

No. 11145951

THE COMPANIES ACT 2006

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PRIVATE COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

OF

NAITIVE TECHNOLOGIES LIMITED

(Adopted by Written Special Resolution passed  
on .....<sup>04</sup> March..... **2022**)

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## INTRODUCTION

### 1 Definitions and interpretation

#### 1.1 In these Articles, unless the context requires otherwise:

"A Shares" means the A1 Shares and the A2 Shares;

"A Shareholders" means holders of the A Shares;

"A1 Shares" means the A1 ordinary shares of £0.0001 each in the capital of the Company;

"A2 Shares" means the A2 ordinary shares of £0.0001 each in the capital of the Company;

"Accepting Shareholder" shall have the meaning given in Article 21.3;

"Accountants" means the auditors of the Company for the time being or, if the Company has lawfully not appointed auditors, its accountants for the time being, or, if in either case such firm is unable or unwilling to act in any particular case, such independent firm of accountants jointly appointed by the directors and the Seller (with Investor Consent) or, in the absence of agreement between them on the identity of the accountants within 10 Business Days of one party serving details by written notice of a suggested firm of accountants on the other, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales or any successor body (acting as an expert and not as an arbitrator);

"Acting in Concert" has the meaning set out in the City Code on Takeovers and Mergers (as amended from time to time);

"**Additional New Shares**" has the meaning given in the Investment Agreement;

"Articles" means the Company's articles of association for the time being in force;

"Asset Sale" means the disposal by the Company of all or substantially all of its undertaking and assets (where disposal may include, without limitation, the grant by the Company of an exclusive licence of all or a material part of its intellectual property not entered into in the ordinary course of business);

"Associate" has the meaning given to it in section 435 of the Insolvency Act 1986;

"associated company" means any subsidiary or holding company of the Company or any other subsidiary of the Company's holding company;

"Available Amount" shall have the meaning given in Article 2.24.7;

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

"Bad Leaver" means a Leaver who becomes a Leaver in the event of:

- (a) the Leaver's lawful dismissal for gross misconduct;
- (b) the Leaver being guilty of any fraud, dishonesty or gross negligence;
- (c) the Company being entitled to summarily dismiss the Leaver in accordance with the terms of his service agreement, consultancy agreement or employment agreement; or
- (d) the Leaver being in breach of any of the restrictive covenants imposed on the Leaver as contained in his contract of employment and/or in any shareholders' agreement to which the Company is a party;

"Board" means the board of directors of the Company from time to time acting by the resolution of a duly convened and quorate meeting or by unanimous decision in accordance with these Articles;

"Board Leaver Notice" has the meaning given in Article 19.4;

"B Shares" means B ordinary shares of £0.0001 each in the capital of the Company;

"Business Day" means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;

"CA 2006" means the Companies Act 2006;

"Call Notice" has the meaning given in Article 23.1;

"Call Payment Date" has the meaning given in Article 23.10;

"Called Shareholders" has the meaning given in Article 20.1

"Called Shares" has the meaning given in Article 20.2;

"Cessation Date" means the date on which the relevant Founder becomes a Leaver;

"Company" means Naitive Technologies Limited;

"Companies Acts" means the Companies Acts (as defined in section 2 CA 2006) in so far as they apply to the Company;

"Connected Persons" shall be as defined by Section 1122 of the Corporation Tax Act 2010;

"Consultant" means a person who provides consultancy services to the Company or any of its subsidiaries, whether engaged directly or under a consultancy agreement with a third party through which the relevant person's services are provided;

"Controlling Interest" means an interest (within the meaning of Part 22 of CA 2006) in any shares conferring in aggregate more than 50 per cent of the total voting rights conferred by all the shares in the capital of the Company from time to time in issue and conferring the right to vote at all general meetings of the Company;

"Conversion Date" has the meaning given in Article 2.13;

"Conversion Ratio" has the meaning set out in Article 2.15;

"Corporate Shareholder" has the meaning set out in Article 2.20;

"Date of Adoption" means the date on which these Articles were adopted;

"Deferred Conversion Date " has the meaning set out in Article 19.5;

"Deferred Shareholder" means a holder (or joint holders) of any Deferred Shares;

"Deferred Shares" means the deferred shares of £0.0001 each in the capital of the Company;

"Drag Along Notice" has the meaning given in Article 20.2;

"Drag Along Option" has the meaning given in Article 20.1;

"EIS Provisions" means the provisions of Part 5 ITA and sections 150 and 150 A, B and C and Schedule 5B of the Taxation and Chargeable Gains Act 1992 (in each case as inserted and/or amended from time to time);

"EIS Reliefs" means the reliefs in respect of income tax and capital gains tax available to certain subscribers of shares pursuant to the EIS Provisions;

"EIS and SEIS Reliefs" means EIS Reliefs and/or SEIS Reliefs;

"eligible director" means 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 the particular matter);

"Employee" means a person who is employed by, is a director or officer of, or is a Consultant to, any Group Company (or in the case of RNOH, the collaboration agreement between RNOH and the Company dated 11 July 2018 has not been terminated or expired);

"Equity Securities" has the meaning given in sections 560(1) to (3) inclusive of CA 2006;

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

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

"Exit Event" means an Asset Sale or a Share Sale or an IPO

"Family Trust" means a trust (whether arising under a settlement inter vivos or a testamentary disposition made by any person or on an intestacy) under which no immediate beneficial interest in the Shares in question is for the time being vested in any person other than a particular shareholder or deceased or former shareholder and his Privileged Relations and no power of control over the voting powers conferred by such shares is for the time being exercisable by or subject to the consent of any person other than the trustees as trustees or the shareholder concerned or a Privileged Relation of such shareholder;

"Financial Year" shall have the meaning set out in section 390 of the CA 2006;

"Founder" means either William Thomas Edward Briggs or Ameera Patel and "Founders" means both of them;

"Fractional Holders" has the meaning set out in Article 2.18;

"Fund Manager" means Mercia Fund Management Limited (registration number 06973399), provided that if Mercia Fund Management Limited ceases or does not advise one of the Investors, all references to the Fund Manager shall be deemed to include a reference (as the case may be) to the relevant Investor and/or any party appointed to advise on the Investor's investment in the Company;

"Good Leaver" means any Leaver who becomes a Leaver in the event of:

- (a) death;
- (b) ill health causing an incapacity (excluding alcohol or drug abuse);
- (c) being made redundant; or
- (d) dismissal by the relevant Group Company which is determined to be wrongful or constructive by an employment tribunal or a court of competent jurisdiction, and from which determination (in each case) there is no right to appeal or the relevant Group Company does not appeal within the relevant time period; or
- (e) the Board deeming such Founder to be a Good Leaver,

or who otherwise becomes a Leaver more than 32 months following the Original Date of Adoption;

"Group" means the Company and any subsidiary or subsidiaries (if any) of the Company from time to time;

"Group Company" means any company which is a member of the Group;

"group company interest" shall have the meaning set out in Article 11.4;

"Growth Shares" means the Growth shares of £0.0001 each in the capital of the Company;

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

"Holding Company" means a newly formed holding company, pursuant to which the membership, pro rata shareholdings and classes of shares comprised in such holding company matches that of the Company (excluding Deferred Shares) immediately prior to the transfer of the issued share capital of the Company to such holding company;

"Initial Good Leaver Period" has the meaning given in Article 19.1.1;

"Intermediate Leaver" means any Leaver who is neither a Good Leaver nor a Bad Leaver;

**“Investors”** means Naomi Brady, Clifford Paul Triniman and the Mercia Investors together with every member of the Investor Group which becomes a Shareholder in accordance with the Investment Agreement and/or in accordance with these Articles (each being an “Investor”);

“Investor Consent” means the written consent of the Mercia Investors signed for and on behalf of each of the Mercia Investors by the Fund Manager

**“Investor Director”** has the meaning given in Article 6.1;

**“Investor Group”** means in relation to each Mercia Investor:

- (a) the Investor or any subsidiary or holding company of the Investor (each a “Relevant Person”); or
- (b) any fund of which any Relevant Person is trustee or manager; or
- (c) any fund, the managers of which are advised by any Relevant Person; or
- (d) any fund which is managed by the same fund manager as a Relevant Person; or
- (e) any nominee or trustee of any Relevant Person; or
- (f) any person or firm, authority or organisation (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 a Relevant Person including any person who becomes a manager or adviser of an Investor in place of or in addition to such Investor; or
- (g) any co-investment scheme, being a scheme under which certain officers, employees or partners of a Relevant Person or its adviser or manager are entitled or required (as individuals or through a body corporate or any other vehicle) to acquire shares which the Relevant Person would otherwise acquire or has acquired;

**“Investor Shares”** means the A Shares and the B Shares;

**“Investor Shareholders”** means the holders of the A Shares and the B Shares;

**“Investment Agreement”** means the investment agreement relating to the Company dated the same date as the Original Date of Adoption as varied, supplemented or superseded for the time being;

**“IPO”** means the admission of all or any of the Shares or securities representing those shares (including without limitation depositary interests, American depositary receipts, American depositary shares and/or other instruments) on NASDAQ 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);

**“ITA”** means The Income Tax Act 2007;

**“Leaver”** means a Founder whose contract of employment, consultancy or directorship with any Group Company terminates for any reason and who ceases to be an Employee in any other capacity;

**“Leaver Notice”** has the meaning given in Article 19.3;

**“Leaver Shares”** means, in respect of either of the Founders, all Shares:

- (a) held by the relevant Founder as at 14th May, 2021;
- (b) held immediately before the Cessation Date by the Founder’s Privileged Relations and/or trustees of any Family Trusts and/or personal representatives and/or trustees in bankruptcy and/or bare nominees (other than Shares which the directors are satisfied were not acquired by such holders by way of a transfer from the relevant Founder of any of the Founder shares in part (a));

“Lien Enforcement Notice” has the meaning given in Article 22.4.1;

“Market Price” means the market value of the Shares concerned determined by reference to the following assumptions and bases:

- (a) to assume that the sale is on an arms' length basis between a willing vendor and a willing purchaser;
- (b) to disregard whether or not the Shares represent a minority or majority interest;
- (c) to disregard to the rights and restrictions attached to the Shares in respect of transfer;
- (d) to take no account of whether the Shares do or do not carry control of the Company; and
- (e) if the Company is then carrying on business as a going concern, to assume that it will continue to do so in the same manner as immediately prior to the date of the Transfer Notice or deemed Transfer Notice giving rise to the valuation;

“Mercia Investors” means Northern 2 VCT PLC, Northern 3 VCT PLC, Northern Venture Trust PLC, Mercia VCT Nominee Limited, Mercia Funds (as defined in the Investment Agreement) and Share Nominees Limited together with every member of the Investor Group which becomes a Shareholder in accordance with the Investment Agreement and/or in accordance with these Articles.

