

**THE COMPANIES ACT 2006**

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**PRIVATE COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**of**

**AQDOT LIMITED**  
**Registered no. 08194508**  
**(the “Company”)**

**(ADOPTED ON 27 JULY 2018, AS AMENDED BY SPECIAL RESOLUTIONS PASSED  
ON 12 NOVEMBER 2018 AND 08 FEBRUARY 2021)**

**1 INTRODUCTION AND INTERPRETATION**

- 1.1 The model articles for private companies limited by shares contained or incorporated in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the Date of Adoption (the “**Model Articles**”) shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles.
- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 In these Articles and the Model Articles any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.
- 1.4 In these Articles, article headings are used for convenience only and shall not affect the construction or interpretation of these Articles.

**2 DEFINED TERMS**

- 2.1 In these Articles the following words and expressions shall have the following meanings:

“**Act**” means the Companies Act 2006 (as amended from time to time);

“**Acting in Concert**” has the meaning given to it in The City Code on Takeovers and

Mergers published by the Panel on Takeovers and Mergers (as amended from time to time);

“**Articles**” means the company’s articles of association for the time being in force;

“**Asset Sale**” means the disposal by the Company, or the entering by the Company into an exclusive licence in respect, of all or substantially all of its undertaking and assets;

“**Associate**” in relation to any person means:

- (a) any person who is an associate of that person and the question of whether a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986 and (whether or not an associate as so determined);
- (b) any Member of the same Group;
- (c) any Member of the same Fund Group;

“**Associated Government Entities**” means:

- (a) any UK Government departments, including their executive agencies, other subsidiary bodies and other parts of UK Government
- (b) companies wholly or partly owned by UK Government departments and their subsidiaries;
- (c) non-departmental public bodies, other public bodies, public corporations and their subsidiary bodies sponsored by UK Government departments; and/or
- (d) any successor to any of the entities set out in (a), (b) and (c) above or any new bodies which fall within the same criteria;

“**Auditors**” means the auditors of the Company from time to time;

“**Bad Leaver**” means a Founder or Employee who ceases to be an Employee by reason of resignation without the prior consent of the Board, or by reason of dismissal by the Company (or a member of the Group) for any action or series of actions which:

- (a) constitute fraudulent activity; or
- (b) are in breach of any restricted covenant(s) to which he or she is subject.

“**Board**” means the board of Directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these Articles;

“**Bonus Issue**” or “**Reorganisation**” means any return of capital, bonus issue of shares or other securities of the Company by way of capitalisation of profits or reserves or any consolidation or sub-division or redenomination or any repurchase or redemption of shares or any variation in the subscription price or conversion rate

applicable to any other outstanding shares of the Company in each case other than in respect of the grant of options under any Share Option Plan;

**“Business Day”** means a day on which English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday or public holiday);

**“CEL”** means Cambridge Enterprise Limited of The Old Schools, Trinity Lane, Cambridge CB2 1TN;

**“CIC”** means Cambridge Innovation Capital pic of Hauser Forum, 3 Charles Babbage Road, Cambridge CB3 0GT;

**“CIC Group”** means CIC, any company that becomes a holding company of CIC and the shareholders of which are, at the time of so becoming, substantially the same as the shareholders in CIC immediately prior to such time, and each of their respective subsidiaries from time to time (including CIC (Jersey) Limited);

**“Civil Partner”** means in relation to a Shareholder, a civil partner (as defined in the Civil Partnership Act 2004) of the Shareholder;

**“Common-Law Spouse”** means, in relation to a Shareholder, a non-marital, long-term partner or cohabitee of the Shareholder with whom that Shareholder is in an established domestic relationship;

**“Controlling Interest”** means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;

**“Date of Adoption”** means the date on which these Articles were adopted;

**“Director(s)”** means a director or directors of the Company from time to time;

**“Document”** includes, unless otherwise specified, any document sent or supplied in Electronic Form;

**“Effective Termination Date”** means the date on which the Employee gives or is given notice to terminate his employment or consultancy;

**“EIS Shares”** means EIS shares of £0.01 each in the capital of the Company from time to time;

**“Electronic Form”** has the meaning given in section 1168 of the Act;

**“Employee”** means an individual who is employed by, or who provides consultancy services to, the Company or any member of the Group;

**“Employee Shares”** in relation to an Employee means all Ordinary Shares in the Company held by:

- (a) the Employee in question; and

- (b) by any Permitted Transferee of that Employee other than those Ordinary Shares held by those persons that an Investor Majority declares itself satisfied were not acquired directly or indirectly from the Employee or by reason of his relationship with the Employee;

**“Encumbrance”** means any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including without limitation any retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law);

**“Fair Value”** is as determined in accordance with Article 14.3;

**“Family Trusts”** means trust(s) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than a Shareholder who is an individual and/or Privileged Relations of that individual;

**“Founder Director”** means a director appointed by the Founders;

**“Founders”** means the individuals identified as founders of the Company in any shareholders’ agreement in force at any time between certain of the Investors and the Company;

**“Fund Manager”** means a person whose principal business is to make, manage or advise upon investments in securities;

**“Future Fund”** means UK FF Nominees Limited (company number 12591650) whose registered office is at Level 37, 25 Canada Square, London, E14 5LQ;

**“Future Fund Agreement”** means the convertible loan agreement entered into between the Future Fund, the Company and other investors dated on or around the Date of Adoption;

**“Group”** means the Company and its subsidiary undertaking(s) (if any) from time to time;

**“Institutional Investor”** means any fund, partnership, body corporate, trust or other person or entity whose principle business is to make investments or a person whose business is to make, manage or advise upon investments for any of the foregoing, other than as Institutional Investors who the Board determines in its reasonable discretion is a competitor with the business of the Company;

**“Investor Director(s)”** means such director(s) of the Company nominated by the Investors in accordance with any shareholders’ agreement in force at any time between certain of the Investors and the Company;

**“Investor Director Consent”** means the consent of all of the Investor Directors appointed at the relevant time;

**“Investor Majority”** means Parkwalk, Touchstone Innovations, the University, Providence, The University of Cambridge Enterprise Fund, The University of

