

THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
NEW
ARTICLES OF ASSOCIATION
of
KNOMA LTD

(Adopted by a special resolution passed on 8 July 2020)



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"Affiliate" means, with respect to an Investment Fund, any other person who, directly or indirectly, controls, is controlled by, or is under common control with such Investment Fund, including, without limitation, any general partner, managing member, officer or director of such Investment Fund or any venture capital fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management or advisory company with, such Investment Fund;

"Anti-Dilution Shares" shall have the meaning given in Article 10.1;

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

"Asset Sale" means the disposal of all or substantially all of the undertaking or material assets of the Company or the Group Companies (taken as a whole) (where disposal may include, without limitation, a sale or the grant by the Company or a Group Company of a licence of the material intellectual property of the Company or the Group Companies (taken as a whole));

"Associate" in relation to any person means:

- (a) any person who is an associate of that person and the question of whether a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986 and (whether or not an associate as so determined);
- (b) any Member of the same Group;
- (c) any Member of the same Fund Group;

"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 Act;

"Bad Leaver" means a Founder who ceases to be an Employee as a consequence of the Founder's dismissal as an Employee for cause, where **"cause"** shall mean:

- (a) lawful dismissal as an Employee without notice or payment in lieu of notice in accordance with the terms of that person's contract of employment or consultancy for a reason set out in such contract which has not been determined by a court of competent jurisdiction to be wrongful or unfair dismissal,
- (b) fraud or acts of dishonesty,
- (c) being convicted of any criminal offence (other than a road traffic offence which is not punishable by a custodial sentence), or
- (d) the Founder's material or repudiatory breach of the terms of clause 14 (founder covenants) or clause 15 (confidentiality) of the Subscription and Shareholders' Agreement;

"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 Series Seed Shareholders) or any consolidation or sub-division or redenomination or any repurchase or redemption of shares (other than Series Seed 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 13.7;

"Business Day" means a day on which English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday);

"Buyer" shall have the meaning given in Article 20.2(a);

"Civil Partner" means in relation to a Shareholder, a civil partner (as defined in the Civil Partnership Act 2004) of the Shareholder;

"Co-Sale Eligible Holder" has the meaning given in Article 20.2;

"Co-Sale Notice" has the meaning given in Article 20.2;

"Company" means Knoma Ltd (fka Higgler Europe Ltd) (company number 11650366) incorporated under the laws of England whose registered office is at Citypoint - Spaces, C/O Brett Shanley, Level 11, 1 Ropemaker Street, Moorgate, London, England, EC2Y 9HT;

"Conditions" has the meaning given in Article 9.1;

"Controlling Interest" means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the CTA 2010;

"Conversion Date" has the meanings given in Article 9.1 and Article 9.2(a)(as applicable);

"CTA 2010" means the Corporation Tax Act 2010;

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

"Deferred Conversion Date" means the date that the Employee Shares convert into Deferred Shares pursuant to Article 19.1;

"Deferred Shares" means deferred shares of £0.00000001 each in the capital of the Company from time to time;

"Director(s)" means a director or directors of the Company from time to time;

"Effective Termination Date" means the date on which an Employee's employment or consultancy terminates;

"Eligible Director" means a Director who would be entitled to vote on a matter had it been proposed as a resolution at a meeting of the Directors;

"Employee" means an individual who is employed by or who provides consultancy services to, the Company or any member of the Group;

"Employee Shares" in relation to the Founder means all Shares held by:

- (a) the Founder; and
- (b) any Permitted Transferee of the Founder other than those Ordinary Shares held by those persons that the Board, including the consent of the Series Seed Director (if one has been appointed and if no Series Seed Director has been appointed, with Investor Majority Consent), declares itself satisfied were not acquired directly or indirectly from the Founder or by reason of that person's relationship with the Founder;

other than Ordinary Shares that the Founder holds as result of exercising option(s) under any Share Option Plan(s);

"Encumbrance" means any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including without limitation any retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law);

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

"Equity Shares" means the Shares other than the Deferred Shares;

"Exercising Investor" means any Series Seed Shareholder who exercises its rights to acquire Anti-Dilution Shares in accordance with Article 10.1;

