

COMPANY NO. 11556045
THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

Q5D TECHNOLOGIES LIMITED

Adopted by special resolution passed on 24 December 2021 (the
"Date of Adoption")

INTRODUCTION

1. INTERPRETATION

1.1 In these Articles, the following words have the following meanings:

A Director: any director appointed to the Company by holders of the A Shares;

A Share: an ordinary share of £0.00001 in the capital of the Company designated as an A Share;

Acting in Concert: has the meaning given to it in The City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time);

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

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

Asset Sale: means the sale, lease, exclusive licence or other disposition by the Group of all or substantially all of their undertaking and assets (where disposal may include, without limitation, the grant by the Company of an exclusive licence of intellectual property not entered into in the ordinary course of business);

Auditors: means the auditors of the Company from time to time;

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

B Director: any director appointed to the Company by holders of the B Shares;

B Share: an ordinary share of £0.00001 in the capital of the Company designated as a B Share;

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

Bonus Issue or Reorganisation: means any return of capital, bonus issue of shares or other securities of the Company by way of capitalisation of profits or reserves (other than a capitalisation issue in substitution for or as an alternative to a cash dividend which is

made available to the Preferred Shareholders) or any consolidation or sub-division or any repurchase or redemption of shares (other than Preferred Shares) or any variation in the subscription price or conversion rate applicable to any other outstanding shares of the Company in each case other than shares issued as a result of the events set out in Article 15.6;

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;

CA 2006: the Companies Act 2006;

Chrysalix: means Chrysalix Robovalley U.S. Limited Partnership, a Delaware limited liability partnership with registration number 6952117 and Chrysalix Robovalley Limited Partnership, a Cayman Island limited partnership with registration number HS-97635. Chrysalix's principal place of business is c/o manager, at 1111 West Hastings Street, Suite 333, Vancouver, BC, Canada V6E 2J3.;

Conflict: 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;

Continuing Shareholder: has the meaning given in Article 17.1;

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

Deemed Transfer Notice: a Transfer Notice that is deemed to have been served under any provisions of these Articles;

Director: any Director (including a Director appointed pursuant to Article 5) of the Company;

Fair Value: in relation to shares, as determined in accordance with Article 21;

Financial Year: has the meaning set out in section 390 of the CA 2006;

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

Group: in relation to a company, that company, any subsidiary or holding company from time to time of that company, and any subsidiary from time to time of a holding company of that company. Each company in a Group is a **member of the Group**;

Interested Director: has the meaning given in Article 3.1;

Chrysalix Director: means any director appointed to the Company by Chrysalix;

Investor Majority: means the holders of more than 66.6 per cent of the Preferred Shares from time to time;

Investor Majority Consent: means the prior written consent of the Investor Majority;

Investment Agreement: means the investment agreement entered into on or around the Date of Adoption between (1) the Company, (2) the Investors, and (3) the Founders (each terms as defined therein);

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

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

- (1) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of the Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business); or
- (2) any Investment Fund managed or advised by that Fund Manager; or
- (3) any parent undertaking or subsidiary undertaking of that Fund Manager, or any subsidiary undertaking of any parent undertaking of that Fund Manager; or
- (4) any trustee, nominee or custodian of such Investment Fund and vice versa; or
- (5) any successor fund established to continue the activity of the Investment Fund and in which the limited partners are substantially the same as the Investment Fund and to which substantially all of the Investment Fund holdings are or will be transferred;

Model Articles: 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 date of adoption of these Articles and reference to a numbered Model Article is a reference to that article of the Model Articles;

New Securities: means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the Date of Adoption (other than shares or securities issued as a result of the events set out in Article 15.6);

Ordinary Share: an ordinary share of £0.00001 in the capital of the Company and not designated an A Share or a B Share;

Permitted Group: in relation to a company, any wholly owned subsidiary of that company; and a **member of the Permitted Group** shall be construed accordingly;

Permitted Transfer: a transfer of shares made in accordance with Article 18;

Permitted Transferee: in relation to a company shareholder, any member of the same Permitted Group as that shareholder, and in relation to an individual shareholder, any one or more of that individual shareholder's spouse, civil partner, or issue (or trust exclusively for benefit of such persons), and in relation to a shareholder that is an Investment Fund, a member of the same Fund Group;

Preference Amount: means the amount paid (including any premium) for the relevant Preferred Shares (if applicable, adjusted in each case as referred to in Article 14.3 save that references to Starting Price shall be deemed to be references to Preference Amount for these purposes);

Preferred Shares: a preferred share of £0.00001 in the capital of the Company;

Proceeds of Sale: means the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale less any fees, costs and expenses payable in respect of such Share Sale as approved by the Board;

Purchase Notice: has the meaning given in Article 17.2;

Qualifying IPO: means an IPO where the gross proceeds to the Company of the listing are equal to or exceed (USD)\$30,000,000 (before the deduction of broker's commissions, discounts and fees) at an issue price per Ordinary Share of at least three times the Preference Amount;

Sale Shares: has the meaning given in Article 17.1;

Sale Price: has the meaning given in Article 17.1.2;

Seller: has the meaning given in Article 17.1;

Shares: the A Shares, the B Shares, the Preferred Shares and the Ordinary Shares;

Share Sale: means the sale of (or the grant of a right to acquire or to dispose of) any of the Shares (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 them 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;

Share Option Plan: means any share option plan(s) established by the Company from time to time;

Shareholders: means any holder of any Shares;

SOSV: means SOSV IV LLC, a Delaware limited liability company with registration number 7211119, and having its business address at 174 Nassau Street, #3000 Princeton NJ 08542 USA;

