

CAMBRIDGE SENSORS LIMITED

---

Company Number: 2668392

---

ARTICLES OF ASSOCIATION

Adopted by Special Resolution dated 28<sup>th</sup> May 2002 and  
amended by Special Resolution on 25<sup>th</sup> November 2003, 22 November 2012, 10 August  
2020 and 22 May 2023

THE COMPANIES ACTS 1985 AND 1989  
COMPANY LIMITED BY SHARES

ARTICLES of ASSOCIATION  
of  
CAMBRIDGE SENSORS LIMITED

(as adopted by Special Resolution dated 28<sup>th</sup> May 2002 and  
amended by Special Resolution on 25<sup>th</sup> November 2003,  
22 November 2012, 10 August 2020 and 22 May 2023)

PRELIMINARY

1. The Regulations of the Company shall be those contained in Table A specified in Statutory Instrument 1985 No. 805 as amended by Statutory Instrument 1985 No. 1052 save insofar as they are excluded or modified hereby or inconsistent herewith and said Table A is hereinafter referred to as "Table A".
2. Regulations 8, 24, 29, 30, 31, 40, 41, 50, 59, 64, 73, 74, 75, 76, 77, 79, 80, 81, 93, 96 and 118 of Table A shall not apply to the Company.

SHARES

3. The ordinary shares of £0.01 each and the B ordinary share of £0.01 shall rank pari passu in all respects save that the B ordinary share shall not confer any right on the holder (i) to receive notice of or to attend, speak or vote at any general meeting of the Company or (ii) to receive any sum on a distribution of assets on a liquidation, dissolution or similar winding-up of the Company or a return of capital.
- 4.1 The Company is a private company and accordingly the Company shall not:
  - 4.1.1 offer to the public (whether for cash or otherwise) any shares in or debentures of the Company; or
  - 4.1.2 allot or agree to allot (whether for cash or otherwise) any shares in or debentures of the Company with a view to all or any of those shares or debentures being offered for sale to the public.

- 5.1 Any shares proposed to be issued shall first be offered to the members in proportion as nearly as may be to the number of the existing shares held by them respectively unless the Company shall by special resolution otherwise direct. The offer shall be made by notice specifying the number of shares offered and the period (being not less than fourteen days) within which the offer, if not accepted, will be deemed to be declined. The offer shall further invite each member to state in his reply the number of additional shares (if any) in excess of his proportion which he desires to purchase and if all such members do not accept the offer in respect of their respective proportions in full the shares not so accepted shall be used to satisfy the claims for additional shares as nearly as may be in the proportion to the number of shares already held by them respectively, provided that no member shall be obliged to take more shares than he shall have applied for. If any shares shall not be capable without fractions of being offered to the members holding that class of shares in proportion to their existing holdings, the same shall be offered to such members, or some of them, in such proportions or in such manner as may be determined by lots drawn in regard thereto, and the lots shall be drawn in such manner as the Directors may think fit. Any shares not taken up in accordance with the foregoing provisions and any shares released from the provisions of this Article by such special resolution as aforesaid shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the proposed allottees thereof than the terms on which they were offered to the members.
- 5.2 Subject to this Article the Directors are unconditionally authorised for the purposes of section 80 of the Companies Act 1985 ("the Act") to allot shares up to the amount of the authorised share capital of the Company as at the date of adoption of these Articles to such persons at such times and generally on such terms and conditions as the Directors think proper provided that such authority shall only insofar as the Company in general meeting shall not have varied renewed or revoked the same and provided that such authority may only be exercised during the period of five years commencing on the date of adoption of these Articles or during any further period of renewal of the authority conferred by this Article, whichever is the later.
- 5.3 In accordance with section 91 of the Act section 89(1) and section 90(1) to (6) (inclusive) shall be excluded from applying to the Company.

