

THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

TRAVELNEST LIMITED  
(formerly TOURISTCO LIMITED)

Registered Number 09141571

Incorporated in England and Wales on 22 July 2014

Adopted on the <sup>20</sup> day of July 2023

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of  
TRAVELNEST LIMITED  
(Registered Number 09141571)

CONSTITUTION

1. The Company is a private company within the meaning of section 4(1) of the Companies Act 2006 (the "2006 Act") established subject to the provisions of the 2006 Act including any statutory modification or re-enactment thereof for the time being in force and the articles contained in The Model Form Articles for private companies limited by shares as set out in The Companies (Model Articles) Regulations 2008 (Statutory Instrument 2008 No. 3229) (the "Model Articles") with the exception of articles 2, 11, 13, 14, 17 to 20 (inclusive), 22(2), 24(2)(c), 26, 38, 41, 44(1), 44(2), 52 and 53, and of any other articles which are inconsistent with the additions and modifications hereinafter set forth.
2. The liability of the members is limited to the amount, if any, unpaid on the Shares held by them.
3. In accordance with the 2006 Act the objects of the company shall be unrestricted.
4. The name of the Company may be changed by resolution of the Directors (acting with Investor Consent).

INTERPRETATION

5. In these Articles, unless the context otherwise requires, words and expressions shall bear the meaning ascribed to them in Schedule 1 of these Articles and the Schedules shall be part of and construed as one with these Articles.

SHARE CAPITAL

6. The share capital of the Company at the date of adoption of these Articles is divided into A-1 Preferred Ordinary Shares of £0.001 each, A-2 Preferred Ordinary Shares of £0.001 each, Preferred Ordinary Shares of £0.001 each, A-3 Preferred Ordinary Shares of £0.001 each, A-4 Preferred Ordinary Shares of £0.001 each, A Ordinary Shares of £0.001 each and B Ordinary Shares of £0.001 each. Unless the context requires otherwise, references to shares of a particular class shall include shares allotted and/or issued after the Adoption Date and ranking *pari passu* in all respects with the shares of the relevant class then in issue

except only as to the date from which those shares rank for dividend and as regards the subscription price thereof.

#### RIGHTS ATTACHING TO THE SHARES

7. The rights and restrictions attaching to the Equity Shares are as follows:

##### Income

- 7.1. No dividend shall be paid on any Equity Share without the approval of the Board (acting by majority) and Investor Consent.
- 7.2. Subject to Article 7.1, any profits which the Directors may lawfully determine to distribute in respect of any financial year shall be distributed to the holders of Equity Shares pro rata according to the number of Equity Shares held by them.

##### Capital

- 7.3. Subject always to Article 7.5, upon a Capital Distribution Event or a Share Sale, the Exit Proceeds (when available) shall be distributed among the shareholders of the Company as at the date on which the Capital Distribution Event or completion of the Share Sale (as the case may be) takes place, as follows:

- 7.3.1. first, in paying a sum equal to £X plus £100 (where X is an amount equal to the aggregate A Preferred Ordinary Share Subscription Amount of all the A-4 Preferred Ordinary Shares in issue at the relevant time) to be distributed:

- (a) 0.0001% to the holders of the 2022 Investment Shares, the Preferred Ordinary Shares and the Ordinary Shares pro-rata according to the number of 2022 Investment Shares, Preferred Ordinary Shares and Ordinary Shares held by them; and
- (b) as to the balance to the holders of the A-4 Preferred Ordinary Shares a sum equal to the A Preferred Ordinary Share Subscription Amount of all the A-4 Preferred Ordinary Shares in issue at the relevant time such that each A-4 Preferred Ordinary Shareholder receives in respect of each A-4 Preferred Ordinary Share held by them, the A Preferred Ordinary Subscription Amount of that A-4 Preferred Ordinary Share,

providing that, where there are insufficient Exit Proceeds to pay the amounts under this Article 7.3.1, the Exit Proceeds shall be distributed amongst the holders of A-4 Preferred Ordinary Shares, 2022 Investment Shares, Preferred Ordinary Shares and Ordinary Shares pro rata to the amount they would otherwise have received hereunder;

- 7.3.2. secondly, in paying a sum equal to £X plus £100 (where X is an amount equal to the aggregate A Preferred Ordinary Share Subscription Amount of all the 2022 Investment Shares in issue at the relevant time) to be distributed:

- (a) 0.0001% to the holders of the A-4 Preferred Ordinary Shares, the Preferred Ordinary Shares and the Ordinary Shares pro-rata according to the number of A-4 Preferred Ordinary Shares, Preferred Ordinary Shares and Ordinary Shares held by them; and
- (b) as to the balance to the holders of the 2022 Investment Shares a sum equal to the A Preferred Ordinary Share Subscription Amount of all the 2022 Investment Shares in issue at the relevant time such that each 2022 Subscription Shareholder receives in respect of each 2022 Investment Share held by them, the A Preferred Ordinary Subscription Amount of that 2022 Investment Share

providing that, where there are insufficient Exit Proceeds (subject to and following the distribution at Article 7.3.1 above) to pay the amounts under this Article 7.3.2, the Exit Proceeds shall be distributed amongst the holders of A-4 Preferred Ordinary Shares, 2022 Investment Shares, Preferred Ordinary Shares and Ordinary Shares pro rata to the amount they would otherwise have received hereunder;

7.3.3. thirdly, in paying a sum equal to £X plus £100 (where X is an amount equal to the aggregate Preferred Ordinary Share Subscription Amount of all the Preferred Ordinary Shares in issue at the relevant time) to be distributed:

- (a) 0.0001% to the holders of the A-4 Preferred Ordinary Shares, the 2022 Investment Shares and the Ordinary Shares pro-rata according to the number of A Preferred Ordinary Shares and Ordinary Shares held by them; and
- (b) as to the balance to the Preferred Ordinary Shareholders such that each Preferred Ordinary Shareholder receives in respect of each Preferred Ordinary Share held the Preferred Ordinary Subscription Amount of that Preferred Ordinary Share,

providing that, where there are insufficient Exit Proceeds (subject to and following the distributions at Articles 7.3.1 and 7.3.2 above) to pay the amounts under this Article 7.3.3, the Exit Proceeds shall be distributed amongst the holders of the A-4 Preferred Ordinary Shares, 2022 Investment Shares, Preferred Ordinary Shares and Ordinary Shares pro rata to the amount they would otherwise have received hereunder;

7.3.4. thereafter the balance of the Exit Proceeds (following the distributions at Articles 7.3.1, 7.3.2, and 7.3.3 above), if any, shall be distributed:

- (a) as to 0.0001% to the Preferred Investor Shares pro rata according to the number of Preferred Investor Shares held by them; and
- (b) as to the balance to the Ordinary Shareholders (including any Ordinary Shares arising from conversion of Preferred Investor Shares pursuant to

Article 45) on a pro-rata basis according to the number of such shares held by them as if they constituted one class of share immediately prior to the commencement of the Capital Distribution Event or the Share Sale,

PROVIDED always that, if on a Capital Distribution Event or a Share Sale an A Preferred Ordinary Shareholder or a Preferred Ordinary Shareholder would receive with respect to any A Preferred Ordinary Share or any Preferred Ordinary Share held by it an amount per such A Preferred Ordinary Share or Preferred Ordinary Share greater than the A Preferred Ordinary Subscription Amount and/or Preferred Ordinary Subscription Amount for such A Preferred Ordinary Share or Preferred Ordinary Share if such A Preferred Ordinary Share or Preferred Ordinary Share had, immediately prior to the Capital Distribution Event or a Share Sale, been converted into an Ordinary Share pursuant to Article 45 (the "As-Converted Amount"), then such A Preferred Ordinary Shareholder or Preferred Ordinary Shareholder shall instead receive the As-Converted Amount with respect to such A Preferred Ordinary Share and/or Preferred Ordinary Share and not the relevant A Preferred Ordinary Subscription Amount and/or Preferred Ordinary Subscription Amount.

7.4. Unless agreed otherwise by Investor Consent, upon the occurrence of an Asset Sale all of the Equity Shareholders shall procure that the Company is wound up and shall take all such steps as are required to wind up the Company and return the capital and assets of the Company to the shareholders in accordance with Article 7.3.

7.5. The provisions of Article 7.3 shall be subject to the following overriding provisions:

7.5.1. upon a Share Sale, those Shares not acquired by the relevant purchaser(s) shall not be entitled to any allocation of Exit Proceeds pursuant to Article 7.3;

7.5.2. the Shareholders and the Board shall use all reasonable endeavours to reach agreement (without delay) as to the accuracy of calculations to be undertaken to give effect to the provisions of Article 7.3. In the event that they fail to do so within a reasonable time, the Company shall procure that the Auditors acting as experts and not as arbitrators shall determine the results of such calculations and the Auditors shall issue a certificate accordingly. Any such certificate shall, in the absence of manifest error, be final and binding on all of the Shareholders, each of whom shall be sent a copy by the Auditors; and

7.5.3. if there is any element of the Exit Proceeds which is deferred, contingent or unquantified in the case of both a Share Sale and Capital Distribution Event then this Article 7.5.3 will apply. If such circumstances arise, the Exit Proceeds allocated on completion of the Capital Distribution Event or Share Sale will exclude the element of consideration which is deferred, contingent or unquantified which instead will be dealt with subsequent to such completion of the Share Sale or Capital Distribution Event (as appropriate) in accordance with the following provisions of this Article 7.5.3. On each occasion on which any deferred, contingent and/or unquantified consideration which is not allocated on completion of the Capital Distribution Event or Share Sale shall in fact be received by the Shareholders, the provisions of Article 7.3 shall be reopened

and reapplied as at the date of the Capital Distribution Event or Share Sale (as appropriate) treating the late receipt as Exit Proceeds to determine the allocation of the same and, for that purpose, the calculations used in allocating consideration already received shall be reworked provided always that no value already allocated shall be re-allocated and this provision shall serve only to allocate the additional consideration later received. The Company and the Shareholders agree that the provisions of this Article 7.5.3 shall remain in full force and effect (as covenants on the part of each of them) following completion of any Capital Distribution Event or Share Sale (as appropriate) occurring after the date of adoption of these Articles and notwithstanding any proposed amendment or replacement of these Articles following completion of such Capital Distribution Event or Share Sale (as appropriate).

#### Anti-dilution protection

#### 7.6. (A)

7.6.1(A) The holders of the First Subscription Shares shall have anti-dilution protection on the First Subscription Shares so that if the Company shall issue new shares (or grant rights to subscribe for new shares) in the Company ("New Shares") after the Adoption Date (the "New Issue") (other than a Permitted Allotment) at a price (the "New Issue Price") per New Share which is less than the First Starting Price then the Company shall offer to each holder of First Subscription Shares (each a "Relevant First Shareholder") the right to receive as 'free' shares and/or to subscribe at par for such number of new Preferred Ordinary Shares (with such nominal value as determined in accordance with Article 7.6.3) (the "First Compensation Shares") to be calculated by applying the following formula (and rounding the product, N, up or down as appropriate to the nearest whole Share):

(a)  $N = (W \text{ divided by } X) \text{ minus } Z$ ; or

(b) where the Relevant First Shareholder is required to subscribe in cash for any First Compensation Shares in accordance with Article 7.6.3, N shall be calculated as follows if required by the majority of the Relevant First Shareholders (who may instead elect to calculate N in accordance with Article 7.6.1(A)(a):

$$N = (((W \text{ divided by } Z) \text{ minus } X) \text{ multiplied by } Z) \text{ divided by } (X \text{ minus } V);$$

Where:

N = the number of First Compensation Shares (and for the avoidance of doubt, if N is zero or less this Article 7.6.1(A) shall not apply) to be offered to the Relevant First Shareholder pursuant to this Article 7.6.1(A);

W = the total subscription price for the First Subscription Shares held by the Relevant First Shareholder, provided that in determining the number of First Subscription Shares held by a Relevant First Shareholder for the purposes of defining "W" any shares for

which it subscribes pursuant to Article 8.3 in relation to the New Issue which triggers the operation of this Article 7.6.1(A) and any operation of Articles 7.6.1(B) and 7.6.1(C) shall be excluded;

X = the weighted average price which shall be calculated as follows:

$$\frac{((\text{First Starting Price}) \times (A+C)) + (\text{New Issue Price} \times B)}{(A+B+C)}$$

Where:

A = the total number of shares comprised in the issued share capital of the Company immediately prior to the New Issue, that is excluding the New Shares, any Shares allotted or to be allotted pursuant to Article 8.3 in connection with the Third Party Issue triggering this Article 7.6.1(A) and (if applicable) Articles 7.6.1(B) and 7.6.1(C) and any Compensation Shares allotted or to be allotted by operation of the anti-dilution provisions in this Article 7.6(A) and Articles 7.6(B) and Article 7.6(C);

B = the total number of New Shares proposed to be allotted in connection with the New Issue;

C = the total number of shares in the Company which are the subject of options, warrants and/or convertible securities.

In the event that the New Shares to be issued in connection with the New Issue are not issued for cash, the New Issue Price shall be the sum certified by the Valuer acting as expert and not as arbitrator as being in its opinion the current cash value of the non cash consideration for the allotment of the New Shares;

Z = the number of First Subscription Shares held by the Relevant First Shareholder prior to the application of this Article 7.6.1(A) provided that in determining the number of First Subscription Shares held by a Relevant First Shareholder for the purposes of defining "Z" any shares which it subscribes pursuant to Article 8.3 in relation to the New Issue which triggers the operation of this Article 7.6.1(A) shall be excluded (and for the avoidance of doubt any Second Subscription Shares and Third Subscription Shares shall be excluded);

V = the nominal value of each First Compensation Share (as determined in accordance with Article 7.6.3).

## 7.6 (B)

7.6.1.(B) The holders of the Second Subscription Shares shall have anti-dilution protection on the Second Subscription Shares so that if the Company shall carry out a New Issue (other than a Permitted Allotment) where the New Issue Price is less than the Second Starting Price then the Company shall offer to each holder of Second Subscription Shares (each a "Relevant Second Shareholder") the right to receive as 'free' shares and/or to subscribe at par for such number of new Preferred



Ordinary Shares (with such nominal value as determined in accordance with Article 7.6.3) (the "Second Compensation Shares") to be calculated by applying the following formula (and rounding the product, N, up or down as appropriate to the nearest whole Share):

(a)  $N = (W \text{ divided by } X) \text{ minus } Z$ ; or

(b) where the Relevant Second Shareholder is required to subscribe in cash for any Second Compensation Shares in accordance with Article 7.6.3, N shall be calculated as follows if required by the majority of the Relevant Second Shareholders (who may instead elect to calculate N in accordance with Article 7.6.1(B)(a)

$N = (((W \text{ divided by } Z) \text{ minus } X) \text{ multiplied by } Z) \text{ divided by } (X \text{ minus } V)$ ;

Where:

N = the number of Second Compensation Shares (and for the avoidance of doubt, if N is zero or less this Article 7.6.1(B) shall not apply) to be offered to the Relevant Second Shareholder pursuant to this Article 7.6.1(B);

W = the total subscription price for the Second Subscription Shares held by the Relevant Second Shareholder, provided that in determining the number of Second Subscription Shares held by a Relevant Second Shareholder for the purposes of defining "W" any shares for which it subscribes pursuant to Article 8.3 in relation to the New Issue which triggers the operation of this Article 7.6.1(B) and any operation of Articles 7.6.1(A) and 7.6.1(C) shall be excluded;

X = the weighted average price which shall be calculated as follows:

$$\frac{((\text{Second Starting Price}) \times (A+C)) + (\text{New Issue Price} \times B)}{(A+B+C)}$$

Where:

A = the total number of shares comprised in the issued share capital of the Company immediately prior to the New Issue, that is excluding the New Shares, any Shares allotted or to be allotted pursuant to Article 8.3 in connection with the Third Party Issue triggering this Article 7.6.1(B) and (if applicable) Articles 7.6.1(A) and 7.6.1(C) and any Compensation Shares allotted or to be allotted by operation of the anti-dilution provisions in this Article 7.6(B) and Articles 7.6(A) and 7.6(C);

B = the total number of New Shares proposed to be allotted in connection with the New Issue;

C = the total number of shares in the Company which are the subject of options, warrants and/or convertible securities.

In the event that the New Shares to be issued in connection with the New Issue are not issued for cash, the New Issue Price shall be the sum certified by the Valuer acting as expert and not as arbitrator as being in its opinion the current cash value of the non cash consideration for the allotment of the New Shares;

Z = the number of Second Subscription Shares held by the Relevant Second Shareholder prior to the application of this Article 7.6.1(B) provided that in determining the number of Second Subscription Shares held by a Relevant Second Shareholder for the purposes of defining "Z" any shares which it subscribes pursuant to Article 8.3 in relation to the New Issue which triggers the operation of this Article 7.6.1(B) shall be excluded (and for the avoidance of doubt any First Subscription Shares and Third Subscription Shares shall be excluded);

V = the nominal value of each Second Compensation Share (as determined in accordance with Article 7.6.3).

#### 7.6 (C)

7.6.1.(C) The holders of the Third Subscription Shares (other than any EIS Investor) shall have anti-dilution protection on the Third Subscription Shares so that if the Company shall carry out a New Issue (other than a Permitted Allotment) where the New Issue Price is less than the Third Starting Price then the Company shall offer to each holder of Third Subscription Shares (each a "Relevant Third Shareholder") the right to receive as 'free' shares and/or to subscribe at par for such number of new Preferred Ordinary Shares (with such nominal value as determined in accordance with Article 7.6.3) (the "Third Compensation Shares") to be calculated by applying the following formula (and rounding the product, N, up or down as appropriate to the nearest whole Share):

(a)  $N = (W \text{ divided by } X) \text{ minus } Z$ ; or

(b) where the Relevant Third Shareholder is required to subscribe in cash for any Third Compensation Shares in accordance with Article 7.6.3, N shall be calculated as follows if required by the majority of the Relevant Third Shareholders (who may instead elect to calculate N in accordance with Article 7.6.1(C)(a)):

$$N = (((W \text{ divided by } Z) \text{ minus } X) \text{ multiplied by } Z) \text{ divided by } (X \text{ minus } V);$$

Where:

N = the number of Third Compensation Shares (and for the avoidance of doubt, if N is zero or less this Article 7.6.1(C) shall not apply) to be offered to the Relevant Third Shareholder pursuant to this Article 7.6.1(C);

W = the total subscription price for the Third Subscription Shares held by the Relevant Third Shareholder, provided that in determining the number of Third Subscription Shares held by a Relevant Third Shareholder for the purposes of defining "W" any

shares for which it subscribes pursuant to Article 8.3 in relation to the New Issue which triggers the operation of this Article 7.6.1(C) and any operation of Articles 7.6.1(A) and 7.6.1(B) shall be excluded;

X = the weighted average price which shall be calculated as follows:

$$\frac{((\text{Third Starting Price}) \times (A+C)) + (\text{New Issue Price} \times B)}{(A+B+C)}$$

Where:

A = the total number of shares comprised in the issued share capital of the Company immediately prior to the New Issue, that is excluding the New Shares, any Shares allotted or to be allotted pursuant to Article 8.3 in connection with the Third Party Issue triggering this Article 7.6.1(C) and (if applicable) Articles 7.6.1(A) and 7.6.1(B) and any Compensation Shares allotted or to be allotted by operation of the anti-dilution provisions in this Article 7.6(C) and Articles 7.6(A) and 7.6(B);

B = the total number of New Shares proposed to be allotted in connection with the New Issue;

C = the total number of shares in the Company which are the subject of options, warrants and/or convertible securities.

In the event that the New Shares to be issued in connection with the New Issue are not issued for cash, the New Issue Price shall be the sum certified by the Valuer acting as expert and not as arbitrator as being in its opinion the current cash value of the non cash consideration for the allotment of the New Shares;

Z = the number of Third Subscription Shares held by the Relevant Third Shareholder prior to the application of this Article 7.6.1(C) provided that in determining the number of Third Subscription Shares held by a Relevant Third Shareholder for the purposes of defining "Z" any shares which it subscribes pursuant to Article 8.3 in relation to the New Issue which triggers the operation of this Article 7.6.1(C) shall be excluded (and for the avoidance of doubt any First Subscription Shares and Second Subscription Shares shall be excluded);

V = the nominal value of each Third Compensation Share (as determined in accordance with Article 7.6.3).

