

COMPANY REGISTRATION NUMBER 10894990

Medovate Limited

Articles of Association

Adopted by special resolution passed on 22 December 2022

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COMPANY REGISTRATION NUMBER 10894990

THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

MEDOVATE LIMITED

(adopted by special resolution passed on 2022)

1. **DEFINITIONS AND INTERPRETATION**

1.1 In these Articles the following words and expressions shall, unless the context otherwise requires, have the following meanings:-

“Act”	the Companies Act 2006 including any statutory modification or re-enactment of that act for the time being in force;
“Adoption Date”	the date of adoption of these Articles;
“A1 Ordinary Shares”	the A1 ordinary shares of £0.00001 (0.001 pence) each in the capital of the Company;
“A2 Ordinary Shares”	the A2 ordinary shares of £0.00001 (0.001 pence) each in the capital of the Company;
“Asset Sale”	the disposal by the Company of all or substantially all of its undertaking and assets;
“Auditors”	the auditors for the time being of the Company;
“Board”	the board of directors from time to time of the Company or the directors present at a duly convened meeting of directors at which a quorum is present;
“B Share Return”	an amount equal to three (3) times the aggregate Issue Price of all the B1 Ordinary Shares, B2 Ordinary Shares and the B3 Ordinary Shares then in issue;
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which clearing banks are generally open for business in London;
“B1 Ordinary Shares”	the B1 ordinary shares of £0.00001 (0.001 pence) each in the capital of the Company;
“B2 Ordinary Shares”	the B2 ordinary shares of £0.00001 (0.001 pence) each in the capital of the Company;
“B3 Ordinary Shares”	the B3 ordinary shares of £0.00001 (0.001 pence) each in the capital of the Company;

"Co-Investment Scheme"		any co-investment scheme (whether a partnership, unincorporated association or any other form of co-investment scheme) which co-invests with any Investor, in which the participants are employees of any member of the Defined Mercia Group and which is managed or administered by a member or the Defined Mercia Group;
"Connected Parties"	VCT	any Investor which is a VCT together with any persons connected with such Investor;
"connected with"		has the meaning ascribed to it in section 313 of the Income Tax Act 2007;
"CTA"		the Corporation Tax Act 2010;
"Deemed Transfer Notice"		has the meaning set out in Article 10.2;
"Defined Group"	Mercia	<p>Mercia and its subsidiaries and subsidiary undertakings, holding companies and parent undertakings and subsidiaries and subsidiary undertakings of such holding companies and parent undertakings and:-</p> <ul style="list-style-type: none"> (a) any partnership of which any of them is general partner, manager or adviser; (b) any unit trust or fund (whether a body corporate or otherwise) of which any of them is trustee, manager, adviser or general partner; (c) any unit trust, partnership or fund (whether a body corporate or otherwise) the managers of which are advised by any of them; (d) any nominee or trustee of any of them; and (e) any person or firm (whether or not incorporated) which is the successor in title to, or in whom is vested, or by whom responsibility is assumed for the whole or a substantial part of the functions, assets and liabilities of any of them, <p>in each case from time to time;</p>
"Director(s)"		a director or directors of the Company from time to time;
"Disenfranchised Period"		<p>the period from the earliest of:-</p> <ul style="list-style-type: none"> (a) the date on which a Deemed Transfer Notice is given in respect of any Shares; (b) the date on which a Member becomes a Leaver; and (c) the date on which a Member gives or receives notice to terminate his employment or engagement with the Company or any Group Company <p>to the date of entry in the register of members of another person in accordance with these Articles as the holder of those Shares;</p>
"equity share capital"		has the meaning set out in section 548 of the Act;

“eligible director”	a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of that particular matter);
“Equity Shares”	the A1 Ordinary Shares, A2 Ordinary Shares, the B1 Ordinary Shares, B2 Ordinary Shares, B3 Ordinary Shares and the Ordinary Shares;
“Group”	the Company, each holding company (excluding any Investor) for the time being of the Company and all the subsidiaries or subsidiary undertakings for the time being of the Company or such holding company or any one of them;
“Group Company”	any member of the Group for the time being;
“HEE”	Health Enterprise East Limited (company number 05285665);
“holding company”	a holding company as defined in section 1159 of the Act;
“Investor Majority”	the holder(s) for the time being of more than 50% in nominal value of the Investor Shares then in issue;
“Investors”	the holder(s) for the time being of the Investor Shares then in issue;
“Investor Shares”	the A1 Ordinary Shares, A2 Ordinary Shares, the B1 Ordinary Shares and the B2 Ordinary Shares from time to time;
“Invitees”	<p>one or more of the following persons selected by the Board in the 60 Business Days immediately following the date on which a Member becomes obliged to transfer his Shares under Article 10:-</p> <ul style="list-style-type: none"> (a) the Company; (b) employees or officers of the Company or any Group Company; (c) prospective employees or officers of the Company or any Group Company; and/ or (d) the trustees of any employee trust established from time to time (with the prior written consent of a Shareholder Majority) for the purpose of holding Ordinary Shares for the benefit of employees of the Company or any Group Company;
“Issue Price”	in respect of any Shares, the amount paid up or credited as paid up on the Shares concerned, including any premium paid or credited as being paid on such Shares;
“Leaver”	any individual Member who is employed or engaged by or is a director of the Company or a Group Company from time to time and who ceases to be an employee, consultant and/or director of the Company or any other Group Company (for whatever reason and whether or not his contract of employment or appointment to office is validly terminated) and does not continue (or is not immediately re-employed or re-appointed) as an employee and/or a director of any other Group Company;
“Listing”	the admission to trading or quotation of or permission to deal in any of the Shares on the Official List of the United Kingdom Listing Authority, the AIM Market of London Stock Exchange plc or any Recognised Investment Exchange;

"Lunovi"	Lunovi Limited (company registration number 09742722);
"Lunovi Director"	a person appointed under Article 17.2;
"Member"	any registered holder of a Share for the time being;
"Model Articles"	the regulations contained in Schedule 3 to the Companies (Model Articles) Regulations 2008;
"New Securities"	any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the Adoption Date excluding for the avoidance of doubt any Treasury Shares transferred by the Company after the Adoption Date;
"Managing Director"	any person who may be appointed as the managing director of the Company from time to time in accordance with these Articles;
"Mercia"	Mercia Fund Management Limited (company registration number 06973399);
"Mercia Director"	a person appointed under Article 17.1;
"Ordinary Shares"	ordinary shares of £0.00001 (0.001 pence) each in the capital of the Company;
"Recognised Investment Exchange"	has the meaning set out in section 285 of the Financial Services and Markets Act 2000 but which shall in any event include NASDAQ and NASDAQ Europe;
"Restricted Member"	has the meaning set out in Article 10.10;
"Sale"	the making of one or more agreements (whether conditional or not) for the disposal, transfer, purchase, subscription or renunciation of the entire issued share capital of the Company and for the purposes of this definition "disposal" shall mean a sale, transfer, assignment or other disposition whereby a person ceases to be the absolute beneficial owner of the share in question or voting rights attached thereto or an agreement to enter into such disposal or the grant of a right to compel entry into such an agreement;
"Sale Proceeds"	means: <ul style="list-style-type: none"> (a) on a Sale, the aggregate amount of consideration (in cash or cash equivalent) paid for the Sale less all costs and expenses incurred by the Company and the Shareholders in connection with such Sale; (b) on a Listing, a sum equal to the value placed on the entire issued share capital of the Company (excluding any new money raised on new shares issued pursuant to such Listing) as determined by reference to the price per share at which such shares are to be offered for sale, placed or otherwise marketed pursuant to the arrangements relating to the Listing, all as determined by an investment bank (or if none, the broker) appointed by the Company to advise on the Listing less all costs and expenses incurred by the Company and the Shareholders in connection with such Listing;

