benefit realized by Optionee or other person under the Option, and the amounts available to the Company for such withholding are insufficient, it shall be a condition to the obligation of the Company to make any such delivery or payment that Optionee make arrangements satisfactory to the Company for payment of the balance of such taxes or other amounts required to be withheld. Notwithstanding any other provision of this Agreement, the Company shall not be obligated to guarantee any particular tax result for Optionee with respect to any payment provided to Optionee hereunder, and Optionee shall be responsible for any taxes imposed on Optionee with respect to any such payment.

11. **Compliance with Law**. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of the Plan and this Agreement, the Company shall not be obligated to issue any shares of Common Stock pursuant to this Agreement if the issuance thereof would result in a violation of any such law. The Option shall not be exercisable if such exercise would involve a violation of any law.

12. **Restricted Activity**. Optionee's entitlement to the Option is expressly conditioned upon the Optionee's covenants regarding intellectual property, confidentiality, not to compete and not to solicit as provided herein. In its sole discretion, the Committee or its delegatee may amend or waive the provisions of this **Section 12**, in whole or in part, to the extent necessary or advisable to comply with applicable laws, as determined by the Committee (or its delegatee). In consideration of the Company's grant of the Option to the Optionee, the Optionee agrees to comply with the limitations set forth in this **Section 12**.

(a) Ownership and Protection of Intellectual Property and Confidential Information.

(i) Optionee acknowledges and agrees that all information, ideas, concepts, improvements, innovations, developments, methods, processes, designs, analyses, drawings, reports, discoveries, and inventions, whether patentable or not or reduced to practice, which are conceived, made, developed or acquired by Optionee, individually or in conjunction with others, during Optionee's employment by the Company or any of its Affiliates, both during and after Optionee's employment with the Company (whether during business hours or otherwise and whether on the Company's premises or otherwise) and which relate to the business, products or services of the Company or its Affiliates (including, without limitation, all such information relating to corporate opportunities, research, financial and sales data, pricing and trading terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer's organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names, marks, and any copyrightable work, trade mark, trade secret or other intellectual property rights (whether or not composing confidential information, and all writings or materials of any type embodying any of such items (collectively, "Work Product"), are the sole and exclusive property of the Company or a Company Affiliate, as the case may be, and shall be treated as "work for hire." Optionee does hereby assign to the Company all right, title, and interest that Optionee has in any Work Product to the Company. It is recognized that Optionee is an experienced employee in the business of the Company and its Affiliates and through his or her work in the industry acquired and retains knowledge, contacts, and information which are not bound by this paragraph.

(ii) Optionee shall promptly and fully disclose, in writing, all Work Product to the Company and shall cooperate and perform all actions reasonably requested by the Company (whether during or after the term of the Optionee's employment) to establish, confirm and protect the Company's and/or its Affiliates' right, title and interest in such Work Product. Without limiting the generality of the foregoing, the Optionee agrees to assist the Company, at the Company's expense, to secure the Company's and its Affiliates' rights in the Work Product in any and all countries, including the execution by the Optionee of all applications and all other instruments and documents which the Company and/or its Affiliates shall deem necessary in order to apply for and obtain rights in

such Work Product and in order to assign and convey to the Company and/or its Affiliates the sole and exclusive right, title and interest in and to such Work Product. If the Company is unable because of the Optionee's mental or physical incapacity or for any other reason (including the Optionee's refusal to do so after request therefor is made by the Company) to secure the Optionee's signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering Work Product belonging to or assigned to the Company and/or its Affiliates pursuant to paragraph (a)(i) above, then the Optionee by this Agreement irrevocably designates and appoints the Company and its duly authorized officers and agents as the Optionee's agent and attorney-in-fact to act for and in the Optionee's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents or copyright registrations thereon with the same legal force and effect as if executed by the Optionee. Optionee agrees not to apply for or pursue any application for any United States or foreign patents or copyright registrations covering any Work Product other than pursuant to this paragraph in circumstances where such patents or copyright registrations are or have been or are required to be assigned to the Company or any of its Affiliates.

(iii) Optionee acknowledges that the businesses of the Company and its Affiliates are highly competitive and that their strategies, methods, books, records, and documents, their technical information concerning their products, equipment, services, and processes, procurement procedures and pricing techniques, the names of and other information (such as credit and financial data) concerning their former, present or prospective customers and business affiliates, all comprise confidential business information and trade secrets which are valuable, special, and unique assets which the Company and/or its Affiliates use in their business to obtain a competitive advantage over their competitors. Optionee further acknowledges that protection of such confidential business information and trade secrets against unauthorized disclosure and use is of critical importance to the Company and its Affiliates in maintaining their competitive position. Optionee acknowledges that by reason of the Optionee's duties to, and association with, the Company and its Affiliates, the Optionee has had and will have access to, and has and will become informed of, confidential business information which is a competitive asset of the Company and its Affiliates. Optionee hereby agrees that the Optionee will not, at any time during or after his or her employment by the Company, make any unauthorized disclosure of any confidential business information or trade secrets of the Company or its Affiliates, or make any use thereof, except in the carrying out of his or her employment responsibilities hereunder. Optionee shall take all necessary and appropriate steps to safeguard confidential business information and protect it against disclosure, misappropriation, misuse, loss and theft. Confidential business information shall not include information in the public domain (but only if the same becomes part of the public domain through a means other than a disclosure prohibited hereunder). The above notwithstanding, a disclosure shall not be unauthorized if (A) it is required by law or by a court of competent jurisdiction or (B) it is in connection with any judicial, arbitration, dispute resolution or other legal

proceeding in which the Optionee's legal rights and obligations as an employee under this Agreement are at issue; provided, however, that the Optionee shall, to the extent practicable and lawful in any such events, give prior notice to the Company of his or her intent to disclose any such confidential business information in such context so as to allow the Company or its Affiliates an opportunity (which the Optionee will not oppose) to obtain such protective orders or similar relief with respect thereto as may be deemed appropriate. Any information not specifically related to the Company and its Affiliates would not be considered confidential to the Company and its Affiliates.

(iv) Optionee shall promptly deliver to the Company all written materials, records, and other documents made by, or coming into the possession of, the Optionee during the period of the Optionee's employment by the Company which contain or disclose confidential business information or trade secrets of the Company or its Affiliates, or which relate to the Optionee's Work Product described in paragraph (a)(i) above, which shall be and remain the property of the Company, or its Affiliates, as the case may be. Upon termination of the Optionee's employment for any reason, the Optionee shall promptly deliver the same, and all copies thereof, to the Company.

(v) The U.S. Defend Trade Secrets Act of 2016 ("DTSA") provides that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, the DTSA provides that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

(b) Covenant Not To Compete.

(i) In the event the Optionee breaches his or her obligations to the Company as provided herein, the Company shall have no obligations to the Optionee with respect to the Option, and this Agreement and the Option subject thereto shall be null and void.

(ii) In consideration for the Company's grant of the Option to Optionee, Optionee agrees that, during Optionee's employment with the Company or a Subsidiary and for a period of one year following the date of termination of Optionee's employment with the Company and its Subsidiaries (the "Non-Compete Period"), he or she will not, in association with or as an officer, principal, manager, member, advisor, agent, partner, director, material

stockholder, employee or consultant of any corporation (or sub-unit, in the case of a diversified business) or other enterprise, entity or association, work on the acquisition or development of, or engage in any line of business, property or project which is, directly or indirectly, competitive with any business that the Company or any of its Affiliates engages in or is planning to engage in during the term of the Optionee's employment with the Company or any Affiliate of the Company, as evidenced by the books and records of the Company or its Affiliates, including but not limited to, owning and operating renewable natural gas and electric operations and facilities (the "Business"). Such restriction shall cover the Optionee's activities anywhere in the contiguous United States or within a 100-mile radius of any and all Company location(s) in, to, or for which the Optionee worked, or to which the Optionee was assigned or had any responsibility (either direct or supervisory) as of the date of termination of Optionee's employment and at any time during the two (2) year period prior to such date.

(iii) During the Non-Compete Period, the Optionee will not solicit or induce any person who is or was employed by any of the Company or its Affiliates at any time during such term or period (A) to interfere with the activities or businesses of the Company or any of its Affiliates or (B) to discontinue his or her employment with the Company or any of its Affiliates.

(iv) During the Non-Compete Period, the Optionee will not, directly or indirectly, influence or attempt to influence any customers, distributors or suppliers of the Company or any of its Affiliates to divert their business to any competitor of the Company or any of its Affiliates or in any way interfere with the relationship between any such customer, distributor or supplier and the Company and/or any of its Affiliates (including, without limitation, making any negative statements or communications about the Company and its Affiliates). During such Non-Compete Period, the Optionee will not, directly or indirectly, acquire or attempt to acquire any business in the contiguous United States to which the Company or any of its Affiliates, prior to the Optionee's date of termination of employment, has made an acquisition proposal relating to the possible acquisition of such business by the Company or any of its Affiliates, or has planned, discussed or contemplated making such an acquisition proposal (such business, an "Acquisition Target"), or take any action to induce or attempt to induce any Acquisition Target to consummate any acquisition, investment or other similar transaction with any person other than the Company or any of its Affiliates.

(v) Optionee understands that the provisions of this Section 12(b) may limit his or her ability to earn a livelihood in a business in which he or she is involved, but as a member of the management group of the Company and its Affiliates he or she nevertheless agrees and hereby acknowledges that: (A) such provisions do not impose a greater restraint than is necessary to protect the goodwill or other business interests of the Company and any its Affiliates; (B) such provisions contain reasonable limitations as to time, scope of activity, and geographical area to be restrained; and (C) the consideration provided hereunder,

including without limitation, the grant of the Option, is sufficient to compensate the Optionee for the restrictions contained in this **Section 12(b)**. In consideration of the foregoing and in light of the Optionee's education, skills and abilities, the Optionee agrees that Optionee will not assert that, and it should not be considered that, any provisions of this **Section 12(b)** otherwise are void, voidable or unenforceable or should be voided or held unenforceable.

(vi) If, at the time of enforcement of **Sections 12(a) or (b)** of this Agreement, a court shall hold that the duration, scope, or area restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be allowed and directed to revise the restrictions contained herein to cover the maximum period, scope and area permitted by law. Optionee acknowledges that he or she has access to the Company's and its Affiliates' confidential business information. Optionee therefore agrees that the remedy at law for any breach by him or her of any of the covenants and agreements set forth in **Sections 12(a) or (b)** will be inadequate and that in the event of any such breach, the Company and its Affiliates may, in addition to the other remedies which may be available to them at law, apply to any court of competent jurisdiction to obtain specific performance and/or injunctive relief prohibiting the Optionee (together with all those persons associated with him or her) from the breach of such covenants and agreements and to enforce, or prevent any violations of, the provisions of this Agreement. In addition, in the event of a breach or violation by the Optionee of this **Section 12(b)**, the Non-Compete Period set forth in this paragraph shall be tolled until such breach or violation has been cured.

(vii) Each of the covenants of **Sections 12(a) and (b)** are given by the Optionee as part of the consideration for the grant of the Option to Optionee under this Agreement and as an inducement to the Company to grant such award and accept the obligations thereunder.

(viii) Notwithstanding the foregoing, nothing in this **Section 12(b)** shall apply to residents of California.

(c) Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement prevents Optionee from providing, without prior notice to the Company, information to governmental authorities regarding possible legal violations or otherwise testifying or participating in any investigation or proceeding by any governmental authorities regarding possible legal violations, and for purpose of clarity Optionee is not prohibited from providing information voluntarily to the Securities and Exchange Commission pursuant to Section 21F of the Exchange Act.

13. **No Right to Future Awards or Employment**. The Option award is a voluntary, discretionary award being made on a one-time basis and it does not constitute a commitment to make any future awards. The Option award and any related payments made to

Optionee will not be considered salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by law. Nothing contained in this Agreement will confer upon Optionee any right to be employed or remain employed by the Company or any of its Subsidiaries, nor limit or affect in any manner the right of the Company or any of its Subsidiaries to terminate Optionee's employment or adjust the compensation of Optionee.

14. **Relation to Other Benefits**. Any economic or other benefit to Optionee under this Agreement or the Plan shall not be taken into account in determining any benefits to which Optionee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or any of its Subsidiaries and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or any of its Subsidiaries.

15. **Amendments**. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that no amendment shall adversely affect Optionee's rights with respect to the Option without Optionee's consent, and Optionee's consent shall not be required to an amendment that is deemed necessary by the Company to ensure compliance with Section 10D of the Exchange Act.

16. **Severability**. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

17. **Relation to Plan**. The Option granted under this Agreement and all of the terms and conditions hereof are subject to all of the terms and conditions of the Plan. In the event of any inconsistency between this Agreement and the Plan, the terms of the Plan will govern. The Committee acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein or in the Plan, have the right to determine any questions which arise in connection with this Agreement. Notwithstanding anything in this Agreement to the contrary, Optionee acknowledges and agrees that this Agreement and the award described herein are subject to the terms and conditions of the Company's clawback policy (if any) as may be in effect from time to time specifically to implement Section 10D of the Exchange Act and any applicable rules or regulations promulgated thereunder (including applicable rules and regulations of any national securities exchange on which the Common Stock may be traded).

18. **Electronic Delivery**. The Company may, in its sole discretion, deliver any documents related to the Option and Optionee's participation in the Plan, or future awards that may be granted under the Plan, by electronic means or request Optionee's consent to participate in the Plan by electronic means. Optionee hereby consents to receive such documents by electronic delivery and, if requested, agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

19. **Governing Law.** This Agreement shall be governed by and construed with the internal substantive laws of the State of Delaware, without giving effect to any principle of law that would result in the application of the law of any other jurisdiction.

20. **Successors and Assigns**. Without limiting **Section 6** hereof, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of Optionee, and the successors and assigns of the Company.

21. **Acknowledgement**. Optionee acknowledges that Optionee (a) has received a copy of the Plan, (b) has had an opportunity to review the terms of this Agreement and the Plan, (c) understands the terms and conditions of this Agreement and the Plan and (d) agrees to such terms and conditions.

22. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the day and year indicated below.

MONTAUK RENEWABLES, INC.

By: _____

Name: _____
Title: _____
Date: _____

Optionee Acknowledgment and Acceptance

By: _____

Print
Name: _____
Date: _____

Exhibit 10.4

MONTAUK RENEWABLES, INC.
NOTICE OF GRANT OF RESTRICTED STOCK UNITS
(Employees)

Montauk Renewables, Inc. (the "Company") hereby grants to the Participant the number of Restricted Stock Units ("RSUs") set forth below under the Montauk Renewables, Inc. Equity and Incentive Compensation Plan (the "Plan"). The RSUs are subject to all of the terms and conditions in this Notice of Grant of Restricted Stock Units (this "Grant Notice"), in the Restricted Stock Units Agreement attached hereto (the "Agreement") and in the Plan. Capitalized terms used, but not otherwise defined, in this Grant Notice will have the meanings given to such terms in the Plan or Agreement, as applicable, and the Plan and Agreement are hereby incorporated by reference into this Grant Notice. If there are any inconsistences between this Grant Notice or Agreement and the Plan, the terms of the Plan shall govern.

Participant:	[Name]
Type of Grant:	Restricted Stock Units
Date of Grant:	[Grant Date]
Number of RSUs:	[#]
Vesting Schedule:	Subject to the conditions set forth in the Agreement, including but not limited to the Participant's continuous service employment with the Company or a Subsidiary until the applicable vesting date, [100% of the RSUs shall become vested on the first anniversary of the Date of Grant].

MONTAUK RENEWABLES, INC.

Restricted Stock Units Agreement

Montauk Renewables, Inc. (the "Company") has granted, pursuant to the Montauk Renewables, Inc. Equity and Incentive Compensation Plan (the "Plan"), to the Participant named in the Notice of Grant of Restricted Stock Units (the "Grant Notice") to which this Restricted Stock Units Agreement is attached (together with the Grant Notice, the "Agreement") an award of Restricted Stock Units as set forth in such Grant Notice, subject to the terms and conditions set forth in this Agreement.

1. **Certain Definitions**. Capitalized terms used, but not otherwise defined, in this Agreement will have the meanings given to such terms in the Plan.

2. **Grant of RSUs**. Subject to and upon the terms, conditions and restrictions set forth in this Agreement and in the Plan, the Company has granted to the Participant, as of the Date of Grant, the number of RSUs set forth in the Grant Notice. Each RSU shall represent the right of the Participant to receive one share of Common Stock subject to and upon the terms and conditions of this Agreement.

3. **Restrictions on Transfer of RSUs**. Subject to Section 15 of the Plan, neither the RSUs evidenced hereby nor any interest therein or in the shares of Common Stock underlying such RSUs shall be transferable prior to payment to the Participant pursuant to **Section 5** hereof other than by will or pursuant to the laws of descent and distribution.

4. **Vesting of RSUs**.

(a) The RSUs shall vest in accordance with the Vesting Schedule set forth in the Grant Notice (the period from the Date of Grant until the last vesting date, the "Vesting Period"). Any RSUs that do not so become vested will be forfeited, including, except as provided in **Section 4(b)** or **Section 4(c)** below, if the Participant ceases to be continuously employed by the Company or a Subsidiary prior to the end of the Vesting Period. For purposes of this Agreement, "continuously employed" (or substantially similar terms) means the absence of any interruption or termination of the Participant's employment with the Company or a Subsidiary. Continuous employment shall not be considered interrupted or terminated in the case of transfers between locations of the Company and its Subsidiaries.

(b) Notwithstanding **Section 4(a)** above, the RSUs shall become vested, nonforfeitable and payable to the Participant pursuant to **Section 5** hereof upon the occurrence of any of the following events in the following manner:

(i) All of the RSUs shall become vested, nonforfeitable and payable to the Participant upon termination of the Participant's employment by reason of the Participant's: (A) death; (B) Disability; or (C) Retirement; provided however, that any such accelerated vesting pursuant to this Section 4(b)(i)(C) on account of the Participant's Retirement shall only apply to a

pro-rated portion of such RSUs based on the number of full calendar months in the Vesting Period during which the Participant was employed prior to the Retirement.

(ii) All of the RSUs shall become vested, nonforfeitable and payable to the Participant upon termination of the Participant's employment by the Company or a Subsidiary without Cause prior to the end of the Vesting Period.

(iii) In the event of a Change in Control that occurs prior to the end of the Vesting Period, the RSUs shall become nonforfeitable and payable as provided in **Section 4(c)** below.

(c) (i) Notwithstanding **Section 4(a)** above, if at any time before the end of the Vesting Period or forfeiture of the RSUs, and while the Participant is continuously employed by the Company or a Subsidiary, a Change in Control occurs, then the RSUs will become vested, nonforfeitable and payable to the Participant in accordance with **Section 5** hereof, except to the extent that a Replacement Award is provided to the Participant in accordance with **Section 4(c)(ii)** to continue, replace or assume the RSUs covered by this Agreement (the "Replaced Award").

(ii) For purposes of this Agreement, a "Replacement Award" means an award (A) of the same type (*e.g.*, time-based restricted stock units) as the Replaced Award, (B) that has a value at least equal to the value of the Replaced Award, (C) that relates to publicly traded equity securities of the Company or its successor in the Change in Control or another entity that is affiliated with the Company or its successor following the Change in Control, (D) if the Participant holding the Replaced Award is subject to U.S. federal income tax under the Code, the tax consequences of which to such Participant under the Code are not less favorable to such Participant than the tax consequences of the Replaced Award, and (E) the other terms and conditions of which are not less favorable to the Participant holding the Replaced Award than the terms and conditions of the Replaced Award (including the provisions that would apply in the event of a subsequent Change in Control). A Replacement Award may be granted only to the extent it does not result in the Replaced Award or Replacement Award failing to comply with or be exempt from Section 409A of the Code. Without limiting the generality of the foregoing, the Replacement Award may take the form of a continuation of the Replaced Award if the requirements of the two preceding sentences are satisfied. The determination of whether the conditions of this **Section 4(c)(ii)** are satisfied will be made by the Board or Committee, as constituted immediately before the Change in Control, in its sole discretion.

(iii) If, after receiving a Replacement Award, the Participant experiences a termination of employment with the Company or a Subsidiary (or any of

their successors) (as applicable, the "Successor") by reason of a termination by the Successor without Cause during the remaining vesting period for the Replacement Award, the Replacement Award shall become vested, nonforfeitable and payable with respect to the time-based restricted stock units covered by such Replacement Award upon such termination.

(iv) If a Replacement Award is provided, notwithstanding anything in this Agreement to the contrary, any outstanding RSUs that at the time of the Change in Control are not subject to a "substantial risk of forfeiture" (within the meaning of Section 409A of the Code) will be deemed to be vested and nonforfeitable at the time of such Change in Control.

(d) For purposes of this Agreement, the following definitions apply:

(i) "Cause" shall mean "Cause" (or a term of substantively similar meaning) as defined in an individual employment agreement then in effect between the Participant and the Company or any Subsidiary (an "Employment Agreement") or as set forth in an executive severance plan in which the Participant participates, if any in each case, or, if the Participant does not then have an effective Employment Agreement or participate in such executive severance plan (or such Employment Agreement or plan does not define "Cause"), then (A) the Participant's conviction of or plea of guilty or *nolo contendere* to a crime constituting a felony under the laws of the United States or any State thereof or any other jurisdiction in which the Company or its Subsidiaries conduct business; (B) the Participant's willful misconduct in the performance of the Participant's duties to the Company or its Subsidiaries and failure to cure such breach within thirty days following written notice thereof from the Company; (C) the Participant's willful failure or refusal to follow directions from the Board (or direct reporting executive) and failure to cure such breach within thirty days following written notice thereof from the Board; or (D) the Participant's willful breach of fiduciary duty to the Company or its Subsidiaries. Any failure by the Company or a Subsidiary to notify the Participant after the first occurrence of an event constituting Cause shall not preclude any subsequent occurrences of such event (or a similar event) from constituting Cause.

(ii) "Disability," "Disabled," (or similar terms) shall mean a circumstance in which the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months and otherwise satisfies the requirements to be disabled under Section 409A of the Code. For the avoidance of doubt, the Participant's employment with the Company or a Subsidiary shall terminate immediately upon the Participant becoming Disabled.

(iii) "Retirement" means the Participant's termination of employment after attaining age 60 with at least ten (10) years of continuous employment or service with the Company or a Subsidiary.

5. **Form and Time of Payment of RSUs**.

(a) Payment for the RSUs, after and to the extent they have become vested and nonforfeitable, shall be made in the form of shares of Common Stock.

(b) With respect to RSUs granted to a Participant who will not become eligible for Retirement at any time during the Vesting Period, payment for such RSUs shall be made as soon as administratively practicable following (but no later than thirty (30) days after) the date that the RSUs vest and become nonforfeitable pursuant to **Section 4** hereof and in all events within the short-term deferral period specified in Treasury Regulation § 1.409A-1(b)(4).

(c) With respect to RSUs granted to a Participant who may become eligible for Retirement at any time during the Vesting Period, payment for such RSUs, if any, that are vested as of such date as determined in accordance with Section 409A of the Code (less RSUs, if any, which became vested and were paid on an earlier date) shall be made on (or within thirty (30) days after) the earliest of the following dates that follows the date on which the RSUs become vested:

(i) the last day of the Vesting Period;

(ii) the date that the Participant experiences a "separation from service" within the meaning of Section 409A(a)(2)(A)(i) of the Code (including by reason of the Participant's Retirement or Disability); provided, however, that if the Participant is a "specified employee" as determined pursuant to procedures adopted by the Company in compliance with Section 409A of the Code, then payment for the RSUs shall be made on the earlier of the (A) first day of the seventh month after the date of the Participant's "separation from service" within the meaning of Section 409A(a)(2)(A)(i) of the Code; or (B) the Participant's death;

(iii) the date of a Change in Control that constitutes a "change in ownership," a "change in effective control," or a "change in the ownership of a substantial portion of the assets" of the Company under Section 409A(a)(2)(A)(v) of the Code (such circumstances, a "409A Change in Control"); provided, that if a Change in Control occurs and it does not constitute a 409A Change in Control, payment for the RSUs shall not be made until the occurrence of the next event set forth in this **Section 5(c)**; and

(iv) the date of the Participant's death.

(d) Except to the extent provided by Section 409A of the Code and permitted by the Board or the Committee, no shares of Common Stock may be issued to the Participant at a time earlier than otherwise expressly provided in this Agreement.

(e) The Company's obligations to the Participant with respect to the RSUs will be satisfied in full upon the issuance of shares of Common Stock corresponding to such RSUs.

6. **Dividend Equivalents; Voting and Other Rights**.

(a) The Participant shall have no rights of ownership in the shares of Common Stock underlying the RSUs and no right to vote the shares of Common Stock underlying the RSUs until the date on which the shares of Common Stock underlying the RSUs are issued or transferred to the Participant pursuant to **Section 5** above.

(b) From and after the Date of Grant and until the earlier of (i) the time when the RSUs become vested and nonforfeitable and are paid in accordance with **Section 5** hereof or (ii) the time when the Participant's right to receive shares of Common Stock in payment of the RSUs is forfeited in accordance with **Section 4** hereof, on the date that the Company pays a cash dividend (if any) to holders of shares of Common Stock generally, the Participant shall be credited with cash per RSU equal to the amount of such dividend. Any amounts credited pursuant to the immediately preceding sentence shall be subject to the same applicable terms and conditions (including vesting, payment and forfeitability) as apply to the RSUs based on which the dividend equivalents were credited, and such amounts shall be paid in cash at the same time as the RSUs to which they relate are settled.

(c) The obligations of the Company under this Agreement will be merely that of an unfunded and unsecured promise of the Company to deliver shares of Common Stock in the future, and the rights of the Participant will be no greater than that of an unsecured general creditor. No assets of the Company will be held or set aside as security for the obligations of the Company under this Agreement.

7. **Adjustments**. The number of shares of Common Stock issuable for each RSU and the other terms and conditions of the grant evidenced by this Agreement are subject to adjustment, including as provided in Section 11 of the Plan.

8. **Withholding Taxes**. To the extent that the Company is required to withhold federal, state, local or foreign taxes or other amounts in connection with the delivery to the Participant of shares of Common Stock or any other payment to the Participant or any other payment or vesting event under this Agreement, and the amounts available to the Company for such withholding are insufficient, it shall be a condition to the obligation of the Company to make any such delivery or payment that the Participant make arrangements satisfactory to the Company for payment of the balance of such taxes or other amounts required to be withheld. Notwithstanding any other provision of this Agreement, the Company shall not be obligated to guarantee any particular tax result for the Participant with respect to any payment provided to the Participant hereunder, and the Participant shall be responsible for any taxes imposed on the Participant with respect to any such payment.

9. **Compliance with Law**. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other

provision of the Plan and this Agreement, the Company shall not be obligated to issue any shares of Common Stock pursuant to this Agreement if the issuance thereof would result in a violation of any such law.

10. **Restricted Activity**. The Participant's entitlement to the RSUs is expressly conditioned upon the Participant's covenants regarding intellectual property, confidentiality, not to compete and not to solicit as provided herein. In its sole discretion, the Committee or its delegatee may amend or waive the provisions of this **Section 10**, in whole or in part, to the extent necessary or advisable to comply with applicable laws, as determined by the Committee (or its delegatee). In consideration of the Company's grant of the RSUs to the Participant, the Participant agrees to comply with the limitations set forth in this **Section 10**.

(a) Ownership and Protection of Intellectual Property and Confidential Information.

(i) The Participant acknowledges and agrees that all information, ideas, concepts, improvements, innovations, developments, methods, processes, designs, analyses, drawings, reports, discoveries, and inventions, whether patentable or not or reduced to practice, which are conceived, made, developed or acquired by the Participant, individually or in conjunction with others, during the Participant's employment by the Company or any of its Affiliates, both during and after the Participant's employment with the Company (whether during business hours or otherwise and whether on the Company's premises or otherwise) and which relate to the business, products or services of the Company or its Affiliates (including, without limitation, all such information relating to corporate opportunities, research, financial and sales data, pricing and trading terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer's organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names, marks, and any copyrightable work, trade mark, trade secret or other intellectual property rights (whether or not composing confidential information, and all writings or materials of any type embodying any of such items (collectively, "Work Product"), are the sole and exclusive property of the Company or a Company Affiliate, as the case may be, and shall be treated as "work for hire." The Participant does hereby assign to the Company all right, title, and interest that the Participant has in any Work Product to the Company. It is recognized that the Participant is an experienced employee in the business of the Company and its Affiliates and through his or her prior work in the industry acquired and retains knowledge, contacts, and information which are not bound by this paragraph.

(ii) The Participant shall promptly and fully disclose, in writing, all Work Product to the Company and shall cooperate and perform all actions reasonably requested by the Company (whether during or after the term of the Participant's employment) to establish, confirm and protect the Company's and/or its Affiliates' right, title and interest in such Work Product. Without limiting the generality of the foregoing, the Participant agrees to assist the Company, at the Company's expense, to secure the Company's and its Affiliates' rights in the Work Product in any and all countries, including the execution by the Participant of all applications and all other instruments and documents which the Company and/or its Affiliates shall deem necessary in order to apply for and obtain rights

in such Work Product and in order to assign and convey to the Company and/or its Affiliates the sole and exclusive right, title and interest in and to such Work Product. If the Company is unable because of the Participant's mental or physical incapacity or for any other reason (including the Participant's refusal to do so after request therefor is made by the Company) to secure the Participant's signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering Work Product belonging to or assigned to the Company and/or its Affiliates pursuant to paragraph (a)(i) above, then the Participant by this Agreement irrevocably designates and appoints the Company and its duly authorized officers and agents as the Participant's agent and attorney-in-fact to act for and in the Participant's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents or copyright registrations thereon with the same legal force and effect as if executed by the Participant. The Participant agrees not to apply for or pursue any application for any United States or foreign patents or copyright registrations covering any Work Product other than pursuant to this paragraph in circumstances where such patents or copyright registrations are or have been or are required to be assigned to the Company or any of its Affiliates.

(iii) The Participant acknowledges that the businesses of the Company and its Affiliates are highly competitive and that their strategies, methods, books, records, and documents, their technical information concerning their products, equipment, services, and processes, procurement procedures and pricing techniques, the names of and other information (such as credit and financial data) concerning their former, present or prospective customers and business affiliates, all comprise confidential business information and trade secrets which are valuable, special, and unique assets which the Company and/or its Affiliates use in their business to obtain a competitive advantage over their competitors. The Participant further acknowledges that protection of such confidential business information and trade secrets against unauthorized disclosure and use is of critical importance to the Company and its Affiliates in maintaining their competitive position. The Participant acknowledges that by reason of the Participant's duties to, and association with, the Company and its Affiliates, the Participant has had and will have access to, and has and will become informed of, confidential business information which is a competitive asset of the Company and its Affiliates. The Participant hereby agrees that the Participant will not, at any time during or after his or her employment by the Company, make any unauthorized disclosure of any confidential business information or trade secrets of the Company or its Affiliates, or make any use thereof, except in the carrying out of his or her employment responsibilities hereunder. The Participant shall take all necessary and appropriate steps to safeguard confidential business information and protect it against disclosure, misappropriation, misuse, loss and theft. Confidential business information shall not include information in the public domain (but only if the same becomes part of the public domain through a means other than a disclosure prohibited hereunder). The above notwithstanding, a disclosure shall not be unauthorized if (A) it is required by law or by a court of competent jurisdiction or (B) it is in connection with any judicial, arbitration, dispute resolution or other legal proceeding in which the Participant's legal rights and obligations as an employee under this Agreement are at issue; provided, however, that the Participant shall, to the extent practicable and lawful in any such events, give prior notice to the Company of his or her intent to disclose any such confidential

business information in such context so as to allow the Company or its Affiliates an opportunity (which the Participant will not oppose) to obtain such protective orders or similar relief with respect thereto as may be deemed appropriate. Any information not specifically related to the Company and its Affiliates would not be considered confidential to the Company and its Affiliates.

(iv) The Participant shall promptly deliver to the Company all written materials, records, and other documents made by, or coming into the possession of, the Participant during the period of the Participant's employment by the Company which contain or disclose confidential business information or trade secrets of the Company or its Affiliates, or which relate to the Participant's Work Product described in paragraph (a)(i) above, which shall be and remain the property of the Company, or its Affiliates, as the case may be. Upon termination of the Participant's employment for any reason, the Participant shall promptly deliver the same, and all copies thereof, to the Company.

(v) The U.S. Defend Trade Secrets Act of 2016 ("DTSA") provides that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, the DTSA provides that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

(b) Covenant Not To Compete.

(i) In the event the Participant breaches his or her obligations to the Company as provided herein, the Company shall have no obligations to the Participant with respect to the RSUs, and this Agreement and the RSUs subject thereto shall be null and void.

(ii) In consideration for the Company's grant of the RSUs to the Participant, the Participant agrees that, during the Participant's employment with the Company or a Subsidiary and for a period of one year following the date of termination of the Participant's employment with the Company and its Subsidiaries (the "Non-Compete Period"), he or she will not, in association with or as an officer, principal, manager, member, advisor, agent, partner, director, material stockholder, employee or consultant of any corporation (or sub-unit, in the case of a diversified business) or other enterprise, entity or association, work on the acquisition or development of, or engage in any line of business, property or project which is, directly or indirectly, competitive with any business that the Company or any of its Affiliates engages in or is planning to engage in during the term of the Participant's employment with the Company or any Affiliate of the Company, as evidenced by the books and records of the Company or its Affiliates, including but not limited to, owning and operating renewable natural gas and electric operations and facilities (the "Business"). Such restriction shall cover the Participant's activities

anywhere in the contiguous United States or within a 100-mile radius of any and all Company location(s) in, to, or for which the Participant worked, or to which the Participant was assigned or had any responsibility (either direct or supervisory) as of the date of termination of the Participant's employment and at any time during the two (2) year period prior to such date.

(iii) During the Non-Compete Period, the Participant will not solicit or induce any person who is or was employed by any of the Company or its Affiliates at any time during such term or period (A) to interfere with the activities or businesses of the Company or any of its Affiliates or (B) to discontinue his or her employment with the Company or any of its Affiliates.

(iv) During the Non-Compete Period, the Participant will not, directly or indirectly, influence or attempt to influence any customers, distributors or suppliers of the Company or any of its Affiliates to divert their business to any competitor of the Company or any of its Affiliates or in any way interfere with the relationship between any such customer, distributor or supplier and the Company and/or any of its Affiliates (including, without limitation, making any negative statements or communications about the Company and its Affiliates). During such Non-Compete Period, the Participant will not, directly or indirectly, acquire or attempt to acquire any business in the contiguous United States to which the Company or any of its Affiliates, prior to the Participant's date of termination of employment, has made an acquisition proposal relating to the possible acquisition of such business by the Company or any of its Affiliates, or has planned, discussed or contemplated making such an acquisition proposal (such business, an "Acquisition Target"), or take any action to induce or attempt to induce any Acquisition Target to consummate any acquisition, investment or other similar transaction with any person other than the Company or any of its Affiliates.

(v) The Participant understands that the provisions of this **Section 10(b)** may limit his or her ability to earn a livelihood in a business in which he or she is involved, but as a member of the management group of the Company and its Affiliates he or she nevertheless agrees and hereby acknowledges that: (A) such provisions do not impose a greater restraint than is necessary to protect the goodwill or other business interests of the Company and any its Affiliates; (B) such provisions contain reasonable limitations as to time, scope of activity, and geographical area to be restrained; and (C) the consideration provided hereunder, including without limitation, the grant of the RSUs, is sufficient to compensate the Participant for the restrictions contained in this **Section 10(b)**. In consideration of the foregoing and in light of the Participant's education, skills and abilities, the Participant agrees that Participant will not assert that, and it should not be considered that, any provisions of this **Section 10(b)** otherwise are void, voidable or unenforceable or should be voided or held unenforceable.

(vi) If, at the time of enforcement of **Sections 10(a) or (b)** of this Agreement, a court shall hold that the duration, scope, or area restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be allowed and directed to revise

the restrictions contained herein to cover the maximum period, scope and area permitted by law. The Participant acknowledges that he or she has access to the Company's and its Affiliates' confidential business information. The Participant therefore agrees that the remedy at law for any breach by him or her of any of the covenants and agreements set forth in **Sections 10(a) or (b)** will be inadequate and that in the event of any such breach, the Company and its Affiliates may, in addition to the other remedies which may be available to them at law, apply to any court of competent jurisdiction to obtain specific performance and/or injunctive relief prohibiting the Participant (together with all those persons associated with him or her) from the breach of such covenants and agreements and to enforce, or prevent any violations of, the provisions of this Agreement. In addition, in the event of a breach or violation by the Participant of this **Section 10(b)**, the Non-Compete Period set forth in this paragraph shall be tolled until such breach or violation has been cured.

(vii) Each of the covenants of **Sections 10(a) and (b)** are given by the Participant as part of the consideration for the grant of RSUs to be received by the Participant under this Agreement and as an inducement to the Company to grant such award and accept the obligations thereunder.

(viii) Notwithstanding the foregoing, nothing in this **Section 10(b)** shall apply to residents of California.

(c) Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement prevents the Participant from providing, without prior notice to the Company, information to governmental authorities regarding possible legal violations or otherwise testifying or participating in any investigation or proceeding by any governmental authorities regarding possible legal violations, and for purpose of clarity the Participant is not prohibited from providing information voluntarily to the Securities and Exchange Commission pursuant to Section 21F of the Exchange Act.

11. **Compliance With Section 409A of the Code**. To the extent applicable, it is intended that this Agreement and the Plan comply with or be exempt from the provisions of Section 409A of the Code. This Agreement and the Plan shall be administered in a manner consistent with this intent, and any provision that would cause this Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force or effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of the Participant). Notwithstanding the foregoing, the Company is not guaranteeing any particular tax outcome, and the Participant shall remain solely liable for any and all tax consequences associated with the RSUs.

12. **Interpretation**. Any reference in this Agreement to Section 409A of the Code will also include any proposed, temporary or final regulations, or any other guidance, promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service.

13. **No Right to Future Awards or Employment**. The grant of the RSUs under this Agreement to the Participant is a voluntary, discretionary award being made on a one-time basis and it does not constitute a commitment to make any future awards. The grant of the RSUs and

any related payments made hereunder will not be considered salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by law. Nothing contained in this Agreement will confer upon the Participant any right to be employed or remain employed by the Company or any of its Subsidiaries, nor limit or affect in any manner the right of the Company or any of its Subsidiaries to terminate the Participant's employment or adjust the compensation of the Participant.

14. **Relation to Other Benefits**. Any economic or other benefit to the Participant under this Agreement or the Plan shall not be taken into account in determining any benefits to which the Participant may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or any of its Subsidiaries and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or any of its Subsidiaries.

15. **Amendments**. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that no amendment shall adversely affect the Participant's rights with respect to the RSUs without the Participant's written consent, and the Participant's consent shall not be required to an amendment that is deemed necessary by the Company to ensure compliance with Section 409A of the Code or Section 10D of the Exchange Act.

16. **Severability**. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

17. **Relation to Plan**. The RSUs granted under this Agreement and all of the terms and conditions hereof are subject to all of the terms and conditions of the Plan. In the event of any inconsistency between this Agreement and the Plan, the terms of the Plan will govern. The Committee acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein or in the Plan, have the right to determine any questions which arise in connection with this Agreement. Notwithstanding anything in this Agreement to the contrary, the Participant acknowledges and agrees that this Agreement and the award described herein are subject to the terms and conditions of the Company's clawback policy (if any) as may be in effect from time to time specifically to implement Section 10D of the Exchange Act and any applicable rules or regulations promulgated thereunder (including applicable rules and regulations of any national securities exchange on which the Common Stock may be traded).

18. **Electronic Delivery**. The Company may, in its sole discretion, deliver any documents related to the RSUs and the Participant's participation in the Plan, or future awards that may be granted under the Plan, by electronic means or request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and, if requested, agrees to participate in the Plan through an on-

line or electronic system established and maintained by the Company or another third party designated by the Company.

19. **Governing Law.** This Agreement shall be governed by and construed with the internal substantive laws of the State of Delaware, without giving effect to any principle of law that would result in the application of the law of any other jurisdiction.

20. **Successors and Assigns**. Without limiting **Section 3** hereof, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Participant, and the successors and assigns of the Company.

21. **Acknowledgement**. The Participant acknowledges that the Participant (a) has received a copy of the Plan, (b) has had an opportunity to review the terms of this Agreement and the Plan, (c) understands the terms and conditions of this Agreement and the Plan and (d) agrees to such terms and conditions.

22. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the day and year indicated below.

MONTAUK RENEWABLES, INC.

By: _____

Name: _____
Title: _____
Date: _____

Participant Acknowledgment and Acceptance

By: _____

Print
Name: _____
Date: _____

Exhibit 10.5

MONTAUK RENEWABLES, INC.
NOTICE OF GRANT OF RESTRICTED STOCK UNITS
(Non-Employee Directors)

Montauk Renewables, Inc. (the "Company") hereby grants to the Participant the number of Restricted Stock Units ("RSUs") set forth below under the Montauk Renewables, Inc. Equity and Incentive Compensation Plan (the "Plan"). The RSUs are subject to all of the terms and conditions in this Notice of Grant of Restricted Stock Units (this "Grant Notice"), in the Restricted Stock Units Agreement attached hereto (the "Agreement") and in the Plan. Capitalized terms used, but not otherwise defined, in this Grant Notice will have the meanings given to such terms in the Plan or Agreement, as applicable, and the Plan and Agreement are hereby incorporated by reference into this Grant Notice. If there are any inconsistences between this Grant Notice or Agreement and the Plan, the terms of the Plan shall govern.

Participant:	[Name]
Type of Grant:	Restricted Stock Units
Date of Grant:	[Grant Date]
Number of RSUs:	[#]
Vesting Schedule:	Subject to the conditions set forth in the Agreement, including but not limited to the Participant's continuous service as a Director until the applicable vesting date, the RSUs shall become vested in full on the date that is the earlier of [(a) the one-year anniversary of the Date of Grant; or (b) the date of the Company's next regular annual meeting of stockholders which occurs after the Date of Grant].

MONTAUK RENEWABLES, INC.

Restricted Stock Units Agreement

Montauk Renewables, Inc. (the "Company") has granted, pursuant to the Montauk Renewables, Inc. Equity and Incentive Compensation Plan (the "Plan"), to the Participant named in the Notice of Grant of Restricted Stock Units (the "Grant Notice") to which this Restricted Stock Units Agreement is attached (together with the Grant Notice, this "Agreement") an award of Restricted Stock Units as set forth in such Grant Notice, subject to the terms and conditions set forth in this Agreement.

1. **Certain Definitions**. Capitalized terms used, but not otherwise defined, in this Agreement will have the meanings given to such terms in the Plan.

2. **Grant of RSUs**. Subject to and upon the terms, conditions and restrictions set forth in this Agreement and in the Plan, the Company has granted to the Participant, as of the Date of Grant, the number of RSUs set forth in the Grant Notice. Each RSU shall represent the right of the Participant to receive one share of Common Stock subject to and upon the terms and conditions of this Agreement.

3. **Restrictions on Transfer of RSUs**. Subject to Section 15 of the Plan, neither the RSUs evidenced hereby nor any interest therein or in the shares of Common Stock underlying such RSUs shall be transferable prior to payment to the Participant pursuant to **Section 5** hereof other than by will or pursuant to the laws of descent and distribution.

4. **Vesting of RSUs**.

(a) The RSUs shall vest in accordance with the Vesting Schedule (the period from the Date of Grant until such vesting date, the "Vesting Period"). Any RSUs that do not so become vested will be forfeited, including, except as provided in **Section 4(b)** or **Section 4(c)** below, if the Participant ceases to remain in service as a Director for any reason prior to the end of the Vesting Period.

(b) Notwithstanding **Section 4(a)** above, the RSUs shall become vested, nonforfeitable and payable to the Participant pursuant to **Section 5** hereof upon the occurrence of any of the following events in the following manner:

(i) The RSUs shall become vested in full upon the date that the Participant ceases to be a Director by reason of the Participant's death or Disability. "Disability" shall mean a circumstance in which the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months and otherwise satisfies the requirements to be disabled under Section 409A of the Code.

(ii) In the event of a Change in Control that occurs prior to the end of the Vesting Period, the RSUs shall become vested in full and nonforfeitable upon the earlier of: (A) consummation of the Change in Control if the Participant's service as a Director ceases on the closing date of such Change in Control, or (B) if this award of RSUs is assumed or continued by a successor entity (or parent thereof) following such Change in Control, upon the Participant's involuntary cessation of service as a Director with such entity.

5. **Form and Time of Payment of RSUs**.

(a) Payment for the RSUs, after and to the extent they have become vested and nonforfeitable, shall be made in the form of shares of Common Stock. Except as provided in **Section 5(b)** or **5(c)**, payment shall be made as soon as administratively practicable following (but no later than thirty (30) days following) the date that the RSUs become nonforfeitable pursuant to **Section 4** hereof.

(b) If the RSUs become nonforfeitable (i) by reason of the occurrence of a Change in Control as described in **Section 4(c)**, and if the Change in Control does not constitute a "change in ownership," "change in effective control," or "change in the ownership of a substantial portion of the assets" of the Company as those terms are defined under Treasury Regulation § 1.409A-3(i)(5), then payment for the RSUs will be made upon the earliest of (A) the Participant's "separation from service" with the Company and its Subsidiaries (determined in accordance with Section 409A(a)(2)(A)(i) of the Code), (B) the date the RSUs would have become vested and nonforfeitable under **Section 4(a)** had the Participant remained as a Director, (C) the Participant's death, (D) the occurrence of a Change in Control that constitutes a "change in control" for purposes of Section 409A(a)(2)(A)(v) of the Code, or (E) the Participant becoming Disabled.

(c) If the RSUs become payable on the Participant's "separation from service" with the Company and its Subsidiaries within the meaning of Section 409A(a)(2)(A)(i) of the Code and the Participant is a "specified employee" as determined pursuant to procedures adopted by the Company in compliance with Section 409A of the Code, then payment for the RSUs shall be made on the earlier of the fifth business day of the seventh month after the date of the Participant's "separation from service" with the Company and its Subsidiaries within the meaning of Section 409A(a)(2)(A)(i) of the Code or the Participant's death.

(d) Except to the extent provided by Section 409A of the Code and permitted by the Board or the Committee, no shares of Common Stock may be issued to the Participant at a time earlier than otherwise expressly provided in this Agreement.

(e) The Company's obligations to the Participant with respect to the RSUs will be satisfied in full upon the issuance of shares of Common Stock corresponding to such RSUs.

6. **Dividend Equivalents; Voting and Other Rights**.

(a) The Participant shall have no rights of ownership in the shares of Common Stock underlying the RSUs and no right to vote the shares of Common Stock underlying the RSUs until the date on which the shares of Common Stock underlying the RSUs are issued or transferred to the Participant pursuant to **Section 5** above.

(b) From and after the Date of Grant and until the earlier of (i) the time when the RSUs become nonforfeitable and are paid in accordance with **Section 5** hereof or (ii) the time when the Participant's right to receive shares of Common Stock in payment of the RSUs is forfeited in accordance with **Section 4** hereof, on the date that the Company pays a cash dividend (if any) to holders of shares of Common Stock generally, the Participant shall be credited with cash per RSU equal to the amount of such dividend. Any amounts credited pursuant to the immediately preceding sentence shall be subject to the same applicable terms and conditions (including vesting, payment and forfeitability) as apply to the RSUs based on which the dividend equivalents were credited, and such amounts shall be paid in cash at the same time as the RSUs to which they relate are settled.

(c) The obligations of the Company under this Agreement will be merely that of an unfunded and unsecured promise of the Company to deliver shares of Common Stock in the future, and the rights of the Participant will be no greater than that of an unsecured general creditor. No assets of the Company will be held or set aside as security for the obligations of the Company under this Agreement.

7. **Adjustments**. The number of shares of Common Stock issuable for each RSU and the other terms and conditions of the grant evidenced by this Agreement are subject to mandatory adjustment, including as provided in Section 11 of the Plan.

8. **Withholding Taxes**.

(a) The Participant acknowledges that, if the Participant is a Pennsylvania resident, the Participant is responsible for any and all applicable income and other taxes, as well as any social insurance contributions and other deductions or withholdings required by applicable law, from RSUs, including federal, FICA, state, and local taxes applicable to the Participant (such taxes, the "Tax-Related Items"). The Participant further acknowledges that the Company (i) makes no representations or undertakings regarding the Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant, vesting, or delivery of shares of Common Stock under this Agreement or with respect to the RSUs, the subsequent sale of shares of Common Stock acquired pursuant to the RSUs, and the receipt of any dividends, and (ii) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate the Participant's liability for Tax-Related Items.

(b) If Participant is not a Pennsylvania resident, the Participant acknowledges that any issuance of shares of Common Stock to the Participant pursuant to the RSUs shall

be subject to any applicable tax withholding requirements. The Company shall automatically, not later than the date as of which the transfer of shares of Common Stock pursuant to the RSUs becomes a taxable event for federal income tax or other applicable withholding tax purposes, cause the required minimum federal, state, local, non-U.S., or other taxes required by law to be withheld on account of such taxable event to be satisfied by withholding from shares of Common Stock to be issued to the Participant a number of shares of Common Stock with an aggregate Market Value per Share that would satisfy such minimum withholding obligation.

9. **Compliance with Law**.

(a) The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of the Plan and this Agreement, the Company shall not be obligated to issue any shares of Common Stock pursuant to this Agreement if the issuance thereof would result in a violation of any such law.

(b) Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement prevents the Participant from providing, without prior notice to the Company, information to governmental authorities regarding possible legal violations or otherwise testifying or participating in any investigation or proceeding by any governmental authorities regarding possible legal violations, and for purpose of clarity the Participant is not prohibited from providing information voluntarily to the Securities and Exchange Commission pursuant to Section 21F of the Exchange Act.

10. **Compliance With Section 409A of the Code**. To the extent applicable, it is intended that this Agreement and the Plan comply with or be exempt from the provisions of Section 409A of the Code. This Agreement and the Plan shall be administered in a manner consistent with this intent, and any provision that would cause this Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force or effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of the Participant). Notwithstanding the foregoing, the Company is not guaranteeing any particular tax outcome, and the Participant shall remain solely liable for any and all tax consequences associated with the RSUs.

11. **Interpretation**. Any reference in this Agreement to Section 409A of the Code will also include any proposed, temporary or final regulations, or any other guidance, promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service.

12. **No Right to Future Awards or Obligation to Continue Service.** The grant of the RSUs under this Agreement to the Participant is a voluntary, discretionary award being made on a one-time basis and it does not constitute a commitment to make any future awards. The Company is not obligated by or as a result of the Plan or this Agreement to continue the Participant in service as a Director.

13. **Relation to Other Benefits**. Any economic or other benefit to the Participant

under this Agreement or the Plan shall not be taken into account in determining any benefits to which the Participant may be entitled under any other compensatory arrangement maintained by the Company or any of its Subsidiaries.

14. **Amendments**. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that no amendment shall adversely affect the Participant's rights with respect to the RSUs without the Participant's written consent, and the Participant's consent shall not be required to an amendment that is deemed necessary by the Company to ensure compliance with Section 409A of the Code or Section 10D of the Exchange Act.

15. **Severability**. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

16. **Relation to Plan**. The RSUs granted under this Agreement and all of the terms and conditions hereof are subject to all of the terms and conditions of the Plan. In the event of any inconsistency between this Agreement and the Plan, the terms of the Plan will govern. The Committee acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein or in the Plan, have the right to determine any questions which arise in connection with this Agreement. Notwithstanding anything in this Agreement to the contrary, the Participant acknowledges and agrees that this Agreement and the award described herein are subject to the terms and conditions of the Company's clawback policy (if any and to the extent applicable) as may be in effect from time to time specifically to implement Section 10D of the Exchange Act and any applicable rules or regulations promulgated thereunder (including applicable rules and regulations of any national securities exchange on which the Common Stock may be traded).

17. **Electronic Delivery**. The Company may, in its sole discretion, deliver any documents related to the RSUs and the Participant's participation in the Plan, or future awards that may be granted under the Plan, by electronic means or request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and, if requested, agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

18. **Governing Law.** This Agreement shall be governed by and construed with the internal substantive laws of the State of Delaware, without giving effect to any principle of law that would result in the application of the law of any other jurisdiction.

19. **Successors and Assigns**. Without limiting **Section 3** hereof, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Participant, and the successors and assigns of the Company.

20. **Acknowledgement**. The Participant acknowledges that the Participant (a) has received a copy of the Plan, (b) has had an opportunity to review the terms of this Agreement and

the Plan, (c) understands the terms and conditions of this Agreement and the Plan and (d) agrees to such terms and conditions.

MONTAUK RENEWABLES, INC.
NOTICE OF GRANT OF RESTRICTED STOCK
(Employees)

Montauk Renewables, Inc. (the "Company") hereby grants to the Participant the number of shares of Restricted Stock ("Restricted Shares") set forth below under the Montauk Renewables, Inc. Equity and Incentive Compensation Plan (the "Plan"). The Restricted Shares are subject to all of the terms and conditions in this Notice of Grant of Restricted Stock (this "Grant Notice"), in the Restricted Stock Agreement attached hereto (the "Agreement") and in the Plan. Capitalized terms used, but not otherwise defined, in this Grant Notice will have the meanings given to such terms in the Plan or Agreement, as applicable, and the Plan and Agreement are hereby incorporated by reference into this Grant Notice. If there are any inconsistences between this Grant Notice or Agreement and the Plan, the terms of the Plan shall govern.

Participant:	[Name]
Type of Grant:	Restricted Stock
Date of Grant:	[Grant Date]
Number of Restricted Shares:	[#]
Vesting Schedule:	Subject to the conditions set forth in the Agreement, including but not limited to the Participant's continuous service employment with the Company or a Subsidiary until the applicable vesting date, the Restricted Shares shall vest as follows: [__].

MONTAUK RENEWABLES, INC.

Restricted Stock Agreement

Montauk Renewables, Inc. (the "Company") has granted, pursuant to the Montauk Renewables, Inc. Equity and Incentive Compensation Plan (the "Plan"), to the Participant named in the Notice of Grant of Restricted Stock (the "Grant Notice") to which this Restricted Stock Agreement is attached (together with the Grant Notice, the "Agreement") an award of Restricted Shares as set forth in such Grant Notice, subject to the terms and conditions set forth in this Agreement.

1. **Certain Definitions**. Capitalized terms used, but not otherwise defined, in this Agreement will have the meanings given to such terms in the Plan.

2. **Grant of Restricted Shares**. Subject to and upon the terms, conditions and restrictions set forth in this Agreement and in the Plan, the Company has granted to the Participant as of the Date of Grant, the number of Restricted Shares set forth in the Grant Notice.

3. **Restrictions on Transfer of Restricted Shares**. Subject to Section 15 of the Plan, the Restricted Shares shall not be transferable prior to Vesting (as defined below) pursuant to **Section 4** hereof other than by will or pursuant to the laws of descent and distribution. Any purported transfer or encumbrance in violation of the provisions of this **Section 3** shall be void, and the other party to any such purported transaction shall not obtain any rights to or interest in such Restricted Shares.

4. **Vesting of Restricted Shares**.

(a) The Restricted Shares shall become nonforfeitable ("Vest," "Vesting" or similar terms) in accordance with the Vesting Schedule set forth in the Grant Notice (the period from the Date of Grant until the last vesting date, the "Vesting Period"). Any Restricted Shares that do not so Vest will be forfeited, including, except as provided in **Section 4(b)** or **Section 4(c)** below, if the Participant ceases to be continuously employed by the Company or a Subsidiary prior to the end of the Vesting Period. For purposes of this Agreement, "continuously employed" (or substantially similar terms) means the absence of any interruption or termination of the Participant's employment with the Company or a Subsidiary. Continuous employment shall not be considered interrupted or terminated in the case of transfers between locations of the Company and its Subsidiaries.

(b) Notwithstanding **Section 4(a)** above, the Restricted Shares shall Vest upon the occurrence of any of the following events in the following manner:

(i) All of the Restricted Shares shall Vest upon termination of the Participant's employment by reason of the Participant's: (A) death; (B) Disability; or (C) Retirement; provided however, that any such accelerated vesting pursuant to this **Section 4(b)(i)(C)** on account of the Participant's Retirement shall only apply to a pro-rated portion of such Restricted

Shares based on the number of full calendar months in the Vesting Period during which the Participant was employed prior to the Retirement.

(ii) All of the Restricted Shares shall Vest upon termination of the Participant's employment by the Company or a Subsidiary without Cause prior to the end of the Vesting Period.

(iii) In the event of a Change in Control that occurs prior to the end of the Vesting Period, the Restricted Shares shall become Vested and payable in accordance with **Section 4(c)** below.

(c) (i) Notwithstanding **Section 4(a)** above, if at any time before the end of the Vesting Period or forfeiture of the Restricted Shares, and while the Participant is continuously employed by the Company or a Subsidiary, a Change in Control occurs, then all of the Restricted Shares will become Vested, except to the extent that a Replacement Award is provided to the Participant in accordance with **Section 4(c)(ii)** to continue, replace or assume the Restricted Shares covered by this Agreement (the "Replaced Award").

(ii) For purposes of this Agreement, a "Replacement Award" means an award (A) of the same type (*e.g.*, time-based restricted shares) as the Replaced Award, (B) that has a value at least equal to the value of the Replaced Award, (C) that relates to publicly traded equity securities of the Company or its successor in the Change in Control or another entity that is affiliated with the Company or its successor following the Change in Control, (D) if the Participant holding the Replaced Award is subject to U.S. federal income tax under the Code, the tax consequences of which to such Participant under the Code are not less favorable to such Participant than the tax consequences of the Replaced Award, and (E) the other terms and conditions of which are not less favorable to the Participant holding the Replaced Award than the terms and conditions of the Replaced Award (including the provisions that would apply in the event of a subsequent Change in Control). A Replacement Award may be granted only to the extent it does not result in the Replaced Award or Replacement Award failing to comply with or be exempt from Section 409A of the Code. Without limiting the generality of the foregoing, the Replacement Award may take the form of a continuation of the Replaced Award if the requirements of the two preceding sentences are satisfied. The determination of whether the conditions of this **Section 4(c)(ii)** are satisfied will be made by the Board or Committee, as constituted immediately before the Change in Control, in its sole discretion.

(iii) If, after receiving a Replacement Award, the Participant experiences a termination of employment with the Company or a Subsidiary (or any of their successors) (as applicable, the "Successor") by reason of a termination by the Successor without Cause during the remaining vesting

period for the Replacement Award, the Replacement Award shall immediately Vest.

(d) For purposes of this Agreement, the following definitions apply:

(i) "Cause" shall mean "Cause" (or a term of substantively similar meaning) as defined in an individual employment agreement then in effect between the Participant and the Company or any Subsidiary (an "Employment Agreement") or as set forth in an executive severance plan in which the Participant participates, if any in each case, or, if the Participant does not then have an effective Employment Agreement or participate in such executive severance plan (or such Employment Agreement or plan does not define "Cause"), then (A) the Participant's conviction of or plea of guilty or *nolo contendere* to a crime constituting a felony under the laws of the United States or any State thereof or any other jurisdiction in which the Company or its Subsidiaries conduct business; (B) the Participant's willful misconduct in the performance of the Participant's duties to the Company or its Subsidiaries and failure to cure such breach within thirty days following written notice thereof from the Company; (C) the Participant's willful failure or refusal to follow directions from the Board (or direct reporting executive) and failure to cure such breach within thirty days following written notice thereof from the Board; or (D) the Participant's willful breach of fiduciary duty to the Company or its Subsidiaries. Any failure by the Company or a Subsidiary to notify the Participant after the first occurrence of an event constituting Cause shall not preclude any subsequent occurrences of such event (or a similar event) from constituting Cause.

(ii) "Disability" (or similar terms) shall mean a circumstance in which the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months and otherwise satisfies the requirements to be disabled under Section 409A of the Code. For the avoidance of doubt, the Participant's employment with the Company or a Subsidiary shall terminate immediately upon the Participant becoming Disabled.

(iii) "Retirement" means the Participant's termination of employment after attaining age 60 with at least ten (10) years of continuous employment or service with the Company or a Subsidiary.

5. **Section 83(b) Election**. Within thirty (30) days following the Date of Grant, the Participant shall make an election with the Internal Revenue Service to be taxed at the time the Restricted Shares are acquired (rather than when and as they Vest) (an "83(b) Election") under Section 83(b) of the Code and shall promptly provide a copy of such election to the Company. The form for making this election is attached hereto as Exhibit A. **The Participant**

acknowledges that it is the Participant's sole responsibility (and not the Company's or any other person's) to timely file the 83(b) Election and that, in the event that the election under Section 83(b) of the Code is not timely made, this grant of Restricted Shares shall become void and the Participant shall have no further rights hereunder.