(D)

7.6.1.(D) The holders of the Fourth Subscription Shares (other than any EIS Investor) shall have anti-dilution protection on the Fourth Subscription Shares so that if the Company shall carry out a New Issue (other than a Permitted Allotment) where the New Issue Price is less than the Fourth Starting Price then the Company shall offer to each holder of Fourth Subscription Shares (each a "Relevant Fourth Shareholder") the right to receive as 'free' shares and/or to subscribe at par for

such number of new A-1 Preferred Ordinary Shares or A-2 Preferred Ordinary Shares or A-4 Preferred Ordinary Shares, as applicable, on a pro rata basis according to the number of such A-1 Preferred Ordinary Shares or A-2 Preferred Ordinary Shares or A-4 Preferred Ordinary Shares held by them (with such nominal value as determined in accordance with Article 7.6.3) (the "Fourth Compensation Shares") to be calculated by applying the following formula (and rounding the product, N, up or down as appropriate to the nearest whole Share):

- (a)  $N = (W \text{ divided by } X) \text{ minus } Z$ ; or
- (b) where the Relevant Fourth Shareholder is required to subscribe in cash for any Fourth Compensation Shares in accordance with Article 7.6.3, N shall be calculated as follows if required by the majority of the Relevant Fourth Shareholders (who may instead elect to calculate N in accordance with Article 7.6.1(C)(a)):

$$N = (((W \text{ divided by } Z) \text{ minus } X) \text{ multiplied by } Z) \text{ divided by } (X \text{ minus } V);$$

Where:

N = the number of Fourth Compensation Shares (and for the avoidance of doubt, if N is zero or less this Article 7.6.1(C) shall not apply) to be offered to the Relevant Fourth Shareholder pursuant to this Article 7.6.1(C);

W = the total subscription price for the Fourth Subscription Shares held by the Relevant Fourth Shareholder, provided that in determining the number of Fourth Subscription Shares held by a Relevant Fourth Shareholder for the purposes of defining "W" any shares for which it subscribes pursuant to Article 8.3 in relation to the New Issue which triggers the operation of this Article 7.6.1(C) and any operation of Articles 7.6.1(A) and 7.6.1(B) shall be excluded;

X = the weighted average price which shall be calculated as follows:

$$\frac{((\text{Fourth Starting Price}) \times (A+C)) + (\text{New Issue Price} \times B)}{(A+B+C)}$$

Where:

A = the total number of shares comprised in the issued share capital of the Company immediately prior to the New Issue, that is excluding the New Shares, any Shares allotted or to be allotted pursuant to Article 8.3 in connection with the Third Party Issue triggering this Article 7.6.1(C) and (if applicable) Articles 7.6.1(A) and 7.6.1(B) and any Compensation Shares allotted or to be allotted by operation of the anti-dilution provisions in this Article 7.6(C) and Articles 7.6(A) and 7.6(B);

B = the total number of New Shares proposed to be allotted in connection with the New Issue;

C = the total number of shares in the Company which are the subject of options, warrants and/or convertible securities.

In the event that the New Shares to be issued in connection with the New Issue are not issued for cash, the New Issue Price shall be the sum certified by the Valuer acting as expert and not as arbitrator as being in its opinion the current cash value of the non cash consideration for the allotment of the New Shares;

Z = the number of Fourth Subscription Shares held by the Relevant Fourth Shareholder prior to the application of this Article 7.6.1(C) provided that in determining the number of Fourth Subscription Shares held by a Relevant Fourth Shareholder for the purposes of defining "Z" any shares which it subscribes pursuant to Article 8.3 in relation to the New Issue which triggers the operation of this Article 7.6.1(C) shall be excluded (and for the avoidance of doubt any First Subscription Shares and Second Subscription Shares and Third Subscription Shares shall be excluded);

V = the nominal value of each Fourth Compensation Share (as determined in accordance with Article 7.6.3).

#### 7.6.2. Starting Price

- (a) The "First Starting Price" shall be £0.3438198384.
- (b) The "Second Starting Price" shall be £0.7355.
- (c) The "Third Starting Price" shall be £0.74.
- (d) The "Fourth Starting Price" shall be £1.259367 (save in respect of the Bank Conversion Shares where the Fourth Starting Price shall be the Conversion Price).

#### 7.6.3. The Compensation Shares arising by the operation of Article 7.6.1 shall:

- (a) be paid up by the automatic capitalisation of available reserves of the Company, unless and to the extent that the same shall be impossible or unlawful or the Relevant First Shareholders (in respect of the First Subscription Shares), the Relevant Second Shareholders (in respect of the Second Subscription Shares), the Relevant Third Shareholders (in respect of the Third Subscription Shares) or the Relevant Fourth Shareholders (in respect of the Fourth Subscription Shares) (the "Relevant Shareholders") shall agree otherwise, in which event the Relevant Shareholders shall be entitled to subscribe for the Compensation Shares in cash at par (being such par value approved in advance by the Relevant Shareholders); and
- (b) subject to the payment of any cash payable pursuant to Articles 7.6.3(a)(A) and/or 7.6.3(a)(B) and/or 7.6.3(a)(C) and/or 7.6.3(a)(D) (if applicable), be issued, credited fully paid up in cash and shall have class

rights identical to and rank pari passu in all respects with the existing Preferred Ordinary Shares and/or A Preferred Ordinary Shares within five Business Days of the offer of the Compensation Shares being accepted by the Relevant Shareholder.

- 7.6.4. In the event of any Issue or Reorganisation the First Starting Price, the Second Starting Price, the Third Starting Price and the Fourth Starting Price shall be subject to adjustment on such basis as may be agreed by the Board with Investor Consent within 10 Business Days after the date of the Issue or Reorganisation. Any dispute between relevant persons as to any adjustment under this Article shall be determined by the Valuer whose determination shall in the absence of manifest error be final and binding on the Company and its shareholders. The Valuer shall determine the allocation of responsibility between the Company, the Preferred Ordinary Shareholders and the A Preferred Ordinary Shareholders for the costs of the Valuer.
- 7.6.5. In the event of any dispute as to the effect of this Article 7.6 (other than Article 7.6.4), the disputed matter shall be referred to the Valuer for certification of the number of Compensation Shares to be issued and any other matter which is disputed. The Valuer's certification shall in the absence of manifest error be final and binding upon the Company and its shareholders. The Valuer shall determine the allocation of responsibility between the Company and the Relevant First Shareholders or the Relevant Second Shareholders or the Relevant Third Shareholders or the Relevant Fourth Shareholders (as appropriate) for the costs of the Valuer.
- 7.6.6. Any Preferred Ordinary Shareholder or A Preferred Ordinary Shareholder (who is an Investment Fund) shall be entitled to nominate that any of its Associated Funds shall have the right to receive and/or to subscribe at par in its stead for all or any of the Compensation Shares allocated to it.

#### Voting

- 7.7. On a show of hands every holder of A Preferred Ordinary Shares who (being an individual) is present or (being a corporation) is present by a duly authorised representative (not being himself a member entitled to vote) shall have one vote and on a poll every member holding A Preferred Ordinary Shares shall have one vote for every such share of which he is the holder.
- 7.8. On a show of hands every holder of Preferred Ordinary Shares who (being an individual) is present or (being a corporation) is present by a duly authorised representative (not being himself a member entitled to vote) shall have one vote and on a poll every member holding Preferred Ordinary Shares shall have one vote for every such share of which he is the holder.
- 7.9. On a show of hands every holder of A Ordinary Shares who (being an individual) is present or (being a corporation) is present by a duly authorised representative (not being himself a

member entitled to vote) shall have one vote and on a poll every member holding A Ordinary Shares shall have one vote for every such share of which he is the holder.

- 7.10. The holders of B Ordinary Shares shall not be entitled to vote on any matters except as provided in Article 7.15.

#### Other class rights

- 7.11. In addition to any other approval required by law or these Articles those matters set out in Schedule 2A shall require the approval by Investor Consent in accordance with Article 7.13.

- 7.12. In addition to any other approval required by law or these Articles those matters set out in Schedule 2B shall require the approval by Investor Director Consent in accordance with Article 7.13.

- 7.13. Any consent required by Article 7.11 or 7.12 shall be in writing and may consist of one document or several documents whether or not in like form.

- 7.14. Any request for consent from the Bank (or any of its Permitted Transferees) pursuant to these Articles shall also be sent by email to [reporting@thebank.scot](mailto:reporting@thebank.scot).

- 7.15. Variation of class rights

7.15.1. Subject to Article 7.15.2, whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated with the consent in writing of the holders of at least 50% of the issued shares of that class or with the sanction of a resolution of the holders of at least 50% of the issued shares of that class passed at a separate meeting of the holders of that class. To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company (and to proceedings at general meetings) shall, mutatis mutandis, apply.

7.15.2. In the event of the rights attaching to such class of shares held by:

- (a) SE from time to time being varied in accordance with Article 7.15.1, and where such variation is materially adverse to, and prejudices, its rights, such variation shall be subject to the prior written consent of SE; and/or
- (b) the Bank (or any of its Permitted Transferees) from time to time being varied in accordance with Article 7.15.1, and where such variation is materially adverse to, and prejudices, its rights, such variation shall be subject to the prior written consent of the Bank.

7.15.3. Without prejudice to the generality of Article 7.15.1 above, none of the following events shall constitute a variation or abrogation of the rights attaching to any class of shares other than the rights of the holders of the Preferred Ordinary Shares and/or the holders of the A Preferred Ordinary Shares:

- (a) the allotment of any shares which will rank *pari passu* in all respects with any existing class of shares; or
- (b) any amendment to these Articles where authorised by special resolution of the Company, provided that an amendment which is prejudicial to the economic, voting, pre-emption, permitted transfer, tag along, vesting of Ordinary Shares and/or director appointment rights of the Founder in accordance with these Articles shall require the written consent of the holders of at least 50% of the issued Ordinary Shares, provided that such written consent shall not be required:
  - (i) if the holders of more than 50% of the A Preferred Ordinary Shares are agreeing to the same change or variation in relation to the rights attached to their A Preferred Ordinary Shares; and/or
  - (ii) if the Board is proposing an amendment(s) to these Articles which it considers to be in the best interests of the Company as a whole in order to address an actual or potential distress situation in relation to the Company.

#### 7.16. 50% caps on Corporate Shareholders and their Connected Persons

##### 7.16.1. The limitations in this Article 7.16 shall apply to:

- (a) any Shareholder that is a "company" for the purpose of the independence requirement in section 296(2) of ITA ("Corporate Shareholder"); and
- (b) any Shareholder that is a Connected Person in relation to that Corporate Shareholder (a "Relevant Connected Person") (and for the avoidance of doubt, SE shall be a Relevant Connected Person of the Bank and vice versa).

##### 7.16.2. At any time the aggregate number of votes attaching to all the Shares held by any Corporate Shareholder and all of its Relevant Connected Persons shall be restricted to the lower of:

- (a) 49.99% of the votes attaching to all Shares; and
- (b) the total number of votes that would have been conferred on such Shareholders if this Article 7.16.2 did not apply.

### ISSUES OF SHARES

#### 8. Issues of Shares

- 8.1. Any A Preferred Ordinary Shares or Preferred Ordinary Shares may be issued on the terms that they are, or at the option of the Company or the holder are liable, to be redeemed and



the Directors shall, subject to Investor Consent, be authorised to determine the terms, conditions and manner of redemption of such shares.

- 8.2. Subject to Article 8.3, the provisions of the 2006 Act and of every other statute for the time being in force concerning companies and affecting the Company and to any direction to the contrary that may be given by ordinary resolution of the Company, the Directors may offer, allot, issue, grant options or rights over or otherwise dispose of any shares in the Company to such persons, at such times and for such consideration and upon such terms and conditions and with such preferred, deferred or other special rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the Directors may determine, but so that no shares shall be issued at a discount to their nominal value.

8.3.

- 8.3.1. Save for any Permitted Allotments, any new shares from time to time created ("shares" for this purpose to include any rights to subscribe for such shares whether pursuant to options, warrants, convertible securities or otherwise) the issue of which has been permitted with Investor Consent shall before they are issued to any person (the "Third Party Issue") be offered to the holders of Voting Shares (excluding any Bad Leaver) then in issue (pari passu as if the same constituted one class of share) (the "Offer"). The Offer shall be made to each holder of Voting Shares (excluding any Bad Leaver) (pari passu as if the same constituted one class of share) by written notice from the Company:

- (a) specifying the number and class of the shares offered (the "Offered Shares");
- (b) specifying the subscription price per share;
- (c) limiting a time (not being less than 15 days or greater than 30 days) (the "Time Period") within which the Offer, if not accepted, will be deemed to have been declined; and
- (d) inviting each holder of Voting Shares (excluding any Bad Leaver) to state by notice in writing to the Company within the Time Period whether he is willing to subscribe for any of the Offered Shares and, if so, what maximum number of such Offered Shares (the "Subscription Maximum") he is willing to subscribe.

A person who, pursuant to such notice, expresses a willingness to subscribe for any Offered Shares is referred to herein as a "Subscriber".

Within seven days of the expiration of the Time Period, the Company shall allocate and allot the Offered Shares amongst the Subscribers. Each allocation among the Subscribers shall in the case of competition be made pro rata according to the number of Voting Shares held by each Subscriber in relation to the total number of Voting Shares held by all Subscribers immediately prior to the date of the Offer provided that where one or more Shareholder does not wish to subscribe for its

pro rata entitlement of Offered Shares, such Offered Shares shall be allocated to the other Investors (pro rata to their holdings of Investor Shares) in priority to any other person but individual allocations shall not exceed the Subscription Maximum which the relevant Subscriber has expressed a willingness to subscribe. If any shares comprised in the Offer are declined or deemed to be declined (the "Declined Shares"), the Offer in respect of such Declined Shares shall be withdrawn, at which time the Company shall be obliged to offer the Declined Shares in accordance with Article 8.3.2.

- 8.3.2. The Voting Shareholders (excluding any Bad Leaver) who are "Subscribers" (as defined in Article 8.3.1) (hereinafter "Participating Shareholders") shall in addition to the shares subscribed for by them (or their Associated Funds) pursuant to the Offer, be offered by the Company in priority to any other person the right to subscribe for all or any of the Declined Shares (the "Second Offer").
- 8.3.3. The Second Offer shall be made immediately after the expiry of the Time Period relating to the Offer by written notice from the Company to each Participating Shareholder on terms no less favourable than those offered or agreed by the Company in respect of the relevant Third Party Issue and such notice shall:
  - (a) specify the number and class of the Declined Shares;
  - (b) specify the subscription price per share; and
  - (c) limit a time (not being less than 15 days or greater than 30 days) (the "Second Offer Time Period") within which the Second Offer, if not accepted, will be deemed to have been declined; and
  - (d) invite each Participating Shareholder to notify the Company within the Second Offer Time Period of the maximum number of Declined Shares for which it wishes to subscribe.
- 8.3.4. A Participating Shareholder who pursuant to such notice expresses a willingness to subscribe for any of the Declined Shares (a "Second Offer Subscriber") shall be allocated and allotted the relevant number of Declined Shares within seven days of the expiration of the Second Time Period provided that:
  - (a) individual allocations shall not exceed the amount which the Second Offer Subscriber has expressed a willingness to subscribe;
  - (b) in the event of competition for the allocation of Declined Shares, where one or more Investor does not wish to subscribe for its pro rata entitlement of Declined Shares such Declined Shares shall be allocated to the other Investors (pro rata to their holdings of Investor Shares) in priority to any other person and allocations will otherwise be made pro rata among the Second Offer Subscribers by reference to the proportion held by each of them of the aggregate number of Voting Shares held by

Second Offer Subscribers at the date of the Second Offer such proportions to be determined by making the following assumptions:

- (i) in the event that the Third Party Issue triggers the operation of Article 7.6, by including any Compensation Shares which the relevant Second Offer Subscribers are entitled to by the operation of Article 7.6; and
- (ii) including any shares allocated to the relevant Second Offer Subscriber pursuant to the Offer.

If any Declined Shares comprised in such Second Offer are declined or deemed to be declined, the Second Offer in respect of such shares shall be withdrawn, at which time the Board (acting by majority) shall be entitled to issue that number of Declined Shares not taken pursuant to the Second Offer to any person or persons provided that the terms of subscription and subscription price relating to the allotment of such shares shall be the same as that offered to the Shareholders in respect of the Offer and Second Offer.

8.3.5. Any Preferred Ordinary Shareholder or A Preferred Ordinary Shareholder (who is an Investment Fund) shall be entitled to nominate that any of its Associated Funds subscribe in its stead for all or any of the Offered Shares allocated to such Preferred Ordinary Shareholder pursuant to this Article 8.3 provided that where an Associated Fund is involved the proportions which are required to operate this Article 8.3 shall be determined by reference to the shareholding of the Associated Fund (including any allocation of shares to the Associated Fund under this Article 8.3) and/or the shareholding of the Preferred Ordinary Shareholder who nominates the Associated Fund.

8.3.6. "Permitted Allotments" shall mean each of the following:

- (a) an allotment of Shares pursuant to the terms of Clause 3 of the Investment Agreement and a grant of options over B Ordinary Shares in accordance with the EMI Option Scheme Rules and Clause 10.1 of the Investment Agreement where such options may subsequently be exercised subject to the terms of the EMI Option Scheme Rules;
- (b) an allotment of Compensation Shares in accordance with Article 7.6;
- (c) an allotment of Shares pursuant to a bona fide acquisition by the Company of the share capital of another company or all or substantially all of the assets of another company, provided such allotment has been approved by both the Board and with Investor Consent;
- (d) an allotment of Shares in connection with lease lines, bank financing or other similar transactions that are primarily of a non-equity financing nature, provided such allotment is approved by the Board and by Investor Consent;

- (e) an allotment of any Warrant Shares; and
- (f) an allotment of any Bank Conversion Shares.

- 8.4. The rights pursuant to Article 8.3 shall terminate on an IPO.
- 8.5. In accordance with section 570 of the 2006 Act, sub-section (1) of section 561 of the 2006 Act shall be excluded from applying to the allotment of equity securities (as defined in section 560 of the 2006 Act).
- 8.6. The Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as otherwise provided by these Articles or by law) any other rights in respect of any share except an absolute right to the entirety thereof held by the registered holder. The Company shall however be entitled to register trustees as such in respect of any shares.
- 9. No Shares shall be allotted to any current or prospective employee or director of the Group unless such person shall first have entered into a joint election under section 431 of the Income Tax (Earnings and Pensions) Act 2003 with the relevant member of the Group who is the employer (or similar).

#### LIEN

- 10. The Company shall have a first and paramount lien on every share for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share and the Company shall also have a first and paramount lien on all shares standing registered in the name of a single person or in the name of any person jointly with another or others for all monies presently payable by him or any of them or his estate or their estates to the Company. The Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

#### TRANSFER OF SHARES

- 11. Transfer of Shares
  - 11.1. Subject to Article 11.2, the Directors shall register any transfer of shares which has been approved by Investor Consent and/or which is made in accordance with the provisions of Articles 36 to 38, 40, 41 and 46 (permitted transfers, pre-emptive transfers, fair price, tag-along, drag-along and vesting of Founder's ordinary shares). Save as aforesaid the Directors may, in their absolute discretion decline to register any transfer of any shares and, in such circumstances the Directors must give their reason for the refusal to the proposed transferee as soon as practicable and in any event within two months after the date on which the transfer is lodged. The Directors must provide the proposed transferee with such further information about the reasons for the refusal as the proposed transferee may reasonably request.