5.4 Article 5.1 shall not apply to:

5.4.1 the grant of any option pursuant to any employee or other share option plan approved by the Directors to any employee or officer of the Company or any subsidiary of the Company to acquire shares in the Company, nor to the issue of any shares pursuant to any such option, provided that the total number of ordinary shares of 1p each in respect of which such options have been granted (and have not lapsed) does not exceed 12,000; nor

5.4.2 to the issue of up to 30,086 Ordinary shares of 1p each pursuant to the two warrant agreements entered into on or about the date of adoption of these Articles by the Company in favour of Altium Capital Limited and James McCann and to the issue of up to 8,000 Ordinary shares of 1p each pursuant to options granted to James McCann prior to the date of adoption of these Articles.

6. Where any renounceable allotment letters or other renounceable documents are issued by the Company in respect of the issue or offer of any shares, the Directors may at their discretion impose such restrictions as they may think fit upon the right of any allottee or other person to whom the offer is made to renounce the shares so allotted or offered.

#### LIEN

7. The Company shall have a first and paramount lien on every share for (i) all monies (whether presently payable or not) called or payable at a fixed time in respect of that share and (ii) for all monies presently payable by the registered holder thereof or his estate to the Company; but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share shall extend to all rights attaching thereto and all dividends and sums payable thereon.

#### CALLS ON SHARES AND FORFEITURE

8. There shall be added at the end of the first sentence of regulation 18 of Table A, so as to increase the liability of any member in default in respect of a call, the words

"and all expenses that may have been incurred by the Company by reason of such non-payment".

## TRANSFER AND TRANSMISSION OF SHARES

9. All transfers of shares must:-

9.1 be lodged at the registered office or such other place as the Directors may appoint and be accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, and

9.2 be in respect of one class of shares only, and

9.3 be in favour of not more than one transferee.

Any direction (by way of renunciation, nomination or otherwise) by a member entitled to an allotment of shares to the effect that such shares or any of them be allotted or issued to or registered in name of some person other than himself shall for the purpose of these Articles be deemed to be a transfer of shares.

10.1.1 A member being a body corporate may at any time transfer all or any of its shares to a member of the same group. For the purposes of this Article, the expression "a member of the same group" means in relation to the transferor company a company which is for the time being a holding company (as defined in section 736 of the Act) of the transferor company or a subsidiary (as defined in that Section) of the transferor company PROVIDED THAT unless prior consent in writing to the contrary shall have been given by the holders of 75 per cent. of the shares in the Company (excluding those shares the subject of the transfer) if and when the relationship of holding company and subsidiary shall cease to apply to the transferor and transferee then such shares shall be re-transferred to the holding company or to another subsidiary of such holding company.

10.1.2 A member which is an investment trust or venture capital trust (as defined in The Listing Rules of the London Stock Exchange) whose shares are listed on the London Stock Exchange may transfer shares to another such investment trust or

venture capital trust respectively which is also managed by the manager of such member.

10.1.3 Any holder being an individual may at any time transfer all or any shares held by him:

- (i) to a privileged relation; or
- (ii) to trustees to be held upon family trusts.

10.1.4 Where shares are held by trustees upon family trusts:-

- (i) such shares may on any change of trustees be transferred to the new trustees;
- (ii) such shares may at any time be transferred to any person to whom under Article 10.1.3 of this Article the same could have been transferred by the settlor if he had remained the holder thereof; and
- (iii) if and whenever any such shares cease to be held upon family trusts (otherwise than in consequence of a transfer authorised by subparagraph (ii) of this paragraph) the trustees shall forthwith give a Transfer Notice (as hereinafter defined) in respect of the shares in question and such shares may not otherwise be transferred.

10.1.5 For the purpose of this Article 10.1:

- (i) "privileged relation" in relation to a holder means the spouse of the holder and such holder's children and grandchildren (including step and adopted children and grandchildren);
- (ii) "family trust" in relation to such holder means trusts under which no immediate beneficial interest in the shares in question is for the time being vested in any person other than the holder or his privileged relations and no power of control over the voting powers conferred by such shares is for the time being exercisable by or subject to the consent of any person other than the trustees of such holder or his privileged relations; and
- (iii) "settlor" includes a testator or an intestate in relation to family trust arising respectively under a testamentary disposition or an intestacy.