“Model Articles” means the model articles for private companies limited by shares contained in Schedule 1 of The Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the Original Date of Adoption of these Articles;

“**New Incentive Scheme**” means as described in the Investment Agreement;

“Non-Participating Growth Share” means a Growth Share for which the relevant performance milestone has not been met (as set out in the Subscription Agreement) as at the date of an Exit Event;

“Non-Participating Growth Shareholders” means the holders of the Non-Participating Growth Shares;

“Ordinary Shareholders” means the holders of the Ordinary Shares;

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

“Original Date of Adoption” means 14<sup>th</sup> May, 2021;

“Original Subscription Price” means in relation to any Share, the amount paid up or credited as paid up on it (including the full amount of any premium paid on subscription);

“Participating Growth Share” means a Growth Share for which (i) the relevant performance milestone has been met as set out in the Subscription Agreement and (ii) which has not been previously converted into a Deferred Share as at the date of an Exit Event;

“Participating Growth Shareholders” means the holders of the Participating Growth Shares;

“Permitted Transfer” means a transfer of Shares authorised by Article 18.7;

“Permitted Transferee” has the meaning given in Article 18.7;

“Proceeds of Sale” means in respect of:

- (a) a Share Sale, the consideration payable (including any deferred consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale less any reasonable fees, costs and expenses payable in respect of such Share Sale; and
- (b) an IPO, 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 IPO) 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 IPO all as determined by an investment bank (and, if none, a broker) appointed by the Company to advise on the IPO;

**“Proposed Buyer”** has the meaning given in Article 20.1;

**“Privileged Relation”** means, in relation to a shareholder, his or her spouse or civil partner, widower or widow, father (including step or adoptive father), mother (including step or adoptive mother), sister (including step-sister), brother (including step brother), aunt, uncle, cousin, god parent or grand parent, any child or grandchild (including step and adopted children and their issue) and step and adopted children of the shareholder's children;

**“Proposed Transferee”** has the meaning given in Article 21.1;

**“Proposed Transferor”** has the meaning given in Article 21.1;

**“Relevant Connected Person”** has the meaning given in Article 2.20.2;

**“relevant officer”** means any director or other officer of the Company or an associated company, but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);

**“RNOH”** means The Royal National Orthopaedic Hospital NHS Trust;

**“RNOH Director”** has the meaning given in Article 6.2;

**“Sale”** means an Asset Sale or a Share Sale;

**“Second Good Leaver Period”** has the meaning given in Article 19.1.2;

**“Seller's Shares”** has the meaning given in Article 20.1;

**“Selling Shareholders”** has the meaning given in Article 20.1;

**“SEIS Provisions”** means the provisions of Part 5 A ITA and sections 150 E, F and G and Schedule 5BB of the Taxation of Chargeable Gains Act 1992 (in each case as inserted and/or amended from time to time);

**“SEIS Reliefs”** means the reliefs in respect of income tax and capital gains tax available to certain subscribers of shares pursuant to the SEIS Provisions;

**“Shares”** means issued shares in the Company of any class, including without limitation the Ordinary Shares, the A Shares, the B Shares, the Growth Shares, and the Deferred Shares;

**“Share Option Scheme”** means any share option scheme of the Company for the incentivisation and/or reward of current and/or prospective Employees of the Company which has received Investor Consent;

**“Share Sale”** means the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the purchaser of those shares (or grantee of that right) and persons Acting in Concert with such purchaser together acquiring 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;

**“Shareholder”** means any holder of Shares;

**“Subscription Agreement”** means an agreement between any Director, employee, consultant, Founder or RNOH for the acquisition of Growth Shares

**“Unvested Proportion”** has the meaning given in column 2 of the table set out in Article 19.1.3 or Article 19.2.3, as applicable;

“Vested Proportion” has the meaning given in column 3 of the table set out in Article 19.1.3 or Article 19.2.3, as applicable; and

“Yield” means a return equal to an annual simple (and non-compounding) rate of interest on the aggregate Original Subscription Price of all A1 Shares of 3% above the average one year LIBOR rate during the month prior to the Original Date of Adoption.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in CA 2006 have the same meanings in these Articles.
- 1.3 Headings in these Articles are for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an “Article” is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
  - 1.5.1 any subordinate legislation from time to time made under it; and
  - 1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 A reference in these Articles to a “subsidiary”, “holding company”, “undertaking”, “**subsidiary undertaking**” or “parent undertaking” shall be construed in accordance with section 1159 and section 1162 of CA 2006;
- 1.8 Any words importing the singular include the plural and vice versa and words importing a gender include every gender.
- 1.9 The Model Articles apply to the Company, except in so far as they are modified or excluded by these Articles.
- 1.10 Articles 8(2), 9(4), 10(3), 11(2), 13, 14, 17(3), 19, 21, 26(5), 27, 28, 29, 30(5) to (7) (inclusive), 44(4), 51, 52 and 53 of the Model Articles shall not apply to the Company.

## SHARE CAPITAL

### 2 Classes of shares

- 2.1 The Company has six classes of shares, namely Ordinary Shares, A1 Shares, A2 Shares, B Shares, Growth Shares, and the Deferred Shares. Unless otherwise stated in these Articles, all Shares shall rank pari passu in all respects but shall constitute a separate share class.
- 2.2 In these Articles, unless provided otherwise (and in particular (but not limited to), pursuant to Articles 2.3 to 2.5 and 2.24.7 to 2.24.10), references to shares of a particular class shall include shares allotted and/or issued after the Date of Adoption and ranking pari passu in all respects (or in all respects except only as to the date from which those shares rank for dividend) with the Shares of the relevant class then in issue.
- 2.3 A Deferred Shareholder shall not exercise any right in respect of any Deferred Shares, including without limitation any right to:
  - 2.3.1 receive notice of or to attend or vote at any general meeting of the Company;
  - 2.3.2 receive or vote on any proposed written resolution; and
  - 2.3.3 receive a dividend or other distribution.

- 2.4 Subject to the provisions of CA 2006, all (but not some only) of the Deferred Shares may be redeemed by the Company at any time at its option for the sum of £1.00 for all the Deferred Shares registered in the name of any holder of such Deferred Shares without obtaining the sanction of the holder(s) of the Deferred Shares (or any of them).
- 2.5 The allotment or issue of Deferred Shares or the conversion or re-designation of shares into Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time after their allotment, issue, conversion or re-designation, without obtaining the sanction of such holder(s), to:
  - 2.5.1 appoint any person, as agent for the Deferred Shareholder, to execute any transfer (or any agreement to transfer) such Deferred Shares to such person(s) as the Company may determine (as nominee or custodian thereof or otherwise); and/or
  - 2.5.2 give, on behalf of such holder, consent to the cancellation of such Deferred Shares; and/or
  - 2.5.3 purchase such Deferred Shares in accordance with CA 2006,in any such case: (i) for a price being not more than an aggregate sum of one pound for all the Deferred Shares registered in the name of such holder(s); and (ii) with the Company having authority pending such transfer, cancellation and/or purchase to retain the certificates (if any) in respect thereof. No Deferred Share may be transferred without the prior consent of the Investor Director.
- 2.6 The words "and the directors may determine the terms, conditions and manner of redemption of any such shares" shall be deleted from article 22(2) of the Model Articles.
- 2.7 Subject to CA 2006, but without prejudice to any other provision of these Articles, the Company may purchase its own Shares in accordance with Chapter 4 of Part 18 of CA 2006, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:
  - 2.7.1 £15,000; and
  - 2.7.2 the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year.
- 2.8 Paragraph (c) of article 24(2) of the Model Articles shall be amended by the replacement of the words "that the shares are fully paid; and" with the words "the amount paid up on them; and".
- 2.9 In article 25(2) of the Model Articles, the words "payment of a reasonable fee as the directors decide" in paragraph (c) shall be deleted and replaced by the words "payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine".
- 2.10 Whenever as a result of a consolidation of Shares any Shareholders would become entitled to fractions of a Share, the directors may, on behalf of those Shareholders, sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of CA 2006, the Company) and distribute the net proceeds of sale in due proportion among those Shareholders, and the directors may authorise any person to execute an instrument of transfer of the Shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
- 2.11 The Shareholders agree, to the fullest extent permissible by law, that nothing in these Articles shall grant to them class rights. To the extent special rights are created or granted in respect of any separate class of share, such special rights attached to any such 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 consent in writing of the holders of more than 50 per cent. in nominal value of the issued shares of that class except that the special rights attach to the Deferred Shares may, whether or not the Company is being wound up, be varied, modified, abrogated or cancelled with the prior written consent of the Mercia Investors. The creation of a new class of

shares which has preferential rights to one or more existing classes of shares shall not constitute a variation of the rights of those existing classes of shares.

- 2.12 All of the Investor Shares and the Participating Growth Shares shall automatically convert into Ordinary Shares immediately upon the occurrence of an IPO (which date shall be treated as the "Conversion Date"). If such IPO does not become effective, or does not take place, such conversion shall be deemed not to have occurred. All Growth Shares which are not Participating Growth Shares on the Conversion Date shall automatically convert into Deferred Shares
- 2.13 At least five Business Days prior to the occurrence of the IPO, each holder of Participating Growth Shares and each holder of the Investor Shares shall deliver the certificate (or an indemnity for lost certificate in a form acceptable to the Board) in respect of such Shares being converted to the Company at its registered office for the time being.
- 2.14 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 the 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.
- 2.15 On the Conversion Date, the Participating Growth Shares and the Investor 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 Investor Share or Participating Growth Share held (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.
- 2.16 The Company shall on the Conversion Date enter each holder of the converted Investor Shares on the register of members of the Company as the holder of the appropriate number of Ordinary Shares and, subject to the relevant holder delivering its certificate(s) (or an indemnity for lost certificate in a form acceptable to the Board) in respect of the relevant Participating Growth Shares or Investor Shares in accordance with this Article, the Company shall within 10 Business Days of the Conversion Date forward to such holder of the Participating Growth Shares or the Investor Shares by post to his address shown in the register of members, free of charge, a definitive certificate for the appropriate number of fully paid Ordinary Shares.
- 2.17 The Conversion Ratio shall from time to time be adjusted in accordance with the provisions of this Article if Investor Shares or Participating Growth 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 consent from the relevant Shareholders and with Investor Consent) is fair and reasonable, to maintain the right to convert so as to ensure that each Investor Shareholder or Participating Growth Shareholder, as relevant, 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;
- 2.18 If any Investor Shareholder or Participating Growth Shareholder 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.
- 2.19 If a doubt or dispute arises concerning an adjustment of the Conversion Ratio in accordance with Article 2.17, or if so requested by an Investor Shareholder, the Board shall refer the matter to the Accountants for determination who (acting as expert and not as arbitrator) 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.
- 2.20 The limitations in these Articles 2.21 to 2.23 shall apply to:

- 2.20.1 any Investor and any holder of Shares that is a “company” for the purpose of the independence requirement in section 296(2) of ITA (a “Corporate Shareholder”); and
  - 2.20.2 any Shareholder that is a Connected Person in relation to that Corporate Shareholder (a “Relevant Connected Person”).
- 2.21 At any time, on a liquidation or other return of capital event (including, on an Asset Sale, 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.
- 2.22 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 2.22) 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.
- 2.23 At any time, the aggregate number of votes attaching to all the Equity Shares held by any Corporate Shareholder and all of its Relevant Connected Persons shall be restricted to the lower of:
- 2.23.1 49.99% of the votes attaching to all Equity Shares; and
  - 2.23.2 the total number of votes that would have been conferred on such holders of Equity Shares if this Article 2.23 did not apply.
- 2.24 Share rights. The Shares have the following rights and are subject to the following restrictions:

#### Income

- 2.24.1 Subject to Investor Consent and Article 2.22, in respect of any Financial Year, the Company's Available Profits will be applied as set out in these Articles 2.24.1 to 2.24.4.
- 2.24.2 Any Available Profits which the Company may determine to distribute in respect of any Financial Year; will be distributed among the holders of the Equity Shares (pari passu as if the Equity Shares constituted one class of share) pro rata to their respective holdings of Equity Shares.
- 2.24.3 Subject to CA 2006 and these Articles, the Board may pay interim dividends if justified by the Available Profits in respect of the relevant period.
- 2.24.4 Every dividend shall accrue on a daily basis assuming a 365 day year. All dividends are expressed net and shall be paid in cash.
- 2.24.5 The Company will procure that each of its subsidiaries, if any, which has profits available for distribution shall from time to time declare and pay to the Company such dividends to the extent possible.
- 2.24.6 The holders of Growth Shares will not have any entitlement to any profits which the Company determines to distribute in respect of any financial year in the form of dividends

#### Capital

- 2.24.7 Subject to all amounts due to the Mercia Investors under the terms of the Investment Agreement having being settled in full and without deduction or set-off and Article 2.21, on a distribution of assets on a liquidation or return of capital or otherwise (other than as set out in Articles 0 and 2.24.10), the surplus assets available after payment of the Company's liabilities (“Available Amount”) shall be distributed (to the extent that the Company is lawfully permitted to do so):

- (i) firstly, (i) in paying to the holders of Deferred Shares, if any, a total of £1.00 for the entire class of Deferred Shares (which payment shall be deemed satisfied by payment to any one holder of the Deferred Shares) and (ii) in paying to the holders of Non-Participating Growth Shares, if any, a total of £1.00 for the entire class of Non-Participating Growth Shares (which payment shall be deemed satisfied by payment to any one holder of the Non-Participating Growth Shares);
- (ii) secondly, the Available Amount shall be distributed to the holders of the Equity Shares and Participating Growth Shares so that there will be paid to the Investors an amount equal to the greater of:

(A) 99.99% of the Available Amount up to a maximum of the aggregate of the Investor Original Subscription Price with the balance of the Available Amount being distributed to the holders of the Equity Shares and Participating Growth Shares (excluding the A Shares and B Shares held by the Investors) on a pro rata basis to the number of Equity Shares and Participating Growth Shares held by them (excluding the A Shares and B Shares) as if they all constituted one class of share provided that each payment shall be rounded to the nearest £0.01 if it would otherwise be less; or

(B) their pro rata amount of the Available Amount based on the number of Equity Shares and Participating Growth Shares held by each Investor to the number of Equity Shares and Participating Growth Shares then in issue as if they all constituted one class of share with the balance of the Available Amount being distributed (i) 99.99% among the holders of the Equity Shares and Participating Growth Shares (excluding the A Shares and B Shares held by the Investors) on a pro rata basis to the number of Equity Shares and Participating Growth Shares (excluding the A Shares and B Shares) held by them as if they all constituted one class of share and (ii) 0.01% shall be distributed to the holders of the A Shares and the B Shares as if they all constituted one class provided that each payment shall be rounded to the nearest £0.01 if it would otherwise be less;

PROVIDED THAT the proportion of the Available Amount to be distributed to the holders of the A Shares (in aggregate) shall be allocated (as amongst themselves only) as to X to the holders of the A1 Shares and Y to the holders of the A2 Shares.

#### 2.24.8 For the purposes of Article 2.24.7:

X = an amount equal to the aggregate Original Subscription Price of all A1 Shares, together with the Yield; or, where there is a shortfall in paying such amount together with any amount due to the holders of the A2 Shares, 99.99% of the Available Amount to be distributed to the holders of the A

Y = the higher of:

- (A) the Available Amount to be distributed to the holders of the A Shares (in aggregate), less X; and
- (B) 0.01% of the Available Amount to be distributed to the holders of the A Shares (in aggregate).

#### 2.24.9 Subject to Article 2.21 and all amounts due to the Mercia Investors under the terms of the Investment Agreement having been settled in full and without deduction or set off, on a Share Sale or IPO, the Proceeds of Sale shall be distributed in the

order of priority set out in Articles 2.24.7 and 2.24.8 and the directors shall not register any transfer of Shares if the Proceeds of Sale are not so distributed, save in respect of any Shares not sold in connection with that Share Sale, provided that if the Proceeds of Sale are not settled in their entirety upon completion of the Share Sale:

- (i) the directors shall not be prohibited from registering the transfer of the relevant Shares so long as the Proceeds of Sale that are settled have been distributed in the order of priority set out in Articles 2.24.7 and 2.24.8; and
- (ii) the shareholders shall take any action required by the Investors (acting unanimously) to ensure that the Proceeds of Sale in their entirety are distributed in the order of priority set out in Articles 2.24.7 and 2.24.8;

in the event that the Proceeds of Sale are distributed on more than one occasion (for any deferred or contingent consideration or otherwise), the consideration so distributed on any further occasion shall be paid by continuing the distribution from the previous distribution of consideration in the order of priority set out in Articles 2.24.7 and 2.24.8.

- 2.24.10 Subject to Article 2.21 and all amounts due to the Mercia Investors under the terms of the Investment Agreement having been settled in full and without deduction or set off, on an Asset Sale the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in Article 2.24.7 and 2.24.8 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 (so far as they are lawfully able through the exercise of their powers as shareholders in the Company) take any action required by the Investors acting unanimously (including, but without prejudice to the generality of this Article 2.24.10, actions that may be necessary to put the Company into voluntary liquidation) so that Articles 2.24.7 and 2.24.8 applies.

## DIRECTORS

### 3 Proceedings

#### 3.1 Article 7 of the Model Articles is amended by:

- 3.1.1 the insertion of the words "for the time being" at the end of article 7(2)(a); and
- 3.1.2 the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".

#### 3.2 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.

#### 3.3 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.

#### 3.4 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.

#### 3.5 Any director may call a directors' meeting by giving not less than 5 Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice. Notice of meetings of the Board (and of committees thereof) shall be served on the Investor Director whether or not the Investor Director is absent from the United Kingdom for the time being at the address for service of notice on the Fund Manager under the Investment Agreement. No fewer than 6 fixed meetings of the directors shall take place in each Financial Year on such dates as the directors shall agree prior to the start of each Financial Year.

- 3.6 All or any of the directors or any committee of the directors may participate in a meeting of the directors or that committee by means of a telephonic conference or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is not such group, where the chairman of the meeting then is.
- 3.7 All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
- 3.8 A resolution in writing signed or approved by letter, or e-mail by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the same terms each signed by one or more directors; but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.
- 4 No retirement by rotation
- The directors will not be required to retire by rotation.
- 5 Minimum and maximum number of directors.
- The minimum number of directors shall be three and the maximum number of directors shall be eight.
- 6 Appointment of Directors and Observers.
- 6.1 For so long as any of the Mercia Investors (and any of their Permitted Transferees) holds or is the beneficial owner of in aggregate at least 10% of the Shares, the Fund Manager on behalf of the Mercia Investors may collectively at any time by notice in writing served on the Company nominate any one person (the "Investor Director") to be a non-executive director of the Company (and member of each and any committee of such Company) and may similarly require the removal from office of any such person and nominate another person in his place. Immediately upon service of any such notice the parties shall each separately undertake to exercise all rights and powers he/she or it may have, whether as a director or shareholder or otherwise, so as to procure the appointment or removal (as the case may be) of the nominated director who is the subject of such notice promptly following receipt.
- 6.2 For so long as RNOH (and any of its Permitted Transferees) holds at least 10% of the Shares it shall be entitled at any time and from time to time by the delivery of a written notice to the Company to appoint one person (the "RNOH Director") as a non-executive director of the Company (and member of each and any committee of such Company) and may similarly require the removal from office of any such person and nominate another person in his place. Immediately upon service of any such notice the parties shall each separately undertake to exercise all rights and powers he/she or it may have, whether as a director or shareholder or otherwise, so as to procure the appointment or removal (as the case may be) of the nominated director who is the subject of such notice promptly following receipt.
- 6.3 For so long as Ameera Patel is not a Leaver and she (and any of her Permitted Transferees) holds at least 10% of the Shares, she shall be entitled at any time and from time to time by the delivery of a written notice to the Company to appoint one person as an executive director of the Company (and member of each and any committee of such Company) and may similarly require the removal from office of any such person and nominate another person in her place. Immediately upon service of any such notice the parties shall each separately undertake to exercise all rights and powers he/she or it may have, whether as a director or shareholder or otherwise, so as to procure the appointment or removal (as the case may be) of the nominated director who is the subject of such notice promptly following receipt.

- 6.4 For so long as William Briggs is not a Leaver and he (and any of his Permitted Transferees) holds at least 10% of the Shares he shall be entitled at any time and from time to time by the delivery of a written notice to the Company to appoint one person as an executive director of the Company (and member of each and any committee of such Company) and may similarly require the removal from office of any such person and nominate another person in his place. Immediately upon service of any such notice the parties shall each separately undertake to exercise all rights and powers he/she or it may have, whether as a director or shareholder or otherwise, so as to procure the appointment or removal (as the case may be) of the nominated director who is the subject of such notice promptly following receipt.
- 6.5 Any appointment or removal of a director under Article 6.1 to Article 6.4 shall take effect at the time that a notice of appointment or removal signed by or on behalf of the appointing shareholder is received at the Company's registered office or produced to a meeting of the directors.
- 6.6 The Fund Manager on behalf of the Mercia Investors shall be entitled to appoint one person as an observer, for so long as any the Mercia Investor holds or is the beneficial owner of Shares and an observer shall be entitled to attend and speak at all meetings of the directors and to receive copies of all board papers as if he/she were a director but shall not be entitled to vote on any resolutions proposed at a meeting of the directors.
- 7 Investor Consent
- 7.1 Any consent or determination to be given under these Articles by the Mercia Investors may, unless otherwise notified to the Board by the Mercia Investors (in their sole discretion) be given by the Fund Manager on behalf of the Mercia Investors and any such consent or determination given by the Fund Manager on behalf of the Mercia Investors shall be conclusive and shall be binding on all Mercia Investors.
- 7.2 Any person (other than the Investor Director pursuant to Article 6.1 or the observer pursuant to Article 6.5 (as relevant)) communicating the consent, or withholding of consent, on behalf of the Mercia Investors pursuant to this Article shall not be acting in his capacity as a director and, accordingly, will not owe any fiduciary or other directors' duties to the Company in respect of that decision and the Shareholders accordingly waive any claim they may have in respect of the exercise of such power.
- 8 Alternate Directors
- 8.1 Each director shall be entitled to nominate another director or some other person who is willing to act as his alternate director. A nomination shall be subject to the approval of the other directors. A director may at his discretion remove an alternate director nominated by such director. The nomination and removal of an alternate director shall be by notice in writing given to the Company by the director wishing to appoint or remove an alternate director. An alternate director shall have the same entitlement as his appointor to receive notices of meetings of the directors and to attend, vote and be counted for the purpose of a quorum at any meeting at which his appointor is not personally present, and generally in the absence of his appointor at such meeting to exercise and discharge all the functions, powers and duties of his appointor.
- 8.2 Save as otherwise provided in these Articles an alternate director shall during his appointment be deemed to be a director for the purposes of these Articles, shall not be deemed to be an agent of his appointor, shall alone be responsible to the Company for his own acts or defaults and shall be entitled to be indemnified by the Company to the same extent as if he/she were a director.
- 8.3 An alternate director shall not in respect of the office of alternate director be entitled to receive any remuneration from the Company or to appoint another person as his alternate. The appointment of an alternate director shall immediately and automatically determine if the appointor ceases for any reason to be a director or on the happening of an event which, if he/she were a director, would cause the alternate director to vacate the office of director, or if by written notice to the Company the alternate director shall resign such appointment.