Starting Price: means the amount paid (including any premium) for the relevant Preferred Shares (if applicable, adjusted as referred to in Article 14.3);

Surplus Assets: has the meaning given in Article 9.1;

Transfer Notice: an irrevocable notice in writing given by any shareholder to the other shareholders where the first shareholder desires, or is required by these Articles, to transfer or offer for transfer (or enter into an agreement to transfer) any shares;

Valuers: an independent firm of accountants jointly appointed by the shareholders or, in the absence of agreement between the shareholders on the identity of the expert within 10 Business Days of a shareholder serving details of a suggested expert 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 (in each case acting as an expert and not as an arbitrator); and

Writing or written: the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the CA 2006 shall have those meanings in these Articles.
- 1.3 Headings in these Articles are used 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 Terms defined in CA 2006 shall, where the context admits, have the same meanings in these Articles.
 - 1.6 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
 - 1.7 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
 - 1.8 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 2. ADOPTION OF THE MODEL ARTICLES**
- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
 - 2.2 Model Articles 6(2), 14, 16, 26(5), 38, 39, 43, 44(2), 49 and 50 to 53 (inclusive) shall not apply to the Company.

Model Article 20 shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".
 - 2.3 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
 - 2.4 Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Model Article 31(1)(d) shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

DIRECTORS

3. DIRECTORS' INTERESTS

- 3.1 The Directors may, in accordance with the requirements set out in this Article, authorise any Conflict proposed to them by any Director which would, if not so authorised, involve a Director (the "**Interested Director**") breaching their duty under section 175 of the CA 2006 to avoid conflicts of interest.
- 3.2 Any authorisation under this Article will be effective only if:
 - 3.2.1 the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;
 - 3.2.2 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 3.3 Any authorisation of a Conflict under this Article may (whether at the time of giving the authorisation or subsequently):

- 3.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 3.3.2 impose upon the Interested Director such terms for the purposes of dealing with the Conflict as the Directors think fit;
 - 3.3.3 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
 - 3.3.4 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.
- 3.4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors (which shall always include the Chrysalix Director) in relation to the Conflict.
- 3.5 The Directors may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
- 3.6 A Director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, the shareholder who appointed him as a Director of the Company, or any other member of such shareholder's Permitted Group, and no authorisation under Article 3.1 shall be necessary in respect of any such interest.
- 3.7 Any A Director or B Director shall be entitled from time to time to disclose to the holders of the A Shares (in the case of any A Director) or the holders of the B Shares (in the case of any B Director) such information concerning the business and affairs of the Company as he shall at his discretion see fit, subject only to the condition that if there be more than one A Shareholder or (as the case may be) B Shareholder, the Director concerned shall ensure that each of the Shareholders of the same class receives the same information on an equal footing.
- 3.8 Subject to sections 177(5) and 177(6) of the CA 2006, a Director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other Directors before the Company enters into the transaction or arrangement in accordance with the CA 2006.
- 3.9 Subject, where applicable, to any terms and conditions imposed by the Directors in accordance with Article 3.3, and provided a Director has declared the nature and extent of his interest in accordance with the requirements of the CA 2006, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 3.9.1 may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;

- 3.9.2 shall be entitled to vote at a meeting of Directors (or of a committee of Directors) or to participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
- 3.9.3 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 3.9.4 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the CA 2006)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the CA 2006.

4. **RECORDS OF DECISIONS TO BE KEPT**

Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in a form that enables the Company to retain a copy of such decisions.

5. **APPOINTMENT OF DIRECTORS AND BOARD MEETINGS**

- 5.1 For so long as Chrysalix and/or its Permitted Transferees holds not less than 10% of the issued Shares, it shall have the right to:
 - 5.1.1 appoint and maintain in office one natural person as it may from time to time nominate as a Director of the Company (and as a member of each and any committee of the Board) (the "**Chrysalix Director**"); and
 - 5.1.2 remove any Director so appointed and, upon his removal whether by Chrysalix or otherwise, to appoint another director in his place.
- 5.2 The holders of a majority of the A Shares (an "**A Share Majority**") shall have the right to:
 - 5.2.1 appoint and maintain in office one natural person as it may from time to time nominate as a Director of the Company (and as a member of each and any committee of the Board) (the "**A Director**"); and
 - 5.2.2 remove any Director so appointed and, upon his removal whether by the A Share Majority or otherwise, to appoint another director in his place.
- 5.3 The holders of a majority of the B Shares (a "**B Share Majority**") shall have the right to:
 - 5.3.1 appoint and maintain in office one natural person as it may from time to time nominate as a Director of the Company (and as a member of each and any committee of the Board) (the "**B Director**"); and
 - 5.3.2 remove any Director so appointed and, upon his removal whether by the B Share Majority or otherwise, to appoint another director in his place.
- 5.4 The holders of a majority of the Shares (excluding any Preferred Shares) shall have the right to:

- 5.4.1 appoint and maintain in office one natural person, who is an employee of the Company, as it may from time to time nominate as a Director of the Company (the "**CEO**") (and as a member of each and any committee of the Board); and
- 5.4.2 remove any Director so appointed and, upon his removal whether by the Shareholders or otherwise, to appoint another director (who shall also be an employee of the Company) in his place.
- 5.5 The Board with the agreement of SOSV (for such time as it, or its Permitted Transferees, hold Shares) and both the Chrysalix Director and the CEO (in each case, if appointed at the relevant time) shall be entitled to:
 - 5.5.1 appoint and maintain in office one natural person as they may from time to time nominate as a Director of the Company (and as a member of each and any committee of the Board) (the "**Independent Director**"); and
 - 5.5.2 remove any Independent Director so appointed and, upon his removal by the Board or otherwise, to appoint another Independent Director in his place.
- 5.6 Subject to Article 5.10, the Board shall be entitled to:
 - 5.6.1 appoint and maintain in office one natural person as the Board may from time to time nominate as a Director of the Company (and as a member of each and any committee of the Board) (the "**Non-Executive Independent Director**"); and
 - 5.6.2 remove any Non-Executive Independent Director so appointed and, upon his removal whether by the Board or otherwise, to appoint another Non-Executive Independent Director in his place.
- 5.7 Any appointment or removal of the Chrysalix Director, A Director, B Director, CEO, Independent Director or Non-Executive Independent Director pursuant to this Article 5 shall be by written notice or resolution signed by an authorised signatory on behalf of the person(s) entitled to appoint or remove the relevant Director. Such appointment or removal shall take effect upon delivery of the written notice or resolution to the registered office of the Company unless stated otherwise in the written notice or resolution.
- 5.8 The quorum for a meeting of the Board is four Directors, of which at least one of whom shall be the Chrysalix Director (or his alternate), one the A Director (or his alternate) one the B Director (or his alternate), and one the CEO (or his alternate). If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting shall stand adjourned for 5 Business Days and then be reconvened at the same time and place. If a quorum is not present at any such reconvened meeting within half an hour from the time appointed, then the meeting shall proceed and any Director(s) present shall constitute the quorum.
- 5.9 Should there be 6 Directors appointed to the Board, in the event of any equality of votes at a meeting of the Board, the chairperson (being the Non-Executive Independent Director) shall have a second vote.
- 5.10 Unless and until the Board (including the Chrysalix Director) shall otherwise determine, the number of Directors shall be not less than four and not be more than six.
- 6. **ALTERNATE DIRECTORS**
 - 6.1 Any Director (other than an alternate director) (the "**Appointor**") may appoint any person (whether or not a Director) other than an existing Director representing the other class of shares, to be an alternate director to exercise the Appointor's powers, and carry

out the Appointor's responsibilities, in relation to the taking of decisions by the Directors, in the absence of the Appointor. In these Articles, where the context so permits, the term "A Director" or "B Director" shall include an alternate director appointed by an A Director or a B Director (as the case may be). A person may be appointed an alternate director by more than one Director provided that each of his Appointors represents the same class of shares but not otherwise.

- 6.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company (and to the alternate, on removal) signed by the Appointor, or in any other manner approved by the Directors.
- 6.3 The notice must:
 - 6.3.1 identify the proposed alternate; and
 - 6.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the Director giving the notice.
- 6.4 An alternate director has the same rights, in relation to any decision of the Directors, as the alternate's Appointor.
- 6.5 Except as the Articles specify otherwise, alternate directors:
 - 6.5.1 are deemed for all purposes to be Directors;
 - 6.5.2 are liable for their own acts and omissions;
 - 6.5.3 are subject to the same restrictions as their Appointors; and
 - 6.5.4 are not deemed to be agents of or for their Appointors,and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his Appointor is a member.

SHARES

7. SHARE CAPITAL

- 7.1 Except as otherwise provided in these Articles, the A Shares, the B Shares, the Preferred Shares and the Ordinary Shares shall rank equally *pari passu* in all respects but shall constitute separate classes of shares.
- 7.2 No share of any class nor any right to subscribe for or to convert any security into a share of any class shall be allotted or granted otherwise than to the holder of a share of that same class.
- 7.3 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.
- 7.4 Subject to Investor Majority Consent and the CA 2006, the Company may purchase its own Shares to the extent permitted by section 692(1ZA) of the CA 2006.
- 7.5 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".
- 7.6 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".

- 7.7 On the transfer of any share as permitted by these Articles:
- 7.7.1 a share transferred to a non-shareholder shall remain of the same class as before the transfer; and
 - 7.7.2 a share transferred to a shareholder shall automatically be redesignated on transfer as a share of the same class as those shares already held by the shareholder.

If no shares of a class remain in issue following a redesignation under this Article, these Articles shall be read as if they do not include any reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, shareholders of that class or Directors appointed by that class.

- 7.8 No variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative. For the purpose of this Article, one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.
- 7.9 In accordance with section 567(1) CA 2006, sections 561 and 562 of CA 2006 shall not apply to an allotment of equity securities (as defined in section 560(1) of CA 2006) made by the Company.

8. DIVIDENDS

- 8.1 In respect of any Financial Year, the Company's Available Profits will be applied as set out in this Article 8.
- 8.2 Any Available Profits which the Company may determine (with Investor Majority Consent) to distribute in respect of any Financial Year, will be distributed among the holders of the Shares (pari passu as if the Shares constituted one class of share) pro rata to their respective holdings of Shares.
- 8.3 Subject to the CA 2006 and these Articles, the Board may pay interim dividends if justified by the Available Profits in respect of the relevant period.

9. LIQUIDATION PREFERENCE

- 9.1 On a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of Shares) the surplus assets of the Company remaining after payment of its liabilities ("**Surplus Assets**") shall be applied (to the extent that the Company is lawfully permitted to do so):
- 9.1.1 first, to each holder of Preferred Shares, an amount equal to the greater of: (i) the Preference Amount (provided that if there are insufficient Surplus Assets to pay the amounts per share equal to the Preference Amount, the Surplus Assets shall be distributed to the holders of Preferred Shares pro rata to their relative Preference Amount; and (ii) the amount that would be received if such Preferred Shares had been converted into Ordinary Shares immediately prior to such event; and
 - 9.1.2 the balance of the Surplus Assets (if any) shall be distributed among the holders of the A Shares, B Shares and the Ordinary Shares (as if they constituted one

class of shares) pro rata to the number of A Shares, B Shares and Ordinary Shares held by them.