Cambridge Enterprise Fund I, The University of Cambridge Enterprise Fund II, The University of Cambridge Enterprise Fund III and The University of Cambridge Enterprise Fund I syndicate in aggregate holding at least fifty per cent. (50%) of the aggregate number of Preferred Shares and EIS Shares (which, for these purposes, shall be treated as a single class of shares) from time to time;

**“Investors”** means the holders of the Preferred Shares and/or EIS Shares and their Permitted Transferees;

**“IPO”** means the admission of all or any of the Shares or securities representing those shares (including without limitation depositary interests, American depositary receipts, American depositary shares and/or other instruments) to or the grant of permission by any like authority for the same to be admitted to or traded or quoted on Nasdaq Stock Market operated by the NASDAQ OMX Group or the Official List of the United Kingdom Listing Authority or the AIM Market operated by the London Stock Exchange Pic or any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000);

**“Management Director”** means either the Chief Executive Officer of the Company (being, at the Date of Adoption, Tim Wright) or a Founder Director;

**“a Member of the same Fund Group”** means:

- (a) if the Shareholder is a fund, partnership, company, syndicate, or other entity whose business is managed by a Fund Manager (an **“Investment Fund”**) or a nominee of that person:
  - (i) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of the Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business);
  - (ii) any Investment Fund managed by that Fund Manager;
  - (iii) any Parent Undertaking or Subsidiary Undertaking of that Fund Manager, or any subsidiary undertaking of any Parent Undertaking of that Fund Manager; or
  - (iv) any trustee, nominee or custodian of such Investment Fund and vice versa; or
- (b) if the Shareholder is a member of the Providence Group, any other member of the Providence Group; or
- (c) if the Shareholder is a member of the University Group, any other member of the University Group.

**“a Member of the same Group”** means as regards any company, a company which is from time to time a Parent Undertaking or a Subsidiary Undertaking of that company

or a Subsidiary Undertaking of any such Parent Undertaking (and for the avoidance of doubt, IP Group plc being a Parent Undertaking of Touchstone Innovations as at the Date of Adoption);

**“New Securities”** means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the Date of Adoption (other than (a) options to subscribe for Shares under any Share Option Plan; (b) any shares or other securities issued pursuant to a Bonus Issue or Reorganisation; or (c) Shares or other securities which the Investor Majority have agreed should be issued without complying with Article 10);

**“Ordinary Shares”** means ordinary shares of £0.0001 each in the capital of the Company from time to time;

**“Original Purchase Price”** means a price per share equal to the amount subscribed or deemed to have been subscribed (including premium) for such share;

**“Parkwalk”** means Parkwalk Advisors Ltd acting as Fund Manager for and on behalf of the Parkwalk Funds;

**“Parkwalk Funds”** means any funds whether constituted as approved or unapproved EIS funds, limited partnerships, limited liability partnerships or otherwise, in each case managed by Parkwalk that have an interest in Shares, and **“Parkwalk Fund”** shall mean any of them, excluding any University of Cambridge Enterprise Fund or University of Cambridge Enterprise Fund Syndicate. Parkwalk Funds also includes any nominee that Parkwalk or their custodian may use from time to time including Share Nominees Limited;

**“Permitted Transfer”** means a transfer of Shares in accordance with Article 12;

**“Permitted Transferee”** means:

- (a) in relation to a Shareholder who is an individual, any of his Privileged Relations, Trustees or Qualifying Company;
- (b) in relation to a Shareholder which is an undertaking means any Member of the same Group;
- (c) in relation to a Shareholder which is an Investment Fund means any Member of the same Fund Group;
- (d) in relation to a Shareholder which is a member of the Providence Group means any member of the Providence Group;
- (e) in relation to a Shareholder which is a member of the University Group means any member of the University Group;
- (f) in relation to the Future Fund;
  - i. an Institutional Investor that is acquiring the whole or part (being not fewer than ten (10) companies, including the Company) of the Future Fund’s

interest in a portfolio of investments which comprise or result from the conversion of unsecured convertible loans on substantially the same terms as the Future Fund Agreement;

ii. any Associated Government Entities;

**“Preferred Shares”** means preferred shares of £0.01 each in the capital of the Company from time to time;

**“Privileged Relation”** in relation to a Shareholder who is an individual member or deceased or former member means a spouse, Common-Law Spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate child and their issue);

**“Proceeds of Sale”** means the consideration payable (including any deferred consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale;

**“Providence”** means Providence Investment Company Limited (incorporated in the British Virgin Islands with registered number 1063425);

**“Providence Beneficiaries”** means the beneficiaries of the Providence Trust as at the Date of Adoption;

**“Providence Group”** means:

- (a) Providence; and
- (b) any other body corporate, trust, unincorporated association or other legal entity:
  - (i) controlled jointly by the Providence Beneficiaries and/or the Providence Trust (if and for so long as the Providence Beneficiaries remain the sole beneficiaries of the Providence Trust); and
  - (ii) whose business is solely or substantially the management or holding of investments for and on behalf of the Providence Beneficiaries (and which body corporate, unincorporated association or other legal entity is not directly or indirectly in competition with the business of the Company); and
- (c) any person acting as nominee for any of the above persons; and **“Member of the Providence Group”** means any of the above.

**“Providence Trust”** means The Providence Trust, a Jersey law trust created on 6 October 1983 by declaration of trust by its then trustee, Abacus Trustees (Jersey) Limited of La Motte Chambers, St Helier, Jersey, Channel Islands, JE1 1BJ;

**“Qualifying Company”** means a company in which a Shareholder, or a Shareholder together with one or more of his Privileged Relations, or Trustee(s) hold the whole of the share capital and which they control;

**“Relevant Sale Shares”** has the meaning given in Article 9.5;

**“Relevant Transfer”** has the meaning given in Article 9.5;

**“Shareholder”** means any holder of any Shares from time to time;

**“Share Option Plan”** means any share option plan of the Company, the terms of which have been approved by the Investor Majority;

**“Shares”** means the Preferred Shares, the EIS Shares and the Ordinary Shares (and **“Share”** shall mean a share of any such class);

**“Share Sale”** means the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the purchaser of those shares (or grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest in the Company, except where following completion of the sale the shareholders in the Company and the proportion of shares held by each of them are the same as the shareholders and their shareholdings in the Company immediately prior to the sale;

