
**ARTICLES OF ASSOCIATION
of
GARRISON TECHNOLOGY LTD**

**ADOPTED BY SPECIAL RESOLUTION
ON 13 MARCH 2023**



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Company Number: 09286531

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
GARRISON TECHNOLOGY LTD

Adopted by Special Resolution passed on 13 March 2023

1. PRELIMINARY

- 1.1. The model articles for private companies limited by shares contained or incorporated in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these articles (the "**Model Articles**") shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles.

Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) shall not apply to the Company.

- 1.2. In these Articles and the Model Articles any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.

Articles 8, 9, 11(2), 12, 13, 14, 16, 18, 19, 22(2), 26(5), 28, 29, 44(4), 51, 52 and 53 of the Model Articles shall not apply to the Company.

2. INTERPRETATION

- 2.1. In these Articles the following expressions have the following meanings unless inconsistent with the context:

"Act" the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force;

"Acting in Concert" has the meaning in the City Code on Takeovers and Mergers;

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

"Affiliate" has the meaning given in the Investment Agreement;

"A Preferred Majority" has the meaning in **Article 3.18**;

"A Preferred Shares"	the A preferred shares of £0.000025 each in the capital of the Company;
"A Shares"	the A2 Preferred Shares, the A1 Preferred Shares and the A Preferred Shares;
"A1 Preferred Majority"	has the meaning in Article 3.18 ;
"A1 Preferred Shares"	the A1 preferred shares of £0.000025 each in the capital of the Company;
"A2 Preferred Majority"	has the meaning in Article 3.18 ;
"A2 Preferred Shares"	the A2 preferred shares of £0.000025 each in the capital of the Company;
"Anti-Dilution Shares"	has the meaning in Article 3.15 ;
"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;
"these Articles"	these Articles of Association whether as originally adopted or as from time to time altered by special resolution;
"Asset Sale"	sale or transfer of the whole or substantially the whole of the undertaking or assets of the Company or any Subsidiary of the Company (where sale or transfer may include, without limitation, the grant by the Company of an exclusive licence of intellectual property not entered into in the ordinary course of business);
"Associate"	in relation to any person means any person who is an associate of such person and the question of whether a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986 and (whether or not an associate as so determined);
"Auditors"	the auditors of the Company from time to time;
"Available Profits"	profits available for distribution within the meaning of part 23 of the Act;
"B Preferred Majority"	has the meaning in Article 3.18 ;
"B1 Preferred Majority"	has the meaning in Article 3.18 ;

"B Preferred Shares"	the B preferred shares of £0.000025 each in the capital of the Company;
"B1 Preferred Shares"	the B1 preferred shares of £0.000025 each in the capital of the Company;
"BGF IML"	BGF Investment Management Limited, a company registered in England and Wales with number 10608481, whose registered office is at 13-15 York Buildings, London, WC2N 6JU;
"BGF Investor Director"	the director appointed by the BGF Investors pursuant to Article 19.1 ;
"BGF Investors"	BGFI and BGFV;
"BGFI"	BGF Investments LP, a limited partnership registered in England and Wales with registered number LP014928 whose registered office is at 13-15 York Buildings, London, United Kingdom, WC2N 6JU and references to BGFI shall include any Permitted Transferees of BGFI to whom shares have been transferred;
"BGFV"	BGF Ventures LP, a limited partnership registered in England and Wales with registered number LP017753 whose registered office is at 13-15 York Buildings, London, United Kingdom, WC2N 6JU and references to BGFV shall include any Permitted Transferees of BGFV to whom shares have been transferred;
"BGF Group"	BGFV, BGFI, BGF IML, any Member of the same Group as BGF IML, and any person, Fund, partnership or company (or any nominees of them) managed or advised by BGF IML or a Member of the same Group as BGF IML, or of which BGF IML or a Member of the same Group as BGF IML is a general partner, in each case being a Subsidiary, person, Fund, partnership or company carrying on the business of the making, managing or advising on the holding of share investments and "member of the BGF Group" shall be construed accordingly;
"Board"	the board of Directors of the Company from time to time;
"Bonus Issue or Reorganisation"	any return of capital, bonus issue of shares or other securities of the Company by way of capitalisation of profits or reserves or any consolidation or sub-division or any repurchase or redemption of shares;
"Business Day"	any day (other than a Saturday, Sunday or a bank or public holiday in England);

"Civil Partner"	in relation to a Shareholder, a civil partner (as defined in the Civil Partnerships Act 2004) of the Shareholder;
"Clear Days"	in relation to the period of a notice means that period excluding public holidays in the United Kingdom and the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
"Company"	Garrison Technology Ltd (company number 09286531);
"Controlling Interest"	an interest in shares giving to the holder or holders control of the Company within the meaning of section 450 of the Corporation Tax Act 2010;
"Dawn"	Dawn Capital III LP (registered number LP019320) whose registered office is at 27 Soho Square, London, W1D 3QR, United Kingdom and Dawn Capital III SCSp whose registered office is at 42-44 Avenue de la Gare, L-1610 Luxembourg, and their Permitted Transferees;
"Dawn Investor Director"	the director appointed by Dawn pursuant to Article 19.5 ;
"Deed of Adherence"	a deed of adherence to the Investment Agreement substantially in the form set out in the Investment Agreement;
"Director(s)"	a director or the directors for the time being of the Company or (as the context shall require) any of them acting as the board of directors of the Company;
"Employee"	a person who is an employee and/or consultant of a Group Company;
"Employee Trust"	a trust, the terms of which are approved by Investor Consent, whose beneficiaries are the Employees;
"Equity Shares"	the Ordinary Shares and N Shares;
"Exit"	a Share Sale, Asset Sale or IPO;
"Fair Value"	is as determined in accordance with Article 10.3 ;
"Family Trust"	as regards any particular individual member or deceased or former individual member, trusts (whether arising under a settlement, declaration

of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than individual and/or Privileged Relations of that individual; and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income thereof is liable to be transferred or paid or applied to or for the benefit of such person or any voting or other rights attaching thereto are exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons;

"Founders"	David Garfield and Henry Harrison and "Founder" shall mean any one of them;
"Founder Consent"	the prior consent in writing of either of the Founders;
"Fund"	any undertaking for collective investment, whether structured as a partnership, company, trust or any other type of arrangement or undertaking;
"Fund Manager"	a person whose principal business is to make, operate, manage or advise upon collective investments in securities;
"Group Company"	the Company and any company which is a Holding Company of the Company or a Subsidiary of the Company or of such Holding Company;
"Holding Company"	has the meaning set out in section 1159 of the Act;
"Investment Agreement"	the amended and restated subscription and shareholders' agreement relating to the Company dated on or about the Adoption Date, as amended from time to time;
"Investment Fund"	a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager;
"Investor"	has the meaning in the Investment Agreement;
"Investor Affiliate"	with respect to an Investor: (a) any Member of the same Group;

(b) any Member of the same Fund Group; or

(c) any nominee of that Investor;

"Investor Consent" the prior consent in writing of an Investor Majority, provided that the request for such consent is provided to all relevant Investors;

"Investor Director Consent" where four Investor Directors are appointed, the prior consent in writing of at least three of the Investor Directors; where three Investor Directors are appointed, the prior consent in writing of at least two of the Investor Directors; where two Investor Directors are appointed, the prior consent in writing of both Investor Directors; where only one Investor Director is appointed, the prior consent in writing of that Investor Director, in each case provided that the request for consent is provided to all Investor Directors;

"Investor Directors" each of the Dawn Investor Director, the BGF Investor Director, the IP2IPO Investor Director and the NM Capital Investor Director, and **"Investor Director"** means any one of them;

"Investor Majority" at least three of (i) the BGF Investors, (ii) IP2IPO (iii) NM Capital and (iv) Dawn;

"Investor Pre-emption Consent" the prior consent in writing of each and all Qualifying Investors who subscribe for all or some of the New Securities which they would have been offered if the pre-emption process in **Article 3.6** had been followed;

"IP2IPO" IP2IPO Portfolio L.P. (a limited partnership registered in England and Wales under limited partnership number LP017872) acting by its general partner IP2IPO Portfolio (GP) Limited (a private company registered in England and Wales with company number 10360684);

"IP2IPO Investor Director" the director appointed jointly by IP2IPO pursuant to **Article 19.1**;

"IPO" the admission of all or any of the Shares or securities representing those shares (including without limitation depositary interests, American depositary receipts, American depositary shares and/or other instruments) on NASDAQ or the New York Stock Exchange or the Official List of

the United Kingdom Listing Authority or the AIM Market operated by the London Stock Exchange Plc or any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000);

"Issue Price"

the price at which the relevant Share is issued including any premium save that the Issue Price of the B Preferred Shares (notwithstanding whether such Share was issued as another class of Share and subsequently re-designated as a B Preferred Share) shall be the relevant Starting Price;

"ITEPA"

Income Tax (Earnings and Pensions) Act 2003;

"Member of the same Fund Group"

if the shareholder is a fund partnership company, syndicate or other entity whose business is managed by a Fund Manager (an "Investment Fund") or is a nominee of that Investment Fund:

- (a) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of the Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business);
- (b) any Investment Fund managed or advised by that Fund Manager;
- (c) any Parent Undertaking or Subsidiary Undertaking of that Fund Manager, or any Subsidiary Undertaking of any Parent Undertaking of that Fund Manager; or
- (d) any trustee, nominee or custodian of such Investment Fund and vice versa;

"Member of the same Group"

as regards any undertaking, a company which is for the time being a Holding Company or a Subsidiary of that undertaking or a Subsidiary of any such Holding Company and for the avoidance of doubt IP Group plc is the Holding Company of both IP2IPO and Touchstone Innovations at the Adoption Date;

"N Shares"

the N shares of £0.000025 each in the capital of the Company;

"New Securities"	<p>all shares, rights to subscribe for shares or to receive them and all securities convertible into shares, but excluding:</p> <ul style="list-style-type: none">(a) the grant of options to subscribe for N Shares under a Share Option Scheme, and the subsequent allotment of those shares;(b) the shares proposed to be issued to the Participating Investors in accordance with the Investment Agreement;(c) shares issued in order for the Company to comply with its obligations under these Articles including the Anti-Dilution Shares; and(d) shares or securities convertible into shares issued in consideration of an acquisition by the Company of any company or any business;
"NM Capital"	<p>NM Capital Cyber LP (registered in Jersey under registered number 2224) whose registered office is at P.O Box 83, Ordnance House, 31 Pier Road, St Helier, Jersey JE4 8PW;</p>
"NM Capital Investor Director"	<p>the director appointed by NM Capital pursuant to Article 19.4;</p>
"Office"	<p>the registered office of the Company;</p>
"Ordinary Shares"	<p>the ordinary shares of £0.000025 each in the capital of the Company;</p>
"Participating Investors"	<p>has the meaning given to it in the Investment Agreement;</p>
"Permitted Transferee"	<p>(i) in relation to a Shareholder who is an individual: any of his Privileged Relations or Trustees; or</p> <p>(ii) in relation to a Shareholder (other than an Investor) which is an undertaking (as defined in section 1161(1) of the Act): any Member of the same Group;</p> <p>(iii) in relation to an Investor: any Investor Affiliate;</p> <p>(iv) in relation to Shareholders who are Employees: to and from an employee benefit trust;</p> <p>(v) in relation to the BGF Investors:</p>

- (a) any member of the BGF Group, any person who is connected with the BGF Investors, any general partner, limited partner or other partner in or trust, nominee, manager of, adviser, promoter, beneficiary, withholder or other financier of the BGF Investors or any person who is connected with the BGF Investors; and
- (b) any third party acquirer of the BGF Investors' portfolio of investments (being more than one) provided that such acquirer is (i) managed and/or advised by the BGF Investors or (ii) approved by the Board (such approval not to be unreasonably withheld or delayed);