10. EXIT PROVISIONS

- 10.1 On a Share Sale the Proceeds of Sale shall be distributed in the order of priority set out in Article 9 and the Directors shall not register any transfer of Shares sold in connection with that Share Sale if the Proceeds of Sale are not so distributed provided that if the Proceeds of Sale are not settled in their entirety upon completion of the Share Sale:
- 10.1.1 the Directors shall not be prohibited from registering the transfer of the relevant Shares so long as the Proceeds of Sale that are settled have been distributed in the order of priority set out in Article 9; and
- 10.1.2 the Shareholders shall take any action required by the Board to ensure that the Proceeds of Sale in their entirety are distributed in the order of priority set out in Article 9.
- 10.2 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 Article 9 taking account of previous distributions received by such holders.
- 10.3 On an Asset Sale the Surplus Assets shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in Article 9 provided always that if it is not lawful for the Company to distribute its Surplus Assets in accordance with the provisions of these Articles, the Shareholders shall take any action required by the Board (including, but without prejudice to the generality of this Article, actions that may be necessary to put the Company into voluntary liquidation) so that Article 9 applies.

11. VOTES IN GENERAL MEETINGS AND WRITTEN RESOLUTIONS

- 11.1 The A Shares, B Shares, Preferred Shares and Ordinary Shares shall confer on each holder the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.
- 11.2 No voting rights attached to a Share which is nil paid or partly paid may be exercised:
- 11.2.1 at any general meeting, at any adjournment of it or at any poll called at or in relation to it; or
- 11.2.2 on any proposed written resolution,
- unless all of the amounts payable to the Company in respect of that Share have been paid.

12. CONSOLIDATION OF SHARES

- 12.1 Whenever as a result of a consolidation of Shares any Shareholders would become entitled to fractions of a Share, the Directors may (in their absolute discretion) deal with those residual fractions as they think fit on behalf of such Shareholders. In particular, the Directors may aggregate and sell the fractions for the best price reasonably obtainable to any person and distribute the net proceeds of sale in due proportion among such 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 their title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

- 12.2 When the Company sub-divides or consolidates all or any of its Shares, the Company may, subject to the CA 2006 and to these Articles, by ordinary resolution and Investor Majority Consent determine that, as between the Shares resulting from the sub-division or consolidation, any of them may have any preference or advantage or be subject to any restriction as compared with the others.

13. CONVERSION OF PREFERRED SHARES

- 13.1 Any holder of Preferred Shares shall be entitled, by notice in writing to the Company, to require conversion into Ordinary Shares of all of the fully paid Preferred Shares held by them at any time and those Preferred Shares shall convert automatically on the date of such notice (the "**Conversion Date**"), provided that the holder may in such notice, state that conversion of its Preferred Shares into Ordinary Shares is conditional upon the occurrence of one or more events (the "**Conditions**").
- 13.2 All of the fully paid Preferred Shares shall automatically convert into Ordinary Shares:
- 13.2.1 on the date of a notice given by the Investor Majority (which date shall be treated as the Conversion Date); or
- 13.2.2 immediately upon the occurrence of a Qualifying IPO.
- 13.3 In the case of (i) Articles 13.1 and 13.2.1, not more than five Business Days after the Conversion Date or (ii) in the case of Article 13.2.2, at least five Business Days prior to the occurrence of the Qualifying IPO, each holder of the relevant Preferred Shares shall deliver the certificate (or an indemnity for lost certificate in a form acceptable to the Board) in respect of the Preferred Shares being converted to the Company at its registered office for the time being.
- 13.4 Where conversion is mandatory on the occurrence of a Qualifying IPO, that conversion will be effective only immediately prior to and conditional upon such Qualifying IPO (and "Conversion Date" shall be construed accordingly) and, if such Qualifying IPO does not become effective or does not take place, such conversion shall be deemed not to have occurred. In the event of a conversion under Article 13.1, if the Conditions have not been satisfied or waived by the relevant holder by the Conversion Date such conversion shall be deemed not to have occurred.
- 13.5 On the Conversion Date, the relevant Preferred Shares shall without further authority than is contained in these Articles stand converted into Ordinary Shares on the basis of one Ordinary Share for each Preferred Share 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.
- 13.6 The Company shall on the Conversion Date enter the holder of the converted Preferred 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 Preferred Shares in accordance with this Article, the Company shall within 10 Business Days of the Conversion Date forward to such holder of Preferred Shares by post to his address shown in the register of members, free of charge, a definitive certificate for the appropriate number of fully paid Ordinary Shares.
- 13.7 On the Conversion Date (or as soon afterwards as it is possible to calculate the amount payable), the Company will, if it has sufficient Available Profits, pay to holders of the Preferred Shares falling to be converted a dividend equal to all Arrears and accruals of dividends in relation to those Preferred Shares to be calculated on a daily basis down to and including the day immediately preceding the Conversion Date. If the Company has

insufficient Available Profits to pay all such Arrears and accruals of dividends in full then it will pay the same to the extent that it is lawfully able to do so and any Arrears and accruals of dividends that remain outstanding shall continue to be a debt due from and immediately payable by the Company.