- 11.2. The Directors shall not register any transfer of shares in accordance with a Share Sale in circumstances where Article 7.3 applies unless the Exit Proceeds are allocated in accordance with the arrangements set out in Article 7.3.
- 11.3. Subject to such of the restrictions set out in these Articles as may be applicable, any member may transfer all or any of his shares by instrument of transfer in writing in any usual or common form or in any other form which the Directors may approve. The instrument of transfer shall be executed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee and the transferor shall remain the holder of the shares and as such a member of the Company until the name of the transferee is entered in the Register of Members in respect thereof.

#### GENERAL MEETINGS

12. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as otherwise provided in these Articles:
- 12.1. the Pentech Fund (and/or one of its Permitted Transferees) for so long as the Pentech Fund (and/or one of its Permitted Transferees) is a holder of Shares; and
- 12.2. the Bank (and/or one of its Permitted Transferees) for so long as the Bank (and/or one of its Permitted Transferees) is a holder of Shares; and
- 12.3. one A Ordinary Shareholder,
- in each case present in person or by proxy or, if a corporation, by a duly authorised representative shall be a quorum.
13. If a quorum is not present within half an hour of the time appointed for a general meeting the meeting, if convened on the requisition of members, shall be dissolved; in any other case it shall stand adjourned to such day and at such time and place as the Directors may determine. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting:
- 13.1. where any of the matters to be considered at the adjourned meeting include any of those detailed in Schedule 2, the meeting shall stand adjourned to such day and at such time and place as the Directors may determine, and such adjournments shall continue to take place until the quorum set out in Article 12 is present at any such adjourned meeting so that no business relating to any of the matters set out in Schedule 2 may be considered without such a quorum being present;
- 13.2. where any of the matters to be considered at the adjourned meeting do not include any of those detailed in Schedule 2, the members present shall be a quorum,
- provided that the only business to be considered at such adjourned meeting shall be the business set out in the notice of the original meeting.

14. A resolution in writing (i) in respect of the passing of an ordinary resolution, signed by a simple majority of the total voting rights of 'eligible members' of the Company; or (ii) in respect of the passing of a special resolution, signed by a 75% majority of the total voting rights of 'eligible members' of the Company; in each case shall be as valid and effectual as if it had been passed at a general meeting of the Company duly convened and held. Any special resolution to be passed as a written resolution must state on the face of the resolution that it is to be passed as a special resolution. Any written resolution may consist of several documents in the like form each signed by one or more of the members or their duly appointed attorneys or representatives and the signature in the case of a corporation which is a member shall be sufficient if made by a director or the secretary thereof or by its duly appointed attorney(s) or representative(s).
15. A poll may be demanded at any general meeting by the chairman or by any Director or by any member present in person or by proxy or, if a corporation, by any representative duly authorised and entitled to vote.
16. No resolution not previously approved by the Directors shall be moved by any member other than a Director at a general meeting unless the member intending to move the same shall have left a copy thereof with his name and address at the Office at least three clear days prior to such meeting.
17. A notice of every general meeting shall be given to every member whether or not he shall have supplied to the Company an address within the United Kingdom for the giving of notices.

#### DIRECTORS

18. The quorum for the transaction of the business of the Directors may be fixed by the Directors (with Investor Consent) and, unless so fixed at any other number or unless there is only one director, shall be two, one of whom shall be the Independent Director (if an Independent Director is appointed) or, if no Independent Director is appointed, any other Investor Director and one of whom shall be an executive director. A person who holds office only as an alternate director shall, if his appointer is not present, be counted in the quorum. If any duly convened meeting of the Directors (the "Original Meeting") is inquorate, the meeting shall be adjourned to such time (being not less than one or more than seven days from the date of the Original Meeting) as the Directors present at the Original Meeting shall agree (or in the absence of any agreement it shall be deemed to be seven days from the date of the Original Meeting) and this shall be notified to each Director. The quorum for the transaction of business at the reconvened meeting (the "Second Meeting") shall be the same as that required for the Original Meeting provided that the only business which may be transacted at that meeting is the business details of which are set out in the notice of the Original Meeting. If the Second Meeting is inquorate, the meeting shall be adjourned to such time (being not less than one and not more than seven days from the date of the Second Meeting so adjourned) as the Directors present at the Second Meeting shall agree (or in the absence of any agreement it shall be deemed to be seven days from the date of the Second Meeting) and this shall be notified to each Director. The quorum for the transaction of business at the reconvened meeting shall be the same as that required for the Original Meeting provided

that the only business which may be transacted at that meeting is the business details of which are set out in the notice of the Original Meeting. Subsequent adjournments shall take place in accordance with this Article 18 until the quorum requirement detailed in this Article 18 is met.

19. Notwithstanding Article 18 above, if the conflict of interest provisions contained in the 2006 Act apply such that any Investor Director is not entitled to vote, form part of the quorum or attend any meeting of the Directors despite the application of Article 44 or any authorisation granted in respect of the Investor Director pursuant to Article 44.2 then the quorum requirements for the relevant meeting shall not require the Investor Director to form part of the quorum.
20. The minimum number of directors shall be one and the maximum number shall be nine. A sole director shall have all the power and authority vested in "the Directors" in terms of these Articles.
21. A director shall not be required to hold shares of the Company in order to qualify for office as a director, but he shall be entitled to receive notice of and attend and speak at all general meetings of the Company or meetings of any class of members of the Company.
22. A director who is in any way whether directly or indirectly interested in an actual or proposed transaction or arrangement with the Company shall declare the nature and extent of his interest at a meeting of the Directors in accordance with section 177 and/or 182 of the 2006 Act. Subject to such disclosure as aforesaid a director may vote in respect of any actual or proposed transaction or arrangement in which he is interested and if he does so vote his vote shall be counted and he may be counted in ascertaining whether a quorum is present at any meeting at which any actual contract or proposed transaction or arrangement shall come before the Directors for consideration and may retain for his own absolute use and benefit all profits and advantages accruing to him therefrom. For the purposes of this Article:
  - 22.1. a general notice given to the Directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and
  - 22.2. an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.
23. The Directors may dispense with the keeping of attendance records for meetings of the Directors or committees of the Directors. Article 15 of the Model Articles shall be modified accordingly.
24. The office of a director shall be vacated:
  - 24.1. if he becomes bankrupt or suspends payment of or compounds with his creditors;

- 24.2. if he becomes of unsound mind or a patient for the purpose of any statute relating to mental health or otherwise mentally incapacitated;
- 24.3. if (not being a director holding executive office as such for a fixed term) by notice in writing to the Company he resigns his office;
- 24.4. if he is prohibited by law from being a director or ceases to be a director by virtue of any provision of the 2006 Act;
- 24.5. if he, not being an Investor Director appointed pursuant to Article 43 or the Founder for so long as he is entitled to be a director in accordance with Article 43.7, is removed from office by notice in writing signed by all his co-directors and served upon him;
- 24.6. if he, not being an Investor Director appointed pursuant to Article 43 or the Founder for so long as he is entitled to be a director in accordance with Article 43.7 is removed from office by notice in writing signed by the holders of shares representing more than 50% of the Voting Rights; and/or
- 24.7. if he shall for more than six consecutive months have been absent without permission of the Directors from meetings of the Directors held during that period and the Directors resolve that his office be vacated.
- 25. The Directors shall have power at any time to appoint any person to be a director of the Company either to fill a casual vacancy or as an addition to the existing directors.
- 26. Subject to the Investment Agreement, the ordinary remuneration of the directors for their services as directors shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provides) be divisible among the Directors as they may unanimously agree or, failing agreement, equally except that any director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for such proportion of remuneration as relates to the period during which he has held office. The Directors may repay to any director all such reasonable expenses as he may properly incur in attending meetings of the Directors or of any committee of the Directors or general meetings of the Company or any class of members of the Company or otherwise in or about the business of the Company. In the event of any director necessarily performing or rendering any special duties or services to the Company outside his ordinary duties as a director the Directors may, if so authorised by an ordinary resolution of the Company, pay such director special remuneration and such special remuneration may be paid by way of salary, commission, participation in profits or otherwise as may be arranged and approved by the Directors. To the extent that any matter set out in this Article falls within the terms of reference of the Remuneration Committee, the Remuneration Committee shall (notwithstanding the other terms of this Article) be authorised to make determinations in respect of such matter.
- 27. A majority of the Directors may, subject to Investor Consent, from time to time appoint one or more of their number to an executive office (including that of Chief Executive Officer, Managing Director, Deputy or Assistant Managing Director, Manager or any other salaried office) for such period and on such terms and conditions as they shall think fit and, subject



to the terms and conditions of any agreement entered into in any particular case, may revoke such appointment. Subject to the terms and conditions of any such agreement the appointment of any director as aforesaid shall be ipso facto determined if he ceases from any cause to be a director. To the extent that any matter set out in this Article falls within the terms of reference of the Remuneration Committee, the Remuneration Committee shall (notwithstanding the other terms of this Article) be authorised to make determinations in respect of such matter.

28. Subject to the Founder's Service Agreement with the Company, a Chief Executive Officer, Managing Director, Deputy or Assistant Managing Director, Manager or other executive officer as aforesaid shall receive such remuneration (either by way of salary, commission, participation in profits or pension or otherwise howsoever, whether similar to the foregoing or not) as the Directors may determine. To the extent that any matter set out in this Article falls within the terms of reference of the Remuneration Committee, the Remuneration Committee shall (notwithstanding the other terms of this Article) be authorised to make determinations in respect of such matter.
29. The Directors on behalf of the Company and without the approval of any resolution of the Company may establish, maintain, participate in and contribute to, or procure the establishment and maintenance of, participation in and contribution to, any pension, superannuation, benevolent or life assurance fund, scheme or arrangement (whether contributory or otherwise) for the benefit of any persons (including Directors, former Directors, officers and former officers) who are or shall have been at any time in the employment or service of the Company or of any company which at the time is or was a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company (as defined in section 1159 of the 2006 Act) or otherwise associated with the Company or of the predecessors of the Company in business or of any such other company as aforesaid, or for the benefit of the relations, spouses, widows, families, connections or dependants of any such persons or for the benefit of any other persons whose service or services have directly or indirectly been of benefit to the Company and their relations, connections or dependants, and the Directors on behalf of the Company and without the approval of any resolution of the Company may grant or procure the grant of donations, gratuities, pensions, allowances, including allowances on death, or other payments or benefits of any kind to any of such persons as aforesaid; and the Directors on behalf of the Company and without the approval of any resolution of the Company may establish, subsidise, subscribe to or support institutions, associations, clubs, schools, funds or trusts calculated or considered to be for the benefit of any of such persons as aforesaid or otherwise for the advancement of the interests and well-being of the Company or of any such other company as aforesaid or its members; and the Directors on behalf of the Company and without the approval of any resolution of the Company may make payments for or towards the insurance of any of such persons as aforesaid. Any such director or ex-director may participate in and retain for his own benefit any such donation, gratuity, pension, allowance, payment or other benefit conferred under or pursuant to this Article and the receipt thereof shall not disqualify any person from being or becoming a director of the Company. To the extent that any matter set out in this Article falls within the terms of reference of the Remuneration Committee, the Remuneration Committee shall

(notwithstanding the other terms of this Article) be authorised to make determinations in respect of such matters.

30. The Directors on behalf of the Company and without the approval of any resolution of the Company may establish and contribute to any employees' share scheme (within the meaning of section 1166 of the 2006 Act) for the purchase or subscription by trustees of shares of the Company or of a holding company of the Company and may lend money to the Company's employees to enable them to purchase or subscribe for shares of the Company or of a holding company of the Company; and may establish and maintain any option or incentive scheme whereby selected employees of or consultants to the Company (including salaried directors and officers) are given the opportunity of acquiring shares in the capital of the Company; and may formulate and carry into effect any scheme for sharing the profits of the Company with its employees (including salaried directors and officers) or any of them. Any director may participate in and retain for his own benefit any such shares, profit or other benefit conferred under or pursuant to this Article and the receipt thereof shall not disqualify any person from being or becoming a director of the Company.
31. Without prejudice to Article 8 of the Model Articles, a resolution in writing signed by all the Directors from time to time in the United Kingdom shall be as valid and effectual as a resolution passed at a meeting of the Directors duly convened and held and may consist of several documents in the like form, each signed by one or more of the directors.
32. A meeting of the Directors or of a committee of the Directors may consist of a conference between directors who are not all in one place, but of whom each is able (directly or by telephonic communication) to speak to each of the others, and to be heard by each of the others simultaneously. A director taking part in such a conference shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Subject to the 2006 Act, all business transacted in such manner by the Directors or a committee of the Directors shall for the purposes of these Articles be deemed to be validly and effectively transacted at a meeting of the Directors or a committee notwithstanding that fewer than two directors or alternate directors are physically present at the same place. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is. The word "meeting" in these Articles shall be construed accordingly.

#### BORROWING AND OTHER POWERS

33. The Directors may exercise all the powers of the Company without limit as to amount to borrow and raise money and to accept money on deposit and to grant any security, mortgage, charge or discharge as they may consider fit for any debt or obligation of the Company or which is binding on the Company in any manner or way in which the Company is empowered so to grant and similarly as they may consider fit to enter into any guarantee, contract of indemnity or suretyship in any manner or way in which the Company is empowered so to enter into.

#### ALTERNATE DIRECTORS

34. Alternate Directors

- 34.1. Any director (other than an alternate director) may at any time by writing under his hand and deposited at the Office, or delivered at a meeting of the Directors, appoint any person to be his alternate director and may in like manner at any time terminate such appointment. If such alternate director is not another director, such appointment, unless previously approved with Investor Consent, shall have effect only upon and subject to being so approved provided that the appointment of an alternate by an Investor Director shall be effective immediately on notice of such appointment being given to the Company.
- 34.2. The appointment of an alternate director shall determine on the happening of any event which if he were a director would cause him to vacate such office or if his appointer ceases to be a director.
- 34.3. An alternate director shall (including when absent from the United Kingdom) be entitled to receive notice of all meetings of the Directors and of all meetings of committees of the Directors of which his appointer is a member and shall be entitled to attend and vote as a director at any such meetings at which his appointer is not personally present and generally at such meetings to perform all the functions of his appointer as a director in his absence and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a director. If his appointer is for the time being absent from the United Kingdom or temporarily unable to act through ill-health or disability, an alternate director's signature to any resolution in writing of the Directors shall be as effective as the signature of his appointer. Every person acting as an alternate director shall have one vote for each director for whom he acts as alternate (in addition to his own vote if he is also a director). An alternate director shall not (save as aforesaid) have power to act as a director or be deemed to be a director for the purposes of these Articles.
- 34.4. An alternate director may be repaid expenses and shall be entitled to be indemnified by the Company to the same extent mutatis mutandis as if he were a director but he shall not be entitled to receive from the Company any remuneration except only such proportion (if any) of the remuneration otherwise payable to his appointer as such appointer may by notice in writing to the Company from time to time direct.

#### INDEMNITY AND INSURANCE

35. Indemnity and Insurance
- 35.1. Without prejudice to any other indemnity which may from time to time be applicable, a relevant officer of the Company or an associated company shall be indemnified out of the assets of the Company against:
- 35.1.1. any liability incurred by that officer in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company;
  - 35.1.2. any liability incurred by that officer in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the 2006 Act); and

- 35.1.3. any other liability incurred by that officer as an officer of the company or an associated company,

provided always that this Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the 2006 Act or by any other provision of law.

In this Article:

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- (b) a "relevant officer" means any director, former director, company secretary or former company secretary or other officer of the company or an associated company (but not its auditor).

- 35.2. The Directors may decide to purchase and maintain insurance at the expense of the Company for the benefit of any relevant officer in respect of any relevant loss. Without prejudice to the generality of Article 22 at a meeting of the Directors where such insurance is under consideration a Director may form part of the quorum and vote notwithstanding any interest he may have in such insurance.

In this Article:

- 35.2.1. a "relevant officer" means any director or former director, company secretary or former company secretary of the company or an associated company, any other officer or employee or former officer or employee of the company (but not its auditor) or any trustee of an occupational pension scheme (as defined in section 235(6) of the 2006 Act) for the purposes of an employees' share scheme of the company or an associated company;
- 35.2.2. a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company; and
- 35.2.3. companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

#### PERMITTED TRANSFERS

36. The following transfers of shares may be made without restriction as to price or otherwise and without any requirement to offer such shares pursuant to the provisions of Article 37 (pre-emptive transfers) and without any requirement, save in the case of Article 36.7 below, to comply with the provisions of Article 39 (change of control) as a result of the transfer, save that any transfer by an Employee Member in accordance with Articles 36.1 to 36.5 shall require Investor Consent and the consent of the Board, namely transfers:

- 36.1. by any member being a company to any holding company of such company or any direct or indirect subsidiary of any such holding company;

- 36.2. by any person holding shares as a nominee or on trust (whether directly or indirectly) for an Employee Trust to any other nominee or trustee of the same trust;
- 36.3. by any nominee or trustee to any other nominee or trustee of the same beneficiary;
- 36.4. by any Original Employee Member to any Privileged Relation or Family Settlement or Associated Family Company (subject always in each case to such transferee undertaking in a form approved by both the Board and with Investor Consent (such form to include the grant to any Director (or to such other person as he nominates) of a power of attorney in respect of such shares) that such transferee will be bound by the provisions of these Articles (in particular, the provisions of Article 46 (vesting of Founder's Ordinary Shares)) as if such transferee were the Original Employee Member and the transferred shares remained held by the Original Employee Member);
- 36.5. by the nominees or trustees of any Employee Trust to the beneficiaries of such trust (or any of them) and/or by any member to the trustees of such Employee Trust to hold on trust for the benefit of the beneficiaries of the Employee Trust;
- 36.6. by any member who is not an Employee Member and which is an Investment Fund (and/or a trustee, nominee, custodian or general partner of any Investment Fund) to:
  - 36.6.1. the holders of units in, or a nominee or trustee for the holders of units in, or partners in, or members of or investors in such Investment Fund;
  - 36.6.2. a nominee, custodian, general partner or trustee of such Investment Fund;
  - 36.6.3. another Investment Fund (or trustee, nominee, custodian or general partner of another Investment Fund) which is managed or advised by the same manager, sub-manager or adviser as the transferor or by any member of the same group of companies of such manager, sub-manager or adviser;
  - 36.6.4. any investor in any Investor;
  - 36.6.5. any manager or investment adviser for the time being of any Investor, to any company which is in the same group as the manager or investment adviser for the time being of any Investor and to any employee or director of, or any consultant to, any such entity;
  - 36.6.6. any entity which invests in parallel, or co-invests with, any Investor; and
  - 36.6.7. a nominee, custodian, general partner or trustee of, or to a member of the same group as the transferor or any of the persons referred to in Articles 36.6.1 and 36.6.2;
- 36.7. by Scottish Enterprise to any member of the Scottish Enterprise Group;
- 36.8. by the Bank (or another member of the Bank Group) to any other member of the Bank Group (as the context requires); and

- 36.9. by any member, with Investor Consent and the consent of the Board.

If any person to whom shares are transferred pursuant to Articles 36.1 to 36.6 above ceases to be within the required relationship with the original transferor of such shares, such shares shall be transferred back to the original transferor (or to any other person falling within the required relationship with the original transferor) forthwith upon such relationship ceasing and, if the holder of such shares (being a member other than an Investor or holder of any Preferred Ordinary Shares or A Preferred Ordinary Shares) fails to make such transfer (when requested), the holder shall be deemed to have served a separate Transfer Notice in respect of all of such shares then held by him and the provisions of Article 37 (pre-emptive transfers) shall apply save that the Specified Price shall be deemed to be the Fair Price.