"Preferred Shareholders" the holders of Preferred Shares from time to time and **"Preferred Shareholder"** shall be constructed accordingly;

"Preferred Shares" the B1 Preferred Shares, the B Preferred Shares, the A Preferred Shares, the A1 Preferred Shares and the A2 Preferred Shares constituted as one class save as set out in the definition of **"Starting Price"**;

"Privileged Relation" in relation to a Shareholder who is an individual member or deceased or former member means a spouse, civil partner, child or grandchild (including step or adopted or illegitimate child and their issue);

"Proceeds of Sale" the consideration payable (including any deferred consideration) whether in cash or otherwise to those shareholders selling shares pursuant to a Share Sale (less any fees, costs and expenses payable in respect of such Share Sale as approved by an Investor Majority);

"Qualifying Investor" any Investor together with its Permitted Transferees and Affiliates who, in aggregate, hold a minimum of 3 per cent of the fully diluted share capital of the Company;

"Sale Shares" has the meaning set out in **Article 9.2.1** of these Articles;

"Seal" the common seal of the Company (if any);

"Secretary"	the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;
"Share Option Scheme"	the share option scheme adopted by the Company on 19 May 2015 and any other share option scheme of the Company approved by Investor Consent for the incentivisation and/or reward of current and/or prospective employees, directors or consultants of the Company and any Group Company;
"Share Sale"	sale of (or the grant of a right to acquire or to dispose of) any 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 connected (in terms of section 1122 of the Corporation Tax Act 2010) with him gaining a Controlling Interest in the Company, except where following completion of the sale the shareholders and the proportion of shares held by each of them are the same as the Shareholders and their shareholdings in the Company immediately prior to the sale;
"Shareholders"	the holders of Shares from time to time and "Shareholder" shall be constructed accordingly;
"Shares"	the Preferred Shares, the Ordinary Shares and the N Shares and "Share" shall be constructed accordingly;
"Starting Price"	<p>(i) in relation to the A Preferred Shares shall mean £1.4687 or such equivalent value that may result from any sub-division, consolidation reclassification or any other reorganisation of the share capital of the Company;</p> <p>(ii) in relation to the A1 Preferred Shares shall mean £2.117 or such equivalent value that may result from any sub-division, consolidation reclassification or any other reorganisation of the share capital of the Company;</p> <p>(iii) in relation to the A2 Preferred Shares shall mean £4.47 or such equivalent value that may result from any sub-division, consolidation reclassification or any other reorganisation of the share capital of the Company;</p> <p>(iv) in relation to the B Preferred Shares shall mean £11.432265 or such equivalent value that may result from any sub-division, consolidation</p>

reclassification or any other reorganisation of the share capital of the Company; and

(v) in relation to the B1 Preferred Shares shall mean £11.432265 or such equivalent value that may result from any sub-division, consolidation reclassification or any other reorganisation of the share capital of the Company;

"Subsidiary", "Subsidiary Undertaking" and "Parent Undertaking"

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

(a) references in sections 1159(1)(a) and (c) to voting rights are to the members' rights to vote on all or substantially all matters which are decided by a vote of the members of the limited liability partnership; and

(b) the reference in section 1159(1)(b) to the right to appoint or remove a majority of the board of directors is to the right to appoint or remove members holding a majority of the voting rights;

"Touchstone Innovations"

Touchstone Innovations Businesses LLP (registered number OC333709) whose registered office is at 2nd Floor, 3 Pancras Square, King's Cross, London, N1C 4AG;

"Transfer Notice"

shall have the meaning given in **Article 9.2**;

"Transfer Price"

shall have the meaning given in **Article 9.2.3**;

"Trust"

a trust (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made) whereby a person shall be considered to be beneficially interested in a Share if such Share or the income thereof is liable to be transferred or paid or applied to or for the benefit of a person other than the Trustees or any voting or other rights attaching thereto are exercisable by or as directed by a person other than the Trustees pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons;

"Trustees"

in relation to a Shareholder means the trustee or the trustees of a Family Trust or a Trust;

"the United Kingdom"	Great Britain and Northern Ireland;
"Voting Shareholders"	the holders of the Voting Shares; and
"Voting Shares"	the Preferred Shares and the Ordinary Shares.

2.2. Unless the context otherwise requires, words or expressions contained in these Articles and the Model Articles bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these Articles become binding on the Company.

2.3. The objects of the Company are unlimited.

3. SHARE CAPITAL

3.1. Subject to these Articles, but without prejudice to the rights attached to any existing share, the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution.

3.2. The Company may issue shares which are to be redeemed, or are liable to be redeemed, at the option of the Company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

3.3. Shares may be issued by the Company which are nil, partly or fully paid.

3.4. Subject to Investor Consent and the Act, the Company may purchase its own Shares out of capital otherwise than in accordance with Chapter 5 of Part 18 of the Act, to the extent permitted by section 692(1ZA) of the Act.

3.5. The Company shall not be limited by an 'authorised share capital'. Except as otherwise provided in these Articles, the Voting Shares shall rank pari passu in all respects but shall constitute separate classes of shares.

3.6. Subject to **Article 3.7**, unless otherwise agreed by special resolution together with Investor Pre-emption Consent, all New Securities which the Directors propose to issue shall be dealt with in accordance with the following provisions of this **Article 3.6**:

3.6.1. any New Securities proposed to be issued in the share capital of the Company shall be offered to the Voting Shareholders in proportion to the number of Voting Shares held by them respectively;

3.6.2. each such offer shall be made by notice specifying the total number of New Securities being offered to the Voting Shareholders as a whole, the proportionate entitlement of the Voting Shareholder to whom the offer is made and the price per New Security (which shall be the same for each Voting Shareholder), and shall require each Voting Shareholder to state in writing within a period specified in the notice (being not less than seven days) the number of New Securities that the Voting Shareholder wishes to subscribe for (if any) up to the proportionate entitlement;

- 3.6.3. an offer, if not accepted within the period specified in the notice as regards any New Securities, shall be deemed to be declined as regards those New Securities. After the expiration of such period any New Securities so deemed to be declined by the Voting Shareholders shall be offered to the Voting Shareholders willing to take up New Securities in proportion to the number of Voting Shares held by them respectively and such further offers shall be made in the same manner and limited by a like period as the original offer;
- 3.6.4. any New Securities not offered in accordance with this **Article 3.6** or not capable of being offered as aforesaid shall not be issued; and
- 3.6.5. any New Securities not taken up by the Voting Shareholders or released from the provisions of this **Article 3.6** shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit.

3.7. *Notice to Qualifying Investors*

- 3.7.1. The Company shall give notice to each Qualifying Investor of any proposed issue of New Securities including the proposed price per New Security ("**Proposed Price**") and shall confirm to the Qualifying Investor its right to subscribe for all or some of the New Securities which such Investor would have been offered if the pre-emption process in **Article 3.6** had been followed.
- 3.7.2. Each Qualifying Investor shall confirm in writing to the Company within a period of seven (7) days from the date of notice from the Company referred to in **Article 3.7.1** of its intention to subscribe for all or some of its entitlement to New Securities under **Article 3.6** at the Proposed Price and, if only some, confirm how many such New Securities it wishes to subscribe for at the Proposed Price.

Any New Securities offered under **Articles 3.6 and 3.7** to an Investor may be accepted in full or part only by a Member of the same Group as that Investor or a Member of the same Fund Group as that Investor or a Permitted Transferee of that Investor in accordance with the terms of **Articles 3.6 and 3.7**.

- 3.8. No Shares shall be allotted to any Employee, Director, prospective Employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, unless such person has entered into a joint section 431 ITEPA election with the Company if so required by the Company.
- 3.9. In accordance with section 567(1) of the Act, sections 561, 562 and 568(3) of the Act shall not apply to the Company.
- 3.10. The Shares shall confer upon their holders the following rights:

3.10.1. As to capital, on a liquidation or other return of capital, the surplus assets available after payment of the Company's liabilities shall be distributed as follows:

3.10.1.1. first in paying to the holders of B1 Preferred Shares, in priority to any other classes of Shares, a sum equal to the Issue Price for such Shares plus Arrears (provided that if there are insufficient surplus assets to pay the amounts per share equal to the Issue Price plus Arrears, the surplus assets shall be distributed to the holders of the B1 Preferred Shares pro rata in proportion to the amount of the aggregate Issue Price of their respective holdings of B1 Preferred Shares);

3.10.1.2. second in paying to the holders of B Preferred Shares a sum equal to the Issue Price for such Shares plus Arrears (provided that if there are insufficient surplus assets to pay the amounts per share equal to the Issue Price plus Arrears, the surplus assets shall be distributed to the holders of the B Preferred Shares pro rata in proportion to the amount of the aggregate Issue Price of their respective holdings of B Preferred Shares);

3.10.1.3. third in paying to the holders of the A Shares a sum equal to the Issue Price for such Shares plus Arrears (provided that if there are insufficient surplus assets to pay the amounts per share equal to the Issue Price plus Arrears, the surplus assets shall be distributed to the holders of the A Shares pro rata in proportion to the amount of the aggregate Issue Price of their respective holdings of A Shares); and

3.10.1.4. fourth in distributing the balance amongst the holders of the Equity Shares pro rata in proportion to the number of Equity Shares held by them respectively.

3.10.2. Upon a Share Sale, the Directors shall not register any transfer of Shares unless:

3.10.2.1. the Proceeds of Sale represented by cash are paid into the Company's solicitors' bank account and the Proceeds of Sale represented other than by cash shall be held by the Company on trust for the holders of those Shares being sold in connection with the Share Sale; and

3.10.2.2. the Proceeds of Sale are distributed in the order of priority set out in **Article 3.10.1** as if such Share Sale was a liquidation save in respect of any Shares not sold in connection with such Share Sale,

provided that if the Proceeds of Sale are not settled in their entirety upon completion of the Share Sale:

3.10.2.3. the Directors shall not be prohibited from registering the transfer of the Shares so long as the provisions of **Articles**

3.10.2.1 and 3.10.2.2 have been applied to the Proceeds of Sale settled upon completion; and

3.10.2.4. the Shareholders shall be required to take such actions as the holders of the Voting Shares may require to ensure that the Proceeds of Sale are distributed in their entirety in the order of priority set out in **Article 3.10.1**.

3.10.3. Upon an Asset Sale, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (insofar as the Company is lawfully permitted to do so) in the order of priority set out in **Article 3.10.1** as if such Asset Sale was a liquidation, provided always that, if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, the Shareholders shall be required to take such actions as the holders of a majority of the Voting Shares may require, to ensure the surplus assets are distributed in their entirety in the order of priority set out in **Article 3.10.1** (including, but without prejudice to the generality of the foregoing, such actions that may be necessary to put the Company into voluntary liquidation so that **Article 3.10.1** applies).

3.10.4. As to voting:

3.10.4.1. The holders of the Voting Shares shall have the right to receive notice of and attend and vote and speak at any general meeting of the Company and shall be entitled to vote on any written resolution of the Company. Save as provided otherwise in the Act, each such holder present in person or by proxy or by representative shall be entitled on a show of hands to one vote and on a poll or written resolution to one vote for each Voting Share held by him.

3.10.4.2. The holders of the N Shares shall not have the right to receive notice of any general meeting of the Company nor the right to attend, speak or vote at any such general meeting of the Company and shall not be entitled to receive or vote on any written resolution of the Company.