13.8 The Conversion Ratio shall from time to time be adjusted in accordance with the provisions of this Article:

13.8.1 if Preferred Shares remain capable of being converted into new Ordinary Shares and there is a consolidation and/or sub-division of Ordinary Shares, the Conversion Ratio shall be adjusted by an amount, which in the opinion of the Board (with Investor Majority Consent) is fair and reasonable, to maintain the right to convert so as to ensure that each holder of Preferred Shares (a "**Preferred Shareholder**") is in no better or worse position as a result of such consolidation or sub-division, such adjustment to become effective immediately after such consolidation or sub-division;

13.8.2 if Preferred Shares remain capable of being converted into Ordinary Shares, on an allotment of fully-paid Ordinary Shares pursuant to a capitalisation of profits or reserves to holders of Ordinary Shares the Conversion Ratio shall be adjusted by an amount, which in the opinion of the Board (with Investor Majority Consent) is fair and reasonable, to maintain the right to convert so as to ensure that each Preferred Shareholder is in no better or worse position as a result of such capitalisation of profits or reserves, such adjustment to become effective as at the record date for such issue.

13.9 If any Preferred 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.

13.10 If a doubt or dispute arises concerning an adjustment of the Conversion Ratio in accordance with Article 13.8, or if so requested by an Investor Majority, the Board shall refer the matter to the Auditors for determination who shall make available to all Shareholders their report and whose certificate as to the amount of the adjustment is, in the absence of manifest error, conclusive and binding on all concerned and their costs shall be met by the Company.

14. **ANTI-DILUTION PROTECTION**

14.1 If New Securities are issued by the Company at a price per New Security which equates to less than the Starting Price (a "**Qualifying Issue**") (which in the event that the New Security is not issued for cash shall be a price certified by the Auditors acting as experts and not as arbitrators as being in their opinion the current cash value of the new consideration for the allotment of the New Securities) then the Company shall, unless and to the extent that any of the holders of Preferred Shares shall have specifically waived their rights under this Article in writing, issue to each holder of Preferred Shares (the "**Exercising Investor**") a number of new Preferred Shares determined by applying the following formula (and rounding the product, N, down to the nearest whole share),

subject to adjustment as certified in accordance with Article 14.3 (the "**Anti-Dilution Shares**"):

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

Where:

N= Number of Anti-Dilution Shares to be issued to the Exercising Investor

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

SIP = Starting Price

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

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

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

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

14.2 The Anti-Dilution Shares shall:

14.2.1 be paid up by the automatic capitalisation of available reserves of the Company, unless and to the extent that the same shall be impossible or unlawful or a majority of the Exercising Investors shall agree otherwise, in which event the Exercising Investors shall be entitled to subscribe for the Anti-Dilution Shares in cash at par (being the par value approved in advance by Investor Majority Consent) and the entitlement of such Exercising Investors to Anti-Dilution Shares shall be increased by adjustment to the formula set out in Article 14.1 so that the Exercising Investors shall be in no worse position than if they had not so subscribed at par. In the event of any dispute between the Company and any Exercising Investor as to the effect of Article 14.1 or this Article 14.2, the matter shall be referred (at the cost of the Company) to the Auditors for certification of the number of Anti-Dilution Shares to be issued. The Auditor's certification of the matter shall in the absence of manifest error be final and binding on the Company and the Exercising Investor; and

14.2.2 subject to the payment of any cash payable pursuant to Article 14.2.1 (if applicable), be issued, credited fully paid up in cash and shall rank pari passu in all respects with the existing Preferred Shares, within five Business Days of the expiry of the offer being made by the Company to the Exercising Investor and pursuant to Article 14.2.1.

- 14.3 In the event of any Bonus Issue or Reorganisation, the Starting Price shall also be subject to adjustment on such basis as may be agreed by the Company with the Investor Majority within 10 Business Days after any Bonus Issue or Reorganisation. If the Company and the Investor Majority cannot agree such adjustment it shall be referred to the Auditors whose determination shall, in the absence of manifest error, be final and binding on the Company and each of the Shareholders. The costs of the Auditors shall be borne by the Company.
- 15. ALLOTMENT OF NEW SHARES OR OTHER SECURITIES: PRE-EMPTION**
- 15.1 Sections 561(1) and 562(1) to (5) (inclusive) of the CA 2006 do not apply to an allotment of equity securities (as defined in sections 560(1) to (3) inclusive of the CA 2006) made by the Company.
- 15.2 Unless otherwise agreed by an Investor Majority, if the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to the holders of all Shares (the "**Subscribers**") on the same terms and at the same price as those New Securities are being offered to other persons on a pari passu and pro rata basis to the number of Shares (as if the Shares constituted one and the same class) held by those holders (as nearly as may be without involving fractions). The offer:
- 15.2.1 shall be in writing, be open for acceptance from the date of the offer to the date five Business Days after the date of the offer (inclusive) (the "**Subscription Period**") and give details of the number and subscription price of the New Securities; and
- 15.2.2 may stipulate that any Subscriber who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Securities for which they wish to subscribe.
- 15.3 If, at the end of the Subscription Period, the number of New Securities applied for is equal to or exceeds the number of New Securities being offered to the Subscribers, such New Securities shall be allotted to the Subscribers who have applied for New Securities on a pro rata basis to the number of Shares held by such Subscribers which procedure shall be repeated until all of such New Securities have been allotted (as nearly as may be without involving fractions or increasing the number allotted to any Subscriber beyond that applied for by them).
- 15.4 If, at the end of the Subscription Period, the number of New Securities applied for is less than the number of New Securities being offered to the Subscribers, the New Securities shall be allotted to the Subscribers in accordance with their applications and any remaining New Securities shall be offered, subject to Article 15.5, to any other person as the Directors may determine at the same price and on the same terms as the offer to the Subscribers.
- 15.5 Subject to Articles 15.2 to 15.4 (inclusive) and to the provisions of section 551 of the CA 2006, any New Securities shall be at the disposal of the Board 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.
- 15.6 The provisions of Articles 15.2 to 15.4 (inclusive) shall not apply to:
- 15.6.1 options to subscribe for Ordinary Shares under the Share Option Plan(s) and any Shares resulting from the exercise of such options;