	(c) on an Asset Sale, the surplus assets of the Company remaining after the payment of its liabilities;
“Share Option Plan”	any bona fide employee share option plan(s) of the Company, the terms of which have been approved in accordance with the shareholders agreement between Mercia, the Investors, Lunovi, and the Company dated 21 November 2017 as may be amended, supplemented and/or adhered to from time to time;
“Shares”	the Equity Shares and any other share capital of the Company, and “ Share ” means any one share of any class of share;
“Shareholder Majority”	the holder(s) for the time being of more than 50% in nominal value of the Ordinary Shares, A1 Ordinary Shares, the A2 Ordinary Shares, the B1 Ordinary Shares, B2 Ordinary Shares and the B3 Ordinary Shares (acting as a single class) then in issue (and which must include an Investor Majority and Lunovi);
“subsidiary”	a subsidiary as defined in section 1159 of the Act;
“subsidiary undertaking”	a subsidiary undertaking as defined in section 1162 of the Act;
“Third Party Purchaser”	any person together with persons acting in concert or connected with him (excluding, in each case, any person who is a permitted transferee of a Member under Article 8) and where the relevant acquisition was effected by the renunciation of a renounceable letter of allotment, shall include the relevant renouncee;
“Transfer Event”	has the meaning set out in Article 10.1;
“Treasury Shares”	shares in the capital of any Group Company held by that Group Company as treasury shares within the meaning set out in section 724(5) of the Act;
“Valuers”	the Auditors unless the Auditors give notice to the Company that they decline an instruction to report on the Market Value (as defined in Article 10.3)) when the Valuers shall be a firm of chartered accountants agreed between the Vendor (as defined in Article 9.1) and the Board or, in default of agreement within 10 Business Days after the first name being proposed by one of them, appointed by the President of the Institute of Chartered Accountants in England and Wales on the application of the Vendor or the Board;
“VCT”	a venture capital trust (within the meaning of section 259 of the Income Tax Act 2007);
“Yield A”	a return equal to an annual simple (and non-compounding) rate of interest on the aggregate Issue Price of all A1 Ordinary Shares which are held by Northern Venture Trust PLC, Northern 2 VCT PLC, Northern 3 VCT PLC and NVM Nominees Limited of 3% above the average one year LIBOR rate during the month prior to 13 August 2021; and
“Yield B”	a return equal to an annual simple (and non-compounding) rate of interest on the aggregate Issue Price of all B1 Ordinary Shares which are held by Northern Venture Trust PLC, Northern 2 VCT PLC, Northern 3 VCT PLC and Mercia VCT Nominee Limited of 3% above the average Bank of England base rate during the month prior to the Adoption Date.

1.2 In these Articles unless the context otherwise requires:-

- 1.1.1 save for the Model Articles, references to any legislation shall be deemed to be a reference to such legislation as amended, modified or re-enacted (whether before or after the Adoption Date);
- 1.1.2 references to these “**Articles**” shall be deemed to be a reference to such document as amended, waived, restated, modified or supplemented for the time;
- 1.1.3 terms used or defined in the Act shall, unless otherwise expressly provided, have the same meaning in these Articles;
- 1.1.4 the headings in these Articles shall not affect the construction or interpretation of these Articles;
- 1.1.5 references to an Article is a reference to an article in these Articles and references to a Model Article are to regulations of the Model Article;
- 1.1.6 words importing a gender include every gender and references to persons shall include bodies corporate, unincorporated associations and partnerships and words importing the singular shall include the plural and vice versa; and
- 1.1.7 the words and phrases “**other**”, “**including**” and “**in particular**” shall not limit the generality of any preceding words or be construed as being limited to the same class as the preceding words where a wider construction is possible.

1.3 Subject to Article 1.4, the regulations of the Model Articles (subject to any modifications set out in these Articles) shall apply to the Company and shall be deemed to form part of these Articles which, together, constitute the Articles of Association of the Company.

1.4 Model Articles 11, 13, 16, 21, 28, 43, 45, 80 and 82 shall not apply to the Company.

1.5 The Contracts (Rights of Third Parties) Act 1999 shall not apply to any rights under these Articles.

2. **SHARE CAPITAL**

The issued share capital of the Company on the Adoption Date is £229.83334 which is divided into 7,600,000 A1 Ordinary Shares, 900,000 A2 Ordinary Shares, 1,500,000 B1 Ordinary Shares, 166,667 B2 Ordinary Shares, 1,666,667 B3 Ordinary Shares and 11,150,000 Ordinary Shares.

3. **RIGHTS ATTACHED TO THE SHARES**

3.1 **Pari passu**

- 3.1.1 Save as specified in these Articles, all of the Equity Shares shall rank pari passu in all respects.

3.2 **Dividends**

- 3.2.1 The Company shall not pay any dividends on any Shares without the prior written consent of a Shareholder Majority.
- 3.2.2 Any profit available for distribution to the Shareholders, which the Board may determine to distribute, will be distributed among the holders of the Equity Shares in the proportion that their holding of Equity Shares bears to the total number of Equity Shares in issue.

3.3 Capital and Sale

- 3.3.1 On a return of capital whether on liquidation or capital reduction or otherwise (other than a purchase of Shares made in accordance with these Articles) the surplus assets of the Company remaining after the payment of its liabilities ("**Available Amount**") shall, subject to Articles 3.3.2, 3.3.5 and 3.5, be distributed:
- (a) first, in paying to the holders of the Equity Shares, the Available Amount up to a maximum of the B Share Return, to be distributed (i) as to 0.01% to the holders of the Equity Shares (excluding the B1 Ordinary Shares, the B2 Ordinary Shares and the B3 Ordinary Shares) allocated on a pro rata basis and (ii) as to the balance, to the holders of the B1 Ordinary Shares, the B2 Ordinary Shares and the B3 Ordinary Shares (allocated pro rata to the Issue Price paid in relation to such B1 Ordinary Shares, B2 Ordinary Shares and B3 Ordinary Shares held by them such that each holder of B1 Ordinary Shares, B2 Ordinary Shares and B3 Ordinary Shares receives in respect of each B1 Ordinary Share, B2 Ordinary Share and B3 Ordinary Share held by them an amount equal to three (3) times the Issue Price of such B1 Ordinary Share, B2 Ordinary Share and B3 Ordinary Share), PROVIDED THAT where the Available Amount is insufficient to pay the amounts under this Article 3.3.1(a), the Available Amount shall be distributed amongst the holders of the Equity Shares pro rata to the amount that they would have otherwise received hereunder; and
 - (b) thereafter, the balance of the Available Amount after the distribution under Article 3.3.1(a), if any, among the holders of the Equity Shares pro rata to their respective holdings of the Equity Shares.
- 3.3.2 The assets to be so distributed to:
- (a) the holders of the A1 Ordinary Shares and the A2 Ordinary Shares (in aggregate) shall be allocated (as amongst themselves only) as to X1 to the holders of the A1 Ordinary Shares and Y1 to the holders of the A2 Ordinary Shares; and
 - (b) the holders of the B1 Ordinary Shares and the B2 Ordinary Shares (in aggregate) shall be allocated (as amongst themselves only) as to X2 to the holders of the B1 Ordinary Shares and Y2 to the holders of the B2 Ordinary Shares.
- 3.3.3 In the event of a Sale, the Sale Proceeds shall be distributed in the order of priority set out in Article 3.3.1 above.
- 3.3.4 Immediately before a Listing or an Asset Sale, the Company and the members shall enter into such reorganisation of the share capital of the Company (whether by the issue of bonus shares or otherwise) as the Board shall (with prior written consent of an Investor Majority and Lunovi) reasonably determine to ensure that the Sale Proceeds are allocated between the members in the same proportions as the provisions of Article 3.3.1 would provide in respect of the Sale Proceeds from a Sale (and, in the case of an Asset Sale, on the basis that such Sale Proceeds shall be distributed to the members immediately following such reorganisation in accordance with these Articles).
- 3.3.5 For the purposes of Article 3.3.2:

- X1 = an amount equal to the aggregate Issue Price of all A1 Ordinary Shares, together with the Yield A ("**A1 Ordinary Share Return**"), **PROVIDED THAT** where there is a shortfall in the A1 Ordinary Share Return, X1 shall equal the aggregate assets to be distributed to the holders of the A1 Ordinary Shares and the A2 Ordinary Shares (in aggregate) ("**Shortfall Amount A**") less 0.0001% of the Shortfall Amount A;
- Y1 = the aggregate assets to be distributed to the holders of the A2 Ordinary Shares (in aggregate) ("**A2 Ordinary Share Return**"), less X1 **PROVIDED THAT** where X1 is less than the A2 Ordinary Share Return, Y1 shall equal 0.0001% of the Shortfall Amount A; and
- X2 = an amount equal to the aggregate Issue Price of all B1 Ordinary Shares held, together with the Yield B ("**B1 Ordinary Share Return**"), **PROVIDED THAT** where there is a shortfall in the B1 Ordinary Share Return, X2 shall equal the aggregate assets to be distributed to the holders of the B1 Ordinary Shares and the B2 Ordinary Shares (in aggregate) ("**Shortfall Amount B**") less 0.0001% of the Shortfall Amount B; and
- Y1 = the aggregate assets to be distributed to the holders of the B2 Ordinary Shares (in aggregate) ("**B2 Ordinary Share Return**"), less X2 **PROVIDED THAT** where X2 is less than the B2 Ordinary Share Return, Y2 shall equal 0.0001% of the Shortfall Amount B.