**“Subsidiary Undertaking”** and **“Parent Undertaking”** shall have the respective meanings set out in sections 1159 and 1162 of the Act but for the purposes of determining whether a limited liability partnership which is a subsidiary of a company or another limited liability partnership, section 1159 of the Act shall be amended so that:

- (a) references in sections 1159(l)(a) and (c) to voting rights are to the members’ rights to vote on all or substantially all matters which are decided by a vote of the members of the limited liability partnership; and
- (b) the reference in section 1159(l)(b) to the right to appoint or remove a majority of its board of directors is to the right to appoint or remove members holding a majority of the voting rights;

**“Touchstone Innovations”** means Touchstone Innovations Businesses LLP;

**“Trustees”** means the trustee(s) of a Family Trust;

**“University”** means The Chancellor, Masters and Scholars of the University of Cambridge;

**“University Group”** means;

- (a) the University and its subsidiaries;
- (b) the University Seed Funds; and
- (c) the CIC Group.

**“University Seed Funds”** means the Cambridge Enterprise Seed Funds, the UCEF Funds and those funds established by CEL or the University from time to time to invest or co-invest in University spin-outs which are managed or operated by CEL or



to which CEL is appointed representative or investment adviser (including any syndicate funds established to allow University of Cambridge Enterprise Fund investors to make follow-on investments); and

**“UCEF Funds”** means:

- (a) the SEIS and/or EIS funds, each called the **“University of Cambridge Enterprise Fund”** (and which, following the first such fund, are designated by consecutive Roman numerals); and/or
- (b) any SEIS and/or EIS syndicate investment, each called the **“University of Cambridge Enterprise Fund Syndicate”** followed by the name of the investment (and which, following the first such syndicate, is designated by consecutive Roman numerals),

in each case managed by Parkwalk Advisors Ltd or any replacement Fund Manager appointed from time to time, and

**“UCEF Fund”** means any of them.

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

2.3 Except as otherwise provided in these Articles, the EIS Shares, the Preferred Shares and the Ordinary Shares shall rank pari passu in all respects, but shall constitute separate classes of shares.

### **3 PROCEEDINGS OF DIRECTORS**

3.1 The quorum for Directors' meetings shall be three Directors who must include a Management Director and an Investor Director (save that where an interest of the Investor Director is being authorised by other Directors in accordance with section 175(5)(a) of the Act, the Investor Director and any other interested Director shall not be included in the quorum required for the purpose of such authorisation but shall otherwise be included for the purpose of forming the quorum at the meeting). Article 11(2) of the Model Articles shall not apply to the Company.

3.2 In the case of any equality of votes, the chairman shall not have a second or casting vote. Article 13 of the Model Articles shall not apply to the Company.

### **4 ALTERNATE DIRECTORS**

4.1 Articles 15 and 25 to 27 of the model articles for public companies limited by shares contained in Schedule 3 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) shall apply to the Company.

### **5 DIRECTORS' INTERESTS**

5.1 Subject to the provisions of the Act, and provided that he has declared to the Directors

the nature and extent of his interest, a Director may vote at a meeting of the Directors or of a committee of the Directors on any resolution concerning a matter in which he has an interest, whether a direct or an indirect interest, or in relation to which he has a duty and shall also be counted in reckoning whether a quorum is present at such a meeting. Article 14 of the Model Articles shall not apply to the Company.

## 5.2 Specific interests of a Director

Subject to the provisions of the Act, and provided that he has declared to the Directors the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind:

- (a) where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested;
- (b) where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested;
- (c) where a Director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a parent undertaking of, or a subsidiary undertaking of a parent undertaking of, the Company;
- (d) where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested;
- (e) where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested; or
- (f) where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this.

## 5.3 Interests of an Investor Director

In addition to the provisions of Article 5.2, subject to the provisions of the Act, and provided that he has declared to the Directors the nature and extent of his interest, where a Director is an Investor Director he may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest arising from any

duty he may owe to, or interest he may have as an employee, director, trustee, member, partner, officer or representative of, or a consultant to, or direct or indirect investor (including without limitation by virtue of a carried interest, remuneration or incentive arrangements or the holding of securities) in:

- (a) a Fund Manager who advises or manages an Investor;
- (b) any of the funds advised or managed by a Fund Manager who advises or manages an Investor from time to time; or
- (c) another body corporate or firm in which a Fund Manager who advises or manages an Investor or any fund advised by such Fund Manager has directly or indirectly invested, including without limitation any portfolio companies.

## **6 VOTING**

- 6.1 On any resolution (whether to be decided on a show of hands or on a poll in accordance with Model Article 42) at a general meeting or on any written resolution, subject always to Article 6.2, each Shareholder shall have one vote for each Share held.
- 6.2 Notwithstanding Article 6.1, if the aggregate number of votes exercisable in a general meeting of the Company or in relation to any proposed written resolutions of the Company in respect of those Shares held by Touchstone Innovations and Parkwalk (and any Member of the same Group as Touchstone Innovations and Parkwalk) would exceed 49.9% of the total number of votes exercisable in respect of all Shares entitled to vote at a general meeting of the Company or on any proposed written resolutions of the Company, then the number of votes actually exercisable in respect of those shares held by Touchstone Innovations in a general meeting of the Company or on any proposed written resolutions of the Company shall be reduced so that the combined voting rights of Touchstone Innovations and Parkwalk (and any Member of the same Group as Touchstone Innovations and Parkwalk) is equal to 49.9% of the total number of votes exercisable in respect of all shares entitled to vote at a general meeting of the Company or on any proposed written resolutions of the Company. The foregoing provisions of this Article 6.2 may be suspended or disapplied at any time by written notice served on the Company by Touchstone Innovations and Parkwalk.
- 6.3 Touchstone Innovations may at any time at its sole discretion on delivery to the Company of a notice in writing effect an automatic conversion of such number of voting Shares (as shall be stated in such notice) then held by it into an equal number of non-voting Shares. Each such non-voting Share shall in all respects have the same rights as benefitted such Share immediately prior to such conversion save only that such non-voting Share shall carry no voting rights exercisable in a general meeting of the members of the Company or in relation to any proposed written resolutions of the Company. The right to convert shall be exercised in writing to the Company signed by Touchstone Innovations and delivered, together with the share certificate(s) in respect of such voting Shares, to the Company's registered office and shall take effect immediately upon the Company updating the registers to reflect such conversion. Upon receipt of such certificate(s) the Company shall cancel the same and promptly re-issue to Touchstone Innovations a new certificate(s) in respect of such Shares indicating which such Shares had been so converted into non-voting Shares.