10.1.6 James McCann, Christopher Lowe and Nicholas Diss shall be permitted to transfer up to 12,000 shares in aggregate to employees of Cambridge Sensors Limited or Cambridge Sensors USA LLC at a value not exceeding £10 per share.

10.1.7 The Directors shall register a transfer made in accordance with the foregoing provisions of this Article 10.1 and regulation 24 of table A shall be amended accordingly.

10.2 Except in the case of a transfer of shares expressly authorised by Article 10.1 and 10.6 the right to transfer shares in the Company shall be subject to the following restrictions, namely:

10.2.1 Any member proposing to transfer any shares must give prior written notice to the Company specifying the proposed transferee, the number of shares proposed to be transferred and in the case of a sale the proposed price per share, or in the case of any other transfer, the amount which in his opinion constitutes the value per share. The other members shall have the right to purchase all (but not only some of) such shares either at the said proposed price or stated value per share or (where required by Article 10.2.2) if higher the market value per share fixed by an independent expert as specified in Article 10.2.4 below.

10.2.2 For the purposes of these Articles the member proposing to transfer any shares is called "the Vendor"; the prior written notice he must give is called a "Transfer Notice"; the shares the Vendor proposes to transfer as specified in a Transfer Notice are called "the offered shares", and the other member or members purchasing such shares is/are called "the purchasing member(s)".

A Transfer Notice authorises the Company to sell all (but not only some of) the offered shares to the purchasing member(s) as agent of the Vendor, either at the price or value per share specified in the Transfer Notice or if in the reasonable opinion of the Directors the Vendor's proposed transferee is a competitor of the Company at the market value per share fixed by the independent expert at the expense of the Company as specified in Article 10.2.4 below where such market value per share is higher than the price or value per share specified in the Transfer Notice. Unless all the other members agree, a Transfer Notice cannot be withdrawn.

10.2.3 The offered shares shall be offered to the members (other than the Vendor) as nearly as may be in proportion to the number of shares held by them respectively. Such offer shall be made by notice in writing (hereinafter

called an "Offer Notice") within seven days after the receipt by the Company of the Transfer Notice or if an independent valuation is required by the Directors under Article 10.2.2 and the Transfer Notice is not withdrawn within 14 days of the date of this valuation being certified.

The Offer Notice shall state the proposed transferee and the price or value per share specified in the Transfer Notice or where the Directors impose market value it shall omit this information and simply state the certified market price of each offered share and shall be open for written acceptance only for a period of fourteen days from its date. For the purpose of this Article 10.2 an offer shall be deemed to be accepted on the day on which the acceptance is received by the Company and save where agreed by the Company an acceptance shall be irrevocable.

The Offer Notice shall further invite each member to state in his reply the number of additional shares (if any) in excess of his proportion which he desires to purchase and if all the members do not accept the offer in respect of their respective proportions in full the shares not so accepted shall be used to satisfy the claims for additional shares as nearly as may be in the proportion to the number of shares already held by the claimants respectively, provided that no member shall be obliged to take more shares than he shall have applied for.

If any shares shall not be capable without fractions of being offered to the members in proportion to their existing holdings, the same shall be offered to the members, or some of them, in such proportions or in such manner as may be determined by lots drawn in regard thereto, and the lots shall be drawn in such manner as the Directors may think fit.

10.2.4 Where the Directors shall determine in accordance with Article 10.2.2 that an independent valuation should be obtained they shall, not later than 7 days after the date of the Offer Notice, serve on the Vendor notice in writing to this effect and shall within such period instruct an independent Chartered Accountant (who may be the Auditor or Auditors of the Company) who shall be deemed to act as an expert and not as an arbitrator and his determination of the market value shall be final and binding for all purposes hereof. The Valuer shall certify his opinion of the market value of the offered shares in



writing signed by him. On receipt of the Valuer's certificate the Company shall promptly by notice in writing provide such valuation to the Vendor and subject to his paying the valuer's costs and expenses he may withdraw this Transfer Notice within 7 days of the date of such notice. For the purpose of determining the market value of each of the offered shares the market value of the offered shares certified as aforesaid shall be divided by the number of the offered shares.