3.4 **Voting rights**

3.4.1 Members (other than Restricted Members) holding Equity Shares shall be entitled to receive notice of and to attend and speak at any general meeting of the Company and to receive and vote on proposed written resolutions of the Company. Subject to the proviso to this Article 3.4.1:-

- (a) each Member (other than a Restricted Member) present at any general meeting shall be entitled to one vote for each Equity Share held on a show of hands; and
- (b) upon a poll being demanded, the holders of the Equity Shares, (other than a Restricted Member) shall be entitled to one vote per Equity Share held,

provided that, if the application of the provisions of this Article 3.4.1 would otherwise result in the Connected VCT Parties or any of them being or becoming entitled to more than 50% of the votes, then the number of votes available to such Connected VCT Parties under this Article 3.4.1 shall be reduced to 50% of such votes.

3.5 **50% caps on Corporate Shareholders and their Connected Persons:**

3.5.1 The limitations in this Article 3.5.1 shall apply to:

- (a) Any Investor and any holder of A1 Ordinary Shares and/or A2 Ordinary Shares and/or B1 Ordinary Shares and/or B2 Ordinary Shares that is a "company" for the purpose of the independence requirement in section 296(2) of Income Tax Act 2007 (a "**Corporate Shareholder**"); and
- (b) any holder of Shares that is connected with that Corporate Shareholder (a "**Relevant Connected Person**").

3.5.2 At any time, on a liquidation or other return of capital event (including the redemption or repurchase of Shares) the aggregate amount payable to any Corporate Shareholder and all of its Relevant Connected Persons shall not exceed 50 per cent of the assets of the Company available for distribution amongst the participators (as defined in section 454 of CTA) of the Company at that time.

- 3.5.3 At any time, on a distribution of any profits of the Company by way of dividend or otherwise (including on the redemption or repurchase of Shares) no distribution shall be made to any Corporate Shareholder and all of its Relevant Connected Persons if, and to the extent that, the aggregate amount that would (but for this Article 3.5.3) be payable to that Corporate Shareholder and its Relevant Connected Persons would exceed 50% of the total amount of the profits of the Company available for distribution at that time.
- 3.5.4 At any time the aggregate number of votes attaching to all the Shares held by any Corporate Shareholder and all of its Relevant Connected Persons shall be restricted to the lower of:
- (a) 50% of the votes attaching to all Shares; and
 - (b) the total number of votes that would have been conferred on such Shareholders if this Article 3.5.4 did not apply.

4. **VARIATION OF CLASS RIGHTS**

- 4.1 Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any class may only be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding up, with the prior written consent of 75% of the holders of the Shares of that class save that the special rights attaching to the Investor Shares, B3 Ordinary Shares and Ordinary Shares may only be varied or abrogated with the prior written consent of a Shareholder Majority, but not otherwise. All the provisions of these Articles relating to general meetings of the Company shall apply to every such separate meeting, with amendments necessary to give efficiency.
- 4.2 Without prejudice to the generality of their rights, the special rights attached to the Investor Shares, B3 Ordinary Shares and the Ordinary Shares shall each be deemed to be varied at any time by any of the following occurring being effected by any Group Company:
- 4.2.1 permit or cause to be proposed any alteration to its share capital (including any increase or removal of the limit on the number of shares that may be allotted by it) or the rights attaching to its shares or waive any right to receive payment on any of its shares issued partly paid;
 - 4.2.2 create, allot, issue, buy-in or redeem any share or grant or agree to grant any options other than pursuant to the Share Option Plan or warrants for the issue of any share capital or issue any securities convertible into shares, or establish any employee incentive scheme, except in each case in accordance with these Articles or the shareholders' agreement relating to the Company from time to time in place;
 - 4.2.3 permit any Group Company to hold any Treasury Shares or permit the sale or transfer or cancellation of any shares held by any Group Company as Treasury Shares;
 - 4.2.4 subject to the directors complying with their statutory and other powers and duties, permit any Group Company to cease, or propose to cease, to carry on its business or permit any Group Company or its directors (or any one of them) to take any step to wind up the Group Company, save where it is insolvent (within the meaning of section 123 of the Insolvency Act 1986);
 - 4.2.5 subject to the directors complying with their statutory and other powers and duties, permit any Group Company or its directors (or any one of them) to take any step to place the Group Company into administration (whether by the filing of an administration application, a notice of intention to appoint an administrator or a notice of appointment), permit the Group Company or its directors to propose or enter into any arrangement, scheme, moratorium, compromise or composition with its creditors (whether under Part I of the Insolvency Act 1986 or otherwise) or to apply for an interim order under Part 1 of the Insolvency Act 1986, or permit the Group Company or its directors to invite the

appointment of a receiver or administrative receiver over all or any part of the Group Company's assets or undertaking;

- 4.2.6 enter into or give or permit or suffer to subsist any guarantee or indemnity or contract of suretyship for or otherwise commit itself in respect of the due payment of money or the performance of any contract, engagement or obligation of any other person or body other than a wholly-owned subsidiary of the Company;
- 4.2.7 offer or grant any superior registration rights to any future shareholder in the Company without offering substantially similar rights to the Investors; and

5. **ISSUE OF SHARES**

- 5.1 Subject to the Act and to Article 5.3 and to the provisions of section 551 of the Act, all new shares in the Company (or other securities convertible into, or carrying the right to subscribe for, those shares) shall be under the control of the Board which may offer, allot, grant rights or warrants to subscribe for, grant options over, or otherwise deal with or dispose of unissued Shares to such persons and generally on such terms in such manner and at such times as it may determine.
- 5.2 Sections 561 to 566 (inclusive) of the Act shall not apply to the Company.
- 5.3 All new shares in the Company (or other securities convertible into, or carrying the right to subscribe for, those shares) to be issued by the Company after the Adoption Date shall (save with the prior written consent of, or required by, a Shareholder Majority including HEE) first be offered for subscription to the holders of the Shares (other than any Restricted Member(s)) in the proportion that the aggregate nominal value of such Shares for the time being held respectively by each such Member bears to the aggregate nominal value of all Shares (excluding Shares held by any Restricted Member(s)) in issue and such offer shall be made at the same price per share and by notice specifying the number of shares to which the Member is entitled and limiting a time (being not less than 5 Business Days nor more than 10 Business Days) within which the offer, if not accepted and completed, will be deemed to be declined. After the expiration of such time or on the receipt of an intimation from the Member to whom such notice is given that he declines to accept such shares or securities so offered the Board shall issue the same on the same terms (including the same price as offered to the Members) to such persons and in such manner as it shall (acting with the prior written consent of a Shareholder Majority) determine. Fractional entitlements arising under this Article 5.3 shall, in the absence of direction by the Company, be determined by the Board.
- 5.4 The provisions of Article 5.3 shall not apply to:
 - 5.4.1 the issue of Shares and/or the grant options to subscribe for Shares, in each case, pursuant to a Share Option Plan and the issue of Shares from the exercise of such options;
 - 5.4.2 New Securities issued in consideration of the acquisition by the Company of any company or business which has been approved in writing by a Shareholder Majority;
 - 5.4.3 New Securities issued as a result of a bonus issue of shares which has been approved in writing by a Shareholder Majority including HEE.

6. **LIEN**

- 6.1 The lien conferred by Model Article 52 shall attach to all Shares of any class, whether fully paid or not and to all Shares registered in the name of any Member for all money presently payable by him or his estate to the Company, whether he is their sole registered holder or one of two or more joint holders. Model Article 52 shall be modified accordingly.

- 6.2 All Shares to be sold in the enforcement of the Company's lien or rights of forfeiture shall be offered for sale in accordance with Article 10 (Compulsory Transfers) as if a Deemed Transfer Notice were deemed given in respect of such Shares.

7. TRANSFER OF SHARES - GENERAL

- 7.1 The Board shall not register the transfer of any Share or any interest in any Share unless the transfer:-

7.1.1 is permitted by Article 8 (Permitted Transfers); or

7.1.2 is made in accordance with Article 9 (Voluntary Transfers), Article 10 (Compulsory Transfers), Article 11 (Come Along) and Article 12 (Tag Along Rights), as the case may be

and, in any such case, is not prohibited under Article 13 (Prohibited Transfers).

- 7.2 With regard to the provision of information in relation to share transfers:-

7.2.1 For the purpose of ensuring that a transfer of Shares is in accordance with these Articles or that no circumstances have arisen whereby a Member may be bound to give or be deemed to have given a Transfer Notice the Board may from time to time require any Member or any person named as transferee in any transfer lodged for registration to furnish to the Board such information and evidence as the Board deem relevant for such purpose.