"Exit" means a Share Sale, an Asset Sale or an IPO;

"Expert Valuer" is as determined in accordance with Article 17.2;

"Fair Value" is as determined in accordance with Article 17;

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

"Financial Year" has the meaning set out in section 390 of the Act;

"Founder" means Brett Shanley;

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

"GFC" means GFC Global Founders Capital GmbH;

"Good Leaver" means a Founder who ceases to be an Employee and who is not a Bad Leaver and shall include, without limitation, when the Board, including the consent of the Series Seed Director (if one has been appointed and if no Series Seed Director

has been appointed, with Investor Majority Consent), determines that a person is not a Bad Leaver;

"Group" means the Company and its Subsidiary Undertaking(s) (if any) from time to time and **"Group Company"** shall be construed accordingly;

"hard copy form" has the same meaning as in section 1168 of the Act;

"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 immediately prior to the transfer of the issued share capital of the Company to such holding company;

"Investor Majority" means Investors holding more than 50 per cent. of the Series Seed Shares held by the Investors on an as converted basis (assuming conversion of all Series Seed Shares into Ordinary Shares);

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

"Investors" means the holders of the Series Seed Shares;

"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, NYSE 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);

"ITEPA" means Income Tax (Earnings and Pensions) Act 2003;

"Leaver's Percentage" means, in relation to and for the purposes of determining the number of Employee Shares that are required (pursuant to Article 19) to be converted into Deferred Shares or to be transferred as a result of the Founder's ceasing to be an Employee within the period commencing on the Reference Date and ending on the Effective Termination Date, the following:

- (a) with respect to a Founder that is a Bad Leaver, 100 per cent.;
- (b) with respect to a Founder that is a Good Leaver, the percentage (rounded to the nearest two decimal places) as calculated using the following formula: $100 - ((1/48 \times 100) \times NM)$, where NM = number of full calendar months from the Reference Date to the Effective Termination Date such that the Leaver's Percentage shall be zero on the first day of the 49th month after the Reference Date and thereafter (provided, however, that NM = 0 for the first 12 months following the Reference Date);

"a 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 (and shall include an Investor) (an **"Investment Fund"**):

- (a) any Affiliate of the Investment Fund;
- (b) any participant or partner in or member of any such Investment Fund (or Affiliate of such Investment Fund) or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (or Affiliate of such Investment Fund);
- (c) any Investment Fund managed or advised by that Fund Manager;

- (d) its Fund Manager or any Affiliate of its Fund Manager;
- (e) any Parent Undertaking or Subsidiary Undertaking of that Fund Manager, or any Subsidiary Undertaking of any Parent Undertaking of that Fund Manager; or
- (f) any trustee or custodian of such Investment Fund and vice versa;

"a Member of the same Group" means as regards any company, a company which is from time to time a Parent Undertaking or a Subsidiary Undertaking of that company or a Subsidiary Undertaking of any such Parent Undertaking;

"NASDAQ" means the NASDAQ Stock Market of the NASDAQ OMX Group Inc.;

"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 13.7);

"NYSE" means the New York Stock Exchange operated by NYSE Euronext;

"Ordinary Directors" means such directors of the Company nominated by an Ordinary Majority under Article 27.2;

"Ordinary Majority" means the holders of a majority of the issued Ordinary Shares;

"Ordinary Shareholders" means the holders from time to time of the Ordinary Shares;

"Ordinary Shares" means the ordinary shares of £0.00000001 each in the capital of the Company from time to time;

"Original Shareholder" has the meaning set out in Article 15.1;

"Permitted Transfer" means a transfer of Shares in accordance with Article 15;

"Permitted Transferee" means:

- (a) in relation to a Shareholder who is an individual, any of his Privileged Relations, Trustees or Qualifying Companies;
- (b) in relation to a Shareholder which is an undertaking (as defined in section 1161(1) of the Act) means any Member of the same Group;
- (c) in relation to a Shareholder which is an Investment Fund means any Member of the same Fund Group; and
- (d) in relation to an Investor:
 - (i) to any Member of the same Group;
 - (ii) to any Member of the same Fund Group; or
 - (iii) to any nominee of an Investor;