10.2.5 If purchasing members shall be found for all (but not only some of) the offered shares within the relevant period specified in Article 10.2.3 above, the Company shall not later than seven days after the expiry of such period give notice in writing (hereinafter called a "Sale Notice") to the Vendor and to each of the purchasing members specifying the purchasing members the number of shares to be purchased by each purchasing member and the date and time for completion of such purchase. The purchasing members shall be bound to purchase the offered shares on that date when the Vendor shall be bound upon payment of the price due in respect of all the offered shares to transfer the same to the purchasing members

10.2.7 If the Vendor shall fail to sign and deliver a valid transfer of any of the offered shares which he has become bound to sell pursuant to the foregoing provisions the Secretary of the Company or if the Secretary shall be the Vendor, any director of the Company other than the Vendor, shall be deemed to have been appointed agent of the Vendor with full power to complete, execute and deliver in the name and on behalf of the Vendor, (a) transfer(s) of the shares to be sold by him pursuant to these provisions, and to receive payment of the price on his behalf, and to give a valid receipt and discharge therefor.

The Directors shall register any transfer granted in pursuance of these powers notwithstanding that the certificate or certificates for the offered shares may not be produced with such transfer or transfers and after the purchasing member(s) has/have been registered in exercise of these powers, the validity of the proceedings shall not be questioned by any person.

- 10.2.8 If no Sale Notice shall be given by the Company to the Vendor within the time limit specified in Article 10.2.5 above, or if purchasers are not found for all the offered shares, the Vendor shall be entitled, for a period of thirty days after the expiry of such time limit, to transfer the offered shares to the proposed transferee specified in the Transfer Notice but in the case of a sale, at the price stated in the Transfer Notice and/or where appropriate the higher of that price and the market value fixed by the Valuer, and the Directors shall register such transfer(s).
- 10.2.9 Any purported transfer of shares by any member not preceded by a Transfer Notice given in accordance with the foregoing provisions, shall be of no effect unless the other members shall have validly waived their rights in writing, and no such purported transfer shall be registered by the Directors.
- 10.2.10 For the purpose of ensuring that a particular transfer of shares is permitted under or otherwise in accordance with these Articles the Directors may require the transferor or the person named as transferee in any transfer lodged for registration to furnish the Directors with such information and evidence as they may think reasonably necessary or relevant. Failing such information or evidence being furnished to the reasonable satisfaction of the Directors within a period of 28 days after such request the Directors shall refuse to register the transfer in question.
- 10.2.11 The provisions of Articles 10.2.1-10.2.8 of this Article 10.2 shall not apply to any sale or transfer of any shares in the Company or any interest therein to which all members of the Company shall have agreed in writing.
- 10.3. Notwithstanding any other provision in these Articles to the contrary no sale or transfer of ordinary shares (hereinafter called "the specified shares") which would result, if made and registered, in the proposed transferee or transferees or his or their nominees ("the Proposed Purchaser") and person(s) acting in concert (as defined in the City Code on Take-overs and Mergers) with him obtaining a Controlling Interest in the Company, shall be made or registered without the previous written consent of those members holding at least 90% in nominal value of the total voting rights (within the meaning of Section 736 A(2) of the Act) conferred by all the shares in the capital of the Company unless, before the transfer is lodged

for registration, the Proposed Purchaser has offered to purchase the whole of the shares registered in the name of each member of the Company (except the proposed transferor) ("Remaining Shareholders") at the specified price as hereinafter defined ("Appropriate Offer") and such offer shall have remained open for acceptance for at least 21 days and has served notice ("Acquisition Notice") on the Remaining Shareholders stating:-

- (a) the identity of the Proposed Purchaser;
- (b) whether any member at the date of the notice has any shareholding or any other interest (of whatsoever nature and whether held directly or indirectly) in the Proposed Purchaser or any associate (within the meaning of Section 435 of the Insolvency Act 1986) or in any person acting in concert with the Proposed Purchaser;
- (c) details of the persons having a beneficial interest in the capital of the Proposed Purchaser;
- (d) any condition to the acceptance of the offer by the Proposed Purchaser;
- (e) the price per share offered;
- (f) any other form of consideration or benefit of any kind (in cash or otherwise) payable by or receivable or received from the Proposed Purchaser or receivable by some (but not all) of the members for each of the shares or in relation to the transfer of shares.