## **7 LIQUIDATION PREFERENCE**

7.1 On a distribution of assets on a liquidation the surplus assets of the Company remaining after payment of its liabilities shall be applied (to the extent that the Company is lawfully permitted to do so):

- (a) first in paying to each of the holders of the Preferred Shares, in priority to any other classes of Shares, an amount per share held equal to the Original Purchase Price (provided that if there are insufficient surplus assets to pay the amounts per share equal to the Original Purchase Price, the remaining surplus assets shall be distributed to the holders of the Preferred Shares pro rata to their respective holdings of Preferred Shares); and
- (b) the balance of the surplus assets (if any) shall be distributed among the holders of EIS Shares and Ordinary Shares pro rata (as if the EIS Shares and Ordinary Shares constituted one and the same class) to the number of EIS Shares and Ordinary Shares held.

7.2 On a distribution of assets on a return of capital (other than a conversion, redemption or purchase of Shares) the surplus assets of the Company remaining after payment of its liabilities shall be applied (to the extent that the Company is lawfully permitted to do so):

- (a) first in paying to each of the holders of the Preferred Shares and the EIS Shares (as if the Preferred Shares and EIS Shares constituted one and the same class), in priority to any other classes of Shares, an amount per share held equal to the greater of:
  - (i) the Original Purchase Price (provided that if there are insufficient surplus assets to pay the amounts per share equal to the Original Purchase Price, the remaining surplus assets shall be distributed to the holders of the Preferred Shares pro rata to their respective holdings of Preferred Shares and EIS Shares (as a single class)); or
  - (ii) the amount that would be paid to each holder of Preferred Shares and EIS Shares if the surplus assets were distributed to all of the Shareholders pro rata to the number of Shares held by them (as if the Preferred Shares, EIS Shares and Ordinary Shares constituted one and the same class); and
- (b) the balance of the surplus assets (if any) shall be distributed among the holders of Ordinary Shares pro rata to the number of Ordinary Shares held.

## **8 EXIT PROVISIONS**

8.1 On a Share Sale the Proceeds of Sale remaining after payment of the Company's liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the following order of priority to the selling shareholders:

- (a) first in paying to each of the holders of the Preferred Shares and EIS Shares (as if the Preferred Shares and EIS Shares constituted one and the same class), in

priority to any other classes of Shares, an amount per share held equal to the greater of:

- (iii) the Original Purchase Price (provided that if there are insufficient surplus assets to pay the amounts per share equal to the Original Purchase Price, the remaining surplus assets shall be distributed to the holders of the Preferred Shares and EIS Shares pro rata to their respective holdings of Preferred Shares and EIS Shares (as a single class)); or
  - (iv) the amount that would be paid to each holder of Preferred Shares and EIS Shares if the Proceeds of Sale were distributed to all of the Shareholders pro rata to the number of Shares held by them (as if the Preferred Shares, EIS Shares and Ordinary Shares constituted one and the same class); and
- (b) the balance of the Proceeds of Sale (if any) shall be distributed among the holders of the Ordinary Shares pro rata to the number of Ordinary Shares held,

and the Directors shall not register any transfer of Shares if the Proceeds of Sale are not so distributed save in respect of any Shares not sold in connection with that Share Sale provided that if the Proceeds of Sale are not settled in their entirety upon completion of the Share Sale:

- (c) the Directors shall not be prohibited from registering the transfer of the relevant Shares so long as the Proceeds of Sale that are settled have been distributed in the order of priority set out in Article 7.1; and
- (d) the Shareholders shall take any action required by the Investors to ensure that the Proceeds of Sale in their entirety are distributed in the order of priority set out in Article 8.1.

- 8.2 On an Asset Sale the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in Article 8.1 provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, the Shareholders shall take any action required by the Investors (including, but without prejudice to the generality of this Article 8.2, actions that may be necessary to put the Company into voluntary liquidation).

## **9 CONVERSION OF PREFERRED SHARES AND EIS SHARES**

### **Voluntary Conversion**

- 9.1 Any holder of Preferred Shares shall be entitled, by notice in writing to the Company, to require conversion into Ordinary Shares of all of the Preferred Shares held by them at any time and those Preferred Shares shall convert automatically on the date of such notice (the “**Conversion Date**”) into the number of Ordinary Shares calculated in accordance with Article 9.9. The holder may in such notice, state that conversion of its Preferred Shares into Ordinary Shares is conditional upon the occurrence of particular events (the “**Conditions**”).

- 9.2 In the event of a conversion under Article 9.1, if the Conditions (if any) have not been

satisfied or waived by the relevant holder by the Conversion Date such conversion shall be deemed not to have occurred.

- 9.3 In the case of Article 9.1, at least five Business Days after the Conversion Date, each holder of the relevant Preferred Shares and EIS Shares shall deliver the certificate (or a suitable indemnity) in respect of the shares being converted for such shares to the Company at its registered office for the time being.