6. **Rights as a Stockholder**. The Participant shall have all the rights of a stockholder with respect to the Restricted Shares, including the right to vote the Restricted Shares and receive all dividends paid thereon; provided, however, that any additional shares of Common Stock or other securities that the Participant may become entitled to receive pursuant to a stock dividend or other distribution shall be subject to the same restrictions as the Restricted Shares covered by this Agreement.

7. **Retention of Stock Certificates by Company**. The Restricted Shares will be issued either (a) in certificate form or (b) in book entry form, registered in the name of the Participant, with legends or notations as applicable, referring to the terms, conditions, and restrictions set forth in this Agreement. Certificates representing the Restricted Shares, if any, will be held in custody by the Company together with a stock power endorsed in blank by the Participant with respect thereto, until those Restricted Shares have Vested in accordance with **Section 4**.

8. **Adjustments**. The number of Restricted Shares subject to this Agreement and the other terms and conditions of the grant evidenced by this Agreement are subject to adjustment as provided in Section 11 of the Plan.

9. **Withholding Taxes**. To the extent that the Company is required to withhold federal, state and/or local taxes or other amounts in connection with the issuance or Vesting of the Restricted Shares, or any other payment to the Participant or any other payment or vesting event under this Agreement, such withholding requirement will be satisfied by retention by the Company of a portion of the Restricted Shares. The shares so retained shall be credited against such withholding requirement at the Market Value per Share on the date of such delivery.

10. **Restricted Activity**. The Participant's entitlement to the Restricted Shares is expressly conditioned upon the Participant's covenants regarding intellectual property, confidentiality, not to compete and not to solicit as provided herein. In its sole discretion, the Committee or its delegatee may amend or waive the provisions of this **Section 10**, in whole or in part, to the extent necessary or advisable to comply with applicable laws, as determined by the Committee (or its delegatee). In consideration of the Company's grant of the Restricted Shares to the Participant, the Participant agrees to comply with the limitations set forth in this **Section 10**.

(a) Ownership and Protection of Intellectual Property and Confidential Information.

(i) The Participant acknowledges and agrees that all information, ideas, concepts, improvements, innovations, developments, methods, processes, designs, analyses, drawings, reports, discoveries, and inventions, whether patentable or not or reduced to practice, which are conceived, made, developed or acquired by the Participant, individually or in conjunction

with others, during the Participant's employment by the Company or any of its Affiliates, both during and after the Participant's employment with the Company (whether during business hours or otherwise and whether on the Company's premises or otherwise) and which relate to the business, products or services of the Company or its Affiliates (including, without limitation, all such information relating to corporate opportunities, research, financial and sales data, pricing and trading terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer's organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names, marks, and any copyrightable work, trade mark, trade secret or other intellectual property rights (whether or not composing confidential information, and all writings or materials of any type embodying any of such items (collectively, "Work Product"), are the sole and exclusive property of the Company or a Company Affiliate, as the case may be, and shall be treated as "work for hire." The Participant does hereby assign to the Company all right, title, and interest that the Participant has in any Work Product to the Company. It is recognized that the Participant is an experienced employee in the business of the Company and its Affiliates and through his or her work in the industry acquired and retains knowledge, contacts, and information which are not bound by this paragraph.

(ii) The Participant shall promptly and fully disclose, in writing, all Work Product to the Company and shall cooperate and perform all actions reasonably requested by the Company (whether during or after the term of the Participant's employment) to establish, confirm and protect the Company's and/or its Affiliates' right, title and interest in such Work Product. Without limiting the generality of the foregoing, the Participant agrees to assist the Company, at the Company's expense, to secure the Company's and its Affiliates' rights in the Work Product in any and all countries, including the execution by the Participant of all applications and all other instruments and documents which the Company and/or its Affiliates shall deem necessary in order to apply for and obtain rights in such Work Product and in order to assign and convey to the Company and/or its Affiliates the sole and exclusive right, title and interest in and to such Work Product. If the Company is unable because of the Participant's mental or physical incapacity or for any other reason (including the Participant's refusal to do so after request therefor is made by the Company) to secure the Participant's signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering Work Product belonging to or assigned to the Company and/or its Affiliates pursuant to paragraph (a)(i) above, then the Participant by this Agreement irrevocably designates and appoints the Company and its duly authorized officers and agents as the Participant's agent and attorney-in-fact to act for and in the Participant's behalf and stead to execute and file any such applications and to do all other lawfully

permitted acts to further the prosecution and issuance of patents or copyright registrations thereon with the same legal force and effect as if executed by the Participant. The Participant agrees not to apply for or pursue any application for any United States or foreign patents or copyright registrations covering any Work Product other than pursuant to this paragraph in circumstances where such patents or copyright registrations are or have been or are required to be assigned to the Company or any of its Affiliates.

(iii) The Participant acknowledges that the businesses of the Company and its Affiliates are highly competitive and that their strategies, methods, books, records, and documents, their technical information concerning their products, equipment, services, and processes, procurement procedures and pricing techniques, the names of and other information (such as credit and financial data) concerning their former, present or prospective customers and business affiliates, all comprise confidential business information and trade secrets which are valuable, special, and unique assets which the Company and/or its Affiliates use in their business to obtain a competitive advantage over their competitors. The Participant further acknowledges that protection of such confidential business information and trade secrets against unauthorized disclosure and use is of critical importance to the Company and its Affiliates in maintaining their competitive position. The Participant acknowledges that by reason of the Participant's duties to, and association with, the Company and its Affiliates, the Participant has had and will have access to, and has and will become informed of, confidential business information which is a competitive asset of the Company and its Affiliates. The Participant hereby agrees that the Participant will not, at any time during or after his or her employment by the Company, make any unauthorized disclosure of any confidential business information or trade secrets of the Company or its Affiliates, or make any use thereof, except in the carrying out of his or her employment responsibilities hereunder. The Participant shall take all necessary and appropriate steps to safeguard confidential business information and protect it against disclosure, misappropriation, misuse, loss and theft. Confidential business information shall not include information in the public domain (but only if the same becomes part of the public domain through a means other than a disclosure prohibited hereunder). The above notwithstanding, a disclosure shall not be unauthorized if (A) it is required by law or by a court of competent jurisdiction or (B) it is in connection with any judicial, arbitration, dispute resolution or other legal proceeding in which the Participant's legal rights and obligations as an employee under this Agreement are at issue; provided, however, that the Participant shall, to the extent practicable and lawful in any such events, give prior notice to the Company of his or her intent to disclose any such confidential business information in such context so as to allow the Company or its Affiliates an opportunity (which the Participant will not oppose) to obtain such protective orders or similar relief with respect thereto as may be deemed

appropriate. Any information not specifically related to the Company and its Affiliates would not be considered confidential to the Company and its Affiliates.

(iv) The Participant shall promptly deliver to the Company all written materials, records, and other documents made by, or coming into the possession of, the Participant during the period of the Participant's employment by the Company which contain or disclose confidential business information or trade secrets of the Company or its Affiliates, or which relate to the Participant's Work Product described in paragraph (a)(i) above, which shall be and remain the property of the Company, or its Affiliates, as the case may be. Upon termination of the Participant's employment for any reason, the Participant shall promptly deliver the same, and all copies thereof, to the Company.

(v) The U.S. Defend Trade Secrets Act of 2016 ("DTSA") provides that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, the DTSA provides that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

(b) Covenant Not To Compete.

(i) In the event the Participant breaches his or her obligations to the Company as provided herein, the Company shall have no obligations to the Participant with respect to the Restricted Shares, and this Agreement and the Restricted Shares subject thereto shall be null and void.

(ii) In consideration for the Company's grant of the Restricted Shares to the Participant, the Participant agrees that, during the Participant's employment with the Company or a Subsidiary and for a period of one year following the date of termination of the Participant's employment with the Company and its Subsidiaries (the "Non-Compete Period"), he or she will not, in association with or as an officer, principal, manager, member, advisor, agent, partner, director, material stockholder, employee or consultant of any corporation (or sub-unit, in the case of a diversified business) or other enterprise, entity or association, work on the acquisition or development of, or engage in any line of business, property or project which is, directly or indirectly, competitive with any business that the

Company or any of its Affiliates engages in or is planning to engage in during the term of the Participant's employment with the Company or any Affiliate of the Company, as evidenced by the books and records of the Company or its Affiliates, including but not limited to, owning and operating renewable natural gas and electric operations and facilities (the "Business"). Such restriction shall cover the Participant's activities anywhere in the contiguous United States or within a 100-mile radius of any and all Company location(s) in, to, or for which the Participant worked, or to which the Participant was assigned or had any responsibility (either direct or supervisory) as of the date of termination of the Participant's employment and at any time during the two (2) year period prior to such date.

(iii) During the Non-Compete Period, the Participant will not solicit or induce any person who is or was employed by any of the Company or its Affiliates at any time during such term or period (A) to interfere with the activities or businesses of the Company or any of its Affiliates or (B) to discontinue his or her employment with the Company or any of its Affiliates.

(iv) During the Non-Compete Period, the Participant will not, directly or indirectly, influence or attempt to influence any customers, distributors or suppliers of the Company or any of its Affiliates to divert their business to any competitor of the Company or any of its Affiliates or in any way interfere with the relationship between any such customer, distributor or supplier and the Company and/or any of its Affiliates (including, without limitation, making any negative statements or communications about the Company and its Affiliates). During such Non-Compete Period, the Participant will not, directly or indirectly, acquire or attempt to acquire any business in the contiguous United States to which the Company or any of its Affiliates, prior to the Participant's date of termination of employment, has made an acquisition proposal relating to the possible acquisition of such business by the Company or any of its Affiliates, or has planned, discussed or contemplated making such an acquisition proposal (such business, an "Acquisition Target"), or take any action to induce or attempt to induce any Acquisition Target to consummate any acquisition, investment or other similar transaction with any person other than the Company or any of its Affiliates.

(v) The Participant understands that the provisions of this **Section 10(b)** may limit his or her ability to earn a livelihood in a business in which he or she is involved, but as a member of the management group of the Company and its Affiliates he or she nevertheless agrees and hereby acknowledges that: (A) such provisions do not impose a greater restraint than is necessary to protect the goodwill or other business interests of the Company and any its Affiliates; (B) such provisions contain reasonable limitations as to time, scope of activity, and geographical area to be

restrained; and (C) the consideration provided hereunder, including without limitation, the grant of the Restricted Shares, is sufficient to compensate the Participant for the restrictions contained in this **Section 10(b)**. In consideration of the foregoing and in light of the Participant's education, skills and abilities, the Participant agrees that Participant will not assert that, and it should not be considered that, any provisions of this **Section 10(b)** otherwise are void, voidable or unenforceable or should be voided or held unenforceable.

(vi) If, at the time of enforcement of **Sections 10(a)** or **(b)** of this Agreement, a court shall hold that the duration, scope, or area restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be allowed and directed to revise the restrictions contained herein to cover the maximum period, scope and area permitted by law. The Participant acknowledges that he or she has access to the Company's and its Affiliates' confidential business information. The Participant therefore agrees that the remedy at law for any breach by him or her of any of the covenants and agreements set forth in **Sections 10(a)** or **(b)** will be inadequate and that in the event of any such breach, the Company and its Affiliates may, in addition to the other remedies which may be available to them at law, apply to any court of competent jurisdiction to obtain specific performance and/or injunctive relief prohibiting the Participant (together with all those persons associated with him or her) from the breach of such covenants and agreements and to enforce, or prevent any violations of, the provisions of this Agreement. In addition, in the event of a breach or violation by the Participant of this **Section 10(b)**, the Non-Compete Period set forth in this paragraph shall be tolled until such breach or violation has been cured.

(vii) Each of the covenants of **Sections 10(a)** and **(b)** are given by the Participant as part of the consideration for the grant of Restricted Shares to the Participant under this Agreement and as an inducement to the Company to grant such award and accept the obligations thereunder.

(viii) Notwithstanding the foregoing, nothing in this **Section 10(b)** shall apply to residents of California.

(c) Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement prevents the Participant from providing, without prior notice to the Company, information to governmental authorities regarding possible legal violations or otherwise testifying or participating in any investigation or proceeding by any governmental authorities regarding possible legal violations, and for purpose of clarity the Participant is not prohibited from providing information voluntarily to the Securities and Exchange Commission pursuant to Section 21F of the Exchange Act.

11. **Compliance With Law**. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of the Plan and this Agreement, the Company shall not be obligated to issue any shares of Common Stock pursuant to this Agreement if the issuance thereof would result in a violation of any such law.

12. **Compliance With Section 409A of the Code**. To the extent applicable, it is intended that this Agreement and the Plan comply with or be exempt from the provisions of Section 409A of the Code. This Agreement and the Plan shall be administered in a manner consistent with this intent, and any provision that would cause this Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force or effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of the Participant).

13. **Interpretation**. Any reference in this Agreement to Section 409A of the Code will also include any proposed, temporary or final regulations, or any other guidance, promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service.

14. **No Right to Future Awards or Employment**. The grant of the Restricted Shares under this Agreement to the Participant is a voluntary, discretionary award being made on a one-time basis and it does not constitute a commitment to make any future awards. The grant of the Restricted Shares and any payments made hereunder will not be considered salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by law. Nothing contained in this Agreement shall confer upon the Participant any right to be employed or remain employed by the Company or any of its Subsidiaries, nor limit or affect in any manner the right of the Company or any of its Subsidiaries to terminate the employment or adjust the compensation of the Participant.

15. **Relation to Other Benefits**. Any economic or other benefit to the Participant under this Agreement or the Plan shall not be taken into account in determining any benefits to which the Participant may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or any of its Subsidiaries and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or any of its Subsidiaries.

16. **Amendments**. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that (a) no amendment shall adversely affect the rights of the Participant under this Agreement without the Participant's written consent, and (b) the Participant's consent shall not be required to an amendment that is deemed necessary by the Company to ensure compliance with Section 409A of the Code or Section 10D of the Exchange Act.

17. **Severability**. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so

invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

18. **Relation to Plan**. The Restricted Shares granted under this Agreement and all of the terms and conditions hereof are subject to all of the terms and conditions of the Plan. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. The Committee acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein or in the Plan, have the right to determine any questions which arise in connection with this Agreement. Notwithstanding anything in this Agreement to the contrary, the Participant acknowledges and agrees that this Agreement and the award described herein are subject to the terms and conditions of the Company's clawback policy (if any) as may be in effect from time to time specifically to implement Section 10D of the Exchange Act and any applicable rules or regulations promulgated thereunder (including applicable rules and regulations of any national securities exchange on which the Common Stock may be traded).

19. **Electronic Delivery**. The Company may, in its sole discretion, deliver any documents related to the Restricted Shares and the Participant's participation in the Plan, or future awards that may be granted under the Plan, by electronic means or request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and, if requested, agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

20. **Governing Law.** This Agreement shall be governed by and construed with the internal substantive laws of the State of Delaware, without giving effect to any principle of law that would result in the application of the law of any other jurisdiction.

21. **Successors and Assigns**. Without limiting **Section 3** hereof, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Participant, and the successors and assigns of the Company.

22. **Acknowledgement**. The Participant acknowledges that the Participant (a) has received a copy of the Plan, (b) has had an opportunity to review the terms of this Agreement and the Plan, (c) understands the terms and conditions of this Agreement and the Plan and (d) agrees to such terms and conditions.

23. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the day and year indicated below.

MONTAUK RENEWABLES, INC.

By: _____

Name: _____
Title: _____
Date: _____

Participant Acknowledgment and Acceptance

By: _____

Print Name: _____
Date: _____

Exhibit 10.7

[Date]

PERSONAL AND CONFIDENTIAL

[Name]
[Address]

Dear **[Name]**:

As you are aware, Montauk Renewables, Inc. ("Montauk Renewables"), a company formed at the direction of Montauk Holdings Limited (the "Company"), is in the process of conducting an initial public offering of its stock (the "IPO"). We understand that, in anticipation of the IPO and in consideration for your employment with Montauk Renewables or any of its subsidiaries following the IPO, you agree to forfeit your options set forth on Exhibit A hereto (the "Options") granted under the Company's Employee Share Appreciation Rights Scheme for US Affiliates, dated October 29, 2015 (the "SAR Scheme").

To that end, effective as of **[Date]**, you hereby agree that the Options will be cancelled in their entirety and any rights you previously held with respect thereto will be forfeited. Consequently, you will not be entitled to any continued vesting of or payment for the Options, nor will you be able to exercise vested but unexercised Options, and the Notice(s) of Grant and related Terms and Conditions of Option Award(s) associated with such Options are hereby terminated in their entirety. By acknowledging this letter agreement, you hereby fully, finally, and forever release, discharge and agree not to enforce any claim, cause of action, right, title or interest against the Company, Montauk Renewables, their respective affiliates and subsidiaries, and their respective past and present directors, managers, members and officers and respective successors, assigns, heirs, legal representatives, executors, administrators and affiliates of the foregoing (collectively, the "Releasees") of, from and with respect to any and all claims, demands, covenants, actions, causes of action, judgments, obligations, contracts, agreements, debts and liabilities whatsoever, whether known or unknown, suspected or unsuspected, both at law and in equity, which you and/or your heirs, executors, administrators, legal representatives, successors and assigns now have, have ever had or may have after the date of this letter against the respective Releasees on account of, arising out of or relating in any way to the Options, the SAR Scheme and the Notice(s) of Grant and related Terms and Conditions of Option Award(s) entered into in connection therewith.

Please acknowledge your acceptance of this letter agreement in the space provided below and return an executed copy of this letter to my attention.

Sincerely,

_____

[Name]
[Title]

Acknowledged and Accepted this _____ day of _____, 2021.

_____

[Name]

Exhibit A

Date of Grant	Number of Shares Subject to Options	Exercise Price

Exhibit 10.8

FORM OF INDEMNIFICATION AGREEMENT

[Date]

[Full Name]

Re: Montauk Renewables, Inc.

[Mr./Ms.] [Last Name]

Thank you for serving as a Director and Officer of Montauk Renewables, Inc. (the "Company"). The Company is providing you this letter to summarize certain indemnification protections that pertain to the performance of your responsibilities as a Director and Officer of the Company.

Montauk Holdings USA, LLC and Montauk Holdings Limited maintain directors and officers (D&O) insurance coverage with Zurich and RKH Specialty, respectively, or other carrier(s) as the Company may choose, as the lead carrier. Coverage for your service as a Director and Officer of the Company is included under the terms and conditions of this policy.

In addition to the Company's D&O insurance as described above, you will be indemnified and exculpated in your capacity as a Director and Officer to the extent provided by the governing documents of the Company and local law. In general, the governing documents of the Company indemnify you to the full extent permitted by applicable law. In addition, the governing documents of the Company provide that you shall not be personally liable to the Company or its stockholders for or with respect to any act or omission as a Director to the full extent permitted by applicable law. For the avoidance of doubt, the Company will not indemnify you for conduct for which indemnification is not permitted under applicable law.

Please note that local law may change at any time and we are under no obligation to update this letter to reflect any such change.

Montauk Renewables, Inc.

[Signature]

[Name]
[Title]

Exhibit 10.9

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into to be effective as of September 25, 2019, by and between Montauk Energy Holdings, LLC (the "Company"), and Sean F. McClain ("Employee").

On the terms and conditions hereinafter set forth, the Company desires to employ the Employee, and the Employee desires to be employed by the Company in connection with the operation of the Company's business of owning and operating renewable energy facilities and any related businesses the Board may direct the Company to engage in or acquire (the "Business").

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Company and the Employee agree as follows:

1. Term. The terms of the Agreement shall commence on the date first above written and shall remain in effect until terminated in accordance with the provisions in Paragraph 8 below.

2. Duties. During the Term, the Company shall employ the Employee, and the Employee shall serve as the President and Chief Executive Officer of the Company. The Employee shall have and shall perform the duties commensurate with the position, and shall devote his full business time and attention to the Business; provided the Employee may manage his personal investments and subject to Employee's prior disclosure to the Board of Managers of the Company (the "Board") and approval by the Board, serve on charitable boards and/or for profit boards not engaged in the Business.

3. Salary. During the Term, the Company shall pay to the Employee a base salary of $260,000.00 per annum payable in accordance with the standard payroll practices of the Company. The base salary will be reviewed by the Remuneration Committee of the Board of the Company or the Remuneration Committee of the Board of Montauk Holdings Limited, as applicable, annually for increase on the same basis as the salaries of other executives of the Company and, if increased, shall thereafter be the Employee's base salary as reflected in the meeting minutes approving such increase.

4. Incentive Compensation.

(a) The Employee is currently and shall be entitled to continue to participate in the Company's existing annual bonus plan, subject to the terms and conditions of such plan. The Employee's base target bonus is 50% of Employee's annual base salary. The final bonus will be based on a combination of individual and Company performance related goals and as may be approved on an annual basis by the Remuneration Committee of the Board of the Company or the Remuneration Committee of the Board of Montauk Holdings Limited, as applicable.

(b) Subject to the achievement of certain individual and Company goals, the Employee shall be entitled to receive additional incentive compensation on a discretionary basis

as approved annually by the Company or the Board for the successful completion of approved acquisitions, development projects or other criteria established by the Remuneration Committee of the Board of the Company or the Remuneration Committee of the Board of Montauk Holdings Limited, as applicable.

(c) The Employee is also eligible to participate or continue to participate in, as the case may be, any other incentive compensation, equity ownership or similar type plan established by the Company, the Company's current parent company Montauk Holdings Limited, or the Company's then parent company or by the Board after the commencement of this Agreement.

(d) Malus and claw-back. If the Remuneration Committee considers that there is a significant downward restatement of the financial results of the Company or reasonable evidence of gross misconduct or gross negligence by the Employee; the Remuneration Committee may, in its discretion, at any time prior to the Employee's incentive compensation being paid, decide that some or all of the Employee's incentive compensation (which is subject to this malus and claw-back provision) will be reduced.

5. Benefits. During the Term, Employee shall be entitled, to the extent the Employee is otherwise eligible, to participate fully in all benefits provided by the Company for its executive employees generally, including but not limited to any group life, health, and long-term disability insurance and retirement plans maintained from time to time by the Company.

6. Expense Allowance. Employee is authorized to incur, or to cause the Company to incur, reasonable and necessary expenses in connection with the performance of his duties hereunder in accordance with the Company's Expense Reimbursement Policy.

7. Paid Time Off (PTO). The Employee shall be entitled to six (6) weeks of paid time off (PTO). The timing of the Employee's vacation shall be scheduled in a reasonable manner by the Employee so as to ensure no disruption to the Company's business.

8. Termination.

(a) Employee's employment under this Agreement shall terminate upon the first to occur of the following:

(i) The Employee's death.

(ii) The Employee's permanent disability. The term "permanent disability" shall mean physical or mental incapacity of a nature which has prevented or will prevent the Employee, in the sole judgment of the Board taking into consideration any medical reports provided by Employee or treating physicians, from performing on a full-time basis each of the material duties of the Employee for a period of fifteen (15) consecutive weeks or an aggregate of thirty (30) weeks within any period of twelve (12) consecutive months.

(iii) The Employee's employment being terminated by the Company for cause. Termination "for cause" shall mean termination because of the Employee's commission of a willful or grossly negligent act which causes material harm to the Company including embezzlement, dishonesty, fraud, conviction of a felony or other criminal charge involving moral turpitude, illegal drug addiction or improper communication of material confidential information in violation of Paragraph 13 or 14 of this Agreement. Termination for cause shall occur upon delivery to the Employee of a written notice of such action by the Company, which written notice shall specify the ground for such termination.

(iv) The Company (acting through the Board) may terminate the Employee's employment at any time (the date of such termination being the "Termination Date") by a majority vote (excluding the Employee being voted on if the Employee is a member of the Board) of the Board for whatever reason it deems appropriate or without reason (a "Board Termination"); provided, however, that such termination (A) is not pursuant to Paragraphs 8(a)(i) (death), (ii) (permanent disability), or (iii) (for cause).

(v) Employee may terminate his employment for Good Reason. "Good Reason" shall mean:

(1) Any material breach of this Agreement by the Company of which the Company has been provided written notice by the Employee and has failed to cure within 90 days after receipt of such notice;

(2) The material reduction in the aggregate compensation to which Employee is otherwise entitled under the terms of Paragraphs 3, 4 or 5 above;

(3) A relocation of Employee's office by more than 35 miles from its current location;

(4) The Employee is no longer serving as the President and Chief Executive Officer of the Company or its U.S. parent company; or

(5) A material reduction in the Employee's duties, responsibilities or authority, other than as a result of the hiring of additional management personnel who report directly or indirectly to the Employee.

(vi) Employee may resign his employment without Good Reason at any time upon ninety (90) days written notice to the Board.

(b) Upon termination of the employment of the Employee with the Company hereunder (for whatsoever reason), the Employee shall be deemed automatically without further act to have resigned all of his positions as an officer, manager and director of the Company or any affiliate, parent or subsidiary of the Company and as a trustee of any benefit plan of the Company or any affiliate, parent or subsidiary of the Company.

9. Compensation Payable to Employee on Termination. The rights of the Employee to compensation upon termination of employment are:

(a) In the case of voluntary resignation of the Employee other than for Good Reason or termination for Cause, the Company shall promptly pay to the Employee any salary accrued on the date employment terminates, any accrued and unused vacation and any other amounts as provided for under any benefits, equity plan, program or policy of the Company.

(b) In the case of the death of the Employee, the Company shall pay to the Employee, Employee's beneficiary or beneficiaries designated in writing to the Company, or to the Employee's estate in the absence or lapse of such designation: (i) the salary, as in effect at the date of the Employee's death, through the last day of the month in which death occurred, any accrued but unused vacation and any other amounts as provided for under any benefits, equity plan, program or policy of the Company and any accrued but unpaid bonus for any completed fiscal year of the Company and (ii) the Pro Rata Incentive as defined below.

(c) In the case of the permanent disability of the Employee, the Company shall pay to the Employee: (i) the salary for six (6) additional months after the permanent disability is determined per Section 8(a)(ii) when the same would otherwise have been paid, any accrued but unused vacation and any other amounts as provided for under any benefits, equity plan, program or policy of the Company and any accrued but unpaid bonus for any completed fiscal year of the Company and (ii) the Pro Rata Incentive as defined below.

(d) In the case of a Board Termination pursuant to Paragraph 8(a)(iv) or in the event of Employee's resignation for Good Reason, the Company shall continue to pay to or for the benefit of the Employee the sum of (i) the base salary provided for in Paragraph 3 (at the annual rate then in effect), (ii) the COBRA premiums for Employee and his family during the Severance Period ((i) and (ii) above collectively the "Severance Pay") through the Termination Date and for a period of twelve (12) months following the Termination Date (the "Severance Period"). In addition, as of the Termination Date the Company shall pay the to the Employee (i) any accrued but unused vacation and any other amounts as provided for under any benefits, equity plan, program or policy of the Company and any accrued but unpaid bonus for any completed fiscal year of the Company and (ii) the Pro Rata Incentive as defined below.

The Pro-Rata Incentive is defined as the product of (1) a percentage calculated by dividing the number of months the Employee was employed under this Agreement, including the full month in which the termination of this Agreement occurred, by the total number of months in the Company's current fiscal year. This percentage would be applied to the incentive compensation payment that would have been due per Paragraph 4 of this Agreement to the Employee had the Employee been employed for the full fiscal year and shall be computed and payable within ninety (90) days after the end of the Company's fiscal year.

The Employee shall be entitled to receive the Severance Pay only if he (i) executes and delivers a release in form and substance reasonably satisfactory to the Company, provided that any release shall except out any amounts owing by the Company to Employee pursuant to this Agreement, rights of indemnification and directors and officers liability insurance (if then in effect) and shall have no post-employment activity limitations beyond those

stated in this Agreement, (ii) provides, if requested by the Company from time to time but with due regard for the Employee's other duties and responsibilities, information to the Company with regard to matters in which the Employee has knowledge as a result of the Employee's employment with the Company and reasonable assistance to the Company in defense of any claims that may be made against the Company or in the prosecution of any claims that may be made by the Company, to the extent that such claims may relate to the period of the Employee's employment with the Company and (iii) does not violate Paragraph 12 during the Board Termination Non-Compete Period. In the event of such termination, the rights and benefits of the Employee under the benefit plans, programs and policies of the Company shall be determined in accordance with the provisions of such plans, programs and policies, and neither the Employee nor the Company shall have any further rights or obligations under this Agreement, except that the Employee's obligations pursuant to Paragraphs 11, 12, 13, 14, 15 and 16 shall continue.

In no event shall the Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Employee under any of the provisions of this Agreement, nor shall the amount of any payment hereunder be reduced by any compensation earned by the Employee as a result of employment by another employer.

10. Duties of Employee on Termination. Upon the termination of this Agreement, the Employee shall immediately return any and all property of the Company in the possession of the Employee, including, without limitation, all documents, contracts, financial information, customer information, proprietary product information, records, equipment, computers, vehicles, etc.

11. Covenant Not to Compete. The Employee covenants and agrees that the Employee will not, at any time during the Term and for a period of up to twelve (12) months following termination of employment, compete with the Business or any of its subsidiaries or parent companies (collectively, the "Protected Entities") by engaging, directly or indirectly, in the Covered Business (as defined below) within the Covered Area (as defined below), without the written consent of the Company.

For purposes of this Agreement:

(i) The term "Covered Business" means the Business;

(ii) the phrase "engaging, directly or indirectly" means engaging or having an interest in, directly or indirectly, as owner, partner, participant of a joint venture, trustee, proprietor, shareholder, member, manager, director, officer, employee, independent contractor, capital investor, consultant, advisor or similar capacity, or by lending his name or reputation to be used in connection with, or otherwise participating in or making available his skill, knowledge or experience to be used in connection with, the operation, management or control of a division, group, or other portion of a business or enterprise engaged in any aspect of the Covered Business; provided, however, the foregoing shall not be violated by Employee being involved in the non-competing operations or activities of any Covered Business or by Employee owning less than one percent (1%) of the equity securities of a publicly traded company, and

(iii) the phrase "within the Covered Area" is defined to include those various States within, and territories of, the United States and in each of the countries where the Protected Entities perform Covered Services on the date hereof, and such additional States, territories and countries where the Protected Entities are performing the Covered Services as of the date of termination of employment.

Any breach of the provisions of Paragraph 11 of this Agreement shall automatically toll and suspend the period of restraint for the amount of time that the breach continues.

12. Non-Solicitation. During the Non-Compete Period as defined above in Paragraph 11, Employee agrees not to (i) induce or attempt to induce any person or entity that is a customer (or affiliate thereof) or supplier (or affiliate thereof) of the Protected Entities ("Customers or Suppliers") to refrain from or cease doing business with the Protected Entities, or (ii) interfere with, disrupt or attempt to disrupt the relationship, contractual or otherwise, between the Protected Entities and any Customers or Suppliers.

During the Non-Compete Period as defined above in Paragraph 11, Employee agrees not to (i) induce, encourage or otherwise solicit any employee (other than (A) any employee who is terminated by the Protected Entities or who voluntarily leaves the employment of, or terminates the relationship with, Protected Entities other than due to being indirectly or directly induced or solicited to leave by Employee or (B) any employee who voluntarily leaves the employment of, or terminates the relationship with, the Protected Entities in response to a general solicitation for employment distributed through a public medium or general mailing or distribution) of the Protected Entities to terminate his, her or its employment relationship or contract with the Protected Entities or to accept any other employment or position, or (ii) assist any other entity in hiring any such employee.

13. Trade Secrets. Except with the express written consent of the Company, the Employee will not, either during the Term or anytime thereafter, directly or indirectly, use or disclose for the benefit of the Employee or any other person, firm or entity, any of the trade secrets of the Protected Entities, whether or not said information was acquired, learned, obtained or developed by the Protected Entities alone or in conjunction with others. For purposes of this Agreement, trade secrets shall mean that which is known only to the Protected Entities and those employees or other agents to whom it has been confided, and is by law the property of the Protected Entities, and shall include all information relating to design and manufacturing procedures, techniques, programs, processes, methods, and marketing studies. It is the intent hereof that the Employee shall not divulge or use any such information which is unpublished or not otherwise readily available to the public or which is not general information in the business of the Protected Entities; provided, however, that nothing contained in this Paragraph 13 shall restrict the Employee from complying with any written order of any court or other governmental entity with jurisdiction over the Company and/or the Employee.

14. Business Information; Intellectual Property. Except with the Protected Entities' express written consent or in compliance with any written order of any court or other governmental entity with jurisdiction over the Company and/or the Employee, the Employee agrees that he will not, either during the Term or for a period of five (5) years thereafter, directly or indirectly, use or disclose for the benefit of the Employee or the benefit of any other person,

firm or entity, any of the Protected Entities' confidential or proprietary business information, whether or not said information was acquired, learned, obtained or developed by the Protected Entities alone or in conjunction with others. For purposes of this Agreement, confidential or proprietary business information shall include, without limitation, any and all information relative to the Protected Entities' customers, suppliers, strategies, personnel practices, sales, costs and prices. It is the intent hereof that the Employee shall not divulge or use any such information which is unpublished or not readily available to the general public.

The Employee also makes the same pledge with regard to any confidential or proprietary business information of the Protected Entities' past or present customers, contractors or suppliers. The parties agree that as used herein, "confidential or proprietary business information" shall not include the following:

(i) Information which at the time of disclosure and through no fault of Employee is in the public domain as evidenced by printed publications;

(ii) Information which, after disclosure permitted under this agreement, becomes part of the public domain by publication or otherwise through no fault of Employee;

(iii) Information which was in Employee's possession at the time of disclosure and was not acquired, directly or indirectly, from the Company; and

(iv) Information which corresponds in substance to that furnished to Employee by others as a matter of right without restriction on disclosure.

Employee agrees that he will promptly inform and disclose to the Company all inventions and other intellectual property created or developed during the course of his employment with the Company that relate to the business of the Company ("Work Related Intellectual Property"). Employee agrees that all Work Related Intellectual Property shall be the exclusive property of the Company unless otherwise agreed by both parties in writing. During his employment and as necessary thereafter, Employee shall assist the Company to obtain, perfect and maintain all intellectual property rights covering such Work Related Intellectual Property that the Company seeks to protect, and shall execute all documents and do all things necessary to obtain for Company all such Work Related Intellectual Property rights that would be necessary to secure for the complete benefit of the Company. Employee hereby assigns to Company or its designee all right, title, and interest to all Work Related Intellectual Property and Work Related Intellectual Property rights covered by the foregoing relating to the business of the Company that Employee may now own or may own at any time during his employment with the Company. Employee acknowledges that all Work Related Intellectual Property that is copyrightable subject matter and which qualifies as "work made for hire" shall be automatically owned by the Company. Further, Employee hereby assigns to the Company any and all rights which Employee has or may have in Work Related Intellectual Property which is copyrightable subject matter and which, for any reason, does not qualify as "work made for hire."

15. Damages and Specific Performance. The Employee expressly recognizes that any breach of the provisions of this Agreement is likely to result in irreparable injury to the Protected Entities and that money damages may not adequately compensate the Protected

Entities for such breach. Therefore, the Employee agrees that the Protected Entities shall be entitled, if it so elects, to institute and prosecute proceedings in any court of competent jurisdiction not only to obtain damages for any breach of this Agreement, but also to enforce the specific performance of this Agreement by the Employee and to enjoin Employee from activities in violation of this Agreement

16. Attorney Fees and Other Costs. If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any provision of this Agreement, the prevailing party shall be entitled to recover reasonable attorney fees as well as court costs and all expenses not taxable as court costs. This remedy shall include, without limitation, all such fees, costs and expenses incident to appeals.

17. No Waiver of Breach. The failure of a party to require the performance of a provision of this Agreement shall not constitute a waiver of a subsequent breach or nullify the effect of such provision.

18. Governing Law. This Agreement shall be construed in accordance with the laws of the Commonwealth of Pennsylvania.

19. Notices. Any notice required or permitted herein shall be in writing and shall be mailed, postage prepaid, or sent by overnight courier, properly addressed to the other party at the address set forth below, subject to change by written notice of either party to the other:

Company:
Montauk Energy Holdings, LLC
680 Andersen Drive, Foster Plaza 10
Pittsburgh, PA 15220
Attention: General Counsel

Employee:
Sean F. McClain
9100 Timberglen Drive
Imperial, PA 15126

Any notice shall be considered given three days following the date when deposited in the U.S. Mail or one day following the date delivered to an overnight courier.

20. Survival of Obligations. All covenants, agreements, representations and warranties made herein or otherwise made in writing by either party to this Agreement shall survive the execution and delivery of this Agreement and the performance of the services contemplated hereby.

21. Severability. If any one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to time, duration, geographical scope, activity or subject, it shall be construed, by limiting and reducing it, so as to be enforceable to the extent compatible with the applicable law as it shall then appear. If, moreover, any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or

unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained therein.

22. Entire and Binding Agreement. This Agreement constitutes the full and complete understanding and agreement of the parties with respect to the employment of the Employee by the Company and supersedes all prior understandings and agreements regarding the Employee's employment. This Agreement may be modified only by a written instrument executed by both parties.

23. Payments to the Employee. Any payments to the Employee, his estate or designated beneficiary pursuant to the terms of this Agreement shall be reduced by such amounts as are required to be withheld under all present and future federal, state, and local tax and other laws and regulations.

24. Representative Capacity. Each individual executing this Agreement in a representative capacity, represents and warrants that he has the authority of his principal to bind said principal to this Agreement.

25. Indemnification and Insurance; Legal Expenses. During the Term and for so long thereafter as liability exists with regard to the Employee's activities during the Term on behalf of the Company, its affiliates, or as a fiduciary of any benefit plan of any of them, the Company shall indemnify the Employee to the fullest extent permitted by applicable law (other than in connection with the Employee's gross negligence or willful misconduct), and shall advance to the Employee reasonable attorneys' fees and expenses as such fees and expenses are incurred (subject to an undertaking from the Employee to repay such advances if it shall be finally determined by a judicial decision which is not subject to further appeal that the Employee was not entitled to the reimbursement of such fees and expenses). During the Term and thereafter while liability exists, the Employee shall be entitled to the protection of any insurance policies the Company shall elect to maintain generally for the benefit of its directors and officers ("Directors and Officers Insurance") against all costs, charges and expenses incurred or sustained by the Employee in connection with any action, suit or proceeding to which the Employee may be made a party by reason of the Employee being or having been a director, officer or employee of the Company or any of its affiliates or his serving or having served any other enterprise or benefit plan as a director, officer, fiduciary or employee at the request of the Company (other than any dispute, claim or controversy arising under or relating to this Agreement), provided that the Employee shall, in all cases, be entitled to Directors and Officers Insurance coverage no less favorable than that (if any) provided to any other present or former director, manager or officer of the Company.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first above written.

MONTAUK ENERGY HOLDINGS, LLC

By: /s/ John Copelyn
Name: John Copelyn
Title: Chairman

EMPLOYEE:

/s/ Sean F. McClain
Sean F. McClain

Exhibit 10.10

November 6, 2019

Kevin Van Asdalan

Re: Summary of Employment Terms

Dear Kevin,

This letter is intended to memorialize the understanding of the changes to your employment arrangement with Montauk Energy Holdings, LLC (the "Company") from Controller to your new position as Chief Financial Officer. All other terms of your employment will remain unchanged.

To that end, I am very pleased to offer you the position of Chief Financial Officer based on the key terms as outlined below.

Position: Chief Financial Officer

Key Responsibilities: Reporting to the President & CEO, Sean McClain, with the key responsibilities outlined on the attachment.

Employment Start Date: Promotion Effective September 25, 2019

Primary Job Location: Pittsburgh Corporate Office

Base Salary: $190,000 annually. You will be paid bi-weekly on alternating Fridays via direct deposit.

Bonus Target: 30% of Base Salary in accordance with the Company incentive plan.

This offer letter does not confer any contractual right, either express or implied, to remain in the Company's employ. Your employment is not for any specific time and may be terminated at will, with or without cause and without prior notice, by the Company or you may resign for any reason at any time.

Finally, I am very excited about the prospect of having you continue with our team and look forward to having your innovative ideas and energies assist us with the challenges and opportunities ahead. If you agree with the terms set forth in this offer letter, please indicate your acceptance by signing and returning this letter as soon as possible. If you have any questions, please feel free to contact me at [redacted]. I look forward to your positive response.

Sincerely,

/s/ Shannon R. Lewis
Shannon R. Lewis
Human Resources Manager

Accepted by: /s/ Kevin Van Asdalan
Kevin Van Asdalan

Date: November 6,, 2019

Exhibit 10.11

November 6, 2019

Jim Shaw

Re: Summary of Employment Terms

Dear Jim,

This letter is intended to memorialize the understanding of the changes to your employment arrangement with Montauk Energy Holdings, LLC (the "Company") from North Regional Operations Manager to your new position as Vice President of Operations. All other terms of your employment will remain unchanged.

To that end, I am very pleased to offer you the position of Vice President of Operations based on the key terms as outlined below.

Position: Vice President of Operations

Key Responsibilities: Reporting to the President & CEO, Sean McClain, with the key responsibilities outlined on the attachment.

Employment Start Date: Promotion Effective September 24, 2019

Primary Job Location: Pittsburgh Corporate Office

Base Salary: $190,000 annually. You will be paid bi-weekly on alternating Fridays via direct deposit.

Bonus Target: 30% of Base Salary in accordance with the Company incentive plan.

This offer letter does not confer any contractual right, either express or implied, to remain in the Company's employ. Your employment is not for any specific time and may be terminated at will, with or without cause and without prior notice, by the Company or you may resign for any reason at any time.

Finally, I am very excited about the prospect of having you continue with our team and look forward to having your innovative ideas and energies assist us with the challenges and opportunities ahead. If you agree with the terms set forth in this offer letter, please indicate your acceptance by signing and returning this letter as soon as possible. If you have any questions, please feel free to contact me at [redacted]. I look forward to your positive response.

Sincerely,

/s/ Shannon R. Lewis
Shannon R. Lewis
Human Resources Manager

Accepted by: /s/ Jim Shaw Date: December 10, 2019
Jim Shaw

Exhibit 10.12

CONFIDENTIAL SEVERANCE AGREEMENT AND GENERAL RELEASE OF CLAIMS

THIS CONFIDENTIAL SEVERANCE AGREEMENT AND GENERAL RELEASE OF CLAIMS (this "Release") is between Martin L. Ryan (the "Employee") and Montauk Energy Holdings, LLC, a Delaware limited liability company ("Montauk") with its principal offices located at 680 Andersen Drive, Suite 580, Pittsburgh, PA 15220.

WHEREAS, Employee is party to an Employment Agreement with Montauk dated as of April 1, 2017 ("Employment Agreement") pursuant to which Employee served as President and Chief Executive Officer of Montauk at its corporate headquarters in Pittsburgh, Pennsylvania which provides Employee with certain severance benefits upon termination of employment (the "Severance Benefits");

WHEREAS, the Board of Directors of each of Montauk and Montauk's parent company, Montauk Holdings USA, LLC, have waived the requirement of Section 8(a)(vi) of Employee's Employment Agreement and deemed that Employee provided proper notice of his resignation in accordance with the Employment Agreement;

WHEREAS, Employee's last day worked at Montauk is September 30, 2019 (the "Last Day Worked"), and Employee's employment with Montauk has ended effective September 30, 2019 (the "Separation Date");

WHEREAS, Employee is a participant hi the Montauk Holdings Limited Restricted Stock Plan for U.S. Affiliates effective October 29, 2015 (the "Restricted Stock Plan") pursuant to which Employee was awarded 646,400 shares of restricted stock in Montauk Holdings Limited under the Restricted Share & Severance Award Agreement dated March 31, 2016 (the "Restricted Stock Grant") in exchange for Employee's waiver of rights in connection with the Montauk Energy Capital, LLC 2006 Long-Term Incentive Plan (the "2006 LTIP") and the Montauk Energy Holdings, LLC Long-Term Executive Incentive Plan dated as of April 1, 2012 (the "LTEIP");

WHEREAS, Employee is a participant in the Montauk Holdings Limited Employee Share Appreciation Rights Scheme for U.S. Affiliates dated October 29, 2015 (the "SARs Plan") pursuant to which Employee was awarded rights in the appreciation value in 300,000 shares in Montauk Holdings Limited on December 11, 2015, 125,000 shares on October 26, 2016, and 421,798 shares on June 3, 2019 (collectively, the "SARs Option Grant");

WHEREAS, on March 5, 2019, Employee exercised his option to receive the appreciation value of 100,000 shares in connection with the SARs Option Grant.

NOW, THEREFORE, in consideration of the foregoing, the promises set forth below, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, and intending to be legally bound, Montauk and Employee hereby agrees as follows:

1. Severance Benefits.

(a) If Employee enters into this Release, does not revoke this Release (as described in Section 9 below), and complies with the terms of this Release, Employee will be entitled to the following:

i. Montauk will continue to pay Employee his current base salary for a period of twelve (12) months following the Separation Date (the "Severance Period"). The parties acknowledge that the aggregate gross amount of base salary payable to Employee is $260,000. Base salary payments will be made in accordance with Montauk's customary payroll practices.

ii. Employee and his eligible dependents will be entitled to continue to participate in Montauk's group medical plan for a period of twelve (12) months following the Separation Date, subject to Employee's payment of any applicable premium in the amount required to be paid by active employees participating in similar coverage. Employee has provided proper notice of Employee's desire to participate in Montauk's group medical plan.

iii. As of the Effective Date, Employee's SARs Option Grant will be deemed fully-vested and exercisable with respect to the entire remaining amount of 746,798 share appreciation rights, subject to all applicable terms and conditions of the SARs Plan and the applicable award agreement.

iv. As of the Effective Date, Employee's Restricted Stock Grant will be deemed fully-vested and nonforfeitable with respect to 646,400 shares, subject to all applicable terms and conditions of the Restricted Share Plan and the applicable award agreement.

v. Montauk will pay any incentive compensation due Employee on a pro rata basis for the period of April 1, 2019 through the Separation Date.

vi. Reimbursement of any outstanding expense reports.

vii. Retention of mobile phone and Dell laptop computer.

(b) Montauk will deduct, from the Severance Benefits, withholdings required under applicable federal, state, local and foreign law.

(c) Employee acknowledges and agrees that (i) the Severance Benefits described in Section 1(a) are adequate consideration, and (ii) as of the date that Employee signs this Release, except for accrued base salary, accrued but unused vacation through the Separation Date, and accrued but unpaid bonus for any completed fiscal year, Employee has been paid all wages and received all benefits which Employee has earned or is otherwise entitled to under any plan, policy, arrangement, or payroll practice.

(d) If Employee does not sign and deliver the Release in the time period described in Section 9, or if Employee revokes the Release during the Revocation Period, then Employee will not be entitled to receive the Severance Benefits, and Montauk shall not have any further obligations to Employee under this Release or otherwise, except as required by applicable law.

(e) If Employee breaches Employee's obligations under Section 4 or Section 7 of this Release (all of which are material terms of this Release), Montauk shall immediately notify Employee of such breach and Employee shall be provided a period of seven (7) days to cure such breach. In the event that Employee does not respond or does not cure such breach, then, in addition to any and all other remedies available to it, Montauk may immediately suspend payment of any Severance Benefits that Montauk has not paid as of the time of Montauk's discovery of the breach. Upon a final decision by a court of competent jurisdiction that Employee has breached Employee's obligations under Section 4 or Section 7 of this Release, Montauk may terminate any payments of Severance Benefits and Employee will repay, to Montauk, the amount of any and all Severance Benefits that Employee has received from Montauk, In die event that a court of competent jurisdiction finds that Employee has not breached his obligations under Section 4 or Section 7 of this Release, Montauk shall pay any unpaid Severance Benefits to Employee. To the extent that Montauk suspended any Severance Benefit payments, such suspended amount will be paid in a lump sum, less applicable withholdings, within fourteen (14) days of a finding by such court, and Montauk shall thereafter resume Severance Benefit payments in accordance with Section 1(a).

(f) Employee acknowledges and agrees that (i) except as otherwise set forth in this Release, Employee is not entitled to any other compensation or benefits from Montauk (including without limitation under the Employment Agreement (including the Severance Benefits), any equity based plan or any severance or retirement compensation or benefits under any plan, policy, or arrangement), and, (ii) as of and after the Separation Date, Employee will not be eligible to participate in, accrue service credit or have contributions made on Employee's behalf under any employee benefit plan sponsored by Montauk or its subsidiaries or affiliates (including without limitation any defined benefit pension plan) for any period after the Separation Date.

(g) Employee acknowledges and agrees that, except as otherwise set forth in this Release, Employee is not entitled to any other compensation or benefits from Montauk (including without limitation under the Employment Agreement (including the Severance Benefits), LTEIP, SARs Plan, the 2006 LTIP, any equity based plan or any severance or retirement compensation or benefits under any plan, policy or arrangement including the SARs Option Grant), and, as of and after the Separation Date, Employee shall no longer participate in, accrue service credit or have contributions made on Employee's behalf under any employee benefit plan sponsored by Montauk or its subsidiaries or affiliates (including without limitation any defined benefit pension plan) in respect of periods commencing on and following the Separation Date. Employee acknowledges that he has no vested right to exercise any appreciation rights under the SARs Option Grant and that his rights and interests under the SARs Option Grant shall be forfeited and of no further effect as of the Separation Date.

(h) Employee acknowledges and agrees that he has forfeited any rights with respect to any Class B Units held by Employee pursuant to the Restricted Membership Unit Agreement, dated May 22, 2007, and the Third Amended and Restated Limited Liability Company Agreement of Montauk Energy Capital, LLC dated as of November 23, 2010, and that such Class B Units are deemed cancelled, redeemed by the Company, and . of no further force and effect.

2. Timing of Separation.

Effective as of the Separation Date, (i) Employee's employment with Montauk has terminated, and (ii) Employee shall be deemed to have resigned from any and all titles, positions, and appointments Employee holds with Montauk, whether as an officer, manager, director, employee,

consultant, independent contractor or otherwise, in Montauk and any of its subsidiaries or affiliates. Effective as of the Last Day Worked, Employee shall have no authority to act on behalf of Montauk or any of its subsidiaries or affiliates and shall not hold himself out as having such authority, enter into any agreement or incur any obligations on behalf of Montauk, or otherwise act in an executive or other decision-making capacity with respect to Montauk. Employee agrees to execute such documents as Montauk, in its sole discretion, shall reasonably deem necessary to effect such resignations.

3. Release.

(a) Employee hereby unconditionally and absolutely releases Montauk and its shareholders (including Montauk Holdings USA LLC and Montauk Holdings Limited), subsidiaries, affiliates, successors, assigns and all of their respective directors, managers, officers, partners, members, managers, employees, trustees (in their official and individual capacities), employee benefit plans and their administrators and fiduciaries (in their official and individual capacities), representatives or agents, and each of their affiliates, successors and assigns (each a "Released Party" and collectively the "Released Parties") from any and all rights and claims that arose prior to Employee's signing of this Release. The release and waiver under this Release is intended to have the broadest application. The rights and claims that Employee hereby releases include, but are not limited to any and all claims for violation of Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Age Discrimination in Employment Act ("ADEA"), the Genetic Information Nondiscrimination Act, the Family and Medical Leave Act, the Employee Retirement Income Security Act, the Fair Labor Standards Act, the Fair Credit Reporting Act, the Worker Adjustment and Retraining Notification Act, tire Pennsylvania Wage Payment and Collection Law, the Pennsylvania Minimum Wage Act, the Pennsylvania Human Relations Act, or any other federal, state, or local statute, regulation, or common law theory, all claims for reprisal, whistleblowing or retaliation under federal, state or local law, any and all claims that involve or in any way relate to Employee's employment with Montauk and the separation of Employee's employment with Montauk, and all other losses, liabilities, claims, charges, demands, and causes of actions, claims for attorney's fees, costs, expenses, known or unknown, suspected or unsuspected, arising directly or indirectly out of or in any way connected with Employee's employment with Montauk. The parties declare and represent that they intend this Release to be complete and not be subject to any claim of mistake, and that the Release in this Release constitutes a final, full and complete release.

(b) Notwithstanding anything in Section 3(a) to the contrary, Employee does not waive or release claims with respect to (i) any rights Employee may have, to any payments or benefits under' this Release (including the Severance Benefits), (ii) enforcement of this Release, (iii) any right or claim that Employee is legally prohibited from releasing, (iv) any right or claim to challenge the validity of this Release under the ADEA, (v) any actions or omissions of any Released Party after the date Employee signs this Release, (vi) any accrued vested benefits under Montauk's 401(k) plan, subject to the terms and conditions of such plan and applicable law, and (vii) any rights or claims Employee may have for unemployment compensation or workers' compensation benefits, if applicable (collectively, the "Employee Unreleased Claims").

(c) Employee acknowledges that Employee has not filed any complaint, charge, claim or proceeding (each individually a "Proceeding") against any of the Released Parties before any local, state or federal agency, court or other body. Employee represents that Employee is not aware of any facts or basis on which such a Proceeding could reasonably be instituted. Employee (i) acknowledges and agrees that Employee will not initiate or cause to be initiated on Employee's

behalf any Proceeding and will not participate in any Proceeding, in each case, except as required by law; and (ii) waives any right Employee may have to benefit in any manner from any relief (whether monetary or otherwise) arising out of any Proceeding, including any Proceeding conducted by the Equal Employment Opportunity Commission ("EEOC"). Notwithstanding the above, nothing in Section 3 of this Release is intended to or does prevent Employee from initiating or participating in an investigation or proceeding conducted by the EEOC or comparable state or local agency.

(d) Employee acknowledges that, by signing this Release, except for the Employee Unreleased Claims, the Employee is forever giving up the tight to recover damages or other relief on the claims being released in this Release.

4. Restrictive Covenants; Cooperation.

(a) Employee agrees to provide reasonable cooperation and assistance in connection with any matter that relates to events that occurred during Employee's employment with Montauk about winch Employee may have relevant information (including but not limited to furnishing relevant and truthful information and materials to Montauk or its designee and/or providing truthful testimony). Employee agrees to provide such cooperation and assistance upon reasonable notice by Montauk and without the necessity of Montauk obtaining a subpoena or court order. The Company agrees to pay or reimburse Employee tor reasonable out-of-pocket expenses and costs that he incurs in assisting the Company in its defense or prosecution of claims or charges. The Company shall provide Employee with compensation at the rate of $200.00 per hour for services that Employee provides pursuant to this Section 4(a) of the Agreement.

(b) Employee will not voluntarily assist a party opposing the Released Parties in any present, potential, or future legal or administrative proceedings by or against the Released Parties. Employee will provide information to a party opposing the Released Parties in any present, potential, or future legal or administrative proceedings by or against the Released Parties only pursuant to and to the extent required by subpoena or order of court. Employee will promptly provide written notification to Montauk's General Counsel concerning any subpoena or order of court that Employee receives relating to this Release or to any other matter concerning Montauk's business.

(c) Employee will not, in writing or orally, directly or indirectly disparage, defame or make any untrue, negative or critical statements regarding any of the Released Parties with respect to any of their respective past or present activities, or otherwise publish (whether in writing or orally) untrue, disparaging, negative or critical statements or take any action which a reasonable person would expect, directly or indirectly, to impair the good will, business reputation or good name of any of the Released Parties. Nothing in this Section 4(c) is intended to or does prevent or impair Employee from pleading or testifying, to the extent that Employee reasonably believes his or her pleadings or testimony to be true, in any legal or administrative proceeding if such testimony is compelled by law or other legal process, or from otherwise complying with legal requirements.

(d) The Released Parties will not, in writing or orally, directly or indirectly disparage, defame or make any untrue, negative or critical statements regarding Employee with respect to any of his past or present activities, or otherwise publish (whether in writing or orally) untrue, disparaging, negative or critical statements or take any action which a reasonable person would expect, directly or indirectly, to impair the business reputation or good name of Employee.

5. Severability; Validity; Waiver.

(a) If any provision of tills Release is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Release will remain in full force and effect. Any provision of this Release held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

(b) The waiver by either party of a breach of any provision of this Release shall not operate or be construed as a continuing waiver or as a consent to or waiver of any subsequent breach of the Release.

6. Governing Law; Resolutions of Disputes.

(a) This Release shall be governed by and construed under the laws of the Commonwealth of Pennsylvania without regard to principles of conflicts of law, except as preempted by Federal law.

(b) All claims, action, suits, hearings, investigations or proceedings relating to or arising under or in connection with this Release (collectively, the "Litigation") must be brought only in the federal or state courts located in Pittsburgh, Pennsylvania, which will have exclusive jurisdiction to resolve any Litigation, and Employee irrevocably consents to the jurisdiction of those courts for any Litigation. Employee irrevocably and unconditionally waives, to the fullest extent Employee may legally and effectively do so, any objection that Employee may now or hereafter have to personal jurisdiction or the laying of venue of any Litigation in the courts located in Pittsburgh, Pennsylvania. Employee hereby irrevocably waives, to the fill lest extent permitted by applicable law, the defense of any inconvenient forum to the maintenance of such Litigation in any such court.

(c) **WAIVER OF JURY TRIAL:** THE PARTIES IRREVOCABLY WAIVE ANY AND ALL RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS RELEASE OR ANY TRANSACTIONS CONTEMPLATED IN CONNECTION WITH THE RELEASE. THE PARTIES ACKNOWLEDGE THAT THIS FOREGOING WAIVER OF JURY TRIAL IS KNOWING AND VOLUNTARY.

7. Confidentiality; Return of Property.

(a) Employee agrees not to disclose or discuss, directly or indirectly, this Release or the terms of this Release with anyone other than Employee's spouse, attorney or financial advisors unless compelled by law or other legal process to do so. Moreover, if the provisions and this Release are to be disclosed by Employee to any such persons, Employee must first inform the person that the Release is confidential and is not to be further disclosed.

(b) For purposes of this Release, "Confidential Information" shall mean all information disclosed to Employee or known by Employee as a consequence of or through Employee's employment, that is not generally known in the industry in which Montauk and/or any Released Party is or may become engaged and about Montauk's or any such Released Party's business, customers, products, processes, and services, including, but not limited to, proprietary information and trade secrets of Montauk and tire Released Parties, and information relating to, engineering, customer lists, customer requirements, business methods or practices, training and

training programs, and the documentation thereof, and proprietary information and trade secrets of Montauk and the Released Parties.

(c) Employee acknowledges that all Confidential Information is, and shall at all times remain, the property of Montauk and the Released Parties. Except as may be required by law or legal process, Employee will not directly or indirectly use, divulge, disseminate or disclose any Confidential Information without having first obtained written permission from the Chief Executive Officer or General Counsel of Montauk.

(d) Employee represents and affirms that Employee has returned all Montauk property in Employee's possession or under Employee's control, including, but not limited to, keys, files, records, documents (and any copies thereof), Confidential Information, and any and all other materials and equipment in Employee's possession or under Employee's control; provided, however, that the parties have agreed to allow Employee to retain his smart phone and laptop computer (which has been purged of any Company Confidential Information). Employee agrees not to retain, in hard copy form or on any personal computer, any information, files, records, or documents relating to the business of Montauk, including but not limited to Confidential Information, and further agrees that Employee has left at and for the use of Montauk, fully intact and not compromised in any way, all electronic files, records, and documents in existence at Montauk as of the Separation Date or stored on any of its computers, servers, or other equipment, including those which Employee developed or helped develop during Employee's employment with Montauk.

8. Entire Understanding; Headings.

(a) This Release is not intended to supersede and does not supersede any confidentiality agreement between Employee and Montauk, including but not limited to the Confidentiality Agreement that Employee entered into in connection with Employee's employment with Montauk. This Release otherwise represents the entire agreement between Employee and Montauk regarding the subject matter of tills Release, and the Released Parties have made no written or oral representations or promises to, or agreements with, Employee other than the promises and agreements made by Montauk in this Release. This Release may not be modified or amended, nor may any rights under it be waived, except in a writing signed and agreed to by Montauk and Employee specifically referencing the provision being changed or modified.

(b) The Section headings contained in this Release are included solely for convenience of reference and do not in any way affect the meaning or interpretation of any of the provisions of this Release.

9. Revocation; Employee Acknowledgements.

(a) Employee understands and acknowledges that he has up to twenty-one (21) days in which to review, consider, and sign this Release (the "Review Period"). Employee is not required to but may voluntarily sign this Release prior to the expiration of the Review Period; provided, however, that Employee is not permitted to sign tins Release prior to the Separation Date. **If Employee wishes to enter into this Release, Employee must sign the Release and return the Release to James W. Wallace, General Counsel, Montauk Energy Holdings, LLC, 680 Andersen Drive, Suite 580, Pittsburgh, Pennsylvania 15220**. If Employee fails to sign and return the Release to Mr. Wallace on or before **October 21, 2019**, the offer of the Severance Benefits shall be null and void.