#### PRE-EMPTIVE TRANSFERS

37. Pre-emptive transfers

- 37.1. Save as provided by Article 36 (permitted transfers) and Article 39 to Article 41 (change of control, tag-along, drag-along and co-sale) and Article 46.3.6 (vesting of Founder's ordinary shares) and Article 49 (Bank Option), subject to Article 37.11, no member or person entitled by transmission shall transfer or dispose of or agree to transfer or dispose of or grant any interest or right in any Share to any person (a "transferee" for the purposes of this Article 37) without first offering the same for transfer in accordance with this Article. Such offer may be in respect of all or part only of the Shares held by the proposing transferor, shall be made by the proposing transferor by the giving in writing of a notice (a "Transfer Notice"). A Transfer Notice may only be given in respect of Equity Shares with Investor Consent. A Transfer Notice once given or deemed to be given shall not be capable of withdrawal without Investor Consent and the consent of the Board.
- 37.2. Each Transfer Notice shall specify the number and class of Shares offered (the "Sale Shares") and (unless the Transfer Notice is deemed given as provided by these Articles or paragraph 24 of Part 5C of the Investment Agreement) the price at which he wishes to sell the Sale Shares (which will be deemed to be the Fair Price of the Sale Shares if no price is agreed between the seller and the Board (including any Investor Director) (the "Specified Price") and the identity(ies) of the proposed transferee(s) (if any). The Transfer Notice shall constitute the Company as the agent of the proposing transferor for the sale of the Sale Shares in accordance with this Article 37.2.
- 37.3. Subject to Article 37.12, upon receipt by the Company of the Transfer Notice the Directors shall forthwith give written notice to the holders of Shares (other than the proposing transferor, his Permitted Transferees and any Bad Leaver) of the number and description of the Sale Shares and the Specified Price and (unless the Transfer Notice is deemed given as provided by these Articles or paragraph 24 of Part 5C of the Investment Agreement) the identity(ies) of the proposed transferee(s) inviting each of such holders to state by notice in writing to the Company within 30 days (the "Offer Period") whether he is willing to purchase any and, if so, what maximum number of the Sale Shares ("Maximum") he is willing to purchase, and shall also forthwith give a copy of such notice to the proposing transferor. A person who, pursuant to such a notice, expresses a willingness to purchase any Sale Shares

is referred to below as a "Purchaser". Any notice by the Company that it is willing to acquire any Shares in accordance with this Article 37 may not be given unless Investor Consent has been obtained.

- 37.4. Within 10 days of the expiration of the Offer Period (or, in the event the Company is the Purchaser, such extended period as the Board may specify) the Directors shall, subject to Article 37.6 below, allocate the Sale Shares to or amongst the Purchasers and such allocation shall be made so far as practicable as follows:

(1) Sale Shares	(2) Allocated first to	(3) Allocated second to holders of
A Ordinary Shares (other than Investor Ordinary Shares)	Holders of Voting Shares (other than the proposing transferor, his Permitted Transferees and any Bad Leaver)	
B Ordinary Shares	Holders of Voting Shares (other than the proposing transferor, his Permitted Transferees and any Bad Leaver)	
Investor Shares	Holders of Investor Shares (pro rata by reference to the number of Investor Shares held)	Holders of Voting Shares (other (i) than the holder of Investor Ordinary Shares in respect of such Investor Ordinary Shares only and (ii) the proposing transferor, his Permitted Transferees and any Bad Leaver) (pro rata)

- 37.5. Each allocation among the relevant persons identified in Article 37.4 shall in the case of competition be made pro rata to the number of Shares of the relevant class held by them but individual allocations shall not exceed the Maximum which the relevant person shall have expressed a willingness to purchase.
- 37.6. If the Transfer Notice shall state that the proposing transferor is not willing to transfer part only of the Sale Shares, no allocation shall be made unless all the Sale Shares are allocated.
- 37.7. Forthwith upon such allocation being made, the Purchasers to or amongst whom such allocation has been made shall be bound to pay to the Company (as agent for the proposing transferor) the Specified Price for, and to accept a transfer of, the Sale Shares so allocated to them respectively and the proposing transferor shall, subject to Article 39 (change of

control) be bound forthwith upon payment of the Specified Price as aforesaid to deliver to the Company (as agent for the Purchasers) such documents as are required to transfer such Shares to the respective Purchasers.

- 37.8. If in any case the proposing transferor, after having become bound to transfer Sale Shares as aforesaid, does not do so, the Company may receive the Specified Price and the chairman, or failing him one of the directors or some other person duly nominated by the Board shall forthwith be appointed as the duly appointed attorney or agent of the proposing transferor with full power to execute, complete and deliver, in the name and on behalf of the proposing transferor, a transfer of the relevant Sale Shares to the transferee and (subject to the transfer being duly stamped) the name of the transferee shall be entered in the Register of Members as the holder or holders by transfer of the Shares so purchased by him or them. The Company shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money in trust for the proposing transferor until he shall deliver up his certificate or certificates for the relevant Shares to the Company (or an indemnity in respect thereof reasonably satisfactory to the Company) when he shall thereupon be paid the purchase money. The Company shall have no liability to pay or account for any interest on any such monies. The issue of a receipt by the Company therefor shall be a good discharge to the Purchasers and after their names shall have been entered in the Register of Members in exercise of the aforesaid power the validity of the transactions shall not be questioned by any person.
- 37.9. If, at the expiration of the 10 day period (or such extended period as is specified by the Board) referred to in Article 37.4 above, any of the Sale Shares have not been allocated in accordance with the provisions of this Article, the proposing transferor may at any time within a period of 60 days after the expiration of the said period referred to in Article 37.4 above transfer such unallocated Sale Shares to the proposed transferee(s) (if any) specified in the Transfer Notice, or to any other person at any price not being less than the Specified Price provided that:
- 37.9.1. if the Transfer Notice shall contain the statement referred to in Article 37.6 the proposing transferor shall not be entitled hereunder to transfer any of such unallocated Sale Shares unless in aggregate all of such unallocated Sale Shares are so transferred; and
  - 37.9.2. the Directors may require to be satisfied on reasonable grounds that such unallocated Sale Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance whatsoever to the transferee and if not so satisfied may refuse to register the instrument of transfer.
- 37.10. Save as provided for by Article 36 (permitted transfers) and Articles 39 to Article 42 (change of control, tag-along, drag-along and co-sale right) and Article 46.3.6 (vesting of ordinary shares) and Article 49 (Bank Option) the restrictions on transfer contained in this Article shall apply to all transfers and transmissions by operation of law or otherwise of Shares.



- 37.11. If the proposing transferor is an Employee Member, the Directors may allocate some or all of the Sale Shares to existing or prospective employees of the Company or any of its subsidiaries and/or to an Employee Trust (in each case as approved by the Board and with Investor Director Consent) in which event the provisions of Articles 37.2 to 37.7 (inclusive) and 37.9 shall not apply to the Sale Shares allocated pursuant to this Article 37.11. For the avoidance of doubt, the provisions of Article 37 shall apply to any Sale Shares not allocated pursuant to this Article 37.11.
- 37.12. In the event that the Sale Shares are to be allocated to an Employee Trust the Company shall be entitled to fund the acquisition of the Sale Shares by the Employee Trust subject to such funding being available and lawful. Any Sale Shares acquired by the Employee Trust will at any time subsequently and when so required by the Board be transferred free of the pre-emption provisions contained in Articles 37.2 to 37.7 (inclusive) and 37.9 to existing or prospective employees at such price as the Board (with Investor Consent) may approve.
- 37.13. Any Shares transferred to a member holding Shares of a different class or classes to the Shares transferred pursuant to this Article 37 shall immediately following such transfer be deemed to have been converted on a one for one basis into the same class as the member holds immediately prior to the said transfer of Shares or, where the member holds more than one class, pro rata into those classes having all the rights and privileges and subject to the restrictions attaching thereto.
- 37.14. Any A Preferred Ordinary Shareholder or Preferred Ordinary Shareholder who is an Investment Fund shall be entitled to nominate that any of its Associated Funds subscribe in its stead for all or any of the shares offered pursuant to this Article 37 provided that where an Associated Fund is involved the proportions which are required to operate this Article 37 shall be determined by reference to the shareholding of the Associated Fund and/or the shareholding of the A Preferred Ordinary Shareholder or Preferred Ordinary Shareholder who nominates the Associated Fund.

#### FAIR PRICE

38. "Fair Price" means the price per Share as at the date of occurrence of the event which triggered the requirement to agree or determine the Fair Price as agreed between the selling shareholder and the Board (with Investor Consent) within 21 days or, in the absence of such agreement, the price as at such date certified in writing by the Valuer as being in their opinion the fair value of the Shares as between a willing seller and a willing buyer (on a going concern basis) (with no discount to reflect the unquoted status of the Shares) provided that the Valuer, in determining the fair value of any of such Shares shall:
- 38.1. determine the sum in cash which a willing buyer would offer to a willing seller for the whole of the issued share capital of the Company; and
- 38.2. divide the resultant figure by the number of issued Shares and outstanding options or rights to acquire Shares (including pursuant to a right of conversion),
- but so that there shall be no addition or subtraction of any premium or discount arising in relation to the size of the holding the subject of the relevant transfer, or in relation to any

restrictions on the transferability of the Shares arising only out of the provisions of these Articles and provided further that the Valuer shall take into account in determining the appropriate figure for Article 38.1 above any bona fide offer from any third party to purchase any holdings the subject of a Transfer Notice.

The costs of the Valuer shall be borne between the Company and the selling shareholder in the proportions as the Valuer shall determine to be fair and reasonable in the circumstances.

#### CHANGE OF CONTROL

39. Notwithstanding any other provision of these Articles, but save for transfers pursuant to Articles 36.1 to 36.9 (permitted transfers), no sale or transfer of, or transfer of any interest in, any Shares conferring a right to vote at general meetings of the Company to any person whomsoever (other than the Investors or any of their Associated Funds), which would result, if made and, if appropriate, registered, in a person (together with persons acting in concert therewith), whether or not then a member of the Company, obtaining or increasing a Controlling Interest in the Company, shall be made or registered and no right to subscribe for any Shares which would result, when such Shares are issued, in such a person obtaining or increasing a Controlling Interest in the Company shall be exercised unless:
- 39.1. prior to such transfer being completed a General Offer is made to all members by the person or persons proposing to acquire the Controlling Interest to purchase all the Shares in issue and all the unissued Shares for which any person shall then be entitled to subscribe; and
- 39.2. the relevant offer is approved by Investor Consent.

Any General Offer shall attribute an equal value to each Share being a value not less than the highest value paid or agreed to be paid for a Share by the proposed acquiror(s) of the Controlling Interest in the six months preceding the date of the General Offer multiplied by the number of Shares then in issue (the "Aggregate General Offer Value") provided that it shall be a term of any such General Offer that the Aggregate General Offer Value shall be divided among the members in accordance with Article 7.3.

It shall be a term of a General Offer and of any agreement to acquire any Shares pursuant thereto that a Controlling Interest is only obtained or increased in consequence of the General Offers for the Shares and if the General Offers become wholly unconditional in respect of each class of Shares. Any General Offer shall be made (at the same time as any other General Offer made in terms of this Article 39) in writing (stipulated to be open for acceptance for at least twenty-eight days) to all relevant members and shall include an undertaking by the offeror that neither he nor any person acting in concert with him has within the six months immediately preceding the making of the General Offer entered into more favourable terms with any member for the purchase of Shares of the same class. Such a General Offer shall be accepted or rejected in writing within the time period stipulated and shall be deemed to have been rejected by a member if he does not respond within such time period.

Nothing in this Article 39 shall require an Investor to make any General Offer.

## TAG-ALONG

### 40. Tag-along

The provisions of Article 37 shall not apply to the provisions of this Article 40.

- 40.1. If as the result of a General Offer or otherwise (each an "offer") a person or persons (in this Article the "Buyer") acquires at least 50% of the Equity Shares in issue, the Company shall forthwith notify all members accordingly and any member who did not accept the relevant offer in respect of his Shares may by written notice to the Company served within 60 days of such notification require the Company as agent for such member to serve a notice (in this Article a "Compulsory Purchase Notice") on the Buyer requiring it to buy such member's Shares at the consideration applicable to such offer on the basis the proceeds thereof are divided amongst members in accordance with Article 7.3. The Company shall serve the Compulsory Purchase Notice forthwith upon receipt of any such written notice by a member.
- 40.2. The Buyer shall complete the purchase of all Shares in respect of which a Compulsory Purchase Notice has been given and no later than 21 days from the date of the service of such Compulsory Purchase Notice on it. The consideration shall be payable in full without any set off. Any transfer pursuant to a Compulsory Purchase Notice shall not require the proposing transferor to give a Transfer Notice. The Directors shall not register any transfer to the Buyer and the Buyer shall not be entitled to exercise or direct the exercise of any rights in respect of any Shares to be transferred to the Buyer until in each case the Buyer has fulfilled all his obligations pursuant to this Article. If and for so long as the Buyer fails to comply with the provisions of this Article, the Shares held by the Buyer (including any Shares held by the Buyer prior to the operation of this Article) shall confer on the Buyer no right to receive notice of, attend or vote at any general meeting of the Company or at any separate general meeting of the holders of the Shares of that class until the obligations of the Buyer hereunder have been complied with and such Shares shall confer no right to receive notice of, attend or vote at any meeting of the Company unless and until the Buyer has complied with such obligations under this Article.

## DRAG-ALONG

### 41. Drag-along

#### 41.1. If:

- 41.1.1. the holders of more than 70% of the Preferred Investor Shares in issue for the time being (the "Selling Shareholders") wish to transfer all their interest in Preferred Investor Shares (the "Sellers' Shares") to a bona fide third party arm's length purchaser acting in good faith (the "Proposed Buyer"); and
- 41.1.2. Investor Consent to the sale of the Sellers' Shares by the Selling Shareholders has been obtained,

the Selling Shareholders shall have the option (the "Drag Along Option") to require all the other holders of Shares on the date of the request (the "Called Shareholders") to

sell and transfer all their interest in Shares to the Proposed Buyer (or as the Proposed Buyer may direct), on the same terms, in accordance with the provisions of this Article 41.

- 41.2. The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a "Drag Along Notice") at any time before the completion of the transfer of the Sellers' Shares to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:
- 41.2.1. that the Called Shareholders are required to transfer all their Shares (the "Called Shares") pursuant to this Article 41;
  - 41.2.2. the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
  - 41.2.3. the consideration payable for the Called Shares calculated in accordance with Article 41.4; and
  - 41.2.4. the proposed date of completion of transfer of the Called Shares.
- 41.3. Once given, a Drag Along Notice may not be revoked, save with Investor Consent. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 60 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 41.4. 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 Buyer were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Article 7.3.
- 41.5. Each Called Shareholder shall be required to give customary title and capacity warranties in favour of the Proposed Buyer in relation to the securities to be sold by such Called Shareholder to the Proposed Buyer and the status of such Called Shareholder as the correct seller and each Called Shareholder shall be deemed to include the right for the agent or attorney referred to in Article 41.9 to carry out such actions and execute all such documents necessary to achieve this. No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 41.
- 41.6. Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless all of the Called Shareholders and the Selling Shareholders otherwise agree.
- 41.7. Within five Business Days of the Proposed Buyer 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 Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof) to the

Company. On the date of completion of transfer of the Called Shares, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to Article 41.4 provided that and to the extent that the Proposed Buyer has put the Company in the requisite funds to do so. The Company's receipt for the amounts due pursuant to Article 41.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 41.4 in trust for the Called Shareholders without any obligation to pay interest.

- 41.8. To the extent that the Proposed Buyer has not, on or before the date of completion of transfer of the Called Shares, put the Company in funds to pay the amounts due pursuant to Article 41.4 (and such amounts have not been paid to the holder of the Called Shares by the Company), the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 41 in respect of their Shares.
- 41.9. If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent and/ or attorney to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this Article 41.
- 41.10. If, following the issue to any member of a Drag Along Notice which has not lapsed in terms of Article 41.3 (the "Relevant Notice"), any person becomes a Shareholder (or an existing Shareholder acquires further Shares) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares, (a "New Shareholder"), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the Relevant Notice, who shall then be bound to sell and transfer all such Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this Article 41 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares.
- 41.11. Article 37 does not apply to:
- 41.11.1. any transfer of Shares by any Selling Seller ((if relevant) together with any Shares to be transferred by other Shareholders approved by the Investor Majority) to any person which shall result in any right to operate the foregoing terms of this Article 41; and/or

41.11.2. any transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served.

41.12. Any Transfer Notice or Compulsory Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

#### CO-SALE RIGHT

42.

42.1. In the event that the Founder has gone through the pre-emption process set out in Article 37, in order to sell 33% or more in number of the Shares registered in the name of the Founder, the Founder shall give the Bank not less than 10 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 "Co-Sale Buyer");
- (b) the price per Share which the Co-Sale Buyer is proposing to pay;
- (c) the manner in which the consideration is to be paid;
- (d) the number of Shares which the Founder proposes to sell; and
- (e) the address where the counter-notice should be sent.

42.2. The Bank shall be entitled within five Business Days after receipt of the Co-Sale Notice, to notify the Founder that they wish to sell to the Co-Sale Buyer up to (and at their sole discretion) "E" number of Shares registered in the name of the Bank or any of its Permitted Transferees where "E" is calculated as follows:

A = total number of Shares registered in the name of the Founder

B = number of Shares the Founder which the founder proposes to sell pursuant to the Co-Sale Notice

C = B/A (expressed as a percentage (%))

D = total number of Shares registered in the name of the Bank

E = C% of D

42.3. Following the expiry of five Business Days from the date the Bank receives the Co-Sale Notice, the Founder shall be entitled to sell to the Co-Sale Buyer on the terms notified to the Bank the number of Shares specified in the Co-Sale Notice, provided that at the same time the Co-Sale Buyer purchases from the Bank (or its Permitted Transferees) the number of Shares the Bank has indicated it wishes to sell on terms no less favourable than those obtained by the Founder from the Co-Sale Buyer.

- 42.4. Except with the consent of the Bank, no sale by the Founder shall be made pursuant to any Co-Sale Notice more than three months after service of that Co-Sale Notice.
- 42.5. Sales made by the Bank in accordance with this Article 42 shall not be subject to Article 37.

#### DIRECTORS AND OBSERVERS

43.

43.1. For so long as:

- 43.1.1. the Pentech Fund (and/or its Permitted Transferees) hold Shares, the Pentech Fund (and/or its Permitted Transferees) shall be entitled but not obliged by giving notice in writing delivered to the registered office of the Company to appoint as a non-executive director of the Company any person and to remove from office any person so appointed and to appoint another person in his place (the "Pentech Investor Director");
- 43.1.2. SE (and/or its Permitted Transferees) hold Shares, SE (and/or its Permitted Transferees) shall be entitled but not obliged by giving notice in writing delivered to the registered office of the Company to appoint as a non-executive director of the Company any person and to remove from office any person so appointed and to appoint another person in his place (the "SE Investor Director");
- 43.1.3. the Mangrove Investor (and/or its Permitted Transferees) hold Shares, the Mangrove Investor (and/or its Permitted Transferees) shall be entitled but not obliged by giving notice in writing delivered to the registered office of the Company to appoint as a non-executive director of the Company any person and to remove from office any person so appointed and to appoint another person in his place (the "Mangrove Investor Director"); and
- 43.1.4. the Bank (and/or its Permitted Transferees) holds Shares, it (and/or its Permitted Transferees) (acting together) shall be entitled but not obliged by giving notice in writing delivered to the registered office of the Company to appoint as an independent non-executive director of the Company any person and to remove from office any person so appointed and to appoint another person in his place (the "Independent Director"),

together the "Investor Directors".