7.2.2 Failing such information or evidence being furnished to their reasonable satisfaction within a reasonable time after request under Article 7.2.1 the Board may refuse to register the transfer in question or require by notice in writing to the Member(s) concerned that a Transfer Notice be given in respect of the Shares concerned.

7.2.3 If such information or evidence requested under Article 7.2.1 discloses to the reasonable satisfaction of the Board that circumstances have arisen whereby a Member may be bound to give or be deemed to have given a Transfer Notice the Board may by notice in writing to the Member(s) concerned require that a Transfer Notice be given or may deem a Transfer Notice to be given in respect of the Shares concerned.

- 7.3 An obligation to transfer a Share under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from any lien, charge or other encumbrance.

- 7.4 Subject to Article 7.2 and Article 13, the Company shall be obliged to register any transfer made pursuant to Article 8 (Permitted Transfers), Article 11 (Come Along) and Article 12 (Tag Along Rights).

8. PERMITTED TRANSFERS

- 8.1 For the purposes of Articles 8 to 10 (inclusive):-

8.1.1 "investment fund" means:-

(a) any arrangement constituting a collective investment scheme for the purpose of section 285 of the Financial Services and Markets Act 2000 (as amended or re-enacted for the time being) or which would constitute such a scheme if it did not fall within an exemption or exclusion to that section;

(b) any investment trust or VCT;

(c) any partnership, whether or not limited;

- (d) any pension or retirement or life assurance fund or company or trustee thereof; and
- (e) any Co-Investment Scheme;

- 8.1.2 **“a member of the same group”** means, in relation to a body corporate, any other body corporate which is for the time being a holding company of that body corporate or a subsidiary or subsidiary undertaking of that body corporate or a subsidiary or subsidiary undertaking of any holding company of which that body corporate is also a subsidiary and, in relation to Lunovi, means any member of the Lunovi Group; and
- 8.1.3 **“permitted transfer”** means any transfer of Shares permitted under this Article 8;
- 8.1.4 **“permitted transferee”** means any transferee permitted by this Article 8;
- 8.1.5 **“Lunovi Group”** means : (a) Lunovi; and (b) any entity from time to time Controlling, Controlled by or under common Control with Lunovi; and
- 8.1.6 **“Control”** means in respect of any entity, means the power of a person directly or indirectly to secure that the affairs of that entity are conducted in accordance with the wishes or directions of that person, including: (a) by means of the holding of shares or the possession of the voting power in or in relation to that entity or any other entity; or (b) by virtue of any powers conferred by the articles of association or other document regulating that entity or any other entity; and **Controlled** and **Controlling** shall be construed accordingly.

8.2 **Transfers within groups of companies**

- 8.2.1 Any Member which is a body corporate may at any time transfer any Shares held by it to a member of the same group.
- 8.2.2 Where Shares have been transferred under Article 8.2.1 (whether directly or by a series of such transfers) from a Member (the **“Transferor”**) to a member of the same group as the Transferor (the **“Transferee”**) and subsequent to such transfer the Transferee shall cease to be a member of the same group as the Transferor, then the Transferee shall forthwith transfer all the Shares held by it to the Transferor or another member of the same group as the Transferor, for such consideration as they agree and if they do not do so within 20 Business Days of the date upon which the Transferee ceased to be a member of the same group, the Board may require the Transferee to serve a Transfer Notice in respect of such Shares or may deem a Transfer Notice to have been given.

8.3 **Transfers between funds**

Notwithstanding any other provision in these Articles, the following transfers may be made without restriction as to price or otherwise and any such transfers shall be registered by the directors (subject to stamping) with the prior written consent of an Investor Majority:-

- 8.3.1 any holder of Investor Shares which is a body corporate may transfer any such shares to its ultimate parent company or any other body corporate controlled, directly or indirectly, by it or its ultimate parent company provided always that the transferee gives an undertaking to the Company that, in the event of any such body corporate ceasing to be controlled, directly or indirectly, by the original shareholder or such ultimate parent company, immediately prior to it so ceasing such shares shall be transferred to another body corporate so controlled (and for the purposes of this Article 8.3 **“control”** has the same meaning as in section 1124 of CTA);
- 8.3.2 any Investor Shares which are held by or on behalf of an investment trust (as defined in LR Appendix 1 of the Listing Rules published by the UK Listing Authority) whose shares are listed on the Official List of the UK Listing Authority may be transferred to another such investment trust whose shares are also so listed;

- 8.3.3 any Investor Shares may be transferred to any member of the Defined Mercia Group or to any trustee or nominee for any such member provided always that the transferee gives an undertaking to the Company that, in the event of any such member ceasing to be a member of the Defined Mercia Group, immediately prior to it so ceasing such shares shall be transferred to another member of the Defined Mercia Group;
- 8.3.4 any Investor Shares held by or on behalf of a unit trust or partnership or other unincorporated association, fund or any participant in any Co-Investment Scheme may with the prior written consent of an Investor Majority be transferred or disposed of to the holder or holders of units in such unit trust or partners in such partnership or members of such unincorporated association or investors in such fund or participant in such Co-Investment Scheme from time to time or to trustees for any such person (but only in connection with the dissolution of the Co-Investment Scheme or any distribution of assets of the Co-Investment Scheme pursuant to the operation of the Co-Investment Scheme in the ordinary course of business);
- 8.3.5 the beneficial interest in any Investor Shares held by any Investor may be transferred to any participant in any Co-Investment Scheme to hold upon the terms of such scheme, and the beneficial interest in any such shares may be transferred by any participant in a Co-Investment Scheme to any other participant in such scheme in accordance with the provisions of any agreement governing the rules of the scheme;
- 8.3.6 any holder of Investor Shares which is a nominee or trustee, whether directly or indirectly, for a registered pension scheme as defined in section 150(2) Finance Act 2004 may transfer any A1 Ordinary Shares, A2 Ordinary Shares, B1 Ordinary Shares or B2 Ordinary Shares to any other nominee or trustee, whether direct or indirect, for the same approved scheme or schemes;
- 8.3.7 any Investor Shares held by a nominee or trustee of a partnership may be transferred to the partners or to any new nominee or trustee for such partnership; and
- 8.3.8 any Investor Shares held by or on behalf of a partnership, unit trust, investment trust, unincorporated association or other fund (whether a body corporate or otherwise) or corporation may be transferred to another partnership, unit trust, investment trust, unincorporated association or other such fund or corporation which is managed or advised by the same manager or adviser as the transferor or by a holding company of such manager or adviser or any subsidiary company of such holding company.

8.4 **Transfers with consent**

A Member may transfer Shares to any person at any time with the prior written consent of a Shareholder Majority.

8.5 **Transfers of entire interest**

A transfer of any Share pursuant to this Article 8 shall only be treated as a permitted transfer for the purposes of these Articles if it is a transfer of the entire legal and beneficial interest in such Share, free from any lien, charge or other encumbrance, other than where such transfer is a transfer from a nominee company on behalf of a Co-Investment Scheme or the transfer of the beneficial interest from one participant in a Co-Investment Scheme to another participant in a Co-Investment Scheme.

9. **VOLUNTARY TRANSFERS**

- 9.1 Except as permitted under Article 8 (Permitted Transfers) any Member who wishes to transfer any Share or any interest in any Share (a “**Vendor**”) shall, before transferring or agreeing to transfer such Share or any interest in it, serve notice in writing (a “**Transfer Notice**”) on the Company of his wish to make that transfer.
- 9.2 In the Transfer Notice the Vendor shall specify:-