For the purpose of this Article:-

- (i) the expression "a Controlling Interest" shall mean shares conferring in the aggregate 50 per cent. or more of the total voting rights (within the meaning of Section 736A(2) of the Act) conferred by all the shares in the capital of the Company for the time being in issue and conferring the right to vote at all general meetings or 50 per cent by nominal value of issued ordinary share capital of the Company;

- (ii) the expressions "transfer" and "transferee" shall include respectively the renunciation of a renounceable letter of allotment and the renouncee under any such letter of allotment; and
- (iii) "the specified price" shall mean a price per share at least equal to that offered or paid or payable by the Proposed Purchaser for the specified shares to the holders thereof plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the specified shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the specified shares.

10.4 If an offer ("the Offer") is made by any person to acquire the entire issued equity share capital of the Company (an "Offeree"), and the Offer is accepted by the holders of 80% in nominal value of the total voting rights (within the meaning of Section 736A (2) of the Act) conferred by all the shares in the capital of the Company ("the Majority Shareholders") all of the members of the Company shall be deemed to have accepted the Offer in respect of all of their shares.

10.5 Upon the Offer being accepted:

10.5.1 the chairman for the time being of the Company or failing him one of the directors or some other person duly nominated by a resolution of the Board for that purpose, shall be deemed to be the duly appointed attorney of each member holding shares with full power to execute, complete and deliver in the name and on behalf of each such member a transfer of all of such person's shares to the Offeree and on behalf of each such member to waive any rights of pre-emption arising in respect of any transfers to the Offeree;

10.5.2 the Directors may receive and give a good discharge for the purchase money on behalf of each such member and (subject to the transfer being duly stamped) enter the name of the Offeree or his nominee in the register of members as the holder by transfer of the relevant shares;

10.5.3 the Directors shall forthwith pay the purchase money into a separate bank account in the Company's name and if and when a member shall deliver up his certificate or certificates for his relevant shares to the Company he shall

thereupon be paid the purchase money, without interest and less any sums allowed to the Company by such member pursuant to these Articles or otherwise.

- 10.6 The provisions of Articles 10.2.1 to 10.2.8 of Article 10.2 shall not apply to any transfer of shares to a Proposed Purchaser or an Offeree by any shareholder subject to compliance with Articles 10.3 and 10.4 respectively.

#### COMPULSORY TRANSFERS

- 11.1 Subject to Article 11.2, if:-

- (i) any member who is also a director shall cease to be a director for any reason and does not remain an employee; or
- (ii) any member employed by the Company shall cease to be employed for any reason and does not remain a director; or
- (iii) any member shall have a curator appointed by any competent court or if his estate shall be sequestrated or if he shall be declared bankrupt or shall have any receiving order made against him or shall make any arrangement or composition with his creditors generally or if the provisions of Article 19.4.1 or 19.4.2 would apply to him (if he was a Director of the Company) or being a company shall go into liquidation (other than a liquidation for the purpose of reconstruction or amalgamation) or have a receiver appointed over all or any of its assets

then in each case the following provisions shall apply:-

- (a) such member or the executor trustee, curator, guardian, liquidator, receiver or other legal representative of such member (hereinafter collectively and individually referred to in this Article as "the transferring shareholder") shall be bound (unless the Directors otherwise agree) within 21 days of such occurrence to offer to sell and transfer the shares vested in him to any member or members other than the transferring shareholder, willing to purchase the same (hereinafter called "the purchasing member(s)") at such price as the parties may mutually agree or failing such agreement at the

market value per share as at the date of such notice certified in accordance with the provisions of paragraph (b) of this Article 11.1.