43.2. For so long as:

- 43.2.1. the Pentech Fund (and/or its Permitted Transferees) hold Shares and no Pentech Investor Director has been appointed, the Pentech Fund (and/or its Permitted Transferees) shall be entitled but not obliged to appoint any person as an observer to attend and speak, but not vote (save for Investor Director Consent purposes), at a board meeting of the Group and to remove any person

so appointed and to appoint another person in his place (the "Pentech Observer");

- 43.2.2. SE (and/or its Permitted Transferees) hold Shares and no SE Investor Director has been appointed, SE (and/or its Permitted Transferees) shall be entitled but not obliged to appoint any person as an observer to attend and speak, but not vote (save for Investor Director Consent purposes), at a board meeting of the Group and to remove any person so appointed and to appoint another person in his place (the "SE Observer");
- 43.2.3. the Mangrove Investor (and/or its Permitted Transferees) hold Shares in the Company and no Mangrove Investor Director has been appointed, the Mangrove Investor (and/or its Permitted Transferees) shall be entitled but not obliged to appoint any person as an observer to attend and speak, but not vote (save for Investor Director Consent purposes), at a board meeting of the Group and to remove any person so appointed and to appoint another person in his place (the "Mangrove Observer");
- 43.2.4. the Frontline Investor (and/or its Permitted Transferees) hold Shares, the Frontline Investor (and/or its Permitted Transferees) shall be entitled but not obliged to appoint any person as an observer to attend and speak, but not vote at a board meeting of the Group and to remove any person so appointed and to appoint another person in his place (the "Frontline Observer"); and
- 43.2.5. the Bank (and/or its Permitted Transferees) holds Shares (regardless of whether an Independent Director has been appointed) it shall be entitled but not obliged to appoint any person as an observer to attend and speak at, but not vote in (save for Investor Director Consent purposes), all board meetings of the Group and to remove any person so appointed and to appoint another in his place (the "Bank Observer"),
- 43.2.6. Growthdeck (and/or its Permitted Transferees) holds Shares, it (and/or its Permitted Transferees) (acting together) shall be entitled but not obliged to appoint any person as an observer to attend and speak at, but not vote in, all board meetings of the Group and to remove any person so appointed and to appoint another in his place (the "Growthdeck Observer"); and
- 43.2.7. Wealth Club (and/or its Permitted Transferees) holds Shares, it (and/or its Permitted Transferees) (acting together) shall be entitled but not obliged to appoint any person as an observer to attend and speak at, but not vote in, all board meetings of the Group and to remove any person so appointed and to appoint another in his place (the "Wealth Club Observer"),

together the "Investor Observers".

- 43.3. No fee shall be payable to an Investor Director or an Investor Observer but the Company will pay all reasonable out-of-pocket expenses incurred by each Investor Director and Investor Observer in connection with his participation at any meetings which he is entitled to



attend (including travel and accommodation expenses associated with attendance at board meetings and other business on behalf of the Group).

- 43.4. No Investor Director shall be required to hold any share qualification.
- 43.5. Each Investor Director shall be entitled (but not obliged) to serve on all committees of the Board.
- 43.6. Each Investor Director and/or each Investor Observer shall be entitled to report back to the members appointing him (including in the case of Scottish Enterprise, any member of the Scottish Enterprise Group and/or in the case of the Bank, any member of the Bank Group) on the affairs of the Company on a confidential basis and to disclose to such members on a confidential basis such information as he shall reasonably consider appropriate including, for the avoidance of doubt, all papers distributed to the Directors.
- 43.7. For so long as the Founder satisfies each of the following conditions (the "Conditions") the Founder shall be entitled to be appointed as an executive director of the Company:
  - 43.7.1. the Founder is a full-time employee of the Group;
  - 43.7.2. the Founder is not a Leaver at the relevant time; and
  - 43.7.3. the Founder (and his Permitted Transferees) hold at least 10% of the Equity Shares (unless otherwise agreed by the Investors).

In the event the Founder fails to satisfy any of the Conditions he shall be deemed to resign as a director of the Company (and any other member of the Group to which he has been appointed as a director or secretary) with effect from the earliest date on which the relevant Condition is no longer satisfied (unless Investor Consent is otherwise obtained).

#### CONFLICTS OF INTEREST

- 44.
- 44.1. The conflict of interest provisions contained in the 2006 Act (and in particular section 173(2)(b)) should be read in the light of the following Articles dealing with conflicts of interest.
- 44.2. If a situation arises in which a director (the "Conflicted Director") has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (including without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it) (a "Situation") the following provisions shall apply:
  - 44.2.1. the Directors (other than the Conflicted Director and any other Director with a similar interest who shall not be counted in the quorum at the meeting and shall not vote on the resolution); or
  - 44.2.2. the members (by ordinary resolution or by notice in writing given to the Company by the holders of a majority of the Equity Shares),

may resolve to authorise such Situation and the continuing performance by the Conflicted Director of his duties and confirm that the existence of such Situation shall not give rise to a breach of the duty of the Conflicted Director pursuant to section 175 of the 2006 Act (or as such section may be amended or restated or re-numbered from time to time). Any such authorisation may be subject to such conditions as the Directors or members (as applicable) may consider necessary or desirable.

- 44.3. Any proposed authorisation under Article 44.2 may only be given in respect of a matter which constitutes a Situation in which a director who is not an Investor Director has, or can have a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, if Investor Director Consent has been given to such authorisation.
- 44.4. In the execution of his duty to promote the success of the Company it is acknowledged that an Investor Director shall be entitled to have regard to and take account of the interests of the person or party or entity who has appointed him (the "Appointer") and in doing so such Investor Director shall not have infringed their duty to exercise independent judgement in accordance with section 173 of the 2006 Act (or as such section may be amended or restated or re-numbered from time to time).
- 44.5. Notwithstanding Article 44.2 above, the existence of the following Situations relating to an Investor Director which do or may give rise to a conflict arising as a result of the such Investor Director's involvement with and relationship with his Appointer and the investment strategy and operations of the Appointer, shall be hereby authorised, without further approval being required by the Directors and/or the members (as appropriate) and consequently shall not give rise to a breach of duty to avoid conflicts of interest:
- 44.5.1. if the Investor Director is a shareholder in and/or member and/or partner and/or employee of the Appointer or if the Investor Director has any economic interest in an Investment Fund in relation to which the Appointer forms part of the relevant fund structure;
  - 44.5.2. if the Investor Director has an advisory relationship with a competitor of the Company;
  - 44.5.3. if the Appointer acquires a competitor of or a supplier to the Company or any other company within the Group, or a material interest therein;
  - 44.5.4. if the Appointer or any person connected with the Appointer wishes to take up an opportunity that had been offered to, but declined by the Group;
  - 44.5.5. if the Investor Director is appointed by the Appointer or any person connected with the Appointer or is otherwise appointed as a director of any other company outside the Group, including in a competitor to or supplier of the Company;
  - 44.5.6. if the Group is considering a refinancing proposed by or supported by the Appointer;

- 44.5.7. if the Appointer wishes to exit its investment in the Group by way of a Sale or IPO or a sale of assets by the Group or otherwise;
- 44.5.8. if an Investor Director accepts a benefit from a third party conferred by reason of his being a Director or his doing (or not doing) anything as a Director, provided such benefit falls within section 176(4) of the 2006 Act (or as such section may be amended or restated or renumbered from time to time); and
- 44.5.9. if an Investor Director consents or withholds consent or gives any direction pursuant to the Investment Agreement and/or these Articles,

provided in the case of Articles 44.5.2, 44.5.3 and 44.5.5, that the Investor Director will notify the Company promptly upon the commencement of any such relationship with a competitor.

An Investor Director shall be entitled to attend, be counted in the quorum and vote at any meeting of the Directors notwithstanding any such conflict or potential conflict.

- 44.6. Where an Investor Director obtains confidential information (other than through his position as a director of the Company) that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence.

#### CONVERSION OF PREFERRED ORDINARY SHARES

45.

- 45.1. Any holder of Preferred Investor Shares may at any time, by notice in writing to the Company, require conversion of all of the Preferred Investor Shares held by it at any time into A Ordinary Shares in the Company. Those Preferred Investor Shares shall convert automatically on the date of service of such notice on the Company (unless such notice states that conversion is to be effective on some later date, or when any conditions specified in the notice have been fulfilled, in which case conversion shall take effect on that later date, or when such conditions have been fulfilled, as the case may be).
- 45.2. All of the Preferred Investor Shares and B Ordinary Shares shall automatically convert into A Ordinary Shares on the date of an IPO.
- 45.3. On an IPO:
  - 45.3.1. any Treasury Shares shall be cancelled or, with Investor Consent, transferred in accordance with these Articles prior to the IPO;
  - 45.3.2. the Company shall issue at par to each holder of Preferred Investor Shares that number (if any) of A Ordinary Shares credited as fully paid, which, at the offer/placing price on IPO have an aggregate value equal to any Arrears of dividend in respect of the Preferred Investor Shares;
  - 45.3.3. the Company shall issue to each holder of Preferred Investor Shares such number (if any) of A Ordinary Shares such that the proportion which the Equity

Shares held by that holder of Preferred Investor Shares bears to the issued Equity Shares following the completion of all such issues (and any transfer of Treasury Shares pursuant to Article 45.3.1) and the conversion of all Preferred Investor Shares shall be equal to the proportion of Exit Proceeds that holder of Preferred Investor Shares would have received on a Share Sale at the Pre-New Money Valuation; and

- 45.3.4. the additional A Ordinary Shares shall be paid up by the automatic capitalisation of any amount standing to the credit of the share premium account or any other available reserve of the Company as determined by the Directors and those additional A Ordinary Shares shall be issued at par fully paid. The capitalisation shall be automatic and shall not require any action on the part of the Shareholders and the Directors shall allot the A Ordinary Shares arising on the capitalisation to the Shareholders entitled to them in accordance with this Article. If the Company is not legally permitted to carry out the capitalisation the holders of Preferred Investor Shares shall be entitled to subscribe in cash at par for that number of additional A Ordinary Shares as would otherwise have been issued pursuant to Article 45.3.3.

- 45.4. In the case of a conversion pursuant to:

45.4.1. Article 45.1, no more than five business days after the date of conversion; or

45.4.2. Article 45.2, at least five business days before the date of the IPO,

each holder of the relevant Preferred Investor Shares and/or B Ordinary Shares converted or to be converted shall deliver the certificate(s) (or an indemnity in a form reasonably satisfactory to the Directors for any lost share certificate) for the Preferred Investor Shares and/or B Ordinary Shares being converted (together with such other evidence (if any) as the Directors may reasonably require to prove good title to those Shares) to the Company at its registered office for the time being.

- 45.5. Where conversion of any Preferred Investor Share and/or B Ordinary Share is mandatory on the occurrence of an IPO, that conversion shall only be effective immediately before such IPO. If such IPO does not become effective, or does not take place, such conversion shall be deemed not to have occurred.
- 45.6. Subject to Article 7.5 which shall override the following provisions of this Article 45.6, on conversion pursuant to this Article 45 the relevant Preferred Investor Shares shall (without any further authority than that contained in these Articles) stand converted into A Ordinary Shares on the basis of one A Ordinary Share for each Preferred Investor Share held (subject to adjustment to take account of any sub-division, consolidation or re-classification of either the Preferred Investor Shares or the A Ordinary Shares at any time before a conversion in accordance with this Article 45) and the A Ordinary Shares resulting from the conversion shall rank *pari passu* in all respects with the existing issued A Ordinary Shares.
- 45.7. On conversion pursuant to this Article 45 the relevant B Ordinary Shares shall (without any further authority than that contained in these Articles) stand converted into A Ordinary

Shares on the basis of one A Ordinary Share for each B Ordinary Share held (subject to adjustment to take account of any sub-division, consolidation or re-classification of either the B Ordinary Shares or the A Ordinary Shares at any time before a conversion in accordance with this Article 45) and the A Ordinary Shares resulting from the conversion shall rank pari passu in all respects with the existing issued A Ordinary Shares.

- 45.8. Forthwith following a conversion pursuant to this Article 45, the Company shall enter the holder(s) of the converted Preferred Investor Shares and/or B Ordinary Shares in the register of shareholders of the Company as the holder(s) of the appropriate number of A Ordinary Shares and, subject to the relevant holder of Preferred Investor Shares and/or B Ordinary Shares delivering the relevant share certificate(s) (or indemnity or other evidence) in respect of the Preferred Investor Shares and/or B Ordinary Shares in accordance with Article 45.4, the Company shall, within 10 Business Days of conversion, forward a definitive share certificate for the appropriate number of fully paid A Ordinary Shares to such holder of converted Preferred Investor Shares and/or B Ordinary Shares, by post to his address as shown in the Company's register of Shareholders, at his own risk and free of charge.
- 45.9. On the date of a conversion of any Preferred Investor Shares pursuant to Article 45.1 (the "Conversion Date") (or as soon afterwards as it is possible to calculate the amount payable), the Company will, if it has sufficient Available Profits, pay to holders of the Preferred Investor Shares falling to be converted a dividend equal to all Arrears and accruals of dividends in relation to those Preferred Investor Shares to be calculated on a daily basis down to and including the day immediately preceding the Conversion Date. If the Company has insufficient Available Profits to pay all such Arrears and accruals of dividends in full then it will pay the same to the extent that it is lawfully able to do so and any Arrears and accruals of dividends that remain outstanding shall continue to be a debt due from and immediately payable by the Company.

#### VESTING OF FOUNDER'S ORDINARY SHARES

46.

- 46.1. If during the period of 33 months following the Trigger Date (the "Vesting Period") the Founder becomes a Leaver then:

46.1.1. in the event that the Founder is a Good Leaver, 100% of the A Ordinary Shares and 100% of the B Ordinary Shares held by the Founder and his Permitted Transferees shall immediately become Vested Shares;

46.1.2. in the event that the Founder is neither a Good Leaver nor a Bad Leaver:

x% of the Shares held in aggregate by the Founder and his Permitted Transferees shall be "Unvested Shares" (the proportion of the Unvested Shares across the Founder and his Permitted Transferee(s) being calculated based on the number of Shares held by the Founder and his Permitted Transferee(s) on the date on which the Founder becomes a Leaver),

where:

$x = 50 - (1.5151 \text{ multiplied by } NM)$ ; and

NM = the number of full calendar months from the Trigger Date, such that x shall be zero on 31 December 2024.

By way of example, as at the 2022 First Subscription Date, 3,500,000 of the A Ordinary Shares held by the Founder are, pursuant to this Article 46.1.2, Vested Shares.

46.2. If at any time (including, for the avoidance of doubt, any time after the Vesting Period) the Founder is a Bad Leaver, 100% of the Shares held by the Founder and his Permitted Transferees shall be Unvested Shares and subject to the provisions of Article 46.3.

46.3.

46.3.1. All of the Unvested Shares held by the Founder and his Permitted Transferees in accordance with Articles 46.1.2 and 46.2 shall be subject to the terms of this Article 46.3, the Directors shall, at any time upon the Founder becoming a Leaver, serve a notice in writing on the Founder and his Permitted Transferees requiring each of them to offer for sale the Unvested Shares (as defined in Article 46.1.2) then held by the Founder and his Permitted Transferee(s) (a "Compulsory Transfer Notice"). Upon service of a Compulsory Transfer Notice the Leaver and his Permitted Transferee(s) shall be deemed to have served a Transfer Notice in respect of the Unvested Shares held by such shareholder (and such Compulsory Transfer Notice shall supersede any previous Transfer Notice which has not completed) and, subject to Article 46.3.6, the provisions of Article 37 shall apply to the Unvested Shares.

46.3.2. A deemed service of a Compulsory Transfer Notice pursuant to Article 46.3.1 shall be deemed to provide that the Specified Price in respect of the Unvested Shares that are the subject of the Compulsory Transfer Notice shall be £0.01 in aggregate in respect of all of the Unvested Shares held by the relevant shareholder.

46.3.3. The Directors (acting with Investor Consent) may, by notice in writing served on (i) the Company and (ii) the Founder or his Permitted Transferee(s) (as appropriate) (in the Compulsory Transfer Notice or otherwise):

- (a) specify that not all or none of the Founder's and/or his Permitted Transferee(s) Unvested Shares shall be the subject of the Compulsory Transfer Notice; and/or
- (b) specify that a Bad Leaver shall be deemed to be a Good Leaver; and/or
- (c) specify that the Specified Price is greater than that detailed in Article 46.3.2; and/or

- (d) suspend the operation of the provisions of Article 46.3 for such period as the Directors (acting by majority and with Investor Consent) determines.

46.3.4. Notwithstanding any other provision herein contained, if the Founder and/or his Permitted Transferee(s) retains/holds/acquires any Shares after the Founder becomes a Leaver such member shall have all the rights of and shall rank *pari passu* with the other holders of the class or classes of shares held by him save that:

- (a) at any general meeting or class meeting of the Company he shall be deemed to vote (whether on a poll or otherwise) in the same manner as the majority of votes cast at the relevant meeting by the holders of the relevant class or classes of Shares held by him;
- (b) in a written resolution he will be deemed to resolve in the same manner as the holders of the majority of the relevant class or classes of Shares held by him;
- (c) in relation to any matter where the consent of the holders of the class or classes of Shares held by him is required he shall be deemed to grant consent if the holders of the majority of the relevant class or classes of Shares held by him grant such consent;
- (d) on any transfer of a majority of the Shares of the relevant class or classes held by him in circumstances where an offer is made to him to acquire his Shares at a price which is not lower than the average price per Share payable to the holders of a majority of the Shares of such class or classes he shall be deemed to accept such offer and to transfer such Shares at the time and place specified by the offeror;
- (e) if the Founder is a Bad Leaver, the Founder and his Permitted Transferee(s) shall not be offered (or entitled to subscribe for) shares in accordance with Article 8.3 nor shall the Founder be offered (and accordingly shall not be entitled to acquire) any shares in terms of any pre-emptive transfer in accordance with Article 37 or otherwise;

and he hereby appoints any Director as his attorney or agent to sign any such resolution, consent, transfer form or other document and/or take any other act in his name and on his behalf to implement all or any of the above provisions provided that, in respect of any transfer made pursuant to Article 46.3.4(d), the Company shall retain on trust the proceeds of sale and shall account to him for such proceeds forthwith on demand.

46.3.5. If the Founder is a Bad Leaver and he and/or his Permitted Transferee(s) acquires any Shares (whether upon exercise of options or other rights to acquire Shares or otherwise) after the date on which the Founder becomes a Bad Leaver, the terms of this Article 46.3 shall apply to all such Shares on the basis that all such Shares shall be deemed to be "Unvested Shares".

46.3.6. The Unvested Shares may be:

- (a) allocated, as specified by the Board (acting with Investor Director Consent), to any existing or prospective employee, director (other than any Investor Director), contractor and/or consultant of any member of the Group and/or to an Employee Trust; and/or
- (b) subject to the requirements of the Act and Investor Consent, bought back by the Company for £0.01 in aggregate from the relevant shareholder, without having to offer the shares in accordance with Article 46.3.1.

46.4. In the event that the calculation of the Vested/Unvested Shares in accordance with Article 46.1 results in a fraction of a share, the Vested Shares shall be rounded to the nearest whole number of the shares and the number of Unvested Shares shall increase or decrease accordingly.

46.5. Upon a Capital Distribution Event or a Share Sale, all Unvested Shares held by the Founder and his Permitted Transferee(s) shall become Vested Shares simultaneously with the Capital Distribution Event or Share Sale (as appropriate).

47. LEAVER PROVISIONS FOR EMPLOYEE MEMBERS (OTHER THAN THE FOUNDER)

The terms of this Article 47 shall apply to Employee Members who hold Shares, other than the Founder (to whom Article 46 shall apply). For the avoidance of doubt the reference to "Employee Member" shall include any person(s) (other than an Investor) who acquired shares (pursuant to a Permitted Transfer or otherwise in accordance with these Articles) from or which were originally held by any such member and this Article 47 shall be construed accordingly and each such shareholder shall be treated as an Employee Member in his/her own right for the purpose of this Article 47.

47.1. If at any time an Employee Member becomes an Employee Member Bad Leaver (including for the avoidance of doubt at any time after the Employee Member becomes a Leaver notwithstanding that such person was not a Bad Leaver when he became a Leaver), all of the Shares held by the Employee Member shall be subject to the terms of Article 47.2.

47.2.

47.2.1. Subject to Article 47.2.6, the Directors may, at any time upon the relevant Employee Member becoming an Employee Member Bad Leaver, serve a notice in writing on the relevant Employee Member requiring him to offer for sale all of the Shares then held by the relevant Employee Member (a "Compulsory Transfer Notice"). Upon service of a Compulsory Transfer Notice the Employee Member Bad Leaver shall be deemed to have served a Transfer Notice in respect of all of the Shares then held by him/her (and such Compulsory Transfer Notice shall supersede any previous Transfer Notice which has not completed) and, subject to Article 47.2.6, the provisions of Article 37 shall apply to such Shares.