- 9.2.1 the number of Shares ("**Sale Shares**") which he wishes to transfer;
 - 9.2.2 the identity of the person (if any) to whom the Vendor wishes to transfer the Sale Shares;
 - 9.2.3 the price per share at which the Vendor wishes to transfer the Sale Shares (the "**Proposed Sale Price**");
 - 9.2.4 any other terms relating to the proposed transfer of the Sale Shares.
- 9.3 The Company shall forward any Transfer Notice received to all Members (other than the Vendor) for consideration in accordance with Article 9.4.
- 9.4 The Sale Shares shall be offered to Members in the proportion (fractional entitlements being rounded to the nearest whole number) which each Member's existing holding of Shares bears to the total number of Shares in issue at the Proposed Sale Price or such other price as may be agreed between the Vendor and the Board, such offer to expire not less than 20 Business Days after the date of such offer. Within 5 Business Days after the closure of such offer, the Board shall give notice in writing (an "**Allocation Notice**") to the Vendor and to each person to whom Sale Shares have been allocated (each a "**Purchaser**") specifying the name and address of each Purchaser, the number of Sale Shares agreed to be purchased by him and the aggregate price payable for them and the date the relevant transfers are to take place.
- 9.5 Completion of a sale and purchase of Sale Shares pursuant to an Allocation Notice shall take place at the registered office of the Company at the time specified in the Allocation Notice when the Vendor shall, upon payment to him by a Purchaser of the Sale Price in respect of the Sale Shares allocated to that Purchaser, transfer those Sale Shares and deliver the relevant share certificates to that Purchaser.
- 9.6 If a Vendor fails for any reason (including death) to transfer any Sale Shares when required pursuant to this Article 9, the Board may authorise any person (who shall be deemed to be irrevocably appointed as the agent of the Vendor for the purpose) to execute each necessary transfer of such Sale Shares and deliver it on the Vendor's behalf. The Company may receive the purchase money for such Sale Shares from the Purchaser and shall upon receipt (subject, if necessary, to the transfer being duly stamped) register the Purchaser as the holder of such Sale Shares. The Company shall hold such purchase money in a separate bank account on trust for the Vendor but shall not be bound to earn or pay interest on any money so held. The Company's receipt for such purchase money shall be a good discharge to the Purchaser who shall not be bound to see to the application of it and, after the name of the Purchaser has been entered in the register of Members in purported exercise of the power conferred by this Article 9.6, the validity of the proceedings shall not be questioned by any person.
- 9.7 If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 9.8, the Vendor may, within eight weeks after service of the Allocation Notice, transfer the unallocated Sale Shares to any person at a price at least equal to the Proposed Sale Price.
- 9.8 The right of the Vendor to transfer Shares under Article 9.7 does not apply if the Board is of the opinion on reasonable grounds that:
- 9.8.1 the transferee is a person (or a nominee for a person) who the Board determine in their absolute discretion is a competitor with (or an associate of a competitor with) the business of any Group Company;
 - 9.8.2 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
 - 9.8.3 the Vendor 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.

10. **COMPULSORY TRANSFERS**

10.1 In this Article 10, a “**Transfer Event**” occurs, in relation to any Member:-

Death or insolvency of individual

10.1.1 if that Member being an individual:-

- (a) shall die;
- (b) shall have a bankruptcy order made against him or shall be declared bankrupt by any court of competent jurisdiction; or
- (c) shall make an offer to make any arrangement or composition with his creditors generally,

and in any such case and within the following six calendar months the Board shall resolve that such event is a Transfer Event in relation to that Member for the purposes of this Article;

Leavers

10.1.2 subject to Article 10.8, if a Member being an individual becomes a Leaver, unless within the following three months the Board shall notify the Member that such event is not a Transfer Event in relation to that Member for the purposes of this Article; or

Unauthorised attempted transfer

10.1.3 if a Member shall attempt to deal with or dispose of any Share or any interest in it otherwise than in accordance with these Articles and within the following six calendar months the Board shall resolve that, such event is a Transfer Event in relation to that Member for the purposes of this Article 10.1.3.

Consequences of Transfer Event

10.2 Upon the making of a notification or resolution under Article 10.1 that the same is a Transfer Event, the Member in respect of whom it is a Transfer Event and any other Member who has acquired Shares from him under a permitted transfer as permitted by Article 8.4 (directly or by means of a series of two or more permitted transfers) shall be deemed to have immediately served a Transfer Notice in respect of all Shares then held by such Member(s) (including, for the purposes of this Article 10, all and any Shares which are issued or acquired by transfer or otherwise following the date of such notification or resolution, including any Shares acquired pursuant to the grant of any option, warrant, conversion right or any other right to acquire Shares, to the extent that any of the foregoing rights are exercised on or prior to the time of completion of the sale of the Shares pursuant to this Article 10) (a “**Deemed Transfer Notice**” and “**Deemed Sale Shares**”) but so that for the purpose of a Transfer Event falling within Article 10.1.2 the Deemed Transfer Notice shall be deemed served on the date upon which such Member is deemed to have ceased to be engaged as a consultant, director or employee of Group Company in accordance with Article 10.8. A Deemed Transfer Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the Deemed Sale Shares except for Shares which have then been validly transferred pursuant to that Transfer Notice. For the purpose of this Article 10.2, any Shares received by way of rights issue or on a capitalisation and whether received by such Member(s) or by any person to whom Shares may have been transferred (directly or by means of a series of two or more permitted transfers), shall also be treated as included within the Deemed Transfer Notice.

Allocation and price

10.3 Deemed Sale Shares shall, be offered for sale to such Invitees as the Board may specify at a price per Share, subject to Article 10.7 (the “**Sale Price**”), agreed between the Vendor and the Board or, in default of such agreement by the end of 20 Business Days after the date of the Deemed Transfer

Notice (and if the Board so elects), the price per Deemed Sale Share reported on by the Valuers as their written opinion of the open market value of each such Deemed Sale Share as at the date of the Deemed Transfer Notice (the “**Market Value**”), in which case for the purposes of these Articles the Sale Price shall be deemed to have been determined on the date of the receipt by the Company of the Valuers’ report.

10.4 If instructed to report on their opinion of Market Value under Article 10.3, the Valuers shall:-

10.4.1 act as expert and not as arbitrator and their written determination shall (save in the case of manifest error) be final and binding on the Members; and

10.4.2 proceed on the basis that the open market value of each Deemed Sale Share shall be the sum which a willing purchaser would agree with a willing vendor to be the purchase price for all the class of Shares of which the Deemed Sale Shares form part (assuming repayment of all sums outstanding under any bank facilities or other indebtedness of the Group (if any/for the time being) and the payment as if a Sale or Listing had occurred of all sums which would be payable under Article 3.3.1), divided by the number of issued Shares then comprised in that class but so that for this purpose the Ordinary Shares, A1 Ordinary Shares and the A2 Ordinary Shares shall be valued as if they were one and the same class and sold ex-dividend but taking no account of:-

(a) any premium or any discount by reference to the size of the Deemed Sale Shares; or

(b) the fact that any such Deemed Sale Shares shall be disenfranchised for the time being, pursuant to Article 10.10,

but the price shall thereafter be adjusted to take account only of any actual arrears or accruals of dividend if the Sale Shares are to be sold cum dividend.

10.5 The Company will use its reasonable endeavours to procure that the Valuers deliver their written opinion of the Market Value to each of the Board, the Vendor and all the other Members within 20 Business Days of being requested to do so.

10.6 The Valuers' fees for reporting on their opinion of the Market Value shall be borne as the Valuers shall specify in their valuation or otherwise (in the absence of any specification by the Valuers) as to one half by the Vendor and as to the other half by the Company.

Sale Price for Leavers

10.7 The Sale Price for each Deemed Sale Share which is the subject of a Deemed Transfer Notice given as a consequence of a Transfer Event falling within Article 10.1.2 shall be the Market Value of such Deemed Sale Shares.

Date of end of employment or engagement

10.8 For the purpose of Article 10.1.2, the date upon which a Member ceases to hold office as an employee or ceases to be engaged as a consultant or director shall:-

10.8.1 where the employer terminates or purports to terminate a contract of employment or engagement by giving notice of such termination, be the later of the date of that notice and the date (if any) for the termination expressly stated in such notice (whether or not a payment is made by the employer in lieu of all or part of the notice period required to be given by the employer in respect of such termination);

10.8.2 where the Member terminates or purports to terminate a contract of employment or engagement by giving notice to the relevant Group Company of such termination (whether or not he is lawfully able so to do), be the later of the date of that notice and the date (if any) for the termination expressly stated in such notice;

- 10.8.3 where a contract of employment or engagement is terminated under the doctrine of frustration, be the date of the frustrating event; and
 - 10.8.4 where a contract of employment or engagement is terminated, be the date on which the person actually ceases to be employed or engaged by a Group Company.
- 10.9 Once a Deemed Transfer Notice has been given under these Articles or has been deemed to be given under these Articles in respect of any Share then no permitted transfer under Article 8 may be made in respect of such Share without the consent of the Board.

Disenfranchisement

- 10.10 Notwithstanding any other provision of these Articles, unless the Board waives the provisions of this Article 10.10, any Member:-
- 10.10.1 holding Ordinary Shares in respect of which a Deemed Transfer Notice has been deemed given; or
 - 10.10.2 who has become a Leaver or is a permitted transferee of a Leaver pursuant to Article 8.4 (directly or by means of a series of two or more permitted transferees); or
 - 10.10.3 holding Ordinary Shares gives or receives notice to terminate his or her employment with or engagement by with the Company or any Group Company

(each a “**Restricted Member**”) shall for the Disenfranchised Period not be entitled to exercise any voting rights:-

- (a) at general meetings of the Company in respect of those Shares;
- (b) at meetings of any class of Members in respect of those Shares ; nor
- (c) to consent to general meetings of the Company on short notice or class meetings of Members on short notice,

(“**Disenfranchised Rights**”).