(b) Employee shall have seven (7) calendar days after signing this Release to revoke it (the "Revocation Period"). If Employee does not revoke the Release during the Revocation Period, this Release shall become effective and enforceable upon the expiration of the Revocation Period without a revocation by Employee (the "Effective Date"). If Employee wishes to revoke the signed Release, such revocation shall be delivered prior to the expiration of the Revocation Period in writing to Montauk to the attention of the General Counsel at Montauk Energy Holdings, LLC, 680 Andersen Drive, Suite 580, Pittsburgh, Pennsylvania 15220.

(c) Prior to signing this Release, Employee is advised by Montauk to consult with an attorney prior to signing the Release. Employee acknowledges that Employee has entered into this Release knowingly and voluntarily and with full knowledge and understanding of the provisions of this Release after being given the opportunity to consult with counsel and has not been forced or pressured in any manner whatsoever to sign this Release.

(d) Employee represents that in entering into this Release, Employee is not relying on any statements or representations made by any of the Released Parties, including Montauk's directors, officers, employees or agents, which are not expressly set forth in this Release, and that Employee is relying only upon Employee's own judgment and any advice provided by Employee's attorney.

(e) Employee further acknowledges that the Severance Benefits offered in this Release are payments and benefits to which Employee would not otherwise be entitled if Employee did not enter into this Release.

(f) It is expressly understood and agreed that by entering into this Release, Montauk does not admit in any way that it has treated Employee unlawfully or wrongfully. To the contrary, Montauk believes that, in its employment of and termination of the employment of Employee, it has acted lawfully and fairly, and Montauk expressly denies that it has violated any of Employee's rights or harmed Employee in any way.

[*Signature page follows*]

IN WITNESS WHEREOF, and intending to be legally bound, the parties have executed and delivered this Confidential Severance Agreement and Release of Claims on the dates written below.

October 8, 2019
Date

/s/ Martin L. Ryan
Martin L. Ryan

MONTAUK ENERGY HOLDINGS, LLC

October 8, 2019
Date

By: /s/ James W. Wallace
James R. Wallace
Name
Vice President
Title

Exhibit 10.13

MONTAUK ENERGY HOLDINGS, LLC

SECOND AMENDED AND RESTATED REVOLVING CREDIT AND TERM LOAN AGREEMENT

DATED AS OF DECEMBER 12, 2018

COMERICA BANK
AS ADMINISTRATIVE AGENT, SOLE LEAD ARRANGER AND SOLE BOOKRUNNER, M&T BANK AS SYNDICATION AGENT AND CHEMICAL BANK AS DOCUMENTATION AGENT

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SECOND AMENDED AND RESTATED REVOLVING CREDIT AND TERM LOAN AGREEMENT

This Second Amended and Restated Revolving Credit and Term Loan Agreement ("Agreement") is made as of the 12th day of December, 2018, by and among the financial institutions from time to time signatory hereto (individually a "Lender," and any and all such financial institutions collectively the "Lenders"), Comerica Bank, as the Administrative Agent for the Lenders (in such capacity, the "Agent"), Sole Lead Arranger and Sole Bookrunner, and Montauk Energy Holdings, LLC ("Borrower").

RECITALS

A. The Borrower, Agent and lenders entered into that certain Amended and Restated Credit Agreement dated as of August 4, 2017 (as subsequently amended from time to time, the "Prior Credit Agreement").

B. The Borrower now desires to amend and replace the Prior Credit Agreement with an amended and restated credit agreement evidenced by this Agreement.

C. The Borrower has requested that the Lenders extend to it credit and letters of credit on the terms and conditions set forth herein.

D. The Lenders are prepared to extend such credit as aforesaid, but only on the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the covenants contained herein, the Borrower, the Lenders, and the Agent agree as follows:

1. DEFINITIONS.

1.1 Certain Defined Terms. For the purposes of this Agreement the following terms will have the following meanings:

"Account(s)" shall mean any account or account receivable as defined under the UCC, including without limitation, with respect to any Person, any right of such Person to payment for goods sold or leased or for services rendered.

"Account Control Agreement(s)" shall mean those certain account control agreements, or similar agreements that are delivered pursuant to Section 7.14 of this Agreement or otherwise, as the same may be amended, restated or otherwise modified from time to time.

"Account Debtor" shall mean the party who is obligated on or under any Account.

"Advance(s)" shall mean, as the context may indicate, a borrowing requested by the Borrower, and made by the Revolving Credit Lenders under Section 2.1 hereof, the Term Loan Lenders under Section 4.1 hereof, or the Swing Line Lender under Section 2.5 hereof, including without limitation any readvance, refunding or conversion of such borrowing pursuant to Section

2.3, 2.5 or 4.4 hereof, and any advance deemed to have been made in respect of a Letter of Credit under Section 3.6(c) hereof, and shall include, as applicable, a Eurodollar-based Advance, a Base Rate Advance and a Quoted Rate Advance.

"Affected Lender" shall have the meaning set forth in Section 13.12 hereof.

"Affiliate" shall mean, with respect to any Person, any other Person directly or indirectly controlling (including but not limited to all directors and officers of such Person), controlled by, or under direct or indirect common control with such Person. A Person shall be deemed to control another Person for the purposes of this definition if such Person possesses, directly or indirectly, the power (i) to vote 10% or more of the Equity Interests having ordinary voting power for the election of directors or managers of such other Person or (ii) to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise.

"Agent" shall have the meaning set forth in the preamble, and include any successor agents appointed in accordance with Section 12.4 hereof.

"Agent's Correspondent" shall mean for Eurodollar-based Advances, the Agent's Grand Cayman Branch (or for the account of said branch office, at the Agent's main office in Detroit, Michigan, United States).

"Anti-Terrorism Laws" shall mean any laws relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering, corruption or bribery, and any regulation, order, or directive promulgated, issued or enforced pursuant to such laws, all as amended, supplemented or replaced from time to time.

"Applicable Excess Cash Flow Percentage" shall mean with respect to any fiscal year of Borrower, zero percent (0%) if the Total Leverage Ratio as of the last day of such fiscal year is less than or equal to 2.0 to 1.0, and shall mean fifty percent (50%) at all other times.

"Applicable Fee Percentage" shall mean, as of any date of determination thereof, the applicable percentage used to calculate certain of the fees due and payable hereunder, determined by reference to the Pricing Matrix attached to this Agreement as Annex I.

"Applicable Interest Rate" shall mean, (i) with respect to each Revolving Credit Advance and Term Loan Advance, the Eurodollar-based Rate or the Base Rate, and (ii) with respect to each Swing Line Advance, the Base Rate or, if made available to the Borrower by the Swing Line Lender at its option, the Quoted Rate, in each case as selected by the Borrower from time to time subject to the terms and conditions of this Agreement.

"Applicable Margin" shall mean, as of any date of determination thereof, the applicable interest rate margin, determined by reference the Pricing Matrix attached to this Agreement as Annex I.

"Applicable Measuring Period" shall mean for any date of determination occurring (a) before December 31, 2019, the period commencing on January 1, 2019 and ending on such date

of determination, and (b) on or after December 31, 2019, the period of four consecutive fiscal quarters ending on the applicable date of determination.

"Argus" means Argus Media Limited, the independent organization which provides data on prices and fundamentals, news, analysis, consultancy services and conferences for the global crude, oil products, natural gas, electricity, coal, emissions, bioenergy, fertilizer, petrochemical, metals and transportation industries.

"Argus D3 RIN Price" means the arithmetic average of the midpoint of the high and low daily prices, as published and assessed by Argus in the Argus US Products daily report under the heading "RINs Cellulosic biofuels" for the applicable vintage year (or successor heading or publication).

"Asset Sale" shall mean the sale, transfer or other disposition by any Credit Party of any asset (other than the sale or transfer of less than one hundred percent (100%) of the stock or other ownership interests of any Subsidiary) to any Person (other than to the Borrower or a Guarantor).

"Assignment Agreement" shall mean an Assignment Agreement substantially in the form of Exhibit H hereto.

"Assignments" shall mean the collective reference to any Assignments as Collateral Security by Borrower and certain of its Subsidiaries in favor of Bank in the form attached to this Agreement as Exhibit "G".

"Authorized Signer" shall mean each person who has been authorized by the Borrower to execute and deliver any requests for Advances hereunder pursuant to a written authorization delivered to the Agent and whose signature card or incumbency certificate has been received by the Agent.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"Bankruptcy Code" shall mean Title 11 of the United States Code and the rules promulgated thereunder.

"Base Rate" shall mean for any day, that rate of interest which is equal to the sum of the Applicable Margin plus the greatest of (a) the Prime Rate for such day, (b) the Federal Funds Effective Rate in effect on such day, plus one percent (1.0%), and (c) the Daily Adjusting LIBOR Rate plus one percent (1.0%); provided, however, for purposes of determining the Base Rate during any period that LIBOR Rate is unavailable as determined, under Sections 11.3 or 11.4 hereof, the Base Rate shall be determined using, for clause (c) hereof, the Daily Adjusting LIBOR Rate in effect immediately prior to the LIBOR Rate becoming unavailable pursuant to Sections 11.3 or 11.4.

"Base Rate Advance" shall mean an Advance which bears interest at the Base Rate.

"Beneficial Owner" shall mean, with respect to any U.S. federal withholding Tax, the beneficial owner, for U.S. federal income tax purposes, to whom such Tax relates.

"Beneficial Ownership Certification" shall mean a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" shall mean 31 C.F.R. § 1010.230.

"Borrower" shall have the meaning set forth in the preamble to this Agreement.

"Borrower Representative" shall mean, initially, Montauk Energy Holdings, LLC, or any other Borrower identified as the Borrower Representative in a written notice delivered to the Agent and signed by the Borrower.

"Business Day" shall mean any day other than a Saturday or a Sunday on which commercial banks are open for domestic and international business (including dealings in foreign exchange) in Detroit, Michigan and New York, New York, and in the case of a Business Day which relates to a Eurodollar-based Advance, on which dealings are carried on in the London interbank eurodollar market.

"Capital Expenditures" shall mean, for any period, with respect to any Person (without duplication), the aggregate of all expenditures incurred by such Person and its Subsidiaries during such period for the acquisition or leasing (pursuant to a Capitalized Lease) of fixed or capital assets or additions to equipment, plant and property that should be capitalized under GAAP on a consolidated balance sheet of such Person and its Subsidiaries, but excluding expenditures made in connection with the Reinvestment of Insurance Proceeds, Condemnation Proceeds or the Net Cash Proceeds of Asset Sales.

"Capitalized Lease" shall mean, as applied to any Person, any lease of any property (whether real, personal or mixed) with respect to which the discounted present value of the rental obligations of such Person as lessee thereunder, in conformity with GAAP, is required to be capitalized on the balance sheet of that Person.

"Change in Law" shall mean the occurrence, after the Effective Date, of any of the following: (i) the adoption or introduction of, or any change in any applicable law, treaty, rule or regulation (whether domestic or foreign) now or hereafter in effect and whether or not applicable to any Lender or Agent on such date, or (ii) any change in interpretation, administration or implementation of any such law, treaty, rule or regulation by any Governmental Authority, or (iii) the issuance, making or implementation by any Governmental Authority of any interpretation, administration, request, regulation, guideline, or directive (whether or not having the force of law), including any risk-based capital guidelines. For purposes of this definition, (x) a change in law, treaty, rule, regulation, interpretation, administration or implementation shall include, without limitation, any change made or which becomes effective on the basis of a law, treaty, rule, regulation, interpretation administration or implementation then in force, the effective date of which change is delayed by the terms of such law, treaty, rule, regulation, interpretation, administration or implementation, (y) the Dodd-Frank Wall Street Reform and Consumer

Protection Act (Pub. L. 111-203, H.R. 4173) and all requests, rules, regulations, guidelines, interpretations or directives promulgated thereunder or issued in connection therewith shall be deemed to be a "Change in "Law", regardless of the date enacted, adopted, issued or promulgated, and (z) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case pursuant to Basel III, shall each be deemed to be a "Change in Law", regardless of the date enacted, adopted, issued or implemented.

"Change of Control" shall mean (a) an event or series of events whereby (i) the Parent shall cease to control, directly or indirectly, 100%, on a fully diluted basis, of the aggregate issued and outstanding voting stock (or comparable voting interests) of the Borrower, or (ii) the Parent shall fail to be able, either jointly or severally, to elect a controlling majority of the Board of Directors of the Borrower, or (b) the occurrence of event or series of events that would trigger a violation of any change of control or change in control provision in any of the Subordinated Debt Documents, except in connection with a public listing of Parent, Borrower, or any Subsidiaries; provided, however, notwithstanding the foregoing, it shall not be a "Change of Control" if, (a) as a result of the contemplated reorganization of the Parent, as evidenced by documentation and filings, in form and substance reasonably satisfactory to the Agent, provided by the Borrower or the Parent to the Agent, the Parent's Equity Interests in the Borrower are transferred (subject to Agent's Lien on such Equity Interest) to Montauk Energy, Inc. (f/k/a Renovar, Inc.), and Montauk Energy, Inc., thereafter shall control, directly or indirectly, 100%, on a fully diluted basis, of the aggregate issued and outstanding voting stock (or comparable voting interests) of the Borrower and, effective on and after the date of the consummation of such reorganization, for purposes of this defined term, each reference to "the Parent" contained herein shall be deemed to be a reference to Montauk Energy, Inc. (f/k/a Renovar, Inc.) and (b) the Change of Control Conditions have been satisfied.

"Change of Control Conditions" shall mean with respect to any Change in Control resulting from the transfer of Parent's Equity Interests in Borrower to Montauk Energy, Inc. (f/k/a Renovar, Inc.), (a) the Agent shall have received Montauk Energy, Inc.'s Bylaws, certified articles of incorporation, employee identification number and all of its other corporate governance and formation documentation reasonably required by Agent and all in form and substance reasonably satisfactory to Agent and (b) Montauk Energy, Inc. shall have executed and delivered to Agent a Guaranty of the Indebtedness and a Pledge Agreement providing a first priority Lien on one hundred percent (100%) of the Equity Interests of Borrower owned by Montauk Energy, Inc., together with such opinions and authorizing resolutions as are reasonably required by Agent.

"Collateral" shall mean all property or rights in which a security interest, mortgage, lien or other encumbrance for the benefit of the Lenders is or has been granted or arises or has arisen, under or in connection with this Agreement, the other Loan Documents, or otherwise to secure the Indebtedness.

"Collateral Access Agreement" shall mean an agreement in form and substance reasonably satisfactory to the Agent, pursuant to which a mortgagee or lessor of real property on which Collateral is stored or otherwise located, or a warehouseman, processor or other bailee of

inventory or other property owned by any Credit Party, that acknowledges the Liens under the Collateral Documents and subordinates or waives any Liens held by such Person on such property and, includes such other agreements with respect to the Collateral as the Agent may reasonably require, as the same may be amended, restated or otherwise modified from time to time.

"Collateral Documents" shall mean the Security Agreement, the Assignments, the Pledge Agreements, the Mortgages (if any), the Account Control Agreements, the Consent to Assignment, the Collateral Access Agreements, and all other security documents (and any joinders thereto) executed by any Credit Party in favor of the Agent on or after the Effective Date, in connection with any of the foregoing collateral documents, in each case, as such collateral documents may be amended or otherwise modified from time to time.

"Comerica Bank" shall mean Comerica Bank, its successors or assigns.

"Commitments" shall mean the Revolving Credit Aggregate Commitment.

"Condemnation Proceeds" shall mean the cash proceeds received by any Credit Party in respect of any condemnation proceeding net of reasonable and invoiced fees and out-of-pocket expenses (including without limitation reasonable and invoiced outside attorneys' fees and expenses) incurred in connection with the collection thereof.

"Consolidated" or "Consolidating" shall, when used with reference to any financial information pertaining to (or when used as a part of any defined term or statement pertaining to the financial condition of) any Person, mean the accounts of Borrower and its Subsidiaries determined on a consolidated or consolidating basis or combined and combining basis, as the case may be, all determined as to principles of consolidation and, except as otherwise specifically required by the definition of such term or by such statements, as to such accounts, in accordance with GAAP. All references to Borrower's consolidated Subsidiaries for purposes of calculation of any financial covenants shall exclude the Excluded Entities.

"Consolidated EBITDA" shall mean, for any period, Net Income for such period plus, without duplication and only to the extent reflected as a charge or reduction in the statement of such Net Income for such period, the sum of (a) income tax expense, (b) interest expense, (c) depreciation, depletion and amortization expense, (d) non-cash unrealized derivative expense, (e) any extraordinary, unusual or non-recurring cash expenses and/or losses not exceeding $500,000 in the aggregate to the extent not included in the determination of operating income on the Borrower's consolidated statements of profits and loss, (f) subject to Agent's approval, which may be granted or withheld in its reasonable credit judgment, any extraordinary, unusual, or nonrecurring cash expenses or losses to the extent not included in the determination of operating income on the Borrower's consolidated statements of profits and losses exceeding $500,000 in the aggregate, (g) any extraordinary, unusual, or non-recurring non-cash expenses and/or losses not included in the determination of operating income on the Borrower's consolidated statements of profits and loss, and (h) any extraordinary, unusual, or non-recurring non-cash expenses and/or losses included in the determination of operating income on the Borrower's consolidated statements of profits and loss, plus, to the extent not included in the calculation of Net Income, the amount of dividends and distributions paid by the Excluded Entities to Borrower during such

period minus the sum of (j) any non-cash unrealized derivative income during such period, (k) any extraordinary, unusual or non-recurring cash or non-cash income and/or gains not included in the determination of operating income on the Borrower's consolidated statements of profits and loss, (l) any extraordinary, unusual, or non-recurring non-cash income and/or gains included in the determination of operating income on the Borrower's consolidated statements of profits and loss, all as determined on a consolidated basis for Borrower and its Subsidiaries (excluding the Excluded Entities except where an Excluded Entity is specifically included in the calculation) in accordance with GAAP.

For items included in (h) & (l) above, for the avoidance of doubt, to the extent that any such non-cash expenses and/or losses require cash payments in subsequent periods, or if such non-cash income and/or gains results in the receipt of cash in subsequent periods, such cash amounts shall be included in the calculation of Consolidated EBITDA in the periods in which such cash payments occur.

"Consolidated Funded Debt" shall mean at any date the aggregate amount of all Funded Debt of the Credit Parties at such date, determined on a Consolidated basis.

"Contractual Obligation" shall mean, as to any Person, any provision of any security issued by such Person or of any material agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Covenant Compliance Report" shall mean the report to be furnished by the Borrower to the Agent pursuant to Section 7.2(a) hereof, substantially in the form attached hereto as Exhibit J and certified by a Responsible Officer of the Borrower, in which report the Borrower shall set forth the information specified therein and which shall include a statement of then applicable level for the Applicable Margin and Applicable Fee Percentages as specified in Annex I attached to this Agreement.

"Covered Entity" shall mean (a) each Credit Party, any other Persons that guaranty the Indebtedness and/or pledge collateral to secure the Indebtedness, (b) each Person that, directly or indirectly, is in control of a Person described in clause (a) above, and (c) all brokers or other agents of any Credit Party acting in any capacity in connection with this Agreement. For purposes of this definition, control of a Person shall mean the direct or indirect (x) ownership of, or power to vote, 25% or more of the issued and outstanding equity interests having ordinary voting power for the election of directors of such Person or other Persons performing similar functions for such Person, or (y) power to direct or cause the direction of the management and policies of such Person whether by ownership of equity interests, contract or otherwise.

"Credit Parties" shall mean the Borrower and its Subsidiaries, and "Credit Party" shall mean any one of them, as the context indicates or otherwise requires. In addition, for purpose of Section 9, Credit Party shall be deemed to include Parent.

"Daily Adjusting LIBOR Rate" shall mean for any day a per annum interest rate which is equal to the quotient of the following:

(a) the LIBOR Rate;

divided by

(b) a percentage (expressed as a decimal) equal to 1.00 minus the maximum rate on such date at which Agent is required to maintain reserves on "Euro-currency Liabilities" as defined in and pursuant to Regulation D of the Board of Governors of the Federal Reserve System or, if such regulation or definition is modified, and as long as Agent is required to maintain reserves against a category of liabilities which includes eurodollar deposits or includes a category of assets which includes eurodollar loans, the rate at which such reserves are required to be maintained on such category;

such sum to be rounded upward, if necessary, in the discretion of the Agent, to the seventh decimal place.

"Debt" shall mean as to any Person, without duplication (a) all Funded Debt of a Person, (b) all Guarantee Obligations of such Person, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property or assets purchased by such Person, (d) all indebtedness of such Person arising in connection with any Hedging Transaction entered into by such Person, (e) all recourse Debt of any partnership of which such Person is the general partner, and (f) any Off Balance Sheet Liabilities.

"Debtor Relief Laws" means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

"Default" shall mean any event that with the giving of notice or the passage of time, or both, would constitute an Event of Default under this Agreement.

"Defaulting Lender" shall mean any Lender that (a) has failed to (i) fund all or any portion of its Advances within two (2) Business Days of the date such Advances were required to be funded hereunder unless such Lender notifies the Agent and the Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Agent, any Issuing Lender, any Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swing Line Advances) within two (2) Business Days of the date when due, (b) has notified the Borrower, the Agent or any Issuing Lender or Swing Line Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement is based on such Lender's good faith determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) has not been satisfied), (c) has failed, within three Business Days after written request by the Agent or the Borrower, to confirm in writing to the Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Agent and the Borrower), or (d) has, or has a direct or

indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity, or (iii) become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority, so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender upon delivery of written notice of such determination to the Borrower, each Issuing Lender, each Swing Line Lender and each Lender.

"Distribution" is defined in Section 8.5 hereof.

"Distribution Conditions" shall mean (i) no Default or Event of Default shall have occurred and be continuing, (ii) after giving effect to the Distribution, (A) the Total Leverage Ratio shall have a 0.5x cushion from the then applicable ratio under Section 7.9(b), (B) no Default or Event of Default shall have occurred and be continuing, and (C) the Fixed Charge Coverage Ratio shall have a 0.3x cushion from the then applicable ratio under Section 7.9(a), (iii) Agent shall have received a certification from Borrower in form and detail reasonably acceptable to Agent certifying that Borrower expects to comply with the provisions of Section 7.9 hereof for the period equal to the next succeeding twelve months (after giving effect to the Distribution), and (iv) Agent shall have received evidence reasonably satisfactory to Agent that both before such Distribution and after giving effect thereto, Liquidity is at least $5,000,000.

"Dollars" and the sign "$" shall mean lawful money of the United States of America.

"Domestic Subsidiary" shall mean any Subsidiary of the Borrower incorporated or organized under the laws of the United States of America, or any state or other political subdivision thereof or which is considered to be a "disregarded entity" for United States federal income tax purposes and which is not a "controlled foreign corporation" as defined under Section 957 of the Internal Revenue Code, in each case provided such Subsidiary is owned by the Borrower or a Domestic Subsidiary of the Borrower, and "Domestic Subsidiaries" shall mean any or all of them.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Effective Date" shall mean the date on which all the conditions precedent set forth in Sections 5.1 and 5.2 have been satisfied.

"Electronic Transmission" shall mean each document, instruction, authorization, file, information and any other communication transmitted, posted or otherwise made or communicated by e-mail or E-Fax, or otherwise to or from an E-System or other equivalent service.

"Eligible Assignee" shall mean (a) a Lender; (b) an Affiliate of a Lender; (c) any Person (other than a natural person) that is or will be engaged in the business of making, purchasing, holding or otherwise investing in commercial loans or similar extensions of credit in the ordinary course of its business, provided that such Person is administered or managed by a Lender, an Affiliate of a Lender or an entity or Affiliate of an entity that administers or manages a Lender; or (d) any other Person (other than a natural person) approved by the (i) the Agent (and in the case of an assignment of a commitment under the Revolving Credit, the Issuing Lender and Swing Line Lender), and (ii) unless an Event of Default has occurred and is continuing, the Borrower (each such approval not to be unreasonably withheld or delayed), provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Agent within five (5) Business Days after having received notice thereof; provided further that (x) notwithstanding the foregoing, "Eligible Assignee" shall not include the Borrower, or any of the Borrower's Affiliates or Subsidiaries; and (y) no assignment shall be made to a Defaulting Lender (or any Person who would be a Defaulting Lender if such Person was a Lender hereunder) without the consent of the Agent, and in the case of an assignment of a commitment under the Revolving Credit, the Issuing Lender and the Swing Line Lender.

"Equity Interest" shall mean (i) in the case of any corporation, all capital stock and any securities exchangeable for or convertible into capital stock, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents of corporate stock (however designated) in or to such association or entity, (iii) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited) and (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distribution of assets of, the issuing Person, and including, in all of the foregoing cases described in clauses (i), (ii), (iii) or (iv), any warrants, rights or other options to purchase or otherwise acquire any of the interests described in any of the foregoing cases.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, or any successor act or code and the regulations in effect from time to time thereunder.

"E-System" shall mean any electronic system and any other Internet or extranet-based site, whether such electronic system is owned, operated, hosted or utilized by the Agent, any of its Affiliates or any other Person, providing for access to data protected by passcodes or other security system.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Eurodollar-based Advance" shall mean any Advance which bears interest at the Eurodollar-based Rate.

"Eurodollar-based Rate" shall mean a per annum interest rate which is equal to the sum of the Applicable Margin, plus the quotient of:

(a) the LIBOR Rate, divided by

(b) a percentage equal to 100% minus the maximum rate on such date at which the Agent is required to maintain reserves on 'Eurocurrency Liabilities' as defined in and pursuant to Regulation D of the Board of Governors of the Federal Reserve System or, if such regulation or definition is modified, and as long as the Agent is required to maintain reserves against a category of liabilities which includes eurocurrency deposits or includes a category of assets which includes eurocurrency loans, the rate at which such reserves are required to be maintained on such category,

such sum to be rounded upward, if necessary, in the discretion of the Agent, to the seventh decimal place.

"Eurodollar-Interest Period" shall mean, for any Eurodollar-based Advance, an Interest Period of one, two or three months (or any shorter or longer periods agreed to in advance by the Borrower, the Agent and the Lenders) as selected by the Borrower, for such Eurodollar-based Advance pursuant to Section 2.3 or 4.4 hereof, as the case may be.

"Eurodollar Lending Office" shall mean, (a) with respect to the Agent, the Agent's office located at its Grand Caymans Branch or such other branch of the Agent, domestic or foreign, as it may hereafter designate as its Eurodollar Lending Office by written notice to the Borrower and the Lenders and (b) as to each of the Lenders, its office, branch or affiliate located at its address set forth on the signature pages hereof (or identified thereon as its Eurodollar Lending Office), or at such other office, branch or affiliate of such Lender as it may hereafter designate as its Eurodollar Lending Office by written notice to the Borrower and the Agent.

"Event of Default" shall mean each of the Events of Default specified in Section 9.1 hereof.

"Excess Cash Flow" shall mean for any Fiscal Year of Borrower, an amount equal to Net Income for such Fiscal Year, plus to the extent deducted in determining Net Income, depreciation and amortization expense and other non-cash charges of Borrower and its Subsidiaries (other than the Excluded Entities) for such year, plus or minus, as applicable, the

Working Capital Adjustment, minus unfinanced Capital Expenditures (other than unfinanced Capital Expenditures of the Excluded Entities) during such period, minus scheduled payments and mandatory and optional prepayments of long-term Funded Debt of Borrower and its Subsidiaries (other than the Excluded Entities) paid during such period (excluding all payments on the Revolving Credit during such Fiscal Year, but only to the extent such payments did not permanently reduce the Revolving Credit Aggregate Commitment).

"Excluded Entities" or "Excluded Entity" shall initially mean Red Top and shall include such other Subsidiaries of Borrower as determined to be Excluded Entities by mutual agreement of Borrower and Agent.

"Excluded Swap Obligation" shall mean any obligation of any Credit Party to any Lender with respect to a "swap," as defined in Section 1a(47) of the Commodity Exchange Act ("CEA"), if and to the extent that such Credit Party's guaranteeing of, or granting of a security interest or lien to secure, such swap obligation, is or becomes illegal under the CEA, or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof), by virtue of such Credit Party's failure for any reason to constitute an "eligible contract participant," as defined in Section 1a(18) of the CEA and the regulations thereunder, at the time such guarantee or such security interest grant becomes effective with respect to such swap obligation. If any such swap obligation arises under a master agreement governing more than one swap, the foregoing exclusion shall apply only to those swap obligations that are attributable to swaps in respect of which such Credit Party's guaranteeing of, or granting of a security interest or lien to secure, such swaps is or becomes illegal.

"Excluded Taxes" shall mean any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 13.12) or (ii) such Lender changes its lending office, except in each case to the extent that amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 13.13 and (d) any U.S. federal withholding Taxes imposed under FATCA.

"FATCA" shall mean sections 1471 through 1474 of the Internal Revenue Code as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), and any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code, any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to such intergovernmental agreement.

"Federal Funds Effective Rate" shall mean, for any day, a fluctuating interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Agent from three Federal funds brokers of recognized standing selected by the Agent, all as conclusively determined by the Agent, such sum to be rounded upward, if necessary, in the discretion of the Agent, to the nearest whole multiple of 1/100th of 1%.

"Fee Letter" shall mean the fee letter dated October 10, 2018 by and between Borrower and Comerica relating to the Indebtedness hereunder, as amended, restated, replaced or otherwise modified from time to time.

"Fees" shall mean the Revolving Credit Facility Fee, the Letter of Credit Fees and the other fees and charges (including any agency fees) payable by the Borrower to the Lenders, the Issuing Lender or the Agent hereunder or under the Fee Letter.

"Final Maturity Date" shall mean the last to occur of (i) the Revolving Credit Maturity Date and (ii) the Term Loan Maturity Date.

"Fiscal Year" shall mean the twelve-month period ending on each March 31, or as may be amended by Borrower upon (a) written notice to and with written approval of Agent (subject to such amendments to this Agreement as may be required by Agent in its sole discretion).

"Fixed Charge Coverage Ratio" shall mean as of any date of determination, a ratio, the numerator of which is Consolidated EBITDA for the Applicable Measuring Period ending on such date of determination, minus taxes paid in cash during such period, minus Tax Distributions made by Borrower and its Subsidiaries (other than the Excluded Entities) during such period, minus Maintenance Capital Expenditures (other than Maintenance Capital Expenditures of the Excluded Entities) during such period, and the denominator of which is Fixed Charges for such period.

"Fixed Charges" shall mean for any period of determination, the sum of scheduled principal payments due and payable with respect to any indebtedness of Borrower and its Subsidiaries (other than the Excluded Entities) (including the principal component of scheduled payments under Capital Leases) during such period, plus cash interest expense of Borrower and its Subsidiaries (other than the Excluded Entities) during such period (including the interest component of scheduled payments under Capital Leases), plus dividends and distributions (other than Tax Distributions) paid by Borrower and its Subsidiaries (other than the Excluded Entities) to their members (excluding distributions by a Subsidiary to another Subsidiary or to Borrower) during such period, plus Purchases made during such period, all as determined on a consolidated basis in accordance with GAAP.

"Foreign Subsidiary" shall mean any Subsidiary, other than a Domestic Subsidiary, and "Foreign Subsidiaries" shall mean any or all of them.

"Fronting Exposure" shall mean, at any time there is an Defaulting Lender, (a) with respect to the Issuing Lender, such Defaulting Lender's Percentage of the outstanding Letter of Credit Obligations with respect to Letters of Credit issued by such Issuing Lender, and (b) with respect to the Swing Line Lender, such Defaulting Lender's Percentage of outstanding Swing Line Advances made by the Swing Line Lender.

"Fuel Supply Agreements" shall mean each of the agreements listed on Schedule 1,2 pursuant to which any Guarantor obtains landfill gas from the owners of such landfill gas and any other such agreements for gas rights entered into after the date of this Agreement.

"Funded Debt" of any Person shall mean, without duplication, (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services as of such date (other than operating leases and trade liabilities incurred in the ordinary course of business and payable in accordance with customary practices) or which is evidenced by a note, bond, debenture or similar instrument, (b) the principal component of all obligations of such Person under Capitalized Leases, (c) all reimbursement obligations (actual, contingent or otherwise) of such Person in respect of letters of credit, bankers acceptances or similar obligations issued or created for the account of such Person, (d) all liabilities of the type described in (a), (b) and (c) above that are secured by any Liens on any property owned by such Person as of such date even though such Person has not assumed or otherwise become liable for the payment thereof, the amount of which is determined in accordance with GAAP; provided however that so long as such Person is not personally liable for any such liability, the amount of such liability shall be deemed to be the lesser of the fair market value at such date of the property subject to the Lien securing such liability and the amount of the liability secured, and (e) all Guarantee Obligations in respect of any liability which constitutes Funded Debt; provided, however that Funded Debt shall not include any indebtedness under any Hedging Transaction prior to the occurrence of a termination event with respect thereto.

"GAAP" shall mean, as of any applicable date of determination, generally accepted accounting principles in the United States of America, as applicable on such date, consistently applied, as in effect on the Effective Date.

"Governmental Authority" shall mean the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including without limitation any supranational bodies such as the European Union or the European Central Bank) and any group or body charged with setting financial accounting or regulatory capital rules or standards (including, without limitation, the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervision or any successor or similar authority to any of the foregoing).

"Governmental Obligations" shall mean noncallable direct general obligations of the United States of America or obligations the payment of principal of and interest on which is unconditionally guaranteed by the United States of America.

"Guarantee Obligation" shall mean as to any Person (the "guaranteeing person") any obligation of the guaranteeing Person in respect of any obligation of another Person (the

"primary obligor") (including, without limitation, any bank under any letter of credit), the creation of which was induced by a reimbursement agreement, guaranty agreement, keepwell agreement, purchase agreement, counterindemnity or similar obligation issued by the guaranteeing person, in either case guaranteeing or in effect guaranteeing any Debt, leases, dividends or other obligations (the "primary obligations") of the primary obligor in any manner, whether directly or indirectly, including, without limitation, any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the applicable Person in good faith.

"Guarantor(s)" shall mean Parent and each Subsidiary of the Borrower which has executed and delivered to the Agent a Guaranty (or a joinder to a Guaranty), and a Security Agreement (or a joinder to the Security Agreement).

"Guaranty" shall mean, collectively, the guaranty agreements executed and delivered by the applicable Guarantors on the Effective Date pursuant to Section 5.1 hereof and those guaranty agreements executed and delivered from time to time after the Effective Date (whether by execution of joinder agreements or otherwise) pursuant to Section 7.13 hereof or otherwise, in each case in the form attached hereto as Exhibit I, as amended, restated or otherwise modified from time to time.

"Hazardous Material" shall mean any hazardous or toxic waste, substance or material defined or regulated as such in or for purposes of the Hazardous Material Laws.

"Hazardous Material Law(s)" shall mean all laws, codes, ordinances, rules, regulations and other governmental restrictions and requirements issued by any federal, state, local or other governmental or quasi-governmental authority or body (or any agency, instrumentality or political subdivision thereof) pertaining to any substance or material which is regulated for reasons of health, safety or the environment and which is present or alleged to be present on or about or used in any facilities owned, leased or operated by any Credit Party, or any portion thereof including, without limitation, those relating to soil, surface, subsurface ground water conditions and the condition of the indoor and outdoor ambient air; any so-called "superfund" or

"superlien" law; and any other United States federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning, any Hazardous Material, as now or at any time during the term of the Agreement in effect.

"Hedged Facility" shall mean the Revolving Credit and/or the Term Loan, as the case may be, to the extent that all or any portion of the principal amount of Advances in respect thereof bears interest at a rate based on the LIBOR Rate and is subject to any Specified Hedging Agreement.

"Hedge-Affected Share" shall mean, as to any Lender at any date of determination, its share of any Hedged Facility determined by multiplying the outstanding principal amount of that Lender's Advances under such Hedged Facility by a fraction with a numerator equal to the current notional amount of the Specified Hedging Agreements relating to such Hedged Facility and a denominator equal to the outstanding principal amount of all Advances under such Hedged Facility.

"Hedging Agreement" shall mean any agreement relating to a Hedging Transaction entered into between the Borrower and any Lender or an Affiliate of a Lender.

"Hedging Transaction" means each interest rate swap transaction, basis swap transaction, forward rate transaction, equity transaction, equity index transaction, foreign exchange transaction, cap transaction, floor transaction (including any option with respect to any of these transactions and any combination of any of the foregoing).

"Hereof", "hereto", "hereunder" and similar terms shall refer to this Agreement and not to any particular paragraph or provision of this Agreement.

"Indebtedness" shall mean all indebtedness and liabilities (including without limitation principal, interest (including without limitation interest accruing at the then applicable rate provided in this Agreement or any other applicable Loan Document after an applicable maturity date and interest accruing at the then applicable rate provided in this Agreement or any other applicable Loan Document after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Credit Parties whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), fees, expenses and other charges) arising under this Agreement or any of the other Loan Documents, whether direct or indirect, absolute or contingent, of any Credit Party to any of the Lenders or Affiliates thereof or to the Agent, in any manner and at any time, whether arising under this Agreement, the Guaranty or any of the other Loan Documents (including without limitation, payment obligations under Hedging Transactions evidenced by Hedging Agreements), due or hereafter to become due, now owing or that may hereafter be incurred by any Credit Party to any of the Lenders or Affiliates thereof or to the Agent, and which shall be deemed to include protective advances made by the Agent with respect to the Collateral under or pursuant to the terms of any Loan Document and any liabilities of any Credit Party to the Agent or any Lender arising in connection with any Lender Products, in each case whether or not reduced to judgment, with interest according to the rates and terms specified, and any and all consolidations, amendments, renewals, replacements, substitutions or extensions of any of the foregoing; provided, however

that for purposes of calculating the Indebtedness outstanding under this Agreement or any of the other Loan Documents, the direct and indirect and absolute and contingent obligations of the Credit Parties (whether direct or contingent) shall be determined without duplication. Notwithstanding the foregoing, the term "Indebtedness" shall not be deemed to include any Excluded Swap Obligation.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Credit Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Initial Reinvestment Period" shall mean a 90-day period during which Reinvestment must be commenced under Section 4.8(b) and (d) of this Agreement.

"Insurance Proceeds" shall mean the cash proceeds received by any Credit Party from any insurer in respect of any damage or destruction of any property or asset net of reasonable and invoiced fees and out-of-pocket expenses (including without limitation reasonable and invoiced outside attorneys fees and out-of-pocket expenses) incurred solely in connection with the recovery thereof.

"Intercompany Note" shall mean any promissory note issued or to be issued by any Credit Party to evidence an intercompany loan in form and substance reasonably satisfactory to the Agent.

"Interconnection Agreements" means the interconnection agreements listed on Schedule 1.2 and any other interconnection agreement entered into after the date of this Agreement.

"Interest Period" shall mean (a) with respect to a Eurodollar-based Advance, a Eurodollar-Interest Period, commencing on the day a Eurodollar-based Advance is made, or on the effective date of an election of the Eurodollar-based Rate made under Section 2.3 or 4.4 hereof, and (b) with respect to a Swing Line Advance carried at the Quoted Rate, an interest period of 30 days (or any lesser number of days agreed to in advance by the Borrower, the Agent and the Swing Line Lender); provided, however that (i) any Interest Period which would otherwise end on a day which is not a Business Day shall end on the next succeeding Business Day, except that as to an Interest Period in respect of a Eurodollar-based Advance, if the next succeeding Business Day falls in another calendar month, such Interest Period shall end on the next preceding Business Day, (ii) when an Interest Period in respect of a Eurodollar-based Advance begins on a day which has no numerically corresponding day in the calendar month during which such Interest Period is to end, it shall end on the last Business Day of such calendar month, and (iii) no Interest Period in respect of any Advance shall extend beyond the Revolving Credit Maturity Date or the Term Loan Maturity Date, as applicable.

"Internal Revenue Code" shall mean the Internal Revenue Code of 1986 of the United States of America, as amended from time to time, and the regulations promulgated thereunder.

"Inventory" shall mean any inventory as defined under the UCC.

"Investment" shall mean, when used with respect to any Person, (a) any loan, investment or advance made by such Person to any other Person (including, without limitation, any

Guarantee Obligation) in respect of any Equity Interest, Debt, obligation or liability of such other Person and (b) any other investment made by such Person (however acquired) in Equity Interests in any other Person, including, without limitation, any investment made in exchange for the issuance of Equity Interest of such Person and any investment made as a capital contribution to such other Person.

"Issuing Lender" shall mean Comerica Bank in its capacity as issuer of one or more Letters of Credit hereunder, or another Lender designated as its successor designated by the Borrower and the Revolving Credit Lenders.

"Issuing Office" shall mean such office as Issuing Lender shall designate as its Issuing Office.

"Lender Products" shall mean any one or more of the following types of services or facilities extended to the Credit Parties by any Lender: (i) credit cards, (ii) credit card processing services, (iii) debit cards, (iv) purchase cards, (v) Automated Clearing House (ACH) transactions, (vi) cash management, including controlled disbursement services, and (vii) establishing and maintaining deposit accounts.

"Lenders" shall have the meaning set forth in the preamble, and shall include the Revolving Credit Lenders, the Term Loan Lenders, the Swing Line Lender and any assignee which becomes a Lender pursuant to Section 13.8 hereof.

"Letter of Credit Agreement" shall mean, collectively, the letter of credit application and related documentation executed and/or delivered by the Borrower in respect of each Letter of Credit, in each case reasonably satisfactory to the Issuing Lender, as amended, restated or otherwise modified from time to time.

"Letter of Credit Documents" shall have the meaning ascribed to such term in Section 3.7(a) hereof.

"Letter of Credit Fees" shall mean the fees payable in connection with Letters of Credit pursuant to Section 3.4(a) and (b) hereof.

"Letter of Credit Maximum Amount" shall mean Fifteen Million Dollars ($15,000,000).

"Letter of Credit Obligations" shall mean at any date of determination, the sum of (a) the aggregate undrawn amount of all Letters of Credit then outstanding, and (b) the aggregate amount of Reimbursement Obligations which remain unpaid as of such date.

"Letter of Credit Payment" shall mean any amount paid or required to be paid by the Issuing Lender in its capacity hereunder as issuer of a Letter of Credit as a result of a draft or other demand for payment under any Letter of Credit.

"Letter(s) of Credit" shall mean any standby letters of credit issued by Issuing Lender at the request of or for the account of the Borrower pursuant to Article 3 hereof.

"LIBOR Rate" shall mean,

(a) with respect to the principal amount of any Eurodollar-based Advance outstanding hereunder, the per annum rate of interest determined on the basis of the rate for deposits in United States Dollars for a period equal to the relevant Eurodollar-Interest Period, commencing on the first day of such Eurodollar-Interest Period, appearing on Page BBAM of the Bloomberg Financial Markets Information Service at or about 11:00 a.m. (London, England time) (or soon thereafter as practical), two (2) Business Days prior to the first day of such Eurodollar-Interest Period. In the event that such rate does not appear on Page BBAM of the Bloomberg Financial Markets Information Service (or otherwise on such Service), the "LIBOR Rate" shall be determined by reference to such other publicly available service for displaying LIBOR rates as may be agreed upon by the Agent and the Borrower, or, in the absence of such agreement, the "LIBOR Rate" shall, instead, be the per annum rate equal to the average (rounded upward, if necessary, to the nearest one-sixteenth of one percent (1/16%)) of the rate at which the Agent is offered dollar deposits at or about 11:00 a.m. (Detroit, Michigan time) (or soon thereafter as practical), two (2) Business Days prior to the first day of such Eurodollar-Interest Period in the interbank LIBOR market in an amount comparable to the principal amount of the relevant Eurodollar-based Advance which is to bear interest at such Eurodollar-based Rate and for a period equal to the relevant Eurodollar-Interest Period; and

(b) with respect to the principal amount of any Advance carried at the Daily Adjusting LIBOR Rate outstanding hereunder, the per annum rate of interest determined on the basis of the rate for deposits in United States Dollars for a period equal to one (1) month appearing on Page BBAM of the Bloomberg Financial Markets Information Service at or about 11:00 a.m. (London, England time) (or soon thereafter as practical) on such day, or if such day is not a Business Day, on the immediately preceding Business Day. In the event that such rate does not appear on Page BBAM of the Bloomberg Financial Markets Information Service (or otherwise on such Service), the "LIBOR Rate" shall be determined by reference to such other publicly available service for displaying eurodollar rates as may be agreed upon by the Agent and the Borrower, or, in the absence of such agreement, the "LIBOR Rate" shall, instead, be the per annum rate equal to the average of the rate at which the Agent is offered dollar deposits at or about 11:00 a.m. (Detroit, Michigan time) (or soon thereafter as practical) on such day in the interbank eurodollar market in an amount comparable to the principal amount of the Indebtedness hereunder which is to bear interest at such "LIBOR Rate" and for a period equal to one (1) month;

provided, however, that for all of the foregoing purposes, if any LIBOR Rate so determined is less than zero percent (0%), it shall be deemed to be zero percent (0%) for purposes of this Agreement ("Zero Percent Floor") except that each Lender's Hedge-Affected Share of any Hedged Facility will bear interest at the rates determined without giving effect to the Zero Percent Floor.

"Lien" shall mean any security interest in or lien on or against any property arising from any pledge, assignment, hypothecation, mortgage, security interest, deposit arrangement, trust receipt, conditional sale or title retaining contract, sale and leaseback transaction, Capitalized Lease, consignment or bailment for security, or any other type of lien, charge, encumbrance, title exception, preferential or priority arrangement affecting property (including with respect to stock, any stockholder agreements, voting rights agreements, buy-back agreements and all similar arrangements), whether based on common law or statute.

"Liquidity" shall mean as of any date of determination thereof an amount equal to unused Revolving Credit Availability as of such date, plus the amount of Borrower's unrestricted cash as of such date (excluding any cash subject to a Lien other than a Lien in favor of Agent), minus the aggregate amount of Borrower's and its Subsidiaries' accounts payable aged over 60 days as of such date.

"Loan Documents" shall mean, collectively, this Agreement, the Notes (if issued), the Letter of Credit Agreements, the Letters of Credit, the Guaranty, the Subordination Agreements, the Collateral Documents, each Hedging Agreement, and any other documents, certificates or agreements that are executed and required to be delivered pursuant to any of the foregoing documents, as such documents may be amended, restated or otherwise modified from time to time.

"Maintenance Capital Expenditures" shall mean with respect to any period all Capital Expenditures of Borrower or any of its Subsidiaries during such period made to replace, repair or refurbish existing equipment and facilities of Borrower or any of its Subsidiaries.

"Majority Lenders" shall mean at any time, Lenders holding more than 50.0% of the sum of (i) the Revolving Credit Aggregate Commitment (or, if the Revolving Credit Aggregate Commitment has been terminated (whether by maturity, acceleration or otherwise), the aggregate principal amount outstanding under the Revolving Credit), plus (ii) the aggregate principal amount then outstanding under the Term Loan; provided that, for purposes of determining Majority Lenders hereunder, the Letter of Credit Obligations and principal amount outstanding under the Swing Line shall be allocated among the Revolving Credit Lenders based on their respective Revolving Credit Percentages; provided further that so long as there are fewer than three Lenders, considering any Lender and its Affiliates as a single Lender, "Majority Lenders" shall mean all Lenders. The Commitments of, and portion of the Indebtedness attributable to, any Defaulting Lender shall be excluded for purposes of making a determination of "Majority Lenders"; provided that the amount of any participation in any Swing Line Advance and any Letter of Credit Obligations that a Defaulting Lender has failed to fund that have not been reallocated to and funded by another Lender shall be deemed to be held by the Lender that is the Swing Line Lender or Issuing Lender, as the case may be, in making a determination under this definition.

"Majority Revolving Credit Lenders" shall mean at any time, the Revolving Credit Lenders holding more than 50.0% of the Revolving Credit Aggregate Commitment (or, if the Revolving Credit Aggregate Commitment has been terminated (whether by maturity, acceleration or otherwise), the aggregate principal amount then outstanding under the Revolving Credit); provided that, for purposes of determining Majority Revolving Credit Lenders hereunder,

the Letter of Credit Obligations and principal amount outstanding under the Swing Line shall be allocated among the Revolving Credit Lenders based on their respective Revolving Credit Percentages; provided further that so long as there are fewer than three Revolving Credit Lenders, considering any Revolving Credit Lender and its Affiliates as a single Revolving Credit Lender, "Majority Revolving Credit Lenders" shall mean all Revolving Credit Lenders. The Commitments of, and portion of the Indebtedness attributable to, any Defaulting Lender shall be excluded for purposes of making a determination of "Majority Revolving Credit Lenders"; provided that the amount of any participation in any Swing Line Advance and any Letter of Credit Obligations that a Defaulting Lender has failed to fund that have not been reallocated to and funded by another Lender shall be deemed to be held by the Lender that is the Swing Line Lender or Issuing Lender, as the case may be, in making a determination under this definition.

"Majority Term Loan Lenders" shall mean at any time with respect to the Term Loan, Term Loan Lenders holding more than 50.0% of the aggregate principal amount then outstanding under the Term Loan; provided however that so long as there are fewer than three Term Loan Lenders, considering any Term Loan Lender and its Affiliates as a single Term Loan Lender, "Majority Term Loan Lenders" shall mean all Term Loan Lenders. The portion of the Indebtedness attributable to, any Defaulting Lender shall be excluded for purposes of making a determination of "Majority Term Loan Lenders".

"Material Adverse Effect" shall mean a material adverse effect on (a) the condition (financial or otherwise), business, performance, operations, properties or prospects of the Credit Parties taken as a whole, (b) the ability of the Credit Parties (taken as a whole) to perform their obligations under this Agreement, the Notes (if issued) or any other Loan Document to which any of them is a party, or (c) the validity or enforceability of this Agreement, any of the Notes (if issued) or any of the other Loan Documents or the rights or remedies of the Agent or the Lenders hereunder or thereunder.

"Material Contract" shall mean (i) each agreement or contract to which any Credit Party is a party or in respect of which any Credit Party has any liability, that by its terms (without reference to any indemnity or reimbursement provision therein) provides for aggregate future guaranteed payments in respect of any such individual agreement or contract of at least $1,000,000 and (ii) any other agreement or contract the loss of which would be reasonably likely to result in a Material Adverse Effect; provided that Material Contracts shall not be deemed to include any Pension Plans, collective bargaining agreements, or casualty or liability or other insurance policies maintained in the ordinary course of business.

"Material Project Documents" means the Power Purchase Agreements, the Interconnection Agreements, the Fuel Supply Agreements, the Site Leases, and each other document listed on Schedule 1.2.

"Maximum Optional Increase Amount" shall mean Seventy Five Million Dollars ($75,000,000).

"Mortgages" shall mean the mortgages, deeds of trust and any other similar documents related thereto or required thereby executed and delivered by a Credit Party on the Effective Date pursuant to Section 5.1 hereof, if any, and executed and delivered after the Effective Date by a

Credit Party pursuant to Section 7.13 hereof or otherwise, and "Mortgage" shall mean any such document, as such documents may be amended, restated or otherwise modified from time to time.

"Multiemployer Plan" shall mean a Pension Plan which is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Cash Proceeds" shall mean the aggregate cash payments received by any Credit Party from any Asset Sale, the issuance of Equity Interests or the issuance of Subordinated Debt, as the case may be, net of the ordinary and customary direct costs incurred in connection with such sale or issuance, as the case may be, such as legal, accounting and investment banking fees, sales commissions, and other third party charges, and net of property taxes, transfer taxes and any other taxes paid or payable by such Credit Party in respect of any sale or issuance.

"Net Income" shall mean for any period of determination the net income (or loss) of Borrower and its Subsidiaries (other than the Excluded Entities) for such period determined on a consolidated basis in accordance with GAAP.

"New Lender Addendum" shall mean an addendum substantially in the form of Exhibit O attached hereto, to be executed and delivered by each Lender becoming a party to this Agreement pursuant to Section 2.13 or 4.10 hereof.

"New Revolving Credit Lenders" shall have the meaning given to such term in Section 2.13.

"New Term Loan Lenders" shall have the meaning given to such term in Section 4.10.

"Non-Defaulting Lender" shall mean any Lender that is not, as of the date of relevance, a Defaulting Lender

"Non-U.S. Lender" is defined in Section 13.13 hereof.

"Notes" shall mean the Revolving Credit Notes, the Swing Line Note and the Term Loan Notes.

"Off Balance Sheet Liability(ies)" of a Person shall mean (i) any repurchase obligation or liability of such Person with respect to accounts or notes receivables sold by such Person, (ii) any liability under any sale and leaseback transaction which is not a Capitalized Lease, (iii) any liability under any so-called "synthetic lease" transaction entered into by such Person, or (iv) any obligation arising with respect to any other transaction which is the functional equivalent of Debt or any of the liabilities set forth in subsections (i)-(iii) of this definition, but which does not constitute a liability on the balance sheets of such Person.

"Operating Projects" means each of the landfill gas to energy projects operated by Borrower, including the projects listed on attached Schedule 1.3.

"Other Connection Taxes" shall mean, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered,

become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 13.12).

"Parent" shall mean Montauk Holdings USA, LLC, a Delaware limited liability company.

"Participant Register" has the meaning specified in Section 13.8(e).

"PBGC" shall mean the Pension Benefit Guaranty Corporation or any successor thereto.

"Pension Plan" shall mean any plan established and maintained by a Credit Party, or contributed to by a Credit Party, which is qualified under Section 401(a) of the Internal Revenue Code and subject to the minimum funding standards of Section 412 of the Internal Revenue Code.

"Percentage" shall mean, as applicable, the Revolving Credit Percentage, the Term Loan Percentage or the Weighted Percentage.

"Permitted Acquisition" shall mean any acquisition by the Borrower or any Guarantor of all or substantially all of the assets of another Person, or of a division or line of business of another Person, or any Equity Interests of another Person which satisfies and/or is conducted in accordance with the following requirements:

(a) Such acquisition is of a business or Person engaged in a line of business which is compatible with, or complementary to, the business of the Borrower or such Guarantor;

(b) If such acquisition is structured as an acquisition of the Equity Interests of any Person, then the Person so acquired shall (X) become a wholly-owned direct Domestic Subsidiary of the Borrower or of a Guarantor and the Borrower or the applicable Guarantor shall cause such acquired Person to comply with Section 7.13 hereof or (Y) provided that the Credit Parties continue to comply with Section 7.4(a) hereof, be merged with and into the Borrower or such a Guarantor (and, in the case of the Borrower, with the Borrower being the surviving entity);

(c) If such acquisition is structured as the acquisition of assets, such assets shall be acquired directly by the Borrower or a Guarantor (subject to compliance with Section 7.4(a) hereof);

(d) The Borrower shall have delivered to the Agent not less than ten (10) (or such shorter period of time agreed to by the Agent) nor more than ninety (90) days

prior to the date of such acquisition, notice of such acquisition together with Pro Forma Projected Financial Information, copies of all material documents relating to such acquisition (including the acquisition agreement and any related document), and historical financial information (including income statements, balance sheets and cash flows) covering at least three (3) complete Fiscal Years of the acquisition target, if available, prior to the effective date of the acquisition or the entire credit history of the acquisition target, whichever period is shorter, in each case in form and substance reasonably satisfactory to the Agent;

(e) Both immediately before and after the consummation of such acquisition and after giving effect to the Pro Forma Projected Financial Information, no Default or Event of Default shall have occurred and be continuing;

(f) The Agent shall have received reasonably satisfactory evidence showing that the business or Person being acquired has positive EBITDA;

(g) The Agent shall have received reasonably satisfactory evidence showing that on and immediately after the date such acquisition is consummated (and taking into account any Advances or Letters of Credit to be made or issued, as the case may be, in connection with the proposed acquisition), the Unused Revolving Credit Availability shall be at least $5,000,000;

(h) The board of directors (or other Person(s) exercising similar functions) of the seller of the assets or issuer of the Equity Interests being acquired shall not have disapproved such transaction or recommended that such transaction be disapproved;

(i) All governmental, quasi-governmental, agency, regulatory or similar licenses, authorizations, exemptions, qualifications, consents and approvals necessary under any laws applicable to the Borrower or Guarantor making the acquisition, or the acquisition target (if applicable) for or in connection with the proposed acquisition and all necessary non-governmental and other third-party approvals which, in each case, are material to such acquisition shall have been obtained, and all necessary or appropriate declarations, registrations or other filings with any court, governmental or regulatory authority, securities exchange or any other Person, which in each case, are material to the consummation of such acquisition or to the acquisition target, if applicable, have been made, and evidence thereof reasonably satisfactory in form and substance to the Agent shall have been delivered, or caused to have been delivered, by the Borrower to the Agent;

(j) There shall be no actions, suits or proceedings pending or, to the knowledge of any Credit Party threatened against or affecting the acquisition target in any court or before or by any governmental department, agency or instrumentality, which could reasonably be expected to be decided adversely to the acquisition target and which, if decided adversely, could reasonably be expected to have a material adverse effect on the business, operations, properties or financial condition of the acquisition target and its subsidiaries (taken as a whole) or would materially

adversely affect the ability of the acquisition target to enter into or perform its obligations in connection with the proposed acquisition, nor shall there be any actions, suits, or proceedings pending, or to the knowledge of any Credit Party threatened against the Credit Party that is making the acquisition which would materially adversely affect the ability of such Credit Party to enter into or perform its obligations in connection with the proposed acquisition; and

(k) The purchase price of such proposed new acquisition, computed on the basis of total acquisition consideration paid or incurred, or required to be paid or incurred, with respect thereto, including the amount of Debt (such Debt being otherwise permitted under this Agreement) assumed or to which such assets, businesses or business or Equity Interests, or any Person so acquired is subject and including any portion of the purchase price allocated to any non-compete agreements, (X) is less Five Million Dollars ($5,000,000), (Y) when added to the purchase price for each other acquisition consummated hereunder as a Permitted Acquisition during the same Fiscal Year as the applicable acquisition (not including acquisitions specifically consented to which fall outside of the terms of this definition), does not exceed Ten Million Dollars ($10,000,000) and (Z) when added to the purchase price for each other acquisition consummated hereunder as a Permitted Acquisition during the term of this agreement (not including acquisitions specifically consented to which fall outside the terms of this definition), does not exceed Twenty Million Dollars ($20,000,000).

"Permitted Investments" shall mean with respect to any Person:

(a) Governmental Obligations;

(b) Obligations of a state or commonwealth of the United States or the obligations of the District of Columbia or any possession of the United States, or any political subdivision of any of the foregoing, which are described in Section 103(a) of the Internal Revenue Code and are graded in any of the highest three (3) major grades as determined by at least one Rating Agency; or secured, as to payments of principal and interest, by a letter of credit provided by a financial institution or insurance provided by a bond insurance company which in each case is itself or its debt is rated in one of the highest three (3) major grades as determined by at least one Rating Agency;

(c) Banker's acceptances, commercial accounts, demand deposit accounts, certificates of deposit, other time deposits or depository receipts issued by or maintained with any Lender or any Affiliate thereof, or any bank, trust company, savings and loan association, savings bank or other financial institution whose deposits are insured by the Federal Deposit Insurance Corporation and whose reported capital and surplus equal at least $250,000,000, provided that such minimum capital and surplus requirement shall not apply to demand deposit accounts maintained by any Credit Party in the ordinary course of business;

(d) Commercial paper rated at the time of purchase within the two highest classifications established by not less than two Rating Agencies, and which matures within 270 days after the date of issue;

(e) Secured repurchase agreements against obligations itemized in paragraph

(a) above, and executed by a bank or trust company or by members of the association of primary dealers or other recognized dealers in United States government securities, the market value of which must be maintained at levels at least equal to the amounts advanced; and

(f) Any fund or other pooling arrangement which exclusively purchases and holds the investments itemized in (a) through (e) above.