3.11. **A Preferred Shares:** If New Securities are issued by the Company at a price per New Security less than the Starting Price of the A Preferred Shares (which, if the New Security is not issued for cash, shall be a price certified by the Auditors or, on the request of any party, such firm of accountants as the Company and an A Preferred Majority may agree or, failing such agreement, as recommended by the President for the time being of the Institute of Chartered Accountants (for the purposes of this **Article 3.11** (the "**Auditors**")), acting as experts and not as arbitrators, as being in their opinion the current cash value of the new consideration for the allotment of the New Securities) (a "**Qualifying A Issue**"), then the Company shall, unless and to the extent that any of the holders of A Preferred Shares (in their capacity as such) shall have specifically waived their rights in writing, offer (such offer, unless waived, to remain open for acceptance for at least 15 Clear Days) to each holder of A Preferred Shares (the "**Exercising A Investor**") the right to receive such number of new A Preferred Shares as is derived from the application of the following formula (and rounding the product, *N*, down to the nearest whole

share), subject to adjustment as certified in accordance with **Article 3.18** (the "**Anti-Dilution A Shares**"):

$$N = \left(\left(\frac{SIP}{WA} \right) \times Z \right) - Z$$

where:

N = the number of Anti-Dilution A Shares to be issued to the Exercising A Investor;

$$WA = \frac{(SIP \times ESC) + (QISP \times NS)}{(ESC + NS)}$$

SIP = the Starting Price;

ESC = the number of Shares in issue plus the aggregate number of shares in respect of which options to subscribe have been granted or which are subject to convertible securities (including but not limited to warrants), in each case immediately before the Qualifying A Issue;

$QISP$ = the lowest per-share price of the New Securities issued pursuant to the Qualifying A Issue (which, if that New Security is not issued for cash shall be the sum certified by the Auditors, acting as experts and not arbitrators, as being in their opinion the current cash value of the non-cash consideration for the allotment of the New Security);

NS = the number of New Securities issued pursuant to the Qualifying A Issue; and

Z = the number of A Preferred Shares held by the relevant Exercising Investor prior to the Qualifying A Issue.

- 3.12. **A1 Preferred Shares:** If New Securities are issued by the Company at a price per New Security less than the Starting Price of the A1 Preferred Shares (which, if the New Security is not issued for cash, shall be a price certified by the Auditors or, on the request of any party, such firm of accountants as the Company and an A1 Preferred Majority may agree or, failing such agreement, as recommended by the President for the time being of the Institute of Chartered Accountants (for the purposes of this **Article 3.12** (the "**Auditors**")), acting as experts and not as arbitrators, as being in their opinion the current cash value of the new consideration for the allotment of the New Securities) (a "**Qualifying A1 Issue**"), then the Company shall, unless and to the extent that any of the holders of A1 Preferred Shares (in their capacity as such) shall have specifically waived their rights in writing, offer (such offer, unless waived, to remain open for acceptance for at least 15 Clear Days) to each holder of A1 Preferred Shares (the "**Exercising A1 Investor**", together with the Exercising A Investors the "**Exercising Investors**") the right to receive such number of new A1 Preferred Shares as is derived from the application of the

following formula (and rounding the product, N , down to the nearest whole share), subject to adjustment as certified in accordance with **Article 3.18** (the "**Anti-Dilution A1 Shares**"):

$$N = \left(\left(\frac{SIP}{WA} \right) x Z \right) - Z$$

where:

N = the number of Anti-Dilution A1 Shares to be issued to the Exercising A1 Investor;

$$WA = \frac{(SIP \times ESC) + (QISP \times NS)}{(ESC + NS)}$$

SIP = the Starting Price;

ESC = the number of Shares in issue plus the aggregate number of shares in respect of which options to subscribe have been granted or which are subject to convertible securities (including but not limited to warrants), in each case immediately before the Qualifying A1 Issue;

$QISP$ = the lowest per-share price of the New Securities issued pursuant to the Qualifying A1 Issue (which, if that New Security is not issued for cash shall be the sum certified by the Auditors, acting as experts and not arbitrators, as being in their opinion the current cash value of the non-cash consideration for the allotment of the New Security);

NS = the number of New Securities issued pursuant to the Qualifying A1 Issue; and

Z = the number of A1 Preferred Shares held by the relevant Exercising Investor prior to the Qualifying A1 Issue.

- 3.13. **A2 Preferred Shares:** If New Securities are issued by the Company at a price per New Security less than the Starting Price of the A2 Preferred Shares (which, if the New Security is not issued for cash, shall be a price certified by the Auditors or, on the request of any party, such firm of accountants as the Company and an A2 Preferred Majority may agree or, failing such agreement, as recommended by the President for the time being of the Institute of Chartered Accountants (for the purposes of this **Article 3.13** (the "**Auditors**")), acting as experts and not as arbitrators, as being in their opinion the current cash value of the new consideration for the allotment of the New Securities) (a "**Qualifying A2 Issue**"), then the Company shall, unless and to the extent that any of the holders of A2 Preferred Shares (in their capacity as such) shall have specifically waived their rights in writing, offer (such offer, unless waived, to remain open for acceptance for at least 15 Clear Days) to each holder of A2 Preferred Shares (the "**Exercising A2 Investor**", together with the Exercising A Investors and the Exercising A1 Investors (the "**Exercising**

Investors") the right to receive such number of new A2 Preferred Shares as is derived from the application of the following formula (and rounding the product, N , down to the nearest whole share), subject to adjustment as certified in accordance with **Article 3.18** (the "**Anti-Dilution A2 Shares**"):

$$N = \left(\left(\frac{SIP}{WA} \right) \times Z \right) - Z$$

where:

N = the number of Anti-Dilution A2 Shares to be issued to the Exercising A2 Investor;

$$WA = \frac{(SIP \times ESC) + (QISP \times NS)}{(ESC + NS)}$$

SIP = the Starting Price;

ESC = the number of Shares in issue plus the aggregate number of shares in respect of which options to subscribe have been granted or which are subject to convertible securities (including but not limited to warrants), in each case immediately before the Qualifying A2 Issue;

$QISP$ = the lowest per-share price of the New Securities issued pursuant to the Qualifying A2 Issue (which, if that New Security is not issued for cash shall be the sum certified by the Auditors, acting as experts and not arbitrators, as being in their opinion the current cash value of the non-cash consideration for the allotment of the New Security);

NS = the number of New Securities issued pursuant to the Qualifying A2 Issue; and

Z = the number of A2 Preferred Shares held by the relevant Exercising Investor prior to the Qualifying A2 Issue.

- 3.14. **B Preferred Shares:** If New Securities are issued by the Company at a price per New Security less than the Starting Price of the B Preferred Shares (which, if the New Security is not issued for cash, shall be a price certified by the Auditors or, on the request of any party, such firm of accountants as the Company and a B Preferred Majority may agree or, failing such agreement, as recommended by the President for the time being of the Institute of Chartered Accountants (for the purposes of this **Article 3.14** (the "**Auditors**")), acting as experts and not as arbitrators, as being in their opinion the current cash value of the new consideration for the allotment of the New Securities) (a "**Qualifying B Issue**"), then the Company shall, unless and to the extent that any of the holders of B Preferred Shares (in their capacity as such) shall have specifically waived their rights in writing, offer (such offer, unless waived, to remain open for acceptance for at least 15 Clear Days) to each holder of B Preferred Shares (the "**Exercising B Investor**", together with the Exercising

A Investors, the Exercising A1 Investors and the Exercising A2 Investors the "**Exercising Investors**") the right to receive such number of new B Preferred Shares as is derived from the application of the following formula (and rounding the product, N , down to the nearest whole share), subject to adjustment as certified in accordance with **Article 3.18** (the "**Anti-Dilution B Shares**", together with the Anti-Dilution A Shares, the Anti-Dilution A1 Shares and the Anti-Dilution A2 Shares, the "**Anti-Dilution B Shares**"):

$$N = \left(\left(\frac{SIP}{WA} \right) \times Z \right) - Z$$

where:

N = the number of Anti-Dilution B Shares to be issued to the Exercising B Investor;

$$WA = \frac{(SIP \times ESC) + (QISP \times NS)}{(ESC + NS)}$$

SIP = the Starting Price;

ESC = the number of Shares in issue plus the aggregate number of shares in respect of which options to subscribe have been granted or which are subject to convertible securities (including but not limited to warrants), in each case immediately before the Qualifying B Issue;

$QISP$ = the lowest per-share price of the New Securities issued pursuant to the Qualifying B Issue (which, if that New Security is not issued for cash shall be the sum certified by the Auditors, acting as experts and not arbitrators, as being in their opinion the current cash value of the non-cash consideration for the allotment of the New Security);

NS = the number of New Securities issued pursuant to the Qualifying B Issue; and

Z = the number of B Preferred Shares held by the relevant Exercising Investor prior to the Qualifying B Issue.

- 3.15. **B1 Preferred Shares:** If New Securities are issued by the Company at a price per New Security less than the Starting Price of the B1 Preferred Shares (which, if the New Security is not issued for cash, shall be a price certified by the Auditors or, on the request of any party, such firm of accountants as the Company and a B1 Preferred Majority may agree or, failing such agreement, as recommended by the President for the time being of the Institute of Chartered Accountants (for the purposes of this Article 3.15 (the "**Auditors**"), acting as experts and not as arbitrators, as being in their opinion the current cash value of the new consideration for the allotment of the New Securities) (a "**Qualifying B1 Issue**"), then the Company shall, unless and to the extent that any of the holders of B1 Preferred Shares (in their capacity as such) shall

have specifically waived their rights in writing, offer (such offer, unless waived, to remain open for acceptance for at least 15 Clear Days) to each holder of B1 Preferred Shares (the "**Exercising B1 Investor**", together with the Exercising A Investors, the Exercising A1 Investors, the Exercising A2 Investors and the Exercising B Investors (the "**Exercising Investors**") the right to receive such number of new B1 Preferred Shares as is derived from the application of the following formula (and rounding the product, N, down to the nearest whole share), subject to adjustment as certified in accordance with Article 3.18 (the "**Anti-Dilution B1 Shares**", together with the Anti-Dilution A Shares, the Anti-Dilution A1 Shares, the Anti-Dilution A2 Shares and the Anti-Dilution B Shares, the "**Anti-Dilution Shares**"):

$$N = \left(\left(\frac{SIP}{WA} \right) x Z \right) - Z$$

where:

N = the number of Anti-Dilution B1 Shares to be issued to the Exercising B1 Investor;

$$WA = \frac{(SIP \times ESC) + (QISP \times NS)}{(ESC + NS)}$$

SIP = the Starting Price;

ESC = the number of Shares in issue plus the aggregate number of shares in respect of which options to subscribe have been granted or which are subject to convertible securities (including but not limited to warrants), in each case immediately before the Qualifying B1 Issue;

$QISP$ = the lowest per-share price of the New Securities issued pursuant to the Qualifying B1 Issue (which, if that New Security is not issued for cash shall be the sum certified by the Auditors, acting as experts and not arbitrators, as being in their opinion the current cash value of the non-cash consideration for the allotment of the New Security);

NS = the number of New Securities issued pursuant to the Qualifying B1 Issue; and

Z = the number of B1 Preferred Shares held by the relevant Exercising Investor prior to the Qualifying B1 Issue.