11. COME ALONG

- 11.1 If at any time Members (the “**Selling Shareholders**”) wish to transfer all or at least 75% of the Shares (such percentage of the Selling Shareholders’ total shareholding being the “**Relevant Majority**”) to a Third Party Purchaser pursuant to a bona fide arm’s length transaction then provided that:

- 11.1.1 the value attributed to all Shares complies with Article 3.3.2; and
- 11.1.2 there is no provision that any Member will receive other consideration (whether in cash or otherwise) which may be regarded as an addition to the price paid or is payable for the Shares to be sold by such Member and that neither the proposed Third Party Purchaser or any other person acting by agreement or understanding with it has otherwise entered into or has agreed or proposed terms with any holder of Shares which are more favourable than those entered into agreed or proposed in accordance with Article 3.3.2;

the Selling Shareholders shall, subject to Article 11.8, have the option (the “**Come Along Option**”) to require all the other holders of Shares to transfer all (or, if relevant, the Relevant Majority) of their shares (including, for the purposes of this Article 11, all or (if applicable) the Relevant Majority of all options, warrants, conversion rights, all other rights of any person to acquire Shares and any Shares which may be issued or acquired by transfer or otherwise following the date of such option, to the extent that any of the foregoing rights are exercised on or prior to the time of completion of the sale of the Called Shares (as defined in Article 11.2), in accordance with Article 11.5) with full

title guarantee to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with this Article 11.

- 11.2 The Selling Shareholders may exercise the Come Along Option by giving notice to that effect (a **"Come Along Notice"**) to all other Shareholders (the **"Called Shareholders"**) at any time before the registration of the transfer of the Shares held by the Selling Shareholders. A Come Along Notice shall specify that the Called Shareholders are required to transfer all or the Relevant Majority of their Shares (subject to Article 11.8, the **"Called Shares"**) pursuant to Article 11.1 to the Third Party Purchaser, the price at which the Called Shares are to be transferred (determined in accordance with Article 11.4), the form of consideration for the Called Shares, the proposed date of transfer (if known) and the identity of the Third Party Purchaser.
- 11.3 A Come Along Notice may be revoked by the Selling Shareholders at any time prior to completion of the sale of the Called Shares and any such revocation notice shall be served by the Selling Shareholders on all Called Shareholders.
- 11.4 The Called Shareholders shall be obliged to sell the Called Shares at the price specified in the Come Along Notice which shall attribute a value to all Shares determined in accordance with Article 3.3.2.
- 11.5 Completion of the sale of the Called Shares shall take place on the same date as the date of actual completion of the sale of the Selling Shareholders' Shares unless all of the Called Shareholders and the Selling Shareholders agree otherwise.
- 11.6 Each Called Shareholder shall on service of the Come Along Notice be deemed to have irrevocably appointed each of the Selling Shareholders severally to be his agent to execute any stock transfer form, covenant for full title guarantee to the Third Party Purchaser in respect of the Called Shares registered in the name of such Called Shareholders and to do such other things as may be necessary or desirable to accept, transfer and complete the sale of the Called Shares pursuant to this Article 11. The rights of pre-emption and other restrictions contained in these Articles shall not apply on any sale and transfer of Shares by the Selling Shareholders or the Called Shareholders to the Third Party Purchaser named in a Come Along Notice in connection with the transfer contemplated by Article 11.1 and the Come Along Notice.
- 11.7 On the Sale effected under this Article 11, the provisions of Article 3.3.2 shall apply to the proceeds of the Shares and save as aforesaid the provisions of this Article 11 shall prevail over any contrary provisions of these Articles. Any Transfer Notice or Deemed Transfer Notice served in respect of any Share which has not been transferred in accordance with Article 10 shall automatically be revoked by the service of a Come Along Notice.
- 11.8 If the Selling Shareholders serve a Come Along Notice in respect of the Relevant Majority (but not all) of the Shares held by Called Shareholders, then each Called Shareholder shall have the right to require that the Third Party Purchaser shall buy all and not the Relevant Majority only of the Shares held by that Called Shareholder at the price per Share determined in accordance with Article 11.4. if any Called Shareholder exercises his or her rights under thus Article 11.8 then, in respect of that Called Shareholder, all Shares held that Called Shareholder shall be deemed for the purposes of Articles 11.2 to 11.7 inclusive to be Called Shares.

12. **TAG ALONG RIGHTS**

- 12.1 If any Member (on his own or acting in concert with one or more other Members) (the **"Selling Party"**) proposes to sell or transfer Shares (the **"Committed Shares"**) equal to or greater than 50% of all the issued Shares of the Company at the time of the proposed sale or transfer to any person or persons other than another Member or a Permitted Transferee, the Selling Party shall procure, before the sale or transfer that each proposed buyer (the **"Tag Along Buyer"**) makes a bona fide written offer (a **"Tag Along Offer"**) to each of the other Members (each a **"Tag Along Shareholder"**) to buy all the Shares which are not Committed Shares (the **"Uncommitted Shares"**) for the same price per Share and otherwise on the same terms and conditions as those applying to the Committed Shares.

12.2 Each Tag Along Offer shall specify:

- 12.2.1 the price for the relevant Shares and any other principal terms and conditions of the sale or transfer;
- 12.2.2 the identity of the Tag Along Buyer; and
- 12.2.3 the period (being not less than 25 days from the service of the Tag Along Offer) for acceptance by each Tag Along Shareholder).

12.3 If, within the period specified in the Tag Along Offer any Tag Along Shareholder accepts the offer in writing, then the Selling Party shall procure that the sale by that Tag Along Shareholder of his relevant Shares shall proceed on the same financial terms (including price per Share) and at the same time as the sale of the Selling Party's Shares.

12.4 Any acceptance by a Tag Along Shareholder of a Tag Along Offer shall be irrevocable. But no sale of that Tag Along Shareholder's Shares pursuant to its acceptance shall take place unless and until the sale of the Selling Party's Shares is completed.

12.5 The expression price per Share used in Articles 12.1 and 12.3 shall be deemed to include an amount equal to the relevant proportions of any other consideration (in cash or otherwise) received or receivable by the holders of the Shares in question which, having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for the specified Shares and, in the event of disagreement, the matter shall be referred to the Valuer's for determination and, pending their determination:

- 12.5.1 the period for acceptance, specified in the Tag Along Offer shall not start to run until the date on which the Valuer's determination of the price per Share is served on the Tag Along Buyer and the Members holding Uncommitted Shares; and
- 12.5.2 the sale or transfer of the Committed Shares shall have no effect and shall not be registered.

12.6 The consideration payable for the Committed Shares and the Uncommitted Shares shall, in aggregate, be the Sale Proceeds for the purposes of calculating the allocation of those Sale Proceeds amongst the members in accordance with Article 3.3.

13. **PROHIBITED TRANSFERS**

Notwithstanding any other provision of these Articles, no transfer of any Share shall be registered if it is to any minor, undischarged bankrupt, trustee in bankruptcy or person of unsound mind.

14. **GENERAL MEETINGS**

The directors will call a general meeting within 10 Business Days of receiving a request from a Mercia Director, an Investor Majority, a Lunovi Director or Lunovi to do so.

15. **PROCEEDINGS AT GENERAL MEETINGS**

15.1 No business shall be transacted at any general meeting unless a quorum is present at the start of the meeting and also when that business is voted on and Model Article 30 shall be modified accordingly. Two members present in person or by proxy (of whom at least one holder is a holder of Investor Shares and one holder is a holder of Ordinary Shares and/or B3 Ordinary Shares) shall be a quorum for all purposes. A corporation which is a member shall be deemed to be personally present if represented in accordance with the provisions of section 323 of the Act.

15.2 Any Member having the right to vote at the meeting may demand a poll at a general meeting and Model Article 36(2) shall be modified accordingly.

15.3 Model Article 36(3) shall be amended by the insertion of the words “A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made” as a new paragraph at the end of that model Article.

15.4 Model Article 39 shall be modified by the insertion of the words “unless a majority of the Board (a Mercia Director and a Lunovi Director being part of that majority) resolve otherwise” after the words “subject to paragraphs (4) and (5)”, in Model Article 39 (3), and at the end of Model Article 39 (4) and Model Article 39 (5).

15.5 Model Article 34 shall not apply.

16. **NUMBER OF DIRECTORS**

The number of directors shall not be less than three and there shall be no maximum number.

17. **MERCIA DIRECTOR, LUNOVI DIRECTOR, MANAGING DIRECTOR AND CHAIRPERSON**

17.1 The Investors, acting by an Investor Majority, may appoint one person to be a director of the Company and may remove any such persons from office and appoint a replacement. Any Mercia Director in the office for the time being shall at the request of his appointor be appointed as director of any other Group Company or Group Companies specified in such request (but shall not be entitled to any additional fee in respect thereof).