"Permitted Liens" shall mean with respect to any Person:

(a) Liens for (i) taxes or governmental assessments or charges or (ii) customs duties in connection with the importation of goods to the extent such Liens attach to the imported goods that are the subject of the duties, in each case (x) to the extent not yet due, (y) as to which the period of grace, if any, related thereto has not expired or (z) which are being contested in good faith by appropriate proceedings, provided that in the case of any such contest, any proceedings for the enforcement of such liens have been suspended and adequate reserves with respect thereto are maintained on the books of such Person in conformity with GAAP;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's, processor's, landlord's liens or other like liens arising in the ordinary course of business which secure obligations that are not overdue for a period of more than 30 days or which are being contested in good faith by appropriate proceedings, provided that in the case of any such contest, (x) any proceedings commenced for the enforcement of such Liens have been suspended and (y) appropriate reserves with respect thereto are maintained on the books of such Person in conformity with GAAP;

(c) (i) Liens incurred in the ordinary course of business to secure the performance of statutory obligations arising in connection with progress payments or advance payments due under contracts with the United States government or any agency thereof entered into in the ordinary course of business and (ii) Liens incurred or deposits made in the ordinary course of business to secure the performance of statutory obligations (not otherwise permitted under subsection (g) of this definition), bids, leases, fee and expense arrangements with trustees and fiscal agents, trade contracts, surety and appeal bonds, performance bonds and other similar obligations (exclusive of obligations incurred in connection with the borrowing of money, any lease-purchase arrangements or the payment of the deferred purchase price of property), provided, that in each case full provision for the payment of all such obligations has been made on the books of such Person as may be required by GAAP;

(d) any attachment or judgment lien that remains unpaid, unvacated, unbonded or unstayed by appeal or otherwise for a period ending on the earlier of (i) thirty (30) consecutive days from the date of its attachment or entry (as applicable) or (ii) the commencement of enforcement steps with respect thereto, other than the filing of notice thereof in the public record;

(e) minor survey exceptions or minor encumbrances, easements or reservations, or rights of others for rights-of-way, utilities and other similar purposes, or zoning or other restrictions as to the use of real properties, or any interest of any lessor or sublessor under any lease permitted hereunder which, in each case, does not materially interfere with the business of such Person;

(f) Liens arising in connection with worker's compensation, unemployment insurance, old age pensions and social security benefits and similar statutory obligations (excluding Liens arising under ERISA), provided that no enforcement proceedings in respect of such Liens are pending and provisions have been made for the payment of such liens on the books of such Person as may be required by GAAP; and

(g) continuations of Liens that are permitted under subsections (a)-(f) hereof, provided such continuations do not violate the specific time periods set forth in subsections (b) and (d) and provided further that such Liens do not extend to any additional property or assets of any Credit Party or secure any additional obligations of any Credit Party.

Regardless of the language set forth in this definition, no Lien over the Equity Interests of any Credit Party granted to any Person other than to the Agent for the benefit of the Lenders shall be deemed a "Permitted Lien" under the terms of this Agreement.

"Person" shall mean a natural person, corporation, limited liability company, partnership, limited liability partnership, trust, incorporated or unincorporated organization, joint venture, joint stock company, firm or association or a government or any agency or political subdivision thereof or other entity of any kind.

"Pledge Agreement(s)" shall mean any pledge agreement executed and delivered by a Credit Party on the Effective Date pursuant to Section 5.1 hereof, if any, and executed and delivered from time to time after the Effective Date by any Credit Party pursuant to Section 7.13 hereof or otherwise, and any agreements, instruments or documents related thereto, in each case in form and substance reasonably satisfactory to the Agent, as the same may be amended, restated or otherwise modified from time to time.

"Power Purchase Agreements" means the power purchase agreements and capacity purchase agreements listed on Schedule 1.2 and any other power or capacity sale or power or capacity purchase agreement entered into after the date of this Agreement with respect to the capacity or energy generated by, or provided by a project.

"Prime Rate" shall mean the per annum rate of interest announced by the Agent, at its main office from time to time as its "prime rate" (it being acknowledged that such announced

rate may not necessarily be the lowest rate charged by the Agent to any of its customers), which Prime Rate shall change simultaneously with any change in such announced rate.

"Pro Forma Balance Sheet" shall mean the pro forma consolidated balance sheet of the Borrower which has been certified by a Responsible Officer of the Borrower that it fairly presents in all material respects the pro forma adjustments reflecting the transactions (including payment of all fees and expenses in connection therewith) contemplated by this Agreement and the other Loan Documents.

"Pro Forma Projected Financial Information" shall mean, as to any proposed acquisition, a statement executed by the Borrower (supported by reasonable detail) setting forth the total consideration to be paid or incurred in connection with the proposed acquisition, and pro forma combined projected financial information for the Credit Parties and the acquisition target (if applicable), consisting of projected balance sheets as of the proposed effective date of the acquisition and as of the end of at least the next succeeding three (3) Fiscal Years following the acquisition and projected statements of income and cash flows for each of those years, including sufficient detail to permit calculation of the ratios described in Section 7.9 hereof, as projected as of the effective date of the acquisition and as of the ends of those Fiscal Years and accompanied by (i) a statement setting forth a calculation of the ratio so described, (ii) a statement in reasonable detail specifying all material assumptions underlying the projections and (iii) such other information as the Agent or the Lenders shall reasonably request.

"PUHCA" means the Public Utility Holding Company Act of 2005 and FERC's implementing regulations.

"Purchasing Lender" shall have the meaning set forth in Section 13.12.

"PURPA" means the Public Utility Regulatory Policies Act of 1978 and FERC's implementing regulations.

"Quoted Rate" shall mean the rate of interest per annum offered by the Swing Line Lender in its sole discretion with respect to a Swing Line Advance and accepted by the Borrower.

"Quoted Rate Advance" means any Swing Line Advance which bears interest at the Quoted Rate.

"Rating Agency" shall mean Moody's Investor Services, Inc., Standard and Poor's Ratings Services, their respective successors or any other nationally recognized statistical rating organization which is reasonably acceptable to the Agent.

"Recipient" shall mean (a) the Agent, (b) any Lender, and (c) any Issuing Lender.

"Red Top" shall mean Red Top Renewable AG, LLC, a Delaware limited liability company.

"Register" is defined in Section 13.8(h) hereof.

"Reimbursement Obligation(s)" shall mean the aggregate amount of all unreimbursed drawings under all Letters of Credit (excluding for the avoidance of doubt, reimbursement obligations that are deemed satisfied pursuant to a deemed disbursement under Section 3.6(c)).

"Reinvest" or "Reinvestment" shall mean, with respect to any Net Cash Proceeds, Insurance Proceeds or Condemnation Proceeds received by any Person, the application of such monies to (i) repair, improve or replace any tangible personal (excluding Inventory) or real property of the Credit Parties or any intellectual property reasonably necessary in order to use or benefit from any property or (ii) acquire any such property (excluding Inventory) to be used in the business of such Person.

"Reinvestment Certificate" is defined in Section 4.8(b) hereof.

"Reinvestment Period" shall mean a 90-day period during which Reinvestment must be completed under Section 4.8(b) and (d) of this Agreement.

"Reportable Compliance Event" shall mean that any Covered Entity becomes a Sanctioned Person, or is indicted, arraigned, investigated or custodially detained, or receives an inquiry from regulatory or law enforcement officials, in connection with any Anti-Terrorism Law or any predicate crime to any Anti-Terrorism Law, or has knowledge of or self-discovers facts or circumstances implicating any aspect of its operations with the actual or possible violation of any Anti-Terrorism Law.

"Request for Advance" shall mean a Request for Revolving Credit Advance or a Request for Swing Line Advance, as the context may indicate or otherwise require.

"Request for Revolving Credit Advance" shall mean a request for a Revolving Credit Advance issued by the Borrower under Section 2.3 of this Agreement in the form attached hereto as Exhibit A.

"Request for Swing Line Advance" shall mean a request for a Swing Line Advance issued by the Borrower under Section 2.5(b) of this Agreement in the form attached hereto as Exhibit D.

"Requirement of Law" shall mean as to any Person, the certificate of incorporation and bylaws, the partnership agreement or other organizational or governing documents of such Person and any law, treaty, rule or regulation or determination of an arbitration or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer" shall mean, with respect to any Person, the chief executive officer, chief financial officer, treasurer, president or controller of such Person, or with respect to compliance with financial covenants, the chief financial officer or the treasurer of such Person, or any other officer of such Person having substantially the same authority and responsibility.

"Revolving Credit" shall mean the revolving credit loans to be advanced to the Borrower by the applicable Revolving Credit Lenders pursuant to Article 2 hereof, in an aggregate amount

(subject to the terms hereof), not to exceed, at any one time outstanding, the Revolving Credit Aggregate Commitment.

"Revolving Credit Advance" shall mean a borrowing requested by the Borrower and made by the Revolving Credit Lenders under Section 2.1 of this Agreement, including without limitation any readvance, refunding or conversion of such borrowing pursuant to Section 2.3 hereof and any deemed disbursement of an Advance in respect of a Letter of Credit under Section 3.6(c) hereof, and may include, subject to the terms hereof, Eurodollar-based Advances and Base Rate Advances.

"Revolving Credit Aggregate Commitment" shall initially mean Ninety Million Dollars ($90,000,000), subject to increases pursuant to Section 2.13 and subject to reduction or termination under Section 2.11 or 9.2 hereof.

"Revolving Credit Commitment Amount" shall mean with respect to any Revolving Credit Lender, (i) if the Revolving Credit Aggregate Commitment has not been terminated, the amount specified opposite such Revolving Credit Lender's name in the column entitled "Revolving Credit Commitment Amount" on Annex II, as adjusted from time to time in accordance with the terms hereof; and (ii) if the Revolving Credit Aggregate Commitment has been terminated (whether by maturity, acceleration or otherwise), the amount equal to its Percentage of the aggregate principal amount outstanding under the Revolving Credit (including the outstanding Letter of Credit Obligations and any outstanding Swing Line Advances).

"Revolving Credit Facility Fee" shall mean the fee payable to the Agent for distribution to the Revolving Credit Lenders in accordance with Section 2.9 hereof.

"Revolving Credit Lenders" shall mean the financial institutions from time to time parties hereto as lenders of the Revolving Credit.

"Revolving Credit Maturity Date" shall mean the earlier to occur of (i) December 12, 2023, and (ii) the date on which the Revolving Credit Aggregate Commitment shall terminate in accordance with the provisions of this Agreement.

"Revolving Credit Notes" shall mean the revolving credit notes described in Section 2.2 hereof, made by the Borrower to each of the Revolving Credit Lenders in the form attached hereto as Exhibit B, as such notes may be amended or supplemented from time to time, and any other notes issued in substitution, replacement or renewal thereof from time to time.

"Revolving Credit Percentage" means, with respect to any Revolving Credit Lender, the percentage specified opposite such Revolving Credit Lender's name in the column entitled "Revolving Credit Percentage" on Annex II, as adjusted from time to time in accordance with the terms hereof.

"Sanctioned Country" shall mean a country subject to a sanctions program maintained under any Anti-Terrorism Law.

"Sanctioned Person" shall mean any individual person, group, regime, entity or thing listed or otherwise recognized as a specially designated, prohibited, sanctioned or debarred

person, group, regime, entity or thing, or subject to any limitations or prohibitions (including but not limited to the blocking of property or rejection of transactions), under any Anti-Terrorism Law.

"Sanction(s)" means any sanction administered or enforced by the United States Government (including, without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority.

"Security Agreement" shall mean, collectively, the security agreement(s) executed and delivered by the Borrower and the Guarantors on the Effective Date pursuant to Section 5.1 hereof, and any such agreements executed and delivered after the Effective Date (whether by execution of a joinder agreement to any existing security agreement or otherwise) pursuant to Section 7.13 hereof or otherwise, in the form of the Security Agreement attached hereto as Exhibit F, as such documents may be amended, restated or otherwise modified from time to time.

"Site Lease" means the agreements listed on Schedule 1.2 pursuant to which the Borrower and the Subsidiaries lease the real property upon which the projects are located and any other similar agreements for real property rights with respect to expansions entered into after the date of this Agreement.

"Specified Hedging Agreement" shall mean any Hedging Agreement providing for an interest rate swap that does not provide for a minimum rate of zero percent (0.00%) with respect to determinations of the LIBOR rate for the purposes of such Hedging Agreement (e.g., determines the floating amount by using the "negative interest rate method" rather than the "zero interest rate method" in the case of any such Hedging Agreement made under the documentation published by the International Swaps and Derivatives Association, Inc.).

"Subordinated Debt" shall mean any unsecured Funded Debt of any Credit Party and other obligations under the Subordinated Debt Documents and any other Funded Debt of any Credit Party which has been subordinated in right of payment and priority to the Indebtedness, all on terms and conditions satisfactory to the Agent.

"Subordinated Debt Documents" shall mean and include any documents evidencing any Subordinated Debt, in each case, as the same may be amended, modified, supplemented or otherwise modified from time to time in compliance with the terms of this Agreement.

"Subordination Agreements" shall mean, collectively, any subordination agreements entered into by any Person from time to time in favor of the Agent in connection with any Subordinated Debt, the terms of which are acceptable to the Agent, in each case as the same may be amended, restated or otherwise modified from time to time, and "Subordination Agreement" shall mean any one of them.

"Subsidiary(ies)" shall mean any other corporation, association, joint stock company, business trust, limited liability company, partnership or any other business entity of which more than fifty percent (50%) of the outstanding voting stock, share capital, membership, partnership or other interests, as the case may be, is owned either directly or indirectly by any Person or one or more of its Subsidiaries, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by any Person and/or its Subsidiaries.

Unless otherwise specified to the contrary herein or the context otherwise requires, Subsidiary(ies) shall refer to the Subsidiary(ies) of the Borrower.

"Sweep Agreement" means any agreement relating to the "Sweep to Loan" automated system of the Agent or any other cash management arrangement which the Borrower and the Agent have executed for the purposes of effecting the borrowing and repayment of Swing Line Advances.

"Swing Line" shall mean the revolving credit loans to be advanced to the Borrower by the Swing Line Lender pursuant to Section 2.5 hereof, in an aggregate amount (subject to the terms hereof), not to exceed, at any one time outstanding, the Swing Line Maximum Amount.

"Swing Line Advance" shall mean a borrowing requested by the Borrower and made by Swing Line Lender pursuant to Section 2.5 hereof and may include, subject to the terms hereof, Quoted Rate-Advances and Base Rate Advances.

"Swing Line Lender" shall mean Comerica Bank in its capacity as lender of the Swing Line under Section 2.5 of this Agreement, or its successor as subsequently designated hereunder.

"Swing Line Maximum Amount" shall mean Five Million Dollars ($5,000,000).

"Swing Line Note" shall mean the swing line note which may be issued by the Borrower to Swing Line Lender pursuant to Section 2.5(b)(ii) hereof in the form attached hereto as Exhibit C, as such note may be amended or supplemented from time to time, and any note or notes issued in substitution, replacement or renewal thereof from time to time.

"Swing Line Participation Certificate" shall mean the Swing Line Participation Certificate delivered by the Agent to each Revolving Credit Lender pursuant to Section 2.5(e)(ii) hereof in the form attached hereto as Exhibit M.

"Tangible Net Worth" shall mean, as of any date of determination, the excess of (i) the net book value of the assets of Parent and its Subsidiaries (other than the Excluded Entities) as of such date (excluding all amounts owing to Parent, any of its Subsidiaries and/or any of the Excluded Entities by officers, directors, shareholders and other Affiliates and all patents, patent rights, trademarks, trade names, franchises, copyrights, licenses, goodwill and all other intangible assets of Parent and its Subsidiaries), after all appropriate deductions in accordance with GAAP (including, without limitation, reserves for doubtful receivables, obsolescence, depreciation and amortization), over (ii) Total Liabilities of Parent and its Subsidiaries (other than the Excluded Entities) as of such date, all as determined on a consolidated basis in accordance with GAAP.

"Tax Distributions" shall mean, in respect of any applicable Person, dividend payments and other distributions made by such Person to its respective shareholders, members or other Persons holding Equity Interests therein, as applicable, in an amount not to exceed the income tax liability, if any, of such shareholders, members or other Persons arising or incurred directly as a result of the pass-through of income items to such shareholders, members or other Persons as a result of such Person's status as a Subchapter S corporation under the United States Internal Revenue Code, as amended, or as a limited liability company, as applicable.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Loan" shall mean the term loan to be made to the Borrower by the Term Loan Lenders pursuant to Section 4.1(a) hereof, in the aggregate principal amount of Ninety Five Million Dollars ($95,000,000).

"Term Loan Advance" shall mean a borrowing requested by the Borrower and made by the Term Loan Lenders pursuant to Section 4.1(a) hereof, including without limitation any refunding or conversion of such borrowing pursuant to Section 4.4 hereof, and may include, subject to the terms hereof, Eurodollar-based Advances and Base Rate Advances.

"Term Loan Amount" shall mean with respect to any Term Loan Lender, the amount equal to its Term Loan Percentage of the aggregate principal amount outstanding under the Term Loan.

"Term Loan Lenders" shall mean the financial institutions from time to time parties hereto as lenders of the Term Loan.

"Term Loan Maturity Date" shall mean December 12, 2023.

"Term Loan Notes" shall mean the term notes described in Section 4.2(e) hereof, made by the Borrower to each of the Term Loan Lenders in the form attached hereto as Exhibit K, as such notes may be amended or supplemented from time to time, and any other notes issued in substitution, replacement or renewal thereof from time to time.

"Term Loan Percentage" shall mean with respect to any Term Loan Lender, the percentage specified opposite such Term Loan Lender's name in the column entitled "Term Loan Percentage" on Annex II, as adjusted from time to time in accordance with the terms hereof.

"Term Loan Rate Request" shall mean a request for the refunding or conversion of any Advance of the Term Loan submitted by Borrower under Section 4.4 of this Agreement in the form attached hereto as Exhibit L.

"Total Leverage Ratio" shall mean as of any date of determination, the ratio of (a) Funded Debt of Borrower and its Subsidiaries (other than the Excluded Entities) on such date to (b) Consolidated EBITDA for the four preceding fiscal quarters then ending, all as determined on a consolidated basis in accordance with GAAP.

"Total Liabilities" shall mean, as of any applicable time of determination thereof the total liabilities of a Person at such time, as determined in accordance with GAAP.

"Total Liabilities to Tangible Net Worth Ratio" shall mean as of any date of determination, the ratio of (i) the Total Liabilities of Parent and its Consolidated Subsidiaries (other than the Excluded Entities) as of such date, to (ii) Tangible Net Worth as of such date.

"Uniform Commercial Code" or "UCC" shall mean the Uniform Commercial Code as in effect in any applicable state; provided that, unless specified otherwise or the context otherwise requires, such terms shall refer to the Uniform Commercial Code as in effect in the State of Michigan.

"Unused Revolving Credit Availability" shall mean, on any date of determination, the amount equal to the Revolving Credit Aggregate Commitment, minus (x) the aggregate outstanding principal amount of all Advances (including Swing. Line Advances) and (y) the Letter of Credit Obligations.

"U.S. Borrower" is any Borrower that is a U.S. Person.

"U.S. Person" shall mean any Person that is a "United States Person" as defined in Section 7701 (a)(30) of the Code.

"U.S. Tax Compliance Certificate" is defined in Section 13.13.

"USA Patriot Act" is defined in Section 6.7.

"Weighted Percentage" shall mean with respect to any Lender, its weighted percentage calculated by dividing (i) the sum of (x) its Revolving Credit Commitment Amount plus (y) its Term Loan Amount, by (ii) the sum of (x) the Revolving Credit Aggregate Commitment (or, if the Revolving Credit Aggregate Commitment has been terminated (whether by maturity, acceleration or otherwise), the aggregate principal amount outstanding under the Revolving Credit, including any outstanding Letter of Credit Obligations and outstanding Swing Line Advances), plus (y) the aggregate principal amount of Indebtedness outstanding under the Term Loan. Annex II reflects each Lender's Weighted Percentage and may be revised by the Agent from time to time to reflect changes in the Weighted Percentages of the Lenders.

"Withdrawal Liability" shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"Withholding Agent" shall mean any Credit Party and the Agent.

"Working Capital Adjustment" shall mean, for any Fiscal Year of Borrower, the increase or decrease from the prior Fiscal Year of the remainder of (a) consolidated current assets (excluding cash, cash equivalents and deferred tax assets), without duplication, of Borrower and its Subsidiaries (other than the Excluded Entities) minus (b) consolidated current liabilities (excluding deferred tax liabilities) of Borrower and its Subsidiaries (other than the Excluded Entities), in each case (except with respect to the specific exclusions of the Excluded Entities) determined on a consolidated basis in accordance with GAAP.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which writedown and conversion powers are described in the EU Bail-In Legislation Schedule.

2. REVOLVING CREDIT.

2.1 Commitment. Subject to the terms and conditions of this Agreement (including without limitation Section 2.3 hereof), each Revolving Credit Lender severally and for itself alone agrees to make Advances of the Revolving Credit in Dollars to the Borrower from time to time on any Business Day during the period from the Effective Date hereof until (but excluding) the Revolving Credit Maturity Date in an aggregate amount, not to exceed at any one time outstanding such Lender's Revolving Credit Percentage of the Revolving Credit Aggregate Commitment. Subject to the terms and conditions set forth herein, advances, repayments and readvances may be made under the Revolving Credit.

2.2 Accrual of Interest and Maturity; Evidence of Indebtedness.

(a) The Borrower hereby unconditionally promises to pay to the Agent for the account of each Revolving Credit Lender the then unpaid principal amount of each Revolving Credit Advance (plus all accrued and unpaid interest) of such Revolving Credit Lender to the Borrower on the Revolving Credit Maturity Date and on such other dates and in such other amounts as may be required from time to time pursuant to this Agreement. Subject to the terms and conditions hereof, each Revolving Credit Advance shall, from time to time from and after the date of such Advance (until paid), bear interest at its Applicable Interest Rate.

(b) Each Revolving Credit Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of the Borrower to the appropriate lending office of such Revolving Credit Lender resulting from each Revolving Credit Advance made by such lending office of such Revolving Credit Lender from time to time, including the amounts of principal and interest payable thereon and paid to such Revolving Credit Lender from time to time under this Agreement.

(c) The Agent shall maintain the Register pursuant to Section 13.8(g), and a subaccount therein for each Revolving Credit Lender, in which Register and subaccounts (taken together) shall be recorded (i) the amount of each Revolving Credit Advance made hereunder, the type thereof and each Eurodollar-Interest Period applicable to any Eurodollar-based Advance, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Revolving Credit Lender hereunder in respect of the Revolving Credit Advances and (iii) both the amount of any sum received by the Agent hereunder from the Borrower in respect of the Revolving Credit Advances and each Revolving Credit Lender's share thereof.

(d) The entries made in the Register maintained pursuant to paragraph (c) of this Section 2.2 and Section 13.8(h) shall, absent manifest error, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that the failure of any Revolving Credit Lender or the Agent to maintain the Register or any account, as applicable, or any error therein, shall not in any manner affect the obligation of the Borrower to repay the Revolving Credit Advances (and all other amounts owing with respect thereto) made to the Borrower by the Revolving Credit Lenders in accordance with the terms of this Agreement.

(e) The Borrower agrees that, upon written request to the Agent by any Revolving Credit Lender, the Borrower will execute and deliver, to such Revolving Credit Lender, at the Borrower's own expense, a Revolving Credit Note evidencing the outstanding Revolving Credit Advances owing to such Revolving Credit Lender.

2.3 Requests for and Refundings and Conversions of Advances. The Borrower may request an Advance of the Revolving Credit, a refund of any Revolving Credit Advance in the same type of Advance or to convert any Revolving Credit Advance to any other type of Revolving Credit Advance only by delivery to the Agent of a Request for Revolving Credit Advance executed by an Authorized Signer for the Borrower, subject to the following:

(a) each such Request for Revolving Credit Advance shall set forth the information required on the Request for Revolving Credit Advance, including without limitation:

(i) the proposed date of such Revolving Credit Advance (or the refunding or conversion of an outstanding Revolving Credit Advance), which must be a Business Day;

(ii) whether such Advance is a new Revolving Credit Advance or a refunding or conversion of an outstanding Revolving Credit Advance; and

(iii) whether such Revolving Credit Advance is to be a Base Rate Advance or a Eurodollar-based Advance, and, except in the case of a Base Rate Advance, the first Eurodollar-Interest Period applicable thereto, provided, however, that the initial Revolving Credit Advance made under this Agreement shall be a Base Rate Advance, which may then be converted into a Eurodollar-based Advance in compliance with this Agreement.

(b) each such Request for Revolving Credit Advance shall be delivered to the Agent by 12:00 p.m. (Detroit time) three (3) Business Days prior to the proposed date of the Revolving Credit Advance, except in the case of a Base Rate Advance, for which the Request for Revolving Credit Advance must be delivered by 12:00 p.m. (Detroit time) on the proposed date for such Revolving Credit Advance;

(c) on the proposed date of such Revolving Credit Advance, the sum of (x) the aggregate principal amount of all Revolving Credit Advances and Swing Line Advances outstanding on such date (including, without duplication) the Advances that are deemed to be disbursed by the Agent under Section 3.6(c) hereof in respect of the Borrower's Reimbursement Obligations hereunder), plus (y) the Letter of Credit Obligations as of such date, in each case after giving effect to all outstanding requests for Revolving Credit Advances and Swing Line Advances and for the issuance of any Letters of Credit, shall not exceed the Revolving Credit Aggregate Commitment;

(d) in the case of a Base Rate Advance, the principal amount of the initial funding of such Advance, as opposed to any refunding or conversion thereof, shall be at least $750,000 or the remainder available under the Revolving Credit Aggregate Commitment if less than $750,000;

(e) in the case of a Eurodollar-based Advance, the principal amount of such Advance, plus the amount of any other outstanding Revolving Credit Advance to be then combined therewith having the same Eurodollar-Interest Period, if any, shall be at least $1,000,000 (or a larger integral multiple of $100,000) or the remainder available under the Revolving Credit Aggregate Commitment if less than $1,000,000 and at any one time there shall not be in effect more than five (5) different Eurodollar-Interest Periods;

(f) a Request for Revolving Credit Advance, once delivered to the Agent, shall not be revocable by the Borrower and shall constitute a certification by the Borrower as of the date thereof that:

(i) all conditions to the making of Revolving Credit Advances set forth in this Agreement have been satisfied, and shall remain satisfied to the date of such Revolving Credit Advance (both before and immediately after giving effect to such Revolving Credit Advance);

(ii) there is no Default or Event of Default in existence, and none will exist upon the making of such Revolving Credit Advance (both before and immediately after giving effect to such Revolving Credit Advance); and

(iii) the representations and warranties of the Credit Parties contained in this Agreement and the other Loan Documents are true and correct in all material respects and shall be true and correct in all material respects as of the date of the making of such Revolving Credit Advance (both before and immediately after giving effect to such Revolving Credit Advance), other than any representation or warranty that expressly speaks only as of a different date;

The Agent, acting on behalf of the Revolving Credit Lenders, may also, at its option, lend under this Section 2.3 upon the telephone or email request of an Authorized Signer of the Borrower to make such requests and, in the event the Agent, acting on behalf of the Revolving Credit Lenders, makes any such Advance upon a telephone or email request, an Authorized Signer shall fax or deliver by electronic file to the Agent, on the same day as such telephone or email request, an executed Request for Revolving Credit Advance. The Borrower hereby authorizes the Agent to disburse Advances under this Section 2.3 pursuant to the telephone or email instructions of any person purporting to be an Authorized Signer. Notwithstanding the foregoing, the Borrower acknowledges that the Borrower shall bear all risk of loss resulting from disbursements made upon any telephone or email request. Each telephone or email request for an Advance from an Authorized Signer for the Borrower shall constitute a certification of the matters set forth in the Request for Revolving Credit Advance form as of the date of such requested Advance.

2.4 Disbursement of Advances.

(a) Upon receiving any Request for Revolving Credit Advance from the Borrower under Section 2.3 hereof, the Agent shall promptly notify each Revolving Credit Lender by wire, telex or telephone (confirmed by wire, telecopy or telex) of the amount of such Advance being requested and the date such Revolving Credit Advance is to be made by each Revolving Credit Lender in an amount equal to its Revolving Credit Percentage of such

Advance. Unless such Revolving Credit Lender's commitment to make Revolving Credit Advances hereunder shall have been suspended or terminated in accordance with this Agreement, each such Revolving Credit Lender shall make available the amount of its Revolving Credit Percentage of each Revolving Credit Advance in immediately .available funds to the Agent, as follows:

(i) for Base Rate Advances, at the office of the Agent located at 411 West Lafayette, 7th Floor, MC 3289, Detroit, Michigan 48226, not later than 1:00 p.m. (Detroit time) on the date of such Advance; and

(ii) for Eurodollar-based Advances, at the Agent's Correspondent for the account of the Eurodollar Lending Office of the Agent, not later than 12:00 p.m. (the time of the Agent's Correspondent) on the date of such Advance.

(b) Subject to submission of an executed Request for Revolving Credit Advance by the Borrower without exceptions noted in the compliance certification therein, the Agent shall make available to the Borrower the aggregate of the amounts so received by it from the Revolving Credit Lenders in like funds and currencies:

(i) for Base Rate Advances, not later than 4:00 p.m. (Detroit time) on the date of such Revolving Credit Advance, by credit to an account of the Borrower maintained with the Agent; and

(ii) for Eurodollar-based Advances, not later than 4:00 p.m. (the time of the Agent's Correspondent) on the date of such Revolving Credit Advance, by credit to an account of the Borrower maintained with the Agent's Correspondent or to such other account or third party as the Borrower may direct, provided such direction is timely given.

(c) The Agent shall deliver the documents and papers received by it for the account of each Revolving Credit Lender to such Revolving Credit Lender. Unless the Agent shall have been notified by any Revolving Credit Lender prior to the date of any proposed Revolving Credit Advance that such Revolving Credit Lender does not intend to make available to the Agent such Revolving Credit Lender's Percentage of such Advance, the Agent may assume that such Revolving Credit Lender has made such amount available to the Agent on such date, as aforesaid. The Agent may, but shall not be obligated to, make available to the Borrower the amount of such payment in reliance on such assumption. If such amount is not in fact made available to the Agent by such Revolving Credit Lender, as aforesaid, the Agent shall be entitled to recover such amount on demand from such Revolving Credit Lender. If such Revolving Credit Lender does not pay such amount forthwith upon the Agent's demand therefor and the Agent has in fact made a corresponding amount available to the Borrower, the Agent shall promptly notify the Borrower and the Borrower shall pay such amount to the Agent, if such notice is delivered to the Borrower prior to 1:00 p.m. (Detroit time) on a Business Day, on the day such notice is received, and otherwise on the next Business Day, and such amount paid by the Borrower shall be applied as a prepayment of the Revolving Credit (without any corresponding reduction in the Revolving Credit Aggregate Commitment), reimbursing the Agent for having funded said amounts on behalf of such Revolving Credit Lender. The Borrower shall retain its claim against

such Revolving Credit Lender with respect to the amounts repaid by it to the Agent and, if such Revolving Credit Lender subsequently makes such amounts available to the Agent, the Agent shall promptly make such amounts available to the Borrower as a Revolving Credit Advance. The Agent shall also be entitled to recover from such Revolving Credit Lender or the Borrower, as the case may be, but without duplication, interest on such amount in respect of each day from the date such amount was made available by the Agent to the Borrower, to the date such amount is recovered by the Agent, at a rate per annum equal to:

(i) in the case of such Revolving Credit Lender, for the first two (2) Business Days such amount remains unpaid, the Federal Funds Effective Rate, and thereafter, at the rate of interest then applicable to such Revolving Credit Advances (plus any administrative, processing or similar fees assessed by Agent in connection with the foregoing); and

(ii) in the case of the Borrower, the rate of interest then applicable to such Advance of the Revolving Credit.

Until such Revolving Credit Lender has paid the Agent such amount, such Revolving Credit Lender shall have no interest in or rights with respect to such Advance for any purpose whatsoever. The obligation of any Revolving Credit Lender to make any Revolving Credit Advance hereunder shall not be affected by the failure of any other Revolving Credit Lender to make any Advance hereunder, and no Revolving Credit Lender shall have any liability to the Borrower or any of its Subsidiaries, the Agent, any other Revolving Credit Lender, or any other party for another Revolving Credit Lender's failure to make any loan or Advance hereunder.

2.5 Swing Line.

(a) Swing Line Advances. The Swing Line Lender may, on the terms and subject to the conditions hereinafter set forth (including without limitation Section 2.5(c) hereof), but shall not be required to, make one or more Advances (each such advance being a "Swing Line Advance") to the Borrower from time to time on any Business Day during the period from the Effective Date hereof until (but excluding) the Revolving Credit Maturity Date in an aggregate amount not to exceed at any one time outstanding the Swing Line Maximum Amount. Subject to the terms set forth herein, advances, repayments and readvances may be made under the Swing Line.

(b) Accrual of Interest and Maturity; Evidence of Indebtedness.

(i) Swing Line Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of the Borrower to Swing Line Lender resulting from each Swing Line Advance from time to time, including the amount and date of each Swing Line Advance, its Applicable Interest Rate, its Interest Period, if any, and the amount and date of any repayment made on any Swing Line Advance from time to time. The entries made in such account or accounts of Swing Line Lender shall be prima facie evidence, absent manifest error, of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that the failure of Swing Line Lender to maintain such account, as applicable, or any error therein, shall not

in any manner affect the obligation of the Borrower to repay the Swing Line Advances (and all other amounts owing with respect thereto) in accordance with the terms of this Agreement.

(ii) The Borrower agrees that, upon the written request of Swing Line Lender, the Borrower will execute and deliver to Swing Line Lender a Swing Line Note.

(iii) The Borrower unconditionally promises to pay to the Swing Line Lender the then unpaid principal amount of such Swing Line Advance (plus all accrued and unpaid interest) on the Revolving Credit Maturity Date and on such other dates and in such other amounts as may be required from time to time pursuant to this Agreement. Subject to the terms and conditions hereof, each Swing Line Advance shall, from time to time after the date of such Advance (until paid), bear interest at its Applicable Interest Rate.

(c) Requests for Swing Line Advances. The Borrower may request a Swing Line Advance by the delivery to Swing Line Lender of a Request for Swing Line Advance executed by an Authorized Signer for the Borrower, subject to the following:

(i) each such Request for Swing Line Advance shall set forth the information required on the Request for Advance, including without limitation, (A) the proposed date of such Swing Line Advance, which must be a Business Day, (B) whether such Swing Line Advance is to be a Base Rate Advance or a Quoted Rate Advance, and (C) in the case of a Quoted Rate Advance, the duration of the Interest Period applicable thereto;

(ii) on the proposed date of such Swing Line Advance, after giving effect to all outstanding requests for Swing Line Advances made by the Borrower as of the date of determination, the aggregate principal amount of all Swing Line Advances outstanding on such date shall not exceed the Swing Line Maximum Amount;

(iii) on the proposed date of such Swing Line Advance, after giving effect to all outstanding requests for Revolving Credit Advances and Swing Line Advances and Letters of Credit requested by the Borrower on such date of determination (including, without duplication, Advances that are deemed disbursed pursuant to Section 3.6(c) hereof in respect of the Borrower's Reimbursement Obligations hereunder), the sum of (x) the aggregate principal amount of all Revolving Credit Advances and the Swing Line Advances outstanding on such date plus (y) the Letter of Credit Obligations on such date shall not exceed the Revolving Credit Aggregate Commitment;

(iv) (A) in the case of a Swing Line Advance that is a Base Rate Advance, the principal amount of the initial funding of such Advance, as opposed to any refunding or conversion thereof, shall be at least Two Hundred Fifty Thousand Dollars ($250,000) or such lesser amount as may be agreed to by the Swing Line Lender, and (B) in the case of a Swing Line Advance that is a Quoted Rate Advance, the principal amount of such Advance, plus any other outstanding Swing Line Advances to be then combined therewith having the same Interest Period, if any, shall be at least Two Hundred Fifty

Thousand Dollars ($250,000) or such lesser amount as may be agreed to by the Swing Line Lender, and at any time there shall not be in effect more than three (3) Interest Rates and Interest Periods;

(v) each such Request for Swing Line Advance shall be delivered to the Swing Line Lender by 3:00 p.m. (Detroit time) on the proposed date of the Swing Line Advance;

(vi) each Request for Swing Line Advance, once delivered to Swing Line Lender, shall not be revocable by the Borrower, and shall constitute and include a certification by the Borrower as of the date thereof that:

(A) all conditions to the making of Swing Line Advances set forth in this Agreement shall have been satisfied and shall remain satisfied to the date of such Swing Line Advance (both before and immediately after giving effect to such Swing Line Advance);

(B) there is no Default or Event of Default in existence, and none will exist upon the making of such Swing Line Advance (both before and immediately after giving effect to such Swing Line Advance); and

(C) the representations and warranties of the Credit Parties contained in this Agreement and the other Loan Documents are true and correct in all material respects and shall be true and correct in all material respect as of the date of the making of such Swing Line Advance (both before and immediately after giving effect to such Swing Line Advance), other than any representation or warranty that expressly speaks only as of a different date;

(vii) At the option of the Agent, subject to revocation by the Agent at any time and from time to time and so long as the Agent is the Swing Line Lender, the Borrower may utilize the Agent's "Sweep to Loan" automated system for obtaining Swing Line Advances and making periodic repayments. At any time during which the "Sweep to Loan" system is in effect, Swing Line Advances shall be advanced to fund borrowing needs pursuant to the terms of the Sweep Agreement. Each time a Swing Line Advance is made using the "Sweep to Loan" system, the Borrower shall be deemed to have certified to the Agent and the Lenders each of the matters set forth in clause (vi) of this Section 2.5(b). Principal and interest on Swing Line Advances requested, or deemed requested, pursuant to this Section shall be paid pursuant to the terms and conditions of the Sweep Agreement without any deduction, setoff or counterclaim whatsoever. Unless sooner paid pursuant to the provisions hereof or the provisions of the Sweep Agreement, the principal amount of the Swing Loans shall be paid in full, together with accrued interest thereon,- on the Revolving Credit Maturity Date. The Agent may suspend or revoke the Borrower's privilege to use the "Sweep to Loan" system at any time and from time to time for any reason and, immediately upon any such revocation, the "Sweep to Loan" system shall no longer be available to the Borrower for the funding of Swing Line Advances hereunder (or otherwise), and the regular procedures set forth in this Section 2.5 for the making of Swing Line Advances shall be deemed immediately to apply. The

Agent may, at its option, also elect to make Swing Line Advances upon the Borrower's telephone requests on the basis set forth in the last paragraph of Section 2.3, provided that the Borrower complies with the provisions set forth in this Section 2.5.

(d) Disbursement of Swing Line Advances. Upon receiving any executed Request for Swing Line Advance from the Borrower and the satisfaction of the conditions set forth in Section 2.5(c) hereof, Swing Line Lender shall, at its option, make available to the Borrower the amount so requested in Dollars not later than 4:00 p.m. (Detroit time) on the date of such Advance, by credit to an account of the Borrower maintained with the Agent. Swing Line Lender shall promptly notify the Agent of any Swing Line Advance by telephone, telex or telecopier.

(e) Refunding of or Participation Interest in Swing Line Advances.

(i) The Agent, at any time in its sole and absolute discretion, may, in each case on behalf of the Borrower (which hereby irrevocably directs the Agent to act on their behalf) request each of the Revolving Credit Lenders (including the Swing Line Lender in its capacity as a Revolving Credit Lender) to make an Advance of the Revolving Credit to the Borrower, in an amount equal to such Revolving Credit Lender's Revolving Credit Percentage of the aggregate principal amount of the Swing Line Advances outstanding on the date such notice is given (the "Refunded Swing Line Advances"); provided however that the Swing Line Advances carried at the Quoted Rate which are refunded with Revolving Credit Advances at the request of the Swing Line Lender at a time when no Default or Event of Default has occurred and is continuing shall not be subject to Section 11.1 and no losses, costs or expenses may be assessed by the Swing Line Lender against the Borrower or the Revolving Credit Lenders as a consequence of such refunding. The applicable Revolving Credit Advances used to refund any Swing Line Advances shall be Base Rate Advances. In connection with the making of any such Refunded Swing Line Advances or the purchase of a participation interest in Swing Line Advances under Section 2.5(e)(ii) hereof, the Swing Line Lender shall retain its claim against the Borrower for any unpaid interest or fees in respect thereof accrued to the date of such refunding. Unless any of the events described in Section 9.1(i) hereof shall have occurred (in which event the procedures of Section 2.5(e)(ii) shall apply) and regardless of whether the conditions precedent set forth in this Agreement to the making of a Revolving Credit Advance are then satisfied (but subject to Section 2.5(e)(iii)), each Revolving Credit Lender shall make the proceeds of its Revolving Credit Advance available to the Agent for the benefit of the Swing Line Lender at the office of the Agent specified in Section 2.4(a) hereof prior to 11:00 a.m. Detroit time on the Business Day next succeeding the date such notice is given, in immediately available funds. The proceeds of such Revolving Credit Advances shall be immediately applied to repay the Refunded Swing Line Advances, subject to Section 11.1 hereof

(ii) If, prior to the making of an Advance of the Revolving Credit pursuant to Section 2.5(e)(i) hereof, one of the events described in Section 9.1(i) hereof shall have occurred, each Revolving Credit Lender will, on the date such Advance of the Revolving Credit was to have been made, purchase from the Swing Line Lender an

undivided participating interest in each Swing Line Advance that was to have been refunded in an amount equal to its Revolving Credit Percentage of such Swing Line Advance. Each Revolving Credit Lender within the time periods specified in Section 2.5(e)(i) hereof, as applicable, shall immediately transfer to the Agent, for the benefit of the Swing Line Lender, in immediately available funds, an amount equal to its Revolving Credit Percentage of the aggregate principal amount of all Swing Line Advances outstanding as of such date. Upon receipt thereof, the Agent will deliver to such Revolving Credit Lender a Swing Line Participation Certificate evidencing such participation.

(iii) Each Revolving Credit Lender's obligation to make Revolving Credit Advances to refund Swing Line Advances, and to purchase participation interests, in accordance with Section 2.5(e)(i) and (ii), respectively, shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, (A) any set-off, counterclaim, recoupment, defense or other right which such Revolving Credit Lender may have against Swing Line Lender, the Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of any Default or Event of Default; (C) any adverse change in the condition (financial or otherwise) of the Borrower or any other Person; (D) any breach of this Agreement or any other Loan Document by the Borrower or any other Person; (E) any inability of the Borrower to satisfy the conditions precedent to borrowing set forth in this Agreement on the date upon which such Revolving Credit Advance is to be made or such participating interest is to be purchased; (F) the termination of the Revolving Credit Aggregate Commitment hereunder; or (G) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. If any Revolving Credit Lender does not make available to the Agent the amount required pursuant to Section 2.5(e)(i) or (ii) hereof, as the case may be, the Agent on behalf of the Swing Line Lender, shall be entitled to recover such amount on demand from such Revolving Credit Lender, together with interest thereon for each day from the date of non-payment until such amount is paid in full (x) for the first two (2) Business Days such amount remains unpaid, at the Federal Funds Effective Rate and (y) thereafter, at the rate of interest then applicable to such Swing Line Advances. The obligation of any Revolving Credit Lender to make available its pro rata portion of the amounts required pursuant to Section 2.5(e)(i) or (ii) hereof shall not be affected by the failure of any other Revolving Credit Lender to make such amounts available, and no Revolving Credit Lender shall have any liability to any Credit Party, the Agent, the Swing Line Lender, or any other Revolving Credit Lender or any other party for another Revolving Credit Lender's failure to make available the amounts required under Section 2.5(e)(i) or (ii) hereof.

(iv) Notwithstanding the foregoing, no Revolving Credit Lender shall be required to make any Revolving Credit Advance to refund a Swing Line Advance or to purchase a participation in a Swing Line Advance if at least two (2) Business Days prior to the making of such Swing Line Advance by the Swing Line Lender, the officers of the Swing Line Lender immediately responsible for matters concerning this Agreement shall have received written notice from the Agent or any Lender that Swing Line Advances should be suspended based on the occurrence and continuance of a Default or Event of Default and stating that such notice is a "notice of default"; provided,

however that the obligation of the Revolving Credit Lenders to make or refund such Swing Line Advance or purchase a participation in such Swing Line Advance) shall be reinstated upon the date on which such Default or Event of Default has been waived by the requisite Lenders.

2.6 Interest Payments; Default Interest.

(a) Interest on the unpaid balance of all Base Rate Advances of the Revolving Credit and the Swing Line from time to time outstanding shall accrue from the date of such Advance to the date repaid, at a per annum interest rate equal to the Base Rate, and shall be payable in immediately available funds quarterly in arrears commencing on March 1, 2019, and on the first day of each June, September, December and March thereafter. Whenever any payment under this Section 2.6(a) shall become due on a day which is not a Business Day, the date for payment thereof shall be extended to the next Business Day. Interest accruing at the Base Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed, and in such computation effect shall be given to any change in the interest rate resulting from a change in the Base Rate on the date of such change in the Base Rate.

(b) Interest on each Eurodollar-based Advance of the Revolving Credit shall accrue at its Eurodollar-based Rate and shall be payable in immediately available funds on the last day of the Eurodollar-Interest Period applicable thereto (and, if any Eurodollar-Interest Period shall exceed three months, then on the last Business Day of the third month of such Eurodollar-Interest Period, and at three month intervals thereafter). Interest accruing at the Eurodollar-based Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed from the first day of the Eurodollar-Interest Period applicable thereto to but not including the last day thereof.

(c) Interest on each Quoted Rate Advance of the Swing Line shall accrue at its Quoted Rate and shall be payable in immediately available funds on the last day of the Interest Period applicable thereto. Interest accruing at the Quoted Rate shall be computed on the basis of a 360-day year and assessed for the actual number of days elapsed from the first day of the Interest Period applicable thereto to, but not including, the last day thereof.

(d) Notwithstanding anything to the contrary in the preceding sections, all accrued and unpaid interest on any Revolving Credit Advance refunded or converted pursuant to Section 2.3 hereof and any Swing Line Advance refunded pursuant to Section 2.5(e) hereof, shall be due and payable in full on the date such Advance is refunded or converted.

(e) In the case of any Event of Default under Section 9.1(i), immediately upon the occurrence and during the continuance thereof, and in the case of any other Event of Default, immediately upon receipt by the Agent of notice from the Majority Revolving Credit Lenders and thereafter during the continuance of such Event of Default, interest shall be payable on demand on all Revolving Credit Advances and Swing Line Advances from time to time outstanding at a per annum rate equal to the Applicable Interest Rate in respect of each such Advance plus, in the case of Eurodollar-based Advances and Quoted Rate Advances, three percent (3%) for the remainder of the then existing Interest Period, if any, and at all other such

times, and for all Base Rate Advances from time to time outstanding, at a per annum rate equal to the Base Rate plus three percent (3%).

2.7 Optional Prepayments.

(a)(i) The Borrower may prepay all or part of the outstanding principal of any Base Rate Advance(s) of the Revolving Credit at any time, provided that, unless the "Sweep to Loan" system shall be in effect in respect of the Revolving Credit, after giving effect to any partial prepayment, the aggregate balance of Base Rate Advance(s) of the Revolving Credit remaining outstanding shall be at least Five Million Dollars ($5,000,000), and (ii) subject to Section 2.10(c) hereof, the Borrower may prepay all or part of the outstanding principal of any Eurodollar-based Advance of the Revolving Credit at any time (subject to not less than five (5) Business Days' notice to the Agent) provided that, after giving effect to any partial prepayment, the unpaid portion of such Advance which is to be refunded or converted under Section 2.3 hereof shall be at least One Million Dollars ($1,000,000).

(b)(i) The Borrower may prepay all or part of the outstanding principal of any Swing Line Advance carried at the Base Rate at any time, provided that after giving effect to any partial prepayment, the aggregate balance of such Base Rate Advances remaining outstanding shall be at least Two Hundred Fifty Thousand Dollars ($250,000) and (ii) subject to Section 2.10(c) hereof, the Borrower may prepay all or part of the outstanding principal of any Swing Line Advance carried at the Quoted Rate at any time (subject to not less than one (1) day's notice to the Swing Line Lender) provided that after giving effect to any partial prepayment, the aggregate balance of such Quoted Rate Swing Line Advances remaining outstanding shall be at least Two Hundred Fifty Thousand Dollars ($250,000).

(c) Any prepayment of a Base Rate Advance made in accordance with this Section shall be without premium or penalty and any prepayment of any other type of Advance shall be subject to the provisions of Section 11.1 hereof, but otherwise without premium or penalty.

2.8 Base Rate Advance in Absence of Election or Upon Default. If, (a) as to any outstanding Eurodollar-based Advance of the Revolving Credit or any outstanding Quoted Rate Advance of the Swing Line, the Agent has not received payment of all outstanding principal and accrued interest on the last day of the Interest Period applicable thereto, or does not receive a timely Request for Advance meeting the requirements of Section 2.3 or 2.5 hereof with respect to the refunding or conversion of such Advance, or (b) if on the last day of the applicable Interest Period a Default or an Event of Default shall have occurred and be continuing, then, on the last day of the applicable Interest Period the principal amount of any Eurodollar-based Advance or Quoted Rate Advance, as the case may be, which has not been prepaid shall, absent a contrary election of the Majority Revolving Credit Lenders, be converted automatically to a Base Rate Advance and the Agent shall thereafter promptly notify the Borrower of said action. All accrued and unpaid interest on any Advance converted to a Base Rate Advance under this Section 2.8 shall be due and payable in full on the date such Advance is converted.

2.9 Revolving Credit Facility Fee. From the Effective Date to the Revolving Credit Maturity Date, the Borrower shall pay to the Agent for distribution to the Revolving Credit

Lenders pro-rata in accordance with their respective Revolving Credit Percentages, a Revolving Credit Facility Fee quarterly in arrears commencing January 1, 2019, and on the first day of each January, April, July and October thereafter (in respect of the prior three months or any portion thereof). The Revolving Credit Facility Fee payable to each Revolving Credit Lender shall be determined by multiplying the Applicable Fee Percentage times the Revolving Credit Aggregate Commitment then in effect (whether used or unused). The Revolving Credit Facility Fee shall be computed on the basis of a year of three hundred sixty (360) days and assessed for the actual number of days elapsed. Whenever any payment of the Revolving Credit Facility Fee shall be due on a day which is not a Business Day, the date for payment thereof shall be extended to the next Business Day. Upon receipt of such payment, the Agent shall make prompt payment to each Revolving Credit Lender of its share of the Revolving Credit Facility Fee based upon its respective Revolving Credit Percentage. It is expressly understood that the Revolving Credit Facility Fees described in this Section are not refundable.

2.10 Mandatory Repayment of Revolving Credit Advances.

(a) If at any time and for any reason the aggregate outstanding principal amount of Revolving Credit Advances plus Swing Line Advances, plus the outstanding Letter of Credit Obligations, shall exceed the Revolving Credit Aggregate Commitment, the Borrower shall immediately reduce any pending request for a Revolving Credit Advance on such day by the amount of such excess and, to the extent any excess remains thereafter, repay any Revolving Credit Advances and Swing Line Advances in an amount equal to the lesser of the outstanding amount of such Advances and the amount of such remaining excess, with such amounts to be applied between the Revolving Credit Advances and Swing Line Advances as determined by the Agent and then, to the extent that any excess remains after payment in full of all Revolving Credit Advances and Swing Line Advances, to provide cash collateral in support of any Letter of Credit Obligations in an amount equal to the lesser of (x) 105% of the amount of such Letter of Credit Obligations and (y) the amount of such remaining excess, with such cash collateral to be provided on terms satisfactory to the Agent. The Borrower acknowledges that, in connection with any repayment required hereunder, it shall also be responsible for the reimbursement of any prepayment or other costs required under Section 11.1 hereof. Any payments made pursuant to this Section shall be applied first to outstanding Base Rate Advances under the Revolving Credit, next to Swing Line Advances carried at the Base Rate and then to Eurodollar-based Advances of the Revolving Credit, and then to Swing Line Advances carried at the Quoted Rate.

(b) Upon the payment in full of the Term Loan, any prepayments required to be made on the Term Loan pursuant to Sections 4.8(a), (b) and (c) of this Agreement shall instead be applied to prepay any amounts outstanding under the Revolving Credit, without resulting in a permanent reduction in the Revolving Credit Agreement Commitment. Subject to Section 10.2 hereof, any payments made pursuant to this Section shall be applied first to outstanding Base Rate Advances under the Revolving Credit, next to Swing Line Advances carried at the Base Rate, next to Eurodollar-based Advances under the Revolving Credit, and then to Swing Line Advances carried at the Quoted Rate. If any amounts remain thereafter, a portion of such prepayment equivalent to the undrawn amount of any outstanding Letters of Credit shall be held by Lender as cash collateral for the Reimbursement Obligations, with any additional prepayment monies being applied to any Fees, costs or expenses due and outstanding

under this Agreement, and with the remainder of such prepayment thereafter being returned to the Borrower.

(c) To the extent that, on the date any mandatory repayment of the Revolving Credit Advances under this Section 2.10 or payment pursuant to the terms of any of the Loan Documents is due, the Indebtedness under the Revolving Credit or any other Indebtedness to be prepaid is being carried, in whole or in part, at the Eurodollar-based Rate and no Default or Event of Default has occurred and is continuing, the Borrower may deposit the amount of such mandatory prepayment in a cash collateral account to be held by the Agent, for and on behalf of the Revolving Credit Lenders, on such terms and conditions as are reasonably acceptable to the Agent and upon such deposit the obligation of the Borrower to make such mandatory prepayment shall be deemed satisfied. Subject to the terms and conditions of said cash collateral account, sums on deposit in said cash collateral account shall be applied (until exhausted) to reduce the principal balance of the Revolving Credit on the last day of each Eurodollar-Interest Period attributable to the Eurodollar-based Advances of such Revolving Advance, thereby avoiding breakage costs under Section 11.1 hereof; provided, however, that if a Default or Event of Default shall have occurred and be continuing at any time while sums are on deposit in the cash collateral account, the Agent may, in its sole discretion, elect to apply such sums to reduce the principal balance of such Eurodollar-based Advances prior to the last day of the applicable Eurodollar-Interest Period, and the Borrower will be obligated to pay any resulting breakage costs under Section 11.1.

2.11 Optional Reduction or Termination of Revolving Credit Aggregate Commitment. The Borrower may, upon at least five (5) Business Days' prior written notice to the Agent, permanently reduce the Revolving Credit Aggregate Commitment in whole at any time, or in part from time to time, without premium or penalty, provided that: (i) each partial reduction of the Revolving Credit Aggregate Commitment shall be in an aggregate amount equal to Five Million Dollars ($5,000,000) or a larger integral multiple of One Hundred Thousand Dollars ($100,000); (ii) each reduction shall be accompanied by the payment of the Revolving Credit Facility Fee, if any, accrued and unpaid to the date of such reduction; (iii) the Borrower shall prepay in accordance with the terms hereof the amount, if any, by which the aggregate unpaid principal amount of Revolving Credit Advances and Swing Line Advances (including, without duplication, any deemed Advances made under Section 3.6 hereof) outstanding hereunder, plus the Letter of Credit Obligations, exceeds the amount of the then applicable Revolving Credit Aggregate Commitment as so reduced, together with interest thereon to the date of prepayment; (iv) no reduction shall reduce the Revolving Credit Aggregate Commitment to an amount which is less than the aggregate undrawn amount of any Letters of Credit outstanding at such time; and (v) no such reduction shall reduce the Swing Line Maximum Amount unless the Borrower so elects, provided that the Swing Line Maximum Amount shall at no time be greater than the Revolving Credit Aggregate Commitment; provided, however that if the termination or reduction of the Revolving Credit Aggregate Commitment requires the prepayment of a Eurodollar-based Advance or a Quoted Rate Advance and such termination or reduction is made on a day other than the last Business Day of the then current Interest Period applicable to such Eurodollar-based Advance or such Quoted Rate Advance, then, pursuant to Section 11.1, the Borrower shall compensate the Revolving Credit Lenders and/or the Swing Line Lender for any losses or, so long as no Default or Event of Default has occurred and is continuing, the Borrower may deposit the amount of such prepayment in a collateral account as provided in Section 2.10(c). Reductions

of the Revolving Credit Aggregate Commitment and any accompanying prepayments of Advances of the Revolving Credit shall be distributed by the Agent to each Revolving Credit Lender in accordance with such Revolving Credit Lender's Revolving Percentage thereof, and will not be available for reinstatement by or readvance to the Borrower, and any accompanying prepayments of Advances of the Swing Line shall be distributed by the Agent to the Swing Line Lender and will not be available for reinstatement by or readvance to the Borrower. Any reductions of the Revolving Credit Aggregate Commitment hereunder shall reduce each Revolving Credit Lender's portion thereof proportionately (based on the applicable Percentages), and shall be permanent and irrevocable. Any payments made pursuant to this Section shall be applied first to outstanding Base Rate Advances under the Revolving Credit, next to Swing Line Advances carried at the Base Rate and then to Eurodollar-based Advances of the Revolving Credit, and then to Swing Line Advances carried at the Quoted Rate.

2.12 Use of Proceeds of Advances. Advances of the Revolving Credit shall be used to finance working capital and other lawful corporate purposes.

2.13 Optional Increase in Revolving Credit. Borrower may request that the Revolving Credit Aggregate Commitment be increased in an aggregate amount (for all such requests under this Section 2.13) not to exceed, when added to the amount of any Additional Term Loans and Term Loan Increases made in accordance with Section 4.10, the Maximum Optional Increase Amount, subject, in each case, to Section 11.1 hereof and to the satisfaction concurrently with or prior to the date of each such request of the following conditions:

(a) Borrower shall have delivered to the Agent a written request for such increase, specifying the amount of the requested increase (each such request, a "Request for Revolving Credit Increase"); provided, however, that in the event Borrower previously delivered a Request for Revolving Credit Increase pursuant to this Section 2.13, Borrower may not deliver a subsequent Request for Revolving Credit Increase until all the conditions to effectiveness of such first Request for Revolving Credit Increase have been fully satisfied (or such Request for Revolving Credit Increase has been withdrawn); and provided further that Borrower may make no more than three (3) Requests for Revolving Credit Increase and no Request for Increase may be made on or after the date that is twelve (12) months prior to the Revolving Credit Maturity Date without the consent of the Agent;

(b) within three (3) Business Days after the Agent's receipt of the Request for Revolving Credit Increase, the Agent shall inform each Revolving Credit Lender of the requested increase in the Revolving Credit Aggregate Commitment, offer each Revolving Credit Lender the opportunity to increase its Commitment in an amount equal to its applicable Revolving Credit Percentage of the requested increase in the Revolving Credit Aggregate Commitment, and request each such Revolving Credit Lender to notify the Agent in writing whether such Revolving Credit Lender desires to increase its applicable commitment by the requested amount. Each Revolving Credit Lender approving an increase in its applicable commitment by the requested amount shall deliver its written consent thereto no later than ten (10) Business Days of the Agent's informing such Revolving Credit Lender of the Request for Revolving Credit Increase; if the Agent shall not have received a written consent from a Revolving Credit Lender within such time period, such Revolving Credit Lender shall be deemed to have elected not to increase its applicable Commitment. If any one or more Revolving Credit Lenders shall elect not

to increase its commitment, then the Agent may offer the remaining increase amount to each other Revolving Credit Lender hereunder on a non-pro rata basis, or to (A) any other Lender hereunder, or (B) any other Person meeting the requirements of Section 13.8 hereof (including, for the purposes of this Section 2.13, any existing Revolving Credit Lender which agrees to increase its commitment hereunder, the "New Revolving Credit Lender(s)"), to increase their respective applicable commitments (or to provide a commitment);

(c) the New Revolving Credit Lenders shall have become a party to this Agreement by executing and delivering a New Lender Addendum for a minimum amount for each such New Revolving Credit Lender that was not an existing Revolving Credit Lender of $5,000,000 and an aggregate amount for all such New Revolving Credit Lenders of that portion of the Revolving Credit Optional Increase, taking into account the amount of any prior increase in the Revolving Credit Aggregate Commitment (pursuant to this Section 2.13) covered by the applicable Request; provided, however, that each New Revolving Credit Lender shall remit to the Agent funds in an amount equal to its Percentage (after giving effect to this Section 2.13) of all Advances of the Revolving Credit then outstanding, such sums to be reallocated among and paid to the existing Revolving Credit Lenders based upon the new Percentages as determined below;

(d) no New Revolving Credit Lender shall receive compensation (whether in the form of a fee, original issue discount or interest rate pricing) for its commitment under the Revolving Credit, except as set forth in this Agreement;

(e) Borrower shall have paid to the Agent for distribution to the existing Revolving Credit Lenders, as applicable, all interest, fees (including the Revolving Credit Facility Fee, which shall not be duplicative) and other amounts, if any, accrued to the effective date of such increase and any breakage fees attributable to the reduction (prior to the last day of the applicable Interest Period) of any outstanding Eurodollar-based Advances, calculated on the basis set forth in Section 11.1 hereof as though Borrower had prepaid such Advances;

(f) if requested, Borrower shall have executed and delivered to the Agent new Revolving Credit Notes payable to each of the New Revolving Credit Lenders in the face amount of each such New Revolving Credit Lender's Percentage of the Revolving Credit Aggregate Commitment (after giving effect to this Section 2.13) and, if applicable, renewal and replacement Revolving Credit Notes payable to each of the existing Revolving Credit Lenders in the face amount of each such Revolving Credit Lender's Revolving Credit Percentage of the Revolving Credit Aggregate Commitment (after giving effect to this Section 2.13), dated as of the effective date of such increase (with appropriate insertions relevant to such Notes and acceptable to the applicable Revolving Credit Lenders, including the New Revolving Credit Lenders);

(g) prior to the date the increased commitment becomes available, the Borrower shall have delivered to the Agent, in each case dated as of the date of the applicable increase:

(i) a pro forma Covenant Compliance Report demonstrating that, upon giving effect to the applicable increase, all financial covenants set forth in Section 7.9 would be satisfied on a pro forma basis on such date and for the most recent

determination period for which the Borrower has delivered or is required to have delivered financial statements pursuant to Section 7.1(a) or (b);

(ii) a certificate signed by a Responsible Officer of Borrower (A) certifying and attaching the resolutions adopted by Borrower approving or consenting to such increase, and (B) certifying that, before and after giving effect to such increase, (1) the representations and warranties contained in this Agreement and the other Loan Documents are true and correct in all material respects on and as of the date such increase becomes available, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date, and (2) no Default or Event of Default shall have occurred and be continuing;

(h) any Revolving Credit Optional Increase made pursuant to this Section 2.13, and any Advances made in respect thereof, shall be subject to the same terms as are applicable to the existing Revolving Credit Aggregate Commitment and any Advances made in respect thereof;

(i) such amendments, acknowledgments, consents, documents, instruments, any registrations, if any, shall have been executed and delivered and/or obtained by Borrower as required by the Agent, in its reasonable discretion; and

(j) prior to the date the increased commitment becomes available, each Lender shall have completed its flood insurance due diligence and flood insurance compliance as required as a result of such increase

3. LETTERS OF CREDIT.

3.1 Letters of Credit. Subject to the terms and conditions of this Agreement, Issuing Lender may, but shall not be required to, through the Issuing Office, at any time and from time to time from and after the date hereof until thirty (30) days prior to the Revolving Credit Maturity Date, upon the written request of the Borrower accompanied by a duly executed Letter of Credit Agreement and such other documentation related to the requested Letter of Credit as the Issuing Lender may require, issue Letters of Credit in Dollars for the account of the Borrower, in an aggregate amount for all Letters of Credit issued hereunder at any one time outstanding not to exceed the Letter of Credit Maximum Amount. Each Letter of Credit shall be in a minimum face amount of One Hundred Thousand Dollars ($100,000) (or such lesser amount as may be agreed to by Issuing Lender) and each Letter of Credit (including any renewal thereof) shall expire not later than the first to occur of (i) twelve (12) months after the date of issuance thereof and (ii) ten (10) Business Days prior to the Revolving Credit Maturity Date in effect on the date of issuance thereof. Notwithstanding the foregoing to the contrary, subject to the provisions of this clause 3.1, (a) the expiration date of a Letter of Credit may be up to one (1) year later than the Revolving Credit Maturity Date if the Borrower cash collateralizes each such Letter of Credit having an expiry date later than the Revolving Credit Maturity Date on or before the thirtieth (30th) day prior to the Revolving Credit Maturity Date by depositing in an account with the Agent, in the name of the Borrower, an amount in cash equal to 105% of the face amount of the applicable Letter(s) of Credit as of such date; and (b) any Letter of Credit (other than a Letter of

Credit which expires later than the Revolving Credit Maturity Date) may provide for the automatic renewal thereof for an additional one-year period (or, in the case of any renewal or extension thereof, one year after such renewal or extension), subject however to the cash collateral requirement in clause (a) above in the event any such renewal would result in a Letter of Credit which expires later than the Revolving Credit Maturity Date. The Borrower hereby grants to the Bank, a security interest in all cash collateral pledged pursuant to this clause 3.1 or otherwise under this Agreement. The submission of all applications in respect of and the issuance of each Letter of Credit hereunder shall be subject in all respects to such industry rules and governing law as are reasonably acceptable to the Issuing Lender. In the event of any conflict between this Agreement and any Letter of Credit Document other than any Letter of Credit, this Agreement shall control.