- 15.6.2 the issue of any Shares on the exercise or conversion of any debenture, warrant, option (excluding those granted under the Share Option Plan(s)) or other convertible security;
- 15.6.3 New Securities (or options to purchase New Securities) issued to a government, banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction;
- 15.6.4 the issue of Shares pursuant to the Investment Agreement;
- 15.6.5 Shares or securities issued in consideration of the acquisition by the Company of any company or business;
- 15.6.6 Shares of securities issued in consideration with sponsored research, collaboration, technology licencing, development, OEM, marketing or other similar agreements or strategic partnerships;
- 15.6.7 Shares issued or granted in order for the Company to comply with its obligations under these Articles including, but not limited to the issue of any Ordinary Shares pursuant to Article 13 or Preferred Shares pursuant to Article 14; or
- 15.6.8 Shares or securities issued as a result of a Bonus Issue or share subdivision which has been approved by the Board .

16. SHARE TRANSFERS: GENERAL

- 16.1 In these Articles, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share.
- 16.2 No share shall be transferred unless the transfer is made in accordance with these Articles.
- 16.3 Subject to Article 16.4, the Directors must register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.
- 16.4 The Directors may, as a condition to the registration of any transfer of shares in the Company (whether to a Permitted Transferee or otherwise) require the transferee to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of any shareholders' agreement (or similar document) in force between the shareholders in such form as the Directors may reasonably require. If any such condition is imposed in accordance with this Article 16.4, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.
- 16.5 Any transfer of shares by way of a sale that is required to be made under Article 17, Article 18, Article 19, Article 22 or Article 23 shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.

17. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

- 17.1 Except where the provisions of Article 18 or Article 19 apply, shareholders (**Seller**) wishing to transfer all (but not some only) of their shares (**Sale Shares**) must give a Transfer Notice to the other shareholders (**Continuing Shareholders**) giving details of the proposed transfer including:
 - 17.1.1 the identity of the proposed buyer; and

- 17.1.2 the price (in cash) at which it proposes to sell the Sale Shares (**Sale Price**).
- 17.2 Within 20 Business Days of receipt (or deemed receipt) of a Transfer Notice, the Continuing Shareholders shall be entitled (but not obliged) to give notice in writing to the Seller that they wish to purchase the Sale Shares (pro rata or otherwise as they may agree) at the Sale Price (**Purchase Notice**).
- 17.3 The Continuing Shareholders will be bound to buy all of the Seller's Sale Shares at the Sale Price when it gives a Purchase Notice to the Seller under Article 17.2.
- 17.4 If, at the expiry of the period specified in Article 17.2, the Continuing Shareholders have not given a Purchase Notice, the Seller may transfer all its Sale Shares to the buyer identified in the Transfer Notice (subject to the provisions of Article 22 and Article 23 where applicable) at a price not less than the Sale Price provided that it does so within 2 months of the expiry of the period specified in Article 17.2.
- 18. PERMITTED TRANSFERS**
- 18.1 A Shareholder may at any time transfer all (but not some only) of its shares in the Company to a Permitted Transferee without being required to follow the steps set out in Article 17.
- 18.2 A shareholder holding shares in the Company as a result of a Permitted Transfer under the provisions of this Article 18 may at any time transfer all (but not some only) of its shares back to the original shareholder from whom it received those shares or to another Permitted Transferee of such original shareholder, without being required to follow the steps set out in Article 17.
- 18.3 If a Permitted Transfer has been made to a Permitted Transferee, that Permitted Transferee shall within five Business Days of ceasing to be a member of the Permitted Group or otherwise being a Permitted Transferee transfer all of the shares in the Company held by it to:
- 18.3.1 the original shareholder from whom it received those shares; or
- 18.3.2 another Permitted Transferee of that original shareholder,
- (which in either case is not in liquidation), without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this Article 18.3, a Transfer Notice shall be deemed to have been given in respect of such shares on the expiry of the period set out in this Article 18.3.
- 19. COMPULSORY TRANSFERS**
- 19.1 A shareholder is deemed to have served a Transfer Notice under Article 17.1 immediately before any of the following events:
- 19.1.1 the passing of a resolution for the liquidation of the shareholder other than a solvent liquidation for the purpose of the reconstruction or amalgamation of all or part of the shareholder's Group in which a new company assumes (and is capable of assuming) all the obligations of the shareholder, provided that such reconstruction or amalgamation does not result in a transfer of the shareholder's shares in the Company to any person other than a Permitted Transferee; or
- 19.1.2 the presentation at court by any competent person of a petition for the winding up of the shareholder and which has not been withdrawn or dismissed within seven days of such presentation; or