- 3.16. If an issue of New Securities constitutes a Qualifying A Issue and/or a Qualifying A1 Issue and/or a Qualifying A2 Issue and/or a Qualifying B Issue and/or a Qualifying B1 Issue that requires the Company to issue additional A Preferred Shares pursuant to **Article 3.11** and/or additional A1 Preferred Shares pursuant to **Article 3.12** and/or additional A2 Preferred Shares pursuant to **Article 3.13** and/or additional B Preferred Shares pursuant to

Article 3.14 and/or additional B1 Preferred Shares pursuant to **Article 3.15** then in respect of such relevant issues the Company shall:

- 3.16.1. first, apply the provisions of **Article 3.11** to calculate the number of additional A Preferred Shares required to be issued to the holders of A Preferred Shares, provided that for the purpose of such calculation, "NS" in **Article 3.11** shall not include any of the additional A1 Preferred Shares, A2 Preferred Shares, B Preferred Shares or B1 Preferred Shares required to be issued pursuant to **Article 3.12, Article 3.13, Article 3.14 or Article 3.15** respectively (as the case may be);
- 3.16.2. second, apply the provisions of **Article 3.12** to calculate the number of additional A1 Preferred Shares required to be issued to the holders of A1 Preferred Shares, provided that for the purpose of such calculation, "NS" in **Article 3.12** shall not include any of the additional A Preferred Shares, A2 Preferred Shares, B Preferred Shares or B1 Preferred Shares required to be issued pursuant to **Article 3.11, Article 3.13, Article 3.14 or Article 3.15** respectively (as the case may be);
- 3.16.3. third, apply the provisions of **Article 3.13** to calculate the number of additional A2 Preferred Shares required to be issued to the holders of A2 Preferred Shares, provided that for the purpose of such calculation, "NS" in **Article 3.13** shall not include any of the additional A Preferred Shares, A1 Preferred Shares, B Preferred Shares or B1 Preferred Shares required to be issued pursuant to **Article 3.11, Article 3.12, Article 3.14 or Article 3.15** respectively (as the case may be);
- 3.16.4. fourth, apply the provisions of **Article 3.14** to calculate the number of additional B Preferred Shares required to be issued to the holders of B Preferred Shares, provided that for the purpose of such calculation, "NS" in **Article 3.14** shall not include any of the additional A Preferred Shares, A1 Preferred Shares, A2 Preferred Shares or B1 Preferred Shares required to be issued pursuant to **Article 3.11, Article 3.12, Article 3.13 or Article 3.15** respectively (as the case may be);
- 3.16.5. fifth, apply the provisions of **Article 3.15** to calculate the number of additional B1 Preferred Shares required to be issued to the holders of B1 Preferred Shares, provided that for the purpose of such calculation, "NS" in **Article 3.15** shall not include any of the additional A Preferred Shares, A1 Preferred Shares, A2 Preferred Shares or B Preferred Shares required to be issued pursuant to **Article 3.11, Article 3.12, Article 3.13 or Article 3.14** respectively (as the case may be).

3.17. The Anti-Dilution Shares shall:

- 3.17.1. 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 Exercising Investors shall agree otherwise, in which event the Exercising Investors shall be entitled to subscribe for the Anti-Dilution Shares in cash at par value. In

the event of any dispute between the Company and any Exercising Investor as to the effect of **Article(s) 3.11, 3.12, 3.13, 3.14 or 3.15**, the matter shall be referred (at the cost of the Company) to the Auditors for certification of the number of Anti-Dilution Shares to be issued. The Auditors' certification of such matter shall in the absence of manifest error be final and binding on the Company and the Exercising Investor; and

3.17.2. subject to the payment of any cash payable pursuant to **Article 3.17.1** (if applicable), be issued, credited fully paid up in cash, within 5 Clear Days of the expiry of the offer being made by the Company to the Exercising Investor and pursuant to **Article 3.17.1**, and shall rank equally in all respects with the existing Preferred Shares of the same class.

3.18. In the event of any Bonus Issue or Reorganisation, the Starting Price in respect of the Preferred Shares shall also be subject to adjustment on such basis as may be agreed by the Company together with: (i) in relation to the Starting Price for the A Preferred Shares, the consent of Touchstone Innovations ("**A Preferred Majority**"); (ii) in relation to the Starting Price for the A1 Preferred Shares, the consent of Touchstone Innovations and NM Capital ("**A1 Preferred Majority**"); (iii), in relation to the Starting Price for the A2 Preferred Shares, the consent of the BGF Investors, Touchstone Innovations and NM Capital ("**A2 Preferred Majority**"); (iv), in relation to the Starting Price for the B Preferred Shares, the consent of Dawn, the BGF Investors, IP2IPO and NM Capital ("**B Preferred Majority**") or (v) (iv), in relation to the Starting Price for the B1 Preferred Shares, the consent of Dawn, IP2IPO and NM Capital ("**B1 Preferred Majority**"), in each case within 10 Business Days after the Bonus Issue or Reorganisation. If the Company and the A Preferred Majority cannot agree such adjustment in relation to the A Preferred Shares or if the Company and the A1 Preferred Majority cannot agree such adjustment in relation to the A1 Preferred Shares or if the Company and the A2 Preferred Majority cannot agree such adjustment in relation to the A2 Preferred Shares or if the Company and the B Preferred Majority cannot agree such adjustment in relation to the B Preferred Shares or if the Company and the B1 Preferred Majority cannot agree such adjustment in relation to the B1 Preferred Shares, it shall be referred to the Auditors whose determination shall, in the absence of manifest error, be final and binding on the Company and each of its Shareholders. The costs of the Auditors shall be borne by the Company.

4. **DIVIDENDS**

Any Available Profits which the Company may determine, with Investor Consent, to distribute in respect of any Financial Year will be distributed among the holders of the Preferred Shares and Equity Shares (*pari passu* as if they constituted one class of share) *pro rata* to their respective holdings of Preferred Shares and/or Equity Shares.

5. **CONVERSION OF PREFERRED SHARES**

5.1. Any holder of Preferred Shares shall be entitled, by notice in writing to the Company, to require conversion into Ordinary Shares of any of the Preferred Shares held by them at any time and those Preferred Shares shall convert automatically on the date the holder of those Preferred Shares (the

"**Conversion Date**") gives notice that they require such conversion. The holder may, in such notice, state that conversion of the relevant number of its Preferred Shares into Ordinary Shares is conditional upon the occurrence of particular events (the "**Conditions**").

- 5.2. All the Preferred Shares shall convert automatically into Ordinary Shares on the date of an IPO (the "**Conversion Date**").
- 5.3. In the case of (i) **Article 5.1**, not more than five Business Days after the Conversion Date or (ii) **Article 5.2**, at least five Business Days prior to the occurrence of the IPO, each holder of the relevant Preferred Shares shall deliver the certificate (or an indemnity in a form reasonably satisfactory to the Board in respect of any lost certificate(s)) in respect of the shares being converted for such shares to the Company at its registered office for the time being.
- 5.4. Where conversion is mandatory on the occurrence of an IPO, that conversion will be effective only immediately prior to and conditional upon such IPO (and "**Conversion Date**" shall be construed accordingly) and, if such IPO does not become effective or does not take place, such conversion shall be deemed not to have occurred. In the event of a conversion under **Article 5.1**, if the Conditions have not been satisfied or waived by the relevant holder by the Conversion Date, such conversion shall be deemed not to have occurred.
- 5.5. On the Conversion Date, the relevant Preferred Shares shall without further authority than is contained in these Articles stand converted into Ordinary Shares on the basis of one Ordinary Share for each Preferred Share so converted (the "**Conversion Ratio**"), and the Ordinary Shares resulting from that conversion shall in all other respects rank pari passu with the existing issued Ordinary Shares.
- 5.6. The Company shall on the Conversion Date enter the holder of the converted Preferred Shares in the register of Shareholders of the Company as the holder of the appropriate number of Ordinary Shares and, subject to the relevant holder delivering its certificate(s) (or indemnity) in respect of the Preferred Shares in accordance with this Article, the Company shall within 10 Business Days of the Conversion Date forward to such holder of Preferred Shares by post to his address shown in the register of Shareholders, free of charge, a definitive certificate for the appropriate number of fully paid Ordinary Shares.
- 5.7. On the Conversion Date (or as soon afterwards as it is possible to calculate the amount payable), the Company shall, if it has sufficient Available Profits, pay to the holders of the Preferred Shares falling to be converted a dividend equal to all Arrears in relation to those Preferred 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 in full then it shall pay the same to the extent that it is lawfully able to do so and any Arrears that remain outstanding shall continue to be a debt due from and immediately payable by the Company.
- 5.8. The Conversion Ratio shall from time to time be adjusted in accordance with the provisions of this Article:

- 5.8.1. if Preferred Shares remain capable of being converted into new Ordinary Shares and there is a consolidation and/or sub-division of Ordinary Shares, the Conversion Ratio shall be adjusted by an amount, which in the opinion of the Board (with Investor Director Consent) is fair and reasonable, to maintain the right to convert so as to ensure that each Preferred Shareholder is in no better or worse position as a result of such consolidation or sub-division, such adjustment to become effective immediately after such consolidation or sub-division; and
 - 5.8.2. if Preferred Shares remain capable of being converted into Ordinary Shares, on an allotment of fully-paid Ordinary Shares pursuant to a capitalisation of profits or reserves to holders of Ordinary Shares the Conversion Ratio shall be adjusted by an amount, which in the opinion of the Board (with Investor Director Consent) is fair and reasonable, to maintain the right to convert so as to ensure that each Preferred Shareholder is in no better or worse position as a result of such capitalisation of profits or reserves, such adjustment to become effective as at the record date for such issue.
- 5.9. If any Preferred Shareholder or holder of N Shares becomes entitled to fractions of an Ordinary Share as a result of conversion ("**Fractional Holders**"), the Directors may (in their absolute discretion) deal with these fractions as they think fit on behalf of the Fractional Holders. In particular, the Directors may aggregate and sell the fractions to a person for the best price reasonably obtainable and distribute the net proceeds of sale in due proportions among the Fractional Holders or may ignore fractions or accrue the benefit of such fractions to the Company rather than the Fractional Holder. For the purposes of completing any such sale of fractions, the chairman of the Company or, failing him, the secretary will be deemed to have been appointed the Fractional Holder's agent for the purpose of the sale.
- 5.10. If a doubt or dispute arises concerning an adjustment of the Conversion Ratio in accordance with **Article 5.8**, or if so requested by an Investor Majority, the Board shall refer the matter to the Auditors for determination who shall make available to all Shareholders their report and whose certificate as to the amount of the adjustment is, in the absence of manifest error, conclusive and binding on all concerned and their costs shall be met by the Company.

Conversion of N Shares

- 5.11. All the N Shares shall convert automatically into Ordinary Shares on the date of an IPO (the "**N Share Conversion Date**").
- 5.12. At least five Business Days prior to the occurrence of the IPO, each holder of the relevant N Shares shall deliver the certificate (or an indemnity in a form reasonably satisfactory to the Board in respect of any lost certificate(s)) in respect of the shares being converted for such shares to the Company at its registered office for the time being.
- 5.13. Conversion of N Shares on the occurrence of an IPO will be effective only immediately prior to and conditional upon such IPO and, if such IPO does not

become effective or does not take place, such conversion shall be deemed not to have occurred.

- 5.14. On the N Share Conversion Date, the relevant N Shares shall without further authority than is contained in these Articles stand converted into Ordinary Shares on the basis of one Ordinary Share for each N Share so converted (the "**N Share Conversion Ratio**"), and the Ordinary Shares resulting from that conversion shall in all other respects rank pari passu with the existing issued Ordinary Shares.
- 5.15. The Company shall on the N Share Conversion Date enter the holder of the converted N Shares in the register of Shareholders of the Company as the holder of the appropriate number of Ordinary Shares and, subject to the relevant holder delivering its certificate(s) (or indemnity) in respect of the N Shares in accordance with this Article, the Company shall within 10 Business Days of the N Share Conversion Date forward to such holder of N Shares by post to his address shown in the register of Shareholders, free of charge, a definitive certificate for the appropriate number of fully paid Ordinary Shares.
- 5.16. The N Share Conversion Ratio shall from time to time be adjusted in accordance with the provisions of this Article:
 - 5.16.1. if N Shares remain capable of being converted into new Ordinary Shares and there is a consolidation and/or sub-division of Ordinary Shares, the N Share Conversion Ratio shall be adjusted by an amount, which in the opinion of the Board (with Investor Director Consent) is fair and reasonable, to maintain the right to convert so as to ensure that each holder of N Shares is in no better or worse position as a result of such consolidation or sub-division, such adjustment to become effective immediately after such consolidation or sub-division; and
 - 5.16.2. if N Shares remain capable of being converted into Ordinary Shares, on an allotment of fully-paid Ordinary Shares pursuant to a capitalisation of profits or reserves to holders of Ordinary Shares the N Share Conversion Ratio shall be adjusted by an amount, which in the opinion of the Board (with Investor Director Consent) is fair and reasonable, to maintain the right to convert so as to ensure that each holder of N Shares is in no better or worse position as a result of such capitalisation of profits or reserves, such adjustment to become effective as at the record date for such issue.
- 5.17. If a doubt or dispute arises concerning an adjustment of the N Share Conversion Ratio in accordance with **Article 5.16**, or if so requested by the holders of a majority of the N Shares, the Board shall refer the matter to the Auditors for determination who shall make available to all Shareholders their report and whose certificate as to the amount of the adjustment is, in the absence of manifest error, conclusive and binding on all concerned and their costs shall be met by the Company.