3.2 Conditions to Issuance. No Letter of Credit shall be issued (including the renewal or extension of any Letter of Credit previously issued) at the request and for the account of the Borrower unless, as of the date of issuance (or renewal or extension) of such Letter of Credit:

(a)(i) after giving effect to the Letter of Credit requested, the Letter of Credit Obligations do not exceed the Letter of Credit Maximum Amount; and (ii) after giving effect to the Letter of Credit requested, the Letter of Credit Obligations on such date plus the aggregate amount of all Revolving Credit Advances and Swing Line Advances (including all Advances deemed disbursed by the Agent under Section 3.6(c) hereof in respect of the Borrower Reimbursement Obligations) hereunder requested or outstanding on such date do not exceed the Revolving Credit Aggregate Commitment;

(b) the representations and warranties of the Credit Parties contained in this Agreement and the other Loan Documents are true and correct in all material respects and shall be true and correct in all material respects as of date of the issuance of such Letter of Credit (both before and immediately after the issuance of such Letter of Credit), other than any representation or warranty that expressly speaks only as of a different date;

(c) there is no Default or Event of Default in existence, and none will exist upon the issuance of such Letter of Credit;

(d) the Borrower shall have delivered to Issuing Lender at its Issuing Office, not less than three (3) Business Days prior to the requested date for issuance (or such shorter time as the Issuing Lender, in its sole discretion, may permit), the Letter of Credit Agreement related thereto, together with such other documents and materials as may be required pursuant to the terms thereof, and the terms of the proposed Letter of Credit shall be reasonably satisfactory to Issuing Lender;

(e) no order, judgment or decree of any court, arbitrator or Governmental Authority shall purport by its terms to enjoin or restrain Issuing Lender from issuing the Letter of Credit requested, or any Revolving Credit Lender from taking an assignment of its Revolving Credit Percentage thereof pursuant to Section 3.6 hereof, and no law, rule, regulation, request or directive (whether or not having the force of law) shall prohibit the Issuing Lender from issuing, or any Revolving Credit Lender from taking an assignment of its Revolving Credit Percentage of, the Letter of Credit requested or letters of credit generally;

(f) there shall have been (i) no introduction of or change in the interpretation of any law or regulation, (ii) no declaration of a general banking moratorium by banking authorities in the United States, Michigan or the respective jurisdictions in which the Revolving Credit Lenders, the Borrower and the beneficiary of the requested Letter of Credit are located, and (iii) no establishment of any new restrictions by any central bank or other governmental agency or authority on transactions involving letters of credit or on banks generally that, in any case described in this clause (e), would make it unlawful or unduly burdensome for the Issuing Lender to issue or any Revolving Credit Lender to take an assignment of its Revolving Credit Percentage of the requested Letter of Credit or letters of credit generally;

(g) if any Revolving Credit Lender is a Defaulting Lender, the Issuing Lender has entered into arrangements satisfactory to it to eliminate the Fronting Exposure with respect to the participation in the Letter of Credit Obligations by such Defaulting Lender, including creation of a cash collateral account on terms satisfactory to the Agent or delivery of other security to assure payment of such Defaulting Lender's Percentage of all outstanding Letter of Credit Obligations; and

(h) Issuing Lender shall have received the issuance fees required in connection with the issuance of such Letter of Credit pursuant to Section 3.4 hereof.

Each Letter of Credit Agreement submitted to Issuing Lender pursuant hereto shall constitute the certification by the Borrower of the matters set forth in Sections 5.2 hereof. The Agent shall be entitled to rely on such certification without any duty of inquiry.

3.3 Notice. The Issuing Lender shall deliver to the Agent, concurrently with or promptly following its issuance of any Letter of Credit, a true and complete copy of each Letter of Credit. Promptly upon its receipt thereof, the Agent shall give notice, substantially in the form attached as Exhibit E, to each Revolving Credit Lender of the issuance of each Letter of Credit, specifying the amount thereof and the amount of such Revolving Credit Lender's Percentage thereof.

3.4 Letter of Credit Fees; Increased Costs.

(a) The Borrower shall pay letter of credit fees as follows:

(i) A per annum letter of credit fee with respect to the undrawn amount of each Letter of Credit issued pursuant hereto (based on the amount of each Letter of Credit) in the amount of the Applicable Fee Percentage (determined with reference to Annex I to this Agreement) shall be paid to the Agent for distribution to the Revolving Credit Lenders in accordance with their Revolving Credit Percentages.

(ii) A letter of credit facing fee on the face amount of each Letter of Credit shall be paid to the Agent for distribution to the Issuing Lender for its own account, in accordance with the terms of the applicable Fee Letter.

(b) All payments by the Borrower to the Agent for distribution to the Issuing Lender or the Revolving Credit Lenders under this Section 3.4 shall be made in Dollars in immediately available funds at the Issuing Office or such other office of the Agent as may be

designated from time to time by written notice to the Borrower by the Agent. The fees described in clauses (a)(i) and (ii) above (i) shall be nonrefundable under all circumstances, (ii) in the case of fees due under clause (a)(i) above, shall be payable upon the issuance of such Letter of Credit and annually in advance on the first day of each January thereafter and (iii) in the case of fees due under clause (a)(ii) above, shall be payable upon the issuance of such Letter of Credit and quarterly in advance thereafter. The fees due under clause (a)(i) above shall be determined by multiplying the Applicable Fee Percentage times the undrawn amount of the face amount of each such Letter of Credit on the date of determination, and shall be calculated on the basis of a 360 day year and assessed for the actual number of days from the date of the issuance thereof to the stated expiration thereof. The parties hereto acknowledge that, unless the Issuing Lender otherwise agrees, any material amendment and any extension to a Letter of Credit issued hereunder shall be treated as a new Letter of Credit for the purposes of the letter of credit facing fee.

(c) If any Change in Law shall either (i) impose, modify or cause to be deemed applicable any reserve, special deposit, limitation or similar requirement against letters of credit issued or participated in by, or assets held by, or deposits in or for the account of, Issuing Lender or any Revolving Credit Lender or (ii) impose on Issuing Lender or any Revolving Credit Lender any other condition regarding this Agreement, the Letters of Credit or any participations in such Letters of Credit, and the result of any event referred to in clause (i) or (ii) above shall be to increase the cost or expense to Issuing Lender or such Revolving Credit Lender of issuing or maintaining or participating in any of the Letters of Credit (which increase in cost or expense shall be determined by the Issuing Lender's or such Revolving Credit Lender's reasonable allocation of the aggregate of such cost increases and expenses resulting from such events), then, upon demand by the Issuing Lender or such Revolving Credit Lender, as the case may be, the Borrower shall, within thirty (30) days following demand for payment, pay to Issuing Lender or such Revolving Credit Lender, as the case may be, from time to time as specified by the Issuing Lender or such Revolving Credit Lender, additional amounts which shall be sufficient to compensate the Issuing Lender or such Revolving Credit Lender for such increased cost and expense (together with interest on each such amount from ten days after the date such payment is due until payment in full thereof at the Base Rate), provided that if the Issuing Lender or such Revolving Credit Lender could take any reasonable action, without cost or administrative or other burden or restriction to such Lender, to mitigate or eliminate such cost or expense, it agrees to do so within a reasonable time after becoming aware of the foregoing matters. Each demand for payment under this Section 3.4(c) shall be accompanied by a certificate of Issuing Lender or the applicable Revolving Credit Lender setting forth the amount of such increased cost or expense incurred by the Issuing Lender or such Revolving Credit Lender, as the case may be, as a result of any event mentioned in clause (i) or (ii) above, and in reasonable detail, the methodology for calculating and the calculation of such amount, which certificate shall be prepared in good faith and shall be conclusive evidence, absent manifest error, as to the amount thereof.

3.5 Other Fees. In connection with the Letters of Credit, and in addition to the Letter of Credit Fees, the Borrower shall pay, for the sole account of the Issuing Lender, standard documentation, administration, payment and cancellation charges assessed by Issuing Lender or the Issuing Office, at the times, in the amounts and on the terms set forth or to be set forth from time to time in the standard fee schedule of the Issuing Office in effect from time to time.

3.6 Participation Interests in and Drawings and Demands for Payment Under Letters of Credit.

(a) Upon issuance by the Issuing Lender of each Letter of Credit hereunder (and on the Effective Date with respect to each Existing Letter of Credit), each Revolving Credit Lender shall automatically acquire a pro rata participation interest in such Letter of Credit and each related Letter of Credit Payment based on its respective Revolving Credit Percentage.

(b) If the Issuing Lender shall honor a draft or other demand for payment presented or made under any Letter of Credit, the Borrower agrees to pay to the Issuing Lender an amount equal to the amount paid by the Issuing Lender in respect of such draft or other demand under such Letter of Credit and all reasonable and invoiced out-of-pocket expenses paid or incurred by the Agent relative thereto not later than 1:00 p.m. (Detroit time), in Dollars, on (i) the Business Day that the Borrower received notice of such presentment and honor, if such notice is received prior to 11:00 a.m. (Detroit time) or (ii) the Business Day immediately following the day that the Borrower received such notice, if such notice is received after 11:00 a.m. (Detroit time).

(c) If the Issuing Lender shall honor a draft or other demand for payment presented or made under any Letter of Credit, but the Borrower does not reimburse the Issuing Lender as required under clause (b) above and the Revolving Credit Aggregate Commitment has not been terminated (whether by maturity, acceleration or otherwise), the Borrower shall be deemed to have immediately requested that the Revolving Credit Lenders make a Base Rate Advance of the Revolving Credit (which Advance may be subsequently converted at any time into a Eurodollar-based Advance pursuant to Section 2.3 hereof) in the principal amount equal to the amount paid by the Issuing Lender in respect of such draft or other demand under such Letter of Credit and all reasonable and invoiced out-of-pocket expenses paid or incurred by the Agent relative thereto. The Agent will promptly notify the Revolving Credit Lenders of such deemed request, and each such Lender shall make available to the Agent an amount equal to its pro rata share (based on its Revolving Credit Percentage) of the amount of such Advance.

(d) If the Issuing Lender shall honor a draft or other demand for payment presented or made under any Letter of Credit, but the Borrower does not reimburse the Issuing Lender as required under clause (b) above, and (i) the Revolving Credit Aggregate Commitment has been terminated (whether by maturity, acceleration or otherwise), or (ii) any reimbursement received by the Issuing Lender from the Borrower is or must be returned or rescinded upon or during any bankruptcy or reorganization of any Credit Party or otherwise, then the Agent shall notify each Revolving Credit Lender, and each Revolving Credit Lender will be obligated to pay the Agent for the account of the Issuing Lender its pro rata share (based on its Revolving Credit Percentage) of the amount paid by the Issuing Lender in respect of such draft or other demand under such Letter of Credit and all reasonable and invoiced out-of-pocket expenses paid or incurred by the Agent relative thereto (but no such payment shall diminish the obligations of the Borrower hereunder). Upon receipt thereof, the Agent will deliver to such Revolving Credit Lender a participation certificate evidencing its participation interest in respect of such payment and expenses. To the extent that a Revolving Credit Lender fails to make such amount available to the Agent by 11:00 am Detroit time on the Business Day next succeeding the date such notice is given, such Revolving Credit Lender shall pay interest on such amount in respect of each day

from the date such amount was required to be paid, to the date paid to the Agent, at the rate applicable under Section 2.4(c)(i) in respect of Revolving Credit Advances. The failure of any Revolving Credit Lender to make its pro rata portion of any such amount available under to the Agent shall not relieve any other Revolving Credit Lender of its obligation to make available its pro rata portion of such amount, but no Revolving Credit Lender shall be responsible for failure of any other Revolving Credit Lender to make such pro rata portion available to the Agent.

(e) In the case of any Advance made under this Section 3.6, each such Advance shall be disbursed notwithstanding any failure to satisfy any conditions for disbursement of any Advance set forth in Article 2 hereof or Article 5 hereof, and, to the extent of the Advance so disbursed, the Reimbursement Obligation of the Borrower to the Agent under this Section 3.6 shall be deemed satisfied (unless, in each case, taking into account any such deemed Advances, the aggregate outstanding principal amount of Advances of the Revolving Credit and the Swing Line, plus the Letter of Credit Obligations (other than the Reimbursement Obligations to be reimbursed by this Advance) on such date exceed the then applicable Revolving Credit Aggregate Commitment).

(f) If the Issuing Lender shall honor a draft or other demand for payment presented or made under any Letter of Credit, the Issuing Lender shall provide notice thereof to the Borrower on the date such draft or demand is honored, and to each Revolving Credit Lender on such date unless the Borrower shall have satisfied its reimbursement obligations by payment to the Agent (for the benefit of the Issuing Lender) as required under this Section 3.6. The Issuing Lender shall further use reasonable efforts to provide notice to the Borrower prior to honoring any such draft or other demand for payment, but such notice, or the failure to provide such notice, shall not affect the rights or obligations of the Issuing Lender with respect to any Letter of Credit or the rights and obligations of the parties hereto, including without limitation the obligations of the Borrower under this Section 3.6.

(g) Notwithstanding the foregoing however no Revolving Credit Lender shall be deemed to have acquired a participation in a Letter of Credit if the officers of the Issuing Lender immediately responsible for matters concerning this Agreement shall have received written notice from the Agent or any Lender at least two (2) Business Days prior to the date of the issuance or extension of such Letter of Credit or, with respect to any Letter of Credit subject to automatic extension, at least five (5) Business Days prior to the date that the beneficiary under such Letter of Credit must be notified that such Letter of Credit will not be renewed, that the issuance or extension of Letters of Credit should be suspended based on the occurrence and continuance of a Default or Event of Default and stating that such notice is a “notice of default”; provided, however that the Revolving Credit Lenders shall be deemed to have acquired such a participation upon the date on which such Default or Event of Default has been waived by the requisite Revolving Credit Lenders, as applicable.

(h) Nothing in this Agreement shall be construed to require or authorize any Revolving Credit Lender to issue any Letter of Credit, it being recognized that the Issuing Lender shall be the sole issuer of Letters of Credit under this Agreement.

(i) In the event that any Revolving Credit Lender becomes a Defaulting Lender, the Issuing Lender may, at its option, require that the Borrower enter into arrangements

satisfactory to Issuing Lender to eliminate the Fronting Exposure with respect to the participation in the Letter of Credit Obligations by such Defaulting Lender, including creation of a cash collateral account on terms satisfactory to the Agent or delivery of other security to assure payment of such Defaulting Lender's Percentage of all outstanding Letter of Credit Obligations.

3.7 Obligations Irrevocable. The obligations of the Borrower to make payments to the Agent for the account of Issuing Lender or the Revolving Credit Lenders with respect to Letter of Credit Obligations under Section 3.6 hereof, shall be unconditional and irrevocable and not subject to any qualification or exception whatsoever, including, without limitation:

(a) Any lack of validity or enforceability of any Letter of Credit, any Letter of Credit Agreement, any other documentation relating to any Letter of Credit, this Agreement or any of the other Loan Documents (the "Letter of Credit Documents");

(b) Any amendment, modification, waiver, consent, or any substitution, exchange or release of or failure to perfect any interest in collateral or security, with respect to or under any Letter of Credit Document;

(c) The existence of any claim, setoff, defense or other right which the Borrower may have at any time against any beneficiary or any transferee of any Letter of Credit (or any persons or entities for whom any such beneficiary or any such transferee may be acting), the Agent, the Issuing Lender or any Revolving Credit Lender or any other Person, whether in connection with this Agreement, any of the Letter of Credit Documents, the transactions contemplated herein or therein or any unrelated transactions;

(d) Any draft or other statement or document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(e) Payment by the Issuing Lender to the beneficiary under any Letter of Credit against presentation of documents which do not comply with the terms of such Letter of Credit, including failure of any documents to bear any reference or adequate reference to such Letter of Credit;

(f) Any failure, omission, delay or lack on the part of the Agent, Issuing Lender or any Revolving Credit Lender or any party to any of the Letter of Credit Documents or any other Loan Document to enforce, assert or exercise any right, power or remedy conferred upon the Agent, Issuing Lender, any Revolving Credit Lender or any such party under this Agreement, any of the other Loan Documents or any of the Letter of Credit Documents, or any other acts or omissions on the part of the Agent, Issuing Lender, any Revolving Credit Lender or any such party; or

(g) Any other event or circumstance that would, in the absence of this Section 3.7, result in the release or discharge by operation of law or otherwise of the Borrower from the performance or observance of any obligation, covenant or agreement contained in Section 3.6 hereof.

No setoff, counterclaim, reduction or diminution of any obligation or any defense of any kind or nature which the Borrower has or may have against the beneficiary of any Letter of Credit shall be available hereunder to the Borrower against the Agent, Issuing Lender or any Revolving Credit Lender. With respect to any Letter of Credit, nothing contained in this Section 3.7 shall be deemed to prevent the Borrower, after satisfaction in full of the absolute and unconditional obligations of the Borrower hereunder with respect to such Letter of Credit, from asserting in a separate action any claim, defense, set off or other right which they (or any of them) may have against the Agent, Issuing Lender or any Revolving Credit Lender in connection with such Letter of Credit.

3.8 Risk Under Letters of Credit.

(a) In the administration and handling of Letters of Credit and any security therefor, or any documents or instruments given in connection therewith, Issuing Lender shall have the sole right to take or refrain from taking any and all actions under or upon the Letters of Credit.

(b) Subject to other terms and conditions of this Agreement, Issuing Lender shall issue the Letters of Credit and shall hold the documents related thereto in its own name and shall make all collections thereunder and otherwise administer the Letters of Credit in accordance with Issuing Lender's regularly established practices and procedures and will have no further obligation with respect thereto. In the administration of Letters of Credit, Issuing Lender shall not be liable for any action taken or omitted on the advice of counsel, accountants, appraisers or other experts selected by Issuing Lender with due care and Issuing Lender may rely upon any notice, communication, certificate or other statement from the Borrower, beneficiaries of Letters of Credit, or any other Person which Issuing Lender believes to be authentic. Issuing Lender will, upon request, furnish the Revolving Credit Lenders with copies of Letter of Credit Documents related thereto.

(c) In connection with the issuance and administration of Letters of Credit and the assignments hereunder, Issuing Lender makes no representation and shall have no responsibility with respect to (i) the obligations of the Borrower or the validity, sufficiency or enforceability of any document or instrument given in connection therewith, or the taking of any action with respect to same, (ii) the financial condition of, any representations made by, or any act or omission of the Borrower or any other Person, or (iii) any failure or delay in exercising any rights or powers possessed by Issuing Lender in its capacity as issuer of Letters of Credit in the absence of its gross negligence or willful misconduct. Each of the Revolving Credit Lenders expressly acknowledges that it has made and will continue to make its own evaluations of the Borrower's creditworthiness without reliance on any representation of Issuing Lender or Issuing Lender's officers, agents and employees.

(d) If at any time Issuing Lender shall recover any part of any unreimbursed amount for any draw or other demand for payment under a Letter of Credit, or any interest thereon, the Agent or Issuing Lender, as the case may be, shall receive same for the pro rata benefit of the Revolving Credit Lenders in accordance with their respective Percentages and shall promptly deliver to each Revolving Credit Lender its share thereof, less such Revolving Credit Lender's pro rata share of the out-of-pocket costs of such recovery, including court costs

and reasonable and invoiced outside attorney's fees. If at any time any Revolving Credit Lender shall receive from any source whatsoever any payment on any such unreimbursed amount or interest thereon in excess of such Revolving Credit Lender's Percentage of such payment, such Revolving Credit Lender will promptly pay over such excess to the Agent, for redistribution in accordance with this Agreement.

3.9 Indemnification. The Borrower hereby indemnifies and agrees to hold harmless the Revolving Credit Lenders, the Issuing Lender and the Agent and their respective Affiliates, and the respective officers, directors, employees and agents of such Persons (each an "L/C Indemnified Person"), from and against any and all claims, damages, losses, liabilities, reasonable and invoiced out-of-pocket costs or expenses of any kind or nature whatsoever which the Revolving Credit Lenders, the Issuing Lender or the Agent or any such Person may incur or which may be claimed against any of them by reason of or in connection with any Letter of Credit (collectively, the "L/C Indemnified Amounts"), and none of the Issuing Lender, any Revolving Credit Lender or the Agent or any of their respective officers, directors, employees or agents shall be liable or responsible for:

(a) the use which may be made of any Letter of Credit or for any acts or omissions of any beneficiary in connection therewith;

(b) the validity, sufficiency or genuineness of documents or of any endorsement thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged;

(c) payment by the Issuing Lender to the beneficiary under any Letter of Credit against presentation of documents which do not strictly comply with the terms of any Letter of Credit (unless such payment resulted from the gross negligence or willful misconduct of the Issuing Lender), including failure of any documents to bear any reference or adequate reference to such Letter of Credit;

(d) any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit; or

(e) any other event or circumstance whatsoever arising in connection with any Letter of Credit.

It is understood that in making any payment under a Letter of Credit the Issuing Lender will rely on documents presented to it under such Letter of Credit as to any and all matters set forth therein without further investigation and regardless of any notice or information to the contrary.

With respect to subparagraphs (a) through (e) hereof, (i) no Borrower shall be required to indemnify any L/C Indemnified Person for any L/C Indemnified Amounts to the extent such amounts result from the gross negligence or willful misconduct of such L/C Indemnified Person or any officer, director, employee or agent of such L/C Indemnified Person, and (ii) the Agent and the Issuing Lender shall be liable to the Borrower to the extent, but only to the extent, of any direct, as opposed to consequential or incidental, damages suffered by the Borrower which were caused by the gross negligence or willful misconduct of the Issuing Lender or any officer,

director, employee or agent of the Issuing Lender or by the Issuing Lender's wrongful dishonor of any Letter of Credit after the presentation to it by the beneficiary thereunder of a draft or other demand for payment and other documentation strictly complying with the terms and conditions of such Letter of Credit. Notwithstanding anything to the contrary, it is agreed that none of the Credit Parties shall be required to reimburse legal fees or expenses of more than one counsel (and, if relevant, one firm of local counsel in each relevant jurisdiction and other necessary special counsel) or more than one other advisor to all indemnitees described above, taken as a whole (other than such additional counsel as may be appointed in the event of a conflict).

3.10 Right of Reimbursement. Each Revolving Credit Lender agrees to reimburse the Issuing Lender on demand, pro rata in accordance with its respective Revolving Credit Percentage, for (i) the reasonable out-of-pocket costs and expenses of the Issuing Lender to be reimbursed by the Borrower pursuant to any Letter of Credit Agreement or any Letter of Credit, to the extent not reimbursed by the Borrower or any other Credit Party and (ii) any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, fees, reasonable out-of-pocket expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against Issuing Lender in any way relating to or arising out of this Agreement (including Section 3.6(c) hereof), any Letter of Credit, any documentation or any transaction relating thereto, or any Letter of Credit Agreement, to the extent not reimbursed by the Borrower, except to the extent that such liabilities, losses, costs or expenses were incurred by Issuing Lender as a result of Issuing Lender's gross negligence or willful misconduct or by the Issuing Lender's wrongful dishonor of any Letter of Credit after the presentation to it by the beneficiary thereunder of a draft or other demand for payment and other documentation strictly complying with the terms and conditions of such Letter of Credit.

4. TERM LOAN.

4.1 Term Loan. Subject to the terms and conditions hereof, each Term Loan Lender, severally and for itself alone, agrees to lend to the Borrower, in a single disbursement in Dollars on the Effective Date an amount equal to such Lender's Percentage of the Term Loan.

4.2 Accrual of Interest and Maturity; Evidence of Indebtedness.

(a) The Borrower hereby unconditionally promises to pay to the Agent for the account of each Term Loan Lender such Lender's Percentage of the then unpaid aggregate principal amount of Term Loan outstanding on the Term Loan Maturity Date and on such other dates and in such other amounts as may be required from time to time pursuant to this Agreement. Subject to the terms and conditions hereof, the unpaid principal Indebtedness outstanding under the Term Loan shall, from the Effective Date (until paid), bear interest at the Applicable Interest Rate. There shall be no readvance or reborrowings of any principal reductions of the Term Loan.

(b) Each Term Loan Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of the Borrower to the appropriate lending office of such Term Loan Lender resulting from each Advance of the Term Loan made by such lending office of such Lender from time to time, including the amounts of principal and

interest payable thereon and paid to such Term Loan Lender from time to time under this Agreement.

(c) The Agent shall maintain the Register pursuant to Section 13.8(h), and a subaccount therein for each Term Loan Lender, in which Register and subaccounts (taken together) shall be recorded (i) the amount of each Advance of the Term Loan made hereunder, the type thereof and each Eurodollar-Interest Period applicable to any Eurodollar-based Advance, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Term Loan Lender hereunder in respect of the Advances of the Term Loan and (iii) both the amount of any sum received by the Agent hereunder from the Borrower in respect of the Advances of the Term Loan and each Term Loan Lender's share thereof.

(d) The entries made in the Register pursuant to paragraph (c) of this Section 4.2 and Section 13.8(h) shall, absent manifest error, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that the failure of any Term Loan Lender or the Agent to maintain the Register or any such account, as applicable, or any error therein, shall not in any manner affect the obligation of the Borrower to repay the Advances of the Term Loan (and all other amounts owing with respect thereto) made to the Borrower by the Term Loan Lenders in accordance with the terms of this Agreement.

(e) The Borrower agrees that, upon written request to the Agent by any Term Loan Lender, the Borrower will execute and deliver to such Term Loan Lender, at the Borrower's expense, a Term Loan Note evidencing the outstanding Advances under the Term Loan, owing to such Term Loan Lender.

4.3 Repayment of Principal.

(a) The Borrower shall repay the Term Loan in quarterly installments each equal to $4,750,000 on the first day of each March, June, September and December (commencing March 1, 2019), until the Term Loan Maturity Date, when all remaining outstanding principal plus accrued interest thereon shall be due and payable in full.

(b) Whenever any payment under this Section 4.3 shall become due on a day that is not a Business Day, the date for payment thereunder shall be extended to the next Business Day.

4.4 Term Loan Rate Requests; Refundings and Conversions of Advances of the Term Loan. On the Effective Date, the Applicable Interest Rate for all Term Loan Advances shall be the Base Rate. Thereafter, the Borrower may refund all or any portion of any Advance of the Term Loan as a Term Loan Advance with a like Eurodollar-Interest Period or convert each such Advance of the Term Loan to an Advance with a different Eurodollar-Interest Period, but only after delivery to the Agent of a Term Loan Rate Request executed in connection with the Term Loan by an Authorized Signer and subject to the terms hereof and to the following:

(a) each Term Loan Rate Request shall set forth the information required on the Term Loan Rate Request form with respect to the Term Loan, including without limitation:

(i) whether the Term Loan Advance is a refunding or conversion of an outstanding Term Loan Advance;

(ii) in the case of a refunding or conversion of an outstanding Term Loan Advance, the proposed date of such refunding or conversion, which must be a Business Day; and

(iii) whether such Term Loan Advance (or any portion thereof) is to be a Base Rate Advance or a Eurodollar-based Advance, and, in the case of a Eurodollar-based Advance, the Eurodollar-Interest Period(s) applicable thereto.

(b) each such Term Loan Rate Request shall be delivered to the Agent (i) by 1:00 p.m. (Detroit time) three (3) Business Days prior to the proposed date of the refunding or conversion of a Eurodollar-based Advance or (ii) by 1:00 p.m. on the proposed date of the refunding or conversion of a Base Rate Advance;

(c) the principal amount of such Advance of the Term Loan plus the amount of any other Advance of the Term Loan to be then combined therewith having the same Applicable Interest Rate and Eurodollar-Interest Period, if any, shall be (i) in the case of a Base Rate Advance, at least Three Million Dollars ($3,000,000), or the remaining principal balance outstanding under the Term Loan, whichever is less, and (ii) in the case of a Eurodollar-based Advance, at least Five Million Dollars ($5,000,000) or the remaining principal balance outstanding under the Term Loan, whichever is less, or in each case a larger integral multiple of One Hundred Thousand Dollars ($100,000);

(d) no Term Loan Advance shall have a Eurodollar-Interest Period ending after the Term Loan Maturity Date, and, notwithstanding any provision hereof to the contrary, the Borrower shall select Eurodollar-Interest Periods (or the Base Rate) for sufficient portions of the Term Loan such that the Borrower may make the required principal payments hereunder on a timely basis and otherwise in accordance with Section 4.5 below;

(e) at no time shall there be more than three (3) Eurodollar-Interest Periods in effect for Advances of the Term Loan; and

(f) a Term Loan Rate Request, once delivered to the Agent, shall not be revocable by the Borrower.

4.5 Base Rate Advance in Absence of Election or Upon Default. In the event the Borrower shall fail with respect to any Eurodollar-based Advance of the Term Loan to timely exercise its option to refund or convert such Advance in accordance with Section 4.4 hereof (and such Advance has not been paid in full on the last day of the Eurodollar-Interest Period applicable thereto according to the terms hereof), or, if on the last day of the applicable Eurodollar-Interest Period, a Default or Event of Default shall exist, then, on the last day of the applicable Eurodollar-Interest Period, the principal amount of such Advance which has not been prepaid shall be automatically converted to a Base Rate Advance and the Agent shall thereafter promptly notify the Borrower thereof. All accrued and unpaid interest on any Advance converted to a Base Rate Advance under this Section 4.5 shall be due and payable in full on the date such Advance is converted.

4.6 Interest Payments; Default Interest.

(a) Interest on the unpaid principal of all Base Rate Advances of the Term Loan from time to time outstanding shall accrue until paid at a per annum interest rate equal to the Base Rate, and shall be payable in immediately available funds quarterly in arrears commencing on March 1, 2019, and on the first day of each June, September, December and March thereafter. Whenever any payment under this Section 4.6 shall become due on a day that is not a Business Day, the date for payment shall be extended to the next Business Day. Interest accruing at the Base Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed, and in such computation effect shall be given to any change in the interest rate resulting from a change in the Base Rate on the date of such change in the Base Rate.

(b) Interest on the unpaid principal of each Eurodollar-based Advance of the Term Loan having a related Eurodollar-Interest Period of three (3) months or less shall accrue at its applicable Eurodollar-based Rate and shall be payable in immediately available funds on the last day of the Eurodollar-Interest Period applicable thereto. Interest accruing at the Eurodollar-based Rate shall be computed on the basis of a 360-day year and assessed for the actual number of days elapsed from the first day of the Eurodollar-Interest Period applicable thereto to, but not including, the last day thereof.

(c) Notwithstanding anything to the contrary in Section 4.6(a) or (b) hereof, all accrued and unpaid interest on any Term Loan Advance refunded or converted pursuant to Section 4.4 hereof shall be due and payable in full on the date such Term Loan Advance is refunded or converted.

(d) In the case of any Event of Default under Section 9.1(i), immediately upon the occurrence and during the continuance thereof, and in the case of any other Event of Default, upon notice from the Majority Term Loan Lenders and thereafter during the continuance of such Event of Default, interest shall be payable on demand on the principal amount of all Advances the Term Loan from time to time outstanding, as applicable, at a per annum rate equal to the Applicable Interest Rate in respect of each such Advance, plus, in the case of Eurodollar-based Advances, three percent (3%) for the remainder of the then existing Eurodollar-Interest Period, if any, and at all other such times and for all Base Rate Advances, at a per annum rate equal to the Base Rate plus three percent (3%).

4.7 Optional Prepayment of Term Loan.

(a) Subject to clause (b) hereof, the Borrower (at its option), may prepay all or any portion of the outstanding principal of any Term Loan Advance bearing interest at the Base Rate at any time, and may prepay all or any portion of the outstanding principal of the Term Loan bearing interest at the Eurodollar-based Rate upon one (1) Business Day's notice to the Agent by wire, telecopy or by telephone (confirmed by wire or telecopy), with accrued interest on the principal being prepaid to the date of such prepayment. Any prepayment of a portion of the Term Loan as to which the Applicable Interest Rate is the Base Rate shall be without premium or penalty and any prepayment of a portion of the Term Loan as to which the

Applicable Interest Rate is the Eurodollar-based Rate shall be without premium or penalty, except to the extent set forth in Section 11.1.

(b) Each partial prepayment of the Term Loan shall be applied to all installments of the Term Loan due thereunder in the inverse order of their maturities to all such principal payments as follows: first to that portion of the Term Loan outstanding as a Base Rate Advance, second to that portion of the Term Loan outstanding as Eurodollar-based Advances which have Eurodollar-Interest Periods ending on the date of payment, and last to any remaining Advances of the Term Loan being carried at the Eurodollar-based Rate.

(c) All prepayments of the Term Loan shall be made to the Agent for distribution to the applicable Term Loan Lenders in accordance with their respective Term Loan Percentages.

4.8 Mandatory Prepayment of Term Loan.

(a) Subject to clauses (e) and (f) hereof, the Term Loan shall be subject to required principal reductions in the amount of the Applicable Excess Cash Flow Percentage of Excess Cash Flow for each Fiscal Year, such prepayments to be payable in respect of each Fiscal Year beginning with the Fiscal Year ending March 31, 2020, and each Fiscal Year thereafter, and to be due on the tenth (10th) Business Day after the required date of delivery of Borrower's annual financial statements under Section 7.1(a) for the applicable Fiscal Year.

(b) Subject to clauses (e) and (f) hereof, promptly (and in any event no later than three (3) Business Days after receipt) upon receipt by any Credit Party of any Net Cash Proceeds from any Asset Sales in excess of $500,000 in any fiscal year of Borrower which are not Reinvested as described in the following sentence, the Borrower shall prepay the Term Loan by an amount equal to one hundred percent (100%) of such Net Cash Proceeds provided, however that the Borrower shall not be obligated to prepay the Term Loan with such Net Cash Proceeds if the following conditions are satisfied: (i) promptly following the sale, the Borrower provides to the Agent a certificate executed by a Responsible Officer of the Borrower ("Reinvestment Certificate") stating (x) that the sale has occurred, (y) that no Default or Event of Default has occurred and is continuing either as of the date of the sale or as of the date of the Reinvestment Certificate, and (z) a description of the planned Reinvestment of the proceeds thereof, (ii) the Reinvestment of such Net Cash Proceeds is commenced within the Initial Reinvestment Period and completed within the Reinvestment Period, and (iii) no Default or Event of Default has occurred and is continuing at the time of the sale and at the time of the application of such proceeds to Reinvestment. If any such proceeds have not been Reinvested at the end of the Reinvestment Period, the Borrower shall promptly pay such proceeds to the Agent, to be applied to repay the Term Loan in accordance with clauses (e) and (f) hereof.

(c) Subject to clauses (e) and (f) hereof, promptly (and in any event no later than three (3) Business Days after receipt) upon receipt by any Credit Party of Net Cash Proceeds from the issuance of any Equity Interests of such Person (other than Equity Interests under any stock option or employee incentive plans listed on Schedule 6.13 hereto (or any successor plans) or Net Cash Proceeds from the issuance of any Subordinated Debt after the Effective Date, in each case, in excess of $500,000 in any fiscal year of Borrower the Borrower

shall prepay the Term Loan by an amount equal to fifty percent (50%) of such Net Cash Proceeds received from the issuance of Equity Interests and one hundred percent (100%) of Net Cash Proceeds received from the issuance of Subordinated Debt.

(d) Subject to clauses (e) and (f) hereof, promptly (and in any event no later than three (3) Business Days after receipt) upon receipt by any Credit Party of any Insurance Proceeds or Condemnation Proceeds in each case, in excess of $500,000 in any fiscal year of Borrower which are not Reinvested as described herein, the Borrower shall be obligated to prepay the Term Loan by an amount equal to one hundred percent (100%) of such Insurance Proceeds or Condemnation Proceeds, as the case may be; provided, however, that any Insurance Proceeds or Condemnation Proceeds, as the case may be, may be Reinvested by the applicable Credit Party if the following conditions are satisfied: (i) promptly following the receipt of such Insurance Proceeds or Condemnation Proceeds, as the case may be, the Borrower provide to the Agent a Reinvestment Certificate stating (x) that no Default or Event of Default has occurred and is continuing either as of the date of the receipt of such proceeds or as of the date of the Reinvestment Certificate, (y) that such Insurance Proceeds or Condemnation Proceeds have been received, and (z) a description of the planned Reinvestment of such Insurance Proceeds or Condemnation Proceeds, as the case may be), (ii) the Reinvestment of such proceeds is commenced within the Initial Reinvestment Period and completed within the Reinvestment Period, and (iii) no Default or Event of Default shall have occurred and be continuing at the time of the receipt of such proceeds and at the time of the application of such proceeds to Reinvestment. If any such proceeds have not been Reinvested at the end of the Reinvestment Period, the Borrower shall promptly pay such proceeds to the Agent, to be applied to repay the Term Loan in accordance with clauses (e) and (f) hereof.

(e) Subject to clause (f) hereof, each mandatory prepayment under this Section 4.8 or any other mandatory or optional prepayment under this Agreement shall be in addition to any scheduled installments or optional prepayments made prior thereto and shall be subject to Section 11.1. Each mandatory prepayment of the Term Loan shall be applied to installments of principal on the Term Loan in the inverse order of their maturities.

(f) To the extent that, on the date any mandatory prepayment of the Term Loan under this Section 4.8 is due, the Indebtedness under the Term Loan or any other Indebtedness to be prepaid is being carried, in whole or in part, at the Eurodollar-based Rate and no Default or Event of Default has occurred and is continuing, the Borrower may deposit the amount of such mandatory prepayment in a cash collateral account to be held by the Agent, for and on behalf of the Lenders (which shall be an interest-bearing account), on such terms and conditions as are reasonably acceptable to the Agent and upon such deposit, the obligation of the Borrower to make such mandatory prepayment shall be deemed satisfied. Subject to the terms and conditions of said cash collateral account, sums on deposit in said cash collateral account shall be applied (until exhausted) to reduce the principal balance of the Term Loan on the last day of each Eurodollar-Interest Period attributable to the Eurodollar-based Advances of the Term Loan, thereby avoiding breakage costs under Section 11.1.

4.9 Use of Proceeds. Proceeds of the Term Loan shall be used by the Borrower to refinance existing Debt, to finance project development costs and for other general corporate purposes.

4.10 Optional Increase in Term Loan or Additional Term Loan. Borrower may request an increase to the Term Loan (any such increase, the "Term Loan Increase") and/or additional commitments to make term loans to be structured as a separate term loan tranche on substantially the same terms as the Term Loan (any such separate term loan, an "Additional Term Loan") in an amount (for all such requests made pursuant to this Section 4.10) not to exceed, when added to any Revolving Credit Optional Increase made in accordance with the provisions of Section 2.13, the Maximum Optional Increase Amount, subject, in each case, to the satisfaction concurrently with or prior to the date of each such request of the following conditions:

(a) Borrower shall have delivered to the Agent a written request for such Term Loan Increase or Additional Term Loan, specifying the amount of such Term Loan Increase or Additional Term Loan (as applicable) thereby requested (each such request, a "Term Loan Request"); provided, however, that in the event Borrower have previously delivered a Term Loan Request pursuant to this Section 4.10, Borrower may not deliver a subsequent Term Loan Request until all the conditions to effectiveness of such first Term Loan Request have been fully satisfied (or such Term Loan Request has been withdrawn); and provided further that Borrower may make no more than three (3) Term Loan Requests and no Term Loan Request may be made after the date that is one year prior to then applicable Revolving Credit Maturity Date;

(b) within three (3) Business Days after the Agent's receipt of a Term Loan Request, the Agent shall inform each Term Loan Lender of the Term Loan Request, offer each Term Loan Lender to fund a portion of the Term Loan Increase or Additional Term Loan in an amount equal to its applicable Term Loan Percentage of the requested Term Loan Increase or Additional Term Loan, and request each such Term Loan Lender to notify the Agent in writing whether such Lender desires to fund its pro rata share of the Term Loan Increase or Additional Term Loan. Each Lender that agrees to fund its pro rata share of the Term Loan Increase or Additional Term Loan shall deliver its written consent thereto no later than five (5) Business Days of the Agent's informing such Lender of Term Loan Request; if the Agent shall not have received a written consent from a Lender within such time period, such Lender shall be deemed to have declined to consent to fund its pro rata share of the requested Term Loan Increase or Additional Term Loan. If any one or more Lenders shall fail to consent to fund their pro rata shares of the requested Term Loan Increase or Additional Term Loan, then the Agent may offer to each other Term Loan Lender on a non-pro rata basis, or to (A) any other Lender under this Agreement or (B) any other Person meeting the requirements of Section 13.8(c) hereof (including, for the purposes of this Section 4.10, any existing Term Loan Lender which agrees to fund any portion of the increase or Additional Term Loans hereunder, the "New Term Loan Lenders"), the opportunity to fund a portion of the Term Loan Increase or Additional Term Loan;

(c) each New Term Loan Lender shall have become a party to this Agreement by executing and delivering a New Lender Addendum for a minimum amount for each such New Term Loan Lender that was not an existing Term Loan Lender of Five Million Dollars ($5,000,000) and an aggregate amount for all such New Term Loan Lenders of that portion of the Term Loan Increase or Additional Term Loan, taking into account the amount of any prior increase (pursuant to this Section 4.10) covered by the applicable Term Loan Request; provided,

however, that each New Term Loan Lender shall remit to the Agent funds in an amount equal to its pro rata share of such Term Loan Increase or Additional Term Loans;

(d) if requested, Borrower shall have executed and delivered to the Agent new Notes (or, if applicable, renewal and replacement notes) payable to each of the New Term Loan Lenders in the face amount of each such New Term Loan Lender's Percentage of the Term Loan and/or the Additional Term Loan (in each case after giving effect to this Section 4.10), in each case dated as of the effective date of such Term Loan Increase or Additional Term Loan (with appropriate insertions relevant to such Notes and acceptable to the applicable Lenders, including the New Term Loan Lenders);

(e) no existing Term Loan Lender or other Lender hereunder shall be under any obligation to fund the Term Loan Increase in the Term Loan or make any Additional Term Loan and any such decision whether to do so shall be in such Lender's sole and absolute discretion;

(f) prior to the funding of any such Term Loan Increase or any such Additional Term Loan, the Borrower shall have delivered to the Agent a pro forma Covenant Compliance Report demonstrating that, upon giving effect to the funding of any such Term Loan Increase or Additional Term Loan, as applicable, on a pro forma basis, the Borrower would be in compliance with the financial covenants set forth in Section 7.9 as of the end of the most recent fiscal quarter for which the Borrower has delivered financial statements pursuant to Section 7.1(i) or (ii);

(g) the Borrower shall deliver to the Agent a certificate of each Credit Party dated as of the date of such Term Loan Increase or Additional Term Loan (in sufficient copies for each Lender) signed by a Responsible Officer of such Credit Party (A) certifying and attaching the resolutions adopted by such Credit Party approving or consenting to such Term Loan Increase, and (B) in the case of the Borrower, certifying that, before and after giving effect to such Term Loan Increase, (1) the representations and warranties contained in Section 6 and the other Loan Documents are true and correct in all material respects on and as of the date of such Term Loan Increase or the making of such Additional Term Loan, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date, and (2) no Default or Event of Default exists;

(h) with respect to any Additional Term Loan, (A) the obligations of the Credit Parties in respect of such Additional Term Loan shall constitute Indebtedness under the Loan Documents, and shall be entitled to all of the benefits afforded by, this Agreement and the other Loan Documents, and the security interests and Liens created by the Collateral Documents (and the Borrower shall take any actions reasonably required by the Agent to ensure and/or demonstrate that the requirements of this clause (A) are satisfied after the funding of such Additional Term Loan), (B) the final maturity of such Additional Term Loan shall be no earlier than the Term Loan Maturity Date or the final maturity date of any then existing Additional Term Loan, (C) the initial principal amount of such Additional Term Loan shall not amortize (pursuant to scheduled amortization) during any calendar year in a percentage amount greater than the percentage of the outstanding principal amount of the Term Loan scheduled to amortize

during such calendar year in accordance with Section 4.3 as in effect as of the date such Additional Term Loans are funded, (D) the Lenders providing such Additional Term Loan shall be entitled to voting rights on a pro rata basis with the Lenders holding the Term Loan and any Additional Term Loan then existing and shall be entitled to receive proceeds of prepayments on a pro rata basis with the Lenders holding the Term Loan and any Additional Term Loans then existing, and (E) the yield applicable to such Additional Term Loan (taking into account the interest rate applicable to such Additional Term Loan, any original issue discount and any upfront fees payable to the Lenders making such Additional Term Loan, with such upfront fees or original issue discount, as applicable, to be equated to interest based on an assumed three year average life to maturity) shall not be higher than the then-current Applicable Interest Rate on the Term Loan (it being understood that the pricing of the Term Loan will be increased and/or additional fees will be paid to existing Lenders holding the Term Loan to the extent necessary to satisfy such requirement);

(i) no Default or Event of Default shall have occurred and be continuing;

(j) in the event that the interest rate margins on the Additional Term Loans exceeds the interest rate margins on any existing Term Loans (including any existing Additional Term Loans), then the interest rate margins for such existing Term Loans (including any existing Additional Term Loans) shall be increased to the extent necessary such that the applicable interest rate margins for the Additional Term Loans are equal to the interest rate margins on the existing Term Loans (including any existing Additional Term Loans); provided, however that in determining the yield applicable to the existing Term Loans (including the existing Additional Term Loans) and the Additional Term Loans:

(i) original issue discount ("OID") or up-front fees (which shall be deemed to constitute like amounts of OID) payable by the Borrower to the Lenders of the existing Term Loans (including any existing Additional Term Loans) in the primary syndication thereof shall be included (with OID in respect of the existing Term Loans or Additional Term Loans being equated to interest based on an assumed three year life to maturity; and

(ii) customary arrangement, structuring or commitment fees payable to the Agent (or its Affiliates) in connection with the existing Term Loans or the Additional Term Loans shall be excluded.; and

(k) such other amendments (including, without limitation an amendment to or amendment and restatement of this Agreement to incorporate the terms of any such Term Loan Increase or Additional Term Loan), acknowledgments, consents, documents, opinions or instruments or registrations, if any, shall have been executed and delivered and/or obtained by Borrower as required by the Agent, in its reasonable discretion; and

(l) prior to the date the increased commitment becomes available, each Lender shall have completed its flood insurance due diligence and flood insurance compliance as required as a result of such increase.

5. CONDITIONS.

The obligations of the Lenders to make Advances or loans pursuant to this Agreement and the obligation of the Issuing Lender to issue Letters of Credit are subject to the following conditions:

5.1 Conditions of Initial Advances. The obligations of the Lenders to make initial Advances or loans pursuant to this Agreement and the obligation of the Issuing Lender to issue initial Letters of Credit, in each case, on the Effective Date only, are subject to the following conditions:

(a) Notes, this Agreement and the other Loan Documents. The Borrower shall have executed and delivered to the Agent for the account of each Lender requesting Notes, the Swing Line Note, the Revolving Credit Notes and/or the Term Notes, as applicable; the Borrower shall have executed and delivered this Agreement; and each Credit Party shall have executed and delivered the other Loan Documents to which such Credit Party is required to be a party (including all schedules and other documents to be delivered pursuant hereto); and such Notes (if any), this Agreement and the other Loan Documents shall be in full force and effect.

(b) Corporate Authority. The Agent shall have received, with a counterpart thereof for each Lender, from each Credit Party, a certificate of its Secretary or Assistant Secretary dated as of the Effective Date as to:

(i) corporate resolutions (or the equivalent) of each Credit Party authorizing the transactions contemplated by this Agreement and the other Loan Documents approval of this Agreement and the other Loan Documents, in each case to which such Credit Party is party, and authorizing the execution and delivery of this Agreement and the other Loan Documents, and in the case of the Borrower, authorizing the execution and delivery of requests for Advances and the issuance of Letters of Credit hereunder,

(ii) the incumbency and signature of the officers or other authorized persons of such Credit Party executing any Loan Document and in the case of the Borrower, the officers who are authorized to execute any Requests for Advance, or requests for the issuance of Letters of Credit,

(iii) a certificate of good standing or continued existence (or the equivalent thereof) from the state of its incorporation or formation, and from every state or other jurisdiction where such Credit Party is qualified to do business, which jurisdictions are listed on Schedule 5.2 attached hereto, and

(iv) copies of such Credit Party's articles of incorporation and bylaws or other constitutional documents, as in effect on the Effective Date.

(c) Collateral Documents, Guaranties and other Loan Documents. The Agent shall have received the following documents, each in form and substance reasonably satisfactory to the Agent and fully executed by each party thereto:

(i) The following Collateral Documents, each dated as of the Effective Date:

(A) the Security Agreement;

(B) the Guaranty; and

(C) Mortgages for each of the owned properties listed on Schedule 6.3(b) together with the related documentation specified in Schedule 5.3(a).

(ii) For each real property location (including each warehouse or other storage location) leased by any Credit Party as a lessee (such locations being disclosed and identified as such on Schedule 6.3(b) hereto), (i) a true, complete and accurate copy of the fully executed applicable lease bailment or warehouse agreement, as the case may be; and (ii) a Collateral Access Agreement with respect to each location.

(iii) (A) Certified copies of uniform commercial code requests for information, or a similar search report certified by a party acceptable to the Agent, dated a date reasonably prior to the Effective Date, listing all effective financing statements in the jurisdiction noted on Schedule 5.1(c) which name any Credit Party (under their present names or under any previous names used within five (5) years prior to the date hereof) as debtors, together with (x) copies of such financing statements, and (y) authorized Uniform Commercial Code (Form UCC-3) Termination Statements, if any, necessary to release all Liens and other rights of any Person in any Collateral described in the Collateral Documents previously granted by any Person (other than Liens permitted by Section 8.2 of this Agreement) and (B) intellectual property search reports results from the United States Patent and Trademark Office and the United States Copyright Office for the Credit Parties dated a date reasonably prior to the Effective Date.

(iv) Any documents (including, without limitation, financing statements, amendments to financing statements and assignments of financing statements, stock powers executed in blank and any endorsements) requested by the Agent and reasonably required to be provided in connection with the Collateral Documents to create, in favor of the Agent (for and on behalf of the Lenders), a first priority perfected security interest in the Collateral thereunder shall have been filed, registered or recorded, or shall have been delivered to the Agent in proper form for filing, registration or recordation.

(d) Insurance. The Agent shall have received evidence reasonably satisfactory to it that the Credit Parties have obtained the insurance policies required by Section 7.5 hereof and that such insurance policies are in full force and effect.

(e) Compliance with Certain Documents and Agreements. Each Credit Party shall have each performed and complied in all material respects with all agreements and conditions contained in this Agreement and the other Loan Documents, to the extent required to be performed or complied with by such Credit Party. No Person party to this Agreement or any other Loan Document shall be in material default in the performance or compliance with any of

the terms or provisions of this Agreement or the other Loan Documents or shall be in material default in the performance or compliance with any of the material terms or material provisions of, in each case to which such Person is a party.

(f) Opinions of Counsel. The Credit Parties shall furnish the Agent prior to the initial Advance under this Agreement, with signed copies for each Lender, opinions of counsel to the Credit Parties, including opinions of local counsel to the extent deemed necessary by the Agent, in each case dated the Effective Date and covering such matters as reasonably required by and otherwise reasonably satisfactory in form and substance to the Agent and each of the Lenders.

(g) Payment of Fees. The Borrower shall have paid to Comerica Bank any fees due under the terms of the Fee Letter, along with any other reasonable and invoiced fees, out-of- pocket costs or out-of-pocket expenses due and outstanding to the Agent or the Lenders as of the Effective Date (including reasonable and invoiced fees, disbursements and other charges of outside counsel to the Agent).

(h) Material Contracts. The Agent shall have received copies of all Material Contracts described on Schedule 6.18 hereof.

(i) Governmental and Other Approvals. The Agent shall have received copies of all authorizations, consents, approvals, licenses, qualifications or formal exemptions, filings, declarations and registrations with, any court, governmental agency or regulatory authority or any securities exchange or any other person or party (whether or not governmental) received by any Credit Party in connection with the transactions contemplated by the Loan Documents to occur on the Effective Date.

(j) Closing Certificate. The Agent shall have received, with a signed counterpart for each Lender, a certificate of a Responsible Officer of the Borrower dated the Effective Date (or, if different, the date of the initial Advance hereunder), stating that to the best of his or her respective knowledge after due inquiry solely in his or her capacity as such Responsible Officer, (a) the conditions set forth in this Section 5 have been satisfied to the extent required to be satisfied by any Credit Party; (b) the representations and warranties made by the Credit Parties in this Agreement or any of the other Loan Documents, as applicable, are true and correct in all material respects; (c) no Default or Event of Default shall have occurred and be continuing; (d) since March 31, 2017, nothing shall have occurred which has had, or could reasonably be expected to have, a Material Adverse Effect; and (e) there shall have been no material adverse change to the Pro Forma Balance Sheet.

(k) Customer Identification Forms. The Agent shall have received (i) the completed Beneficial Ownership Certification from the Borrower and each Guarantor and (ii) all other documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including USA PATRIOT Act, and a properly completed and signed IRS Form W-8 or W-9, as applicable, for the Borrower, Guarantor and any other Person who provides guaranty or collateral support for all or any of the Indebtedness.

(l) Additional Closing Conditions. The Agent shall have received evidence reasonably satisfactory to Agent that the Conditions to Borrowing set forth in the Summary of Terms and Conditions dated October 10, 2018 have been satisfied.

(m) Repayment of Existing Term Debt. The Agent shall have received evidence reasonably satisfactory to Agent that Borrower has paid in full with cash on hand all of its existing term indebtedness owing to Comerica Bank not less than seven (7) Business Days prior to the Effective Date.

5.2 Continuing Conditions. The obligations of each Lender to make Advances (including the initial Advance) to provide other credit accommodations and the obligation of the Issuing Lender to issue any Letters of Credit shall be subject to the continuing conditions that:

(a) No Default or Event of Default shall exist as of the date of the Advance or the request for the Letter of Credit, as the case may be; and

(b) Each of the representations and warranties contained in this Agreement and in each of the other Loan Documents shall be true and correct in all material respects as of the date of the Advance or Letter of Credit (as the case may be) as if made on and as of such date (other than any representation or warranty that expressly speaks only as of a different date).

6. REPRESENTATIONS AND WARRANTIES.

The Borrower represents and warrants to the Agent, the Lenders, the Swing Line Lender and the Issuing Lender as follows:

6.1 Corporate Authority. Each Credit Party is a corporation (or other business entity) duly organized and existing in good standing under the laws of the state or jurisdiction of its incorporation or formation, as applicable, and each Credit Party is duly qualified and authorized to do business as a foreign corporation in each jurisdiction where the character of its assets or the nature of its activities makes such qualification and authorization necessary except where failure to be so qualified or be in good standing could not reasonably be expected to have a Material Adverse Effect. Each Credit Party has all requisite corporate, limited liability or partnership power and authority to own all its property (whether real, personal, tangible or intangible or of any kind whatsoever) and to carry on its business.

6.2 Due Authorization. Execution, delivery and performance of this Agreement, and the other Loan Documents, to which each Credit Party is party, and the issuance of the Notes by the Borrower (if requested) are within such Person's corporate, limited liability or partnership power, have been duly authorized, are not in contravention of any law applicable to such Credit Party or the terms of such Credit Party's organizational documents and, except as have been previously obtained or as referred to in Section 6.10, below, do not require the consent or approval of any governmental body, agency or authority or any other third party except to the extent that such consent or approval is not material to the transactions contemplated by the Loan Documents or otherwise where the failure to have such consent or approval could not reasonably be expected to have a Material Adverse Effect.

6.3 Good Title; Leases; Assets; No Liens.

(a) Each Credit Party, to the extent applicable, has good and valid title (or, in the case of real property, good and marketable title) to all assets owned by it, subject only to the Liens permitted under section 8.2 hereof, and each Credit Party has a valid leasehold or interest as a lessee or a licensee in all of its leased real property;

(b) Schedule 6.3(b) hereof identifies all of the real property owned or leased, as lessee thereunder, by the Credit Parties on the Effective Date, including all warehouse or bailee locations;

(c) The Credit Parties will collectively own or collectively have a valid leasehold interest in all assets that were owned or leased (as lessee) by the Credit Parties immediately prior to the Effective Date to the extent that such assets are necessary for the continued operation of the Credit Parties' businesses in substantially the manner as such businesses were operated immediately prior to the Effective Date;

(d) Each Credit Party owns or has a valid leasehold interest in all real property necessary for its continued operations and, to the best knowledge of the Borrower, no material condemnation, eminent domain or expropriation action has been commenced or threatened against any such owned or leased real property; and

(e) There are no Liens on and no financing statements on file with respect to any of the assets owned by the Credit Parties, except for the Liens permitted pursuant to Section 8.2 of this Agreement.