#### Automatic Conversion

- 9.4 All of the Preferred Shares and EIS Shares shall automatically convert into the number of Ordinary Shares calculated in accordance with Article 9.8 immediately upon the occurrence of an IPO.
- 9.5 If any holder of Preferred Shares and/or EIS Shares (or any person nominated by it or its existing Permitted Transferee) wishes to transfer or transfers any Preferred Shares and/or EIS Shares (the “**Relevant Sale Shares**”) to a third party who is not a Permitted Transferee otherwise than in accordance with Article 12 (the “**Relevant Transfer**”), then effective immediately prior to the completion of the Relevant Transfer (and “**Conversion Date**” shall be construed accordingly), all of the Relevant Sale Shares then held by such holder (and any nominee or existing Permitted Transferee) at such time shall automatically convert into the number of Ordinary Shares calculated in accordance with Article 9.8. Following the Conversion Date, the Relevant Sale Shares shall cease to comprise part of the transferring Investor’s shareholding and therefore shall cease to be relevant in determining whether such Investor is entitled to appoint an Investor Director. For the avoidance of doubt, no transferee of the Relevant Sale Shares shall, by virtue only of the transfer of the Relevant Sale Shares to him/her/it, be entitled to appoint a director to the board of the Company. This Article 9.5 shall terminate and cease to have any effect upon completion of the Company of an IPO.
- 9.6 Where conversion is mandatory on the occurrence of an IPO, that conversion will be effective only immediately prior to such IPO (and “**Conversion Date**” shall be construed accordingly) and, if such IPO does not become effective or does not take place, such conversion shall be deemed not to have occurred.
- 9.7 For the avoidance of doubt, the other provisions of these Articles shall continue to apply to a Relevant Transfer notwithstanding this Article 9 (including, but not limited to, Article 13). In the event that the Relevant Transfer pursuant to Article 9.5 does not proceed so that the holder of the Relevant Sale Shares does not transfer such shares to a third party but retains all of its Preferred Shares and/or EIS Shares (as the case may be), then such conversion shall be deemed not to have occurred.
- 9.8 In the case of (i) Article 9.4, at least five Business Days prior to the occurrence of the IPO or (ii) Article 9.5, at least five Business Days after the Conversion Date, each holder of the relevant Preferred Shares and EIS Shares shall deliver the certificate (or a suitable indemnity) in respect of the shares being converted for such shares to the Company at its registered office for the time being.

#### General

- 9.9 On the Conversion Date, the relevant Preferred Shares and EIS Shares shall without further authority than is contained in these Articles stand converted into Ordinary Shares on the basis of one Ordinary Share for each Preferred Share or EIS Share held and the Ordinary Shares resulting from that conversion shall in all other respects rank *pari passu* with the existing issued Ordinary Shares.
- 9.10 The Company shall on the Conversion Date enter the holder of the converted Preferred Shares and EIS Shares on the register of members of the Company as the holder of the appropriate number of Ordinary Shares and, subject to the relevant holder delivering its certificate(s) (or indemnity) in respect of the Preferred Shares and EIS Shares in accordance with this Article, the Company shall within 10 Business Days of the Conversion Date forward to such holder of Preferred Shares and EIS Shares by post to his address shown in the register of members, free of charge, a definitive certificate for the appropriate number of fully paid Ordinary Shares.
- 10 ALLOTMENT OF NEW SHARES OR OTHER SECURITIES: PRE-EMPTION**
- 10.1 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act do not apply to an allotment of equity securities made by the Company.
- 10.2 Unless otherwise determined by special resolution, any New Securities shall, before they are allotted or granted on any terms, be first offered by the Company in writing to each Shareholder by:
- (a) giving details of the number and subscription price of the New Securities;
  - (b) inviting him to apply for the New Securities at the subscription price (being on no less favourable terms);
  - (c) stating that he will have a period of at least 14 days from the date of the notice in which to apply;
  - (d) stating that, if there is competition among the Shareholders for the New Securities, the New Securities will be allocated to him in proportion (as nearly as may be) to his existing holdings of Shares (his “**Proportionate Allocation**”);
  - (e) inviting him to indicate if he is willing to purchase New Securities in excess of his Proportionate Allocation (“**Extra Securities**”) and, if so, the number of Extra Securities.
- 10.3 On expiry of an offer made in accordance with Article 10.2 (or sooner if applications or refusals have been received from all Shareholders and all requisite approvals have been given), the Company shall allot or grant (as the case may be) the New Securities as follows:
- (a) if the total number of New Securities applied for is equal to or less than the New Securities offered, each Shareholder shall be allocated the number applied for by him; or
  - (b) if the total number of New Securities applied for is more than the New Securities offered, each Shareholder shall be allocated his Proportionate

Allocation or, if less, the number of New Securities for which he has applied;  
and

- (c) applications for Extra Securities shall be allocated in accordance with such applications or, in the event of competition, among those Shareholders applying for Extra Securities in proportion to their Proportionate Allocations but so that no applicant shall be allocated more Extra Securities than he has applied for and so that if there is a surplus further allocations shall be made on the same basis (and if necessary more than once) until all New Securities have been allocated;
- (d) fractional entitlements shall be rounded to the nearest whole number;

following which the Directors may, subject to these Articles and the Act, allot or grant (as the case may be) such New Securities as have not been taken up in such manner as they think fit, but on no less favourable terms.

10.4 Any New Securities offered under this Article 10 to an Investor may be accepted in full or part only by a Member of the same Fund Group as that Investor in accordance with the terms of this Article 10.

10.5 No Shares shall be allotted to any Employee, Director, prospective Employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, unless such person has entered into a joint section 431 Income Tax (Earnings and Pensions) Act 2003 election with the Company if so required by the Company.

## **11 TRANSFERS OF SHARES - GENERAL**

11.1 Reference to the transfer of a Share in these Articles includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or Encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share.

11.2 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles he will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him.

11.3 The Directors may refuse to register a transfer of a Share if:

- (a) a Shareholder transfers a Share other than in accordance with these Articles; or
- (b) the transfer is to an Employee, Director or prospective Employee or prospective director of the Company and such person has not entered into a joint section 431 ITEPA election with the Company.

Article 26(5) of the Model Articles shall be modified accordingly.

11.4 The Directors may, as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement in force at any time between some or all of the Shareholders and the Company.



- 11.5 Articles 27 to 29 of the Model Articles regarding transmission of shares shall not apply to the Company.
- 11.6 Any transfer of a Share by way of sale which is required to be made under Articles 13 to 18 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee.
- 11.7 Subject always to Article 12, but otherwise notwithstanding any provision in these Articles to the contrary, no Share held by a Founder shall be transferred without the prior written consent of the Investor Majority.

## **12 PERMITTED TRANSFERS**

- 12.1 A Shareholder (the “**Original Shareholder**”) may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise.
- 12.2 Any Shareholder being a member of the Providence Group may at any time transfer all or any of their Shares to any other member of the Providence Group for any reason whatsoever.
- 12.3 Shares previously transferred as permitted by Article 12.1 may be transferred by the transferee to the Original Shareholder or any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.
- 12.4 Where, upon death of a Shareholder, the persons legally or beneficially entitled to any Shares are Permitted Transferees of that deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees without restriction as to price or otherwise.
- 12.5 A transfer of any Shares approved by the Investor Majority and the Board may be made without restriction as to price or otherwise and each transfer shall be registered by the Directors.