- (b) The shares vested in the transferring shareholder shall be offered to the members other than the transferring shareholder in proportion to the number of shares held by them respectively. Such offer shall be made by notice in writing by the Directors (a copy of which shall at the same time be given to the transferring shareholder) proposing a price for the sale and purchase of the shares. Such offer shall be open for negotiation of such price between the transferring shareholder and the other members (and written acceptance if so agreed) for a period of fourteen days from its date. If agreement on the price for the sale and purchase of the shares is not reached by the expiry of said period of fourteen days between the transferring shareholder and any other member(s) wishing to purchase such shares, any member shall be entitled by written notice to the Company to require that the market value of the shares in question be fixed by the Valuer in accordance with the provisions of Article 10.2.4, and on the market value being certified by the Valuer, the transferring shareholder shall sell and such other member(s) shall purchase such shares at such market value.
- (c) The provisions of Articles 10.2.2 and 10.2.4 to 10.2.10 (inclusive), shall apply mutatis mutandis to the sale and transfer of shares under this Article and the words "Vendor" and "offered shares" where they appear in those paragraphs shall for the purposes of this Article mean the transferring shareholder and the shares vested in the transferring shareholder respectively.

#### 11.2 Article 11.1 shall not apply to

- (i) James Michael McCann or Christopher Robin Lowe or their respective spouses or any shares held by them at any time; nor
- (ii) to any member in respect of any shares acquired by such member pursuant to the exercise of any option granted to him (whether before or after the date of adoption of these Articles) pursuant to any employee share option plan approved by the Directors.

#### GENERAL MEETINGS

- 12.1 No business shall be transacted of any general meeting of the Company unless the requisite quorum shall be present. Two persons present and entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum for all purposes.
- 12.2 If a quorum is not present within half an hour from the time appointed for a general meeting the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other place as the Directors may determine; and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed therefor such adjourned general meeting shall be dissolved. Regulations 41 and 50 of Table A shall not apply to the Company.
- 12.3 In paragraph (b) of Regulation 46 of Table A the words "one or more" shall be substituted for the words "at least two". Paragraphs (c) and (d) of said Regulation 46 shall be omitted.
- 12.4 A poll may be demanded at any general meeting by the Chairman or by another member present in person or by proxy and entitled to vote. Regulation 46 of Table A shall be altered accordingly.
- 12.5 On a poll votes may be given either personally or by proxy. A member may appoint only one proxy per general meeting in respect of his entire holding of each class of shares in the Company.
13. A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

#### DIRECTORS

- 14.1 So long as AIM VCT 2 PLC and 3PC Investment Trust PLC or any nominee for or permitted transferee (pursuant to Articles 9.1.2 and 9.1.3) of such members shall hold not less than 20 percent of the Company's issued equity share capital then

Friends Ivory & Sime PLC ("FIS") shall be entitled to appoint and remove a non-executive director ("the Investor Director"). Such appointment or removal shall be made either by resolution of the Directors at the request of FIS or by notice in writing from FIS to the Company.

14.2 In the event that the Investor Director is not in office FIS shall have the right to appoint a representative to attend (but not to vote at) meetings of the Directors.

14.3 The Company shall send to the Investor Director or any duly appointed representative pursuant to Article 14.2 (as the case may be):

14.3.1 reasonable advance notice of each Meeting of the Directors or of a Committee of the Directors of the Company or of a Meeting of the Directors of any subsidiary undertaking of the Company of which the Investor Director is a director (such notice to be not less than seven days' notice unless otherwise agreed by the Investor Director) and, not less than two business days prior to such meeting, an agenda of the business to be transacted at such Meeting (together with all papers circulated or presented to the same);

14.3.2 as soon as practicable after each such Meeting of the Directors or of a Committee of the Directors of the Company a copy of the draft Minutes thereof.

14.3 The Directors shall not be liable to retirement by rotation and 84 of Table A shall be varied accordingly.

#### PROCEEDINGS OF DIRECTORS

15.1 The quorum for Directors meetings shall be two directors throughout the meeting of which one shall be any Investor Director (if one has been appointed) and provided further that if due notice has been given in accordance with Article 14.3.1 and the Investor Director fails to attend then the Investor Director need not be present at any adjourned meeting in order for such adjourned meeting to be quorate. Regulation 89 of Table A is modified accordingly.