6.4 Taxes. Except as set forth on Schedule 6.4 hereof, each Credit Party has filed on or before their respective due dates or within the applicable grace periods, all United States federal, state, local and other tax returns which are required to be filed or has obtained extensions for filing such tax returns and is not delinquent in filing such returns in accordance with such extensions and has paid all material taxes which have become due pursuant to those returns or pursuant to any assessments received by any such Credit Party, as the case may be, to the extent such taxes have become due, except to the extent such taxes are being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate provision has been made on the books of such Credit Party as may be required by GAAP.

6.5 No Defaults. No Credit Party is in default under or with respect to any agreement, instrument or undertaking to which is a party or by which it or any of its property is bound which would cause or would reasonably be expected to cause a Material Adverse Effect.

6.6 Enforceability of Agreement and Loan Documents. This Agreement and each of the other Loan Documents to which any Credit Party is a party (including without limitation, each Request for Advance), have each been duly executed and delivered by its duly authorized officers and constitute the valid and binding obligations of such Credit Party, enforceable against such Credit Party in accordance with their respective terms, except as enforcement thereof may be limited by applicable bankruptcy, reorganization, insolvency, fraudulent conveyance, moratorium or similar laws affecting the enforcement of creditor's rights, generally and by

general principles of equity (regardless of whether enforcement is considered in a proceeding in law or equity).

6.7 Compliance with Laws. (a) Except as disclosed on Schedule 6.7, each Credit Party has complied with all applicable federal, state and local laws, ordinances, codes, rules, regulations and guidelines (including consent decrees and administrative orders) including but not limited to Hazardous Material Laws, and is in compliance with any Requirement of Law, except to the extent that failure to comply therewith could not reasonably be expected to have a Material Adverse Effect; and (b) neither the extension of credit made pursuant to this Agreement or the use of the proceeds thereof by the Credit Parties will violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto, or The United and Strengthening America by providing appropriate Tools Required to Intercept and Obstruct Terrorism ("USA Patriot Act") Act of 2001, Public Law 10756, October 26, 2001 or Executive Order 13224 of September 23, 2001 issued by the President of the United States (66 Fed. Reg. 49049 (2001)).

6.8 Non-contravention. The execution, delivery and performance of this Agreement and the other Loan Documents (including each Request for Advance) to which each Credit Party is a party are not in contravention of the terms of any indenture, agreement or undertaking to which such Credit Party is a party or by which it or its properties are bound where such violation could reasonably be expected to have a Material Adverse Effect.

6.9 Litigation. Except as set forth on Schedule 6.9 hereof, there is no suit, action, proceeding, including, without limitation, any bankruptcy proceeding or governmental investigation pending against or to the knowledge of the Borrower, threatened against any Credit Party (other than any suit, action or proceeding in which a Credit Party is the plaintiff and in which no counterclaim or cross-claim against such Credit Party has been filed), or any judgment, decree, injunction, rule, or order of any court, government, department, commission, agency, instrumentality or arbitrator outstanding against any Credit Party the outcome of which, if adversely determined, could reasonably be expected to result in a Material Adverse Effect, nor is any Credit Party in violation of any applicable law, regulation, ordinance, order, injunction, decree or requirement of any governmental body or court which could in any of the foregoing events reasonably be expected to have a Material Adverse Effect.

6.10 Consents, Approvals and Filings, Etc. Except as set forth on Schedule 6.10 hereof, no material authorization, consent, approval, license, qualification or formal exemption from, nor any filing, declaration or registration with, any court, governmental agency or regulatory authority or any securities exchange or any other Person (whether or not governmental) is (a) required in connection with the execution, delivery and performance: (i) by any Credit Party of this Agreement and any of the other Loan Documents to which such Credit Party is a party or (ii) by the Credit Parties of the grant of Liens granted, conveyed or otherwise established (or to be granted, conveyed or otherwise established) by or under this Agreement or the other Loan Documents, as applicable, and/or (b) otherwise materially necessary to the operation of its business, except in each case for (x) such matters which have been previously obtained, and (y) such filings to be made concurrently herewith or promptly following the Effective Date as are required by the Collateral Documents to perfect Liens in favor of the

Agent. All such material authorizations, consents, approvals, licenses, qualifications, exemptions, filings, declarations and registrations which have previously been obtained or made, as the case may be, are in full force and effect and, to the best knowledge of the Borrower, are not the subject of any attack or threatened attack (in each case in any material respect) by appeal or direct proceeding or otherwise.

6.11 Agreements Affecting Financial Condition. No Credit Party is party to any agreement or instrument or subject to any charter or other corporate restriction which could reasonably be expected to have a Material Adverse Effect.

6.12 No Investment Company or Margin Stock. No Credit Party is an "investment company" within the meaning of the Investment Company Act of 1940, as amended. No Credit Party is engaged principally, or as one of its important activities, directly or indirectly, in the business of extending credit for the purpose of purchasing or carrying margin stock. None of the proceeds of any of the Advances will be used by any Credit Party to purchase or carry margin stock. Terms for which meanings are provided in Regulation U of the Board of Governors of the Federal Reserve System or any regulations substituted therefore, as from time to time in effect, are used in this paragraph with such meanings.

6.13 ERISA. No Credit Party maintains or contributes to any Pension Plan subject to Title IV of ERISA, except as set forth on Schedule 6.13 hereto or otherwise disclosed to the Agent in writing. There is no accumulated funding deficiency within the meaning of Section 412 of the Internal Revenue Code or Section 302 of ERISA, or any outstanding liability with respect to any Pension Plans owed to the PBGC other than future premiums due and owing pursuant to Section 4007 of ERISA, and no "reportable event" as defined in Section 4043(c) of ERISA has occurred with respect to any Pension Plan other than an event for which the notice requirement has been waived by the PBGC in each case, except to the extent that such accumulated funding deficiency or "reportable event" could not reasonably be expected to have a Material Adverse Effect. None of the Credit Parties has engaged in a prohibited transaction with respect to any Pension Plan, other than a prohibited transaction for which an exemption is available and has been obtained, which could subject such Credit Parties to a material tax or penalty imposed by Section 4975 of the Internal Revenue Code or Section 502(i) of ERISA. Each Pension Plan is being maintained and funded in accordance with its terms and is in material compliance with the requirements of the Internal Revenue Code and ERISA. Except to the extent that the same could not reasonably be expected to have a Material Adverse Effect, no Credit Party has had a complete or partial withdrawal from any Multiemployer Plan that has resulted or could reasonably be expected to have resulted in any Withdrawal Liability and, except as notified to the Agent in writing following the Effective Date, no such Multiemployer Plan is in reorganization (within the meaning of Section 4241 of ERISA) or insolvent (within the meaning of Section 4245 of ERISA).

6.14 Conditions Affecting Business or Properties. Neither the respective businesses nor the properties of any Credit Party is affected by any fire, explosion, accident, strike, lockout or other dispute, drought, storm, hail, earthquake, embargo, Act of God, or other casualty (except to the extent such event is covered by insurance sufficient to ensure that upon application of the proceeds thereof, no Material Adverse Effect could reasonably be expected to occur) which could reasonably be expected to have a Material Adverse Effect.

6.15 Environmental and Safety Matters. Except as set forth in Schedules 6.9, 6.10 and 6.15:

(a) all facilities and property owned or leased by the Credit Parties are in compliance with all Hazardous Material Laws except to the extent that any noncompliance could not reasonably be expected to have a Material Adverse Effect;

(b) to the best knowledge of the Borrower, there have been no unresolved and outstanding past, and there are no pending or threatened:

(i) claims, complaints, notices or requests for information received by any Credit Party with respect to any alleged violation of any Hazardous Material Law and where such violation could reasonably be expected to have a Material Adverse Effect, or

(ii) written complaints, notices or inquiries to any Credit Party regarding potential material liability of any Credit Parties under any Hazardous Material Law and where such liability could reasonably be expected to have a Material Adverse Effect; and

(c) to the best knowledge of the Borrower, no conditions exist at, on or under any property now or previously owned or leased by any Credit Party which, with the passage of time, or the giving of notice or both, are reasonably likely to give rise to liability under any Hazardous Material Law or create a significant adverse effect on the value of the property and where such liability could reasonably be expected to have a Material Adverse Effect.

6.16 Subsidiaries. Except as disclosed on Schedule 6.16 hereto as of the Effective Date, and thereafter, except as disclosed to the Agent in writing from time to time, no Credit Party has any Subsidiaries.

6.17 Management Agreements. Schedule 6.17 attached hereto is an accurate and complete list of all management and significant employment agreements in effect on or as of the Effective Date to which any Credit Party is a party or is bound.

6.18 Material Contracts. Schedule 6.18 attached hereto is an accurate and complete list of all Material Contracts in effect on or as of the Effective Date to which any Credit Party is a party or is bound.

6.19 Franchises, Patents, Copyrights, Tradenames, etc. The Credit Parties possess all franchises, patents, copyrights, trademarks, trade names, licenses and permits, and rights in respect of the foregoing, adequate for the conduct of their business substantially as now conducted without known conflict with any rights of others except to the extent that the failure to possess the same could not reasonably be expected to have a Material Adverse Effect. Schedule 6.19 contains a true and accurate list of all trade names and any and all other names used by any Credit Party during the five-year period ending as of the Effective Date.

6.20 Capital Structure. Schedule 6.20 attached hereto sets forth all issued and outstanding Equity Interests of each Credit Party, including the number of authorized, issued and outstanding Equity Interests of each Credit Party, the par value of such Equity Interests and the

holders of such Equity Interests, all on and as of the Effective Date. All issued and outstanding Equity Interests of each Credit Party are duly authorized and validly issued, fully paid, nonassessable, free and clear of all Liens (except for the benefit of the Agent) and such Equity Interests were issued in compliance with all applicable state, federal and foreign laws concerning the issuance of securities. Except as disclosed on Schedule 6.20, there are no preemptive or other outstanding rights, options, warrants, conversion rights or similar agreements or understandings for the purchase or acquisition from any Credit Party, of any Equity Interests of any Credit Party.

6.21 Accuracy of Information.

(a) The audited financial statements for the Fiscal Year ended March 31, 2018, furnished to the Agent and the Lenders prior to the Effective Date fairly present in all material respects the financial condition of the Borrower and its respective Subsidiaries and the results of their operations for the periods covered thereby, and have been prepared in accordance with GAAP. The projections, the Pro Forma Balance Sheet and the other pro forma financial information delivered to the Agent prior to the Effective Date are based upon good faith estimates and assumptions believed by management of the Borrower to be accurate and reasonable at the time made, it being recognized by the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein.

(b) Since March 31, 2018, there has been no material adverse change in the business, operations, condition, property or prospects (financial or otherwise) of the Credit Parties, taken as a whole.

(c) To the best knowledge of the Credit Parties, as of the Effective Date, (i) the Credit Parties do not have any material contingent obligations (including any liability for taxes) not disclosed by or reserved against in the opening balance sheet to be delivered hereunder and (ii) there are no unrealized or anticipated losses from any present commitment of the Credit Parties which contingent obligations and losses in the aggregate could reasonably be expected to have a Material Adverse Effect.

6.22 Solvency. After giving effect to the consummation of the transactions contemplated by this Agreement and other Loan Documents, each Credit Party will be solvent, able to pay its indebtedness as it matures and will have capital sufficient to carry on its businesses and all business in which it is about to engage. This Agreement is being executed and delivered by the Borrower to the Agent and the Lenders in good faith and in exchange for fair, equivalent consideration. The Credit Parties do not intend to nor does management of the Credit Parties believe the Credit Parties will incur debts beyond their ability to pay as they mature. The Credit Parties do not contemplate filing a petition in bankruptcy or for an arrangement or reorganization under the Bankruptcy Code or any similar law of any jurisdiction now or hereafter in effect relating to any Credit Party, nor does any Credit Party have any knowledge of any threatened bankruptcy or insolvency proceedings against a Credit Party.

6.23 Employee Matters. There are no strikes, slowdowns, work stoppages, unfair labor practice complaints, grievances, arbitration proceedings or controversies pending or, to the best

knowledge of the Borrower, threatened against any Credit Party by any employees of any Credit Party, other than non-material employee grievances or controversies arising in the ordinary course of business. Set forth on Schedule 6.23 are all union contracts or agreements to which any Credit Party is party as of the Effective Date and the related expiration dates of each such contract.

6.24 No Misrepresentation. Neither this Agreement nor any other Loan Document, certificate, information or report furnished or to be furnished by or on behalf of a Credit Party to the Agent or any Lender in connection with any of the transactions contemplated hereby or thereby, contains a misstatement of material fact, or omits to state a material fact required to be stated in order to make the statements contained herein or therein, taken as a whole, not misleading in the light of the circumstances under which such statements were made. There is no fact, other than information known to the public generally, known to any Credit Party after diligent inquiry, that could reasonably be expected to have a Material Adverse Effect that has not expressly been disclosed to the Agent in writing.

6.25 Corporate Documents and Corporate Existence. As to each Credit Party, (a) it is an organization as described on Schedule 1.1 hereto and has provided the Agent and the Lenders with complete and correct copies of its articles of incorporation, by-laws and all other applicable charter and other organizational documents, and, if applicable, a good standing certificate and (b) its correct legal name, business address, type of organization and jurisdiction of organization, tax identification number and other relevant identification numbers are set forth on Schedule 1.1 hereto.

6.26 Anti-Money Laundering/Anti-Terrorism. Each Credit Party represents and warrants that (i) no Covered Entity (A) is a Sanctioned Person; (B), either in its own right or through any third party, (1) has any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person; (2) does business in or with, or derives any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; or (3) engages in any dealings or transactions prohibited by, any Anti-Terrorism Laws

6.27 EEA Financial Institution. Neither the Borrower nor any Guarantor is an EEA Financial Institution.

6.28 Operating Projects. Except as disclosed on Schedule 6.28 or as otherwise could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, the mechanical, electrical and other operating systems on and in the Operating Projects which are being operated, constructed or developed by the Borrower and its Subsidiaries are in good working order (ordinary wear and tear excepted) and repair and are adequate for the operation, construction and development of the Operating Projects by the Borrower and its Subsidiaries as currently being and expected to be operated, constructed or developed.

6.29 Validity of Project Documents. The documents listed on Schedule 1.2 are valid and binding agreements enforceable by the Borrower and its Subsidiaries, as applicable, in accordance with their terms, except as such enforceability may be limited by (i) bankruptcy,

fraudulent conveyance, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and (ii) the availability of equitable remedies.

6.30 Material Project Documents. Except as could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, (i) neither the Borrower nor any Subsidiary, nor, to Borrower's knowledge, any other party to a Material Project Document, is in default (and no event has occurred which with lapse of time or notice or action could result in a default) in the performance of or compliance with any Material Project Document, (ii) each Material Project Document in existence as of the date of this Agreement and listed on Schedule 1.2 is in full force and effect and (iii) to the knowledge of the Borrower, no force majeure event has occurred and is continuing under any Material Project Document.

6.31 FERC Compliance. Except as disclosed on Schedule 6.31, the Borrower and each of its Subsidiaries, is in compliance in all material respects with the terms and conditions of all orders issued by FERC applicable to Borrower and its Subsidiaries.

6.32 PUCHA. The Borrower is not subject to or is otherwise exempt from regulation under PUHCA.

6.33 Exemption from Regulation. None of Agent, nor any Lender nor any of its "affiliates" (as defined in PUHCA), solely by virtue of the execution, delivery and performance of or the consummation of the transactions contemplated by this Agreement, shall be or become subject to or not exempt from regulation under PUHCA, the FPA, the Natural Gas Act or any applicable law with respect to the regulation of "public service corporations," "public utilities" or other similar terms; provided that, any exercise of remedies under this Agreement that results in the direct or indirect ownership of a Project by Agent, any Lender or any of its "affiliates" (as defined in PUHCA) may subject the Bank and its "affiliates" (as defined in PUHCA) to regulation under PUHCA, the FPA, the Natural Gas Act or other applicable laws with respect to the regulation of "public service corporations," "public utilities" or other similar terms.

6.34 Renewable Fuel Standard. Except as could not reasonably be expected to have a Material Adverse Effect, there has been no change in the federal Renewable Fuel Standard rules or regulations. For purposes of clarity, the repeal of the federal Renewable Fuel Standard rules shall be deemed to have a Material Adverse Effect.

7. AFFIRMATIVE COVENANTS.

The Borrower covenants and agrees, so long as any Lender has any commitment to extend credit hereunder, or any of the Indebtedness remains outstanding and unpaid, that it will, and, as applicable, it will cause each of its Subsidiaries to:

7.1 Financial Statements. Furnish to the Agent, in form and detail reasonably satisfactory to the Agent, with sufficient copies for each Lender, the following documents:

(a) as soon as available, but in any event within one hundred twenty (120) days after the end of each Fiscal Year, a copy of the audited Consolidated and unaudited Consolidating financial statements of the Parent and its Consolidated Subsidiaries as at the end of such Fiscal Year and the related audited Consolidated and unaudited Consolidating statements

of income, stockholders equity, and cash flows of the Parent and its Consolidated Subsidiaries for such Fiscal Year or partial Fiscal Year and underlying assumptions, setting forth in each case in comparative form the figures for the previous Fiscal Year, certified as being fairly stated in all material respects by an independent, nationally recognized certified public accounting firm reasonably satisfactory to the Agent;

(b) as soon as available, but in any event within forty five (45) days after the end of each fiscal quarter (including the last fiscal quarter of each Fiscal Year, which, for such fiscal quarters, shall be a Borrower-prepared draft subject to standard audit adjustments), commencing with the first full fiscal quarter after the Effective Date, the Borrower prepared unaudited Consolidated and Consolidating balance sheets of the Parent and its Consolidated Subsidiaries as at the end of such fiscal quarter (and as of the month end in which such fiscal quarter ends) and the related unaudited statements of income, stockholders equity and cash flows of the Parent and its Consolidated Subsidiaries for the portion of the Fiscal Year through the end of such fiscal quarter (and as of the month end in which such fiscal quarter ends), setting forth in each case in comparative form (i) the figures for the corresponding periods in the previous year and (ii) the figures for the relevant period set forth in the projections delivered for such year pursuant to Section 7.2(e), and certified by a Responsible Officer of the Borrower as being fairly stated in all material respects; and

(c) as soon as available, but in any event within thirty five (35) days after the end of each month (excluding the last month of each fiscal quarter), commencing with the first full month after the Effective Date, the Borrower prepared unaudited Consolidated and Consolidating balance sheets of the Parent and its Consolidated Subsidiaries as at the end of such month and the related unaudited statements of income, stockholders equity and cash flows of the Parent and its Consolidated Subsidiaries for the portion of the Fiscal Year through the end of such month, setting forth in each case in comparative form (i) the figures for the corresponding periods in the previous year and (ii) the figures for the relevant period set forth in the projections delivered for such year pursuant to Section 7.2(e), and certified by a Responsible Officer of the Borrower as being fairly stated in all material respects; and

all such financial statements to be complete and correct in all material respects and to be prepared in reasonable detail and in accordance with GAAP throughout the periods reflected therein and with prior periods (except as approved by a Responsible Officer and disclosed therein), provided however that the financial statements delivered pursuant to clauses (b) and (c) hereof will not be required to include footnotes and will be subject to change from audit and year-end adjustments.

7.2 Certificates; Other Information. Furnish to the Agent, in form and detail reasonably acceptable to the Agent, with sufficient copies for each Lender, the following documents:

(a) Concurrently with the delivery of the financial statements described in Sections 7.1(a) for each fiscal year end, and 7.1(b) for each fiscal quarter end, a Covenant Compliance Report (or, in the case of the Borrower prepared financial statements for the last fiscal quarter of each fiscal year, a draft Covenant Compliance Certificate) duly executed by a Responsible Officer of the Borrower;

(b) Promptly following any request therefor, information and documentation reasonably requested by the Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act and the Beneficial Ownership Regulation;

(c) Promptly upon receipt thereof, copies of all significant reports submitted by the Credit Parties' firm(s) of certified public accountants in connection with each annual, interim or special audit or review of any type of the financial statements or related internal control systems of the Credit Parties made by such accountants, including any comment letter submitted by such accountants to management in connection with their services;

(d) Any financial reports, statements, press releases, other material information or written notices delivered to the holders of the Subordinated Debt pursuant to any applicable Subordinated Debt Documents (to the extent not otherwise required hereunder), as and when delivered to such Persons;

(e) Within thirty (30) days of the end of each Fiscal Year, projections (including an annual budget) for the Credit Parties for the following 12 month period, on a quarterly basis, including a balance sheet, as at the end of each relevant period and for the period commencing at the beginning of the Fiscal Year and ending on the last day of such relevant period, such projections certified by a Responsible Officer of the Borrower as being based on reasonable estimates and assumptions taking into account all facts and information known (or reasonably available to any Credit Party) by a Responsible Officer of the Borrower;

(f) Upon request of Agent, (i) a monthly aging of the accounts receivable and accounts payable of the Credit Parties, and (ii) an inventory report;

(g) Any additional information as required by any Loan Document, and such additional schedules, certificates and reports respecting all or any of the Collateral, the items or amounts received by the Credit Parties in full or partial payment thereof, and any goods (the sale or lease of which shall have given rise to any of the Collateral) possession of which has been obtained by the Credit Parties, all to such extent as the Agent may reasonably request from time to time, any such schedule, certificate or report to be certified as true and correct in all material respects by a Responsible Officer of the applicable Credit Party and shall be in such form and detail as the Agent may reasonably specify;

(h) Copies of such Specified Hedging Agreement and all amendments, modifications, extensions, renewals, cancellations, terminations thereof and all material notifications thereunder, in each case promptly after entering into, or giving or receiving, the same; and

(i) Such additional financial and/or other information as the Agent or any Lender may from time to time reasonably request, promptly following such request.

7.3 Payment of Obligations. Pay, discharge or otherwise satisfy, at or before maturity or before they become delinquent, as the case may be, all of its material obligations of whatever nature, including without limitation all assessments, governmental charges, claims for labor, supplies, rent or other obligations, except where the amount or validity thereof is currently being

appropriately contested in good faith and reserves in conformity with GAAP with respect thereto have been provided on the books of the Credit Parties.

7.4 Conduct of Business and Maintenance of Existence; Compliance with Laws.

(a) Continue to engage in their respective business and operations substantially as conducted immediately prior to the Effective Date;

(b) Preserve, renew and keep in full force and effect its existence and maintain its qualifications to do business in each jurisdiction where such qualifications are necessary for its operations, except as otherwise permitted pursuant to Section 8.4;

(c) Take all action it deems necessary in its reasonable business judgment to maintain all rights, privileges, licenses and franchises necessary for the normal conduct of its business except where the failure to so maintain such rights, privileges or franchises could not, either singly or in the aggregate, reasonably be expected to have a Material Adverse Effect;

(d) Comply with all Contractual Obligations and Requirements of Law, except to the extent that failure to comply therewith could not, either singly or in the aggregate, reasonably be expected to have a Material Adverse Effect; and

(e)(i) Continue to be a Person whose property or interests in property is not blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit or Support Terrorism (66 Fed. Reg. 49079 (2001)) (the "Order"), (ii) not engage in the transactions prohibited by Section 2 of that Order or become associated with Persons such that a violation of Section 2 of the Order would arise, and (iii) not become a Person on the list of Specially Designated National and Blocked Persons, or (iv) otherwise not become subject to the limitation of any OFAC regulation or executive order.

7.5 Maintenance of Property; Insurance. (a) Keep all material property it deems, in its reasonable business judgment, useful and necessary in its business in working order (ordinary wear and tear excepted); (b) maintain insurance coverage with financially sound and reputable insurance companies on physical assets and against other business risks in such amounts and of such types as are customarily carried by companies similar in size and nature (including without limitation casualty and public liability and property damage insurance), and in the event of acquisition of additional property, real or personal, or of the incurrence of additional risks of any nature, increase such insurance coverage in such manner and to such extent as prudent business judgment and present practice or any applicable Requirements of Law would dictate; (c) in the case of all insurance policies covering any Collateral, such insurance policies shall provide that the loss payable thereunder shall be payable to the applicable Credit Party, and to the Agent (as mortgagee, or, in the case of personal property interests, lender loss payee) as their respective interests may appear; (d) in the case of all public liability insurance policies, such policies shall list the Agent as an additional insured, as the Agent may reasonably request; and (e) if requested by the Agent, certificates evidencing such policies, including all endorsements thereto, to be deposited with the Agent, such certificates being in form and substance reasonably acceptable to the Agent.

7.6 Inspection of Property; Books and Records, Discussions. Permit the Agent and each Lender, through their authorized attorneys, accountants and representatives (a) at all reasonable times upon reasonable prior written notice (which notice shall not be required upon the occurrence and during the continuance of an Event of Default) and during normal business hours, upon the request of the Agent or such Lender, to examine each Credit Party's books, accounts, records, ledgers and assets and properties; (b) from time to time, during normal business hours upon reasonable prior written notice (which notice shall not be required upon the occurrence and during the continuance of an Event of Default), upon the request of the Agent, to conduct full or partial collateral audits of the Accounts and Inventory of the Credit Parties and appraisals of all or a portion of the fixed assets (including real property) of the Credit Parties, such audits and appraisals to be completed by an appraiser as may be selected by the Agent and consented to by the Borrower (such consent not to be unreasonably withheld), with all reasonable and invoiced out-of-pocket costs and expenses of such audits to be reimbursed by the Credit Parties, provided that so long as no Event of Default or Default exists, the Borrower shall not be required to reimburse the Agent for such audits or appraisals more frequently than once each Fiscal Year; (c) during normal business hours and at their own risk, to enter onto the real property owned or leased by any Credit Party to conduct inspections, investigations or other reviews of such real property; and (d) at reasonable times during normal business hours upon reasonable prior written notice (which notice shall not be required upon the occurrence and during the continuance of an Event of Default) and at reasonable intervals, to visit all of the Credit Parties' offices, discuss each Credit Party's respective financial matters with their respective officers, as applicable, and, by this provision, the Borrower authorizes, and will cause each of its respective Subsidiaries to authorize, its independent certified or chartered public accountants to discuss the finances and affairs of any Credit Party and examine any of such Credit Party's books, reports or records held by such accountants.

7.7 Notices. Promptly give written notice to the Agent of:

(a) the occurrence of any Default or Event of Default of which any Credit Party has knowledge or the occurrence of any Reportable Compliance Event;

(b) any (i) litigation or proceeding existing at any time between any Credit Party and any Governmental Authority or other third party, or any investigation of any Credit Party conducted by any Governmental Authority, which in any case if adversely determined would have a Material Adverse Effect or (ii) any material adverse change in the financial condition of any Credit Party since the date of the last audited financial statements delivered pursuant to Section 7.1(a) hereof;

(c) the occurrence of any event which any Credit Party believes could reasonably be expected to have a Material Adverse Effect, promptly after concluding that such event could reasonably be expected to have such a Material Adverse Effect;

(d) promptly after becoming aware thereof, the taking by the Internal Revenue Service or any foreign taxing jurisdiction of a written tax position (or any such tax position taken by any Credit Party in a filing with the Internal Revenue Service or any foreign taxing jurisdiction) which could reasonably be expected to have a Material Adverse Effect, setting forth the details of such position and the financial impact thereof;

(e)(i) all jurisdictions in which any Credit Party proposes to become qualified after the Effective Date to transact business, (ii) the acquisition or creation of any new Subsidiaries, (iii) any material change after the Effective Date in the authorized and issued Equity Interests of any Credit Party or any other material amendment to any Credit Party's charter, by-laws or other organizational documents, such notice, in each case, to identify the applicable jurisdictions, capital structures or amendments as applicable, provided that such notice shall be given not less than ten (10) Business Days prior to the proposed effectiveness of such changes, acquisition or creation, as the case may be (or such shorter period to which the Agent may consent);

(f) not less than fifteen (15) Business Days (or such other shorter period to which the Agent may agree) prior to the proposed effective date thereof, any proposed material amendments, restatements or other modifications to any Subordinated Debt Documents; and

(g) any default or event of default by any Person under any Subordinated Debt Document, concurrently with delivery or promptly after receipt (as the case may be) of any notice of default or event of default under the applicable document, as the case may be.

Each notice pursuant to this Section shall be accompanied by a statement of a Responsible Officer of the Borrower Representative setting forth details of the occurrence referred to therein and, in the case of notices referred to in clauses (a), (b), (c), (d) and (g) hereof stating what action the applicable Credit Party has taken or proposes to take with respect thereto.

7.8 Hazardous Material Laws.

(a) Use and operate all of its facilities and properties in material compliance with all applicable Hazardous Material Laws, keep all material required permits, approvals, certificates, licenses and other authorizations required under such Hazardous Material Laws in effect and remain in compliance therewith, and handle all Hazardous Materials in material compliance with all applicable Hazardous Material Laws;

(b)(i) Promptly notify the Agent and provide copies upon receipt of all written claims, complaints, notices or inquiries received by any Credit Party relating to its facilities and properties or compliance with Hazardous Material Laws which, if adversely determined, could reasonably be expected to have a Material Adverse Effect and (ii) promptly cure and have dismissed with prejudice to the reasonable satisfaction of the Agent and the Majority Lenders any material actions and proceedings relating to compliance with Hazardous Material Laws to which any Credit Party is named a party, other than such actions or proceedings being contested in good faith and with the establishment of reasonable reserves;

(c) To the extent necessary to comply in all material respects with Hazardous Material Laws, remediate or monitor contamination arising from a release or disposal of Hazardous Material, which solely, or together with other releases or disposals of Hazardous Materials could reasonably be expected to have a Material Adverse Effect;

(d) Provide such information and certifications which the Agent or any Lender may reasonably request from time to time to evidence compliance with this Section 7.8.

7.9 Financial Covenants.

(a) Maintain as of the end of each fiscal quarter of Borrower, commencing on March 31, 2019 a Fixed Charge Coverage Ratio of not less than 1.20 to 1.00.

(b) Maintain as of the end of each fiscal quarter of Borrower, commencing on March 31, 2019, a Total Leverage Ratio of not more than 3.0 to 1.0.

7.10 Governmental and Other Approvals. Apply for, obtain and/or maintain in effect, as applicable, all authorizations, consents, approvals, licenses, qualifications, exemptions, filings, declarations and registrations (whether with any court, governmental agency, regulatory authority, securities exchange or otherwise) which are necessary or reasonably requested by the Agent in connection with the execution, delivery and performance by any Credit Party of, as applicable, this Agreement, the other Loan Documents, the Subordinated Debt Documents, or any other documents or instruments to be executed and/or delivered by any Credit Party, as applicable in connection therewith or herewith, except where the failure to so apply for, obtain or maintain could not reasonably be expected to have a Material Adverse Effect.

7.11 Compliance with ERISA; ERISA Notices.

(a) Comply in all material respects with all material requirements imposed by ERISA and the Internal Revenue Code, including, but not limited to, the minimum funding requirements for any Pension Plan, except to the extent that any noncompliance could not reasonably be expected to have a Material Adverse Effect.

(b) Promptly notify the Agent upon the occurrence of any of the following events in writing: (i) the termination, other than a standard termination, as defined in ERISA, of any Pension Plan subject to Subtitle C of Title IV of ERISA by any Credit Party; (ii) the appointment of a trustee by a United States District Court to administer any Pension Plan subject to Title IV of ERISA; (iii) the commencement by the PBGC, of any proceeding to terminate any Pension Plan subject to Title IV of ERISA; (iv) the failure of any Credit Party to make any payment in respect of any Pension Plan required under Section 412 of the Internal Revenue Code or Section 302 of ERISA; (v) the withdrawal of any Credit Party from any Multiemployer Plan if any Credit Party reasonably believes that such withdrawal would give rise to the imposition of Withdrawal Liability with respect thereto; or (vi) the occurrence of (x) a "reportable event" which is required to be reported by a Credit Party under Section 4043 of ERISA other than any event for which the reporting requirement has been waived by the PBGC or (y) a "prohibited transaction" as defined in Section 406 of ERISA or Section 4975 of the Internal Revenue Code other than a transaction for which a statutory exemption is available or an administrative exemption has been obtained.

7.12 Defense of Collateral. Defend the Collateral from any Liens other than Liens permitted by Section 8.2.

7.13 Future Subsidiaries; Additional Collateral.

(a) With respect to each Person which becomes a Domestic Subsidiary of the Borrower (directly or indirectly) subsequent to the Effective Date, whether by Permitted

Acquisition or otherwise, cause such new Domestic Subsidiary to execute and deliver to the Agent, for and on behalf of each of the Lenders (unless waived by the Agent):

(i) within thirty (30) days after the date such Person becomes a Domestic Subsidiary (or such longer time period as the Agent may determine), a Guaranty, or in the event that a Guaranty already exists, a joinder agreement to the Guaranty whereby such Domestic Subsidiary becomes obligated as a Guarantor under the Guaranty; and

(ii) within thirty (30) days after the date such Person becomes a Domestic Subsidiary (or such longer time period as the Agent may determine), a joinder agreement to the Security Agreement whereby such Domestic Subsidiary grants a Lien over its assets (other than Equity Interests which should be governed by (b) of this Section 7.13) as set forth in the Security Agreement, and such Domestic Subsidiary shall take such additional actions as may be necessary to ensure a valid first priority perfected Lien over such assets of such Domestic Subsidiary, subject only to the other Liens permitted pursuant to Section 8.2 of this Agreement;

(iii) within the time period specified in and to the extent required under clause (c) of this Section 7.13, a Mortgage, Leasehold Mortgage, Collateral Access Agreements and/or other documents required to be delivered in connection therewith;

(b) With respect to the Equity Interests of each Person which becomes (whether by Permitted Acquisition or otherwise) (i) a Domestic Subsidiary subsequent to the Effective Date, cause the Credit Party that holds such Equity Interests to execute and deliver such Pledge Agreements, and take such actions as may be necessary to ensure a valid first priority perfected Lien over one hundred percent (100%) of the Equity Interests of such Domestic Subsidiary held by a Credit Party, such Pledge Agreements to be executed and delivered (unless waived by the Agent) within thirty (30) days after the date such Person becomes a Domestic Subsidiary (or such longer time period as the Agent may determine); and (ii) a Foreign Subsidiary subsequent to the Effective Date, the Equity Interests of which is held directly by the Borrower or one of its Domestic Subsidiaries, cause the Credit Party that holds such Equity Interests to execute and deliver such Pledge Agreements and take such actions as may be necessary to ensure a valid first priority perfected Lien over sixty-five percent (65%) of the Equity Interests of such Subsidiary, such Pledge Agreements to be executed and delivered (unless waived by the Agent) within thirty (30) days after the date such Person becomes a Foreign Subsidiary (or such longer time period as the Agent may determine); and

(c) (i) With respect to the acquisition of a fee interest in real property by any Credit Party after the Effective Date (whether by Permitted Acquisition or otherwise), not later than thirty (30) days after the acquisition is consummated or the owner of such property becomes a Domestic Subsidiary (or such longer time period as the Agent may determine), such Credit Party shall execute or cause to be executed (unless waived by the Agent), a Mortgage (or an amendment to an existing mortgage, where appropriate) covering such real property, together with such additional real estate documentation, environmental reports, title policies and surveys as may be reasonably required by the Agent; and (ii) with respect to the acquisition of any leasehold interest in real property by any Credit Party after the Effective Date (whether by

Permitted Acquisition or otherwise), not later than thirty (30) days after the acquisition is consummated or the owner of the applicable leasehold interest becomes a Domestic Subsidiary (or such longer time period as the Agent may determine), the applicable Credit Party shall deliver to the Agent a copy of the applicable lease agreement and shall execute or cause to be executed, at the Agent's option, unless otherwise waived by the Agent, (x) a Leasehold Mortgage covering the applicable leasehold interest, and a Consent and Acknowledgment, together with such additional real estate documentation as may be reasonably required by the Agent or (y) a Collateral Access Agreement in form and substance reasonably acceptable to the Agent together with such other documentation as may be reasonably required by the Agent;

in each case in form reasonably satisfactory to the Agent, in its reasonable discretion, together with such supporting documentation, including without limitation corporate authority items, certificates and opinions of counsel, as reasonably required by the Agent. Upon the Agent's reasonable request, Credit Parties shall take, or cause to be taken, such additional steps as are necessary or advisable under applicable law to perfect and ensure the validity and priority of the Liens granted under this Section 7.13.

7.14 Accounts. Maintain primary all deposit accounts and securities accounts of any Credit Party with the Agent or a Lender, provided that, with respect to any such accounts maintained with any Lender (other than the Agent), such Credit Party (i) shall cause to be executed and delivered an Account Control Agreement in form and substance reasonably satisfactory to the Agent and (ii) has taken all other steps necessary, or in the opinion of the Agent, desirable to ensure that the Agent has a perfected security interest in such account.

7.15 Use of Proceeds. Use all Advances of the Revolving Credit as set forth in Section 2.12 hereof and the proceeds of the Term Loan as set forth in Section 4.9 hereof. The Borrower shall not use any portion of the proceeds of any such advances for the purpose of purchasing or carrying any "margin stock" (as defined in Regulation U of the Board of Governors of the Federal Reserve System) in any manner which violates the provisions of Regulation T, U or X of said Board of Governors or for any other purpose in violation of any applicable statute or regulation and not use the Advances to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law.

7.16 Hedging Transaction. Within thirty (30) days following the Effective Date, the Borrower shall enter into a Hedging Agreement with Comerica Bank sufficient, at the minimum, to cover fifty percent (50%) of the aggregate outstanding principal amount of the Term Loan for a 3-year period following the execution of such Hedging Agreement. The Hedging Agreement shall be in form and substance reasonably acceptable to the Agent.

7.17 Further Assurances and Information.

(a) Take such actions as the Agent or Majority Lenders may from time to time reasonably request to establish and maintain first priority perfected security interests in and Liens on all of the Collateral, subject only to those Liens permitted under Section. 8.2 hereof, including executing and delivering such additional pledges, assignments, mortgages, lien instruments or other security instruments covering any or all of the Credit Parties' assets as the Agent may

reasonably require, such documentation to be in form and substance reasonably acceptable to the Agent, and prepared at the expense of the Borrower.

(b) Execute and deliver or cause to be executed and delivered to the Agent within a reasonable time following the Agent's request, and at the expense of the Borrower, such other documents or instruments as the Agent may reasonably require to effectuate more fully the purposes of this Agreement or the other Loan Documents.

(c) Provide the Agent and the Lenders with any other information required by Section 326 of the USA Patriot Act or necessary for the Agent and the Lenders to verify the identity of any Credit Party as required by Section 326 of the USA Patriot Act.

7.18 Anti-Terrorism. Not permit (i) any Covered Entity to become a Sanctioned Person, (ii) any Covered Entity, either in its own right or through any third party, to (A) have any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law; (B) do business in or with, or derive any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; (C) engage in any dealings or transactions prohibited by any Anti-Terrorism Law; or (D) use the Advances to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law, (iii) the funds used to repay the Indebtedness will not be derived from any unlawful activity, and (iv) shall cause each Covered Entity to comply with all Anti-Terrorism Laws.

7.19 [Reserved].

7.20 Post Closing Deliverable. On or before April 1, 2019, deliver, or cause to be delivered, to Agent a Consent and Agreement, in form and substance reasonably satisfactory to Agent with respect to Borrower's and its Subsidiaries' project located at the Galveston County Landfill located in Galveston, Texas.

8. NEGATIVE COVENANTS.

The Borrower covenants and agrees that, so long as any Lender has any commitment to extend credit hereunder, or any of the Indebtedness remains outstanding and unpaid, it will not, and, as applicable, it will not permit any of its Subsidiaries to:

8.1 Limitation on Debt. Create, incur, assume or suffer to exist any Debt, except:

(a) Indebtedness of any Credit Party to the Agent or any Lender;

(b) any Debt existing on the Effective Date and set forth in Schedule 8.1 attached hereto and any renewals or refinancing of such Debt (provided that (i) the aggregate principal amount of such renewed or refinanced Debt shall not exceed the aggregate principal amount of the original Debt outstanding on the Effective Date (less any principal payments and the amount of any commitment reductions made thereon on or prior to such renewal or refinancing), (ii) the renewal or refinancing of such Debt shall be on substantially the same or better terms as in effect with respect to such Debt on the Effective Date, and shall otherwise be

in compliance with this Agreement, and (iii) at the time of such renewal or refinancing no Default or Event of Default has occurred and is continuing or would result from the renewal or refinancing of such Debt;

(c) any Debt of the Borrower or any of its Subsidiaries incurred to finance the acquisition of fixed or capital assets, whether pursuant to a loan or a Capitalized Lease provided that both at the time of and immediately after giving effect to the incurrence thereof (i) no Default or Event of Default shall have occurred and be continuing, and (ii) the aggregate amount of all such Debt at any one time outstanding (including, without limitation, any Debt of the type described in this clause (c) which is set forth on Schedule 8.1 hereof) shall not exceed $75,000, and any renewals or refinancings of such Debt on terms substantially the same or better than those in effect at the time of the original incurrence of such Debt;

(d) Subordinated Debt;

(e) Debt under any Hedging Transactions, provided that such transaction is entered into for risk management purposes and not for speculative purposes;

(f) Debt arising from judgments or decrees not deemed to be a Default or Event of Default under subsection (g) of Section 9.1; and

(g) Debt owing to a Person that is a Credit Party, but only to the extent permitted under Section 8.7 hereof.

8.2 Limitation on Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, except for:

(a) Permitted Liens;

(b) Liens securing Debt permitted by Section 8.1(c), provided that (i) such Liens are created upon fixed or capital assets acquired by the applicable Credit Party after the date of this Agreement (including without limitation by virtue of a loan or a Capitalized Lease), (ii) any such Lien is created solely for the purpose of securing indebtedness representing or incurred to finance the cost of the acquisition of the item of property subject thereto, (iii) the principal amount of the Debt secured by any such Lien shall at no time exceed 100% of the sum of the purchase price or cost of the applicable property, equipment or improvements and the related costs and charges imposed by the vendors thereof and (iv) the Lien does not cover any property other than the fixed or capital asset acquired; provided, however, that no such Lien shall be created over any owned real property of any Credit Party for which the Agent has received a Mortgage or for which such Credit Party is required to execute a Mortgage pursuant to the terms of this Agreement;

(c) Liens created pursuant to the Loan Documents; and

(d) other Liens, existing on the Effective Date, set forth on Schedule 8.2 and renewals, refinancings and extensions thereof on substantially the same or better terms as in effect on the Effective Date and otherwise in compliance with this Agreement.

Regardless of the provisions of this Section 8.2, no Lien over the Equity Interests of the Borrower or any Subsidiary of the Borrower (except for those Liens for the benefit of the Agent and the Lenders) shall be permitted under the terms of this Agreement.

8.3 Acquisitions. Except for Permitted Acquisitions, purchase or otherwise acquire or become obligated for the purchase of all or substantially all or any material portion of the assets or business interests or a division or other business unit of any Person, or any Equity Interest of any Person, or any business or going concern.

8.4 Limitation on Mergers, Dissolution or Sale of Assets. Enter into any merger or consolidation or convey, sell, lease, assign, transfer or otherwise dispose of any of its property, business or assets (including, without limitation, Equity Interests, receivables and leasehold interests), whether now owned or hereafter acquired or liquidate, wind up or dissolve, except:

(a) Inventory leased or sold in the ordinary course of business;

(b) obsolete, damaged, uneconomic or worn out machinery or equipment, or machinery or equipment no longer used or useful in the conduct of the applicable Credit Party's business;

(c) Permitted Acquisitions;

(d) mergers or consolidations of any Subsidiary of the Borrower with or into the Borrower or any Guarantor so long as the Borrower or such Guarantor shall be the continuing or surviving entity; provided that at the time of each such merger or consolidation, both before and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing or result from such merger or consolidation;

(e) any Subsidiary of the Borrower may liquidate or dissolve into the Borrower or a Guarantor if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower, so long as no Default or Event of Default has occurred and is continuing or would result therefrom;

(f) sales or transfers, including without limitation upon voluntary liquidation from any Credit Party to the Borrower or a Guarantor, provided that the Borrower or Guarantor takes such actions as the Agent may reasonably request to ensure the perfection and priority of the Liens in favor of the Lenders over such transferred assets;

(g) subject to Section 4.8(b) hereof, (i) Asset Sales (exclusive of asset sales permitted pursuant to all other subsections of this Section 8.4) in which the sales price is at least equal to the fair market value of the assets sold and the consideration received is cash or cash equivalents or Debt of any Credit Party being assumed by the purchaser, provided that the aggregate amount of such Asset Sales does not exceed $75,000 in any Fiscal Year and no Default or Event of Default has occurred and is continuing at the time of each such sale (both before and after giving effect to such Asset Sale), and (ii) other Asset Sales approved by the Majority Lenders in their sole discretion;

(h) the sale or disposition of Permitted Investments and other cash equivalents in the ordinary course of business; and

(i) dispositions of owned or leased vehicles in the ordinary course of business.

The Lenders hereby consent and agree to the release by the Agent of any and all Liens on the property sold or otherwise disposed of in compliance with this Section 8.4.

8.5 Restricted Payments. Declare or make any distributions, dividend, payment or other distribution of assets, properties, cash, rights, obligations or securities (collectively, "Distributions") on account of any of its Equity Interests, as applicable, or purchase, redeem or otherwise acquire for value any of its Equity Interests, as applicable, or any warrants, rights or options to acquire any of its Equity Interests, now or hereafter outstanding (collectively, "Purchases"), except that:

(a) each Credit Party may pay cash Distributions to the Borrower;

(b) each Credit Party may declare and make Distributions payable in the Equity Interests of such Credit Party, provided that the issuance of such Equity Interests does not otherwise violate the terms of this Agreement and no Default or Event of Default has occurred and is continuing at the time of making such Distribution or would result from the making of such Distribution;

(c) each Credit Party may make Tax Distributions; and

(d) subject to the satisfaction of the Distribution Conditions, Borrower may make (i) Distributions to its members and (ii) Purchases; provided, that, the aggregate amount of all Distributions (excluding Tax Distributions permitted under Section (c) above) and Purchases made in any consecutive twelve (12) month period shall not exceed $20,000,000.

8.6 [Reserved].

8.7 Limitation on Investments, Loans and Advances. Make or allow to remain outstanding any Investment (whether such investment shall be of the character of investment in shares of stock, evidences of indebtedness or other securities or otherwise) in, or any loans or advances to, any Person other than:

(a) Permitted Investments;

(b) Investments existing on the Effective Date and listed on Schedule 8.7 hereof;

(c) sales on open account in the ordinary course of business;

(d) intercompany loans or intercompany Investments made by any Credit Party to or in any Guarantor or the Borrower; provided that, in the case of any intercompany loans or intercompany Investments made by the Borrower in any Guarantor, the aggregate

amount from time to time outstanding in respect thereof shall not exceed $20,000,000; and provided, further, that in each case, no Default or Event of Default shall have occurred and be continuing at the time of making such intercompany loan or intercompany Investment or result from such intercompany loan or intercompany Investment being made and that any intercompany loans shall be evidenced by and funded under an Intercompany Note pledged to the Agent under the appropriate Collateral Documents;

(d-1) intercompany loans or investments made by any Credit Party to or in Red Top on or about July 16, 2018 in the amount of $1,320,000 and additional loans to and investments in Red Top made after July 16, 2018 in an aggregate amount not to exceed $6,880,000;

(e) Investments in respect of Hedging Transactions provided that such transaction is entered into for risk management purposes and not for speculative purposes; and

(f) Permitted Acquisitions.

In valuing any Investments for the purpose of applying the limitations set forth in this Section 8.7 (except as otherwise expressly provided herein), such Investment shall be taken at the original cost thereof, without allowance for any subsequent write-offs or appreciation or depreciation, but less any amount repaid or recovered on account of capital or principal.

8.8 Transactions with Affiliates. Except as set forth in Schedule 8.8, enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of property or the rendering of any service, with any Affiliates of the Credit Parties except: (a) transactions with Affiliates that are the Borrower or Guarantors; (b) transactions otherwise permitted under this Agreement; and (c) transactions in the ordinary course of a Credit Party's business and upon fair and reasonable terms no less favorable to such Credit Party than it would obtain in a comparable arm's length transaction from unrelated third parties.

8.9 Sale-Leaseback Transactions. Enter into any arrangement with any Person providing for the leasing by a Credit Party of real or personal property which has been or is to be sold or transferred by such Credit Party to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of such Credit Party, as the case may be, provided that if, at the time that a Credit Party acquires fixed or capital assets, such Credit Party intends to sell to and then lease such assets from another Person pursuant to a financing arrangement that would be permitted under Section 8.1(c), such transaction will not constitute a violation of this Section 8.9 so long as such transaction is consummated within sixty (60) days following the acquisition of such assets.

8.10 Limitations on Other Restrictions. Except for this Agreement or any other Loan Document, enter into any agreement, document or instrument which would (i) restrict the ability of any Subsidiary of the Borrower to pay or make dividends or distributions in cash or kind to the Borrower or any Guarantor, to make loans, advances or other payments of whatever nature to any Credit Party, or to make transfers or distributions of all or any part of its assets to any Credit Party; or (ii) restrict or prevent any Credit Party from granting the Agent on behalf of Lenders

Liens upon, security interests in and pledges of their respective assets, except to the extent such restrictions exist in documents creating Liens permitted by Section 9.2(b) hereunder.

8.11 Prepayment of Debt. Make any prepayment (whether optional or mandatory), repurchase, redemption, defeasance or any other payment in respect of any Subordinated Debt.

8.12 Amendment of Subordinated Debt Documents. Amend, modify or otherwise alter (or suffer to be amended, modified or altered) the Subordinated Debt Documents except as permitted in the applicable Subordinated Debt Documents and Subordination Agreements, or if no such restrictions exist in the applicable Subordinated Debt Documents or Subordination Agreements, without the prior written consent of the Agent.

8.13 Modification of Certain Agreements. Make, permit or consent to any amendment or other modification to the constitutional documents of any Credit Party or any Material Contract except to the extent that any such amendment or modification (i) does not violate the terms and conditions of this Agreement or any of the other Loan Documents, (ii) does not materially adversely affect the interest of the Lenders as creditors and/or secured parties under any Loan Document and (iii) could not reasonably be expected to have a Material Adverse Effect.

8.14 Management Fees. Pay or otherwise advance, directly or indirectly, any management, consulting or other fees to an Affiliate.

8.15 Fiscal Year. Permit the Fiscal Year of any Credit Party to end on a day other than March 31.

8.16 Pension Plans. Establish a pension plan within the meaning of Title IV of ERISA.

9. DEFAULTS.

9.1 Events of Default. The occurrence of any of the following events shall constitute an Event of Default hereunder:

(a) non-payment when due of (i) the principal or interest on the Indebtedness under the Revolving Credit (including the Swing Line) or the Term Loan or (ii) any Reimbursement Obligation or (iii) any Fees;

(b) non-payment of any other amounts due and owing by the Borrower under this Agreement or by any Credit Party under any of the other Loan Documents to which it is a party, other than as set forth in subsection (a) above, within three (3) Business Days after the same is due and payable;

(c) default in the observance or performance of any of the conditions, covenants or agreements of the Borrower set forth in Sections 7.1, 7.2, 7.4(a) and (e), 7.5, 7.6, 7.7, 7.9, 7.13, 7.14, 7.15, 7.16, 7.17 or Article 8 in its entirety, provided that an Event of Default arising from a breach of Sections 7.1 or 7.2 shall be deemed to have been cured upon delivery of the required item; and provided further that any Event of Default arising solely due to a breach of Section 7.7(a) shall be deemed cured upon the earlier of (x) the giving of the notice required by

Section 7.7(a) and (y) the date upon which the Default or Event of Default giving rise to the notice obligation is cured or waived;

(d) default in the observance or performance of any of the other conditions, covenants or agreements set forth in this Agreement or any of the other Loan Documents by any Credit Party and continuance thereof for a period of thirty (30) consecutive days;

(e) any representation or warranty made by any Credit Party herein or in any certificate, instrument or other document submitted pursuant hereto proves untrue or misleading in any material adverse respect when made;

(f)(i) default by any Credit Party in the payment of any indebtedness for borrowed money, whether under a direct obligation or guaranty (other than Indebtedness hereunder) of any Credit Party in excess of Five Hundred Thousand Dollars ($500,000) (or the equivalent thereof in any currency other than Dollars) individually or in the aggregate when due and continuance thereof beyond any applicable period of cure and or (ii) failure to comply with the terms of any other obligation of any Credit Party with respect to any indebtedness for borrowed money (other than Indebtedness hereunder) in excess of Five Hundred Thousand Dollars ($500,000) (or the equivalent thereof in any currency other than Dollars) individually or in the aggregate, which continues beyond any applicable period of cure and which would permit the holder or holders thereto to accelerate such other indebtedness for borrowed money, or require the prepayment, repurchase, redemption or defeasance of such indebtedness;

(g) the rendering of any judgment(s) (not covered by adequate insurance from a solvent carrier which is defending such action without reservation of rights) for the payment of money in excess of the sum of Five Hundred Thousand Dollars ($500,000) (or the equivalent thereof in any currency other than Dollars) individually or in the aggregate against any Credit Party, and such judgments shall remain unpaid, unvacated, unbonded or unstayed by appeal or otherwise for a period of thirty (30) consecutive days from the date of its entry;

(h) the occurrence of (i) a “reportable event”, as defined in ERISA, which is determined by the PBGC to constitute grounds for a distress termination of any Pension Plan subject to Title IV of ERISA maintained or contributed to by or on behalf of any Credit Party for the benefit of any of its employees or for the appointment by the appropriate United States District Court of a trustee to administer such Pension Plan and such reportable event is not corrected and such determination is not revoked within sixty (60) days after notice thereof has been given to the plan administrator of such Pension Plan (without limiting any of the Agent’s or any Lender’s other rights or remedies hereunder), or (ii) the termination or the institution of proceedings by the PBGC to terminate any such Pension Plan, or (iii) the appointment of a trustee by the appropriate United States District Court to administer any such Pension Plan, or (iv) the reorganization (within the meaning of Section 4241 of ERISA) or insolvency (within the meaning of Section 4245 of ERISA) of any Multiemployer Plan, or receipt of notice from any Multiemployer Plan that it is in reorganization or insolvency, or the complete or partial withdrawal by any Credit Party from any Multiemployer Plan, which in the case of any of the foregoing, could reasonably be expected to have a Material Adverse Effect;

(i) except as expressly permitted under this Agreement, any Credit Party shall be dissolved (other than a dissolution of a Subsidiary of the Borrower which is not a Guarantor or the Borrower) or liquidated (or any judgment, order or decree therefor shall be entered) except as otherwise permitted herein; or if a creditors' committee shall have been appointed for the business of any Credit Party; or if any Credit Party shall have made a general assignment for the benefit of creditors or shall have been adjudicated bankrupt and if not an adjudication based on a filing by a Credit Party, it shall not have been dismissed within sixty (60) days, or shall have filed a voluntary petition in bankruptcy or for reorganization or to effect a plan or arrangement with creditors or shall fail to pay its debts generally as such debts become due in the ordinary course of business (except as contested in good faith and for which adequate reserves are made in such party's financial statements); or shall file an answer to a creditor's petition or other petition filed against it, admitting the material allegations thereof for an adjudication in bankruptcy or for reorganization; or shall have applied for or permitted the appointment of a receiver or trustee or custodian for any of its property or assets; or such receiver, trustee or custodian shall have been appointed for any of its property or assets (otherwise than upon application or consent of a Credit Party) and shall not have been removed within sixty (60) days; or if an order shall be entered approving any petition for reorganization of any Credit Party and shall not have been reversed or dismissed within sixty (60) days;

(j) a Change of Control;

(k) if the Total Liabilities to Tangible Net Worth Ratio is greater than 2.0 to 1.0 as of the end of any fiscal quarter of Parent;

(k-1) if for any consecutive three (3) month period, the average monthly Argus D3 RIN Price is less than $1.00 per RIN;

(l) the validity, binding effect or enforceability of any subordination provisions relating to any Subordinated Debt shall be contested by any Person party thereto (other than any Lender, the Agent, Issuing Lender or Swing Line Lender), or such subordination provisions shall fail to be enforceable by the Agent and the Lenders in accordance with the terms thereof, or the Indebtedness shall for any reason not have the priority contemplated by this Agreement or such subordination provisions;

(m) any Loan Document shall at any time for any reason cease to be in full force and effect (other than in accordance with the terms thereof or the terms of any other Loan Document), as applicable, or the validity, binding effect or enforceability thereof shall be contested by any party thereto (other than any Lender, the Agent, Issuing Lender or Swing Line Lender), or any Person shall deny that it has any or further liability or obligation under any Loan Document, or any such Loan Document shall be terminated (other than in accordance with the terms thereof or the terms of any other Loan Document), invalidated, revoked or set aside or in any way cease to give or provide to the Lenders and the Agent the benefits purported to be created thereby, or any Loan Document purporting to grant a Lien to secure any Indebtedness shall, at any time after the delivery of such Loan Document, fail to create a valid and enforceable Lien on any Collateral purported to be covered thereby or such Lien shall fail to cease to be a perfected Lien with the priority required in the relevant Loan Document; or

(n) Borrower fails to provide Agent and Lenders written notice within thirty (30) days after any change in the federal Renewable Energy Standard, rules or regulations that could result in a Material Adverse Effect.

9.2 Exercise of Remedies. If an Event of Default has occurred and is continuing hereunder: (a) the Agent may, and shall, upon being directed to do so by the Majority Revolving Credit Lenders, declare the Revolving Credit Aggregate Commitment terminated; (b) the Agent may, and shall, upon being directed to do so by the Majority Lenders, declare the entire unpaid principal Indebtedness, including the Notes, immediately due and payable, without presentment, notice or demand, all of which are hereby expressly waived by the Borrower; (c) upon the occurrence of any Event of Default specified in Section 9.1(i) and notwithstanding the lack of any declaration by the Agent under preceding clauses (a) or (b), the entire unpaid principal Indebtedness shall become automatically and immediately due and payable, and the Revolving Credit Aggregate Commitment shall be automatically and immediately terminated; (d) the Agent shall, upon being directed to do so by the Majority Revolving Credit Lenders, demand immediate delivery of cash collateral, and the Borrower agrees to deliver such cash collateral upon demand, in an amount equal to 105% of the maximum amount that may be available to be drawn at any time prior to the stated expiry of all outstanding Letters of Credit, for deposit into an account controlled by the Agent; (e) the Agent may, and shall, upon being directed to do so by the Majority Lenders, notify the Borrower or any Credit Party that interest shall be payable on demand on all Indebtedness (other than Revolving Credit Advances, Swing Line Advances and Term Loan Advances with respect to which Sections 2.6 and 4.6 hereof shall govern) owing from time to time to the Agent or any Lender, at a per annum rate equal to the then applicable Base Rate plus three percent (3%); and (f) the Agent may, and shall, upon being directed to do so by the Majority Lenders or the Lenders, as applicable (subject to the terms hereof), exercise any remedy permitted by this Agreement, the other Loan Documents or law.

9.3 Rights Cumulative. No delay or failure of the Agent and/or Lenders in exercising any right, power or privilege hereunder shall affect such right, power or privilege, nor shall any single or partial exercise thereof preclude any further exercise thereof, or the exercise of any other power, right or privilege. The rights of the Agent and Lenders under this Agreement are cumulative and not exclusive of any right or remedies which Lenders would otherwise have.

9.4 Waiver by the Borrower of Certain Laws. To the extent permitted by applicable law, the Borrower hereby agrees to waive, and does hereby absolutely and irrevocably waive and relinquish the benefit and advantage of any valuation, stay, appraisement, extension or redemption laws now existing or which may hereafter exist, which, but for this provision, might be applicable to any sale made under the judgment, order or decree of any court, on any claim for interest on the Notes, or any security interest or mortgage contemplated by or granted under or in connection with this Agreement. These waivers have been voluntarily given, with full knowledge of the consequences thereof.

9.5 Waiver of Defaults. No Event of Default shall be waived by the Lenders except in a writing signed by an officer of the Agent in accordance with Section 13.10 hereof. No single or partial exercise of any right, power or privilege hereunder, nor any delay in the exercise thereof, shall preclude other or further exercise of their rights by the Agent or the Lenders. No waiver of any Event of Default shall extend to any other or further Event of Default. No

forbearance on the part of the Agent or the Lenders in enforcing any of their rights shall constitute a waiver of any of their rights. The Borrower expressly agrees that this Section may not be waived or modified by the Lenders or the Agent by course of performance, estoppel or otherwise.