- 19.1.3 the issue at court by any competent person of a notice of intention to appoint an administrator to the shareholder, a notice of appointment of an administrator to the shareholder or an application for an administration order in respect of the shareholder; or
 - 19.1.4 any step being taken by any person to appoint a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of the shareholder; or
 - 19.1.5 the shareholder being unable to pay its debts as they fall due for the purposes of section 123 of the Insolvency Act 1986; or
 - 19.1.6 the shareholder entering into a composition or arrangement with any of its creditors; or
 - 19.1.7 any chargor taking any step to enforce any charge created over any shares held by the shareholder in the Company (other than by the appointment of a receiver, administrative receiver or manager); or
 - 19.1.8 a process having been instituted that could lead to the shareholder being dissolved and its assets being distributed among the shareholder's creditors, shareholders or other contributors; or
 - 19.1.9 the shareholder ceasing to carry on its business or substantially all of its business; or
 - 19.1.10 in the case of the events set out in paragraphs 19.1.1, 19.1.2, 19.1.3 or 19.1.4 above, any competent person taking any analogous step in any jurisdiction in which the shareholder carries on business; or
 - 19.1.11 the shareholder committing a material or persistent breach of any shareholders' agreement to which it is a party in relation to the shares in the Company which if capable of remedy has not been so remedied within 20 Business Days of the other shareholder requiring such remedy.
- 19.2 The Deemed Transfer Notice has the same effect as a Transfer Notice, except that:
- 19.2.1 the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Sale Shares and the price for the Sale Shares shall be the aggregate Fair Value of those shares, determined by the Valuers in accordance with Article 21 save that if the Seller is deemed to have given a Transfer Notice as a result of Article 19.1.11, the price for the Sale Shares shall be restricted to a maximum of the lower of the aggregate subscription price paid in respect of the Sale Shares, including any share premium, and the aggregate Fair Value of such Sale Shares;
 - 19.2.2 if the Continuing Shareholders do not accept the offer of shares comprised in the Deemed Transfer Notice within 20 Business Days of receipt of the Valuers' determination of the Fair Value, the Seller does not have the right to sell the Sale Shares to a third party and the Company shall be wound up immediately upon the Continuing Shareholders giving notice in writing to the Company to that effect within such 20 Business Day period.
- 19.3 A Deemed Transfer Notice under Article 19.1.11 shall immediately and automatically revoke:

- 19.3.1 a Transfer Notice served by the relevant shareholder before the occurrence of the relevant event giving rise to the Deemed Transfer Notice under Article 19.1.11; and
- 19.3.2 a Deemed Transfer Notice deemed to be served by the relevant shareholder under any of the events set out in Article 19.1.1 to Article 19.1.10 (inclusive) before the occurrence of the relevant event giving rise to the Deemed Transfer Notice under Article 19.1.11.

If the Seller fails to complete a transfer of Sale Shares as required under this Article 19, the Continuing Shareholders are irrevocably authorised to appoint any person they may nominate for the purpose as agent to transfer the Sale Shares on the Seller's behalf and to do anything else that the Continuing Shareholders may reasonably require to complete the sale, and the Company may receive the purchase price in trust for the Seller (without any obligation to pay interest), giving a receipt that shall discharge the Continuing Shareholders.

20. VARIATION OF RIGHTS

- 20.1 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (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 75 per cent. in nominal value of the issued shares of that class save that: (i) the special rights attaching to the Preferred Shares may only be varied or abrogated with Investor Majority Consent; and (ii), if such variation or abrogation treats two or more classes in the same manner, the written consent of the holders of 75% in nominal value of the issued shares of such classes (as if such classes constituted one and the same class) shall be required.
- 20.2 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.

21. VALUATION

- 21.1 As soon as practicable after deemed service of a Transfer Notice under Article 19, the shareholders shall appoint the Valuers to determine the Fair Value of the Sale Shares.
- 21.2 The Valuers shall be requested to determine the Fair Value within 30 Business Days of their appointment and to notify the shareholders in writing of their determination.
- 21.3 The Fair Value for any Sale Share shall be the price per share determined by the Valuers on the following bases and assumptions:
 - 21.3.1 valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;
 - 21.3.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - 21.3.3 the sale is to be on arms' length terms between a willing seller and a willing buyer;
 - 21.3.4 the Sale Shares are sold free of all encumbrances;
 - 21.3.5 the sale is taking place on the date the Valuers were requested to determine the Fair Value; and

- 21.3.6 to take account of any other factors that the Valuers reasonably believe should be taken into account.
- 21.4 The shareholders are entitled to make submissions to the Valuers and will provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the shareholders may reasonably require.
- 21.5 To the extent not provided for by this Article 21, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary) instructing professional advisers to assist them in reaching their valuation.
- 21.6 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the shareholders in the absence of manifest error or fraud.
- 21.7 Each shareholder shall bear its own costs in relation to the reference to the Valuers. The Valuers' fees and costs properly incurred by them in arriving at their valuation (including any fees and costs of any advisers appointed by the Valuers) shall be borne by the shareholders in the proportion which the number of shares held by each shareholder in the Company bears to the total number of issued shares in the Company or in such other proportions as the Valuers shall direct.
- 22. TAG ALONG**
- 22.1 The provisions of Article 22.2 to Article 22.6 shall apply if the holder(s) of shares in issue for the time being (**Seller**) proposes to transfer shares to a bona fide purchaser on arm's length terms (**Proposed Transfer**) and such transfer would, if carried out, result in such person (**Buyer**) acquiring a Controlling Interest in the Company.
- 22.2 Before making a Proposed Transfer, the Seller shall procure that the Buyer makes an offer (**Offer**) to the holders of the other shares in issue for the time being to purchase all of the shares held by them for a consideration in cash per share that is at least equal to the price per share offered by the Buyer in the Proposed Transfer (**Specified Price**).
- 22.3 The Offer shall be made by written notice (**Offer Notice**), at least 20 Business Days before the proposed transfer date (**Transfer Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- 22.3.1 the identity of the Buyer;
- 22.3.2 the Specified Price and other terms and conditions of payment;
- 22.3.3 the Transfer Date; and
- 22.3.4 the number of shares proposed to be purchased by the Buyer (**Offer Shares**).
- 22.4 If the Buyer fails to make the Offer in accordance with Article 22.2 and Article 22.3, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.
- 22.5 If the Offer is accepted by the holders of the other shares in writing within 20 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by such shareholders.
- 22.6 The Proposed Transfer is subject to the rights of pre-emption set out in Article 17, but the purchase of the Offer Shares shall not be subject to those provisions.