6. LIEN

The Company shall have a first and paramount lien on all Shares, whether fully paid or not, standing registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders, for all moneys presently payable by him or his estate to the Company.

7. TRANSFER OF SHARES – GENERAL

- 7.1. In **Articles 7 to 13** (inclusive), reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share.
- 7.2. No Share may be transferred unless the transfer is made in accordance with these Articles, and the Directors shall refuse to register any transfer not made in accordance with these Articles.
- 7.3. If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles he shall be deemed immediately to have served a Transfer Notice in respect of all Shares held by him.
- 7.4. Any transfer of a Share by way of sale which is required to be made under **Articles 9 to 13** (inclusive) shall be deemed to include a warranty that the transferor sells with full title guarantee.
- 7.5. The Directors shall, as a condition to the registration of any transfer of Shares (whether pursuant to a Permitted Transfer or otherwise), require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of the Investment Agreement or similar document in force between some or all of the Shareholders and the Company in any form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document), and if any condition is imposed in accordance with this **Article 7.5** the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.
- 7.6. To enable the Directors to determine whether or not there has been any disposal of Shares in breach of these Articles, the Directors may, with Investor Director Consent, require any holder, or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or any other person whom the Directors or the Investor Directors may reasonably believe to have information relevant to that purpose, to furnish to the Company such information and evidence as the Directors may request regarding any matter which they deem relevant to the purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the Shares from time to time registered in the holder's name. If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or where as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and the following shall occur:

7.6.1. the relevant Shares shall cease to confer upon the holder of them (including any proxy appointed by the holder) any rights:

7.6.1.1. to vote (whether on a show of hands or on a poll, and whether exercisable at a general meeting or on a written resolution of the Company or at any separate meeting or written resolution of the class in question), provided that such rights shall not cease if as a result of such cessation the Company shall become a Subsidiary of an Investor; or

7.6.1.2. to receive dividends or other distributions otherwise attaching to those Shares or to any further Shares issued in respect of those Shares; and

7.6.2. the holder may be required at any time following receipt of the notice to transfer some or all of its Shares to any person or persons at such price as the Directors may require by notice in writing to that holder.

The rights referred to in **Article 7.6.1** above may be reinstated by the Board and shall in any event be reinstated upon the completion of any transfer referred to in **Article 7.6.2** above.

7.7. In any case where the Board may require a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within a period of 10 Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration of that period. If a Transfer Notice is required to be given or is deemed to have been given under these Articles, the Transfer Notice will be treated as having specified that:

7.7.1. the Transfer Price for the Sale Shares shall be as agreed between the Board (any Director with whom the Seller is connected (within the meaning of section 252 of the Act) not voting) and the Seller, or, failing agreement within five Business Days after the date on which the Board becomes aware that a Transfer Notice has been deemed to have been given, will be the Fair Value of the Sale Shares;

7.7.2. it does not include a Minimum Transfer Condition (as defined in **Article 9.2.4**); and

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

8. PERMITTED TRANSFERS

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

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

by this **Article 8.2** may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.

- 8.3. If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise, failing which it shall be deemed to have given a Transfer Notice in respect of those Shares.
- 8.4. If a Permitted Transferee who was a Member of the same Fund Group as the Original Shareholder ceases to be a Member of the same Fund Group as the Original Shareholder, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Fund Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to give a Transfer Notice in respect of such Shares.
- 8.5. Trustees may (i) transfer Shares to a company in which they hold the whole of the share capital and which they control (a "**Qualifying Company**") or (ii) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (iii) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.
- 8.6. No transfer of Shares may be made to Trustees unless the Board is satisfied:
 - 8.6.1. with the terms of the Trust instrument and in particular with the powers of the trustees;
 - 8.6.2. with the identity of the proposed Trustees;
 - 8.6.3. that the proposed transfer will not result in 50 per cent or more of the aggregate of the Company's share capital being held by trustees of that and any other trusts; and
 - 8.6.4. that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.
- 8.7. If a company to which a Share has been transferred under **Article 8.6** ceases to be a Qualifying Company it shall, within five Business Days of so ceasing, transfer the Shares held by it to the Trustees or to a Qualifying Company (any may do so without restriction as to price or otherwise), failing which it shall be deemed to have given a Transfer Notice in respect of such Shares.
- 8.8. If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise he shall, within 15 Business Days of so ceasing, either:

- 8.8.1. execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
 - 8.8.2. give a Transfer Notice to the Company in accordance with **Article 9.2**, failing which he shall be deemed to have given a Transfer Notice.
- 8.9. On the death (subject to **Article 8.2**), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder), his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver shall within five Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver shall be deemed to have given a Transfer Notice.
- 8.10. Notwithstanding any other provisions of these Articles, a transfer of Shares approved by the holders of 75 per cent in number of the Voting Shares together with Investor Consent may be made without restriction as to price or other requirement, restriction or obligation (save as set out in **Article 7.2**) and any such transfer shall be registered by the directors.
- 8.11. Any Shares may at any time be transferred where there is a sale or transfer of the entire issued share capital of the Company to a Holding Company, which has been approved by a majority of the Board with Investor Director Consent.
- 8.12. Notwithstanding any other provisions of these Articles, the directors may refuse to register a transfer of Shares if the transfer is to an Employee, Director or prospective Employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, and such person has not entered into a joint section 431 ITEPA election with the Company.
- 8.13. Notwithstanding the provisions of **Article 8.1**, no Investor may transfer any Shares to any of its Investor Affiliates or enter into any contract or arrangement with any person where the purpose, intention or effect of that proposed transfer, contract or arrangement is, in substance, the sale or transfer of those shares or an interest in those shares for value to a non-Investor Affiliate.

9. TRANSFERS OF SHARES SUBJECT TO PRE-EMPTION RIGHTS

9.1. Save where the provisions of **Articles 8, 12 and 13** apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights contained in this **Article 9**.

9.2. A Shareholder who wishes to transfer Shares (a "**Seller**") shall, except as otherwise provided in these Articles, before transferring or agreeing to transfer any Shares give notice in writing (a "**Transfer Notice**") to the Company specifying:

9.2.1. the number of Shares which he wishes to transfer (the "**Sale Shares**");

9.2.2. if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee;

9.2.3. the price (in cash) at which he wishes to transfer the Sale Shares (which shall be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the Board (with Investor Director Consent) (the "**Transfer Price**"); and

9.2.4. whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to Shareholders (a "**Minimum Transfer Condition**").

9.3. Except with consent of the Board, no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn.

9.4. A Transfer Notice constitutes the Company as the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

9.5. As soon as practicable following the later of:

9.5.1. receipt of a Transfer Notice; and

9.5.2. in the case where the Transfer Price has not been specified or the Transfer Notice is deemed to have been served and such Transfer Notice requires a determination of the Transfer Price in accordance with these Articles, the determination of the Transfer Price under **Article 10**,

the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in **Article 9.6**. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered.

9.6. *Transfers: Offer*

9.6.1. The Board shall offer the Sale Shares to all Voting Shareholders (other than the Seller) pro rata to their existing holdings of Voting Shares (the "**Continuing Shareholders**") inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the offer (inclusive) (the "**Offer Period**") for the maximum number of Sale Shares they wish to buy.

- 9.6.2. If the Sale Shares are subject to a Minimum Transfer Condition, then any allocation made under **Article 9.6** shall be conditional on the fulfilment of the Minimum Transfer Condition.
- 9.6.3. If, at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of Voting Shares bears to the total number of Voting Shares held by those Continuing Shareholders who have applied for Sale Shares, but no allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.
- 9.6.4. If not all Sale Shares are allocated in accordance with **Article 9.6.3** but there are applications for Sale Shares that have not been satisfied, those Sale Shares shall be allocated to the relevant applicant(s) in accordance with the procedure set out in **Article 9.6.3**.
- 9.6.5. If, at the end of the Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications, and the balance ("**Surplus Shares**") shall be dealt with in accordance with **Article 9.7.5**.

9.7. Completion of transfer of Sale Shares

- 9.7.1. If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for is less than the number of Sale Shares, the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under **Article 9.6** stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

9.7.2. If:

- 9.7.2.1. the Transfer Notice does not include a Minimum Transfer Condition; and
- 9.7.2.2. allocations have been made in respect of all the Sale Shares,

the Board shall, when no further offers are required to be made under **Article 9.6**, give written notice of allocation (an "**Allocation Notice**") to the Seller and each Shareholder to whom Sale Shares have been allocated (an "**Applicant**") specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than 10 Business Days nor more than 20 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.

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

9.7.4. If the Seller fails to comply with the provisions of **Article 9.7.3**:

9.7.4.1. the Chairman or, failing him, one of the Directors, or some other person nominated by a resolution of the Board, may as agent and/or attorney on behalf of the Seller:

9.7.4.1.1. complete, execute and deliver in the Seller's name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;

9.7.4.1.2. receive the Transfer Price and give a good discharge for it; and

9.7.4.1.3. (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and

9.7.4.2. the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered to the Company his certificate or certificates for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate).

9.7.5. If an Allocation Notice does not relate to all the Sale Shares then, subject to **Article 9.7.6**, the Seller may, within eight weeks after service of the Allocation Notice, transfer the Surplus Shares to any person at a price at least equal to the Transfer Price provided that the sale of the Surplus Shares shall continue to be subject to any Minimum Transfer Conditions.

9.7.6. The right of the Seller to transfer Shares under **Article 9.7.5** does not apply if the Board is of the opinion on reasonable grounds that:

9.7.6.1. the transferee is a person (or a nominee for a person) who the Board determines in its absolute discretion is a competitor with (or an Associate of a competitor with) the business of a Group Company; or

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

9.7.6.3. the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above.

- 9.8. Any Sale Shares offered under this **Article 9** to an Investor may be accepted in full or part only by a Member of the same Group as that Investor or a Member of the same Fund Group as that Investor or a Permitted Transferee of that Investor in accordance with the terms of this **Article 9**.

10. VALUATION OF SHARES

- 10.1. If a Transfer Notice does not specify a Transfer Price or, subject to **Article 7.7**, if a Transfer Notice is deemed to have been served then, on service of the Transfer Notice or, in the case of the deemed service of a Transfer Notice, on the date on which the Board first has actual knowledge of the facts giving rise to such deemed service, the Board shall either:

10.1.1. appoint expert valuers in accordance with **Article 10.2** (the "**Expert Valuers**") to certify the Fair Value of the Sale Shares; or

10.1.2. if the Fair Value has been certified by Expert Valuers within the preceding 12 weeks, specify that the Fair Value of the Sale Shares shall be calculated by dividing any Fair Value so certified by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares that are the subject of the Transfer Notice.

- 10.2. The Expert Valuers shall be either:

10.2.1. the Auditors; or

10.2.2. (if so specified in the relevant Transfer Notice) an independent firm of Chartered Accountants to be agreed between the Board and the Seller, or failing agreement not later than the date 10 Business Days after the date of service of the Transfer Notice to be appointed by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party.