## **13 TRANSFERS OF SHARES SUBJECT TO PRE-EMPTION RIGHTS**

- 13.1 Save where the provisions of Articles 12, 16, 17 and 18 apply, a Shareholder who wishes to transfer Shares (a “**Seller**”) shall give notice in writing (which cannot be withdrawn save with the consent of the Board) (a “**Transfer Notice**”) to the Company (constituting the Company the agent of the Seller) specifying:
- (a) the number of Shares which he wishes to transfer (the “**Sale Shares**”);
  - (b) if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee; and
  - (c) the price at which he wishes to transfer the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no price is agreed between the Seller and the Board (including the Investor Directors) (the “**Transfer Price**”).

If a Shareholder is deemed to have given a Transfer Notice, the price at which he is to transfer the Sale Shares (being in this case the Transfer Price) shall be agreed between such Shareholder and the Board (including the Investor Directors) and failing such

agreement such price will be deemed to be the Fair Value of such Shares.

- 13.2 As soon as practicable following the receipt of a Transfer Notice (or, in the case where the Transfer Price has not been agreed, the determination of the Transfer Price under Article 14), the Company shall give notice in writing to each Shareholder other than the Seller (each an “**Eligible Shareholder**”):
- (a) inviting him to apply for the Sale Shares at the Transfer Price;
  - (b) stating that he will have a period of at least 14 days from the date of the notice in which to apply;
  - (c) stating that, the Sale Shares shall be offered to the Eligible Shareholders and if there is competition among the Eligible Shareholders for the Sale Shares within a class of Shares, the Sale Shares will be allocated to him in proportion (as nearly as may be) to his existing holding of Shares (his “**Proportionate Allocation**”);
  - (d) inviting him to indicate if he is willing to purchase Sale Shares in excess of his Proportionate Allocation (“**Extra Shares**”) and, if so, the number of Extra Shares.
- 13.3 On expiry of an offer made in accordance with Article 13.2 (or sooner if applications or refusals have been received from all Eligible Shareholders), the Company shall allocate the Sale Shares as follows:
- (a) if the total number of Sale Shares applied for is equal to or less than the number of Sale Shares, each Eligible Shareholder of that class of Shares shall be allocated the number applied for by him; or
  - (b) if the total number of Sale Shares applied for is more than the available number of Sale Shares, each Eligible Shareholder of that class of Shares shall be allocated his Proportionate Allocation or, if less, the number of Sale Shares for which he has applied;
  - (c) applications for Extra Shares shall be allocated in accordance with such applications or, in the event of competition, among those Eligible Shareholders applying for Extra Shares in proportion to their Proportionate Allocations but so that no applicant shall be allocated more Extra Shares than he has applied for and so that if there is a surplus further allocations shall be made on the same basis (and if necessary more than once) until all Shares have been allocated; and
  - (d) fractional entitlements shall be rounded to the nearest whole number.
- 13.4 The Company shall give written notice of allocation (an “**Allocation Notice**”) to the Seller which shall specify the number of Sale Shares to be allocated to each applicant and the place and time (being not less than 7 nor more than 14 days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.
- 13.5 On service of an Allocation Notice, the Seller shall, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.

- 13.6 If the Seller fails to comply with the provisions of Article 13.5:
- (a) the chairman of the Directors or, failing him, one of the Directors, or some other person nominated by a resolution of the Board, may on behalf of the Seller:
    - (i) complete, execute and deliver in his name all Documents necessary to give effect to the transfer of the relevant Sale Shares to the applicants;
    - (ii) receive the transfer price and give a good discharge for it and (subject to the transfer being duly stamped) enter each applicant in the register of members as the holders of the Sale Shares allocated to him; and
  - (b) the Company shall pay the transfer price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered to the Company his certificate(s) for the relevant Shares (or a suitable indemnity).
- 13.7 If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 13.8, the Seller may, within eight weeks after service of the Allocation Notice, transfer the unsold Sale Shares not included within the Allocation Notice to any person at a price at least equal to the Transfer Price.
- 13.8 The right of the Seller to transfer Shares under Article 13.7 does not apply if the Board is of the opinion on reasonable grounds that:
- (a) the transferee is a person (or a nominee for a person) who is a competitor with (or an associate (as determined in accordance with section 435 of the Insolvency Act 1986) of a competitor with) the business of the Company or with a subsidiary undertaking of the Company;
  - (b) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
  - (c) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above.
- 13.9 Any Sale Shares offered under this Article 13 to an Investor may be accepted in full or part only by a Member of the same Fund Group as that Investor in accordance with the terms of this Article 13.
- 14 VALUATION OF SHARES**
- 14.1 If no price is agreed between the Seller and the Board (including the Investor Directors) then, upon service of the Transfer Notice the Board shall appoint an expert valuer in accordance with Article 14.2 (the "**Expert Valuer**") to certify the Fair Value of the Sale Shares or if the Fair Value has been certified by Expert Valuer within the preceding 12 weeks, such certified Fair Value shall apply.
- 14.2 The Expert Valuer will be the Auditors unless this is not agreed by the Seller and the Board in which case it will be an independent firm of Chartered Accountants to be

agreed between the Board and the Seller or failing agreement within 10 Business Days after the date of service of the Transfer Notice to be nominated by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party and appointed by the Company.

14.3 The “**Fair Value**” of the Sale Shares shall be determined by the Expert Valuer on the following assumptions and bases:

- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer;
- (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- (c) that the Sale Shares are capable of being transferred without restriction;
- (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
- (e) reflect any other factors which the Expert Valuer reasonably believe should be taken into account.

14.4 The Expert Valuer shall be requested to determine the Fair Value within 20 Business Days of its appointment and to notify the Board and the Seller of its determination. The Expert Valuer shall act as experts and not as arbitrators and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).

14.5 The cost of obtaining the certificate shall be paid by the Company unless the Sale Price certified by the Expert Valuer is less than the price (if any) offered by the Directors to the Seller for the Sale Share before Expert Valuer was instructed in which case the Seller shall bear the cost.