9.6 Set Off. Upon the occurrence and during the continuance of any Event of Default, each Lender may at any time and from time to time, without notice to the Borrower but subject to the provisions of Section 10.3 hereof (any requirement for such notice being expressly waived by the Borrower), setoff and apply against any and all of the obligations of the Borrower now or hereafter existing under this Agreement, whether owing to such Lender, any Affiliate of such Lender or any other Lender or the Agent, any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender to or for the credit or the account of the Borrower and any property of the Borrower from time to time in possession of such Lender, irrespective of whether or not such deposits held or indebtedness owing by such Lender may be contingent and unmatured and regardless of whether any Collateral then held by the Agent or any Lender is adequate to cover the Indebtedness. Promptly following any such setoff, such Lender shall give written notice to the Agent and the Borrower of the occurrence thereof; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Agent for further application in accordance with the provisions of Section 10.4 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held for the benefit of the Agent, the Issuing Lender and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Agent a statement describing in reasonable detail the Indebtedness owing to such Defaulting Lender as to which it exercised such right of setoff. The Borrower hereby grants to the Lenders and the Agent a lien on and security interest in all such deposits, indebtedness and property as collateral security for the payment and performance of all of the obligations of the Borrower under this Agreement. The rights of each Lender under this Section 9.6 are in addition to the other rights and remedies (including, without limitation, other rights of setoff) which such Lender may have.

10. PAYMENTS, RECOVERIES AND COLLECTIONS.

10.1 Payment Procedure.

(a) All payments to be made by the Borrower shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise provided herein, all payments made by the Borrower of principal, interest or fees hereunder shall be made without setoff or counterclaim on the date specified for payment under this Agreement and must be received by the Agent not later than 1:00 p.m. (Detroit time) (or such later time on such date as agreed to by Agent) on the date such payment is required or intended to be made in Dollars in immediately available funds to the Agent at the Agent's office located at 411 West Lafayette, 7th Floor, MC 3289, Detroit, Michigan 48226-3289, for the ratable benefit of the Revolving Credit Lenders in the case of payments in respect of the Revolving Credit and any Letter of Credit Obligations, for the ratable benefit of the Term Loan Lenders in the case of payments in respect of the Term Loan. Any payment received by the Agent after 1*:00* p.m. (Detroit time) (or such later time on such date as agreed to by Agent) shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. Upon receipt of each

such payment, the Agent shall make prompt payment to each applicable Lender, or, in respect of Eurodollar-based Advances, such Lender's Eurodollar Lending Office, in like funds and currencies, of all amounts received by it for the account of such Lender.

(b) Unless the Agent shall have been notified in writing by the Borrower at least two (2) Business Days prior to the date on which any payment to be made by the Borrower is due that the Borrower does not intend to remit such payment, the Agent may, in its sole discretion and without obligation to do so, assume that the Borrower has remitted such payment when so due and the Agent may, in reliance upon such assumption, make available to each Revolving Credit Lender or Term Loan Lender, as the case may be, on such payment date an amount equal to such Lender's share of such assumed payment. If the Borrower has not in fact remitted such payment to the Agent, each Lender shall forthwith on demand repay to the Agent the amount of such assumed payment made available or transferred to such Lender, together with the interest thereon, in respect of each day from and including the date such amount was made available by the Agent to such Lender to the date such amount is repaid to the Agent at a rate per annum equal to the Federal Funds Effective Rate for the first two (2) Business Days that such amount remains unpaid, and thereafter at a rate of interest then applicable to such Revolving Credit Advances.

(c) Subject to the definition of "Interest Period" in Section 1 of this Agreement, whenever any payment to be made hereunder shall otherwise be due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing interest, if any, in connection with such payment.

10.2 Application of Proceeds of Collateral. Notwithstanding anything to the contrary in this Agreement, in the case of any Event of Default under Section 9.1(i), immediately following the occurrence thereof, and in the case of any other Event of Default: (a) upon the termination of the Revolving Credit Aggregate Commitment, (b) the acceleration of any Indebtedness arising under this Agreement, (c) at the Agent's option, or (d) upon the request of the Majority Lenders after the commencement of any remedies hereunder, the Agent shall apply the proceeds of any Collateral, together with any offsets, voluntary payments by any Credit Party or others and any other sums received or collected in respect of the Indebtedness first, to pay all incurred and unpaid fees and expenses of the Agent under the Loan Documents and any protective advances made by the Agent with respect to the Collateral under or pursuant to the terms of any Loan Document, next, to pay any fees and expenses owed to the Issuing Lender hereunder, next, to pay principal and interest due under the Revolving Credit (including the Swing Line and any Reimbursement Obligations) and the Term Loan, to cash collateralize all outstanding Letters of Credit in an amount equal to 105% of the maximum amount that may be available to be drawn at any time prior to the stated expiry of all outstanding Letters of Credit, and to pay any obligations owing by any Credit Party under any Hedging Agreements or with respect to any Lender Products on a pro rata basis, next, to pay any other Indebtedness on a pro rata basis, and then, if there is any excess, to the Credit Parties, as the case may be.

10.3 Pro-rata Recovery. If any Lender shall obtain any payment or other recovery (whether voluntary, involuntary, by application of setoff or otherwise) on account of principal of, or interest on, any of the Advances made by it, or the participations in Letter of Credit

Obligations or Swing Line Advances held by it in excess of its pro rata share of payments then or thereafter obtained by all Lenders upon principal of and interest on all such Indebtedness, such Lender shall purchase from the other Lenders such participations in the Revolving Credit, the Term Loan, and/or the Letter of Credit Obligation held by them as shall be necessary to cause such purchasing Lender to share the excess payment or other recovery ratably in accordance with the applicable Percentages of the Lenders; provided, however, that if all or any portion of the excess payment or other recovery is thereafter recovered from such purchasing holder, the purchase shall be rescinded and the purchase price restored to the extent of .such recovery, but without interest.

10.4 Treatment of a Defaulting Lender; Reallocation of Defaulting Lender's Fronting Exposure.

(a) The obligation of any Lender to make any Advance hereunder shall not be affected by the failure of any other Lender to make any Advance under this Agreement, and no Lender shall have any liability to the Borrower or any of its Subsidiaries, the Agent, any other Lender, or any other Person for another Lender's failure to make any loan or Advance hereunder.

(b) If any Lender shall become a Defaulting Lender, then such Defaulting Lender's right to vote in respect of any amendment, consent or waiver of the terms of this Agreement or such other Loan Documents, or to direct or approve any action or inaction by the Agent shall be subject to the restrictions set forth in Section 13.10.

(c) Any payment of principal, interest, fees or other amounts received by the Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article 9 or otherwise) or received by the Agent from a Defaulting Lender pursuant to Section 9.6 shall be applied at such time or times as may be determined by the Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to any Issuing Lender or Swing Line Lender hereunder; third, to cash collateralize the Issuing Lenders' Fronting Exposure with respect to such Defaulting Lender in accordance with clause (g) below; fourth, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Advance in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Agent; fifth, if so determined by the Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Advances under this Agreement and (y) cash collateralize the Issuing Lenders' future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with clause (g) below; sixth, to the payment of any amounts owing to the Lenders, the Issuing Lenders or Swing Line Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the Issuing Lenders or Swing Line Lenders against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if

(x) such payment is a payment of the principal amount of any Advances or Letter of Credit Obligations in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Advances were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.2 were satisfied or waived, such payment shall be applied solely to pay the Advances of, and Letter of Credit Obligations to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Advances of, or Letter of Credit Obligations owed to, such Defaulting Lender until such time as all Advances and funded and unfunded participations in Letter of Credit Obligations and Swing Line Advances are held by the Lenders pro rata in accordance with their respective Revolving Credit Percentages without giving effect to Section clause (d) below. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post cash collateral pursuant to this clause (c) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(d) No Defaulting Lender shall be entitled to receive any Revolving Credit Facility Fee for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(e) Each Defaulting Lender shall be entitled to receive the Letter of Credit Fees described in Section 3.4(a) for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Revolving Credit Percentage of the stated amount of Letters of Credit for which it has provided cash collateral in accordance with clause (g) below). With respect to any Revolving Credit Facility Fee or Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clause (A) or (B) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in Letter of Credit Obligations or Swing Line Advances that has been reallocated to such Non-Defaulting Lender pursuant to clause f below, (y) pay to each Issuing Lender and Swing Line Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such Issuing Lender's and Swing Line Lender's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(f) If any Lender shall become a Defaulting Lender, then, for so long as such Lender remains a Defaulting Lender, any Fronting Exposure shall be reallocated by the Agent at the request of the Swing Line Lender and/or the Issuing Lender among the Non-Defaulting Lenders in accordance with their respective Percentages of the Revolving Credit, but only to the extent that the sum of the aggregate principal amount of all Revolving Credit Advances made by each Non-Defaulting Lender, plus such Non-Defaulting Lender's Percentage of the aggregate outstanding principal amount of Swing Line Advances and Letter of Credit Obligations prior to giving effect to such reallocation plus such Non-Defaulting Lender's Percentage of the Fronting Exposure to be reallocated does not exceed such Non- Defaulting Lender's Percentage of the Revolving Credit Aggregate Commitment, and only so long as no Default or Event of Default has occurred and is continuing on the date of such reallocation.

(g) At any time that there shall exist a Defaulting Lender, within one (1) Business Day following the written request of the Agent, the Swing Line Lender or the Issuing

Lender (with a copy to the Agent), the Borrower shall cash collateralize the Swing Line Lender's and Issuing Lender's Fronting Exposure, as applicable, with respect to such Defaulting Lender (determined after giving effect to any cash collateral provided by such Defaulting Lender) in an amount not less than an amount determined by the Agent, the Swing Line Lender and the Issuing Lender in their sole discretion, by depositing such amounts into an account controlled by the Agent.

11. YIELD PROTECTION; INCREASED COSTS; MARGIN ADJUSTMENTS; TAXES.

11.1 Reimbursement of Prepayment Costs. If (i) the Borrower makes any payment of principal with respect to any Eurodollar-based Advance or Quoted Rate Advance on any day other than the last day of the Interest Period applicable thereto (whether voluntarily, pursuant to any mandatory provisions hereof, by acceleration, or otherwise); (ii) the Borrower converts or refunds (or attempts to convert or refund) any such Advance on any day other than the last day of the Interest Period applicable thereto (except as described in Section 2.5(e)); (iii) the Borrower fails to borrow, refund or convert any Eurodollar-based Advance or Quoted Rate Advance after notice has been given by the Borrower to the Agent in accordance with the terms hereof requesting such Advance; or (iv) or if the Borrower fails to make any payment of principal in respect of a Eurodollar-based Advance or Quoted Rate Advance when due, the Borrower shall reimburse the Agent for itself and/or on behalf of any Lender, as the case may be, within ten (10) Business Days of written demand therefor for any resulting loss, cost or expense incurred (excluding the loss of any Applicable Margin) by the Agent and Lenders, as the case may be, as a result thereof, including, without limitation, any such loss, reasonable and invoiced out-of-pocket cost or expense incurred in obtaining, liquidating, employing or redeploying deposits from third parties, whether or not the Agent and Lenders, as the case may be, shall have funded or committed to fund such Advance. The amount payable hereunder by the Borrower to the Agent for itself and/or on behalf of any Lender, as the case may be, shall be deemed to equal an amount equal to the excess, if any, of (a) the amount of interest which would have accrued on the amount so prepaid, or not so borrowed, refunded or converted, for the period from the date of such prepayment or of such failure to borrow, refund or convert, through the last day of the relevant Interest Period, at the applicable rate of interest for said Advance(s) provided under this Agreement, over (b) the amount of interest (as reasonably determined by the Agent and Lenders, as the case may be) which would have accrued to the Agent and Lenders, as the case may be, on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurocurrency market. Calculation of any amounts payable to any Lender under this paragraph shall be made as though such Lender shall have actually funded or committed to fund the relevant Advance through the purchase of an underlying deposit in an amount equal to the amount of such Advance and having a maturity comparable to the relevant Interest Period; provided, however, that any Lender may fund any Eurodollar-based Advance or Quoted Rate Advance, as the case may be, in any manner it deems fit and the foregoing assumptions shall be utilized only for the purpose of the calculation of amounts payable under this paragraph. Upon the written request of the Borrower, the Agent and Lenders shall deliver to the Borrower a certificate setting forth the basis for determining such losses, costs and expenses, which certificate shall be conclusively presumed correct, absent manifest error.

11.2 Eurodollar Lending Office. For any Eurodollar Advance, if the Agent or a Lender, as applicable, shall designate a Eurodollar Lending Office which maintains books separate from those of the rest of the Agent or such Lender, the Agent or such Lender, as the case may be, shall have the option of maintaining and carrying the relevant Advance on the books of such Eurodollar Lending Office.

11.3 Circumstances Affecting LIBOR Rate Availability.

(a) If the Agent or the Majority Lenders (after consultation with the Agent) shall determine in good faith that, by reason of circumstances affecting the foreign exchange and interbank markets generally, deposits in eurodollars in the applicable amounts are not being offered to the Agent or such Lenders at the applicable LIBOR Rate, then the Agent shall forthwith give notice thereof to the Borrower. Thereafter, until the Agent notifies the Borrower that such circumstances no longer exist, (i) the obligation of Lenders to make Advances which bear interest at or by reference to the LIBOR Rate, and the right of the Borrower to convert an Advance to or refund an Advance as an Advance which bear interest at or by reference to the LIBOR Rate shall be suspended, (ii) effective upon the last day of each Eurodollar-Interest Period related to any existing Eurodollar-based Advance, each such Eurodollar-based Advance shall automatically be converted into an Advance which bears interest at or by reference to the Base Rate (without regard to the satisfaction of any conditions to conversion contained elsewhere herein), and (iii) effective immediately following such notice, each Advance which bears interest at or by reference to the Daily Adjusting LIBOR Rate shall automatically be converted into an Advance which bears interest at or by reference to the Base Rate (without regard to the satisfaction of any conditions to conversion contained elsewhere herein).

(b) If at any time the Agent or the Majority Lenders (after consultation with the Agent) shall determine (which determination shall be conclusive absent manifest error) that (i) the circumstances set forth in the first sentence of Section 11.3(a) have arisen and such circumstances are unlikely to be temporary or (ii) the circumstances set forth in the first sentence of Section 11.3(a) have not arisen but the supervisor for the administrator of the LIBOR Rate or a Governmental Authority having jurisdiction over the Agent has made a public statement identifying a specific date after which the LIBOR Rate shall no longer be used for determining interest rates for loans, then the Agent and Borrower shall endeavor to establish an alternate rate of interest to the LIBOR Rate that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable (but for the avoidance of doubt, such related changes shall not include a reduction of the Applicable Margin unless agreed to by all Lenders in accordance with Section 13.10); provided that, if such alternate rate of interest shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement. Notwithstanding anything to the contrary in Section 13.10, such amendment shall become effective without any further action or consent of any other party to this Agreement so long as the Agent shall not have received, within ten (10) Business Days of the date notice of such alternate rate of interest is provided to the Lenders, a written notice from the Majority Lenders of each Class stating that such Majority Lenders object to such amendment. Until an alternate rate of interest shall be determined in accordance with this clause (b) (but, in the case of the circumstances described in clause (ii) of the first sentence of this Section 11.3(b),

only to the extent the LIBOR Rate for the applicable currency and such Interest Period is not available or published at such time on a current basis), (x) any Request for Advance or Term Loan Rate Request that requests the conversion of any related Advance to, or continuation of any related Advance as, a Eurodollar-based Advance shall be ineffective and (y) if any Request for Advance or Term Loan Rate Request requests a Eurodollar-based Advance or the use of the Eurodollar-based Rate, such Advance shall be made or carried as a Base Rate Advance.

11.4 Laws Affecting LIBOR Rate Availability. If, after the date of this Agreement, the adoption or introduction of, or any change in, any applicable law, rule or regulation or in the interpretation or administration thereof by any governmental authority charged with the interpretation or administration thereof, or compliance by any of the Lenders (or any of their respective Eurodollar Lending Offices) with any request or directive (whether or not having the force of law) of any such authority, shall make it unlawful or impossible for any of the Lenders (or any of their respective Eurodollar Lending Offices) to honor its obligations hereunder to make or maintain any Advance which bears interest at or by reference to the LIBOR Rate, such Lender shall forthwith give notice thereof to the Borrower and to the Agent. Thereafter, (a) the obligations of the applicable Lenders to make Advances which bear interest at or by reference to the LIBOR Rate and the right of the Borrower to convert an Advance into or refund an Advance as an Advance which bears interest at or by reference to the LIBOR Rate shall be suspended and thereafter only the Base Rate shall be available, and (b) if any of the Lenders may not lawfully continue to maintain an Advance which bears interest at or by reference to the LIBOR Rate, the applicable Advance shall immediately be converted to an Advance which bears interest at or by reference to the Base Rate.

11.5 Increased Cost of Advances Carried at the LIBOR Rate. If any Change in Law shall:

(a) subject any of the Lenders (or any of their respective Eurodollar Lending Offices) to any tax, duty or other charge with respect to any Advance (except for any withholding taxes which are covered by Section 10.1(d) hereof) or shall change the basis of taxation of payments to any of the Lenders (or any of their respective Eurodollar Lending Offices) of the principal of or interest on any Advance or any other amounts due under this Agreement in respect thereof (except for changes in any Excluded Taxes); or

(b) impose, modify or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System), special deposit, liquidity or similar requirement against assets of, deposits with or for the account of, or credit extended by, any of the Lenders (or any of their respective Eurodollar Lending Offices) or shall impose on any of the Lenders (or any of their respective Eurodollar Lending Offices) or the foreign exchange and interbank markets any other condition affecting any Advance;

and the result of any of the foregoing matters is to increase the costs to any of the Lenders of maintaining any part of the Indebtedness hereunder as an Advance which bears interest at or by reference to the LIBOR Rate or to reduce the amount of any sum received or receivable by any of the Lenders under this Agreement in respect of an Advance which bears interest at or by reference to the LIBOR Rate, then such Lender shall promptly notify the Agent, and the Agent shall promptly notify the Borrower of such fact and demand compensation therefor and, within

ten (10) Business Days after such notice, the Borrower agrees to pay to such Lender or Lenders such additional amount or amounts as will compensate such Lender or Lenders for such increased cost or reduction, provided that each Lender agrees to take any reasonable action, to the extent such action could be taken without cost or unreasonable (as determined solely by such Lender) administrative or other burden or restriction to such Lender, to mitigate or eliminate such cost or reduction, within a reasonable time after becoming aware of the foregoing matters. The Agent will promptly notify the Borrower of any event of which it has knowledge which will entitle Lenders to compensation pursuant to this Section, or which will cause the Borrower to incur additional liability under Section 11.1 hereof, provided that the Agent shall incur no liability whatsoever to the Lenders or the Borrower in the event it fails to do so. A certificate of the Agent (or such Lender, if applicable) setting forth the basis for determining such additional amount or amounts necessary to compensate such Lender or Lenders shall accompany such demand and shall be conclusively presumed to be correct absent manifest error.

11.6 Capital Adequacy and Other Increased Costs.

If any Change in Law affects or would affect the capital or liquidity requirements of a Lender or the Agent (or any corporation controlling such Lender or the Agent) and such Lender or the Agent, as the case may be, determines that the amount of required capital is increased by, or based upon the existence of such Lender's or the Agent's obligations or Advances hereunder, the effect of such Change in Law is to result in such an increase, and such increase has the effect of reducing the rate of return on such Lender's or the Agent's (or such controlling corporation's) capital as a consequence of such obligations or Advances hereunder to a level below that which such Lender or the Agent (or such controlling corporation) could have achieved but for such circumstances (taking into consideration its policies with respect to capital adequacy or liquidity) by an amount deemed by such Lender or the Agent to be material, then the Agent or such Lender shall notify the Borrower, and thereafter the Borrower shall pay to such Lender or the Agent, as the case may be, within ten (10) Business Days of written demand therefor from such Lender or the Agent, additional amounts sufficient to compensate such Lender or the Agent (or such controlling corporation) for any such reduction which such Lender or the Agent determines to be allocable to the existence of such Lender's or the Agent's obligations or Advances hereunder, including without limitation any obligations in respect of Letters of Credit. A statement setting forth the amount of such compensation, the methodology for the calculation and the calculation thereof which shall also be prepared in good faith and in reasonable detail by such Lender or the Agent, as the case may be, shall be submitted by such Lender or by the Agent to the Borrower, reasonably promptly after becoming aware of any event described in this Section 11.6(a) and shall be conclusively presumed to be correct, absent manifest error.

11.7 Right of Lenders to Fund through Branches and Affiliates. Each Lender (including without limitation the Swing Line Lender) may, if it so elects, fulfill its commitment as to any Advance hereunder by designating a branch or Affiliate of such Lender to make such Advance; provided that (a) such Lender shall remain solely responsible for the performances of its obligations hereunder and (b) no such designation shall result in any material increased costs to the Borrower or the Agent.

11.8 Margin Adjustment. Adjustments to the Applicable Margins and the Applicable Fee Percentages, based on Annex I, shall be implemented on a quarterly basis as follows:

(a) Such adjustments shall be given prospective effect only, effective as to all Advances outstanding hereunder, the Applicable Fee Percentage and the Letter of Credit Fee, upon the date of delivery of the financial statements under Sections 7.1(a) and 7.1(b) hereunder and the Covenant Compliance Report under Section 7.2(a) hereof, in each case establishing applicability of the appropriate adjustment and in each case with no retroactivity or claw-back. In the event the Borrower shall fail timely to deliver such financial statements or the Covenant Compliance Report and such failure continues for three (3) days, then (but without affecting the Event of Default resulting therefrom) from the date delivery of such financial statements and report was required until such financial statements and report are delivered, the Applicable Margins and Applicable Fee Percentages shall be at the highest level on the Pricing Matrix attached to this Agreement as Annex I.

(b) From the Effective Date until the required date of delivery (or, if earlier, delivery) of the financial statements under Section 7.1(a) or 7.1(b) hereof, as applicable, and the Covenant Compliance Report under Section 7.2(a) hereof, for the fiscal quarter ending March 31, 2019, the Applicable Margins and Applicable Fee Percentages shall be those set forth under the Level II column of the pricing matrix attached to this Agreement as Annex I. Thereafter, Applicable Margins and Applicable Fee Percentages shall be based upon the quarterly financial statements and Covenant Compliance Reports, subject to recalculation as provided in Section 11.8(a) above.

(c) Notwithstanding the foregoing, however, if, prior to the payment and discharge in full (in cash) of the Indebtedness and the termination of any and all commitments hereunder, as a result of any restatement of or adjustment to the financial statements of a Borrower and any of its Subsidiaries (relating to the current or any prior fiscal period) or for any other reason, the Agent determines that the Applicable Margin and/or the Applicable Fee Percentages as calculated by the Borrower as of any applicable date of determination were inaccurate in any respect and a proper calculation thereof would have resulted in different pricing for any fiscal period, then (x) if the proper calculation thereof would have resulted in higher pricing for any such period, the Borrower shall automatically and retroactively be obligated to pay to the Agent, promptly upon demand by the Agent or the Majority Lenders, an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period and, if the current fiscal period is affected thereby, the Applicable Margin and/or the Applicable Fee Percentages for the current period shall be adjusted based on such recalculation; and (y) if the proper calculation thereof would have resulted in lower pricing for such period, the Agent and Lenders shall have no obligation to recalculate such interest or fees or to repay any interest or fees to the Borrower.

11.9 Delay in Requests. Failure or delay on the part of any Lender or the Issuing Lender to demand compensation pursuant to the foregoing provisions of this Section 11.9 shall not constitute a waiver of such Lender's or the Issuing Lender's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender or the Issuing Lender pursuant to Sections 11.4, 11.5, 11.6 or 3.4(c), for any increased costs incurred or reductions suffered more than 180 days prior to the date that such Lender or the Issuing Lender, as the case may be, notifies the Borrower of the Change in Law (provided that this provision will not apply to any Change in Law of the type referred to in clauses (x), (y) or (z) of the definition thereof) giving rise to such increased costs or reductions and of such Lender's or the Issuing

Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180 day period referred to above shall be extended to include the period of retroactive effect thereof).

11.10 Delay in Requests. Failure or delay on the part of any Lender or the Issuing Lender to demand compensation pursuant to the foregoing provisions of this Section 11.9 shall not constitute a waiver of such Lender's or the Issuing Lender's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender or the Issuing Lender pursuant to Sections 11.4, 11.5, 11.6 or 3.4(c), for any increased costs incurred or reductions suffered more than 180 days prior to the date that such Lender or the L/C Issuer, as the case may be, notifies the Borrower of the Change in Law (provided that this provision will not apply to any Change in Law of the type referred to in clauses (x), (y) or (z) of the definition thereof) giving rise to such increased costs or reductions and of such Lender's or the Issuing Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180 day period referred to above shall be extended to include the period of retroactive effect thereof).

11.11 Taxes.

(a) Any and all payments by or on account of any obligation of any Credit Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Credit Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) The Credit Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Agent, timely reimburse it for the payment of, any Other Taxes.

(c) As soon as practicable after any payment of Taxes by any Credit Party to a Governmental Authority pursuant to this Section 11.10, such Credit Party shall deliver to the Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Agent.

(d) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 11.10, (including by payment of additional amounts pursuant to this Section 11.10), it shall pay to the indemnifying party an amount equal to such refund or indemnification (but only to the extent of additional amounts or indemnification paid under this Section 11.10 with respect to the

Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (d) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (d), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (d) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted or withheld and the additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(e) The Borrower shall indemnify each Lender, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Person or required to be withheld or deducted from a payment to such Person and any reasonable and invoiced out-of-pocket expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Agent) or by the Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(f) Each Lender shall severally indemnify the Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent the Borrower has not already indemnified the Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 13.8 hereof relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Agent in connection with any Loan Document, and any reasonable and invoiced out-of-pocket expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Agent shall be conclusive absent manifest effort. Each Lender hereby authorizes the Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Agent to the Lender from any other source against any amount due to the Agent under this paragraph (f).

(g) For purposes of this Section 11.10, the term "Lender" includes any Issuing Lender and the term "applicable law" includes FATCA.

(h) Each party's obligations under this Section 11.10 shall survive the resignation or replacement of the Agent or any assignment of rights by, or the replacement of a

Lender, the termination of Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

12. AGENT.

12.1 Appointment of the Agent. Each Lender and the holder of each Note (if issued) irrevocably appoints and authorizes the Agent to act on behalf of such Lender or holder under this Agreement and the other Loan Documents and to exercise such powers hereunder and thereunder as are specifically delegated to the Agent by the terms hereof and thereof, together with such powers as may be reasonably incidental thereto, including without limitation the power to execute or authorize the execution of financing or similar statements or notices, and other documents. In performing its functions and duties under this Agreement, the Agent shall act solely as agent of the Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for any Credit Party.

12.2 Deposit Account with the Agent or any Lender. The Borrower authorizes the Agent and each Lender, in the Agent's or such Lender's sole discretion, upon notice to the Borrower to charge its general deposit account(s), if any, maintained with the Agent or such Lender for the amount of any principal, interest, or other amounts or costs due under this Agreement when the same become due and payable under the terms of this Agreement or the Notes.

12.3 Scope of the Agent's Duties. The Agent shall have no duties or responsibilities except those expressly set forth herein, and shall not, by reason of this Agreement or otherwise, have a fiduciary relationship with any Lender (and no implied covenants or other obligations shall be read into this Agreement against the Agent). None of the Agent, its Affiliates nor any of their respective directors, officers, employees or agents shall be liable to any Lender for any action taken or omitted to be taken by it or them under this Agreement or any document executed pursuant hereto, or in connection herewith or therewith with the consent or at the request of the Majority Lenders (or all of the Lenders for those acts requiring consent of all of the Lenders) (except for its or their own willful misconduct or gross negligence), nor be responsible for or have any duties to ascertain, inquire into or verify (a) any recitals or warranties made by the Credit Parties or any Affiliate of the Credit Parties, or any officer thereof contained herein or therein, (b) the effectiveness, enforceability, validity or due execution of this Agreement or any document executed pursuant hereto or any security thereunder, (c) the performance by the Credit Parties of their respective obligations hereunder or thereunder, or (d) the satisfaction of any condition hereunder or thereunder, including without limitation in connection with the making of any Advance or the issuance of any Letter of Credit. The Agent and its Affiliates shall be entitled to rely upon any certificate, notice, document or other communication (including any cable, telegraph, telex, facsimile transmission or oral communication) believed by it to be genuine and correct and to have been sent or given by or on behalf of a proper person. The Agent may treat the payee of any Note as the holder thereof. The Agent may employ agents and may consult with legal counsel, independent public accountants and other experts selected by it and shall not be liable to the Lenders (except as to money or property received by them or their authorized agents), for the negligence or misconduct of any such agent selected by it with reasonable care or for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

12.4 Successor Agent. The Agent may resign as such at any time upon at least thirty (30) days prior notice to the Borrower and each of the Lenders. If the Agent at any time shall resign or if the office of the Agent shall become vacant for any other reason, Majority Lenders shall, by written instrument, appoint successor agent(s) ("Successor Agent") satisfactory to such Majority Lenders and, so long as no Default or Event of Default has occurred and is continuing, to the Borrower (which approval shall not be unreasonably withheld or delayed); provided, however that any such successor Agent shall be a bank or a trust company or other financial institution which maintains an office in the United States, or a commercial bank organized under the laws of the United States or any state thereof, or any Affiliate of such bank or trust company or other financial institution which is engaged in the banking business, and shall have a combined capital and surplus of at least $500,000,000. Such Successor Agent shall thereupon become the Agent hereunder, as applicable, and the Agent shall deliver or cause to be delivered to any successor agent such documents of transfer and assignment as such Successor Agent may reasonably request. If a Successor Agent is not so appointed or does not accept such appointment before the resigning Agent's resignation becomes effective, the resigning Agent may appoint a temporary successor to act until such appointment by the Majority Lenders and, if applicable, the Borrower, is made and accepted, or if no such temporary successor is appointed as provided above by the resigning the Agent, the Majority Lenders shall thereafter perform all of the duties of the resigning the Agent hereunder until such appointment by the Majority Lenders and, if applicable, the Borrower, is made and accepted. Such Successor Agent shall succeed to all of the rights and obligations of the resigning Agent as if originally named. The resigning Agent shall duly assign, transfer and deliver to such Successor Agent all moneys at the time held by the resigning Agent hereunder after deducting therefrom its expenses for which it is entitled to be reimbursed hereunder. Upon such succession of any such Successor Agent, the resigning Agent shall be discharged from its duties and obligations, in its capacity as the Agent hereunder, except for its gross negligence or willful misconduct arising prior to its resignation hereunder, and the provisions of this Article 12 shall continue in effect for the benefit of the resigning Agent in respect of any actions taken or omitted to be taken by it while it was acting as the Agent.

12.5 Credit Decisions. Each Lender acknowledges that it has, independently of the Agent and each other Lender and based on the financial statements of the Borrower and such other documents, information and investigations as it has deemed appropriate, made its own credit decision to extend credit hereunder from time to time. Each Lender also acknowledges that it will, independently of the Agent and each other Lender and based on such other documents, information and investigations as it shall deem appropriate at any time, continue to make its own credit decisions as to exercising or not exercising from time to time any rights and privileges available to it under this Agreement, any Loan Document or any other document executed pursuant hereto.

12.6 Authority of the Agent to Enforce This Agreement. Each Lender, subject to the terms and conditions of this Agreement, grants the Agent full power and authority as attorney-in-fact to institute and maintain actions, suits or proceedings for the collection and enforcement of any Indebtedness outstanding under this Agreement or any other Loan Document and to file such proofs of debt or other documents as may be necessary to have the claims of the Lenders allowed in any proceeding relative to any Credit Party, or their respective creditors or affecting their respective properties, and to take such other actions which the Agent considers to be necessary or

desirable for the protection, collection and enforcement of the Notes, this Agreement or the other Loan Documents.

12.7 Indemnification of the Agent. The Lenders agree to indemnify the Agent and its Affiliates (to the extent not reimbursed by the Borrower, but without limiting any obligation of the Borrower to make such reimbursement), ratably according to their respective Weighted Percentages, from and against any and all claims, damages, losses, liabilities, costs or expenses of any kind or nature whatsoever (including, without limitation, reasonable fees and expenses of house and outside counsel) which may be imposed on, incurred by, or asserted against the Agent and its Affiliates in any way relating to or arising out of this Agreement, any of the other Loan Documents or the transactions contemplated hereby or any action taken or omitted by the Agent and its Affiliates under this Agreement or any of the Loan Documents; provided, however, that no Lender shall be liable for any portion of such claims, damages, losses, liabilities, costs or expenses resulting from the Agent's or its Affiliate's gross negligence or willful misconduct. Without limitation of the foregoing, each Lender agrees to reimburse the Agent and its Affiliates promptly upon demand for its ratable share of any reasonable out-of-pocket expenses (including, without limitation, reasonable fees and expenses of house and outside counsel) incurred by the Agent and its Affiliates in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement or any of the other Loan Documents, to the extent that the Agent and its Affiliates are not reimbursed for such expenses by the Borrower, but without limiting the obligation of the Borrower to make such reimbursement. Each Lender agrees to reimburse the Agent and its Affiliates promptly upon demand for its ratable share of any amounts owing to the Agent and its Affiliates by the Lenders pursuant to this Section, provided that, if the Agent or its Affiliates are subsequently reimbursed by the Borrower for such amounts, they shall refund to the Lenders on a pro rata basis the amount of any excess reimbursement. If the indemnity furnished to the Agent and its Affiliates under this Section shall become impaired as determined in the Agent's reasonable judgment or the Agent shall elect in its sole discretion to have such indemnity confirmed by the Lenders (as to specific matters or otherwise), the Agent shall give notice thereof to each Lender and, until such additional indemnity is provided or such existing indemnity is confirmed, the Agent may cease, or not commence, to take any action. Any amounts paid by the Lenders hereunder to the Agent or its Affiliates shall be deemed to constitute part of the Indebtedness hereunder.

12.8 Knowledge of Default. It is expressly understood and agreed that the Agent shall be entitled to assume that no Default or Event of Default has occurred and is continuing, unless the officers of the Agent immediately responsible for matters concerning this Agreement shall have received a written notice from a Lender or the Borrower specifying such Default or Event of Default and stating that such notice is a "notice of default". Upon receiving such a notice, the Agent shall promptly notify each Lender of such Default or Event of Default and provide each Lender with a copy of such notice and shall endeavor to provide such notice to the Lenders within three (3) Business Days (but without any liability whatsoever in the event of its failure to do so). The Agent shall also furnish the Lenders, promptly upon receipt, with copies of all other notices or other information required to be provided by the Borrower hereunder.

12.9 The Agent's Authorization; Action by Lenders. Except as otherwise expressly provided herein, whenever the Agent is authorized and empowered hereunder on behalf of the

Lenders to give any approval or consent, or to make any request, or to take any other action on behalf of the Lenders (including without limitation the exercise of any right or remedy hereunder or under the other Loan Documents), the Agent shall be required to give such approval or consent, or to make such request or to take such other action only when so requested in writing by the Majority Lenders or the Lenders, as applicable hereunder. Action that may be taken by the Majority Lenders, any other specified Percentage of the Lenders or all of the Lenders, as the case may be (as provided for hereunder) may be taken (i) pursuant to a vote of the requisite percentages of the Lenders as required hereunder at a meeting (which may be held by telephone conference call), provided that the Agent exercises good faith, diligent efforts to give all of the Lenders reasonable advance notice of the meeting, or (ii) pursuant to the written consent of the requisite percentages of the Lenders as required hereunder, provided that all of the Lenders are given reasonable advance notice of the requests for such consent.

12.10 Enforcement Actions by the Agent. Except as otherwise expressly provided under this Agreement or in any of the other Loan Documents and subject to the terms hereof, the Agent will take such action, assert such rights and pursue such remedies under this Agreement and the other Loan Documents as the Majority Lenders or all of the Lenders, as the case may be (as provided for hereunder), shall direct; provided, however, that the Agent shall not be required to act or omit to act if, in the reasonable judgment of the Agent, such action or omission may expose the Agent to personal liability for which the Agent has not been satisfactorily indemnified hereunder or is contrary to this Agreement, any of the Loan Documents or applicable law. Except as expressly provided above or elsewhere in this Agreement or the other Loan Documents, no Lender (other than the Agent, acting in its capacity as agent) shall be entitled to take any enforcement action of any kind under this Agreement or any of the other Loan Documents.

12.11 Collateral Matters.

(a) The Agent is authorized on behalf of all the Lenders, without the necessity of any notice to or further consent from the Lenders, from time to time to take any action with respect to any Collateral or the Collateral Documents which may be necessary to perfect and maintain a perfected security interest in and Liens upon the Collateral granted pursuant to the Loan Documents.

(b) The Lenders irrevocably authorize the Agent, in its reasonable discretion, to the full extent set forth in Section 13.10(d) hereof, (1) to release or terminate any Lien granted to or held by the Agent upon any Collateral (a) upon termination of the Revolving Credit Aggregate Commitment and payment in full of all Indebtedness payable under this Agreement and under any other Loan Document; (b) constituting property (including, without limitation, Equity Interests in any Person) sold or to be sold or disposed of as part of or in connection with any disposition (whether by sale, by merger or by any other form of transaction and including the property of any Subsidiary that is disposed of as permitted hereby) permitted in accordance with the terms of this Agreement; (c) constituting property in which a Credit Party owned no interest at the time the Lien was granted or at any time thereafter; or (d) if approved, authorized or ratified in writing by the Majority Lenders, or all the Lenders, as the case may be, as provided in Section 13.10; (2) to subordinate the Lien granted to or held by the Agent on any Collateral to any other holder of a Lien on such Collateral which is permitted by Section 8.2(b) hereof; and (3)

if all of the Equity Interests held by the Credit Parties in any Person are sold or otherwise transferred to any transferee other than the Borrower or a Subsidiary of the Borrower as part of or in connection with any disposition (whether by sale, by merger or by any other form of transaction) permitted in accordance with the terms of this Agreement, to release such Person from all of its obligations under the Loan Documents (including, without limitation, under any Guaranty). Upon request by the Agent at any time, the Lenders will confirm in writing the Agent's authority to release particular types or items of Collateral pursuant to this Section 12.11(b).

12.12 The Agents in their Individual Capacities. Comerica Bank and its Affiliates, successors and assigns shall each have the same rights and powers hereunder as any other Lender and may exercise or refrain from exercising the same as though such Lender were not the Agent. Comerica Bank and its Affiliates may (without having to account therefor to any Lender) accept deposits from, lend money to, and generally engage in any kind of banking, trust, financial advisory or other business with the Credit Parties as if such Lender were not acting as the Agent hereunder, and may accept fees and other consideration therefor without having to account for the same to the Lenders.

12.13 The Agent's Fees. Until the Indebtedness has been repaid and discharged in full and no commitment to extend any credit hereunder is outstanding, the Borrower shall pay to the Agent, as applicable, any agency or other fee(s) set forth (or to be set forth from time to time) in the applicable Fee Letter on the terms set forth therein. The agency fees referred to in this Section 12.13 shall not be refundable under any circumstances.

12.14 Documentation Agent or other Titles. Any Lender identified on the facing page or signature page of this Agreement or in any amendment hereto or as designated with consent of the Agent in any assignment agreement as Lead Arranger, Documentation Agent, Syndications Agent or any similar titles, shall not have any right, power, obligation, liability, responsibility or duty under this Agreement as a result of such title other than those applicable to all Lenders as such. Without limiting the foregoing, the Lenders so identified shall not have or be deemed to have any fiduciary relationship with any Lender as a result of such title. Each Lender acknowledges that it has not relied, and will not rely, on the Lender so identified in deciding to enter into this Agreement or in taking or not taking action hereunder.

12.15 Subordination Agreements. Each Lender hereby irrevocably appoints, designates and authorizes Agent to enter into any subordination or intercreditor agreement pertaining to any Subordinated Debt, on its behalf and to take such action on its behalf under the provisions of any such agreement (subject to the last sentence of this Section 12.15). Each Lender further agrees to be bound by the terms and conditions of each subordination or intercreditor agreement pertaining to any Subordinated Debt. Each Lender hereby authorizes Agent to issue blockages notices in connection with any Subordinated Debt at the direction of Majority Lenders (it being agreed and understood that Agent will not act unilaterally to issue such blockage notices).

12.16 Indebtedness in respect of Lender Products and Hedging Agreements. Except as otherwise expressly set forth herein, no Lender that obtains the benefits of the provisions of Section 10.2, any Guaranty or any Collateral by virtue of the provisions hereof or of any Guaranty or any Collateral Document shall have any right to notice of any action or to consent

to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) (or to notice of or to consent to any amendment, waiver or modification of the provisions hereof or of the Guaranty or any Collateral Document) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article 12 to the contrary, the Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Indebtedness arising under Lender Products and Hedging Agreements unless the Agent has received written notice of such Indebtedness, together with such supporting documentation as the Agent may request, from the applicable Lender.

12.17 No Reliance on the Agent's Customer Identification Program.

(a) Each Lender acknowledges and agrees that neither such Lender, nor any of its Affiliates, participants or assignees, may rely on the Agent to carry out such Lender's, Affiliate's, participant's or assignee's customer identification program, or other obligations required or imposed under or pursuant to the USA Patriot Act or the regulations thereunder, including the regulations contained in 31 CFR 103.121 (as hereafter amended or replaced, the "CIP Regulations"), or any other Anti-Terrorism Law, including any programs involving any of the following items relating to or in connection with the Borrower or any of its Subsidiaries, any of their respective Affiliates or agents, the Loan Documents or the transactions hereunder: (i) any identify verification procedures, (ii) any record keeping, (iii) any comparisons with government lists, (iv) any customer notices or (v) any other procedures required under the CIP Regulations or such other laws.

(b) Each Lender or assignee or participant of a Lender that is not organized under the laws of the United States or a state thereof (and is not excepted from the certification requirement contained in Section 313 of the USA Patriot Act and the applicable regulations because it is both (i) an affiliate of a depository institution or foreign bank that maintains a physical presence in the United States or foreign country, and (ii) subject to supervision by a banking authority regulating such affiliated depository institution or foreign bank) shall deliver to the Agent the certification, or, if applicable, recertification, certifying that such Lender is not a "shell" and certifying to other matters as required by Section 313 of the USA Patriot Act and the applicable regulations: (x) within 10 days after the Effective Date, and (y) at such other times as are required under the USA Patriot Act.

13. MISCELLANEOUS.

13.1 Accounting Principles. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, it shall be done, unless otherwise specified herein, in accordance with GAAP. Notwithstanding anything to the contrary in this Agreement, the parties hereto agree that from and after the effective date of FASB ASC 842 (Leases) (the "Lease Accounting Change"), all covenants (including financial covenants) under this Agreement shall continue to be calculated in accordance with GAAP as in effect immediately prior to the effectiveness of the Lease Accounting Change, unless otherwise agreed by and between the Borrower and the Agent (the Borrower, the Agent and the Majority Lenders

having no obligation to negotiate any amendments to this Agreement in response to the Lease Accounting Change).

13.2 Consent to Jurisdiction. The Borrower, the Agent and Lenders hereby irrevocably submit to the non-exclusive jurisdiction of any United States Federal Court or Michigan state court sitting in Detroit, Michigan in any action or proceeding arising out of or relating to this Agreement or any of the Loan Documents and the Borrower, the Agent and Lenders hereby irrevocably agree that all claims in respect of such action or proceeding may be heard and determined in any such United States Federal Court or Michigan state court. The Borrower irrevocably consents to the service of any and all process in any such action or proceeding brought in any court in or of the State of Michigan by the delivery of copies of such process to it at the applicable addresses specified on the signature page hereto or by certified mail directed to such address or such other address as may be designated by it in a notice to the other parties that complies as to delivery with the terms of Section 13.6. Nothing in this Section shall affect the right of the Lenders and the Agent to serve process in any other manner permitted by law or limit the right of the Lenders or the Agent (or any of them) to bring any such action or proceeding against any Credit Party or any of their property in the courts with subject matter jurisdiction of any other jurisdiction. The Borrower irrevocably waives any objection to the laying of venue of any such suit or proceeding in the above described courts.

13.3 Governing Law. This Agreement, the Notes and, except where otherwise expressly specified therein to be governed by local law, the other Loan Documents shall be governed by and construed and enforced in accordance with the laws of the State of Michigan (without regard to its conflict of laws provisions). Whenever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

13.4 Interest. In the event the obligation of the Borrower to pay interest on the principal balance of the Notes or on any other amounts outstanding hereunder or under the other Loan Documents is or becomes in excess of the maximum interest rate which the Borrower is permitted by law to contract or agree to pay, giving due consideration to the execution date of this Agreement, then, in that event, the rate of interest applicable thereto with respect to such Lender's applicable Percentages shall be deemed to be immediately reduced to such maximum rate and all previous payments in excess of the maximum rate shall be deemed to have been payments in reduction of principal and not of interest.

13.5 Closing Costs and Other Costs; Indemnification.

(a) The Borrower shall pay or reimburse (a) the Agent and its Affiliates for payment of, on demand, all reasonable and invoiced out-of-pocket costs and expenses, including, by way of description and not limitation, reasonable and invoiced outside attorney fees and advances, appraisal and accounting fees, lien search fees, and required travel costs, reasonably incurred by the Agent and its Affiliates in connection with the commitment, consummation and closing of the loans contemplated hereby, or in connection with the administration or enforcement of this Agreement or the other Loan Documents (including the obtaining of legal

advice regarding the rights and responsibilities of the parties hereto) or any refinancing or restructuring of the loans or Advances provided under this Agreement or the other Loan Documents, or any amendment or modification thereof requested by the Borrower, and (b) the Agent and its Affiliates and each of the Lenders, as the case may be, for all stamp and other taxes and duties payable or determined to be payable in connection with the execution, delivery, filing or recording of this Agreement and the other Loan Documents and the consummation of the transactions contemplated hereby, and any and all liabilities with respect to or resulting from any delay in paying or omitting to pay such taxes or duties. Furthermore, all reasonable and invoiced out-of-pocket costs and expenses, including without limitation reasonable and invoiced outside attorney fees, incurred by the Agent and its Affiliates and, after the occurrence and during the continuance of an Event of Default, by the Lenders in revising, preserving, protecting, exercising or enforcing any of its or any of the Lenders' rights against the Borrower or any other Credit Party, or otherwise incurred by the Agent and its Affiliates and the Lenders in connection with any Event of Default or the enforcement of the loans (whether incurred through negotiations, legal proceedings or otherwise), including by way of description and not limitation, such charges in any court or bankruptcy proceedings or arising out of any claim or action by any person against the Agent, its Affiliates, or any Lender which would not have been asserted were it not for the Agent's or such Affiliate's or Lender's relationship with the Borrower hereunder or otherwise, shall also be paid by the Borrower provided, however, that notwithstanding anything to the contrary, it is agreed that none of the Loan Parties shall be required to reimburse legal fees or expenses of more than one counsel (and, if relevant, one firm of local counsel in each relevant jurisdiction or other necessary special counsel) or more than one other advisor to all parties described above, taken as a whole (other than such additional counsel as may be appointed in the event of a conflict). All of said amounts required to be paid by the Borrower hereunder and not paid forthwith upon demand, as aforesaid, shall bear interest, from the date incurred to the date payment is received by the Agent, at the Base Rate, plus three percent (3%).

(b) The Borrower agrees to indemnify and hold the Agent and each of the Lenders (and their respective Affiliates) harmless from all loss, reasonable and invoiced out-of-pocket cost, damage, liability or expenses, including reasonable and invoiced outside attorneys' fees and disbursements, incurred by the Agent and each of the Lenders by reason of an Event of Default, or enforcing the obligations of any Credit Party under this Agreement or any of the other Loan Documents, as applicable, or in the prosecution or defense of any action or proceeding concerning any matter growing out of or connected with this Agreement or any of the Loan Documents, excluding, however, any such loss, cost, damage, liability or expenses to the extent arising as a result of the gross negligence or willful misconduct of the party seeking to be indemnified under this Section 13.5(b).

(c) The Borrower agrees to defend, indemnify and hold harmless the Agent and each Lender (and their respective Affiliates), and their respective employees, agents, officers and directors from and against any and all claims, demands, penalties, fines, liabilities, settlements, damages, reasonable and invoiced out-of-pocket costs or expenses of whatever kind or nature (including without limitation, reasonable and invoiced outside attorneys' and consultants' fees, investigation and laboratory fees, environmental studies reasonably required by the Agent or any Lender in connection with the violation of Hazardous Material Laws), court costs and litigation expenses, arising out of or related to (i) the presence, use, disposal, release or threatened release of any Hazardous Materials on, from or affecting any premises owned or

occupied by any Credit Party in violation of or the non-compliance with applicable Hazardous Material Laws, (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, (iii) any lawsuit or other proceeding brought or threatened, settlement reached or governmental order or decree relating to such Hazardous Materials, and/or (iv) complying or coming into compliance with all Hazardous Material Laws (including the cost of any remediation or monitoring required in connection therewith) or any other Requirement of Law; provided, however, that the Borrower shall have no obligations under this Section 13.5(c) with respect to claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses to the extent arising as a result of the gross negligence or willful misconduct of the Agent or such Lender, as the case may be. The obligations of the Borrower under this Section 13.5(c) shall be in addition to any and all other obligations and liabilities the Borrower may have to the Agent or any of the Lenders at common law or pursuant to any other agreement.

13.6 Notices.

(a) Except as expressly provided otherwise in this Agreement (and except as provided in clause (b) below), all notices and other communications provided to any party hereto under this Agreement or any other Loan Document shall be in writing and shall be given by personal delivery, by mail, by reputable overnight courier or by facsimile and addressed or delivered to it at its address set forth on Annex III or at such other address as may be designated by such party in a notice to the other parties that complies as to delivery with the terms of this Section 13.6 or posted to an E-System set up by or at the direction of the Agent (as set forth below). Any notice, if personally delivered or if mailed and properly addressed with postage prepaid and sent by registered or certified mail, shall be deemed given when received or when delivery is refused; any notice, if given to a reputable overnight courier and properly addressed, shall be deemed given two (2) Business Days after the date on which it was sent, unless it is actually received sooner by the named addressee; and any notice, if transmitted by facsimile, shall be deemed given when received. The Agent may, but, except as specifically provided herein, shall not be required to, take any action on the basis of any notice given to it by telephone, but the giver of any such notice shall promptly confirm such notice in writing or by facsimile, and such notice will not be deemed to have been received until such confirmation is deemed received in accordance with the provisions of this Section set forth above. If such telephonic notice conflicts with any such confirmation, the terms of such telephonic notice shall control. Any notice given by the Agent or any Lender to the Borrower shall be deemed to be a notice to all of the Credit Parties.

(b) Notices and other communications provided to the Agent and the Lenders party hereto under this Agreement or any other Loan Document may be delivered or furnished by electronic communication (including email and Internet or intranet websites) pursuant to procedures approved by the Agent. The Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications (including email and any E-System) pursuant to procedures approved by it. Unless otherwise agreed to in a writing by and among the parties to a particular communication, (i) notices and other communications sent to an email address shall be deemed received upon the sender’s receipt of.an acknowledgment from the intended recipient (such as by the “return receipt requested” function, return email, or other written acknowledgment) and (ii) notices and other

communications posted to any E-System shall be deemed received upon the deemed receipt by the intended recipient at its email address as described in the foregoing clause (i) of notification that such notice or other communication is available and identifying the website address therefore.

13.7 Further Action. The Borrower, from time to time, upon written request of the Agent will make, execute, acknowledge and deliver or cause to be made, executed, acknowledged and delivered, all such further and additional instruments, and take all such further action as may reasonably be required to carry out the intent and purpose of this Agreement or the Loan Documents, and to provide for Advances under and payment of the Notes, according to the intent and purpose herein and therein expressed.

13.8 Successors and Assigns; Participations; Assignments.

(a) This Agreement shall be binding upon and shall inure to the benefit of the Borrower and the Lenders and their respective successors and assigns.

(b) The foregoing shall not authorize any assignment by the Borrower of its rights or duties hereunder, and, except as otherwise provided herein, no such assignment shall be made (or be effective) without the prior written approval of the Lenders.

(c) No Lenders may at any time assign or grant participations in such Lender's rights and obligations hereunder and under the other Loan Documents except (i) by way of assignment to any Eligible Assignee in accordance with clause (d) of this Section, (ii) by way of a participation in accordance with the provisions of clause (e) of this Section 13.8 or (iii) by way of a pledge or assignment of a security interest subject to the restrictions of clause (g) of this Section 13.8 (and any other attempted assignment or transfer by any Lender shall be deemed to be null and void).

(d) Each assignment by a Lender of all or any portion of its rights and obligations hereunder and under the other Loan Documents, shall be subject to the following terms and conditions:

(i) each such assignment shall be made on a pro rata basis, and shall be in a minimum amount of the lesser of (x) Five Million Dollars ($5,000,000) or such lesser amount as the Agent shall agree and (y) the entire remaining amount of assigning Lender's aggregate interest in the Revolving Credit (and participations in any outstanding Letters of Credit) and the Term Loan; provided however that, after giving effect to such assignment, in no event shall the entire remaining amount (if any) of assigning Lender's aggregate interest in the Revolving Credit (and participations in any outstanding Letters of Credit) and the Term Loan be less than $5,000,000; and

(ii) the parties to any assignment shall execute and deliver to the Agent an Assignment Agreement substantially (as determined by the Agent) in the form attached hereto as Exhibit H (with appropriate insertions acceptable to the Agent), together with a processing and recordation fee in the amount, if any, required as set forth in the Assignment Agreement.

Until the Assignment Agreement becomes effective in accordance with its terms and is recorded in the Register maintained by the Agent under clause (h) of this Section 13.8, and the Agent has confirmed that the assignment satisfies the requirements of this Section 13.8, the Borrower and the Agent shall be entitled to continue to deal solely and directly with the assigning Lender in connection with the interest so assigned. From and after the effective date of each Assignment Agreement that satisfies the requirements of this Section 13.8, the assignee thereunder shall be deemed to be a party to this Agreement, such assignee shall have the rights and obligations of a Lender under this Agreement and the other Loan Documents (including without limitation the right to receive fees payable hereunder in respect of the period following such assignment) and the assigning Lender shall relinquish its rights and be released from its obligations under this Agreement and the other Loan Documents.

Upon request, the Borrower shall execute and deliver to the Agent, new Note(s) payable to the order of the assignee in an amount equal to the amount assigned to the assigning Lender pursuant to such Assignment Agreement, and with respect to the portion of the Indebtedness retained by the assigning Lender, to the extent applicable, new Note(s) payable to the order of the assigning Lender in an amount equal to the amount retained by such Lender hereunder. The Agent, the Lenders and the Borrower acknowledges and agrees that any such new Note(s) shall be given in renewal and replacement of the Notes issued to the assigning lender prior to such assignment and shall not effect or constitute a novation or discharge of the Indebtedness evidenced by such prior Note, and each such new Note may contain a provision confirming such agreement.

(e) The Borrower and the Agent acknowledge that each of the Lenders may at any time and from time to time, subject to the terms and conditions hereof, grant participations in such Lender's rights and obligations hereunder (on a pro rata basis only) and under the other Loan Documents to any Person (other than a natural person or to the Borrower or any of the Borrower's Affiliates or Subsidiaries); provided that any participation permitted hereunder shall comply with all applicable laws and shall be subject to a participation agreement that incorporates the following restrictions:

(i) such Lender shall remain the holder of its Notes hereunder (if such Notes are issued), notwithstanding any such participation;

(ii) a participant shall not reassign or transfer, or grant any sub-participations in its participation interest hereunder or any part thereof;

(iii) such Lender shall retain the sole right and responsibility to enforce the obligations of the Credit Parties relating to the Notes and the other Loan Documents, including, without limitation, the right to proceed against any Guarantors, or cause the Agent to do so (subject to the terms and conditions hereof), and the right to approve any amendment, modification or waiver of any provision of this Agreement without the consent of the participant (unless such participant is an Affiliate of such Lender), except for those matters requiring the consent of each of the Lenders under Section 13.10(b) (provided that a participant may exercise approval rights over such matters only on an indirect basis, acting through such Lender and the Credit Parties, the Agent and the other Lenders may continue to deal directly with such Lender in connection with such Lender's

rights and duties hereunder). Notwithstanding the foregoing, however, in the case of any participation granted by any Lender hereunder, the participant shall not have any rights under this Agreement or any of the other Loan Documents against the Agent, any other Lender or any Credit Party; provided, however that the participant may have rights against such Lender in respect of such participation as may be set forth in the applicable participation agreement and all amounts payable by the Credit Parties hereunder shall be determined as if such Lender had not sold such participation. Each such participant shall be entitled to the benefits of Article 11 of this Agreement to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to clause (d) of this Section, provided that no participant shall be entitled to receive any greater amount pursuant to such the provisions of Article 11 than the issuing Lender would have been entitled to receive in respect of the amount of the participation transferred by such issuing Lender to such participant had no such transfer occurred and each such participant shall also be entitled to the benefits of Section 9.6 hereof as though it were a Lender, provided that such participant agrees to be subject to Section 10.3 hereof as though it were a Lender; and

(iv) each participant shall provide the relevant tax form required under Section 13.11.

(f) Each Lender that sells a participation shall, acting solely for' this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103- 1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register.

(g) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including its Notes, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledge or assignee for such Lender as a party hereto.

(h) The Borrower hereby designate the Agent, and Agent agrees to serve, as the Borrower's non-fiduciary agent solely for purposes of this Section 13.8(h) to maintain at its principal office in the United States a copy of each Assignment Agreement delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders, the Percentages of such Lenders and the principal amount of each type of Advance owing to each such Lender from time to time. The entries in the Register shall be conclusive evidence, absent

manifest error, and the Borrower, the Agent, and the Lenders may treat each Person whose name is recorded in the Register as the owner of the Advances recorded therein for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender (but only with respect to any entry relating to such Lender's Percentages and the principal amounts owing to such Lender) upon reasonable notice to the Agent and a copy of such information shall be provided to any such party on their prior written request. The Agent shall give prompt written notice to the Borrower of the making of any entry in the Register or any change in such entry.

(i) The Borrower authorizes each Lender to disclose to any prospective assignee or participant which has satisfied the requirements hereunder, any and all financial information in such Lender's possession concerning the Credit Parties which has been delivered to such Lender pursuant to this Agreement, provided that each such prospective assignee or participant shall execute a confidentiality agreement consistent with the terms of Section 13.11 hereof or shall otherwise agree to be bound by the terms thereof.

(j) Nothing in this Agreement, the Notes or the other Loan Documents, expressed or implied, is intended to or shall confer on any Person other than the respective parties hereto and thereto and their successors and assignees and participants permitted hereunder and thereunder any benefit or any legal or equitable right, remedy or other claim under this Agreement, the Notes or the other Loan Documents.

13.9 Counterparts. This Agreement may be executed in several counterparts, and each executed copy shall constitute an original instrument, but such counterparts shall together constitute but one and the same instrument.

13.10 Amendment and Waiver.

(a) No amendment or waiver of any provision of this Agreement or any other Loan Document, nor consent to any departure by any Credit Party therefrom, shall in any event be effective unless the same shall be in writing and signed by the Agent and the Majority Lenders (or by the Agent at the written request of the Majority Lenders) or, if this Agreement expressly so requires with respect to the subject matter thereof, by all Lenders (and, with respect to any amendments to this Agreement or the other Loan Documents, by any Credit Party or the Guarantors that are signatories thereto), and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. All references in this Agreement to "Lenders" or "the Lenders" shall refer to all Lenders, unless expressly stated to refer to Majority Lenders (or the like).

(b) Notwithstanding anything to the contrary herein,

(i) no amendment, waiver or consent shall increase the stated amount of any Lender's commitment hereunder without such Lender's consent;

(ii) no amendment, waiver or consent shall, unless in writing and signed by the Lender or Lenders holding Indebtedness directly affected thereby, do any of the following:

(A) reduce the principal of, or interest on, any outstanding Indebtedness or any Fees or other amounts payable hereunder,

(B) postpone any date fixed for any payment of principal of, or interest on, any outstanding Indebtedness or any Fees or other amounts payable hereunder (except with respect to the payments required under Section 4.8); and

(C) change any of the provisions of this Section 13.10 or the definitions of "Majority Lenders", "Majority Revolving Credit Lenders", "Majority Term Loan Lenders" or any other provision of any Loan Document specifying the number or percentage of Lenders required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder; provided that changes to the definition of "Majority Lenders" may be made with the consent of only the Majority Lenders to include the Lenders holding any additional credit facilities that are added to this Agreement with the approval of the appropriate Lenders;

(iii) no amendment, waiver or consent shall, unless in writing and signed by all Lenders, do any of the following:

(A) except as expressly permitted hereunder or under the Collateral Documents, release all or substantially all of the Collateral (provided that neither the Agent nor any Lender shall be prohibited thereby from proposing or participating in a consensual or nonconsensual debtor-in-possession or similar financing), or release any material guaranty provided by any Person in favor of the Agent and the Lenders, provided however that the Agent shall be entitled, without notice to or any further action or consent of the Lenders, to release any Collateral which any Credit Party is permitted to sell, assign or otherwise transfer in compliance with this Agreement or the other Loan Documents or release any guaranty to the extent expressly permitted in this Agreement or any of the other Loan Documents (whether in connection with the sale, transfer or other disposition of the applicable Guarantor or otherwise),

(B) increase the maximum duration of Interest Periods permitted hereunder; or

(C) modify Sections 10.2 or 10.3 hereof;

(iv) any amendment, waiver or consent that will (A) reduce the principal of, or interest on, the Swing Line Note, (B) postpone any date fixed for any payment of principal of, or interest on, the Swing Line Note or (C) otherwise affect the rights and duties of the Swing Line Lender under this Agreement or any other Loan Document, shall require the written concurrence of the Swing Line Lender;

(v) any amendment, waiver or consent that will affect the rights or duties of Issuing Lender under this Agreement or any of the other Loan Documents, shall require the written concurrence of the Issuing Lender; and

(vi) any amendment, waiver, or consent that will affect the rights or duties of the Agent under this Agreement or any other Loan Document, shall require the written concurrence of the Agent.