- 10.3. The "**Fair Value**" of the Sale Shares shall be determined by the Expert Valuer on the following assumptions and bases:

10.3.1. valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer;

10.3.2. if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;

10.3.3. that the Sale Shares are capable of being transferred without restriction;

10.3.4. valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent but taking into account of the rights attaching to the Sale Shares; and

- 10.3.5. reflecting any other factors which the Expert Valuers reasonably believe should be taken into account.
- 10.4. If any difficulty arises in applying any of these assumptions or bases then the Expert Valuers shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit.
- 10.5. The Expert Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Board of their determination.
- 10.6. The Expert Valuers shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 10.7. The Board shall give the Expert Valuers access to all accounting records or other relevant documents of the Company subject to the Expert Valuers agreeing such confidentiality provisions as the Board may reasonably impose.
- 10.8. The Expert Valuers shall deliver their certificate to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. Unless the Sale Shares are to be sold under a Transfer Notice which is deemed to have been served, the Seller may, by notice in writing to the Company within five Business Days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares.
- 10.9. The cost of obtaining the certificate shall be paid by the Company unless:
- 10.9.1. the Seller cancels the Company's authority to sell; or
- 10.9.2. the sale is pursuant to a Transfer Notice which is deemed to have been served, and the Sale Price certified by the Expert Valuers is less than the price (if any) offered by the Directors to the Seller for the Sale Share before Expert Valuer was instructed,

in which case the Seller shall bear the cost.

11. COMPULSORY TRANSFERS – GENERAL

- 11.1. A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or an equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer Notice in respect of that Share at such time as the Directors (acting with Investor Consent) may determine.
- 11.2. If a Shareholder which is a body corporate either suffers the appointment of or resolves to appoint a liquidator, administrator or administrative receiver over it or over any material part of its assets (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction) or suffers or takes any equivalent action in any jurisdiction outside England and Wales, that Shareholder shall be deemed to have given a Transfer Notice in respect of all Shares held by it at such time as the Directors (acting with Investor Consent) may determine.

- 11.3. If there is a change in control (as "control" is defined in section 450 of the Corporation Tax Act 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or in the case of a nominee to procure the giving of) a Transfer Notice in respect of all the Shares registered in its name (or the name of its nominee(s)) save that, where that Shareholder acquired Shares as a Permitted Transferee of an Original Shareholder, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee of that Original Shareholder before being required to serve a Transfer Notice. This **Article 11.3** shall not apply to Dawn, the BGF Investors, IP2IPO, Touchstone Innovations and NM Capital.
- 11.4. If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death the Directors may require the legal personal representatives of that deceased Shareholder either:
- 11.4.1. to effect a transfer to a Permitted Transferee of such Shares (including for this purpose an election to be registered in respect of the transfers to a Permitted Transfer); or
 - 11.4.2. to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased Shareholder.

If either requirement in this **Article 11.4** shall not be fulfilled to the satisfaction of the Directors, a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that the Directors may otherwise determine.

12. DRAG ALONG

- 12.1. If, with Investor Consent, at any time the holders of 75 per cent or more of the Voting Shares in issue for the time being (the "**Majority Sellers**") wish to transfer all their interest in Voting Shares (the "**Majority Sellers' Shares**") to a bona fide purchaser or purchasers Acting in Concert (the "**Third Party Purchaser**"), the Majority Sellers shall have the option (the "**Exit Option**") to require:
- 12.1.1. all the other holders of Shares; and
 - 12.1.2. any holders of any options or other rights to acquire or convert an interest into shares (which is fully and unconditionally exercisable) to exercise them,
- (together the "**Called Shareholders**") to sell and transfer their shares, including those allotted pursuant to such exercise or conversion (the "**Called Shares**") to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with the provisions of this **Article 12** below.
- 12.2. The Majority Sellers may exercise the Exit Option by giving a written notice to that effect (an "**Exit Notice**") at any time before the transfer of the Majority Sellers' Shares to the Third Party Purchaser. An Exit Notice shall specify that:

- 12.2.1. the Called Shareholders are required to transfer all their Called Shares pursuant to this Article;
 - 12.2.2. the person to whom they are to be transferred;
 - 12.2.3. the consideration for which the Called Shares are to be transferred (which may be cash or non-cash consideration or a combination of both and which shall be calculated in accordance with this Article);
 - 12.2.4. the proposed date of transfer; and
 - 12.2.5. the form of any sale agreement or form of acceptance or any other document of similar effect that the Called Shareholders are required to sign in connection with such sale (the "**Sale Agreement**").
- 12.3. Exit Notices shall be irrevocable but shall lapse if for any reason there is not a sale of the Majority Sellers' Shares by the Majority Sellers to the Third Party Purchaser within 45 Business Days after the date of service of the Exit Notice. The Majority Sellers shall be entitled to serve further Exit Notices following the lapse of any particular Exit Notice.
- 12.4. 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 Third Party Purchaser were distributed to the holders of the Called Shares and the Majority Sellers' Shares in accordance with the provisions of **Articles 3.10.1, 3.10.2 and 3.10.3** (the "**Exit Consideration**"). Where the consideration (or any part thereof) is non-cash consideration, any valuation of such consideration applicable to the consideration payable to the Majority Sellers shall also be applicable to the consideration payable to the Called Shareholders. The Exit Consideration may be subject to adjustment (on the basis of completion accounts or other mechanisms) on the same terms as the consideration payable to the Majority Sellers.
- 12.5. The Called Shares shall be acquired on substantially the same terms and conditions (including time of payment and form of consideration whether cash or otherwise) for which the Majority Sellers shall have agreed to sell the Majority Sellers' Shares.
- 12.6. Completion of the sale of the Called Shares shall take place on the same date (the "**Exit Completion Date**") as the date proposed for completion of the sale of the Majority Sellers' Shares unless:
- 12.6.1. the Majority Sellers agree otherwise; or
 - 12.6.2. that date is less than three Business Days after the Exit Notice where it shall be deferred until the third Business Day after the Exit Notice.
- 12.7. On or prior to the Exit Completion Date, each Called Shareholder shall deliver:

- 12.7.1. duly executed stock transfer form(s) for its Shares in favour of the Third Party Purchaser (or as it may direct);
- 12.7.2. the relevant share certificate(s) (or a duly executed indemnity for lost certificate in a form acceptable to the Board) to the Company; and
- 12.7.3. the duly executed Sale Agreement, if applicable, in the form specified in the Exit Notice or as otherwise specified by the Company (save that no Called Shareholder shall be obliged to give any warranties or indemnities (other than as regards unencumbered title and any matters relating solely to its capacity to enter into and perform the Sale Agreement) pursuant to such Sale Agreement, provided that the Called Shareholders may be required to make a contribution towards any escrow amounts, retention of consideration or similar on the same basis as the Majority Sellers, pro rata to their entitlement to the proceeds),

(together the "**Exit Documents**").

- 12.8. On the Exit Completion Date, the Third Party Purchaser (or, to the extent the Third Party Purchaser has paid such consideration to the Company, the Company on behalf of the Third Party Purchaser) shall:

- 12.8.1. pay or otherwise deliver or make available to each Called Shareholder the Exit Consideration that is due; and/or
- 12.8.2. if the consideration (or any part thereof) is non-cash consideration, the Third Party Purchaser shall satisfy the consideration due to the Called Shareholders through the issue of shares or securities or the payment or transfer or other settlement of any other non-cash consideration which forms the non-cash consideration due to be issued, paid, transferred or otherwise settled to the Called Shareholders.

The Company's receipt of the Exit Consideration shall be a good discharge to the Third Party Purchaser. The Company shall hold the Exit Consideration in trust for each of the Called Shareholders without any obligation to pay interest.

- 12.9. To the extent that the Third Party Purchaser has not, on the Exit Completion Date, paid the Exit Consideration that is due to the Called Shareholders (or to the Company on their behalf) or, in the case of any non-cash consideration, to the extent the Third Party Purchaser has not made available or settled such non-cash consideration or satisfied the Board that the Third Party Purchaser is in a position to issue, pay, transfer or otherwise settle such non-cash consideration, the Called Shareholders shall be entitled to the immediate return of the Exit Documents for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this **Article 12** in respect of that Exit Notice (without prejudice to any party's right to serve a further Exit Notice at any time thereafter).
- 12.10. Any restriction in respect of the transfer of shares pursuant to these Articles shall not arise on any transfer of shares to a Third Party Purchaser (or as they

may direct) pursuant to a sale in respect of which an Exit Notice has been duly served in accordance with **Article 12.2**.

- 12.11. If any Called Shareholder fails to complete the sale of his Called Shares in accordance with this **Article 12** (including without limitation failing to deliver the Exit Documents for his Called Shares), he shall be deemed to have irrevocably appointed any person nominated for the purpose by the Majority Sellers to be his agent to execute the Exit Documents together with all necessary transfer(s), power(s) or attorney relating to the rights attached to his Called Shares on his behalf and:

12.11.1. against receipt by the Company of the purchase monies payable for the Called Shares (held on trust for the relevant Called Shareholder); and/or

12.11.2. in the case of any non-cash consideration, to the extent the Third Party Purchaser has otherwise made available or settled such non-cash consideration or has satisfied the Board that the Third Party Purchaser is in a position to issue, pay, transfer or otherwise settle such non-cash consideration,

to deliver the Exit Documents together with such transfer(s), power(s) and indemnities to the Third Party Purchaser (or as he may direct).

The directors shall (subject only to stamping of the transfers, if required) immediately register the Third Party Purchaser (or as he may direct) as the holder of the relevant Called Shares. After the Third Party Purchaser (or his nominee) has been registered as the holder of the relevant Called Shares, the validity of such proceedings shall not be questioned by any person. It shall be no impediment to registration of shares under this **Article 12.11** that no share certificate has been produced and the Company shall have the discretion whether or not to pay the consideration due.

- 12.12. Upon any person, following the issue of an Exit Notice which has not lapsed, exercising a pre-existing option to acquire shares, whether or not such person is registered as a member of the Company, an Exit Notice shall be deemed to have been served upon such person on the same terms as the previous Exit Notice who shall thereupon be bound to sell and transfer all such shares acquired by him to the Third Party Purchaser or as the Third Party Purchaser may direct and the provisions of this **Article 12** shall apply mutatis mutandis to such person save that completion of the sale of such shares shall take place immediately upon the Exit Notice being deemed served on such person where completion of the transfer of the Called Shares has already taken place.

13. TAG ALONG

- 13.1. Save where **Article 8** (Permitted Transfers) applies, or the process set out in **Article 12** (Drag Along) has been followed, after going through the pre-emption procedure in **Article 9**, the provisions of **Article 13.2** shall apply if one or more Shareholders ("**Proposed Sellers**") propose to transfer any Shares (a "**Proposed Transfer**") which would, if put into effect, result in any person (a "**Proposed Transferee**") acquiring a Controlling Interest in the Company.

- 13.2. A Proposed Seller must, before making a Proposed Transfer procure the making by the Proposed Purchaser of an offer (the "**Offer**") to the other Shareholders to acquire all of the Shares for a consideration per share the value of which is at least equal to the Specified Price (as defined in **Article 13.7**).
- 13.3. The Offer must be given by written notice (a "**Proposed Sale Notice**") at least 10 Business Days (the "**Offer Period**") prior to the proposed sale date ("**Proposed Sale Date**"). The Proposed Sale Notice must set out, to the extent not described in any accompanying documents, the identity of the Proposed Purchaser, the purchase price and other terms and conditions of payment, the Proposed Sale Date and the number of Shares proposed to be purchased by the Proposed Purchaser (the "**Proposed Sale Shares**").
- 13.4. If any other holder of Shares is not given the rights accorded him by this Article, the Proposed Sellers will not be entitled to complete their sale and the Company will not register any transfer intended to carry that sale into effect.
- 13.5. If the Offer is accepted by any Shareholder (an "**Accepting Shareholder**") within the Offer Period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the Shares held by Accepting Shareholders.
- 13.6. The Proposed Transfer is subject to the pre-emption provisions of **Article 9** but the purchase of the Accepting Shareholders' shares shall not be subject to **Article 9**.
- 13.7. For the purpose of this Article:
- 13.7.1. the expression "**Specified Price**" shall mean in respect of each Share a sum in cash equal to the highest price per Share offered or paid by the Proposed Purchaser:
- 13.7.1.1. in the Proposed Transfer; or
- 13.7.1.2. in any related or previous transaction by the Proposed Purchaser or any person Acting in Concert with the Proposed Purchaser in the 12 months preceding the date of the Proposed Transfer,
- plus an amount equal to the Relevant Sum, as defined in **Article 13.7.2** of any other consideration (in cash or otherwise) paid or payable by the Proposed Purchaser or any other person Acting in Concert with the Proposed Purchaser, which having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Shares (the "**Supplemental Consideration**") provided that the total consideration paid by the Proposed Purchaser in respect of the Proposed Transfer is distributed to the Proposed Sellers and the Accepting Shareholders in accordance with the provisions of **Articles 3.10.1, 3.10.2 and 3.10.3**; and
- 13.7.2. **Relevant Sum** = $C \div A$

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

C = the Supplemental Consideration.