17.2 Lunovi may appoint one person to be a director of the Company and may remove any such person from office and appoint a replacement. Any Lunovi Director in the office for the time being shall at the request of his appointor be appointed as director of any other Group Company or Group Companies specified in such request (but shall not be entitled to any additional fee in respect thereof).

17.3 Each Mercia Director and Lunovi Director shall be entitled to attend and address all the meetings of the Board (and meetings of any board committees) of each Group Company and all meetings of the Members (or any class of Members) of each Group Company and, unless otherwise agreed by the relevant Mercia Director or Lunovi Director, they shall each be given at least fifteen Business Days' prior notice of all such meetings, together with a written agenda and all the papers relevant for the consideration by the relevant board, committee or Members, as appropriate, of the matters on that agenda.

17.4 Any appointment or removal of a Mercia Director or Lunovi Director shall be in writing served on the Company signed by, in the case of a Mercia Director, an Investor Majority and in the case of a Lunovi Director, Lunovi, and shall take effect at the time it is served on the Company or the date expressly stated therein, whichever is earlier. Any such appointment or removal by a corporation may be signed on its behalf by its duly authorised representative.

17.5 Notice of meetings of the Board (and committees therefore) shall be served on a Mercia Director and a Lunovi Director whether or not they are absent from the United Kingdom at, the registered office address of, in the case of a Mercia Director, Mercia, and in the case of a Lunovi Director, Lunovi, from time to time or at such other place or manner as the Lunovi Director and Mercia Director (as the case may be) may specify for this purpose.

17.6 At any time when there is no Mercia Director in office, any Investor Majority may nominate one person to act as an observer to each Board meeting (or meetings of any Board committee of any Group Company) and any such observer shall be entitled to attend as an observer throughout such meeting. Such observer shall not be entitled to vote on any matter and shall not be entitled to any fee other than his out of pocket expenses.

17.7 At any time when there is no Lunovi Director in office Lunovi may nominate one person to act as an observer to each Board meeting (or meetings of any Board committee of any Group Company) and any such observer shall be entitled to attend as an observer throughout such meeting. Such observer shall not be entitled to vote on any matter and shall not be entitled to any fee other than his out of pocket expenses.

- 17.8 Each of the Investors and Lunovi and their respective duly authorised representatives (including professional advisers) may at any time inspect the documents and records in the possession or control of each Group Company and take copies of the same and enter upon all parts of their premises and to inspect and examine any activity being undertaken there.
- 17.9 At the Adoption Date, the Managing Director of the Company shall be Stuart Thomson who shall continue to serve as a director of the Company on existing terms. In the event that Stuart Thomson is removed as Managing Director, Lunovi and an Investor Majority may jointly appoint one person to be a director of the Company who shall act as the Managing Director, and Lunovi and an Investor Majority may jointly remove any such persons from office and appoint a replacement.
- 17.10 Any appointment or removal of the Managing Director shall be in writing served on the Company signed by or on behalf of Lunovi and an Investor Majority and shall take effect at the time it is served on the Company or the date expressly stated therein, whichever is earlier. Any such appointment or removal by a corporation may be signed on its behalf by its duly authorised representative.
- 17.11 HEE may nominate one person to act as an observer to each Board meeting (or meetings of any Board committee of any Group Company) and any such observer shall be entitled to attend as an observer throughout such meeting. Such observer shall not be entitled to vote on any matter and shall not be entitled to any fee other than his out of pocket expenses.
- 17.12 As soon as reasonably practicable following the Adoption Date, the Board, with approval in writing of Lunovi and an Investor Majority, shall appoint a new director of the Company who shall be the chairperson. Article 12 of the Model Articles shall be modified accordingly. The Board shall also remove such chairperson with the approval of Lunovi and an Investor Majority.

18. **ALTERNATE DIRECTORS**

- 18.1 The words “approved by resolution of the directors and” in Model Article 25(1) shall not apply to an appointment of an alternate director by a Mercia Director or a Lunovi Director.
- 18.2 Model Article 26(1) shall be amended by the insertion of the words “save that an alternate director’s right to receive notice of all meetings of directors and all meetings of committees of directors of which his appointer is a member is subject to his giving the Company an address within the United Kingdom at which notice may be served upon him”.
- 18.3 A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.
- 18.4 If an alternate director is himself a director or attends any meeting as an alternate director for more than one director, his voting rights shall be cumulative but he shall only be counted once in deciding whether a quorum is present. Model Article 26(3) shall be modified accordingly.

19. **PROCEEDINGS OF DIRECTORS**

- 19.1 The quorum for the transaction of business of the Board shall, subject as set out below in this Article 19, be four directors, being the Mercia Director, the Managing Director, the Lunovi Director and the chairperson unless:
 - 19.1.1 the chairperson has not been appointed in accordance with Article 17.12 in which case the quorum shall be three directors, being a Mercia Director, the Managing Director and a Lunovi Director;
 - 19.1.2 the Mercia Director, the Managing Director, the Lunovi Director and the chairperson (if in office) have previously agreed otherwise in writing; or
 - 19.1.3 there is no Mercia Director, Managing Director, Lunovi Director or chairperson (as the case may be) in office at that time.

PROVIDED THAT:-

- a. For the purposes of any meeting (or part of a meeting) held in accordance with this Article 19 to authorise a director's conflict pursuant to section 175(4)(b) of the Act, if there is only one eligible director in office other than the conflicted directors) the quorum for that meeting (or part of a meeting) is one eligible director Model Article 10(2) shall not apply.
 - b. If a quorum is not present within 30 minutes of the time specified for a directors' meeting in the notice of the meeting as result of the Managing Director not being present then it shall be adjourned for 7 Business Days to the same time and place. If at the adjourned meeting a quorum is not present within 30 minutes of the time specified for the directors' meeting in the adjourned notice of the meeting as a result of the Managing Director not being present, the quorum for the transaction of business of the Board shall be a Mercia Director and a Lunovi Director.
 - c. Questions arising at any meeting of the Directors shall be decided by a majority of votes. In the case of any equality of votes, the chairperson (if in office) or the director chairing the meeting shall not have a second or casting vote.
- 19.2 Any director or his alternate may validly participate in a meeting of the Board or a committee of the Board by conference telephone or other form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group which is larger than any other group, where the chairperson of the meeting then is.
- 19.3 Save with the consent of a Mercia Director and the Lunovi Director (or, where there is no Mercia Director or Lunovi Director (as the case may be) in office for the time being, an Investor Majority and Lunovi respectively):-
- 19.3.1 the Board shall not delegate any of its powers to a committee; and
 - 19.3.2 meetings of the Board shall not be held outside the United Kingdom.
- 19.4 If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the Company in which a director is any way directly interested, that director shall be counted as participating in the decision making process for quorum and voting purposes provided that the relevant interest either:-
- 19.4.1 has been duly declared in accordance with section 177 or section 182 of the Act, as the case may require; or
 - 19.4.2 is not required by the terms of either of those sections to be declared.
- 19.5 In respect of conflicts of interests:-
- 19.5.1 The provisions of this Article 19.5 shall apply in relation to the exercise of the power of the Directors to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under section 175(1) of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.
 - 19.5.2 In this Article and Articles 19.6 to 19.9 (inclusive):-
 - (a) **"authorise"** means to authorise in accordance with section 175(5)(a) of the Act and "authorisation", "authorised" and cognate expressions shall be construed accordingly;
 - (b) **"conflicted Director"** means a Director in relation to whom there is a conflicting matter; and