23. DRAG ALONG

- 23.1 If the holders of more than 66.6 per cent of the Shares carrying voting rights (including an Investor Majority) (the "**Dragging Shareholders**") wish to transfer all of their interest in such shares in issue for the time being to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Dragging Shareholders may require the holders of the other shares in the capital of the Company (**Called Shareholders**) to sell and transfer all of their shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this Article (**Drag Along Option**).
- 23.2 The Dragging Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (**Drag Along Notice**) at any time before the transfer of the shares to the Proposed Buyer. The Drag Along Notice shall specify:
- 23.2.1 that the Called Shareholders are required to transfer all of their Called Shares pursuant to this Article 23;
 - 23.2.2 the person to whom the Called Shares are to be transferred;
 - 23.2.3 the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the shares; and
 - 23.2.4 the proposed date of the transfer.
- 23.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Dragging Shareholders have not sold the shares to the Proposed Buyer within 20 Business Days of serving the Drag Along Notice. The Dragging Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 23.4 No Drag Along Notice shall require the Called Shareholders to agree to any terms except those specifically set out in this Article 23.
- 23.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the shares unless:
- 23.5.1 the Dragging Shareholders and the Called Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by them; or
 - 23.5.2 that date is less than 20 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be 20 Business Day after service of the Drag Along Notice.
- 23.6 The proposed sale of the shares by the Dragging Shareholders to the Proposed Buyer is subject to the rights of pre-emption set out in Article 17, but the sale of the Called Shares by the Called Shareholders shall not be subject to those provisions.
- 23.7 On or before the Completion Date, the Called Shareholders shall execute and deliver a stock transfer form for the Called Shares, together with the relevant share certificate(s) (or a suitable indemnity for any lost share certificate(s)) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to Article 23.2 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.

- 23.8 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer form and share certificate(s) (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this Article 23 in respect of its Shares.
- 23.9 If the Called Shareholders do not, on or before the Completion Date, execute and deliver (in accordance with Article 23.7) transfer(s) in respect of all of the Called Shares held by it, the Called Shareholders shall be deemed to have irrevocably appointed any person nominated for the purpose by the Dragging Shareholders to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as he may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called 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 23.9.

DECISION MAKING BY SHAREHOLDERS

24. QUORUM FOR GENERAL MEETINGS

- 24.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy, of whom one shall be a holder of A Shares or a duly authorised representative of such holder, one shall be a holder of B Shares or a duly authorised representative of such holder and one shall be a holder of Preferred Shares or a duly authorised representative of such holder.
- 24.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

25. CHAIRING GENERAL MEETINGS

The chairperson of the board of Directors shall chair general meetings. If the chairperson is unable to attend any general meeting, the shareholder who appointed him or her shall be entitled to appoint another of its nominated Directors present at the meeting to act as chair at the meeting, and the appointment of the chair of the meeting must be the first business of the meeting.

26. VOTING

- 26.1 At a general meeting, on a show of hands every shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself a shareholder entitled to vote; on a poll every shareholder present in person or by proxy shall have one vote for each share of which he is the holder; and on a vote on a written resolution every shareholder has one vote for each share of which he is the holder.

27. POLL VOTES

- 27.1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the CA 2006) present and entitled to vote at the meeting.
- 27.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

28. PROXIES

- 28.1 Article 45(1)(d) of the Model Articles shall be 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 general meeting (or adjourned meeting) to which they relate".
- 28.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that article.

ADMINISTRATIVE ARRANGEMENTS

29. MEANS OF COMMUNICATION TO BE USED

- 29.1 Subject to Article 29.2, any notice, document or other information shall be deemed received by the intended recipient:
- 29.1.1 if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address;
 - 29.1.2 if sent by pre-paid first class post or other next working day delivery service providing proof of postage, at 9.00 am on the second Business Day after posting or at the time recorded by the delivery service;
 - 29.1.3 if sent by email, at the time of transmission; or
 - 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.
- 29.2 If deemed receipt under Article 29.1 would occur outside Usual Business Hours, the notice, document or other information shall be deemed to have been received when Usual Business Hours next recommence. For the purposes of this Article, **Usual Business Hours** means 9.00 am to 5.30 pm local time on any day which is not a Saturday, Sunday or public holiday in the place of receipt of the notice, document or other information (which, in the case of service by email shall be deemed to be the same place as is specified for service of notices, documents or other information on the relevant recipient by hand or post).
- 29.3 To prove service, it is sufficient to prove that:
- 29.3.1 if delivered by hand, the notice was delivered to the correct address;
 - 29.3.2 if sent by post, the envelope containing the notice was properly addressed, paid for and posted;
 - 29.3.3 if sent by email, the notice was properly addressed and sent to the email address of the recipient.
- 29.4 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the CA 2006.

30. INDEMNITY AND INSURANCE

- 30.1 Subject to Article 30.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- 30.1.1 each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs; and
 - 30.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 30.1.1 and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.
- 30.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the CA 2006 or by any other provision of law.
- 30.3 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.
- 30.4 In this Article:
 - 30.4.1 a "relevant officer " means any Director or other officer or former Director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a Director or other officer), to the extent he acts in his capacity as auditor; and
 - 30.4.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company or any pension fund or employees' share scheme of the Company.