9 **Quorum for directors' meetings**

9.1 Subject to Article 3.1 and to Article 9.2, the quorum for the transaction of business at a meeting of directors is any two eligible directors which shall include the Investor Director (for so long as the Investor Director is appointed).

9.2 For the purposes of any meeting (or part of a meeting) held to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director (and where the conflicted director is not the Investor Director, shall include the Investor Director).

10 **Casting vote**

10.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall not have a casting vote.

11 **Authorising situational conflicts of interest.**

11.1 The directors may authorise, to the fullest extent permitted by law, any matter which would otherwise result in a director infringing his duty to avoid a situation in which he/she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties). The directors may do so subject to such terms and conditions, if any, as they may think fit from time to time to impose and subject always to their right to vary or terminate such authorisation.

11.2 However, the authorisation referred to in Article 11.1 is only effective if:

11.2.1 any requirement as to the quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director; and

11.2.2 the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

11.3 If a matter has been authorised by the directors in accordance with Article 11.1 (an "approved matter") then (subject to such terms and conditions, if any, as the directors may think fit from time to time to impose, and subject always to their right to vary or terminate such authorisation or the provisions set out below), the relevant director:

11.3.1 shall not be required to disclose any confidential information relating to the approved matter to the Company if to make such a disclosure would result in a breach of a duty or obligation of confidence owed by the relevant director in relation to or in connection with that approved matter;

11.3.2 may be required by the Company to maintain in the strictest confidence any confidential information relating to the approved matter which also relates to the Company;

11.3.3 may be required by the Company not to attend any part of a meeting of the directors at which anything relevant to the approved matter is to be discussed and any related board papers may be withheld from that director;

11.3.4 may absent himself from discussions, whether in meetings of the directors or otherwise, and exclude himself from information, which may be relevant to the approved matter;

11.3.5 shall not, by reason of his office as a director, be accountable to the Company for any benefit which he/she derives from the approved matter.

11.4 A director may, notwithstanding his office or the existence of an actual or potential conflict between the interests of the Company and those of another member of the Group which would be caught by section 175(1) of CA 2006, be a director or other officer of, or employed by or otherwise interested in, whether directly or indirectly, any other company in the Group (a "group company interest") and the director in question:

- 11.4.1 shall be entitled to be counted in the quorum and to attend any meeting or part of a meeting of the directors or a committee of the board of directors at which any matter which is or may be relevant to the group company interest may be discussed, and to vote on any resolution of the directors or a committee of the board of directors relating to such matter or to take any unanimous decision of the directors, and any board or committee papers relating to such matter shall be provided to the director in question at the same time as the other directors;
  - 11.4.2 shall not be obliged to account to the Company for any benefit which he/she derives from a group company interest;
  - 11.4.3 shall not be obliged to disclose to the Company or use for the benefit of the Company, any confidential information received by such director by virtue of his group company interest and otherwise than by virtue of his position as a director, if to do so would result in a breach of a duty or obligation of confidence owed by such director to any other company in the Group or third party.
- 11.5 The provisions of Articles 11.1 to 11.4 (inclusive) shall not apply to a conflict of interest which arises in relation to an existing or proposed transaction or arrangement with the Company but the following provisions of this Article 11.5 and Article 11.6 shall apply. Any director may be interested in an existing or proposed transaction or arrangement with the Company provided that he/she complies with CA 2006.
- 11.6 Without prejudice to the obligation of each director to declare an interest in accordance with sections 177 and 182 of CA 2006, a director may vote at a meeting of the board of directors or of a committee of the board of directors on any resolution concerning a matter in which he/she has an interest, whether direct or indirect, which relates to a transaction or arrangement with the Company, or in relation to which he/she has a duty. Having so declared any such interest or duty he/she may have, the director shall be counted in the quorum present when any such resolution is under consideration and if he/she votes on such resolution his vote shall be counted. He/she may also retain for his own absolute use and benefit all profits and advantages directly or indirectly accruing to such director under or in consequence of such transaction or arrangement. Article 14 of the Model Articles shall not apply.
- 11.7 Subject to the provisions of CA 2006 and provided (if these Articles so require) that he/she 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/she 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/she may owe to, or interest he/she 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:
- 11.7.1 any member of the Investor Group; and
  - 11.7.2 another body corporate or firm in which any member of the Investor Group has directly or indirectly invested, including without limitation any portfolio companies.
- 11.8 Terms and conditions of Board Authorisation for an Investor Director. Notwithstanding the other provisions of this Article 11, it shall not (save with the consent in writing of an Investor Director) be made a condition of any authorisation of a matter in relation to that Investor Director in accordance with section 175(5)(a) of CA 2006, that he/she shall be restricted from voting or counting in the quorum at any meeting of, or of any committee of the directors or that he/she shall be required to disclose, use or apply confidential information as contemplated in Article 11.10.
- 11.9 Subject to Article 11.10. (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 11), if a director, otherwise than by virtue of his position as director, receives information in respect of which he/she owes a duty of confidentiality to a person other than the Company, he/she shall not be required:

- 11.9.1 to disclose such information to the Company or to any director, or to any officer or employee of the Company; or
- 11.9.2 otherwise to use or **apply** such confidential information for the purpose of or in connection with the performance of his duties as a director.
- 11.10 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 11.9 shall **apply only if** the conflict arises out of a matter which falls within Article 11.8 or has been authorised under section 175(5)(a) of CA 2006.
- 11.11 Despite the above provisions of this Article 11, a director shall be regarded as having an interest which is material and which conflicts with the interests of the Company in (and accordingly shall not be entitled to vote in relation to) any matter which requires to be determined or decided by the directors under Article 18 or Article 19 to the extent the matter relates to any share held by that director or any Associate of that director or in which that director is otherwise interested.
- 12 **Records of decisions to be kept**
- 12.1 Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.
- 13 **Directors' expenses**
- 13.1 Article 20 of the Model Articles is amended by:
  - 13.1.1 the deletion of the word "may" and insertion of the word "must" in its place before the words "pay any reasonable expenses"; and
  - 13.1.2 the insertion of the words "and the secretary" before the words "properly incur".
- 14 **Secretary**
- 14.1 The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

## SHARES AND DISTRIBUTIONS

- 15  
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- 16 **Exclusion of statutory pre-emption rights**
- 16.1 Pursuant to section 567 CA 2006, the provisions of section 561 CA 2006 (existing Shareholders' right of pre-emption) and section 562 CA 2006 (communication of pre-emption offers to Shareholders) shall not apply to an allotment of equity securities (as defined in section 560 CA 2006) made by the Company.
- 16.2 Unless otherwise agreed by special resolution, if the Company proposes to allot any Equity Securities, those Equity Securities shall not be allotted to any person unless the Company has first offered them to all Equity Shareholders on the date of the offer on the same terms, and at the same price, as those Equity Securities are being offered to other persons on a pari passu and pro rata basis to the number of Shares held by those Equity Shareholders (as nearly as possible without involving fractions). The offer:
  - 16.2.1 shall be in writing, shall be open for acceptance for a period of 15 Business Days from the date of the offer and shall give details of the number and subscription price of the relevant Equity Securities; and
  - 16.2.2 may stipulate that any shareholder who wishes to subscribe for a number of Equity Securities in excess of the proportion to which he is entitled shall, in his

acceptance, state the number of excess equity securities ("**Excess Securities**") for which he wishes to subscribe.

- 16.3 Subject to Article 16.6, any Equity Securities not accepted by the Equity Shareholders pursuant to the offer made to them in accordance with Article 16.2 shall be used for satisfying any requests for Excess Securities made pursuant to Article 16.2. If there are insufficient equity securities to satisfy such requests, the Equity Securities shall be allotted to the applicants for Excess Securities pro rata to the number of Equity Shares held by such applicants immediately before the offer was made to Equity Shareholders in accordance with Article 16.2 (as nearly as possible without involving fractions or increasing the number of Equity Securities allotted to any shareholder beyond that applied for by the relevant applicant). After that allotment, any Equity Securities remaining shall be offered to any other person as the directors may determine, at the same price and on the same terms as the offer to the Equity Shareholders.
- 16.4 Subject to Articles 16.2 and 16.3, to sections 550 or 551 of CA 2006 and Investor Consent, any Equity Securities shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.
- 16.5 No Shares shall be allotted (nor any Shares be transferred) to any Employee, director, prospective Employee or director unless such person has entered into a joint election with the Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.
- 16.6 Any Mercia Investor shall be entitled to offer any right (in whole or in part) under this under Article 16 to subscribe for Shares to any member of the Investor Group, any venture capital trust, venture capitalist, investment trust, investment company, limited partnership, SEIS fund (approved or unapproved); EIS fund (approved or unapproved) or other such like entity advised or managed by the same investment adviser/ manager to the relevant Mercia Investor.
- 17 Replacement share certificates
- 17.1 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" are deleted and replaced with the words "evidence and indemnity".
- 18 Share transfers – permitted transfers and transfer procedure
- 18.1 Unless made in accordance with these Articles and with Investor Consent (unless the transfer is made by an Investor or pursuant to Articles 18.7.1 to 18.7.5 ), a Shareholder must not sell, transfer or dispose of any of his Shares, or any interest in them, or create or permit to exist any charge, lien or encumbrance over any of his Shares or any interest in them, or agree to do any of the above whether conditionally or unconditionally. If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles he/she will be deemed immediately to have served a Transfer Notice in respect of all Shares held by any such Shareholder. A Growth Share cannot be transferred except that a Participating Growth Share can be transferred in connection with a Sale
- 18.2 The directors may, as a condition to the registration of any transfer of shares in the Company (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 any shareholders' 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 the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.
- 18.3 Notwithstanding any other provision of these Articles, no Shares offered for sale or otherwise to be transferred pursuant to these Articles shall be purchased by the Company if such purchase would result in an EIS and SEIS Reliefs previously claimed by any of the Investors being reduced or withdrawn.
- 18.4 The directors may refuse to register the transfer of any share:

- 18.4.1 if it is a transfer of a Share to a bankrupt, a minor or a person of unsound mind;
- 18.4.2 if the transfer is not accompanied by the certificate for the Shares to which it relates (or an indemnity for lost certificate in a form acceptable to the Board) and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;
- 18.4.3 if the transfer is in respect of more than one class of Share;
- 18.4.4 with the exception of a Permitted Transfer, if the transfer is in favour of more than four transferees;
- 18.4.5 in accordance with the discretions vested in them pursuant to article 26 of the Model Articles;
- 18.4.6 if it is to a person who is, or whom the directors reasonably believe to be, under 18 years of age or who does not have, or whom the directors reasonably believe does not have, the legal capacity freely to dispose of any share without restriction or court approval;
- 18.4.7 if they have reasonable grounds for believing that such share will or may be transferred to or become beneficially owned by a person, or an Associate of a person, carrying on business in competition with any business at the relevant time being carried on by a member of the Group;
- 18.4.8 if the transferee fails to execute a deed of adherence in connection with that transfer as required by Article 18.2;
- 18.4.9 if the transferor fails to comply with any information request under Article 18.5 in connection with the transfer;

and any right to transfer a Share under these Articles shall be subject to this Article 18.3. If the directors refuse to register a transfer, the instrument of transfer must be returned to the transferee with a notice of refusal unless they suspect that the proposed transfer may be fraudulent.

- 18.5 For the purpose of ensuring compliance with any provision of these Articles or CA2006 in connection with a transfer or proposed transfer of a share or an interest in a share, the directors may from time to time require any shareholder to provide to the Company such information and evidence as the directors may reasonably think fit regarding any matter which they may deem relevant for such purposes.
- 18.6 Except as provided in Article 18.3 or as required by law, the directors must register the transfer of a Share which is required or permitted by any provision of these Articles.
- 18.7 Except as provided in Article 18.1 and this Article 18.7, a Shareholder may transfer all or any of his or its shares without restriction as to price or otherwise to any of the following (each a "Permitted Transferee"):
  - 18.7.1 a Privileged Relation;
  - 18.7.2 trustees to be held upon a Family Trust which he is the settlor;
  - 18.7.3 where any Shares are held by trustees upon a Family Trust:
    - (i) the new trustees of that Family Trust on any change of trustees;
    - (ii) the settlor or to another Family Trust of which he is the settlor or to any Privileged Relation of the settlor;
  - 18.7.4 where any shares are held by RNOH, to any wholly-owned subsidiary of RNOH;
  - 18.7.5 where any shares are held by any Mercia Investor, to any member of its Investor Group;

- 18.7.6 the Company pursuant to Article 2.7 or CA 2006 (to the extent permissible by law);
- 18.7.7 a Holding Company where there is a sale of the entire issued share capital of the Company;
- 18.7.8 any transferee of Deferred Shares in accordance with Article 19.15;
- 18.7.9 where the transfer is required by Article 19 (Compulsory Sale of Shares), a transferee;

save that transfers under: Articles 18.7.6 and 18.7.8 shall be subject to Investor Consent and the consent of the Board.

- 18.8 Any Shares held by a nominee for their beneficial owner (the "Beneficial Owner") may be transferred by the nominee to the Beneficial Owner or to another person shown to the reasonable satisfaction of the directors to be a nominee of the Beneficial Owner without any restriction as to price or otherwise. Where any person to whom any Shares have been transferred as a nominee ceases to hold such Shares as nominee for the Beneficial Owner he shall forthwith transfer such Shares to the Beneficial Owner or to another person shown to the reasonable satisfaction of the directors to be a nominee for the Beneficial owner and in default of doing so he shall be deemed to have given a Transfer Notice in respect of all such Shares
- 18.9 Subject to Articles 18.1 (Right to Transfer), 18.7 (Permitted transfers), 19 (Compulsory transfers), 20 (Drag Along) or 21 (Tag Along), every Shareholder who wishes to transfer all or any of his Shares or to dispose of any interest in them ("Seller") shall give notice in writing ("Transfer Notice") to the Company, such notice to be accompanied by the relevant share certificate(s). A Transfer Notice may include more than one share and shall operate as a separate notice in respect of every share included in it. The Transfer Notice shall:
  - 18.9.1 state the number of Shares which the Seller desires to transfer or dispose of ("Sale Shares") and whether the Seller is willing to sell part of the Sale Shares or only the whole of them;
  - 18.9.2 specify the price per share in cash at which the Seller is prepared to sell the Sale Shares;
  - 18.9.3 appoint the Company as the agent of the Seller for the sale of any of the Sale Shares and all rights in them at the Sale Price (as defined in Article 18.17); and
  - 18.9.4 give details of any person to whom the Seller wishes to transfer any of the Sale Shares in the event that no purchaser shall have been found pursuant to Articles 18.11 to 18.14.
- 18.10 The Seller may withdraw the Transfer Notice by notice in writing given to the Company within 3 days after communication to the Seller pursuant to Article 18.17 of the Market Value of the Sale Shares as certified by the Accountants in accordance with Article 18.17. Save as set out before or as provided in Article 18.14, a Transfer Notice once given or deemed to be given shall be irrevocable.
- 18.11 Within 10 Business Days of receiving a Transfer Notice or of a Transfer Notice being deemed to have been given or, if later, within 10 Business Days after the Sale Price shall have been determined (the Seller not having exercised his right of withdrawal under Article 18.10 or such right having ceased to be exercisable (as the case may be)), the Company shall offer the Sale Shares, giving details in writing of the number of the Sale Shares and the Sale Price, to all Equity Shareholders (other than the Seller) pro rata as nearly as may be in proportion to their respective shareholdings and inviting each shareholder to state in writing within 21 days from the date of the offer ("Acceptance Period") whether he is willing to purchase any of the Sale Shares at the Sale Price and, if so, the maximum number of Shares that he is willing to purchase. The Company shall also give details to the Equity Shareholders (excluding the Seller) of the person, if any, to whom the Seller wishes to transfer the Sale Shares in the event that no purchaser for them is found pursuant to Articles 18.11 to 18.14. An Equity Shareholder wishing to accept the offer shall, before the expiry of the Acceptance Period, give notice in writing to the Company specifying the number of Shares that he wishes to purchase.

- 18.12 Subject to Article 18.19, if the Equity Shareholders accepting the offer in relation to all the Sale Shares to which they are respectively entitled shall have also accepted (or otherwise stated their willingness to purchase) additional Sale Shares, with the result that purchasers have been found for all the Sale Shares, the Equity Shareholders concerned shall on expiry of the Acceptance Period be deemed to have accepted and offered to purchase such additional Sale Shares. If acceptances are received for more additional Sale Shares than the number available for further purchase such acceptances shall be scaled down pro-rata (without involving fractions of a share) in the proportions in which such Equity Shareholders have offered to purchase them).
- 18.13 Upon expiry of the Acceptance Period the Company shall offer any remaining Sale Shares to the Equity Shareholders who have accepted the offer in relation to all the Sale Shares to which they are respectively entitled, and if more than one Equity Shareholder shall have accepted the offer, in proportion (without involving fractions of a share) to their respective shareholdings at that time (including any Shares accepted pursuant to the provisions of this Article). Any such further offer which has not been accepted within 14 days of the date upon which it is made ("Further Acceptance Period") shall be deemed to have been refused.
- 18.14 As soon as practicable after expiry of the Acceptance Period or the Further Acceptance Period, the Company shall give notice to the Seller of the numbers of Sale Shares which Equity Shareholders are willing to purchase stating the name and address of and the number of Shares agreed to be purchased by each proposed purchaser. If the Company has found Equity Shareholders willing to purchase some but not all of the Sale Shares, the Seller may within 7 days of the receipt of such notice from the directors give a counter-notice in writing to the directors withdrawing the Transfer Notice. If the Company has found Equity Shareholders willing to purchase all the Sale Shares or the Seller does not give a counter-notice within such 7-day period, the Seller shall be bound, on receipt of the Sale Price per share, to transfer the Sale Shares (or those for which the Company has found purchasers) to the purchasers notified by the Company in accordance with this Article. The purchase shall be completed as soon as reasonably practicable at a place and time to be appointed by the Company when, against payment of the Sale Price for each share and any relevant stamp duty, the purchaser(s) shall be registered as the holder(s) of the transferred Shares in the register of members and share certificate(s) in the names of such purchaser(s) and in respect of the transferred Shares shall be delivered.
- 18.15 If the Seller, after having become bound to transfer any Sale Shares to a purchaser, makes default in so doing, the Company shall authorise some person to execute any necessary transfer of the Sale Shares in favour of the purchaser and shall register the purchaser in the register of members as the holder of such of the Sale Shares as shall have been transferred to the relevant purchaser. The Company shall receive the purchase money on behalf of the Seller but shall not be bound to earn or pay interest on it. The receipt of the Company for the purchase money shall be a good discharge to any 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 accordance with this article the validity of the proceedings shall not be questioned by any person.
- 18.16 If by the end of the applicable acceptance periods specified above the Company shall not have found purchasers for all the Sale Shares and the Seller shall not have given a counter-notice as referred to in Article 18.14, the Seller shall be at liberty to sell and transfer all or any of the Sale Shares for which no purchasers shall have been found at any time within the following 3 months to the person, if any, specified in the Transfer Notice as the person to whom the Seller wishes to transfer the Sale Shares or, if no such person is specified, any person or persons whatsoever pursuant to a bona fide sale at any price not being less than the Sale Price.
- 18.17 For the purposes of this Article 18, the expression "Sale Price" shall mean the price per share (if any) specified in the Transfer Notice or (if no such price is so specified) the price per share as the Seller and the directors (with Investor Consent) shall agree or failing agreement as the Accountants (acting as an expert and not as arbitrators) shall state in writing to be in their opinion the market value of the Sale Shares based on the Market Price assumptions (the "Market Value"). The Accountants shall be requested to determine the Market Value within 20 Business Days of their appointment and to notify the Board of their determination. The

Accountants 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). The Board will give the Accountants access to all accounting records or other relevant documents of the Company subject to them agreeing to such confidentiality provisions as the Board may reasonably impose. The Seller, the Board and Investors may make written submissions to the Experts, provided that such submissions are shared with the other parties. The cost of obtaining the certificate of the Accountants shall be borne by the Company. The directors shall procure that a copy of the Accountant's certificate is sent to the Seller as soon as practicable after it is issued.

18.18 Any Sale Shares sold pursuant to this Article 18 shall be transferred free from any claims, equities, liens and encumbrances and with all rights attached to them as at the date of service of the Transfer Notice, but without the benefit of any other warranties or representations whatsoever.