14. NOTICE OF GENERAL MEETINGS

- 14.1. A notice convening a general meeting shall be required to specify the general nature of the business to be transacted only in the case of special business.
- 14.2. All business shall be deemed special that is transacted at a general meeting, with the exception of declaring a dividend; the consideration of the profit and loss account, balance sheet, and the reports of the Directors and Auditors; the appointment of and the fixing of the remuneration of the Auditors; and the giving or renewal of any authority in accordance with section 551 of the Act.
- 14.3. Every notice convening a general meeting shall comply with the provisions of section 325 of the Act as to giving information to Shareholders in regard to their right to appoint proxies; and notices of and other communications relating to any general meeting which any Shareholder is entitled to receive shall be sent to the Directors and the Auditors.

15. PROCEEDINGS AT GENERAL MEETINGS

No business shall be transacted at any general meeting unless a quorum of Shareholders is present throughout the meeting. A quorum shall consist of three Shareholders present in person or by proxy or (in the case of a Shareholder being a corporation) by representative, to include at least three of (i) a representative of the BGF Investors, (ii) a representative of IP2IPO, (iii) a representative of NM Capital and (iv) a representative of Dawn, save that if and for so long as the Company has only one person as a Shareholder, one Shareholder present in person or by proxy shall be a quorum.

16. VOTE OF SHAREHOLDERS

- 16.1. Subject to any rights or restrictions for the time being attached to any class or classes of Shares, on a show of hands every Shareholder entitled to vote who (being an individual) is present in person or by proxy (not being himself a Shareholder entitled to vote) or (being a corporate body) is present by a representative or proxy (not being himself a Shareholder entitled to vote) shall have one vote and, on a poll, each Shareholder shall have one vote for each share of which he is the holder.
- 16.2. To the extent IP2IPO together with Touchstone Innovations (and IP Group plc and any other subsidiary undertaking of IP Group plc which holds Shares) holds Shares which would, save for this **Article 16.2**, confer more than 49.9 per cent of the voting rights on any vote at a general meeting or on a written resolution of the Company, IP2IPO, Touchstone Innovations (and IP Group plc and any other subsidiary undertaking of IP Group plc which holds Shares) shall, so long as it is a shareholder, have 49.9 per cent of the voting rights at a general meeting or on a written resolution of the Company.
- 16.3. Notwithstanding any other provision of these Articles, in no event shall IP2IPO, Touchstone Innovations, IP Group plc or any subsidiary undertaking of Touchstone Innovations Group plc, either alone or collectively, hold a

majority of the voting rights in the Company at a general meeting or on a written resolution of the Company. This **Article 16** shall be construed accordingly.

- 16.4. Notwithstanding the provisions of **Article 16.2**, the voting rights conferred on the Shares held by the BGF Investors (or any nominee or custodian of such shares) pursuant to **Articles 3.10.4** and **16.1** shall be restricted to the lower of (i) aggregate 40 per cent of the voting rights attaching to all Voting Shares and (ii) the aggregate number of votes otherwise allocated to such Shares pursuant to **Articles 3.10.4** and **16.1**.
- 16.5. To the extent the voting rights of any Shares are restricted pursuant to **Articles 16.2, 16.3** and/or **16.4**, the votes which would (but for such Articles) have attached to such Shares shall be redistributed pari passu amongst any Voting Shares not subject to such restricted voting rights.

17. NUMBER OF DIRECTORS

The number of Directors of the Company shall not be less than two nor more than nine, unless otherwise resolved by the Board with Investor Consent.

18. ALTERNATE DIRECTORS

- 18.1. Any Director (other than an alternate director) may appoint any other Director, or any other person approved by resolution of the Directors and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.
- 18.2. An alternate director shall be entitled to receive notice of all meetings of the Directors and of all meetings of committees of the Directors of which his appointer is a member (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him), to attend and vote at any such meeting at which the Director appointing him is not personally present and generally to perform all the functions of his appointer as a Director at such meeting in the appointer's absence. An alternate director shall not be entitled to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointer as such appointer may by notice in writing to the Company from time to time direct.
- 18.3. A Director may act as an alternate director to represent more than one Director, and an alternate director shall be entitled at any meeting of the Directors or of any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.
- 18.4. An alternate director shall cease to be an alternate director if his appointer ceases to be a Director.
- 18.5. Any appointment or removal of an alternate director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.

- 18.6. Save as otherwise provided in these Articles, an alternate director shall be deemed for the purposes specified in **Article 18.2** to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.

19. APPOINTMENT AND RETIREMENT OF DIRECTORS

- 19.1. In addition to the powers of appointment under article 17(1) of the Model Articles, for so long as the BGF Investors (and their respective Permitted Transferees) hold at least an aggregate eight per cent of the issued share capital of the Company from time to time:

19.1.1. the BGF Investors shall have the right to have a nominee of their choice appointed to act as a Director of each Group Company. Such right may be exercised from time to time by written notice to a Group Company and the BGF Investors may also so remove such Director and appoint a replacement;

19.1.2. the BGF Investor Director shall be entitled to disclose to the BGF Group such information concerning the Company and its Subsidiaries as the BGF Investor Director from time to time thinks fit; and

19.1.3. the BGF Investor Director shall not be required to hold any share qualification nor be subject to retirement by rotation and shall not be removed from the office except by the BGF Investors.

- 19.2. On first completion of the Company's next fundraising following the Adoption Date ("**Next Fundraising**"), the right of the BGF Investors (and their Permitted Transferees) to appoint the BGF Investor Director in accordance with article 19.1 shall immediately and automatically terminate and article 19.1 shall have no further force or effect if the BGF Investors (and their Permitted Transferees, if any) do not subscribe for at least their proportionate entitlement (being the proportionate entitlement described in article 3.6) of the new shares issued on the Next Fundraising, and in such instance the BGF Investors (and their Permitted Transferees, if any):

19.2.1. shall take all actions to procure that the BGF Investor Director shall immediately resign as a director on completion of the Next Fundraising; and

19.2.2. consent for all purposes whatsoever (including, but not limited to, any class rights) to the removal of the BGF Investor Director appointment right contained in the Investment Agreement and these Articles.

- 19.3. In addition to the powers of appointment under article 17(1) of the Model Articles, for so long as IP2IPO together with Touchstone Innovations (and their Permitted Transferees) holds at least an aggregate eight per cent of the issued share capital of the Company from time to time:

19.3.1. IP2IPO shall have the right to have a nominee of its choice appointed to act as a Director of each Group Company. Such right may be exercised from time to time by written notice to a Group Company and IP2IPO may also so remove such Director and appoint a replacement;

- 19.3.2. the IP2IPO Investor Director shall be entitled to disclose to IP2IPO and Touchstone Innovations such information concerning the Company and its Subsidiaries as the IP2IPO Investor Director from time to time thinks fit; and
- 19.3.3. the IP2IPO Investor Director shall not be required to hold any share qualification nor be subject to retirement by rotation and shall not be removed from office except by IP2IPO.
- 19.4. In addition to the powers of appointment under article 17(1) of the Model Articles, for so long as NM Capital (and its Permitted Transferees) holds at least an aggregate eight per cent of the issued share capital of the Company from time to time:
 - 19.4.1. NM Capital shall have the right to have a nominee of its choice appointed to act as a Director of each Group Company. Such right may be exercised from time to time by written notice to a Group Company and NM Capital may also so remove such Director and appoint a replacement;
 - 19.4.2. the NM Capital Investor Director shall be entitled to disclose to NM Capital; its limited partners; general partners; any shareholder of its limited partners (and where such shareholder of a limited partner or general partner is a trustee, to the beneficiaries of the trust of which such shareholder is a trustee); and any Holding Company or Subsidiary of NM Capital or its limited or general partners, such information concerning the Company and its Subsidiaries as the NM Capital Investor Director from time to time thinks fit; and
 - 19.4.3. the NM Capital Investor Director shall not be required to hold any share qualification nor be subject to retirement by rotation and shall not be removed from office except by NM Capital.
- 19.5. In addition to the powers of appointment under article 17(1) of the Model Articles, for so long as Dawn (and its Permitted Transferees) holds at least an aggregate eight per cent of the issued share capital of the Company from time to time:
 - 19.5.1. Dawn shall have the right to have a nominee of its choice appointed to act as a Director of each Group Company. Such right may be exercised from time to time by written notice to a Group Company and Dawn may also so remove such Director and appoint a replacement;
 - 19.5.2. the Dawn Investor Director shall be entitled to disclose to Dawn; its limited partners; general partners; any shareholder of its limited partners (and where such shareholder of a limited partner or general partner is a trustee, to the beneficiaries of the trust of which such shareholder is a trustee); and any Holding Company or Subsidiary of Dawn or its limited or general partners, such information concerning the Company and its Subsidiaries as the Dawn Investor Director from time to time thinks fit; and

- 19.5.3. the Dawn Investor Director shall not be required to hold any share qualification nor be subject to retirement by rotation and shall not be removed from office except by Dawn.
- 19.6. Each Investor Director shall be entitled to attend and address all meetings of the Board and of the members of any Group Company and (unless otherwise agreed in writing by such Investor Director) the Board shall ensure that each such Investor Director is given at least 5 Business Days' prior notice of such meetings together with all appropriate notices, agendas and papers prepared for such Board Meetings or distributed to any of the Directors.
- 19.7. In addition to the powers of appointment under article 17(1) of the Model Articles, for so long as a Founder (and his Permitted Transferees) (i) holds at least an aggregate eight per cent of the issued share capital of the Company from time to time and (ii) is an Employee (provided if he ceased to be an Employee the Board may determine that this sub article (ii) shall cease to apply):
- 19.7.1. such Founder may be a director of each Group Company (a **"Founder Director"**);
- 19.7.2. such Founder Director shall not be subject to retirement by rotation and shall not be removed from office except by such Founder; and
- 19.7.3. such Founder Director shall be entitled to attend and address all meetings of its board of directors and of its members and such board shall ensure that, save with the prior consent of all directors of the relevant Group Company, such Founder Director is given at least five (5) Business Days' prior notice of such meetings together with all appropriate notices, agendas and papers prepared for such board meetings or distributed to any of the directors of such board.
- 19.8. In addition to the powers of appointment under article 17(1) of the Model Articles, the Board (with Investor Consent and Founder Consent) may appoint up to three independent non-executive directors, one of which shall be nominated to act as the Company's chairman (the **"Chairman"**). If there is no Chairman in office for the time being, or the Chairman is unable to attend any meeting of the Directors, the Directors present at the meeting shall appoint another Director present at the meeting to chair the meeting and the appointment of the chairman of the meeting shall be the first business of the meeting.
- 19.9. Each Investor Director shall be entitled at his request to be appointed to the board of directors of any Group Company and to any committee of the board of any Group Company.

20. DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 20.1. Notwithstanding the provisions of **Article 19**, a person ceases to be a Director as soon as:

- 20.1.1. that person ceases to be a Director by virtue of any provision of the Act or these Articles or is prohibited from being a director by law; or
- 20.1.2. a bankruptcy order is made against that person; or
- 20.1.3. a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 20.1.4. a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- 20.1.5. notification is received by the company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms; or
- 20.1.6. he shall for more than six consecutive months have been absent without permission of the Directors from meetings of Directors held during that period and the Directors resolve that his office be vacated.

21. DIRECTORS' INTERESTS

- 21.1. Subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors, in accordance with the provisions of these Articles, the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind:
 - 21.1.1. where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested;
 - 21.1.2. where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested;
 - 21.1.3. where a Director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a Holding Company of, or a Subsidiary of a Holding Company of, the Company;
 - 21.1.4. where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or any body corporate in which the Company is in any way interested;

- 21.1.5. where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested;
 - 21.1.6. where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this;
 - 21.1.7. an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - 21.1.8. any other interest authorised by ordinary resolution of the members of the Company.
- 21.2. In addition to the provisions of **Article 21.1**, subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the nature and extent of his interest, where a Director is an Investor Director he may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest arising from any duty he may owe to, or interest he may have as an employee, director, trustee, member, partner, officer or representative of, or a consultant to, or direct or indirect investor (including without limitation by virtue of a carried interest, remuneration or incentive arrangements or the holding of securities) in:
- 21.2.1. an Investor;
 - 21.2.2. a Fund Manager which advises or manages an Investor;
 - 21.2.3. any of the funds advised or managed by a Fund Manager who advises or manages an Investor from time to time; or
 - 21.2.4. another body corporate or firm in which a Fund Manager who advises or manages an Investor or any fund advised by such Fund Manager has directly or indirectly invested, including without limitation any portfolio companies.
- 21.3. For the purposes of this **Article 21**, an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his.
- 21.4. In any situation permitted by this **Article 21** (save as otherwise agreed by him) a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit.
- 21.5. Subject to **Article 21.6**, any authority given in accordance with section 175(5)(a) of the Act in respect of a Director (an "**Interested Director**") who

has proposed that the Directors authorise his interest (a “**Relevant Interest**”) pursuant to that section may, for the avoidance of doubt:

21.5.1. be given on such terms and subject to such conditions or limitations as may be imposed by the authorising Directors (excluding the Interested Director) as they see fit from time to time, including, without limitation:

21.5.1.1. restricting the Interested Director from voting on any resolution put to a meeting of the Directors or of a committee of the Directors in relation to the Relevant Interest;

21.5.1.2. restricting the Interested Director from being counted in the quorum at a meeting of the Directors or of a committee of the Directors where such Relevant Interest is to be discussed; or

21.5.1.3. restricting the application of the provisions in **Articles 21.7 and 21.8**, so far as is permitted by law, in respect of such Interested Director;

21.5.2. be withdrawn, or varied at any time by the Directors entitled to authorise the Relevant Situation as they see fit from time to time; and

subject to **Article 21.6**, an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising Directors pursuant to section 175(5)(a) of the Act and this **Article 21**.

21.6. Notwithstanding the other provisions of this **Article 21**, it shall not (save with Investor Director Consent) be made a condition of any authorisation of a matter in relation to an Investor Director in accordance with section 175(5)(a) of the Act that he shall be restricted from voting or counting in the quorum at any meeting of or of any committee of the Directors or that he shall be required to disclose, use or apply confidential information as contemplated in **Article 21.8**.

21.7. Subject to **Article 21.8** (and without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this **Article 21**), if a Director, otherwise than by virtue of his position as Director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:

21.7.1. to disclose such information to the Company or to any Director, or to any officer or employee of the Company; or

21.7.2. otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director.

21.8. Where such duty of confidentiality arises out of a situation in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, **Article 21.7** shall apply only if the

conflict arises out of a matter which falls within **Article 21.1** or **Article 21.2** or has been authorised under section 175(5)(a) of the Act.

21.9. Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director may take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation:

21.9.1. absenting himself from any discussions, whether in meetings of the Directors or otherwise, at which the relevant situation or matter falls to be considered; and

21.9.2. excluding himself from documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information.

21.10. Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by **Article 21.1** or **Article 21.2** at a meeting of the Directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as the Directors may determine, except that no declaration of interest shall be required by a Director in relation to an interest:

21.10.1. falling under **Article 21.1.8**;

21.10.2. if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or

21.10.3. if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the Directors or by a committee of Directors appointed for the purpose under these Articles.

21.11. Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this **Article 21**.

21.12. For the purposes of this **Article 21**:

21.12.1. a conflict of interest includes a conflict of interest and duty and a conflict of duties;

21.12.2. the provisions of section 252 of the Act shall determine whether a person is connected with a Director; and

- 21.12.3. a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified.

22. PROCEEDINGS OF DIRECTORS

- 22.1. The quorum for the transaction of business of the Board shall throughout the meeting be three and must include two Investor Directors or their alternate(s) and a Founder Director or his alternate unless:

- 22.1.1. there shall be only one Investor Director, in which case the quorum shall only require the presence of one Investor Director and a Founder Director (if appointed);
- 22.1.2. there shall be no Investor Director or there is no Founder Director in office for the time being in which case the quorum shall not require the presence of any Investor Director or the Founder Director; or
- 22.1.3. the Investor Director(s) and Founder Director has in respect of a particular meeting of the Directors, or part of such meeting, otherwise agreed in writing ahead of such meeting that he waives his respective rights to attend the meeting and count in the quorum, in which case the quorum shall not require the presence of such Investor Director or the Founder Director.

If a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or at such time and place as determined by the Directors and Investor Director(s) present at such meeting (and this shall be notified to each Director). If a quorum is not present at any such reconvened meeting (the "**Second Meeting**") within half an hour from the time appointed, then the quorum necessary for the transaction of the business at the Second Meeting shall not require the presence of, in the case of a repeated absence of an Investor Director, or, in the case of a repeated absence of the Founder Directors (and any alternate appointed in accordance with the Articles), a Founder Director.

- 22.2. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Unless all Directors indicate their willingness to accept shorter notice of a meeting of the Directors, at least five Business Days' prior notice of the time and place of each meeting of the Directors shall be given.
- 22.3. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. Notice of every meeting of the Directors shall be given to every Director (or alternate director) in accordance with the provisions referred to in **Article 22.2** but the non-receipt of notice by any Director shall not of itself invalidate the proceedings at any meeting of the Directors.

- 22.4. All decisions of the Directors made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions at any meeting of the Directors (or any committee of the Directors) shall be determined by a majority of votes.
- 22.5. A decision of the Directors is taken in accordance with this Article when all eligible Directors indicate to each other by any means that they share a common view on a matter:
- 22.5.1. such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible Director or to which each eligible Director has otherwise indicated agreement in writing;
 - 22.5.2. references in this Article to eligible Directors are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting; and
 - 22.5.3. a decision may not be taken in accordance with this Article if the eligible Directors would not have formed a quorum at such a meeting.
- 22.6. The Directors (acting with Investor Consent) may make any rule which they think fit about how they take decisions and about how such rules are to be recorded or communicated to Directors.
- 22.7. Model Articles 5(1) to (3) (inclusive) and 6(2) shall be modified by the insertion of the words "(acting with Investor Consent)" following each reference to "the directors" in such Model Articles.

23. THE SEAL

If the Company has a Seal it shall be used only with the authority of the Directors or of a committee of the Directors. The Directors may determine who shall sign any instrument to which the Seal is affixed and unless otherwise so determined every instrument to which the Seal is affixed shall be signed by those persons specified in section 44(2) of the Act.

24. CAPITALISATION OF PROFITS

The words "special resolution" shall be substituted for the words "ordinary resolution" in Article 36 (1) of the Model Articles.

25. GRATUITIES AND PENSIONS

The Company and the Directors may exercise any powers of the Company to give and provide pensions, annuities, gratuities or any other benefits whatsoever to or for past or present Directors or employees (or their dependants) of the Company or any Subsidiary, and the Directors shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

26. NOTICES

26.1. Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

26.1.1. if properly addressed and sent by prepaid United Kingdom first-class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);

26.1.2. if properly addressed and delivered by hand, when it was given or left at the appropriate address;

26.1.3. if properly addressed and sent or supplied by electronic means (subject, in the case of email, to email acknowledgement of receipt by the recipient), one hour after the document or information was sent or supplied; and

26.1.4. if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this **Article 26.1**, no account shall be taken of any part of a day that is not a working day.

26.2. In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

27. INDEMNITY

27.1. Subject to the provisions of the Act, every Director (including an alternate director) or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the lawful execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under sections 660 to 661 or section 1157 of the Act in which relief is granted to him by the court, and no Director (including an alternate director) or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the lawful execution of the duties of his office or in relation thereto.

27.2. The Directors shall purchase and maintain at the expense of the Company for the benefit of any Director (including an alternate director) or officer of the Company insurance against any liability as is referred to in section 232(2) of the Act and, subject to the provisions of the Act, against any other liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a

Director (including as an alternate director), auditor or other officer of the Company.

- 27.3. The Directors may authorise the directors of companies within the same group of companies as the Company to purchase and maintain insurance at the expense of the Company for the benefit of any Director (including an alternate director), other officer or auditor of such company in respect of such liability, loss or expenditure as is referred to in **Article 27.2**.

28. VARIATION OF CLASS RIGHTS

- 28.1. Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may be varied or abrogated (whether while the Company is a going concern or during or in contemplation of a winding-up) only with the consent in writing of the holders of more than 75 per cent in nominal value of the issued shares of that class, save that the special rights attaching to the A Preferred Shares, the A1 Preferred Shares and the A2 Preferred Shares may be varied or abrogated only with Investor Consent. For the avoidance of doubt:

28.1.1. the A Preferred Shares, the A1 Preferred Shares and the A2 Preferred Shares constitute one class of share, save as set out in the definition of "**Starting Price**", and in the event of any variation of the rights attaching to the A Preferred Shares and/or the A1 Preferred Shares and/or the A2 Preferred Shares, the same variation shall be deemed to have been made to all other A Shares without further authority, provided that the Starting Price for each of the A Preferred Shares, the A1 Preferred Shares and the A2 Preferred Shares shall not be varied except as set out in the definition of "Starting Price"; and

28.1.2. the B Preferred Shares and the B1 Preferred Shares constitute one class of share.

29. DATA PROTECTION

The Company may process the following categories of personal data in respect of the Shareholders and Directors: (i) identifying information, such as names, addresses and contact details, (ii) details of participation in the Company's affairs, such as attendance at and contribution to Company meetings, voting records etc., (iii) in the case of Shareholders, details of their respective shareholdings in the Company, (iv) any other information which is required to be recorded by law or may have a bearing on the prudence or commercial merits of investing, or disposing of any shares (or other investment or security), in the Company (together, "**Personal Data**"). The Company will only use the Personal Data where it has a valid legal basis to do so. The Company has a legitimate interest in processing Personal Data where it is necessary for the purposes of the proper administration of the Company and its affairs, the undertaking of due diligence exercises and compliance with applicable laws, regulations and procedures. The Company will use appropriate technical and organisational measures to safeguard Personal Data. The Company will retain Personal Data for no longer than is reasonably required. The Company may disclose Personal Data to (i) other Shareholders and Directors (each a "**Recipient**"), (ii) a Member of the same Group as a Recipient ("**Recipient Group Companies**"), (iii) employees,

directors and professional advisers of that Recipient or the Recipient Group Companies, (iv) funds managed by any of the Recipient Group Companies, and (v) current or potential investors in the Company or purchasers of the Company's shares, provided always that the Company takes reasonable steps to ensure that Personal Data is treated in accordance with relevant data protection laws. The Personal Data will only be processed and stored within the European Economic Area except to the extent permitted by law.