"Preference Amount" means the applicable Starting Price together with a sum equal to any Arrears;

"Priority Rights" means the rights of Shareholders to purchase Shares contained in a Transfer Notice in the priority stipulated in Article 16.6 or Article 19.4 (as the case may be);

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

"Proceeds of Sale" 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 an Investor Majority;

"Proposed Exit" has the meaning given in Article 6.3;

"Proposed Purchaser" means a proposed purchaser who at the relevant time has made an offer on arm's length terms; provided, however, that none of the Investors nor any of their respective Permitted Transferees shall be a Proposed Purchaser;

"Qualifying Company" means a company in which a Shareholder or Trustee(s) holds the entire issued share capital and over which that Shareholder or Trustee(s) exercises control (within the meaning of section 1124 of the CTA 2010);

"Qualifying IPO" means (i) a firmly underwritten IPO (ii) on NASDAQ, NYSE or the Premium Listed Main Market or AIM Market operated by the London Stock Exchange Plc (or another exchange approved by the Board, including the Series Seed Director (if one has been appointed and if no Series Seed Director has been appointed, a Series Seed Majority)) (iii) in which the gross proceeds of the Company is in excess of £25,000,000 and (iv) the issue price of the new Ordinary Shares issued at the time of the IPO is at least five (5) times the Starting Price of the Series Seed Shares subscribed pursuant to the Subscription and Shareholders' Agreement (subject to appropriate adjustment following any Bonus Issue or Reorganisation);

"Qualifying Person" has the meaning given in section 318(3) of the Act;

"Reference Date" means 18 March 2019;

"Relevant Interest" has the meaning set out in Article 32.5;

"RICP" means Rocket Internet Capital Partners SCS and Rocket Internet Capital Partners (Euro) SCS;

"Sale Shares" has the meaning set out in Article 16.2(a);

"Seller" has the meaning set out in Article 16.2;

"Selling Member" has the meaning set out in Article 20.1;

"Series Seed Director" means the director of the Company nominated an Investor Majority under Article 27.1;

"Series Seed Shareholders" means the holders of the Series Seed Shares;

"Series Seed Shares" means the Series Seed shares of £0.00000001 each in the capital of the Company from time to time;

"Shareholder" means any holder of any Shares;

"Share Option Plan(s)" means the share option plan(s) of the Company, the terms of which have been approved by the Board and an Investor Majority;

"Shares" means the Ordinary Shares, Deferred Shares and the Series Seed Shares from time to time;

"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 or a material Subsidiary 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 him together acquiring a Controlling Interest in the Company or a material Subsidiary of 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 or a material Subsidiary of the Company immediately prior to the sale;

"Starting Price" means, with respect to a Series Seed Share, the amount credited as fully paid up on such Series Seed Share (including any premium) (if applicable, adjusted as referred to in Article 10.3);

"Subscription and Shareholders' Agreement" means the subscription and shareholders' agreement dated on or around the Date of Adoption between, amongst others, the Company and certain Investors;

"Subsidiary", "Subsidiary Undertaking" and "Parent Undertaking" have the respective meanings set out in sections 1159 and 1162 of the Act;

"Transfer Notice" shall have the meaning given in Article 16.2;

"Transfer Price" shall have the meaning given in Article 16.2(c);

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

"Unvested" means those Employee Shares which may be required to be converted into Deferred Shares or to be transferred under Article 19.

3. Share capital

- 3.1 In these Articles, unless the context requires otherwise, 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.
- 3.2 Except as otherwise provided in these Articles, the Series Seed Shares and the Ordinary Shares shall rank pari passu in all respects but shall constitute separate classes of shares.
- 3.3 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.
- 3.4 Subject to Investor Majority Consent and the Act, the Company may purchase its own Shares to the extent permitted by section 692(1ZA) of the Act.
- 3.5 The Company shall be entitled to retain any share certificate(s) relating to Employee Shares while any such Shares remain Unvested.