18.19 Any Mercia Investor shall be entitled to offer any right (in whole or in part) under this Article 18 to acquire Shares to any member of the Investor Group, venture capital trust, venture capitalist, investment trust, investment company, limited partnership, SEIS fund (approved or unapproved); EIS fund (approved or unapproved) or other such like entity advised or managed by the same investment adviser/ manager to the relevant Mercia Investor.

## 19 Share transfers – compulsory transfers

19.1 If a Founder is a Good Leaver:

19.1.1 prior to or on the date of the first anniversary of the Original Date of Adoption (the "Initial Good Leaver Period");

- (i) the Company may issue a Board Leaver Notice in respect of 50% of his Leaver Shares (rounded down to the nearest whole share); and
- (ii) the Leaver may deliver a Leaver Notice in respect of 50% of his Leaver Shares (rounded down to the nearest whole share);

19.1.2 after the Initial Good Leaver Period but prior to or on the day of the second anniversary of the Original Date of Adoption (the "Second Good Leaver Period");

- (i) the Company may issue a Board Leaver Notice in respect of 25% of his Leaver Shares (rounded down to the nearest whole share); and
- (ii) the Leaver may deliver a Leaver Notice in respect of 75% of his Leaver Shares (rounded down to the nearest whole share); or

19.1.3 after the Second Good Leaver Period but prior to or on the day falling 32 months of the Original Date of Adoption:

- (i) the Company may issue a Board Leaver Notice in respect of the Unvested Proportion of the Leaver Shares (rounded down to the nearest whole share); and
- (ii) the Leaver may deliver a Leaver Notice in respect of the Vested Proportion of the Leaver Shares (rounded down to the nearest whole share),

as follows:

(1) Cessation Date	(2) Unvested Proportion	(3) Vested Proportion
On or before the date falling 25 months after the Original Date of Adoption	22.22%	77.78%
Falling over 25 months following the Original Date of Adoption but on or before 26 months following the Original Date of Adoption	19.44%	80.56%
Falling over 26 months following the Original Date of Adoption but on or before 27 months following the Original Date of Adoption	16.67%	83.33%
Falling over 27 months following the Original Date of Adoption but on or before 28 months following the Original Date of Adoption	13.89%	86.11%
Falling over 28 months following the Original Date of Adoption but on or before 29 months following the Original Date of Adoption	11.11%	88.89%
Falling over 29 months following the Original Date of Adoption but on or before 30 months following the Original Date of Adoption	8.33%	91.67%
Falling over 30 months following the Original Date of Adoption but on or before 31 months following the Original Date of Adoption	5.56%	94.44%
Falling over 31 months following the Original Date of Adoption but on or before 32 months following the Original Date of Adoption	2.78%	97.22%
32 months following the Original Date of Adoption	0%	100%

19.2 If a Founder is an Intermediate Leaver:

19.2.1 prior to or on the date of the first anniversary of the Original Date of Adoption (the "Initial Intermediate Leaver Period"):

- (i) the Company may issue a Board Leaver Notice in respect of 66.7% of his Leaver Shares (rounded down to the nearest whole share); and
- (ii) the Leaver may deliver a Leaver Notice in respect of 33.3% of his Leaver Shares (rounded down to the nearest whole share);

19.2.2 after the Initial Intermediate Leaver Period but prior to or on the day of the second anniversary of the Original Date of Adoption (the “Second Intermediate Leaver Period”):

- (i) the Company may issue a Board Leaver Notice in respect of 33.3% of his Leaver Shares (rounded down to the nearest whole share); and
- (ii) the Leaver may deliver a Leaver Notice in respect of 66.7% of his Leaver Shares; or

19.2.3 after the Second Intermediate Leaver Period but prior to or on the day falling 32 months of the Original Date of Adoption:

- (i) the Company may issue a Board Leaver Notice in respect of the Unvested Proportion of the Leaver Shares (rounded down to the nearest whole share); and
- (ii) the Leaver may deliver a Leaver Notice in respect of the Vested Proportion of the Leaver Shares (rounded down to the nearest whole share),

as follows:

(1) Cessation Date	(2) Unvested Proportion	(3) Vested Proportion
On or before the date falling 25 months after the Original Date of Adoption	29.63%	70.37%
Falling over 25 months following the Original Date of Adoption but on or before 26 months following the Original Date of Adoption	25.93%	74.07%
Falling over 26 months following the Original Date of Adoption but on or before 27 months following the Original Date of Adoption	22.22%	77.78%
Falling over 27 months following the Original Date of Adoption but on or before 28 months following the Original Date of Adoption	18.52%	81.48%
Falling over 28 months following the Original Date of Adoption but on or before 29 months following the Original Date of Adoption	14.81%	85.19%
Falling over 29 months following the Original Date of Adoption but on or	11.11%	88.89%

(1) Cessation Date	(2) Unvested Proportion	(3) Vested Proportion
before 30 months following the Original Date of Adoption		
Falling over 30 months following the Original Date of Adoption but on or before 31 months following the Original Date of Adoption	7.41%	92.59%
Falling over 31 months following the Original Date of Adoption but on or before 32 months following the Original Date of Adoption	3.70%	96.30%
Falling 32 months following the Original Date of Adoption	0%	100%

19.3 Any notice to be served by the Leaver pursuant to this Article 19 (a “Leaver Notice”) shall be served within 30 days of the Cessation Date and shall state the relevant number of Leaver Shares that the Leaver wishes to:

19.3.1 retain; and/or

19.3.2 be subject to a Transfer Notice in accordance with Articles 18.9 and 19.7 and the Leaver Notice shall constitute a Transfer Notice accordingly,

provided that, where the Leaver fails to serve the Leaver Notice in such manner within such period, the Leaver Shares shall be retained.

19.4 Any notice to be served by the Board pursuant to this Article 19 (a “Board Leaver Notice”) shall be served within 60 days of the Cessation Date and shall state the relevant number of Leaver Shares that the Board:

19.4.1 is allowing the Leaver to retain; and/or

19.4.2 is subject to a Transfer Notice in accordance with Articles 18.9 and 19.7 and the Board Leaver Notice shall constitute a Transfer Notice accordingly,

provided that, where the Board fails to serve the Board Leaver Notice in such manner within such period, the Leaver will be entitled to issue a Leaver Notice within 120 days of the Cessation Date.

19.5 Where the Founder is a Bad Leaver, 100% of their Leaver Shares shall be:

19.5.1 transferred to any party that the Board may elect; or

19.5.2 converted into Deferred Shares,

at the election of the Board with conversion into Deferred Shares occurring on the date elected by the Board (the “Deferred Conversion Date”).

19.6 The price payable for each Leaver Share subject to a Transfer Notice shall:

19.6.1 if the Leaver is a Good Leaver, be the Market Value;

19.6.2 if the Leaver is an Intermediate Leaver be:

(i) the nominal value of each Leaver Share that is subject to a Board Leaver Notice;

- (ii) the Market Value of each Leaver Share that is subject to a Leaver Notice;  
or
- 19.6.3 if the Leaver is a Bad Leaver, be the nominal value of the Shares.
- 19.7 If a Transfer Notice is given or is deemed to have been given under Articles 19.3 or 19.4, the Transfer Notice will be treated as having specified that the Market Value for the relevant number of Leaver Shares will be as agreed by the Board with Investor Consent (any director who is a Leaver or with whom the Leaver is connected (within the meaning of section 252 of CA 2006) not voting) and the Leaver, or, failing agreement within ten Business Days after the date of the relevant Leaver Notice or Board Leaver Notice, will be the Market Value of the Leaver Shares as determined by Article 18.17.
- 19.8 The Board (acting with Investor Consent) may direct that any Leaver Shares subject to a Transfer Notice may be offered;
  - 19.8.1 firstly, to the Company;
  - 19.8.2 secondly, such employees, non-executive directors or Consultants of the Company determined by the Board (acting with Investor Consent); and
  - 19.8.3 thirdly, to the Equity Shareholders

prior to such Leaver Shares being offered to third parties. Where there is no purchaser for any of the Leaver Shares subject to a Transfer Notice, the Leaver shall retain such Leaver Shares until such time as a purchaser is found and Article 18.16 shall not apply and the Leaver and the Company shall use all reasonable endeavours to find such a purchaser.
- 19.9 Unless the Board resolves otherwise, any existing Transfer Notice relating to the Relevant Leaver Shares or any of them in force at the Cessation Date shall immediately be cancelled (unless the transferee(s) are bound to pay for such shares and the transferor(s) are bound to transfer them in accordance with Article 18) and no further Transfer Notice shall be issued or be deemed to be issued in respect of the Relevant Leaver Shares except pursuant to this Article 19.
- 19.10 Unless such a Board resolution is passed, no Leaver Shares which are subject to Article 19.5 or subject to a Board Leaver Notice issued pursuant to Articles 19.4.2 shall be transferred pursuant to Article 21 until the Leaver can no longer be bound to transfer them under this Article 19 or Article 18.
- 19.11 All Leaver Shares and any shares issued to the Leaver after the Cessation Date whether by virtue of the exercise of any right or option granted or arising by virtue of the holding of such Leaver Shares or otherwise shall cease to confer the right to be entitled to receive notice of or to attend or vote at any general meeting or on any written resolution of the Company or at any meeting or on any written resolution of the holders of any class of shares in the capital of the Company and such shares shall not be counted in determining the total number of votes which may be cast at any such meeting or required for the purposes of a written resolution of any members or class of members or any consent under these Articles or otherwise. Such rights shall be restored:
  - 19.11.1 immediately upon a Sale or an IPO;
  - 19.11.2 immediately following the transfer (not being a Permitted Transfer) of such Leaver Shares in accordance with these Articles; and
  - 19.11.3 may otherwise be restored in respect of some or all of such Leaver Shares at the sole discretion of the Board (with Investor Consent).
- 19.12 Any Board Leaver Notice or Leaver Notice which requires the transfer of any Leaver Shares in accordance with this Article 19 shall be irrevocable unless the prior written consent of the Board (acting with Investor Consent) and the relevant Leaver is received.
- 19.13 Nothing in this Article 19 shall alter the existing terms of employment of a Founder in place at the Original Date of Adoption.

## 19.14 If the Founder:

- 19.14.1 receives a Board Leaver Notice;
- 19.14.2 delivers a Leaver Notice; or
- 19.14.3 is a Bad Leaver and fails to complete the transfer of his Leaver Shares in accordance with these Articles,

the directors may authorise any person to execute on behalf of and as agent of the Founder an appropriate contract and, in the absence of the relevant share certificate, any indemnity in respect thereof requested by the directors and may deliver it or them on the relevant Founder's behalf. The Company shall send a cheque in respect of the price payable for the relevant Leaver Shares (as determined by Article 19.6) to the Relevant Founder at his registered address and after appropriate entries have been made in the Register of Members in purported exercise of this right, the validity of the proceedings shall not be questioned by any person.