- (c) “**conflicting matter**” means a matter which would or might (if not authorised) constitute or give rise to a breach of the duty of a Director under section 175(1) of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.
- 19.5.3 The provisions of this Article apply without prejudice (and subject) to the provisions of section 175(6) of the Act and subject to the Members resolving that authorisations may be given by the Directors. Nothing in these Articles shall invalidate an authorisation.
- 19.5.4 A conflicted Director seeking authorisation of any conflicting matter shall disclose to the Directors the nature and extent of the conflicting matter as soon as is reasonably practicable. The conflicted Director shall provide the Directors with such details of the conflicting matter as are necessary for the Directors to decide how to address the conflicting matter, together with such additional information as may be requested by the Directors.
- 19.5.5 Any Director (including the conflicted Director) may propose that a conflicted Director's conflicting matter be authorised. Any such proposal, and any authorisation given by the Directors, shall be effected in the same way as any other matter may be proposed to and resolved on by the Directors under the provisions of these Articles, except that:-
- (a) the conflicted Director and any other interested Director shall not count towards the quorum nor vote on any resolution giving that authorisation; and
 - (b) the conflicted Director and any other interested Director may, if the Directors so decide, be excluded from any meeting of the Directors while the conflicting matter and the giving of that authorisation are under consideration;
- where the meeting of directors is considering a conflict or potential conflict of an Mercia Director, the Mercia Director shall have been deemed to have given his consent under Article 19.1.1; and.
- (c) where the meeting of directors is considering a conflict or potential conflict of a Lunovi Director, the Lunovi Director shall have been deemed to have given his consent under Article 19.1.1.
- 19.5.6 Where the Directors authorise a conflicted Director's conflicting matter:-
- (a) the Directors may (whether at the time of giving the authorisation or subsequently):-
 - (i) require that the conflicted Director is excluded from the receipt of information, the participation in discussions and/or the making of decisions (whether at meetings of the Directors or otherwise) related to the conflicting matter; and
 - (ii) impose on the conflicted Director such other terms or conditions for the purpose of dealing with any actual or potential conflict of interest which may arise from the conflicting matter as they may determine;
 - (b) the conflicted Director shall conduct himself in accordance with any terms or conditions imposed by the Directors in giving that authorisation;
 - (c) the Directors may provide that, where the conflicted Director obtains (otherwise than through his position as a Director) information that is confidential to a third party, the conflicted Director will not be obliged to disclose the information to the Company, or to use or apply the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence;
 - (d) the terms of the authorisation shall be recorded in writing (but the authorisation shall be effective whether or not the terms are so recorded); and

- (e) the Directors may revoke or vary the authorisation at any time but no such action will affect anything done by the conflicted Director prior to that action in accordance with the terms of the authorisation.
- 19.6 A conflicted Director shall not, by reason of his office or of the resulting fiduciary relationship, be liable to account to the Company for any benefit which he (or a person connected with him) derives from a conflicting matter authorised by the Directors and no transaction or arrangement shall be liable to be avoided on the grounds of any such benefit.
- 19.7 Authorised conflicts:-
 - 19.7.1 A Director who has directly or indirectly an interest or a duty in a matter which is material and which conflicts or may conflict with the interests of the Company may, notwithstanding his interest or duty, vote on the matter and be included for the purposes of a quorum at any meeting at which the matter is considered provided that:-
 - (a) he has disclosed the nature and extent of his interest or duty giving rise to his conflict of interest; and
 - (b) where his conflict of interest is constituted by or arises from a conflicting matter of his, that conflicting matter has been authorised and the Director has not been required to be excluded from participation in discussions and/or the making of decisions related to the matter.
 - 19.7.2 If a question arises at a meeting of the Directors about whether a Director (other than the chairperson of the meeting) has an interest which is likely to give rise to a conflict of interest or if he can vote or be counted in the quorum, and the Director does not agree to abstain from voting on the issue or not to be counted in the quorum, the question must be referred to the chairperson of the meeting. The ruling of the chairperson of the meeting about any other Director is final and conclusive, unless the nature or extent of the Director's interest (so far as it is known to him) has not been fairly disclosed to the Directors. If the question arises regarding the chairperson of the meeting, the question shall be decided by a resolution of the Directors. The chairperson of the meeting cannot vote on the question but can be counted in the quorum. The Directors' resolution about the chairperson of the meeting is conclusive, unless the nature and extent of the chairperson's interest (so far as it is known to him) has not been fairly disclosed to the Directors.
- 19.8 The Company may by ordinary resolution ratify any transaction or arrangement which has not been properly authorised by reason of a contravention of these Articles, or suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the Articles prohibiting a Director from voting at a meeting of Directors or of a committee of Directors.
- 19.9 For the purposes of Articles 19.6 and 19.7:-
 - 19.9.1 an interest or duty is "**material**" unless it cannot reasonably be regarded as likely to give rise to a conflict of interest; and
 - 19.9.2 a "**conflict of interest**" includes a conflict of interest and duty and a conflict of duties.
- Specific interests of a Director*
- 19.10 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:
 - 19.10.1 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;

- 19.10.2 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;
 - 19.10.3 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 parent undertaking of, or a subsidiary undertaking of a parent undertaking of, the Company;
 - 19.10.4 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 body corporate in which the Company is in any way interested;
 - 19.10.5 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;
 - 19.10.6 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;
 - 19.10.7 an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - 19.10.8 any other interest authorised by ordinary resolution.
- 19.11 In addition to the provisions of Article 19.10, 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,:
- 19.11.1 where a Director is an Mercia Director he may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest arising from any duty he may owe to, or interest he may have as an employee, director, trustee, member, partner, officer or representative of, or a consultant to, or direct or indirect investor (including without limitation by virtue of a carried interest, remuneration or incentive arrangements or the holding of securities) in:
 - (a) an Investor;
 - (b) a fund manager which advises or manages an Investor;
 - (c) any of the funds advised or managed by a fund manager who advises or manages an Investor from time to time; or
 - (d) another body corporate or firm in which a fund manager who advises or manages an Investor or any fund advised or managed by such fund manager has directly or indirectly invested, including without limitation any portfolio companies; and
 - 19.11.2 where a Director is a Lunovi 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) Lunovi (or any member of Lunovi).

19.12 Model Article 13 is modified by the insertion of the word “eligible” between the words “the” and “participating” in 13(1) and between the words “each” and “director” in 13(2).

20. **DISQUALIFICATION OF DIRECTORS**

20.1 The office of a director (other than an Mercia Director, or a Lunovi Director) shall be vacated if:-

- 20.1.1 (being an executive director of the Company or any subsidiary) he ceases to be a director or an employee within the meaning of Article 10.8 of any such Group Company without being appointed or continuing to be a director or an employee of another Group Company;
- 20.1.2 the Company exercises its rights to make a payment in lieu of notice under the terms of the director's service agreement (the office being vacated on the date upon which such right is exercised by the Company); or
- 20.1.3 the remaining members of the Board (including an Mercia Director and a Lunovi Director but excluding the relevant director) so require (including, without limitation, by way of written resolution of all such remaining members of the Board).

Model Article 22 shall be extended accordingly.

21. **NOTICES**

- 21.1 Any notice to be given to the Company pursuant to these Articles shall be sent to the registered office of the Company or presented at a meeting of the Board.
- 21.2 Any notice to be given pursuant to these Articles may be given by facsimile transmission to the facsimile number maintained at the relevant address of the addressee.
- 21.3 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:-
 - 21.3.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 24 hours after it was posted to an address within the United Kingdom, (or five business days after posting either to an address outside 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 received a confirmation of delivery from the courier service provider);
 - 21.3.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
 - 21.3.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
 - 21.3.4 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, no account shall be taken of any part of a day that is not a working day.

22. **INDEMNITY**

To the fullest extent permitted by law:-

- 22.1 every director, alternate director, secretary or other officer of the Company or of any other company which is a subsidiary of the Company shall be entitled to be indemnified out of the assets of the

Company against all costs, charges, losses, damages and liabilities incurred by him in the actual or purported execution or discharge of his duties or exercise of his powers or otherwise in relation thereto, including (without limitation) any liability incurred in defending any proceedings (whether civil or criminal) which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company or of any other company which is a subsidiary of the Company, but in each case without prejudice to any indemnity to which he may be otherwise entitled;

- 22.2 the Directors may authorise loans by the Company to any director, alternate director, secretary or other officer of the Company or of any other company which is a subsidiary of the Company for the purposes of meeting any liability incurred in defending any proceedings referred to in Article 22.1 above; and
- 22.3 the Directors may purchase and maintain insurance at the expense of the Company for the benefit of any person who is or was at any time a director or other officer or employee of the Company or of any other company which is a subsidiary of the Company indemnifying that person against any 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, officer or employee.

23. **SHARE CERTIFICATES**

The Company may execute any share certificate, warrant or other document creating or evidencing any security allotted by the Company or any right or option to subscribe granted by the Company under the hand of two Directors or any one Director and the Company Secretary. Model Article 46 shall be modified accordingly.

24. **SUBSIDIARY UNDERTAKINGS**

The Board shall exercise all voting and other rights or powers of control exercisable by the Company in relation to itself and its subsidiary undertaking so as to secure (but as regards its subsidiary undertakings only in so far as by the exercise of such rights or powers of control the Board can secure) that:-

- 24.1 no shares or other securities are issued or allotted by any such subsidiary and no rights are granted which might require the issue of any such shares or securities otherwise than to the Company or one of its wholly-owned subsidiaries; and
- 24.2 neither the Company nor any of its subsidiaries transfers or disposes of any shares or securities of any subsidiary of the Company or any interest therein or any rights attached thereto otherwise than to the Company or one of its wholly-owned subsidiaries.