4. Dividends

- 4.1 In respect of any Financial Year, the Company's Available Profits will be applied as set out in this Article 4.
- 4.2 The holders of the Equity Shares shall be entitled to participate in any distribution of dividends, Available Profits or any non-cash or other dividends which the Company may determine to distribute, provided such distributions shall be applied:
- (a) first, to the Series Seed Shareholders, in priority to any other classes of shares, an amount equal to the applicable Starting Price (provided that if there are insufficient Available Profits or other aggregate amount of dividends to be paid, the Available Profits or other aggregate amount of dividends to be paid shall be paid to the Series Seed Shareholders pro rata to the respective amounts of the distribution to which they are entitled under this Article 4.2(a)); and
 - (b) second, with respect to the balance of any such Available Profits or other aggregate amount of dividends to be paid, to the holders of the Equity Shares on a pro rata and as converted basis (assuming conversion of all Series Seed Shares into Ordinary Shares).
- 4.3 Subject to the Act and these Articles, the Board may, with the consent of the Series Seed Director (if one has been appointed and if no Series Seed Director has been appointed, with Investor Majority Consent), pay interim dividends if justified by the Available Profits in respect of the relevant period.
- 4.4 Every dividend shall accrue on a daily basis assuming a 365 day year. All dividends are expressed net and shall be paid in cash.
- 4.5 If the Available Profits or other aggregate amount of dividends to be distributed pursuant to this Article 4 are comprised of property other than cash, the cash value of such distribution shall be agreed upon by the Board, including the consent of the Series Seed Director (if one has been appointed and if no Series Seed Director has been appointed, with Investor Majority Consent), prior to any such distribution.

5. Liquidation preference

- 5.1 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 shall be applied (to the extent that the Company is lawfully permitted to do so):
- (a) first in paying to each of the Series Seed Shareholders, in priority to any other classes of Shares, an amount per share held equal to the respective Preference Amount (provided that if there are insufficient surplus assets to pay the amounts per share equal to the Preference Amount, the remaining surplus assets shall be distributed to the Series Seed Shareholders pro rata to the respective amounts of the distribution to which they are entitled under Article 4.2(a));
 - (b) second in paying to the holders of the 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 Deferred Shares);
 - (c) the balance of the surplus assets (if any) shall be distributed among the holders of Ordinary Shares pro rata to the number of Ordinary Shares held; provided, however, that should (i) the amount payable on a Series Seed Share if such Share were to be converted to Ordinary Shares in accordance with the terms of

these Articles be greater than (ii) the Preference Amount for such Series Seed Share, then the Preference Amount shall not be payable with respect to such Series Seed Share and such Share shall be paid on an as converted basis (as if the Series Seed Shares and the other relevant class or classes of Shares constituted one class of shares).

- 5.2 In the event of any Bonus Issue or Reorganisation, the Preference Amount shall be subject to adjustment on such basis as may be agreed by the Company with Investor Majority Consent within ten (10) Business Days after any Bonus Issue or Reorganisation. If the Company and an Investor Majority cannot agree to 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.

6. Exit provisions

- 6.1 On a Share Sale the Proceeds of Sale shall be distributed in the order of priority set out in Article 5 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:
- (a) 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 5; and
 - (b) the Shareholders shall take any action required by an Investor Majority to ensure that the Proceeds of Sale in their entirety are distributed in the order of priority set out in Article 5.

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 5.

- 6.2 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 5 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 an Investor Majority (including, but without prejudice to the generality of this Article 6.2, actions that may be necessary to put the Company into voluntary liquidation) so that Article 5 applies.
- 6.3 In the event of an Exit approved by the Board and the Selling Shareholders in accordance with the terms of these Articles (the "**Proposed Exit**"), all Shareholders shall consent to, vote for, raise no objections to and waive any applicable rights in connection with the Proposed Exit ("**Actions**"). The Shareholders shall be required to take all Actions with respect to the Proposed Exit as are required by the Board, including the consent of the Series Seed Director (if one has been appointed and if no Series Seed Director has been appointed, with Investor Majority Consent), to facilitate the Proposed Exit. If any Shareholder fails to comply with the provisions of this Article, the Company shall be constituted the agent of each defaulting Shareholder for taking the Actions as are necessary to effect the Proposed Exit and the Directors may authorise an officer or member to execute and deliver on behalf of such defaulting Shareholder the necessary documents and the Company may receive any purchase money due to the defaulting Shareholder in trust for each of the defaulting Shareholders. Notwithstanding and without limiting the foregoing, Article 21.5 shall apply to a Proposed Exit *mutatis mutandis*.