- 19.15 If a holder of Growth Shares ceases to be Employed (as defined in the Subscription Agreement), all of the holders Growth Shares for which the performance conditions have not been met as at the Effective Termination Date (each as determined under the relevant Subscription Agreement) shall automatically convert into Deferred Shares at the conversion rate of one Deferred Share for each Growth Share from the Effective Termination Date.
- 19.16 Upon conversion of any Shares into Deferred Shares, the Company shall enter the holder of the Deferred Shares in the register of members of the Company as the holder of the appropriate number of Deferred Shares as from the Deferred Conversion Date. Upon the Deferred Conversion Date, the Leaver (and his Permitted Transferee(s)) shall deliver to the Company at its registered office the shares certificate(s) (to the extent not already in the possession of the Company) (or an indemnity for lost certificate in a form acceptable to the Board) for the shares so converting and upon such delivery there shall be issued to the Leaver (or his Permitted Transferee(s)) share certificate(s) for the number of Leaver Shares which are retained by the Leaver.
- 19.17 If a corporate member ceases to be within the control (as such term is defined by section 1124 Corporation Tax Act 2010) of the person(s) who controlled such company on the date on which it became a member of the Company it shall (unless the holders of at least 75% of the Shares shall agree in writing otherwise) be deemed to have immediately given a transfer notice in respect of all the Shares as shall then be registered in its name.
- 19.18 If and whenever a Privileged Relation to whom Shares have been transferred ceases to be a Privileged Relation of the shareholder who made the transfer, such transferee shall forthwith (unless the Board shall determine otherwise), and in any event within 10 Business Days of the date upon which such transferee ceases to be a Privileged Relation of the original shareholder, transfer all of the relevant Shares held by it to the original shareholder, failing which the Board is irrevocably authorised to appoint any director at any time as agent to execute a transfer of the relevant Shares on behalf of the relevant transferee and the Company may register the original shareholder as the holder of those Shares.
- 19.19 If and whenever any Shares held by trustees upon a Family Trust cease to be so held upon a Family Trust (otherwise than in consequence of a transfer to the settlor, to any Privileged Relation of the settlor or other Permitted Transfer) such holder shall forthwith, and in any event within 10 Business Days of the date upon which such shares cease to be so held:
  - 19.19.1 in the case of Shares transferred to the trustees of a Family Trust, all of the relevant Shares held by it to the original shareholder, failing which the Board is irrevocably authorised to appoint any director at any time as agent to execute a transfer of the relevant Shares on behalf of such holder and the Company may register the original shareholder as the holder of those Shares; or
  - 19.19.2 in the case of Shares originally held by trustees of a Family Trust, transfer all of such Shares held by it to the settlor of such Family Trust or to another Family Trust of such settlor or to any Privileged Relation of such settlor, failing which a Transfer

Notice shall be deemed to have been given in respect of the all such shares by such holder and such Shares may not otherwise be transferred.

- 19.20 For the purposes of Articles 19.18 and 19.19 the expression “relevant Shares” means and includes the Shares originally transferred to the trustees or Privileged Relation and any additional shares issued or transferred to the trustees or Privileged Relation by virtue of the holding of the relevant Shares or any of them.
- 19.21 For the avoidance of doubt, where a Leaver has died or is incapacitated his executors, beneficiaries and/or trustees, as the case may be, shall be subject
- 19.22 A person entitled to a share or shares in consequence of the bankruptcy of a member:
- 19.22.1 shall be deemed to have served the Company with a Transfer Notice in respect of all such Share(s) on the date of bankruptcy (as appropriate); and
- 19.22.2 shall be bound by any notice given to the member in respect of the Shares.
- 20 Drag along
- 20.1 If the holders of more than 50% of the Shares (excluding Deferred Shares) including the Investors (“Selling Shareholders”) wish to transfer all of their interest in Shares (“**Sellers’** Shares”) to a bona fide arm’s length purchaser (“Proposed Buyer”), the Selling Shareholders have the option to require all the other holders of Equity Securities (“Called Shareholders”) to sell and transfer all their Equity Securities to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this Article (“Drag Along Option”).
- 20.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect (“Drag Along Notice”) at any time before the transfer of the Sellers’ Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- 20.2.1 that the Called Shareholders are required to transfer all their Equity Securities (“Called Shares”) pursuant to this Article 20;
- 20.2.2 the Proposed Buyer;
- 20.2.3 the consideration payable for the Called Shares calculated in accordance with Article 20.4; and
- 20.2.4 the proposed date of the transfer.
- 20.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers’ Shares to the Proposed Buyer within 25 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 20.4 Subject to Articles 20.5, and 20.6, the consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Buyer were distributed to the holders of the Called Shares and the Sellers’ Shares in proportion to the number of Shares held and the Called Shareholders (and their Permitted Transferees):
- 20.4.1 will receive cash or marketable securities as consideration for the transfer of their Equity Shares and Participating Growth Shares; and
- 20.4.2 will not be required to provide any Proposed Buyer with any representations, warranties or indemnities (save as to title and capacity) or give any restrictive covenants or undertakings).
- 20.5 Where Called Shareholders are holders of Deferred Shares, the amounts to be paid for such Deferred Shares, if any, shall be a total of £1.00 for the entire class of Deferred Shares (which payment shall be deemed satisfied by the payment to any one holder of Deferred Shares)

- 20.6 Where Called Shareholders are holders of Non-Participating Growth Shares, the amounts to be paid for such Non-Participating Growth Shares, if any, shall be a total of £1.00 for the entire class of Non-Participating Growth Shares (which payment shall be deemed satisfied by the payment to any one holder of Non-Participating Growth Shares)
- 20.7 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 20.
- 20.8 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Sellers' Shares unless all of the Called Shareholders (other than Deferred Shareholders and Non-Participating Growth Shareholders) and the Selling Shareholders agree otherwise.
- 20.9 Provided that the Proposed Buyer is ready, willing and able to complete the sale of the Called Shares on the completion date determined in accordance with Article 20.8, the rights of pre-emption set out in these Articles and the requirement for an offer under Article 21 shall not apply to any transfer of Shares to a Proposed Buyer (or as they may direct) pursuant to a sale for which a Drag Along Notice has been duly served.
- 20.10 On the completion date determined in accordance with Article 20.8, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificate (or a suitable indemnity for any lost share certificate) to the Company and, against delivery of such documents, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due pursuant to Article 20.4 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt of the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 20.4 in trust for the Called Shareholders without any obligation to pay interest.
- 20.11 To the extent that the Proposed Buyer has not, on the completion date determined in accordance with Article 20.8, put the Company in funds to pay the consideration due pursuant to Article 20.4, the Called Shareholders shall be entitled to the return of the stock transfer form and share certificate (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further obligations under this Article 20 in respect of their Shares.
- 20.12 If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by any such Called Shareholder, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent to execute all necessary transfer(s) on his behalf and, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares, deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or their nominee) has been registered as the holder of such Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of Shares under this Article 20.12.
- 20.13 Following the issue of a Drag Along Notice, on any person becoming a shareholder of the Company pursuant to the exercise of a pre-existing option to acquire Shares or on the conversion of any convertible security of the Company (a "New Shareholder"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice. The New Shareholder shall then be bound to sell and transfer all Shares acquired to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this Article 20 shall apply with the necessary changes to the New Shareholder, except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

## 21 Tag Along

- 21.1 Save for (i) any Permitted Transfer under Article 18.1, (ii) where a Drag Along Notice has been served pursuant to Article 20 in relation to the relevant sale or transfer or (iii) the transfer is made by an Investor, no sale or transfer of the legal or beneficial interest in any Shares in the Company may be made or validly registered if the holders of over 51% of the Shares (excluding

Deferred Shares and Growth Shares) in the Company in issue for the time being (the "Proposed Transferor") propose a transfer of the Shares held by them to another member or third party, other than where the provisions of Articles 18.9 to 18.19 apply, (each a "Proposed Transferee") unless the proposed transferee or transferees or his or their nominees are independent third party bona fide purchasers acting in good faith and has observed the following procedures of this Article.

- 21.2 The Proposed Transferor must, before making a Proposed Transfer procure the making by the Proposed Transferee of an offer to those other Shareholders who at the time of that offer hold Shares in the Company, to acquire their Shares on a pro rata basis for a consideration per Share (excluding Deferred Shares and Non-Participating Growth Shares) the value of which is at least equal to the highest consideration per Share paid or payable by the Proposed Transferee for any Share during the period of 12 months ending on the date of the offer. Where those other Shareholders are holders of Deferred Shares, the amounts to be paid for such Deferred Shares, if any, shall be a total of £1.00 for the entire class of Deferred Shares (which payment shall be deemed satisfied by the payment to any one holder of Deferred Shares). Where those other Shareholders are holders of Non-Participating Growth Shares, the amounts to be paid for such Non-Participating Growth Shares, if any, shall be a total of £1.00 for the entire class of Non-Participating Growth Shares (which payment shall be deemed satisfied by the payment to any one holder of Non-Participating Growth Shares)
- 21.3 The offer referred to in Article 21.2 must be expressed to be capable of acceptance for a period of not less than 15 Business Days and if it is accepted by any Shareholder (an "Accepting Shareholder") within that period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the Shares held by Accepting Shareholders.

## 22 Lien

- 22.1 The Company shall have a first and paramount lien (the "Company's Lien") over every Share (whether or not a fully paid share) for all and any indebtedness of any holder of it to the Company (whether a sole holder or one of two or more joint holders), whether or not that indebtedness or liability is in respect of the Shares concerned and whether or not it is presently payable.
- 22.2 The Company's Lien over a Share:
- 22.2.1 shall take priority over any third party's interest in that Share; and
- 22.2.2 extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share.
- 22.3 The Directors may at any time decide that a Share which is, or would otherwise be, subject to the Company's Lien shall not be subject to it, either wholly or in part.
- 22.4 Subject to the provisions of this Article 22, if:
- 22.4.1 a notice complying with Article 22.4 (a "Lien Enforcement Notice") has been given by the Company in respect of a Share; and
- 22.4.2 the person to whom the notice was given has failed to comply with it,
- 22.4.3 the Company shall be entitled to sell that Share in such manner as the Directors decide.
- 22.5 A Lien Enforcement Notice:
- 22.5.1 may only be given by the Company in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
- 22.5.2 must specify the Share concerned;