- 47.2.2. A deemed service of a Transfer Notice pursuant to Article 47.2.1 shall be deemed to provide that the Specified Price in respect of the Shares the subject of the Compulsory Transfer Notice shall be £0.01 in aggregate in respect of all of the Shares held by the relevant Employee Member Bad Leaver.
- 47.2.3. The Directors (acting with Investor Consent) may, by notice in writing served on (i) the Company and (ii) the Employee Member Bad Leaver (in the Compulsory Transfer Notice or otherwise):
- (a) specify that not all or none of the relevant Employee Member Bad Leaver's Shares shall be the subject of the Compulsory Transfer Notice; and/or
  - (b) specify that the Specified Price is greater than that detailed in Article 47.2.2; and/or
  - (c) suspend the operation of the provisions of Article 47.2 for such period as the Directors (acting by majority and with Investor Consent) determines.
- 47.2.4. Notwithstanding any other provision herein contained, but subject to the Directors (acting with Investor Consent) by notice in writing served on (i) the Company and (ii) the Employee Member waiving on a case-by-case basis any of the requirements set out in (a), (b) and/or (c) below, if an Employee Member retains/ holds/ acquires any Shares after the Employee Member becomes a Leaver such member shall have all the rights of and shall rank *pari passu* with the other holders of the class or classes of shares held by him save that:
- (a) at any general meeting or class meeting of the Company he shall be deemed to vote (whether on a poll or otherwise) in the same manner as the majority of votes cast at the relevant meeting by the holders of the relevant class or classes of Shares held by him;
  - (b) in a written resolution he will be deemed to resolve in the same manner as the holders of the majority of the relevant class or classes of Shares held by him;
  - (c) in relation to any matter where the consent of the holders of the class or classes of Shares held by him is required he shall be deemed to grant consent if the holders of the majority of the relevant class or classes of Shares held by him grant such consent;
  - (d) on any transfer of a majority of the Shares of the relevant class or classes held by him in circumstances where an offer is made to him to acquire his Shares at a price which is not lower than the average price per Share payable to the holders of a majority of the Shares of such class or classes he shall be deemed to accept such offer and to transfer such Shares at the time and place specified by the offeror;

- (e) the Employee Member shall not be offered (or entitled to subscribe for) shares in accordance with Article 8.3 nor shall Employee Member be offered (and accordingly shall not be entitled to acquire) any shares in terms of any pre-emptive transfer in accordance with Article 37 or otherwise;

and he hereby appoints any Director as his attorney or agent to sign any such resolution, consent, transfer form or other document and/or take any other act in his name and on his behalf to implement all or any of the above provisions provided that, in respect of any transfer made pursuant to Article 47.2.4(d), the Company shall retain on trust the proceeds of sale and shall account to him for such proceeds forthwith on demand.

47.2.5. If the Employee Member is an Employee Member Bad Leaver and he acquires any Shares (whether upon exercise of options or other rights to acquire Shares or otherwise) after the date on which the Employee Member becomes an Employee Member Bad Leaver, the terms of this Article 47.2 shall apply to all such Shares.

47.2.6. The Employee Member Bad Leaver's Shares may be:

- (a) allocated, as specified by the Board (acting with Investor Director Consent), to any existing or prospective employee, director (other than any Investor Director), contractor and/or consultant of any member of the Group and/or to an Employee Trust; and/or
- (b) subject to the requirements of the Act and Investor Consent, bought back by the Company for £0.01 in aggregate from the relevant shareholder, without having to offer the shares in accordance with Article 47.2.1.

#### 48. VOTING RIGHTS OF SCOTTISH ENTERPRISE AND THE BANK

48.1. Subject to Article 48.3, in the event that as a result of the buyback, redemption, conversion, cancellation, forfeiture of any shares or the disenfranchisement of voting rights of any part of the share capital of the Company (or any other event having similar effect), the rights attributable to Scottish Enterprise (and/or the Scottish Enterprise Group) pursuant to these Articles would otherwise operate in such a manner as to give Scottish Enterprise (and/or the Scottish Enterprise Group) control of the exercise of 30% or more of the votes at a general meeting of the Company (a "Trigger Event"), the voting rights of Scottish Enterprise (and / or any member of the Scottish Enterprise Group) applicable to their shareholding on any resolution proposed at a general meeting shall be deemed to be restricted to 29.99% of the votes cast on any poll and the votes cast by any other holder of voting shares shall be deemed to be proportionately increased such that the aggregate voting rights of all other holders of Voting Shares for the purpose of any vote shall equal 70.01%.

48.2. The Company shall give notice to Scottish Enterprise immediately upon becoming aware of the occurrence or anticipated occurrence of any event which could reasonably be expected to constitute a Trigger Event.

- 48.3. The operation of Article 48.3 may be cancelled or suspended at any time or times either prior to the occurrence of any Trigger Event or subsequent to such provisions taking effect by Scottish Enterprise (and/or the Scottish Enterprise Group) in its sole discretion providing written notice to the Company of its intention to cancel or suspend the operation of Article 48.3. Immediately upon receipt of such notice, the provisions of Article 48.3 shall be suspended or cancelled accordingly. Votes taken by the Company during the period of operation of any suspension or cancellation under Article 48.3 shall not be affected by any such suspension or cancellation.
- 48.4. Notice given by Scottish Enterprise (and/or the Scottish Enterprise Group) in terms of Article 48.3 shall be given by the Company to all shareholders whose rights to vote are affected by the operation of such Article.
- 48.5. In any event the rights attributable to Scottish Enterprise and the Bank and/or its Permitted Transferees and/or any member of the Bank Group pursuant to these Articles would operate in such a manner as to give:
- 48.5.1. the Bank; and/or
  - 48.5.2. any Permitted Transferee of the Bank; and/or
  - 48.5.3. any member of the Bank Group; and/or
  - 48.5.4. any Permitted Transferee of any member of the Bank Group; and/or
  - 48.5.5. Scottish Enterprise; and/or
  - 48.5.6. any Permitted Transferee of Scottish Enterprise; and/or
  - 48.5.7. any member of Scottish Enterprise Group; and/or
  - 48.5.8. any other person or entity owned or controlled by the Scottish Ministers from time to time (and/or their Permitted Transferees); and/or
  - 48.5.9. any other person or entity owned or controlled by His Majesty's Government from time to time (and/or their Permitted Transferees),
- (together the "Bank Extended Group"),
- or any combination of any of the Bank Extended Group, (in aggregate) control of the exercise of 49.9% or more of the votes at a General Meeting of the Company (a "Public Sector Trigger Event"), the voting rights of the Bank Extended Group applicable to their shareholding on any resolution proposed shall be deemed to be restricted to 49.9% in aggregate of the votes cast and the votes cast by any other holder of the Voting Shares shall be deemed to be proportionately increased such that the aggregate voting rights of all other holders of Voting Shares for the purpose of any vote shall equal 50.1%.
- 48.6. The Company shall give notice to the Bank and each member of the Bank Extended Group holding Shares immediately upon becoming aware of the occurrence or anticipated

occurrence of any event which could reasonably be expected to constitute a Public Sector Trigger Event.

- 48.7. The operation of Article 48.5 above may be cancelled or suspended at any time or times either prior to the occurrence of any Public Sector Trigger Event or subsequent to such provisions taking effect by Bank in its sole discretion providing written notice to the Company of its intention to cancel or suspend the operation of Article 48.5. Immediately upon receipt of such notice, the provisions of Article 48.5 shall be suspended or cancelled accordingly. Votes taken by the Company during the period of operation of any suspension or cancellation under Article 48.5 shall not be affected by any such subsequent suspension or cancellation.

#### 49. BANK OPTION

- 49.1. In recognition of the Missions, the Company, with the approval of the other parties to this Agreement, grants to the Bank the option contained in this Article 49 (the "Bank Option"). If the Bank determines (acting reasonably) that the Company:

49.1.1. is in breach of any of provisions of Part 11C of the Schedule to the Investment Agreement;

49.1.2. has done something or omitted to do something that results in, or could result in, material adverse damage to the reputation of the Bank or any member of the Bank Group,

then the Bank may (in its absolute discretion) serve written notice on the Company triggering the Bank Option to transfer all of the Shares held by it or its Permitted Transferees in accordance with this Article 49 (such notice being referred to as the "Bank Option Notice").

- 49.2. Upon receipt by the Company of a Bank Option Notice the Company and the Bank shall use reasonable endeavours to, within 10 Business Days of service of the Bank Option Notice, agree the price at which the Bank will transfer its Shares (and any Shares held by its Permitted Transferees) pursuant to the Bank Option (the "Option Transfer Price") or, failing agreement within that period, the Option Transfer Price shall be deemed to be the Fair Price of the Bank's Shares as determined in accordance with these Articles.

- 49.3. Within 10 Business Days following agreement, or final determination of, the Option Transfer Price pursuant to Article 49.2 the Company shall confirm in writing to the Bank the maximum number of the Bank's Shares (and any Shares held by its Permitted Transferees) that the Company is permitted by the Act to purchase at such Option Transfer Price (the "Maximum Buyback Amount"), such Maximum Buyback Amount being calculated after taking into account the distribution by each other Group Company of all profits it has available for distribution to the Company in accordance with Article 49.6 below.

- 49.4. Within 30 Business Days of receipt of written confirmation pursuant to Article 49.3, the Bank may (in its absolute discretion) serve written notice to the Company (the "Buyback Notice") requiring the Company to purchase from the Bank and its Permitted Transferees such

number of Shares as does not exceed the Maximum Buyback Amount at a price per share equal to the Option Transfer Price. If the Bank fails to serve a Buyback Notice within such 30 Business Day period, it shall be deemed to have elected not to have any of its Shares purchased by the Company.

49.5. The Buyback Notice will confirm:

49.5.1. the number of Shares that the Company is required to purchase (which, if the number stated is in excess of the Maximum Buyback Amount, shall automatically be scaled back to the Maximum Buyback Amount) (the "Buyback Shares"); and

49.5.2. the proposed date of completion of the purchase of the Buyback Shares from the Bank and/or its Permitted Transferees, which may not be less than 5 days nor longer than 20 days from the date of such notice (the "Buyback Completion Date"),

and be accompanied with the original share certificate in respect of the Buyback Shares (or an indemnity in respect of a lost share certificate (in a form acceptable to the Company (acting reasonably))).

49.6. After the Buyback Notice has been served the Company and the Founder shall procure that, prior to the Buyback Completion Date, each other Group Company that has profits available for distribution shall declare and pay to the Company (in one or pursuant to a series of dividends) such dividends as the relevant Group member may lawfully declare and pay provided that:

49.6.1. the amount of any such dividend shall not result in the relevant Group Company having insufficient working capital for its then present requirements (in line with the then current business plan in place), that is for the period of 12 months following the date of payment of the relevant dividend; and

49.6.2. the obligation of the Company in this Article 49.6 shall cease if and when the Company has sufficient distributable reserves (together with any other means of lawfully financing the buyback in accordance with the Act) to lawfully purchase all of the Bank's Shares (and any Shares held by its Permitted Transferees) on the Buyback Completion Date.

49.7. Subject to complying with all applicable requirements of the Act, on the Buyback Completion Date:

49.7.1. the Company will purchase the Buyback Shares subject to complying with applicable requirements of the Act (and the parties hereby agree to vote in favour of any resolution required to approve such buyback); and

49.7.2. the Company will pay the aggregate consideration due in respect of such Buyback Shares to the Bank.

Following the Buyback Completion Date, the Company will (if applicable) deliver to the Bank and/or its Permitted Transferees (as applicable) a balancing share certificate in respect of any Shares still held by the Bank and/or its Permitted Transferees.

- 49.8. If the Maximum Buyback Amount is less than the total number of Shares held by the Bank and/or its Permitted Transferees as at the date of service of the Bank Option Notice or if the Company is not able to purchase any Shares owned by the Bank and/or its Permitted Transferees for whatever reason:

49.8.1. the Company will proceed to purchase the Shares held by the Bank and its Permitted Transferees up to the Maximum Buyback Amount;

49.8.2. the Company and the Founder will use reasonable endeavours to assist the Bank and its Permitted Transferees in identifying a purchaser, who is acceptable to the Bank and the Company, for the balance of Shares held by the Bank and its Permitted Transferees after the buyback has completed in respect of the Shares up to the Maximum Buyback Amount; and

49.8.3. at any time following the date falling 12 months after the date of the Bank Option Notice the Bank and its Permitted Transferees may sell all of their Shares to any person the Bank chooses at its sole discretion.

- 49.9. The Shareholders hereby irrevocably agree that the provisions of Articles 37 (Pre-emptive transfers), 40 (Tag-Along) and 42 (Co-Sale Right) of these Articles shall not apply to any transfer of Shares pursuant to this Article 49 and hereby waive any rights they may have in respect of any transfer of Shares pursuant to this Article 49.

## 50. Data Protection

Each of the Shareholders and Directors consent to the processing of their personal data by the Company, the Shareholders and Directors (each a "Recipient") for the purpose of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information among themselves. A Recipient may process the personal data either electronically or manually. The personal data which may be processed under this Article shall include any information which may have a bearing on the prudence or commercial merits of investing, or disposing of any shares (or other investment or security) in the Company. Other than as required by law, court order or other regulatory authority, that personal data may not be disclosed by a Recipient or any other person except to a Member of the same Group ("Recipient Group Companies") and to employees, directors and professional advisers of that Recipient or the Recipient Group Companies and funds managed by any of the Recipient Group Companies. Each of the Shareholders and Directors consent to the transfer of relevant personal data to persons acting on behalf of the Recipient and to the offices of any Recipient both within and outside the European Economic Area for the purposes stated above, where it is necessary or desirable to do so.

51. **BANK ENTRENCHED PROVISIONS**

51.1. For so long as any member of the Bank Group is a holder of any Shares and/or the Bank Loan Notes and to the extent permitted by law, any article giving any rights or benefit to the Bank or any member of the Bank Group shall be provisions of entrenchment within the meaning of section 22 of the Companies Act 2006 and the written consent of the Bank shall be required in respect of any amendment to or repeal of any such articles including, without limitation, the following articles:

- 51.1.1. the definition of 'Bank' and 'Bank Group';
- 51.1.2. the definition of 'Investor Consent' and any provision requiring Investor Consent;
- 51.1.3. any Articles affecting the rights of the A Preferred Ordinary Shares;
- 51.1.4. any Articles relating to the Bank's rights in respect of the Independent Director and the Bank's right to appoint the Bank Observer;
- 51.1.5. Articles 48.5 to 48.7 (inclusive) (Voting rights of Scottish Enterprise and the Bank);
- 51.1.6. the definition of 'Permitted Transferees' and Article 36 (Permitted Transfers);
- 51.1.7. Article 49 (Bank Option); and
- 51.1.8. this Article 50 (Bank entrenched provisions).

52. **Notices**

52.1. Subject to the requirements set out in the 2006 Act, any notice given or document sent or supplied to or by any person under these Articles, or otherwise sent by the Company under the 2006 Act, may be given, sent or supplied:

- 52.1.1. in hard copy form;
- 52.1.2. in electronic form; or
- 52.1.3. (by the Company) by means of a website (other than notices calling a meeting of Directors),

or partly by one of these means and partly by another of these means.

52.2. Notices shall be given and documents supplied in accordance with the procedures set out in the Act, except to the extent that a contrary provision is set out in this Article 52.

Notices in hard copy form

52.3. Any notice or other document in hard copy form given or supplied under these Articles may be delivered or sent by first class post (airmail if overseas):

- 52.3.1. to the Company or any other company at its registered office; or
  - 52.3.2. to the address notified to or by the Company for that purpose; or
  - 52.3.3. in the case of an intended recipient who is a member or his legal personal representative or trustee in bankruptcy, to such member's address as shown in the Company's register of members; or
  - 52.3.4. in the case of an intended recipient who is a Director or alternate, to his address as shown in the register of Directors; or
  - 52.3.5. to any other address to which any provision of the Companies Acts (as defined in the Act) authorises the document or information to be sent or supplied; or
  - 52.3.6. where the Company is the sender, if the Company is unable to obtain an address falling within one of the addresses referred to in 52.3.1 to 52.3.5 above, to the intended recipient's last address known to the Company.
- 52.4. Any notice or other document in hard copy form given or supplied under these Articles shall be deemed to have been served and be effective:
- 52.4.1. if delivered, at the time of delivery;
  - 52.4.2. if posted, on receipt or 48 hours after the time it was posted, whichever occurs first.

#### Notices in electronic form

- 52.5. Subject to the provisions of the 2006 Act, any notice or other document in electronic form given or supplied under these Articles may:
- 52.5.1. if sent by email (provided that an address for email has been notified to or by the Company for that purpose), be sent by the relevant form of communication to that address;
  - 52.5.2. if delivered or sent by first class post (airmail if overseas) in an electronic form (such as sending a disk by post), be so delivered or sent as if in hard copy form under Article 52.3; or
  - 52.5.3. be sent by such other electronic means (as defined in section 1168 of the Act) and to such address as the Company may specify:
    - (a) on its website from time to time; or
    - (b) by notice (in hard copy or electronic form) to all members of the Company from time to time.
- 52.6. Any notice or other document in electronic form given or supplied under these Articles shall be deemed to have been served and be effective:



- 52.6.1. if sent by email (where an address for email has been notified to or by the Company for that purpose), on receipt or 48 hours after the time it was sent, whichever occurs first;
  - 52.6.2. if posted in an electronic form, on receipt or 48 hours after the time it was posted, whichever occurs first;
  - 52.6.3. if delivered in an electronic form, at the time of delivery; and
  - 52.6.4. if sent by any other electronic means as referred to in Article 52.5.3, at the time such delivery is deemed to occur under the Act.
- 52.7. Where the Company is able to show that any notice or other document given or sent under these Articles by electronic means was properly addressed with the electronic address supplied by the intended recipient, the giving or sending of that notice or other document shall be effective notwithstanding any receipt by the Company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt.

#### Notice by means of a website

- 52.8. Subject to the provisions of the Act, any notice or other document or information to be given, sent or supplied by the Company to Shareholders under these Articles may be given, sent or supplied by the Company by making it available on the Company's website.

#### Notices to members of the Bank Group

- 52.9. Where the recipient of any notice given or document sent or supplied to or by any person under these Articles is the Bank or any of its Permitted Transferees, a notice must be given or served simultaneously under both Articles 52.9.1 and 52.9.2 (and the deemed date of receipt of both shall be as stated in Article 52.6.1):

52.9.1. in hard copy, either delivered by hand or sent by first class post to its registered office for the attention of 'Head of Investment Legal'; and

52.9.2. by email to [notices@thebank.scot](mailto:notices@thebank.scot),

or in each such case such other address as the Bank may notify to the Company from time to time for such purpose.

#### General

- 52.10. In the case of joint holders of a share all notices shall be given to the joint holder whose name stands first in the register of members of the Company in respect of the joint holding (the "Primary Holder"). Notice so given shall constitute notice to all the joint holders.
- 52.11. Anything agreed or specified by the Primary Holder in relation to the service, sending or supply of notices, documents or other information shall be treated as the agreement or specification of all the joint holders in their capacity as such (whether for the purposes of the 2006 Act or otherwise).