7. Votes in general meeting and written resolutions

- 7.1 The Series Seed Shares shall confer on each holder of Series Seed Shares 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 on an as converted basis (assuming conversion of all Series Seed Shares into Ordinary Shares).
- 7.2 The Ordinary Shares shall confer on each holder of Ordinary Shares 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.
- 7.3 The Deferred Shares (if any) shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company nor to receive or vote on, or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the Company.
- 7.4 Where Shares confer a right to vote, on a show of hands each holder of such shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll each such holder so present shall have one vote for each Share held by him.

8. Consolidation of Shares

- 8.1 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 the Act, 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.
- 8.2 When the Company sub-divides or consolidates all or any of its Shares, the Company may, subject to the Act and to these Articles, by ordinary resolution 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.

9. Conversion of Series Seed Shares

- 9.1 Any holder of Series Seed Shares shall be entitled, by notice in writing to the Company, to require conversion into Ordinary Shares of some or all, at his election, of the fully paid Series Seed Shares held by him at any time and those Series Seed 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 Series Seed Shares into Ordinary Shares is conditional upon the occurrence of one or more events (the "**Conditions**").
- 9.2 All of the fully paid Series Seed Shares shall automatically convert into Ordinary Shares:
 - (a) on the date of a notice given by the Investor Majority (which date shall be treated as the Conversion Date); or
 - (b) immediately upon the occurrence of a Qualifying IPO.

- 9.3 In the case of (i) Articles 9.1 and 9.2(a), not more than five Business Days after the Conversion Date or (ii) in the case of Article 9.2(b), at least five Business Days prior to the occurrence of the Qualifying IPO, each holder of the relevant Series Seed Shares shall deliver the certificate (or an indemnity for lost certificate in a form reasonably acceptable to the Board) in respect of the Series Seed Shares being converted to the Company at its registered office for the time being.
- 9.4 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 9.1, 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.
- 9.5 On the Conversion Date, the relevant Series Seed 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 Series Seed Share held, and the Ordinary Shares resulting from that conversion shall in all other respects rank pari passu with the existing issued Ordinary Shares.
- 9.6 The Company shall on the Conversion Date enter the holder of the converted Series Seed 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 reasonably acceptable to the Board) in respect of the Series Seed Shares in accordance with this Article, the Company shall within 10 Business Days of the Conversion Date forward to such holder of Series Seed Shares by pre-paid, first class post (in the case of deliveries solely within the United Kingdom or pre-paid, internationally recognized courier, specifying overnight delivery, if outside the United Kingdom) to his address shown in the register of members, free of charge, a definitive certificate for the appropriate number of fully paid Ordinary Shares.

10. Anti-Dilution protection

- 10.1 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 the Investor Majority shall have specifically waived the rights of all of the holders of Series Seed Shares and subject to the exceptions listed in Article 10.5, issue to each holder of Series Seed Shares (the "**Exercising Investor**") a number of new Series Seed 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 10.3 (the "**Anti-Dilution Shares**"):

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

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 Series Seed Shares held by the Exercising Investor prior to the Qualifying Issue.

10.2 The Anti-Dilution Shares shall:

- (a) be paid up by the automatic capitalisation of available reserves of the Company, unless and to the extent that the same shall be impossible or unlawful or 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 and the entitlement of such Exercising Investors to Anti-Dilution Shares shall be increased by adjustment to the formula set out in Article 10.1 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 10.1 or this Article 10.2, 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
- (b) subject to the payment of any cash payable pursuant to Article 10.2(a) (if applicable), be issued, credited fully paid up in cash and shall rank *pari passu* in all respects with the existing Series Seed Shares, within five Business Days of the expiry of the offer being made by the Company to the Exercising Investor and pursuant to Article 10.2(a).

10.3 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.

10.4 For the purposes of this Article 10 any Shares held as Treasury Shares by the Company shall be disregarded when calculating the number of Anti-Dilution Shares to be issued.