- 22.5.3 must require payment of the sum payable within 3 days of the notice;
- 22.5.4 must be addressed either to the holder of the Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise; and
- 22.5.5 must state the Company's intention to sell the Share if the notice is not complied with.
- 22.6 Where any Share is sold pursuant to this Article 22:
  - 22.6.1 the Directors may authorise any person to execute an instrument of transfer of the Share to the purchaser or a person nominated by the purchaser; and
  - 22.6.2 the transferee shall not be bound to see to the application of the consideration, and the transferee's title shall not be affected by any irregularity in or invalidity of the process leading to the sale.
- 22.7 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
  - 22.7.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice;
  - 22.7.2 secondly, to the person entitled to the Share at the date of the sale, but only after the certificate for the Share sold has been surrendered to the Company for cancellation or an indemnity for lost certificate in a form acceptable to the Board has been given for any lost certificate, and subject to a lien equivalent to the Company's Lien for any money payable (whether or not it is presently payable) as existing upon the Share before the sale in respect of all Shares registered in the name of that person (whether as the sole registered holder or as one of several joint holders) after the date of the Lien Enforcement Notice.
- 22.8 A statutory declaration by a Director or the company secretary that the declarant is a Director and that a Share has been sold to satisfy the Company's Lien on a specified date:
  - 22.8.1 shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
  - 22.8.2 subject to compliance with any other formalities of transfer required by these Articles or by law, shall constitute a good title to the Share.
- 23 Call Notices
- 23.1 Subject to these Articles and the terms on which Shares are allotted, the Directors may send a notice (a "Call Notice") to a Shareholder who has not fully paid for that Shareholder's Share(s) requiring the Shareholder to pay the Company a specified sum of money (a "call") which is payable to the Company by that Shareholder when the Directors decide to send the Call Notice.
- 23.2 A Call Notice:
  - 23.2.1 may not require a Shareholder to pay a call which exceeds the total sum unpaid on that Shareholder's Shares (whether as to the Share's nominal value or any sum payable to the Company by way of premium);
  - 23.2.2 shall state when and how any call to which it relates it is to be paid; and
  - 23.2.3 may permit or require the call to be paid by instalments.
- 23.3 A Shareholder shall comply with the requirements of a Call Notice, but no Shareholder shall be obliged to pay any call before 3 days have passed since the notice was sent.
- 23.4 Before the Company has received any call due under a Call Notice the Directors may:
  - 23.4.1 revoke it wholly or in part; or

- 23.4.2 specify a later time for payment than is specified in the Call Notice, by a further notice in writing to the Shareholder in respect of whose Shares the call is made.
- 23.5 Liability to pay a call shall not be extinguished or transferred by transferring the Shares in respect of which it is required to be paid. Joint holders of a Share shall be jointly and severally liable to pay all calls in respect of that Share.
- 23.6 Subject to the terms on which Shares are allotted, the Directors may, when issuing Shares, provide that Call Notices sent to the holders of those Shares may require them to:
  - 23.6.1 pay calls which are not the same; or
  - 23.6.2 pay calls at different times.
- 23.7 A Call Notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share (whether in respect of nominal value or premium):
  - 23.7.1 on allotment;
  - 23.7.2 on the occurrence of a particular event; or
  - 23.7.3 on a date fixed by or in accordance with the terms of issue.
- 23.8 If the due date for payment of such a sum as referred to in Article 23.7 has passed and it has not been paid, the holder of the Share concerned shall be treated in all respects as having failed to comply with a Call Notice in respect of that sum, and shall be liable to the same consequences as regards the payment of interest and forfeiture.
- 23.9 If a person is liable to pay a call and fails to do so by the Call Payment Date:
  - 23.9.1 the Directors may issue a notice of intended forfeiture to that person; and
  - 23.9.2 until the call is paid, that person shall be required to pay the Company interest on the call from the Call Payment Date at the Relevant Rate (as defined below).
- 23.10 For the purposes of Article 23.9:
  - 23.10.1 the "Call Payment Date" shall be the time when the call notice states that a call is payable, unless the Directors give a notice specifying a later date, in which case the "Call Payment Date" is that later date;
- 23.11 the "Relevant Rate" shall be:
  - 23.11.1 the rate fixed by the terms on which the Share in respect of which the call is due was allotted;
  - 23.11.2 such other rate as was fixed in the Call Notice which required payment of the call, or has otherwise been determined by the Directors; or
  - 23.11.3 if no rate is fixed in either of these ways, five per cent. a year,

provided that the Relevant Rate shall not exceed by more than five percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998(a).
- 23.12 The Directors may waive any obligation to pay interest on a call wholly or in part.
- 23.13 The Directors may accept full payment of any unpaid sum in respect of a Share despite payment not being called under a Call Notice.
- 24 Forfeiture of Shares
- 24.1 A notice of intended forfeiture:
  - 24.1.1 may be sent in respect of any Share for which there is an unpaid sum in respect of which a call has not been paid as required by a Call Notice;

- 24.1.2 shall be sent to the holder of that Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise;
- 24.1.3 shall require payment of the call and any accrued interest by a date which is not fewer than 3 days after the date of the notice;
- 24.1.4 shall state how the payment is to be made; and
- 24.1.5 shall state that if the notice is not complied with, the Shares in respect of which the call is payable will be liable to be forfeited.
- 24.2 If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, then the Directors may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture.
- 24.3 Subject to these Articles, the forfeiture of a Share extinguishes:
  - 24.3.1 all interests in that Share, and all claims and demands against the Company in respect of it; and
  - 24.3.2 all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company.
- 24.4 Any Share which is forfeited in accordance with these Articles:
  - 24.4.1 shall be deemed to have been forfeited when the Directors decide that it is forfeited;
  - 24.4.2 shall be deemed to be the property of the Company; and
  - 24.4.3 may be sold, re-allotted or otherwise disposed of or cancelled as the Directors think fit.
- 24.5 If a person's Shares have been forfeited then:
  - 24.5.1 the Company shall send that person notice that forfeiture has occurred and record it in the register of members;
  - 24.5.2 that person shall cease to be a Shareholder in respect of those Shares;
  - 24.5.3 that person shall surrender the certificate for the Shares forfeited to the Company for cancellation;
  - 24.5.4 that person shall remain liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture); and
  - 24.5.5 the Directors shall be entitled to waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.
- 24.6 At any time before the Company disposes of a forfeited Share, the Directors shall be entitled to decide to cancel the forfeiture on payment of all calls and interest and expenses due in respect of it and on such other terms as they think fit.
- 24.7 If a forfeited Share is to be disposed of by being transferred, the Company shall be entitled to receive the consideration for the transfer and the Directors shall be entitled to authorise any person to execute the instrument of transfer.
- 24.8 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been forfeited on a specified date:
  - 24.8.1 shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and

- 24.8.2 subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the Share.
- 24.9 A person to whom a forfeited Share is transferred shall not be bound to see to the application of the consideration (if any) nor shall that person's title to the Share be affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share.
- 24.10 If the Company sells a forfeited Share, the person who held it prior to its forfeiture shall be entitled to receive the proceeds of such sale from the Company, net of any commission, and excluding any sum which:
- 24.10.1 was, or would have become, payable; and
- 24.10.2 had not, when that Share was forfeited, been paid by that person in respect of that Share,
- 24.10.3 but no interest shall be payable to such a person in respect of such proceeds and the Company shall not be required to account for any money earned on such proceeds.
- 25 Surrender of Shares
- 25.1 A Shareholder shall be entitled to surrender any Share:
- 25.1.1 in respect of which the Directors issue a notice of intended forfeiture;
- 25.1.2 which the Directors forfeit; or
- 25.1.3 which has been forfeited.
- 25.2 The Directors shall be entitled to accept the surrender of any such Share.
- 25.3 The effect of surrender on a Share shall be the same as the effect of forfeiture on that Share.
- 25.4 The Company may cancel a Share which has been surrendered.

#### DECISION MAKING BY SHAREHOLDERS

- 26 Quorum for general meetings
- 26.1 If the Company has only one Shareholder, one qualifying person present at a meeting is a quorum.
- 26.2 If the Company has more than one Shareholder, two qualifying persons present at a meeting are a quorum, unless each is a representative of a corporation or each is appointed as proxy of a shareholder and they are representatives of the same corporation or are proxies of the same shareholder.
- 26.3 For the purposes of these Articles, a "qualifying person" is:
- 26.3.1 an individual who is a Shareholder (excluding the holder of Deferred Shares or a holder of Growth Shares or a Leaver where the provisions of Article 19.14 are still in force);
- 26.3.2 a person authorised to act as the representative of a corporation in relation to the meeting; or
- 26.3.3 a person appointed as proxy of a shareholder in relation to the meeting.
- 27 Votes and Poll votes
- 27.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 CA 2006) present and entitled to vote at the meeting.
- 27.2 Article 44(3) of the Model Articles is 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 article.

- 27.3 A Growth Shareholder shall not exercise any right in respect of any Growth Shares to:
- 27.3.1 receive notice of or to attend or vote at any general meeting of the Company;
  - 27.3.2 receive or vote on any proposed written resolution;

28 Proxies

- 28.1 Article 45(1)(d) of the Model Articles is deleted and replaced with the words “is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate”.
- 28.2 Article 45(1) of the Model Articles is amended by the insertion of the words “and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting” as a new paragraph at the end of that article.

ADMINISTRATIVE ARRANGEMENTS

29 Service of notices and other documents

- 29.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- 29.1.1 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);
  - 29.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
  - 29.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
  - 29.1.4 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, no account shall be taken of any part of a day that is not a Business Day.

- 29.2 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 addressed to an address permitted for the purpose by CA 2006.

30 Indemnity

- 30.1 Subject to the provisions of, and so far as may be consistent with, the Companies Acts and any other provision of law, but without prejudice to any indemnity to which a relevant officer may otherwise be entitled, the Company shall indemnify every relevant officer out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred as a relevant officer in the actual or purported execution and/or discharge of the duties and/or the actual or purported exercise of powers and/or otherwise in relation to or in connection with the duties, powers or office, including (without prejudice to the generality of the foregoing) any liability incurred by the relevant officer in relation to any proceedings (whether civil or criminal) or any regulatory investigation or action which relate to anything done or omitted or alleged to have been done or omitted by the relevant officer provided that, in the case of any director, any such indemnity shall not apply to any liability of that director:

- 30.1.1 to the Company or to any of its associated companies;
- 30.1.2 to pay any fine imposed in criminal proceedings or any sum payable to a regulatory authority by way of penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); or
- 30.1.3 incurred:
  - (i) in defending any criminal proceedings in which he is convicted or any civil proceedings brought by the Company, or any of its associated companies, in which judgment is given against the relevant director; or
  - (ii) in connection with any application under any statute for relief from liability in respect of any such act or omission in which the court refuses to grant the relevant director relief,

in each case where the conviction, judgment or refusal of relief by the court is final within the meaning stated in section 234(5) CA 2006.
- 30.2 Every director shall be entitled to have funds provided by the Company to meet expenditure incurred or to be incurred in connection with any proceedings (whether civil or criminal) brought by any party which relate to anything done or omitted or alleged to have been done or omitted by the director, provided that the director will be obliged to repay such amounts no later than:
  - 30.2.1 in the event he is convicted in proceedings, the date when the conviction becomes final;
  - 30.2.2 in the event of judgment being given against the director in proceedings, the date when the judgment becomes final; or
  - 30.2.3 in the event of the court refusing to grant the director relief on any application under any statute for relief from liability, the date when refusal becomes final

in each case where the conviction, judgment or refusal of relief by the court is final within the meaning stated in section 234(5) CA 2006.
- 31 Insurance
  - 31.1 The directors shall purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.
  - 31.2 In this Article a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any employees' share scheme of the Company or associated company.

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