## SCHEDULE 1

### DEFINITIONS

1. In the Articles to which this forms a schedule the following words and expressions shall, unless the context otherwise requires, bear the following meanings:

"2006 Act" as defined in Article 1;

"2022 First Subscription Date" means 31 March 2022;

"2022 First Subscription Shares" means 5,054,115 A Preferred Ordinary Shares to be issued to the Converting Investors and the Bank on First Completion pursuant to the terms of the Investment Agreement;

"2022 Investment Shares" means the A-1 Preferred Ordinary Shares, the A-2 Preferred Ordinary Shares and the A-3 Preferred Ordinary Shares;

"2022 Second Subscription Shares" means:

- (a) 1,588,099 A-1 Preferred Ordinary Shares issued to the Bank on Bank Third Completion; and
- (b) new A-3 Preferred Ordinary Shares (if any) which may be issued to the Second Subscribing Investors (other than the Bank) on:
  - (i) Growthdeck Completion; and/or
  - (ii) Wealth Club Completion,

pursuant to the terms of the Investment Agreement;

"2023 First Subscription Shares" means the 476,428 A-4 Preferred Ordinary Shares to be issued to the 2023 Investors on or around the Adoption Date pursuant to the terms of the 2023 Subscription Agreement

"2023 Investors" has the meaning given in the 2023 Subscription Agreement;

"2023 Subscription Agreement" means the subscription agreement entered on or around the Adoption Date between the Company, the Bank, Scottish Enterprise, Mangrove, Pentech Ventures LLP and the Founder;

"A Ordinary Shares" means A ordinary shares of £0.001 each in the capital of the Company;

"A Preferred Ordinary Shareholders" means the holders of A Preferred Ordinary Shares;

"A Preferred Ordinary Shares" means the A-1 Preferred Ordinary Shares, the A-2 Preferred Ordinary Shares, the A-3 Preferred Ordinary Shares and the A-4 Preferred Ordinary Shares;

"A-1 Preferred Ordinary Shares" means A-1 preferred ordinary shares of £0.001 each in the capital of the Company;

"A-2 Preferred Ordinary Shares" means A-2 preferred ordinary shares of £0.001 each in the capital of the Company;

"A-3 Preferred Ordinary Shares" means A-3 preferred ordinary shares of £0.001 each in the capital of the Company;

"A-4 Preferred Ordinary Shares" means A-4 preferred ordinary shares of £0.001 each in the capital of the Company;

"A Preferred Ordinary Share Subscription Amount" means:

- (a) in respect of each A-1 Preferred Ordinary Share that is a 2022 First Subscription Share, the amount paid up or credited as paid up (including any premium) on each 2022 First Subscription Share which is an A-1 Preferred Ordinary Share, being £1.259367 per such 2022 First Subscription Share (subject to any consolidation, sub-division, variation in the subscription price or conversion of any of the 2022 First Subscription Shares that will adjust the relevant A Preferred Ordinary Share Subscription Amount accordingly);
- (b) in respect of each A-2 Preferred Ordinary Share that is a 2022 First Subscription Share, the amount paid up or credited as paid up (including any premium) on each 2022 First Subscription Share which is an A-2 Preferred Ordinary Share, being £1.070462 per such 2022 First Subscription Share (subject to any consolidation, sub-division, variation in the subscription price or conversion of any of the 2022 First Subscription Shares that will adjust the relevant A Preferred Ordinary Share Subscription Amount accordingly);
- (c) in respect of each A-1 Preferred Ordinary Share that is a 2022 Second Subscription Share, the amount paid up or credited as paid up (including any premium) on each 2022 Second Subscription Share which is an A-1 Preferred Ordinary Share, being £1.259367 per such 2022 Second Subscription Share (subject to any consolidation, sub-division, variation in the subscription price or conversion of any of the 2022 Second Subscription Shares that will adjust the relevant A Preferred Ordinary Share Subscription Amount accordingly);
- (d) in respect of each A-3 Preferred Ordinary Share that is a 2022 Second Subscription Share, the amount paid up or credited as paid up (including any premium) on each 2022 Second Subscription Share which is an A-3 Preferred Ordinary Share, being £1.259367 per such 2022 Second Subscription Share (subject to any consolidation, sub-division, variation in the subscription price or conversion of any of the 2022 Second

Subscription Shares that will adjust the relevant A Preferred Ordinary Share Subscription Amount accordingly);

- (e) in respect of each A-4 Preferred Ordinary Share that is a 2023 First Subscription Share, the amount paid up or credited as paid up (including any premium) on each 2023 First Subscription Share which is an A-4 Preferred Ordinary Share, being £1.259367 for each A-4 Preferred Ordinary Share which is a 2023 First Subscription Share (subject to any consolidation, sub-division, variation in the subscription price or conversion of any of the 2023 First Subscription Shares that will adjust the relevant A Preferred Ordinary Share Subscription Amount accordingly);
- (f) in respect of the Bank Conversion Shares (if any), the amount paid up or credited as paid up (including any premium) on each Bank Conversion Share, being the Conversion Price (subject to any consolidation, sub-division, variation in the subscription price or conversion of any of A Preferred Ordinary Shares following the issue and allotment of the Bank Conversion Shares that will adjust the Conversion Price accordingly);
- (g) in respect of any Fourth Compensation Shares (if any) that are A Preferred Ordinary Shares, the Fourth Starting Price for each Fourth Compensation Share (subject to any consolidation, sub-division, variation in the subscription price or conversion of any of A Preferred Ordinary Shares that will adjust the Fourth Starting Price accordingly); and
- (h) in respect of each A Preferred Ordinary Share other than those referred to in (a) to (g) above, the amount paid up or credited as paid up (including any premium) on each such A Preferred Ordinary Share held (subject to any consolidation, sub-division, variation in the subscription price or conversion of any of the Second Subscription Shares that will adjust the relevant A Preferred Ordinary Share Subscription Amount accordingly);

"acting in concert" shall bear the meaning attributed thereto in the Code;

"Adoption Date" means the date of adoption of these Articles;

"Angel Investors" has the meaning in the Investment Agreement;

"Appointer" as defined in Article 43.4;

"Arrears" means in relation to any Share, all arrears of any dividend or other sums payable in respect of that Share, whether or not earned or declared and irrespective of whether or not the Company has had at any time sufficient Available Profits to pay such dividend or sums, together with all interest and other amounts payable on that Share;

"Asset Sale" means a sale by the Company and/or the Group of all or a substantial part of the business, assets or undertaking of the Group, where such sale has been approved by Investor Consent;

"Associated Family Company" means in relation to any company in which any Original Employee Member holds a Controlling Interest (and for these purposes, references in the definitions of "Controlling Interest" and "Voting Rights" to the "Company" shall be deemed to be references to the company in question);

"Associated Funds" means any other Investment Fund managed by the investment manager of any holder of A Preferred Ordinary Shares or Preferred Ordinary Shares who is an Investment Fund;

"Auditors" means the auditors of the Company from time to time or, in the event of them being unwilling or unable to act or otherwise at the option of the Investors, an independent firm of chartered accountants nominated by an Investor Majority (and, in the event an Investor Majority are unable to agree an independent firm, such independent firm of chartered accountants nominated by the President of The Institute of Chartered Accountants of Scotland (or his equivalent from time to time));

"Available Profits" means profits available for distribution within the meaning of part 23 of the 2006 Act;

"Bad Leaver" means any Leaver whose contract of employment and/or directorship and/or consultancy has been terminated by the relevant member of the Group (in the case of (g) below by either the Leaver or the relevant member of the Group) as a result of any of the following:

- (a) gross negligence by the Leaver;
- (b) gross misconduct in relation to the Company (or any member of the Group) by the Leaver;
- (c) the Leaver has committed any material breach of his contractual obligations to the Company or the relevant member of the Group (including, but not limited to, breach of confidentiality obligations, breach of provisions relating to intellectual property rights, non-compliance with restrictive covenants) which breach is irremediable or (if such breach is remediable) the Leaver fails to remedy that breach within a period of five Business Days after being notified of the breach by the Company;
- (d) fraud or dishonesty of the Leaver;
- (e) the Leaver has been convicted of a criminal offence (other than a road traffic offence which is not punishable by a custodial sentence);
- (f) the Leaver has refused or failed to substantially perform his duties and responsibilities to the Company in accordance with his service

agreement in effect from time to time lawfully and reasonably prescribed to him by the Board having been given a reasonable opportunity to remedy such failure (where capable of remedy) within five Business Days of the Leaver having been notified of the requirement on the Leaver to so remedy;

- (g) the Leaver leaving or serving notice to terminate his employment or engagement with the Group in order to join a competitor of the business of the Group or commence a business which competes with the business of the Group (whether or not with immediate effect); and/or
- (h) the Leaver having materially breached the Investment Agreement which breach is irremediable or (if such breach is remediable) the Leaver fails to remedy that breach within a period of five Business Days after being notified of the breach by the Company;

"Bank" means Scottish Investments Limited, a company incorporated in Scotland with registered number SC681617 and whose registered office is at Waverley Gate, 2-4 Waterloo Place, Edinburgh, United Kingdom, United Kingdom, EH1 3EG, a wholly owned subsidiary of the Scottish National Investment Bank plc;

"Bank Conversion Shares" means the new A-4 Preferred Ordinary Shares (or such other class of Senior Share) issued to the Bank pursuant to the conversion of the Bank Loan Notes into Shares on the terms of the Bank Loan Note Instrument;

"Bank Group" means the Scottish National Investment Bank plc, the Bank, Scottish Investments Services Limited and any body or entity controlled, either directly or indirectly, (where "control" means the ability to direct the policies or operations of an entity whether by contract, ownership of equity interests or otherwise) by the Scottish National Investment Bank plc but for the avoidance of doubt, excludes any body or entity in which the Bank (or any other member of the Bank Group) holds any equity or debt or other economic interest as part of its portfolio of investment;

"Bank Loan Notes" has the meaning given in the Investment Agreement;

"Bank Loan Note Instrument" has the meaning given in the Investment Agreement;

"Bank Second Completion" has the meaning given in the Investment Agreement;

"Bank Third Completion" has the meaning given in the Investment Agreement;

"Bank Warrant Instrument" means the warrant instrument to be entered into on or around the Adoption Date between the Bank and the Company;

"Board" means the board of directors of the Company from time to time;

"B Ordinary Shares" means B ordinary shares of £0.001 each in the capital of the Company;

"Business Day" means a day (other than a Saturday or Sunday) on which clearing banks generally are open in Edinburgh for business;

"Capital Distribution Event" means a winding up (whether voluntary or involuntary), dissolution, liquidation of or other return of capital by the Company (excluding for the avoidance of doubt a conversion in accordance with Article 44 or Article 45);

"Code" means the City Code on Takeovers and Mergers;

"Co-Investors" shall have the meaning given in the Investment Agreement;

"Compensation Shares" means those First Compensation Shares and/or the Second Compensation Shares and/or the Third Compensation Shares and/or the Fourth Compensation Shares issued in accordance with Article 7.6;

"Compulsory Transfer Notice" shall have the meaning set out in Article 46.3.1;

"Conflicted Director" as defined in Article 44.2;

"Controlling Interest" means shares representing more than 50% of Voting Rights;

"Conversion Date" has the meaning given in Article 45.9;

"Conversion Price" has the meaning given in the Bank Loan Note Instrument;

"Converting Investors" shall have the meaning given in the Investment Agreement;

**"Corporate Shareholder"** has the meaning in Article 7.16.1(a);

"CTA 2010" means the Corporation Tax Act 2010;

"Directors" means the directors of the Company from time to time;

"EIS Investors" means certain Angel Investors subscribing pursuant to the Investment Agreement;

"eligible member" shall bear the meaning attributed thereto in section 289(1) of the 2006 Act;

"EMI Option Scheme Rules" shall have the meaning set out in the Investment Agreement;

"Employee Member" means any member (other than an Investor) who is or was an employee of or a consultant (whether as an individual or through a company wholly owned by the member) to any member of the Group, and shall include any person(s) (other than an Investor) who acquired shares (pursuant to a Permitted Transfer or otherwise in accordance with these Articles) from or which were originally held by any such member;

"Employee Member Bad Leaver" means an Employee Member (other than the Founder and his Permitted Transferees) who becomes a Leaver (a) where such Employee Member, alone or with others, becomes directly or indirectly interested in, or engaged as an employee,

director, contractor, consultant or other provider of services to, any competitor of any member of the Group in breach of any restrictive covenant in favour of any member of the Group or any Investor by which that Leaver is bound or acts in breach of any other restrictive covenant in favour of any member of the Group or any Investor by which that Leaver is bound or (b) where such Employee Member's cessation of employment or termination of engagement occurs as a result of, or in circumstances where within 24 months of such cessation, there is discovered fraud, any material breach of employment contract with the relevant member of the Group, gross misconduct or gross negligence;

"Employee Trust" means any trust or employee share scheme for the benefit of past, present and/or future employees, directors and/or officers of any member of the Group, which has been established with Investor Consent;

"Equity Shareholders" means the holders of the Equity Shares;

"Equity Shares" means the A Preferred Ordinary Shares, the Preferred Ordinary Shares and the Ordinary Shares taken together as one class;

"Exit Proceeds" means (a) in the case of a Share Sale, the aggregate amount of the cash consideration payable in respect of the Shares being sold less all transaction costs to be deducted from the consideration and for this purpose cash consideration shall be deemed to include the cash value of any non cash consideration payable in connection with the Share Sale (as determined by the Auditors acting as an expert and not as an arbitrator) and (b) in the case of a Capital Distribution Event, the amount of capital and assets of the Company available for distribution to its shareholders, and (c) in the case of both a Share Sale and a Capital Distribution Event including any element of cash consideration which is deferred, contingent and/or unquantified PROVIDED such consideration shall be dealt with in accordance with Article 7.5.3;

"Fair Price" means the price per share determined in accordance with Article 38 (fair price);

"Family Settlement" means in relation to any Original Employee Member any trust or trusts (whether arising under a settlement inter vivos or a testamentary disposition by whomsoever made or on intestacy) under which no immediate beneficial interest in the shares in question is, for the time being, vested in any person other than the Original Employee Member concerned and/or his Privileged Relations;

"First Completion" shall have the meaning given in the Investment Agreement;

"First Compensation Shares" shall have the meaning set out in Article 7.6.1(A);

"First Starting Price" shall have the meaning set out in Article 7.6.2;

"First Subscription Shares" means (a) the 2,908,500 Preferred Ordinary Shares issued to the Pentech Fund on 5 July 2017, (b) the 2,908,500 Preferred Ordinary Shares issued to the Mangrove Investor on 2 October 2017 and (c) the 2,908,500 Preferred Ordinary Shares issued to the Frontline Investor on 2 October 2017 (irrespective of who holds such shares at the relevant time);



"Founder" means Douglas Fraser Stephenson;

"Fourth Compensation Shares" shall have the meaning given in Article 7.6.1(D);

"Fourth Starting Price" shall have the meaning set out in Article 7.6.2;

"Fourth Subscription Shares" means (a) 2,382,150 A-1 Preferred Ordinary Shares issued to the Bank on or around the 2022 First Subscription Date, (b) 678,566 A-1 Preferred Ordinary Shares issued to the Pentech Fund on or around the 2022 First Subscription Date, (c) 678,566 A-1 Preferred Ordinary Shares issued to the Mangrove Investor on or around the 2022 First Subscription Date, (d) 406,810 A-1 Preferred Ordinary Shares issued to the Frontline Investor on or around the 2022 First Subscription Date, (e) 676,942 A-1 Preferred Ordinary Shares issued to SE on or around the 2022 First Subscription Date, (f) 231,081 A-2 Preferred Ordinary Shares issued to SE on or around the 2022 First Subscription Date, (g) 1,588,099 A-1 Preferred Ordinary Shares issued to the Bank on the Bank Third Completion Date, (h) the Bank Conversion Shares, (i) any A-1 Preferred Ordinary Shares issued to Co-Investors and (j) 476,428 A-4 Preferred Ordinary Shares issued to the 2023 Investors on or around the Adoption Date;

"Frontline Investor" shall have the meaning set out in the Investment Agreement;

"General Offer" means an offer made in accordance with the provisions of Article 39 (change of control);

"Good Leaver" means any Leaver whose contract of employment and/or directorship and/or consultancy has been terminated by the relevant member of the Group as a result of any of the following:

- (a) death;
- (b) incapacity due to ill health (save where such ill health arises as a result of an abuse of drink or drugs);
- (c) redundancy;
- (d) where it has been established by a court or tribunal of competent jurisdiction from which there is no right of appeal that the Leaver has been wrongfully dismissed (provided that such judgement is made pursuant to a claim which is submitted to the court or tribunal, as the case may be, by the relevant Leaver within one month of the date of cessation of his employment);
- (e) by agreement of the Board (acting with the prior written consent of the Investor Director);

"Group" means the Company and its subsidiaries (if any) from time to time and "member of the Group" shall be construed accordingly;

"Growthdeck" means Growthdeck Limited, a company incorporated in England and Wales (registered number 09801754) and having its registered office at Seebeck House 1 Seebeck Place, Knowlhill, Milton Keynes, Buckinghamshire, United Kingdom, MK5 8FR;

"Growthdeck Completion" has the meaning given in the Investment Agreement;

"Growthdeck Completion Date" has the meaning given in the Investment Agreement;

"Growthdeck Warrant Instrument" has the meaning given in the Investment Agreement;

"Investment Agreement" means the investment agreement entered into on or around the 2022 First Subscription Date by (1) the Company (2) the Investors (3) The Founder (4) Pentech (5) Scottish Enterprise and (6) the Bank (each as defined therein) as amended and restated on 21 October 2022 and as further amended and restated on or around the Adoption Date;

"Investment Fund" means an investment fund and/or collective investment scheme and/or limited partnership and/or investment trust and/or investment company and/or a private equity fund and/or venture capital limited partnership and/or unit trust managed by a private equity fund manager and shall include, for the avoidance of doubt, the Bank and each member of the Bank Group;

"Investors" shall have the meaning set out in the Investment Agreement;

"Investor Consent" shall have the meaning set out in the Investment Agreement;

"Investor Director" means each of the directors appointed in accordance with Article 43.1;

"Investor Director Consent" shall have the meaning set out in the Investment Agreement;

"Investor Majority" shall have the meaning set out in the Investment Agreement;

"Investor Observer" means each of the observers appointed in accordance with Article 43.2;

"Investor Ordinary Shares" means A Ordinary Shares which are held by Investors;

"Investor Shareholders" means the holders of Investor Shares;

"Investor Shares" means the A Preferred Ordinary Shares, the Preferred Ordinary Shares and the Investor Ordinary Shares;

"IPO" shall have the meaning set out in the Investment Agreement;

"ITA" means the Income Tax Act 2007;

"Issue or Reorganisation" means any return of capital, issue of shares or other securities of the Company by way of capitalisation of profits or reserves (other than pursuant to Article 7.6.3) or any consolidation or sub-division or any repurchase or redemption of shares (other

than Preferred Ordinary Shares) or any variation in the subscription price or conversion rate applicable to any other outstanding shares;

"Leaver" means any holder of Shares (other than any Investor or any Investor Director) who is employed by and/or is a director of or a consultant to the Company or a relevant member of the Group from time to time (other than any Investor or any Investor Director) and who serves or is served with notice of termination of his employment and/or directorships and/or consultancy with any member of the Group by whom he is employed or of which he is a director or provides his services as a consultant or who dies or who ceases to be an employee and/or director of, or consultant to, any member of the Group (whether or not his contract of employment or consultancy is validly terminated and/or whether or not such termination is wrongful or unfair or otherwise) or who ceases to be an employee and/or director of, or consultant to, a member of the Group because such member of the Group ceases to be a member of the Group and does not continue (or is not immediately re-employed) as an employee and/or director of and/or consultant to any member of the Group. Any reference in these Articles to a Leaver shall include any person who becomes entitled to a Leaver's shares by transmission following the death of a Leaver, or any Permitted Transferee of an Original Employee Member (other than an Investor who acquires such shares);

"Mangrove Investor" shall have the meaning set out in the Investment Agreement;

"Maximum" as defined in Article 37.3;

"member" means a person (whether an individual or a corporation) who holds Shares;

"Model Articles" as defined in Article 1;

"Offer Period" as defined in Article 37.3;

"Office" means the registered office of the Company;

"Ordinary Shareholder" means a holder of Ordinary Shares;

"Ordinary Shares" means the A Ordinary Shares and B Ordinary Shares;

"Original Employee Member" means each Employee Member other than an Employee Member who became an Employee Member by reason of a Permitted Transfer;

"Pentech Fund" means Pentech Fund III Limited Partnership, a limited partnership (registered number SL029699);

"Permitted Allotment" shall have the meaning set out in Article 8.3.6;

"Permitted Transfer" means a transfer of shares pursuant to Article 36 (permitted transfers);

"Permitted Transferee" means a person or entity to whom Shares may be transferred in accordance with Article 36;