15.2 Subject to the provisions of the Act, and provided that he has disclosed to the Directors the nature and extent of any interest of his, a Director notwithstanding his



office may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested.

- 15.3 The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Unless all Directors indicate their willingness to accept shorter notice of a meeting of the Directors, at least 7 clear days' prior notice of the time and place of each meeting of the Directors shall be given. Questions arising at any meeting shall be determined by a majority of votes and in the case of an equality of votes the chairman of the meeting shall not have a second or casting vote.
- 15.4 A resolution in writing of all the Directors for the time being entitled to receive notice of meetings of Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors or (as the case may be) a committee of Directors duly convened and held and may consist of several documents (including a telex, facsimile, cable or telegram) each accurately stating the terms of the resolution and each signed by or emanating from one or more of the Directors.
- 15.5 Any director may participate in a meeting of Directors by means of a conference telephone, video conference or similar communications system whereby all those participating in the meeting can hear and address each other. Such participation shall be deemed to constitute presence in person at such meeting for all purposes including that of establishing a quorum. A meeting held by such means shall be deemed to take place where the largest group of participators in number is assembled. In the absence of such a majority the location of the chairman shall be deemed to be the place of the meeting.

#### ALTERNATE DIRECTORS

- 16.1 An alternate director shall be entitled to receive notice of all meetings of the Directors and of all meetings of committees of the Directors of which his appointor is a member (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) to attend and vote at any such meeting at which the director appointing him is not personally present and generally to perform all the functions of his appointor at such meeting as a director in his absence. An alternate director shall be entitled to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the

remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct. Regulation 66 of Table A shall not apply to the Company.

- 16.2 A director, or any such other person as is mentioned in regulation 65 of Table A, may act as an alternate director to represent more than one director, and an alternate director shall be entitled to any meeting of the Directors or of any committee of the Directors to one vote for every director whom he represents in addition to his own vote (if any) as a director, but he shall count as only one for the purpose of determining whether a quorum is present and the final sentence of regulation 88 of Table A shall not apply to the Company.
- 16.3 Save as otherwise provided in the regulations of the Company, an alternate director shall be deemed for the purposes specified in Article 16.1 to be a director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him. Regulation 69 of Table A shall not apply to the Company.

#### POWERS OF DIRECTORS

- 17.1 The Directors shall have the power to purchase and maintain at the expense of the Company for the benefit of any director (including an alternate director), officer or auditor of the Company insurance against any liability as is referred to in section 310(1) of the Act and, subject to the provisions of the Act, against any other liability which may attach him to loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a director, (including as an alternate director) officer or auditor.
- 17.2 The Directors may authorise the directors of companies within the same group of companies as the Company to purchase and maintain insurance at the expense of the Company for the benefit of any director (including an alternate director), other officer or auditor of such company in respect of such liability, loss or expenditure as is referred to in Article 17.1.
- 17.3 The Directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers, employees or auditors or trustees of any retirement benefit scheme or employee share scheme of

the Company, or any other company in which the Company has any interest whether direct or indirect or which is in any way allied to or associated with the Company or of any subsidiary undertaking of the Company or of any such other company, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company or subsidiary undertaking and to such extent as may be permitted by law otherwise to indemnify or to exempt any such person against or from any such liability; for the purpose of this Article 'subsidiary undertaking' shall have the meaning ascribed to it by section 258 of the Companies Act 1985.

#### BORROWING POWERS

- 18.1 The Directors may exercise all the powers of the Company to borrow money without limit as to amount upon such terms and in such manner as they think fit, and subject (in the case of any security convertible into shares) to Section 80 of the Act to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

#### DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 19.1 Notwithstanding the provisions of Article 14.1 the office of a director shall be vacated if:
- 19.2 he ceases to be a director by virtue of any provision of the Act or these Articles or he becomes prohibited by law from being a director; or
- 19.3 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- 19.4 he is, or may be, suffering from a mental disorder and either:

- 19.4.1 he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983, or in Scotland an application for admission under the Mental Health Act (Scotland) Act 1960, or
- 19.4.2 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs: or
- 19.5 he resigns his office by notice to the Company; or
- 19.6 he shall for more than six consecutive months have been absent without permission from meetings of the Directors held during that period and the Directors resolve that his office be vacated,

and regulation 81 of Table A shall not apply to the Company.