10.5 The Anti-Dilution provisions set out in Article 10.1 shall be subject to the following exceptions:

- (a) Shares upon conversion, exchange and/or exercise of securities outstanding on the Date of Adoption or issued after such date but permitted by (b) through to (g) below of this Article 10.5;
- (b) share option or other incentive awards to employees, consultants and directors involving up to the amount specified under the Share Option Plan;
- (c) Ordinary Shares, or warrants or other securities exercisable or exchangeable for, or convertible into, such shares, to banks, equipment lessors or other financial institutions pursuant to a debt financing or equipment leasing transaction;
- (d) Ordinary Shares, or warrants or other securities exercisable or exchangeable for, or convertible into, such shares, issued pursuant to a bona fide acquisition of another entity by the Company by merger or consolidation with, purchase of substantially all of the assets of, or purchase of more than fifty per cent. of the outstanding equity securities of, the other entity, or issued pursuant to a bona fide joint venture agreement;
- (e) Ordinary Shares, or warrants or other securities exercisable or exchangeable for, or convertible into, such shares, issued in connection with sponsored research, collaboration, technology licence, development, OEM, marketing or other similar agreements or strategic partnerships;
- (f) Share splits, Share dividends and similar events; and
- (g) securities of the Company issued in a Qualifying IPO,

provided however that each such event described in (c), (d) and (e) is approved by the Board, including the consent of the Series Seed Director (if one has been appointed and if no Series Seed Director has been appointed, with Investor Majority Consent).

11. Deferred Shares

- 11.1 Subject to the Act, any Deferred Shares may be redeemed by the Company at any time at its option for one penny for all the Deferred Shares registered in the name of any holder(s) without obtaining the sanction of the holder(s).
- 11.2 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:
 - (a) appoint any person 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
 - (b) give, on behalf of such holder, consent to the cancellation of such Deferred Shares; and/or
 - (c) purchase such Deferred Shares in accordance with the Act,

in any such case (i) for a price being not more than an aggregate sum of one penny 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.

- 11.3 No Deferred Share may be transferred without the prior consent of the Board, including the consent of the Series Seed Director (if one has been appointed and if no Series Seed Director has been appointed, with Investor Majority Consent).

12. Variation of rights

- 12.1 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 the special rights attaching to the Series Seed Shares may only be varied or abrogated with Investor Majority Consent.

- 12.2 Without prejudice to the generality of Article 12.1, the special rights attached to the Series Seed Shares shall be deemed to be varied by the Company effecting any of the following matters, save with Investor Majority Consent:

- (a) any amendment or change to the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of, the Series Seed Shares or the Investors;
- (b) any action that authorizes, creates or issues any Shares or class of Shares or other security either (a) having preferences or priority superior to or on a parity with the Series Seed Shares, or (b) having a purchase price that is equal to or less than the Starting Price (subject to appropriate adjustment as set forth in these Articles following any Bonus Issue or Reorganisation); or
- (c) any action that reclassifies any outstanding Shares into shares having preferences or priority as to dividends or assets senior to or on a parity with the preference of the Series Seed Shares.

13. Allotment of new shares or other securities: pre-emption

- 13.1 Subject to the remaining provisions of this Article 13, the Directors are generally and unconditionally authorised for the purpose of section 551 of the Act to exercise any power of the Company to:

- (a) allot Shares; or
- (b) grant rights to subscribe for or convert any securities into Shares,

to any persons, at any times and subject to any terms and conditions as the Directors think proper, provided that:

- (1) this authority shall be limited to a maximum nominal amount of £0.01607145;
- (2) this authority shall only apply insofar as the Company has not by resolution waived or revoked it; and
- (3) this authority may only be exercised for a period of five years commencing upon the Date of Adoption, save that the Directors may make an offer or agreement which would or might require Shares to be allotted or rights granted to subscribe for or convert any security into Shares after the expiry of such authority (and the Directors may allot Shares or grant such rights in pursuance of an offer or agreement as if such authority had not expired).

This authority is in substitution for all subsisting authorities and is inclusive of Shares allotted as of the Date of Adoption.