"Preferred Investor Shares" means the A Preferred Ordinary Shares and the Preferred Ordinary Shares;

"Preferred Ordinary Share Subscription Amount" means the amount paid up or credited as paid up (including any premium) on each Preferred Ordinary Share held, which in respect of:

- (a) the First Subscription Shares shall be £0.3438198384 per such First Subscription Share (subject to any consolidation, sub-division, variation in the subscription price or conversion of any of the First Subscription Shares that will adjust the relevant Preferred Ordinary Share Subscription Amount accordingly);
- (b) the Second Subscription Shares shall be £0.7355 per such Second Subscription Share (subject to any consolidation, sub-division, variation in the subscription price or conversion of any of the Second Subscription Shares that will adjust the relevant Preferred Ordinary Share Subscription Amount accordingly); and
- (c) the Third Subscription Shares shall be £0.74 per such Third Subscription Share (subject to any consolidation, sub-division, variation in the subscription price or conversion of any of the Third Subscription Shares that will adjust the relevant Preferred Ordinary Share Subscription Amount accordingly);

"Preferred Ordinary Shareholders" means the holders of Preferred Ordinary Shares;

"Preferred Ordinary Shares" means preferred ordinary shares of £0.001 each in the capital of the Company;

"Pre-New Money Valuation" means the result of multiplying the total number of A Ordinary Shares in issue immediately after the IPO (but excluding any new A Ordinary Shares issued upon the IPO) by the subscription price per share (including any premium) in respect of new A Ordinary Shares issued at the time of the IPO;

"Primary Holder" has the meaning given in Article 52.10;

"Privileged Relation" means in respect of any Original Employee Member, a spouse of the Original Employee Member or any lineal descendent of the Original Employee Member and for these purposes the step-child or adopted child of any person shall be deemed to be that person's lineal descendent;

"Proposed Buyer" has the meaning set out in Article 41.1;

"Public Sector Trigger Event" has the meaning given in Article 48.5;

"Recipient" has the meaning given in Article 50;

"Recipient Group Companies" has the meaning given in Article 50;

"Register of Members" means the register of members kept by the Company pursuant to Section 113 of the 2006 Act;

**"Relevant Connected Person"** has the meaning in Article 7.16.1(b);

"Relevant Shareholders" means the Relevant First Shareholders and/or the Relevant Second Shareholders and/or the Relevant Third Shareholders and/or the Relevant Fourth Shareholders (as appropriate) as defined in Articles 7.6.1(A), 7.6.1(B), 7.6.1(C) and 7.6.1(D) respectively;

"Remuneration Committee" means the remuneration committee of the Company constituted in accordance with clause 12 of the Investment Agreement;

"Sale" as defined in the Investment Agreement;

"Sale Shares" as defined in Article 37.2;

"Scottish Enterprise" or "SE" means Scottish Enterprise established by the Enterprise and New Towns (Scotland) Act 1990 and having its principal place of business at Atrium Court, 50 Waterloo Street, Glasgow, G2, 6HQ;

"Scottish Enterprise Group" means Scottish Enterprise, any subsidiary for the time being of Scottish Enterprise and any company, corporation or other body of persons which shall have acquired the whole or substantially the whole of the undertaking of Scottish Enterprise or any subsidiary of such company, corporation or body and any other body to which the statutory functions of Scottish Enterprise have been delegated or a Scottish Enterprise Successor and the expression "member of the Scottish Enterprise Group" shall be construed accordingly;

"Scottish Enterprise Successor" means any entity succeeding in whole or in part to the interests of Scottish Enterprise;

"Second Compensation Shares" shall have the meaning set out in Article 7.6.1(B);

"Second Completion" shall have the meaning set out in the Investment Agreement;

"Second Completion Date" shall have the meaning set out in the Investment Agreement;

"Second Starting Price" shall have the meaning set out in Article 7.6.2;

"Second Subscribing Investors" shall have the meaning set out in the Investment Agreement;

"Second Subscription Shares" means (a) the 1,105,825 Preferred Ordinary Shares to be issued to the Pentech Fund on or around 5 October 2018, (b) the 1,105,825 Preferred Ordinary Shares issued to the Mangrove Investor on or around the 5 October 2018 and (c) the 1,105,825 Preferred Ordinary Shares issued to the Frontline Investor on or around 5 October 2018 (irrespective of who holds such shares at the relevant time);

"Senior Shares" has the meaning given in the Bank Loan Note Instrument;

"Share Sale" means the sale of (or the grant of a right to acquire or to dispose of) any of the issued Shares (in one transaction or as a series of transactions) which will result in the purchaser of such shares (or grantee of such right) and persons acting in concert with him together acquiring a Controlling Interest in the Company (other than by the Investors) or a merger or consolidation which has equivalent effect;

"Shareholder" means a holder of Shares;

"Shares" and "shares" means shares in the share capital of the Company;

"Situation" as defined in Article 44.2;

"Specified Price" as defined in Article 37.2;

"Starting Price" shall mean the First Starting Price, the Second Starting Price, the Third Starting Price or the Fourth Starting Price (as appropriate), as set out in Article 7.6.2;

"Termination Date" means in respect of any Leaver the later of the date upon which the contract of employment or appointment as director of the relevant Leaver terminated and the date upon which the relevant Leaver ceased to be employed by or a director of the relevant member of the Group (in each case whether or not such termination or cessation was lawful, wrongful, unfair or otherwise);

"Third Compensation Shares" shall have the meaning set out in the Article 7.6.1(C);

"Third Starting Price" shall have the meaning set out in Article 7.6.2;

"Third Subscription Shares" means (a) the 1,699,436 Preferred Ordinary Shares issued to the Pentech Fund on or around 10 December 2019, (b) the 1,699,436 Preferred Ordinary Shares issued to the Mangrove Investor on or around 10 December 2019, (c) the 679,774 Preferred Ordinary Shares issued to the Frontline Investor on or around 10 December 2019, (d) the 2,719,097 Preferred Ordinary Shares issued to SE on or around 10 December 2019 and (e) the 149,549 A Ordinary Shares issued to the Angel Investors on or around 10 December 2019 (irrespective of who holds such shares at the relevant time);

"Transfer Notice" as defined in Article 37.1;

"Trigger Date" means 31 March 2022;

"Unvested Shares" means those A Ordinary Shares and B Ordinary Shares held by the Founder and his Permitted Transferee(s) which are "Unvested Shares" in accordance with the terms of Article 46.1 or 46.2;

"Valuer" means the Auditors acting as an expert and not as an arbitrator;

"Vested Shares" means those A Ordinary Shares and B Ordinary Shares held by the Founder and his Permitted Transferee(s) which have become "Vested Shares" in accordance with Article 46.1;

"Voting Rights" means the right to receive notice of, attend (in person or by proxy), speak (in person or by proxy) and vote (in person or by proxy) at general meetings of the Company;

"Voting Shareholders" means the holders of the Voting Shares; and

"Voting Shares" means the A Preferred Ordinary Shares, Preferred Ordinary Shares and the A Ordinary Shares taken together as one class and "Voting Share" shall mean any one of them.

"Warrant Shares" means:

- (a) A-1 Preferred Ordinary Shares which may be issued by the Company pursuant to and in accordance with the terms of the Bank Warrant Instrument; and
- (b) A-3 Preferred Ordinary Shares which may be issued by the Company pursuant to and in accordance with the terms of the Growthdeck Warrant Instrument;

"Wealth Club" means Wealth Club Limited, a company incorporated in England and Wales (registered number 09831162) and having its registered office at 20 Richmond Hill, Bristol, United Kingdom, BS8 1BA; and

"Wealth Club Completion" has the meaning given in the Investment Agreement.

2. References to pari passu treatment as referred to herein shall mean pari passu as though the relevant class constituted one class of share.
3. Words and expressions defined in the 2006 Act shall, unless the context otherwise requires, bear the same meanings herein.
4. This Schedule and Schedule 2 shall be deemed to be part of, and shall be construed as one with, these Articles.

## SCHEDULE 2

### PART A

#### INVESTOR CONSENT MATTERS REFERRED TO IN ARTICLE 7.8.1

Unless otherwise defined in these Articles, Terms defined in this Schedule shall have the meaning set out in the Investment Agreement.

Where any act/term referred to in this Schedule relates to a United Kingdom act or term, such act/term shall be construed as meaning such United Kingdom term/act in addition to the analogous act/term in any jurisdiction in which the Group operates.

The Company and each member of the Group shall not do any of the following things except as approved in accordance with Article 7.8.1. In the case of any of the matters set out in paragraphs 1, 3, 4, 5, 7, 9, 10, 12, 13, 19, 24 and 41 of this Part A of Schedule 2, the Investor Majority required to give Investor Consent must, for so long as the Bank continues to hold not less than 5% of the Voting Shares in issue, include the Bank:

1. Any alteration to the memorandum or articles of association or constitutional documents of any member of the Group.
2. Any alteration of the financial year end or any alteration of the accounting policies or practices of any member of the Group.
3. Any alteration of the issued share capital (or the rights attaching to it or any class of it) of any member of the Group, save in accordance with this Agreement and Article 7.6 (anti-dilution protection) of the Articles.
4. Any re-organisation, consolidation, sub-division, reclassification or conversion of any shares in any member of the Group or the modification, variation or abrogation of the rights attaching to any class of shares in the capital of any member of the Group or the creation of any options or other rights to subscribe for or, save as permitted in Clause 10 of the Investment Agreement, to convert into shares in such a company or the variation of, or the exercise of any discretion in relation to, the terms of issue of shares in any member of the Group.
5. Any change in the capital structure of the Group.
6. Any reduction of the share capital of any member of the Group.
7. Any resolution to liquidate or wind up any member of the Group or commence administration or receivership proceedings in respect of any member of the Group (or analogous proceedings in any jurisdiction).
8. Any application to have an administrator appointed to any member of the Group.
9. Any purchase or redemption by any member of the Group of its own shares or options to purchase shares.
10. The issue of any loan stock, loan notes, debentures, options (save as provided in this Agreement) and other rights over shares of any member of the Group.



11. Any reconstruction, amalgamation or voluntary liquidation of any member of the Group.
12. The subscription for or other acquisition or disposal of any shares in the capital of any member of the Group.
13. The creation, allotment, issue, buy-in or redemption of any share or loan capital or the grant or entering into of any agreement to grant any options or warrants for the issue of any share or loan capital or issue any securities convertible into shares, or the establishment of any employee incentive scheme except in accordance with this Agreement.
14. The acquisition or disposal of the whole or part of the undertaking of any other person or disposal of the whole or part of the undertaking of the Company or any other member of the Group or the merger of the Company or any member of the Group with any body corporate or other person or any part of its business with any other person or propose to do so.
15. The negotiation or grant of permission to the disposal of shares in the Company or any member of the Group amounting to a Sale or IPO.
16. The engagement of a financial adviser to act for any member of the Group in relation to any Exit.
17. The subscription for or purchase or acquisition any share or debenture or mortgage or security (or any interest in any of them).
18. Parting with control of any company which is a member of the Group from time to time.
19. Enter into any partnership, joint venture or consortium arrangement.
20. Any change to the Business Plan or any Approved Annual Budget.
21. Materially depart from any of the strategies, policies or plans laid down in the Business Plan or any Approved Annual Budget.
22. The incurrence by the Group of any borrowings or indebtedness in excess of £50,000 in aggregate or any other monetary equivalent.
23. Any change in the executive leadership team of the Group or any increase or decrease in the number of directors comprising the Board.
24. Other than the issue of Shares pursuant to Clauses 3 and 10.1 of this Agreement and the issue of Compensation Shares in accordance with the Articles, issue or agree to issue or grant any options or rights to subscribe for any shares or securities in any member of the Group.
25. Make any payment to any person for giving up his right to any share capital of any member of the Group on its cancellation or extinguishment.
26. Make any application for a listing of all or any Shares (or the shares of any member of the Group) or securities representing those shares (including without limitation American

depository receipts, American depository shares and/or other instruments) to or the grant of permission by any like authority for the same to be traded or quoted on Nasdaq National Stock Market of the Nasdaq Stock Market Inc. or on the Official List of The United Kingdom Listing Authority or to trading on the main market of London Stock Exchange or the AIM Market operated by the London Stock Exchange or any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000) or any investment exchange which meets the criteria specified in Part I or which is specified in Part II or Part III of Schedule 3 of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or make any arrangements for any other form of marketing or public trading of any form of its share capital (including without limitation listing on any foreign stock exchange) or an IPO.

27. Apply by way of capitalisation any sum in or towards paying up any debenture or debenture stock of the Company or any member of the Group.
28. Any reduction, cancellation, extinction or repayment of the share capital of any member of the Group or its capital redemption reserve, share premium account or other capital or reserves.
29. Any acquisition, financing or reinvestment that is not authorised in the Business Plan or any Approved Annual Budget above £50,000.
30. Taking any steps in connection with a scheme of arrangement, compromise or other arrangement in respect of any creditor or shareholder of any member of the Group.
31. The acquisition (whether by purchase, subscription or otherwise) by any member of the Group of any share capital or loan capital of, or the entry into by any member of the Group of any partnership or joint venture arrangement or merger with, any body corporate or the investment in any body corporate.
32. Create any mortgage or charge on any part of the undertaking property or assets of any member of the Group.
33. Give any guarantee or indemnity or security in respect of the obligations of any person, firm or company or permit any such guarantee or indemnity or security to subsist or vary any such guarantee or indemnity or security or provide any credit (other than normal trade credit on commercially reasonable terms in the ordinary course of the Group's business).
34. Make any loan or advance or give credit above £10,000 (other than normal trade credit on commercially reasonable terms in the ordinary course of the Group's business).
35. Adopt any annual budgets or business plans or effect any variation of the Business Plan or any Approved Annual Budget.
36. Depart from any of the strategies, policies or plans laid down in the Business Plan or any Approved Annual Budget.

37. Make any change to the terms of the Executive Service Contract or make any payments not provided for in the express terms of the Executive Service Contract or exercise any discretion available to the Company under the terms of the Executive Service Contract.
38. In the case of the Company or any other member of the Group declare, make or pay any dividend or other distribution or depart from any dividend policy which has been approved by Investor Consent.
39. Vary the notice period or the restrictive covenant in any existing service agreement with a director of the Company or any member of the Group or a member of the executive leadership team of the Company or any member of the Group.
40. Establish or amend the rules of any profit sharing, sales commission, bonus or incentive scheme of the Company or any member of the Group that is for the benefit of any person or exercise any discretion in relation to any such scheme that would allow a departing employee to benefit from it.
41. Acquire or dispose of any Company Intellectual Property whether absolutely or by way of licence except by way of arm's length commercial licences in accordance with the Business Plan.
42. Dispose of any shares, loan notes or other securities held by any Group Company.
43. Other than the Remuneration Committee, appoint any committee of the board of directors of any member of the Group or take any decisions which are material to the Group as a whole otherwise than at a board meeting of the Company and with the relevant consent (if any) provided for pursuant to this Agreement.
44. Any change in accounting reference date of any member of the Group.
45. Sell any fixed asset of any member of the Group for a consideration of or having a book value or market value of more than £10,000 whether by a single transaction or a series of transactions.
46. Purchase or otherwise acquire any feuhold, heritable, freehold or leasehold property or any interest therein or purchase or acquire any business, material asset or undertaking (or any interest therein) (including by way of licence).
47. Sell or otherwise dispose of any feuhold, heritable, freehold or leasehold property or any interest therein or sell or otherwise dispose of any business, material asset or undertaking (or any interest therein) (including by way of licence).
48. Enter into any contract or arrangement with any shareholder or director of the Company or any member of the Group or any person who is a Connected Person of a shareholder or director of the Company or any member of the Group or enter into any contract or arrangement in which any such person is interested, whether directly or indirectly, except in relation to the Company's existing customer Rainheath Limited (Company number 00990307) ("Rainheath") and any entity which is a subsidiary or holding company (as defined in the Act)

of Rainheath or any party succeeding in whole or in part to the interests of Rainheath provided such arrangements are on arm's length terms and in the ordinary course of business.

49. Enter into any customer or supplier contract or arrangement which is outside the ordinary course of business of the Group.
50. Enter into any transaction or make any payment other than on an arm's length basis.
51. Enter into any non-compete agreement (in which the Company is restricted) or a material licence (as licensor).
52. Subject to the terms of this Agreement, the appointment or removal of any director of the Group.
53. The creation by the Board of any new committee of any member of the Group, save as provided in this Agreement.
54. The removal or replacement of auditors of any member of the Group.
55. Make any change to the format of the management accounts or other financial reporting.
56. Incur any individual item of capital expenditure (or liability in respect of an individual item) above £50,000 other than in accordance with the Business Plan or any Approved Annual Budget.
57. Establish any office or other physical presence in any jurisdiction other than those in which it operates at the date of this Agreement.
58. Make any change to the terms or make any payments not provided for in the express terms of or exercise any direction available to the Company under the terms of any service contract (not being an Executive Service Contract) of any of the directors of the Company or any member of the Group or employee of the Company or any member of the Group with a gross salary of more than £90,000 per annum.
59. Enter into any service agreement or contract of or for services (or any series of contracts for the services of the same person) either directly or indirectly in the nature of an employment or consultancy or advisory contract whereunder the liability of the Group is likely to exceed £90,000 per annum or the variation of any such contract.
60. Enter into any contract of service with any employee of any member of the Group not terminable on three months' notice or less or permit any new employee to bring with them IPR belonging to any ex-employers or third parties.
61. Enter into any contract of service with any person who is a family member of any employee of any member of the Group.
62. Establish any pension scheme or sales commission scheme or vary the terms of any approved pension scheme established by any member of the Group or any of the benefits

payable to the members of any such scheme or exercise any discretion which any member of the Group has in respect of any pension scheme.

63. Enter into any transaction or series of transactions requiring approval under section 190 of the Act.
64. The determination of any bonus to be paid to any employee or director of any member of the Group.
65. Enter into any hire purchase or leasing commitment where the capitalised value of amounts outstanding in respect of finance leases of any asset or the amount outstanding under any hire purchase agreement exceeds £50,000 in respect of any one asset or any one commitment.
66. Appoint any agent to act for any member of the Group (otherwise than in the ordinary course of business).
67. Make any change to the trading name or brand name used by any member of the Group.
68. Change the nature of the business or activities as undertaken by the Group at the date of this Agreement save as expressly set out in the Business Plan or any Approved Annual Budget and no member of the Group will undertake any other business or activities as aforesaid.
69. Instigate any litigation other than to recover trade debt in the ordinary course of business for amounts not exceeding £25,000.
70. Use the name of the Investors, Pentech or BBFL in any context whatsoever or hold itself out as being connected or associated with the Investors, Pentech or BBFL in any manner whatsoever.
71. Make any charitable donations or any political donation.
72. Establish any new branch, agency, trading establishment or business or close any such branch, agency, trading establishment or business.

## SCHEDULE 2

### PART B

#### INVESTOR DIRECTOR CONSENT MATTERS REFERRED TO IN ARTICLE 7.8.3

Unless otherwise defined in these Articles, Terms defined in this Schedule shall have the meaning set out in the Investment Agreement.

Where any act/term referred to in this Schedule relates to a United Kingdom act or term, such act/term shall be construed as meaning such United Kingdom term/act in addition to the analogous act/term in any jurisdiction in which the Group operates.

The Company and each member of the Group shall not do any of the following things except as approved in accordance with Article 7.8.3:

1. Any application by the Company to the Secretary of State (or an analogous application in any jurisdiction) to appoint one or more inspectors to investigate the affairs of any member of the Group;
2. Enter into any contract or arrangement which:
  - 2.1. except for contracts in the ordinary course of business with customers and distribution channels, would result in a change to the terms and conditions of a material contract to which the Company or any member of the Group is a party; or
  - 2.2. contains a provision which gives the other contracting party the ability to terminate the contract on a change of control of the contracting company or any of its direct or indirect parent companies.
3. The making by any member of the Group of any application or submission of any business plan to any person with a view to attracting additional or substitute finance for the Group or any part of it.