(c) Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove of any amendment, consent, waiver or any other modification to any Loan Document (and all amendments, consents, waivers and other modifications may be effected without the consent of the Defaulting Lenders), except that the foregoing shall not permit, in each case without such Defaulting Lender's consent, (i) an increase in such Defaulting Lender's stated commitment amounts, (ii) the waiver, forgiveness or reduction of the principal amount of any Indebtedness owing to such Defaulting Lender (unless all other Lenders affected thereby are treated similarly), (iii) the extension of the final maturity date(s) of such Defaulting Lenders' portion of any of the Indebtedness or the extension of any commitment to extend credit of such Defaulting Lender, or (iv) any other modification which requires the consent of all Lenders or the Lender(s) affected thereby which affects such Defaulting Lender more adversely than the other affected Lenders (other than a modification which results in a reduction of such Defaulting Lender's Percentage of any Commitments or repayment of any amounts owing to such Defaulting Lender on a non pro-rata basis).

(d) The Agent shall, upon the written request of the Borrower, execute and deliver to the Credit Parties such documents as may be necessary to evidence (1) the release of any Lien granted to or held by the Agent upon any Collateral: (a) upon termination of the Revolving Credit Aggregate Commitment and payment in full of all Indebtedness payable under this Agreement and under any other Loan Document; (b) which constitutes property (including, without limitation, Equity Interests in any Person) sold or to be sold or disposed of as part of or in connection with any disposition (whether by sale, by merger or by any other form of transaction and including the property of any Subsidiary that is disposed of as permitted hereby) permitted in accordance with the terms of this Agreement; (c) which constitutes property in which a Credit Party owned no interest at the time the Lien was granted or at any time thereafter; or (d) if approved, authorized or ratified in writing by the Majority Lenders, or all the Lenders, as the case may be, as provided in this Section 13.10; or (2) the release of any Person from its obligations under the Loan Documents (including without limitation the Guaranty) if all of the Equity Interests of such Person that were held by a Credit Party are sold or otherwise transferred to any transferee other than the Borrower or a Subsidiary of the Borrower as part of or in connection with any disposition (whether by sale, by merger or by any other form of transaction) permitted in accordance with the terms of this Agreement; provided that (i) the Agent shall not be required to execute any such release or subordination agreement under clauses (1) or (2) above on terms which, in the Agent's opinion, would expose the Agent to liability or create any obligation or entail any consequence other than the release of such Liens without recourse or warranty or such release shall not in any manner discharge, affect or impair the Indebtedness or any Liens upon any Collateral retained by any Credit Party, including (without limitation) the proceeds of the sale or other disposition, all of which shall constitute and remain part of the Collateral.

(e) Notwithstanding anything to the contrary herein the Agent may, with the consent of the Borrower only, amend, modify or supplement this Agreement or any of the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency.

(f) Notwithstanding the foregoing, no amendment and restatement of this Agreement which is in all other respects approved by the Lenders in accordance with this Section 13.10 shall require the consent or approval of any Lender (i) which immediately after giving effect to such amendment and restatement, shall have no commitment or other obligation to maintain or extend credit under this Agreement (as so amended and restated), including, without limitation, any obligation to participate in any Letter of Credit and (ii) which, substantially contemporaneously with the effectiveness of such amendment and restatement, shall have received payment in full of all Indebtedness owing to such Lender under the Loan Documents (other than any Indebtedness owing to such Lender in connection with Lender Products or under any Hedging Agreements). From and after the effectiveness of any such amendment and restatement, any such Lender shall be deemed to no longer be a "Lender" hereunder or a party hereto, except that any such Lender shall retain the benefits of indemnification provisions hereof which, by the terms hereof would survive the termination of this Agreement.

(g) Notwithstanding anything to the contrary herein, the Agent may, with the consent of the Borrower Representative only, amend, modify or supplement this Agreement or any of the other Loan Documents to (A) cure any ambiguity, omission, mistake, defect or inconsistency, (B) make any change that would provide any additional rights or benefits to the Lenders, or (C) make, complete or confirm any grant of Collateral permitted or required by any Loan Document or any release of any Collateral that is otherwise permitted under the terms of this Agreement and the other Loan Documents.

13.11 Confidentiality. Each Lender agrees that it will not disclose without the prior consent of the Borrower (other than to its employees, its Subsidiaries, another Lender, an Affiliate of a Lender or to its auditors, counsel or representatives) any information with respect to the Credit Parties which is furnished pursuant to this Agreement or any of the other Loan Documents; provided that any Lender may disclose any such information (a) as has become generally available to the public or has been lawfully obtained by such Lender from any third party under no duty of confidentiality to any Credit Party, (b) as may be required or appropriate in any report, statement or testimony submitted to, or in respect to any inquiry, by, any municipal, state or federal regulatory body having or claiming to have jurisdiction over such Lender, including the Board of Governors of the Federal Reserve System of the United States, the Office of the Comptroller of the Currency or the Federal Deposit Insurance Corporation or similar organizations (whether in the United States or elsewhere) or their successors, (c) as may be required or appropriate in respect to any summons or subpoena or in connection with any litigation, (d) in order to comply with any law, order, regulation, ruling or other requirement of law applicable to such Lender, and (e) to any prospective assignee or participant in accordance with Section 13.8(f) hereof.

13.12 Substitution or Removal of Lenders.

(a) With respect to any Lender (i) whose obligation to make Eurodollar-based Advances has been suspended pursuant to Section 11.3 or 11.4, (ii) that has demanded compensation under Sections 3.4(c), 11.5 or 11.6, (iii) that has become a Defaulting Lender or (iv) that has failed to consent to a requested amendment, waiver or modification to any Loan Document as to which the Majority Lenders have already consented (in each case, an "Affected

Lender"), then the Agent or the Borrower may, at the Borrower's sole expense, require the Affected Lender to sell and assign all of its interests, rights and obligations under this Agreement, including, without limitation, its Commitments, to an assignee (which may be one or more of the Lenders) (such assignee shall be referred to herein as the "Purchasing Lender" or "Purchasing Lenders") within two (2) Business Days after receiving notice from the Borrower requiring it to do so, for an aggregate price equal to the sum of the portion of all Advances made by it, interest and fees accrued for its account through but excluding the date of such payment, and all other amounts payable to it hereunder, from the Purchasing Lender(s) (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts, including without limitation, if demanded by the Affected Lender, the amount of any compensation that due to the Affected Lender under Sections 3.4(c), 11.1, 11.5 and 11.6 to but excluding said date), payable (in immediately available funds) in cash. The Affected Lender, as assignor, such Purchasing Lender, as assignee, the Borrower and the Agent, shall enter into an Assignment Agreement pursuant to Section 13.8 hereof, whereupon such Purchasing Lender shall be a Lender party to this Agreement, shall be deemed to be an assignee hereunder and shall have all the rights and obligations of a Lender with a Revolving Credit Percentage equal to its ratable share of the then applicable Revolving Credit Aggregate Commitment and the applicable Percentages of the Term Loan of the Affected Lender, provided, however, that if the Affected Lender does not execute such Assignment Agreement within (2) Business Days of receipt thereof, the Agent may execute the Assignment Agreement as the Affected Lender's attorney-in-fact. Each of the Lenders hereby irrevocably constitutes and appoints the Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full power and authority in the name of such Lender or in its own name to execute and deliver the Assignment Agreement while such Lender is an Affected Lender hereunder (such power of attorney to be deemed coupled with an interest and irrevocable). In connection with any assignment pursuant to this Section 13.12, the Borrower or the Purchasing Lender shall pay to the Agent the administrative fee for processing such assignment referred to in Section 13.8.

(b) If any Lender is an Affected Lender of the type described in Section 13.12(a)(iii) and (iv) (any such Lender, a "Non-Compliant Lender"), the Borrower may, with the prior written consent of the Agent, and notwithstanding Section 10.3 of this Agreement or any other provisions requiring pro rata payments to the Lenders, elect to reduce any Commitments by an amount equal to the Non-Compliant Lender's Percentage of the Commitment of such Non-Compliant Lender and repay such Non-Compliant Lender an amount equal the principal amount of all Advances owing to it, all interest and fees accrued for its account through but excluding the date of such repayment, and all other amounts payable to it hereunder (including without limitation, if demanded by the Non-Compliant Lender, the amount of any compensation that due to the Non-Compliant Lender under Sections 3.4(c), 11.1, 11.5 and 11.6 to but excluding said date), payable (in immediately available funds) in cash, so long as, after giving effect to the termination of Commitments and the repayments described in this clause (b), any Fronting Exposure of such Non-Compliant Lender shall be reallocated among the Lenders that are not Non-Compliant Lenders in accordance with their respective Revolving Credit Percentages, but only to the extent that the sum of. the aggregate principal amount of all Revolving Credit Advances made by each such Lender, plus such Lender's Percentage of the aggregate outstanding principal amount of Swing Line Advances and Letter of Credit Obligations prior to giving effect to such reallocation plus such Lender's Percentage of the Fronting Exposure to be reallocated does not exceed such Lender's Percentage of the Revolving Credit Aggregate

Commitment, and with respect to any portion of the Fronting Exposure that may not be reallocated, the Borrower shall deliver to the Agent, for the benefit of the Issuing Lender and/or Swing Line Lender, as applicable, cash collateral or other security satisfactory to the Agent, with respect any such remaining Fronting Exposure.

(c) If any Lender is a Non-Compliant Lender, the Borrower may, notwithstanding Section 10.3 of this Agreement or any other provisions requiring pro rata payments to the Lenders, elect to repay all amounts owing to such a Non-Compliant Lender in connection with the Term Loan, so long as (i) no Default or Event of Default exists at the time of such repayment and (ii) after giving effect to any reduction in the Revolving Credit Aggregate Commitment, payments on the Revolving Credit under clause (b) above and payments on the Term Loan under this clause (c), the Borrower shall have availability, on the date of the repayment, to borrow additional Revolving Credit Advances under the Revolving Credit Aggregate Commitment of at least $5,000,000 (after taking into account the sum on such date of the outstanding principal amount of all Revolving Credit Advances, Swing Line Advances and Letter of Credit Obligations).

13.13 Withholding Taxes.

(a) (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Agent, at the time or times reasonably requested by the Borrower or the Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Agent as will enable the Borrower or the Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 13.13(e)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Borrower,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Agent (in such number of copies as shall

be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), whichever of the following is applicable:

(i) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(ii) executed originals of IRS Form W-8ECI;

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit N-l to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of a Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN; or

(iv) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W- 8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit N-2 or Exhibit N-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate

substantially in the form of Exhibit N-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender or Agent under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender or Agent were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender or Agent shall deliver to the Borrower and the Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Agent such documentation prescribed by applicable law (including as prescribed by Section 1471 (b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Agent as may be necessary for the Borrower and the Agent to comply with their obligations under FATCA and to determine that such Lender or Agent has complied with such Lender's or Agent's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Agent in writing of its legal inability to do so.

(b) Promptly upon notice from the Agent of any determination by the Internal Revenue Service that any payments previously made to such Lender hereunder were subject to United States income tax withholding when made (or subject to withholding at a higher rate than that applied to such payments), such Lender shall pay to the Agent the excess of the aggregate amount required to be withheld from such payments over the aggregate amount (if any) actually withheld by the Agent, provided that, following any such payment, such Lender shall retain all of its rights and remedies against the Borrower with respect thereto.

For purposes of this Section 13.13, the term "Lender" includes any Issuing Lender and the term "applicable law" includes FATCA

13.14 WAIVER OF JURY TRIAL. THE AGENT AND THE BORROWER KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT ANY OF

THEM MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION BASED UPON OR ARISING OUT OF . THIS AGREEMENT OR ANY RELATED INSTRUMENT OR AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY COURSE OF CONDUCT, DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTION OF ANY OF THEM. NEITHER THE LENDERS, THE AGENT NOR THE BORROWER SHALL SEEK TO CONSOLIDATE, BY COUNTERCLAIM OR OTHERWISE, ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. THESE PROVISIONS SHALL NOT BE DEEMED TO HAVE BEEN MODIFIED IN ANY RESPECT OR RELINQUISHED BY THE LENDERS AND THE AGENT OR THE BORROWER EXCEPT BY A WRITTEN INSTRUMENT EXECUTED BY ALL OF THEM.

13.15 USA Patriot Act Notice. Pursuant to Section 326 of the USA Patriot Act, the Agent and the Lenders hereby notify the Credit Parties that if they or any of their Subsidiaries open an account, including any loan, deposit account, treasury management account, or other extension of credit with the Agent or any Lender, the Agent or the applicable Lender will request the applicable Person's name, tax identification number, business address and other information necessary to identify such Person (and may request such Person's organizational documents or other identifying documents) to the extent necessary for the Agent and the applicable Lender to comply with the USA Patriot Act.

13.16 Complete Agreement; Conflicts. This Agreement, the Notes (if issued), any Requests for Revolving Credit Advance, Requests for Swing Line Advance and Term Loan Rate Requests, and the Loan Documents contain the entire agreement of the parties hereto, superseding all prior agreements, discussions and understandings relating to the subject matter hereof, and none of the parties shall be bound by anything not expressed in writing. In the event of any conflict between the terms of this Agreement and the other Loan Documents, this Agreement shall govern.

13.17 Severability. In case any one or more of the obligations of the Credit Parties under this Agreement, the Notes or any of the other Loan Documents shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining obligations of the Credit Parties shall not in any way be affected or impaired thereby, and such invalidity, illegality or unenforceability in one jurisdiction shall not affect the validity, legality or enforceability of the obligations of the Credit Parties under this Agreement, the Notes or any of the other Loan Documents in any other jurisdiction.

13.18 Table of Contents and Headings; Section References. The table of contents and the headings of the various subdivisions hereof are for convenience of reference only and shall in no way modify or affect any of the terms or provisions hereof and references herein to "sections," "subsections," "clauses," "paragraphs," "subparagraphs," "exhibits" and "schedules" shall be to sections, subsections, clauses, paragraphs, subparagraphs, exhibits and schedules, respectively, of this Agreement unless otherwise specifically provided herein or unless the context otherwise clearly indicates.

13.19 Construction of Certain Provisions. If any provision of this Agreement or any of the Loan Documents refers to any action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person, whether or not expressly specified in such provision. ‘

13.20 Independence of Covenants. Each covenant hereunder shall be given independent effect (subject to any exceptions stated in such covenant) so that if a particular action or condition is not permitted by any such covenant (taking into account any such stated exception), the fact that it would be permitted by an exception to, or would be otherwise within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default.

13.21 Electronic Transmissions.

(a) Each of the Agent, the Credit Parties, the Lenders, and each of their Affiliates is authorized (but not required) to transmit, post or otherwise make or communicate, in its sole discretion, Electronic Transmissions in connection with any Loan Document and the transactions contemplated therein. The Borrower and each other Credit Party hereby acknowledges and agrees that the use of Electronic Transmissions is not necessarily secure and that there are risks associated with such use, including risks of interception, disclosure and abuse and each indicates it assumes and accepts such risks by hereby authorizing the transmission of Electronic Transmissions.

(b) All uses of an E-System shall be governed by and subject to, in addition to Section 13.6 and this Section 13.21, separate terms and conditions posted or referenced in such E-System and related contractual obligations executed by the Agent, the Credit Parties and the Lenders in connection with the use of such E-System.

(c) All E-Systems and Electronic Transmissions shall be provided “as is” and “as available”. None of the Agent or any of its Affiliates, nor the Borrower or any of its respective Affiliates warrants the accuracy, adequacy or completeness of any E-Systems or Electronic Transmission, and each disclaims all liability for errors or omissions therein. No warranty of any kind is made by the Agent or any of its Affiliates, or the Borrower or any of its respective Affiliates in connection with any E-Systems or Electronic Transmission, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects. The Agent, the Borrower and its Subsidiaries, and the Lenders agree that the Agent has no responsibility for maintaining or providing any equipment, software, services or any testing required in connection with any Electronic Transmission or otherwise required for any E-System. The Agent and the Lenders agree that the Borrower has no responsibility for maintaining or providing any equipment, software, services or any testing required in connection with any Electronic Transmission or otherwise required for any E-System.

13.22 Advertisements. The Agent and the Lenders may disclose the names of the Credit Parties and the existence of the Indebtedness in general advertisements and trade publications.

13.23 Reliance on and Survival of Provisions. All terms, covenants, agreements, representations and warranties of the Credit Parties to any of the Loan Documents made herein or in any of the Loan Documents or in any certificate, report, financial statement or other document furnished by or on behalf of any Credit Party in connection with this Agreement or any of the Loan Documents shall be deeed to have been relied upon by the Lenders, notwithstanding any investigation heretofore or hereafter made by any Lender or on such Lender's behalf, and those covenants and agreements of the Borrower and the Lenders, as applicable, set forth in Sections [3.9, 3.10, 11.10, 12.7 and 13.5] hereof (together with any other indemnities of any Credit Party or Lender contained elsewhere in this Agreement or in any of the other Loan Documents) shall survive the repayment in full of the Indebtedness and the termination of this Agreement and the other Loan Documents, including any commitment to extent credit thereunder.

13.24 Acknowledgment and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

13.25 Amendment and Restatement and Consolidation; Assignment and Assumptions.

(a) On the Effective Date, the Prior Credit Agreement shall be amended, restated and superseded in its entirety. The parties hereto acknowledge and agree that (i) this Agreement, the Notes, and the other Loan Documents executed and delivered in connection herewith do not constitute a novation, payment and reborrowing, or termination of the "Indebtedness" (as defined in the Prior Credit Agreement) under the Prior Credit Agreement as in effect prior to the Effective Date; (ii) such "Indebtedness" is in all respects continuing with only the terms thereof being modified as provided in this Agreement; (iii) the Liens as granted under the Collateral Documents securing payment of such "Indebtedness" are in all respects

continuing and in full force and effect and secure the payment of the Indebtedness (as defined in this Agreement) and are hereby fully ratified and affirmed; and (iv) upon the effectiveness of this Agreement all existing Advances will be part of the Advances hereunder on the terms and conditions set forth in this Agreement. Without limitation of the foregoing, Borrower hereby fully and unconditionally ratifies and affirms all Collateral Documents to which it is a party and agrees that all collateral granted thereunder shall from and after the date hereof secure all Indebtedness hereunder.

(b) Notwithstanding the modifications effected by this Agreement of the representations, warranties and covenants of Borrower contained in the Prior Credit Agreement, Borrower acknowledges and agrees that any causes of action or other rights created in favor of any Lender and its successors arising out of the representations and warranties of Borrower contained in or delivered (including representations and warranties delivered in connection with the making of the loans or other extensions of credit thereunder) in connection with the Prior Credit Agreement shall survive the execution and delivery of this Agreement; provided, however, that it is understood and agreed that Borrower's monetary obligations under the Prior Credit Agreement in respect of the Advances and Letters of Credit thereunder are evidenced by this Agreement as provided herein. All indemnification obligations of the Borrower pursuant to the Prior Credit Agreement (including any arising from a breach of the representations thereunder) shall survive the amendment and restatement of the Prior Credit Agreement pursuant to this Agreement.

(c) On and after the Effective Date, (i) each reference in the Loan Documents (as defined in each of the Prior Credit Agreement) to the "Credit Agreement", "thereunder", "thereof" or similar words referring to the Credit Agreement shall mean and be a reference to this Agreement and (ii) each reference in the Loan Documents to a "Note" shall mean and be a Note as defined in this Agreement.

[Signatures Follow On Succeeding Page]

WITNESS the due execution hereof as of the day and year first above written.

COMERICA BANK,
as Administrative Agent

By: /s/ Tony G. Rice
Tony G. Rice
Its: Vice President

MONTAUK ENERGY HOLDINGS, LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

COMERICA BANK,
as a Lender, as Issuing Lender and as Swing Line Lender

By: /s/ Tony G. Rice
Tony G. Rice
Its: Vice President

M&T BANK, as a Lender

By: /s/ Mike Prendergast
Its: Vice President

(Signature Page to Second Amended and Restated Revolving Credit and Term Loan Agreement – 15734671)

KEYBANK NATIONAL ASSOCIATION, as a Lender

By: /s/ Les A. Scales
Its: Vice President, Relationship Manager

(Signature Page to Second Amended and Restated Revolving Credit and Term Loan Agreement – 15734671)

CHEMICAL BANK, as a Lender

By: /s/ Robert Rosati
Its: Senior Vice President

(Signature Page to Second Amended and Restated Revolving Credit and Term Loan Agreement – 15734671)

WEBSTER BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Steve Corcoran
Its: Senior Vice President

(Signature Page to Second Amended and Restated Revolving Credit and Term Loan Agreement – 15734671)

MUFG UNION BANK,
as a Lender

By: /s/ Ben Gallagher
Its: Vice President

Annex I
Applicable Margin Grid
Revolving Credit and Term Loan Facility
(basis points per annum)

Basis for Pricing	Level I	Level II**	Level III	Level IV
Total Leverage Ratio*	< 1.00 : 1.0	> 1.00 : 1.0 but < 1.50 : 1.0	> 1.50 : 1.0 but <2.25 : 1.0	> 2.25 : 1.0
Revolving Credit				
Revolving Credit Eurodollar Margin	175 bps	200 bps	225bps	250 bps
Revolving Credit Base Rate Margin	75 bps	100 bps	125bps	150 bps
Revolving Credit Facility Fee	50 bps	50 bps	50bps	50 bps
Letter of Credit Fees (exclusive of facing fees)	225 bps	250 bps	275bps	300 bps
Term Loan				
Term Loan Eurodollar Margin	225 bps	250 bps	275bps	300 bps
Term Loan Base Rate Margin	125 bps	150 bps	175bps	200 bps

* Definitions as set forth in the Credit Agreement.
** Level II pricing shall be in effect as of the Effective Date until the delivery of the financial statements for the quarter ending March 31, 2019, after which time the pricing grid shall govern

Annex II

Percentages and Allocations
Revolving Credit and Term Loan Facilities

LENDERS	REVOLVING CREDIT PERCENTAGE	REVOLVING CREDIT ALLOCATIONS	TERM LOAN PERCENTAGE	TERM LOAN ALLOCATIONS	WEIGHTED PERCENTAGE	TOTAL ALLOCATIONS
Comerica Bank	37%	$33,300,000	37%	$35,150,000	37%	$68,450,000
M&T Bank	20%	$18,000,000	20%	$19,000,000	20%	$37,000,000
Chemical Bank	15%	$13,500,000	15%	$14,250,000	15%	$27,750,000
MUFG Union Bank, N.A.	12%	$10,800,000	12%	$11,400,000	12%	$22,200,000
KeyBank National Association	10%	$9,000,000	10%	$9,500,000	10%	$18,500,000
Webster Bank, National Association	6%	$5,400,000	6%	$5,700,000	6%	$11,100,00
TOTALS	**100%**	**$90,000,000**	**100%**	**$95,000,000**	**100%**	**$185,000,000**

FIRST AMENDMENT TO SECOND AMENDED AND RESTATED REVOLVING CREDIT AND TERM LOAN AGREEMENT

This **First Amendment to Second Amended and Restated Revolving Credit and Term Loan Agreement** ("First Amendment") is made as of March 21, 2019, by and among Montauk Energy Holdings, LLC ("Borrower"), the Lenders (as defined below) signatory hereto and Agent (as defined below).

RECITALS

A. Borrower entered into that certain Second Amended and Restated Revolving Credit and Term Loan Agreement dated as of December 12, 2018 (as amended, restated or otherwise modified from time to time, the "Credit Agreement"), with the financial institutions from time to time signatory thereto (collectively, the "Lenders") and Comerica Bank, as administrative agent for the Lenders (in such capacity, the "Agent").

B. Borrower has requested that Agent and the Lenders make certain amendments to the Credit Agreement, and Agent and the Lenders are willing to do so, subject to the terms and conditions set forth in this First Amendment.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, Borrower, Agent and the Lenders agree as follows:

1. The following definition in Section 1.1 of the Credit Agreement is amended to read as follows:

"Fixed Charge Coverage Ratio" shall mean as of any date of determination, a ratio, the numerator of which is Consolidated EBITDA for the Applicable Measuring Period ending on such date of determination, minus taxes paid in cash during such period, minus Tax Distributions made by Borrower and its Subsidiaries (other than the Excluded Entities) during such period, minus Maintenance Capital Expenditures (other than Maintenance Capital Expenditures of the Excluded Entities) during such period, and the denominator of which is Fixed Charges for such period. Notwithstanding anything set forth above, for the determination dates ending March 31, 2019, June 30, 2019 and September 30, 2019, Maintenance Capital Expenditures in an aggregate amount not to exceed $12,000,000 shall not be deducted from Consolidated EBITDA.

2. Section 2.9 of the Credit Agreement is amended to read in its entirety as follows:

"2.9 Revolving Credit Facility Fee. From March 21, 2019 to the Revolving Credit Maturity Date, the Borrower shall pay to the Agent for distribution to the Revolving Credit Lenders pro-rata in accordance with their respective Revolving Credit Percentages, a Revolving Credit Facility Fee quarterly in arrears commencing June 1, 2019, and on the first day of each September, December, March and June thereafter (in respect of the prior three months or any portion thereof). The Revolving Credit Facility Fee payable to each Revolving Credit Lender shall be determined by multiplying the Applicable Fee Percentage

times the Revolving Credit Aggregate Commitment then in effect (whether used or unused). The Revolving Credit Facility Fee shall be computed on the basis of a year of three hundred sixty (360) days and assessed for the actual number of days elapsed. Whenever any payment of the Revolving Credit Facility Fee shall be due on a day which is not a Business Day, the date for payment thereof shall be extended to the next Business Day. Upon receipt of such payment, the Agent shall make prompt payment to each Revolving Credit Lender of its share of the Revolving Credit Facility Fee based upon its respective Revolving Credit Percentage. It is expressly understood that the Revolving Credit Facility Fees described in this Section are not refundable."

3. Subsection 8.5(d) of the Credit Agreement is amended to read in its entirety as follows:

"(d) subject to the satisfaction of the Distribution Conditions, Borrower may make (i) Distributions to its members and (ii) Purchases; provided, that, the aggregate amount of all Distributions (excluding Tax Distributions permitted under Section (c) above) and Purchases made in any consecutive twelve (12) month period shall not exceed (a) for any trailing twelve month period of determination that includes the fiscal quarters ending March 31, 2019, June 30, 2019 and September 30, 2019, the sum of (i) $20,000,000, minus (ii) 50% of Maintenance Capital Expenditures that were excluded as a deduction from Consolidated EBITDA when calculating the Fixed Charge Coverage Ratio during such period, and (b) for any other trailing twelve (12) month period, $20,000,000."

4. This First Amendment shall become effective (according to the terms hereof) on the date (the "First Amendment Effective Date") that the following conditions have been fully satisfied by Borrower:

(a) Agent shall have received counterpart originals of this First Amendment, in each case duly executed and delivered by Borrower, Agent and the Lenders;

(b) Agent shall have received duly executed copies of the documents and instruments listed in the Closing Checklist dated March 21, 2019; and

(c) Borrower shall have paid to Agent all fees, costs and expenses, if any, owed to Agent and the Lenders, in each case, as and to the extent required to be paid in accordance with the Loan Documents, including without limitation any fees due under the supplemental fee letter dated March 1, 2019 and the fees accrued to the date of this First Amendment under Section 2.9 of the Credit Agreement.

5. Borrower hereby certifies to Agent and the Lenders as of the First Amendment Effective Date that, after giving effect to the amendments herein, (a) execution and delivery by Borrower of this First Amendment and the other Loan Documents required to be delivered hereunder, and the performance by Borrower of its obligations under the Credit Agreement as amended hereby (herein, as so amended, the "Amended Credit Agreement") are within Borrower's powers, have been duly authorized, are not in contravention of law or the terms of its articles of organization or operating agreement or other organizational documents, as applicable, and except as have been previously obtained do not require the consent or approval, material to the

amendments contemplated in this First Amendment, of any governmental body, agency or authority, and the Amended Credit Agreement and the other Loan Documents required to be delivered by Borrower hereunder will constitute the valid and binding obligations of Borrower enforceable in accordance with their terms, except as enforcement thereof may be limited by applicable bankruptcy, reorganization, insolvency, moratorium, ERISA or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (whether enforcement is sought in a proceeding in equity or at law), (b) the representations and warranties set forth in Section 6 of the Amended Credit Agreement are true and correct in all material respects (except representations and warranties already qualified as to materiality as to which this qualifier shall not apply) on and as of the First Amendment Effective Date (except to the extent such representations specifically relate to an earlier date), and (c) on and as of the First Amendment Effective Date, immediately after giving effect to this First Amendment, no Default or Event of Default shall have occurred and be continuing.

6. On and after the First Amendment Effective Date, each reference to the Credit Agreement in the Credit Agreement or any other document shall mean the Credit Agreement as amended by this First Amendment. Except as specifically set forth above, this First Amendment shall not be deemed to amend or alter in any respect the terms and conditions of the Credit Agreement (including without limitation all conditions and requirements for Advances and any financial covenants), any of the Notes issued thereunder or any of the other Loan Documents. Nor shall this First Amendment constitute a waiver or release by Agent or the Lenders of any right, remedy, Default or Event of Default under or a consent to any transaction not meeting the terms and conditions of the Credit Agreement, any of the Notes issued thereunder or any of the other Loan Documents, except those consents set forth herein. Furthermore, this First Amendment shall not affect in any manner whatsoever any rights or remedies of the Lenders with respect to any other non-compliance by Borrower or any Guarantor with the Credit Agreement or the other Loan Documents, whether in the nature of a Default or Event of Default, and whether now in existence or subsequently arising, and shall not apply to any other transaction. Borrower hereby confirms that each of the Collateral Documents continues in full force and effect and secure, among other things, all of its Indebtedness owing to Agent and the Lenders under the Credit Agreement and the other Loan Documents (where applicable, as amended herein).

7. Borrower hereby acknowledges and agrees that this First Amendment and the amendments contained herein do not constitute any course of dealing or other basis for altering any obligation of Borrower, any Guarantor or any other Credit Party or any right, privilege or remedy of the Lenders under the Credit Agreement or any other Loan Document.

8. Except as specifically defined to the contrary herein, capitalized terms used in this First Amendment shall have the meanings set forth in the Credit Agreement.

9. This First Amendment may be executed in counterpart in accordance with Section 13.9 of the Credit Agreement.

10. This First Amendment shall be construed in accordance with and governed by the laws of the State of Michigan.

(Remainder of page intentionally left blank.)

IN WITNESS WHEREOF, Borrower, the Lenders and Agent have each caused this First Amendment to be executed by their respective duly authorized officers or agents, as applicable, all as of the date first set forth above.

COMERICA BANK,
as Administrative Agent

By: /s/ Tony G. Rice
Tony G. Rice
Its: Vice President

COMERICA BANK,
as a ender, as Issuing Lender
and as Swing Line Lender

By: /s/ Tony G. Rice
Tony G. Rice
Its: Vice President

MONTAUK ENERGY HOLDINGS, LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

M&T BANK, as a Lender

By: /s/

Its: Vice President

KEYBANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Les A. Scales

Its: VP, Commercial Banking

CHEMICAL BANK, as a Lender

By: /s/ Robert Rosati

Its: Senior Vice President

MUFG UNION BANK, N.A., as a Lender

By: /s/ Myla Juth

Its: Director

ACKNOWLEDGMENT OF GUARANTORS

Each of the undersigned (collectively, the "Guarantors") hereby acknowledges that (a) such Guarantor executed that certain Amended and Restated Guaranty dated as of December 12, 2018 (as amended or otherwise modified from time to time, the "Guaranty"), pursuant to which such Guarantor guaranteed the obligations of the Borrower under the Credit Agreement and (b) Borrower, the Lenders and the Agent have executed the First Amendment to the Credit Agreement dated as of date hereof (the "Amendment"). Each of the undersigned hereby ratifies and confirms its obligations under the Guaranty and the other Loan Documents to which it is a party and agrees that the Guaranty and such other Loan Documents remain in full force and effect after giving effect to the effectiveness of the Amendment. Capitalized terms not otherwise defined herein will have the meanings given in the Credit Agreement. This acknowledgment shall be governed by and construed in accordance with the laws of, and be enforceable in, the State of Michigan.

Dated as of March 21, 2019

[Remainder of Page Intentionally Left Blank]

MONTAUK HOLDINGS USA LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

MONTAUK ENERGY CAPITAL, LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

MEDC, LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

MH ENERGY LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

MH ENERGY (GP), LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

TX LFG ENERGY, LP

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

MONROEVILLE LFG, LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

VALLEY LFG, LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

GSF ENERGY, LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

MONMOUTH ENERGY, INC.

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

TULSA LFG, LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

JOHNSTOWN LFG HOLDINGS INC.

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

JOHNSTOWN REGIONAL ENERGY, LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

APEX LFG ENERGY, LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

BOWERMAN POWER LFG, LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

GALVESTON LFG, LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

MONTAUK RENEWABLE AG, LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

SECOND AMENDMENT TO SECOND AMENDED AND RESTATED REVOLVING CREDIT AND TERM LOAN AGREEMENT

This **Second Amendment to Second Amended and Restated Revolving Credit and Term Loan Agreement** ("Second Amendment") is made as of September 12, 2019, by and among Montauk Energy Holdings, LLC ("Borrower"), the Lenders (as defined below) signatory hereto and Agent (as defined below).

RECITALS

A. Borrower entered into that certain Second Amended and Restated Revolving Credit and Term Loan Agreement dated as of December 12, 2018 (as amended, restated or otherwise modified from time to time, the "Credit Agreement"), with the financial institutions from time to time signatory thereto (collectively, the "Lenders") and Comerica Bank, as administrative agent for the Lenders (in such capacity, the "Agent").

B. Borrower has requested that Agent and the Lenders make certain amendments to the Credit Agreement, and Agent and the Lenders are willing to do so, subject to the terms and conditions set forth in this Second Amendment.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, Borrower, Agent and the Lenders agree as follows:

1. The following definitions in Section 1.1 of the Credit Agreement are amended to read as follows:

"Fixed Charge Coverage Ratio" shall mean as of any date of determination, a ratio, the numerator of which is Consolidated EBITDA for the Applicable Measuring Period ending on such date of determination, minus taxes paid in cash during such period, minus Tax Distributions made by Borrower and its Subsidiaries (other than the Excluded Entities) during such period, minus Maintenance Capital Expenditures (other than Maintenance Capital Expenditures of the Excluded Entities) during such period, and the denominator of which is Fixed Charges for such period. Notwithstanding anything set forth above, for (a) the determination dates ending March 31, 2019, June 30, 2019 and September 30, 2019, Maintenance Capital Expenditures in an aggregate amount not to exceed $12,000,000 shall not be deducted from Consolidated EBITDA and (b) the amount of the Term Loan principal payments for the March 1, 2019, June 1, 2019 and September 1, 2019 payment dates shall be deemed to be $2,500,000.

"Revolving Credit Aggregate Commitment" shall initially mean Eighty Million Dollars ($80,000,000), subject to increases pursuant to Section 2.13 and subject to reduction or termination under Section 2.11 or 9.2 hereof.

"Total Leverage Ratio" shall mean as of any date of determination, the ratio of (a) Funded Debt of Borrower and its Subsidiaries (other than the Excluded Entities) on such date to (b) the sum of (i) the EBITDA Credit as of such date and (ii) Consolidated EBITDA

for the four preceding fiscal quarters then ending, all as determined on a consolidated basis in accordance with GAAP.

2. The following definitions are added to Section 1.1 of the Credit Agreement to read in their entireties as follows:

"EBITDA Credit" shall mean with respect to (a) the Galveston project, $1,699,685 as of August 1, 2019 and shall reduce by $141,640.42 as of the last day of each month commencing on the earlier to occur of (1) the last day of the month occurring after the month during which commercial operation of the Galveston project commences and (2) November 30, 2019, (b) the Bettencourt project, $4,391,368 as of August 1, 2019 and shall reduce by $365,947.34 as of the last day of each month commencing on the earlier to occur of (1) the last day of the month occurring after the month during which commercial operation of the Bettencourt project commences and (2) February 29, 2020, and (c) the Coastal Plains project, $1,549,757 as of August 1, 2019 and shall reduce by $129,146.42 as of the last day of each month commencing on the earlier to occur of (1) the last day of the month occurring after the month during which commercial operation of the Coastal Plains project commences and (2) February 29, 2020.

"RIN Floor" shall mean $0.50 for the average monthly Argus D3 RIN Price per RIN for any period of determination. On April 1, 2020 and thereafter it shall mean $0.80 for the average monthly Argus D3 RIN Price per RIN for any period of determination.

3. Section 3.4(b) of the Credit Agreement is amended to read in its entirety as follows:

"(b) All payments by the Borrower to the Agent for distribution to the Issuing Lender or the Revolving Credit Lenders under this Section 3.4 shall be made in Dollars in immediately available funds at the Issuing Office or such other office of the Agent as may be designated from time to time by written notice to the Borrower by the Agent. The fees described in clauses (a)(i) and (ii) above (i) shall be nonrefundable under all circumstances, (ii) in the case of fees due under clause (a)(i) above, shall be payable upon the issuance of such Letter of Credit and quarterly in advance on the first day of each calendar quarter thereafter and (iii) in the case of fees due under clause (a)(ii) above, shall be payable upon the issuance of such Letter of Credit and quarterly in advance thereafter. The fees due under clause (a)(i) above shall be determined by multiplying the Applicable Fee Percentage times the undrawn amount of the face amount of each such Letter of Credit on the date of determination, and shall be calculated on the basis of a 360 day year and assessed for the actual number of days from the date of the issuance thereof to the stated expiration thereof. The parties hereto acknowledge that, unless the Issuing Lender otherwise agrees, any material amendment and any extension to a Letter of Credit issued hereunder shall be treated as a new Letter of Credit for the purposes of the letter of credit facing fee."

4. Section 4.3(a) of the Credit Agreement is amended to read in its entirety as follows:

"(a) The Borrower shall repay the Term Loan in quarterly installments each equal to $2,500,000 on the first day of each September, December, March and June (commencing

December 1, 2019), until the Term Loan Maturity Date, when all remaining outstanding principal plus accrued interest thereon shall be due and payable in full."

5. Subsection 9.1(k-1) of the Credit Agreement is amended to read in its entirety as follows:

"(k-1) (A) if for the fiscal quarter ending December 31, 2019, the average monthly Argus D3 RIN Price for such fiscal quarter is less than the RIN Floor and Consolidated EBITDA for such fiscal quarter was less than $5,000,000; (B) if for the fiscal quarter ended March 31, 2020, the average monthly Argus D3 RIN Price for such fiscal quarter is less than the RIN Floor and Consolidated EBITDA for the six month period ending on such fiscal quarter was less than $10,000,000; or (C) for any fiscal quarter thereafter, the average monthly Argus D3 RIN Price for such fiscal quarter is less than the RIN Floor and Consolidated EBITDA for such fiscal quarter was less than $6,000,000;"

6. On the date of this Second Amendment, Borrower shall make a Term Loan principal payment in the amount of $38,250,000. Such payment shall not be applied in the inverse order of maturity but shall be applied ratably across all scheduled payments of the Term Loan (but, for the avoidance of doubt, Borrower shall continue to make the regularly scheduled quarterly principal payments of the Term Loan each in the amount of $2,500,000, commencing with the quarterly payment due on December 1, 2019).

7. Annex II to the Credit Agreement is amended to read in the form of attached Annex II.

8. Exhibit J to the Credit Agreement is amended to read in the form of attached Exhibit J.

9. This Second Amendment shall become effective (according to the terms hereof) on the date (the "Second Amendment Effective Date") that the following conditions have been fully satisfied by Borrower:

(a) Agent shall have received counterpart originals of this Second Amendment, in each case duly executed and delivered by Borrower, Agent and the Lenders;

(b) Agent shall have received replacement Revolving Credit Notes, duly executed and delivered by Borrower;

(c) Agent shall have received the Term Loan payment required under paragraph 6 above in immediately available funds; and

(d) Borrower shall have paid to Agent all fees, costs and expenses, if any, owed to Agent and the Lenders, in each case, as and to the extent required to be paid in accordance with the Loan Documents, including without limitation any fees due under the supplemental fee letter dated July 30, 2019 and the fees accrued to the date of this Second Amendment under Section 2.9 of the Credit Agreement.

10. Borrower hereby certifies to Agent and the Lenders as of the Second Amendment Effective Date that, after giving effect to the amendments herein, (a) execution and delivery by Borrower of this Second Amendment and the other Loan Documents required to be delivered hereunder, and the performance by Borrower of its obligations under the Credit Agreement as amended hereby (herein, as so amended, the "Amended Credit Agreement") are within Borrower's powers, have been duly authorized, are not in contravention of law or the terms of its articles of organization or operating agreement or other organizational documents, as applicable, and except as have been previously obtained do not require the consent or approval, material to the amendments contemplated in this Second Amendment, of any governmental body, agency or authority, and the Amended Credit Agreement and the other Loan Documents required to be delivered by Borrower hereunder will constitute the valid and binding obligations of Borrower enforceable in accordance with their terms, except as enforcement thereof may be limited by applicable bankruptcy, reorganization, insolvency, moratorium, ERISA or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (whether enforcement is sought in a proceeding in equity or at law), (b) the representations and warranties set forth in Section 6 of the Amended Credit Agreement are true and correct in all material respects (except representations and warranties already qualified as to materiality as to which this qualifier shall not apply) on and as of the Second Amendment Effective Date (except to the extent such representations specifically relate to an earlier date), and (c) on and as of the Second Amendment Effective Date, immediately after giving effect to this Second Amendment, no Default or Event of Default shall have occurred and be continuing.

11. On and after the Second Amendment Effective Date, each reference to the Credit Agreement in the Credit Agreement or any other document shall mean the Credit Agreement as amended by this Second Amendment. Except as specifically set forth above, this Second Amendment shall not be deemed to amend or alter in any respect the terms and conditions of the Credit Agreement (including without limitation all conditions and requirements for Advances and any financial covenants), any of the Notes issued thereunder or any of the other Loan Documents. Nor shall this Second Amendment constitute a waiver or release by Agent or the Lenders of any right, remedy, Default or Event of Default under or a consent to any transaction not meeting the terms and conditions of the Credit Agreement, any of the Notes issued thereunder or any of the other Loan Documents, except those consents set forth herein. Furthermore, this Second Amendment shall not affect in any manner whatsoever any rights or remedies of the Lenders with respect to any other non-compliance by Borrower or any Guarantor with the Credit Agreement or the other Loan Documents, whether in the nature of a Default or Event of Default, and whether now in existence or subsequently arising, and shall not apply to any other transaction. Borrower hereby confirms that each of the Collateral Documents continues in full force and effect and secure, among other things, all of its Indebtedness owing to Agent and the Lenders under the Credit Agreement and the other Loan Documents; (where applicable, as amended herein).

12. Borrower hereby acknowledges and agrees that this Second Amendment and the amendments contained herein do not constitute any course of dealing or other basis for altering any obligation of Borrower, any Guarantor or any other Credit Party or any right, privilege or remedy of the Lenders under the Credit Agreement or any other Loan Document.

13. Except as specifically defined to the contrary herein, capitalized terms used in this Second Amendment shall have the meanings set forth in the Credit Agreement.

14. This Second Amendment may be executed in counterpart in accordance with Section 13.9 of the Credit Agreement.

15. This Second Amendment shall be construed in accordance with and governed by the laws of the State of Michigan.

(Remainder of page intentionally left blank.)

IN WITNESS WHEREOF, Borrower, the Lenders and Agent have each caused this Second Amendment to be executed by their respective duly authorized officers or agents, as applicable, all as of the date first set forth above.

COMERICA BANK,
as Administrative Agent

By: /s/ Tony G. Rice
Tony G. Rice
Its: Vice President

COMERICA BANK,
as a Lender, as Issuing Lender
and as Swing Line Lender

By: /s/ Tony G. Rice
Tony G. Rice
Its: Vice President

MONTAUK ENERGY HOLDINGS, LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

Signature page to Second Amendment

M&T BANK, as a Lender

By: /s/

Its: Vice President

KEYBANK NATIONAL ASSOCIATION, as a Lender

By: /s/ Les A. Scales
Its: Vice President

Signature page to Second Amendment

CHEMICAL BANK, a division of TCF National Bank, successor by merger to Chemical Bank

By: /s/ Robert Rosati
Its: Senior Vice President

WEBSTER BANK, NATIONAL ASSOCIATION, as a Lender

By: _____

Its: Vice President

MUFG UNION BANK, N.A., as a Lender

By: _____

Its: Vice President

ACKNOWLEDGMENT OF GUARANTORS

Each of the undersigned (collectively, the "Guarantors") hereby acknowledges that (a) such Guarantor executed that certain Amended and Restated Guaranty dated as of December 12, 2018 (as amended or otherwise modified from time to time, the "Guaranty"), pursuant to which such Guarantor guaranteed the obligations of the Borrower under the Credit Agreement and (b) Borrower, the Lenders and the Agent have executed the Second Amendment to the Credit Agreement dated as of date hereof (the "Amendment"). Each of the undersigned hereby ratifies and confirms its obligations under the Guaranty and the other Loan Documents to which it is a party and agrees that the Guaranty and such other Loan Documents remain in full force and effect after giving effect to the effectiveness of the Amendment. Capitalized terms not otherwise defined herein will have the meanings given in the Credit Agreement. This acknowledgment shall be governed by and construed in accordance with the laws of, and be enforceable in, the State of Michigan.

Dated as of September 12, 2019

[Remainder of Page Intentionally Left Blank]

MONTAUK HOLDINGS USA, LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

MONTAUK ENERGY CAPITAL, LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

MEDC, LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

MH ENERGY, LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

MH ENERGY (GP), LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

TX LFG ENERGY, LP

By: /s/ Sean McClain
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MONROEVILLE LFG, LLC

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Sean McClain
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Sean McClain
Its: Chief Financial Officer

GSF ENERGY, LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

MONMOUTH ENERGY, INC.

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

TULSA LFG, LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

JOHNSTOWN LFG HOLDINGS INC.

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

JOHNSTOWN REGIONAL ENERGY, LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

APEX LFG ENERGY, LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

BOWERMAN POWER LFG, LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

GALVESTON LFG, LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

MONTAUK RENEWABLE AG, LLC

By: /s/ Sean McClain
Sean McClain
Its: Chief Financial Officer

ANNEX II
Percentages and Allocations
Revolving Credit and Term Loan Facilities

LENDERS	REVOLVING CREDIT PERCENTAGE	REVOLVING CREDIT ALLOCATIONS	TERM LOAN PERCENTAGE	TERM LOAN ALLOCATIONS[1]	WEIGHTED PERCENTAGE	TOTAL ALLOCATIONS[2]
Comerica Bank	37%	$29,600,000	37%	$15,725,000	37%	$43,325,000
M&T Bank	20%	$16,000,000	20%	$8,500,000	20%	$24,500,000
Chemical Bank	15%	$12,000,000	15%	$6,375,000	15%	$18,375,000
MUFG Union Bank, N.A.	12%	$9,600,000	12%	$5,100,000	12%	$14,700,000
KeyBank National Association	10%	$8,000,000	10%	$4,250,000	10%	$12,250,000
Webster Bank, National Association	6%	$4,800,000	6%	$2,550,000	6%	$7,350,00
TOTALS	**100%**	**$80,000,000**	**100%**	**$42,500,000**	**100%**	**$122,500,000**

1 Amounts as of September, 2019 and after giving effect to the Term Loan repayment of $38,250,000 made on the Second Amendment Effective Date.

2 Calculated with Term Loan amounts as of September, 2019 and after giving effect to the Term Loan repayment of $38,250,000 made on the Second Amendment Effective Date.

EXHIBIT J

Form of Covenant Compliance Certificate

TO: Comerica Bank, as Agent

RE: Second Amended and Restated Revolving Credit and Term Loan Agreement made as of the 12th day of December, 2018 (as amended, restated or otherwise modified from time to time, the "Credit Agreement"), by and among the financial institutions from time to time signatory thereto (individually a "Lender," and any and all such financial institutions collectively the "Lenders"), Comerica Bank, as Administrative Agent for the Lenders (in such capacity, the "Agent"), and Montauk Energy Holdings, LLC ("Borrower").

This Covenant Compliance Report ("Report") is furnished pursuant to Section 7.2(a) of the Credit Agreement and sets forth various information as of _____, 20__ (the "Computation Date").

1. Fixed Charge Coverage Ratio (Section 7.9(a)). On the Computation Date, the Fixed Charge Coverage Ratio, which is required to be not less than 1.20 to 1.00 was _____ to 1.00, as computed in the supporting documents attached hereto as Schedule 1.

2. Total Leverage Ratio (Section 7.9(b)). On the Computation Date, the Total Leverage Ratio, which is required to be not more than 3.0 to 1.0 was _____ to 1.0, as computed in the supporting documents attached hereto as Schedule 2.

3. Debt to Tangible Net Worth Ratio (Section 9.1(k)). On the Computation Date, the Debt to Tangible Net Worth Ratio, which is required to be not more than 2.0 to 1.0 was _____ to 1.0, as computed in the supporting documents attached hereto as Schedule 3.

4. RIN Floor (Section 9.1(k-1)). On the Computation Date, the Argus D3 RIN Price which was required to be not less than the RIN Floor for the fiscal quarter ending on such Computation Date was $_____ per RIN, as computed in supporting documents attached as Schedule 4.

5. Consolidated EBITDA (Section 9.1(k-1)). On the Computation Date, Consolidated EBITDA for the [[_] month period] [fiscal quarter ending on such Computation Date] which is required to be not less than $_____ was $_____,as computed in the supporting documents attached as Schedule 5.

6. Capital Expenditures (Section 8.6). On the Computation Date, Capital Expenditures, which were required to be not more than $_____ in the aggregate for the Fiscal Year in which the Computation Date occurs, were $_____ in the aggregate to date for the Fiscal Year in which the Computation Date occurs, as evidenced in the supporting documentation attached as Schedule 6.

The Borrower's Representative hereby certifies that:

A. To the best of my knowledge, all of the information set forth in this Report (and in any Schedule attached hereto) is true and correct in all material respects.

B. To the best of my knowledge, the representation and warranties of the Credit Parties contained in the Credit Agreement and in the Loan Documents are true and correct in all material respects with the same effect as though such representations and warranties had been made on and at the date hereof, except to the extent that such representations and warranties expressly relate to an earlier specific date, in which case such representations and warranties were true and correct in all material respects as of the date when made.

C. I have reviewed the Credit Agreement and this Report is based on an examination sufficient to assure that this Report is accurate.

D. To the best of my knowledge, except as stated in Schedule 7 hereto (which shall describe any existing Default or Event of Default and the notice and period of existence thereof and any action taken with respect thereto or contemplated to be taken by Borrower or any other Credit Party), no Default or Event of Default has occurred and is continuing on the date of this Report.

Capitalized terms used in this Report and in the Schedules hereto, unless specifically defined to the contrary, have the meanings given to them in the Credit Agreement.

IN WITNESS WHEREOF, Borrower have caused this Report to be executed and delivered by the Borrower Representative this _____ day of _____, ____.

MONTAUK ENERGY HOLDINGS, LLC

By: _____

Its: _____

Exhibit 10.39

HCI Managerial Services (Pty) Ltd
Suite 801
76 Regent Road
Sea Point
8005

Montauk Holdings Ltd
Suite 801
76 Regent Road
Sea Point
8005

Dear Sir

LETTER OF APPOINTMENT FOR THE PROVISION OF ADMINISTRATIVE SERVICES TO MONTAUK HOLDINGS LIMITED ("LETTER OF APPOINTMENT")

This Letter of Appointment serves to confirm the appointment of HCI Managerial Services Proprietary Limited (Registration No. 1996/017874/07) ("the Administrator") by Montauk Holdings Limited (Registration No. 2010/017811/07) ("the Company") to provide certain services ("Services"). The Administrator wishes to accept such appointment on the terms contained in this Letter of Appointment.

"Parties" means the parties to this agreement and "Party" means either one of them. The headings of the clauses in this agreement are for the purpose of convenience and reference only and shall not be used in the interpretation of nor modify nor amplify the terms of this agreement nor any clause hereof.

Duties of the Administrator

1. The Administrator shall:

    1.1. provide all company secretarial services required to ensure that the Company maintain its corporate existence and comply with all applicable laws and regulations, including but not limited to:

        1.1.1. arranging the calling and holding of general meetings in respect of the Company;

        1.1.2. providing reports and information regarding the state of affairs of the Company for meetings of the Board of the Company, from time to time;

        1.1.3. distributing all documents, notices and records and/or other information to the Shareholders as may be required in relation to the Company;

        1.1.4. keeping and maintaining or procuring the keeping and maintaining of all documents and records related to the Company;

1.1.5. providing such data and assistance as may be required by the Auditors from time to time so that all statutory returns as may be required of the Company are correctly completed and timeously filed; and

1.1.6. ensuring that the Company comply with all other statutory and regulatory reporting and/or filings as may be required or desirable in terms of all applicable laws and regulations;

1.2. ensure the safe-keeping of all original documentation as may be reasonably required for the purpose of the performance of its obligations under this agreement;

1.3. assist the Company in managing expenditure, budgeting, and taxation matters and, where appropriate, recommending third Parties to provide some or all of these services;

1.4. assist the Company in keeping books of account and preparing financial reporting information as required in terms of all applicable laws and regulations;

1.5. assist the Company in relation to appropriate capital management strategies, including interacting with key stakeholders, if so required;

1.6. procure that HCI Treasury Proprietary Limited (Registration No. 1997/020390/07), the treasury company within the HCI group of companies of which the Administrator is a subsidiary, provides cash management services to the Company; and

1.7. perform all such other duties as may be reasonably necessary or incidental to the above or as may be agreed between the Company and the Administrator.

Remuneration

2. As remuneration for the Services rendered by the Administrator, the Administrator shall be entitled to a quarterly fee of R125 000 (excluding Value Added Tax) ("Fee"). This fee shall escalate at the South African annual inflation rate as published by the South African Reserve Bank in March of each year.

3. If a dispute arises between the Company and the Administrator in relation to the cost recovery principles upon which the Administrator will be remunerated, the Company and the Administrator shall refer such dispute to the auditors of the Administrator ("Auditors") whose determination, acting as experts and not as arbitrators, will, in the absence of manifest error, be final and binding on the Company and the Administrator. The cost of the Auditors incurred in resolving such

dispute shall be paid by the Parties in the proportion determined by such Auditors having regard to the merit, or lack thereof, of each side to the dispute.

4. Unless otherwise agreed to the contrary between the Company and the Administrator, the Company shall pay the Administrator within 30 days of the Company receiving an Invoice or a statement of account from the Administrator.

5. The Administrator is not entitled to any remuneration or indemnity in respect of the performance of its duties under this Letter of Appointment, save as expressly provided for in this Letter of Appointment.

Expenses and disbursements

6. The Company will, on written demand from the Administrator, reimburse the Administrator for all expenses (including any irrecoverable VAT thereon), paid by the Administrator on behalf of the Company in the performance of the Services and approved by the Company.

7. The Company shall not be liable for any expenses and disbursements incurred by the Administrator, which are not incurred on behalf of the Company in the course of performing the Services in terms of this agreement.

Value Added Tax

8. Any costs, expenses, charges or other amounts payable under this agreement shall be paid together with any VAT applicable to such amount subject to prior delivery to the payer of an appropriate VAT invoice.

Duration of appointment

9. This agreement shall commence on 15 December 2014 and continue indefinitely until terminated in accordance with this clause.

10. The Company and/or the Administrator may terminate this agreement upon 6 months prior written notice from one Party to the other Party.

Governing law and jurisdiction

11. This Letter of Appointment will in all respects be governed by and construed in accordance with the laws of South Africa.

12. Either Party shall be entitled to institute all or any proceedings against the other Party in connection with this Letter of Appointment in the Western Cape High Court, Cape Town and each Party hereby consents to and submits to the (non-exclusive) jurisdiction of that court or any successor court.

Appointment

The Company hereby appoints the Administrator to provide the Services with effect from 15 December 2014.

13. The Administrator hereby accepts the appointment.

14. During the continuance of its appointment under this Letter of Appointment, the Administrator shall have the full power, authority and right to do or cause to be done on behalf of the Company any and all things necessary, convenient or incidental to the provision of the Services and the performance of the other duties and obligations of the Administrator under this agreement.

15. The Administrator shall:

    15.1. fulfil its obligations in terms of this agreement in good faith and act in the interest of the Company at all times;

    15.2. act diligently and devote such time, attention, care, skill and have all necessary, competent, efficient, appropriately qualified and experienced personnel and equipment as may be required to enable it to properly and efficiently perform its obligations under this agreement;

    15.3. observe and comply with the applicable laws or regulations for the time being in force but Including, without limitation, laws or regulations applicable to the Company, and any law, rule, regulation, order or directive made or issued by any person, body or organisation which under legislation has or is recognised as having supervisory authority in respect of the Administrator or the Company; and

    15.4. observe and comply with all instructions and directions given to the Administrator from time to time by or on behalf of the Company.

Whole agreement

16. This Letter of Appointment constitutes the whole agreement between the Parties in relation to the subject matter thereof and no Party shall accordingly be bound by any undertaking, representation or warranty not recorded therein.

Execution

17. This Letter of Appointment:

17.1. may be executed in separate counterparts, none of which need contain the signatures of all of the Parties, each of which shall be deemed to be an original and all of which taken together constitute one agreement;

17.2. shall be valid and binding upon the Parties thereto, notwithstanding that one or more of the Parties may sign a fax copy thereof and whether or not such fax copy contains the signature of any other Party.

For: **MONTAUK HOLDINGS LIMITED**

Signature: /s/ David R. Herman
who warrants that he / she is duly authorised thereto
Name: David R. Herman
Date: 8-6-2015
Place: Pittsburgh PA USA

For: **HCI MANAGERIAL SERVICES PROPRIETARY LIMITED**

Signature: /s/ T. G. Govender
who warrants that he / she is duly authorised thereto
Name: T. G. Govender
Date: 8-6-2015
Place: Cape Town

Exhibit 21.1

Subsidiary of Montauk Renewables, Inc.	**State of Organization**
Montauk Energy Holdings, LLC	Delaware
Apex LFG Energy, LLC	Delaware
Bowerman Power LFG, LLC	Delaware
Galveston LFG, LLC	Delaware
GSF Energy, L.L.C.	Delaware
Johnstown LFG Holdings, Inc. f/k/a Leaf LFG Investments, Inc.	Delaware
Johnstown Regional Energy, LLC	Pennsylvania
MEDC, LLC	Delaware
MH Energy, LLC	Delaware
MH Energy (GP), LLC	Delaware
Monmouth Energy, Inc.	New Jersey
Monroeville LFG, LLC	Delaware
Montauk Energy Capital, LLC	Delaware
Montauk Renewable Ag, LLC	Delaware
Pico Energy, LLC	Idaho
Tulsa LFG, LLC	Delaware
TX LFG Energy, LP	Delaware
Valley LFG, LLC	Delaware

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated October 14, 2020, with respect to the consolidated financial statements of Montauk Holdings USA, LLC contained in the Registration Statement and Prospectus. We consent to the use of the aforementioned report in the Registration Statement and Prospectus, and to the use of our name as it appears under the caption “Experts.”

/s/ GRANT THORNTON LLP

Pittsburgh, Pennsylvania
December 11, 2020

Exhibit 23.3

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated December 11, 2020, with respect to the financial statements of Montauk Renewables, Inc. contained in the Registration Statement and Prospectus. We consent to the use of the aforementioned report in the Registration Statement and Prospectus, and to the use of our name as it appears under the caption "Experts."

/s/ GRANT THORNTON LLP

Pittsburgh, Pennsylvania
December 11, 2020