#### INDEMNITY

- 20.1 Subject to the provisions of section 310 of the Act every director (including an alternate director) or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the lawful execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 144 or section 727 of the Act in which relief is granted to him by the court, and no director (including an alternate director) or other officer shall be liable for any loss, damage or misfortune which may happen to be incurred by the Company in the lawful execution of the duties of his office or in relation thereto. Regulation 118 of Table A shall not apply to the Company.

#### DRAG-ALONG RIGHTS

- 21.1 For the purposes of this Article, the following definitions shall apply:

“Acceptance Form” means the form of acceptance and authority relating to the Offer enclosed with the Offer Document;

“Microdot” means Microdot Medical Products Limited;

“Offer” means the offer by Microdot to the Shareholders of the Company on the terms and subject to the conditions set out in the Offer Document and the Acceptance Form;

“Offer Document” means the offer document containing, inter alia, a letter from the Company and a letter from Microdot to the Shareholders of the Company, both dated 22 May 2023, setting out the Offer and its terms and conditions;

“Shares” means the ordinary shares of £0.01 each in the capital of the Company in issue at the date of the Offer Document;

21.2 If those individuals who hold of at least 90 per cent of the Shares in issue in the capital of the Company (Selling Shareholders) wish to accept the Offer from Microdot in respect of their Shares (as evidenced by the completion and delivery of Acceptance Forms in accordance with the terms set out in the Offer Document), the Selling Shareholders may require the other holders of Shares (Called Shareholders) to accept the Offer in accordance with the provisions of this Article and pursuant to the terms of the Offer (Drag Along Option). For the purpose of this Article and subject to holders of at least 90 per cent of the Shares in issue in the capital of the Company accepting the Offer, the Selling Shareholders shall be deemed to have irrevocably appointed any person nominated for the purpose by the Directors of the Company (Nominated Person) to be their agent and/ or attorney to act on their behalf with their full authority to invoke and exercise the Drag Along Option;

21.3 The Drag Along Option shall be exercised by the Nominated Person giving written notice to the Company to that effect (Drag Along Notice) at any time before completion of the Acquisition. The Drag Along Notice shall specify:

- (a) that Called Shareholders are required to accept the consideration pursuant to the Offer in respect of their Shares (Called Shares) and this Article;
- (b) the consideration in respect of the Called Shares; and
- (c) the proposed date for completion of the Acquisition;

21.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in the Offer Document or any revision, variation, extension or renewal thereof;

21.5 If any Called Shareholder has not by the date proposed for completion of the Acquisition completed and returned an Acceptance Form in accordance with the

Offer Document, each of the defaulting Called Shareholders shall be deemed to have irrevocably appointed any person nominated for the purpose by the Directors to be their agent and/ or attorney to execute, complete and deliver in the name of and on behalf of such defaulting Called Shareholders an Acceptance Form in respect of the Called Shares.

- 21.6 If cheques sent by Microdot to Shareholders in respect of the purchase monies are returned, left uncashed or are otherwise unclaimed 12 months after having become payable, and provided reasonable enquires have failed to establish any new address to be used for the purpose, such monies may be invested or otherwise made use of by Microdot for the benefit of the business until claimed. Microdot shall not be a trustee in respect of such unclaimed amounts and will not be liable to pay interest on it. All amounts that remain unclaimed for 6 years after they first became due for payment shall (if the Board of Microdot so resolves) be forfeited and shall cease to remain owing by Microdot.
- 21.7 The rights of pre-emption set out in these Articles shall not apply to any transfer of shares to Microdot pursuant to a sale for which a Drag Along Notice has been duly served.