## **15 COMPULSORY TRANSFERS - GENERAL**

15.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of that Share at a time determined by the Directors.

15.2 If a Shareholder which is a company, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, the relevant Shareholder (and all its Permitted Transferees) shall be deemed to have given a Transfer Notice in respect of all the Shares held by the relevant Shareholder and its Permitted Transferees save to the extent that, and at a time, the Directors may determine.

15.3 If a Permitted Transferee ceases to be a Permitted Transferee of the Original Shareholder, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or another Permitted Transferee of the Original Shareholder without restriction as to price or otherwise, failing which it will be deemed to have

given a Transfer Notice in respect of those Shares.

15.4 On the death, bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice.

15.5 If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death the Directors may require the legal personal representatives of that deceased Shareholder either:

- (a) to effect a Permitted Transfer of such Shares (including for this purpose an election to be registered in respect of the Permitted Transfer); or
- (b) to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased Shareholder.

If either requirement in this Article 15.5 shall not be fulfilled to the satisfaction of the Directors a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that, the Directors may otherwise determine.

15.6 If there is a change in control (as control is defined in section 1124 of the Corporation Tax Act 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving of in the case of any Permitted Transferee and/or nominee) a Transfer Notice in respect of all the Shares registered in its name, its Permitted Transferee name and their respective nominees' names save that, in the case of the Permitted Transferee, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee of the Original Shareholder before being required to serve a Transfer Notice. This Article 15.6 shall not apply to a member that is an Investor.

## **16 COMPULSORY TRANSFER - EMPLOYEES**

16.1 Subject to Article 16.2, if any Founder or Employee ceases to be an Employee by reason of being a Bad Leaver then, unless the Board (with the consent of the Investor Director(s)) shall in its sole discretion elect to waive the provisions of this Article 16, the relevant Founder or Employee shall be deemed to have given a Transfer Notice on the Effective Termination Date in respect of all of his Employee Shares. In such circumstances the Transfer Price shall be the lower of Fair Value and the price

actually paid up on those Employee Shares.

16.2 Notwithstanding Article 16.1, if any Founder or Employee tenders his resignation such that he ceases to be an Employee (and in so doing becomes a Bad Leaver) then, unless the Board (with the consent of the Investor Director(s)) shall in its sole discretion elect to waive the provisions of this Article 16, the relevant Founder or Employee shall be deemed to have given a Transfer Notice on the Effective Termination Date in respect of the proportion of the Employee Shares held by him set out in clauses (a) to (b) below:

- (a) If the Effective Termination Date is after 25 June 2015, but before 25 June 2016, 25% of his Employee Shares; and
- (b) If the Effective Termination Date is on or after 25 June 2016, the Founder or Employee shall not be required to serve a Transfer Notice in respect of his Employee Shares.

16.3 For the purposes of this Article 16, the Employee Shares shall be offered in the following order of priority:

- (a) to the Company (subject always to the provisions of the Act, and the Company may purchase its own shares with cash to the extent permitted by section 692(1)(b) of the Act (as amended from time to time)); and/or
- (b) to any other person or persons approved by an Investor Majority.

16.4 If any Founder or Employee ceases to be an Employee by reason of being a Bad Leaver all voting rights attached to Employee Shares held by that Founder or Employee (the “**Restricted Member**”), if any, shall be suspended from the Effective Termination Date.

16.5 Any Employee Shares whose voting rights are suspended pursuant to Article 16.4 (“**Restricted Shares**”) shall confer on the holders of Restricted Shares the right to receive a notice of and attend all general meetings of the Company but shall have no right to vote either in person or by proxy or to vote on any proposed written resolution. Voting rights suspended pursuant to Article 16.4 shall be automatically restored immediately prior to an IPO. If a Restricted Member transfers any Restricted Shares in accordance with these Articles all voting rights attached to the Restricted Shares so transferred shall upon completion of the transfer (as evidenced by the transferee’s name being entered in the Company’s register of members) automatically be restored.

## 17 **CO-SALE RIGHT**

17.1 No transfer (other than a Permitted Transfer) of any of the Shares held by a Founder may be registered unless the relevant Founder (a “**Selling Member**”) shall have observed the following procedures of this Article 17.

17.2 After the Selling Member has gone through the pre-emption process set out in Article 13, the Selling Member shall give to each Investor not less than 15 Business Days’ notice in advance of the proposed sale (a “**Co-Sale Notice**”). The Co-Sale Notice shall specify:

- (a) the identity of the proposed purchaser (the “**Buyer**”);
- (b) the price per share which the Buyer is proposing to pay provided that in the case of the Preferred Shares and/or EIS Shares the price per share shall not be less than the Original Purchase Price;
- (c) the manner in which the consideration is to be paid;
- (d) the number of Shares which the Selling Member proposes to sell; and
- (e) the address where the counter-notice should be sent.

17.3 Each Investor shall be entitled within five Business Days after receipt of the Co-Sale Notice, to notify the Selling Member that they wish to sell a certain number of Shares held by them at the proposed sale price, by sending a counter-notice which shall specify the number of Shares which such Investor wishes to sell. The maximum number of Shares which an Investor can sell under this procedure shall be:

$$\left(\frac{X}{Y}\right) \times Z$$

where:

X is the number of Shares held by the Investor;

Y is the total number of Shares;

Z is the number of Shares the Selling Member proposes to sell.

Any Investor who does not send a counter-notice within such five Business Day period shall be deemed to have specified that they wish to sell no Shares.

17.4 Following the expiry of five Business Days from the date the Investors receive the Co-Sale Notice, the Selling Member shall be entitled to sell to the Buyer on the terms notified to the Investors a number of Shares not exceeding the number specified in the Co-Sale Notice less any Shares which Investors have indicated they wish to sell, provided that at the same time the Buyer (or another person) purchases from the Investors the number of Shares they have respectively indicated they wish to sell on terms no less favourable than those obtained by the Selling Member from the Buyer.

17.5 No sale by the Selling Member shall be made pursuant to any Co-Sale Notice more than three months after service of that Co-Sale Notice.

17.6 Sales made under a Co-Sale Notice in accordance with this Article 17 shall not be subject to Article 13.

## 18 **DRAG-ALONG**

18.1 If the holders of more than 60% of the Shares (the “**Selling Shareholders**”) wish to transfer all their interest in Shares (the “**Sellers’ Shares**”) to a proposed purchaser who has made an offer on arm’s length (the “**Proposed Purchaser**”), the Selling Shareholders shall have the option (the “**Drag Along Option**”) to require all the other

holders of Shares (the “**Called Shareholders**”) to sell and transfer all their Shares (the “**Called Shares**”) to the Proposed Purchaser or as the Proposed Purchaser shall direct in accordance with the provisions of this Article 18.

- 18.2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a “**Drag Along Notice**”) to the Company (which the Company shall immediately send to the Called Shareholders) at any time before the transfer of the Sellers' Shares to the Proposed Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Called Shares under this Article 18, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article 18) and the proposed date of transfer.
- 18.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Proposed Purchaser within 40 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 18.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Purchaser for the Called Shares and the Sellers' Shares were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Article 7.
- 18.5 No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in this Article 18.
- 18.6 Within five Business Days of the Company serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Purchaser or as the Proposed Purchaser shall direct, together with the relevant share certificate(s) (or an indemnity for a lost certificate in a form acceptable to the Directors) to the Company. On the expiration of that five Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Purchaser, the amounts they are due pursuant to Article 18.4 to the extent that the Company has received these amounts in cleared funds from the Proposed Purchaser. The Company's receipt for the amounts due pursuant to Article 18.4 shall be a good discharge to the Proposed Purchaser. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 18.4 in trust for the Called Shareholders without any obligation to pay interest.
- 18.7 To the extent that the Proposed Purchaser has not, on the expiration of such five Business Day period, put the Company in funds to pay the amounts due pursuant to Article 18.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or an indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 18 in respect of their Shares.
- 18.8 If a Called Shareholder fails to deliver stock transfer forms and share certificates (or an indemnity) for its Shares to the Company upon the expiration of that five Business Day period, any Director is authorised to transfer the Called Shareholder's Shares as



agent on the Called Shareholder's behalf to the Proposed Purchaser (or its nominee(s)) to the extent the Proposed Purchaser has, at the expiration of that five Business Day period, put the Company in funds to pay the amounts due pursuant to Article 18.4 for the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or provide a suitable indemnity) to the Company. On surrender, he shall be entitled to the amount due to him pursuant to Article 18.4.

18.9 Any transfer of Shares to a Proposed Purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 13.

18.10 On any person, following the issue of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a “**New Shareholder**”), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all Shares so acquired to the Proposed Purchaser or as the Proposed Purchaser may direct and the provisions of this Article 18 shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

## **19 TRANSFERS OF SUBSTANTIAL INTERESTS - TAG ALONG**

19.1 The provisions of Article 19.2 will apply if a Shareholder (a “**Proposing Seller**”) after having gone through the pre-emption process set out in Article 13, proposes a transfer of Shares (the “**Proposed Transfer**”), which would, if put into effect, result in any person (and Associates of his or persons Acting in Concert with him) (each a “**Proposed Transferee**”) becoming the holder of a Controlling Interest.

19.2 A Proposing Seller must, before making a Proposed Transfer procure the making by the Proposed Transferee of an offer to the other Shareholders to acquire their Shares for a consideration per Share the value of which is at least equal to the highest consideration per Share paid or payable by the Proposed Transferee for any Share during the period of 12 months ending on the date of the offer.

19.3 The offer referred to in Article 19.2 must be expressed to be capable of acceptance for a period of not less than 20 Business Days and if it is accepted by any Shareholder (an “**Accepting Shareholder**”) within that period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the Shares held by Accepting Shareholders.

## **20 MEANS OF COMMUNICATION TO BE USED**

20.1 The Company may send or supply Documents or information to Shareholders by making them available on a website, subject to compliance in each case with the Company’s notification obligations under paragraph 13 of Schedule 5 of the Act.

20.2 Any notice, Document or other information will be deemed served on or delivered to

the intended recipient (whether a Shareholder or otherwise):

- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted;
- (b) if addressed either:
  - (i) to an address outside the United Kingdom; or
  - (ii) from outside the United Kingdom to an address within the United Kingdom;

5 working days after posting, provided (in each case) it was sent by reputable international overnight courier addressed to the intended recipient, with delivery in at least 5 working days guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider;

- (a) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- (b) if properly addressed and sent or supplied by electronic means, 48 hours after the Document or information was sent or supplied; and
- (c) if sent, supplied or made available by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

20.3 For the purposes of this Article 20, no account shall be taken of any part of a day that is not a working day.

20.4 The accidental failure to send, or the non-receipt by any person entitled to, any notice of or other Document or information relating to any meeting or other proceeding shall not invalidate the relevant meeting or proceeding.

## **21 DATA PROTECTION**

21.1 The Company may process the following categories of personal data in respect of the Shareholders and Directors: (i) identifying information, such as names, addresses and contact details, (ii) details of participation in the Company's affairs, such as attendance at and contribution to Company meetings, voting records etc., (iii) in the case of Shareholders, details of their respective shareholdings in the Company, (iv) any other information which is required to be recorded by law or may have a bearing on the prudence or commercial merits of investing, or disposing of any shares (or other investment or security), in the Company (together, the "**Personal Data**"). The Company will only use the Personal Data where it has a valid legal basis to do so. The Company has a legitimate interest in processing Personal Data where it is necessary for the purposes of the proper administration of the Company and its affairs, the undertaking of due diligence exercises and compliance with applicable laws, regulations and procedures. The Company will use appropriate technical and organisational measures to safeguard Personal Data. The Company will retain

Personal Data for no longer than is reasonably required. The Company may disclose Personal Data to (i) other Shareholders and Directors (each a “**Recipient**”), (ii) a Member of the same Group as a Recipient (the “**Recipient Group Companies**”), (iii) employees, directors and professional advisers of that Recipient or the Recipient Group Companies, (iv) funds managed by any of the Recipient Group Companies, and (v) current or potential investors in the Company or purchasers of the Company’s shares, provided always that the Company takes reasonable steps to ensure that Personal Data is treated in accordance with relevant data protection laws. The Personal Data will only be processed and stored within the European Economic Area except to the extent permitted by law.