- 13.2 Sections 561(1) and 562(1) to (5) (inclusive) of the Act do not apply to an allotment of Equity Securities made by the Company.
- 13.3 Unless otherwise agreed by the Founder with Investor Majority Consent, 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 Investors and the Founders (assuming conversion of all Series Seed Shares into Ordinary 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 as converted basis (assuming conversion of all Series Seed Shares into Ordinary Shares) (as nearly as may be without involving fractions). The offer:
- (a) shall be in writing, be open for acceptance from the date of the offer to the date 10 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
 - (b) 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.
- 13.4 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, the New Securities shall be allotted to the Subscribers who have applied for New Securities on a pro rata basis to the number of Ordinary Shares held by such Subscribers on an as converted basis (assuming conversion of all Series Seed Shares into Ordinary Shares) which procedure shall be repeated until all 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 him); provided, however, that in no case would a Subscriber who is the Founder be allotted greater than twenty per cent. (20%) of the New Securities.
- 13.5 If, at the end of the Subscription Period, the number of New Securities applied for is less than the number of New Securities, 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 13.6.
- 13.6 If after the allotments have been made pursuant to Articles 13.3 to 13.5 (inclusive) all of the New Securities have not been allotted, any remaining New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons provided that they shall be offered at the same price and on the same terms as the offer to the Subscribers.
- 13.7 The provisions of Articles 13.3 to 13.6 (inclusive) shall not apply to:
- (a) Shares upon conversion, exchange and/or exercise of securities outstanding on the Date of Adoption or issued after such date but permitted by Articles 13.7(b) to 13.7(h) inclusive;
 - (b) options to subscribe for Ordinary Shares under the Share Option Plans;
 - (c) Ordinary Shares, or warrants or other securities exercisable or exchangeable for, or convertible into, such Shares, to banks, equipment lessors or other financial institutions pursuant to a debt financing or equipment leasing transaction;

- (d) Ordinary Shares, or warrants or other securities exercisable or exchangeable for, or convertible into, such Shares, issued pursuant to a bona fide acquisition of another entity by the Company by merger or consolidation with, purchase of substantially all of the assets of, or purchase of more than fifty per cent. of the outstanding equity securities of, the other entity, or issued pursuant to a bona fide joint venture agreement;
- (e) Ordinary Shares, or warrants or other securities exercisable or exchangeable for, or convertible into, such Shares, issued in connection with sponsored research, collaboration, technology license, development, OEM, marketing or other similar agreements or strategic partnerships;
- (f) Share splits, share dividends and other similar events;
- (g) Securities of the Company issued in a Qualifying IPO; and
- (h) Shares issued to the Investors in accordance with the terms of the Subscription and Shareholders' Agreement,

provided, however, that each such event described in Articles 13.7(c), (d) and (e) is approved by the Board, including the consent of the Series Seed Director (if one has been appointed and if no Series Seed Director has been appointed, with Investor Majority Consent).

- 13.8 Any New Securities offered under this Article 13 to an Investor may be accepted in full or part only by a Member of the same Fund Group as that Investor or a Member of the same Group as that Investor in accordance with the terms of this Article 13.
- 13.9 No Shares shall be allotted to any Employee, Director, prospective Employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, unless such person has entered into a joint section 431 ITEPA election with the Company if so required by the Company.

14. Transfers of Shares – general

- 14.1 In Articles 14 to 21 inclusive, reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or Encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share.
- 14.2 No Share may be transferred unless the transfer is made in accordance with these Articles.
- 14.3 Unless otherwise provided in these Articles, if a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles such transfer or purported transfer will be deemed to be null and void but if as a matter of law such transfer is not or is not deemed to be null and void he will be deemed to have immediately served a Transfer Notice in respect of all the Shares held by him.
- 14.4 Any transfer of a Share by way of sale which is required to be made under Articles 16 to 21 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee.
- 14.5 Other than as set forth in Article 14.6 and any Ordinary Shares issued upon conversion of the Series Seed Shares, no Ordinary Shares other than Ordinary Shares held by an Investor shall be transferred without Investor Majority Consent.

14.6 Unless express provision is made in these Articles to the contrary (including, for greater certainty, any Permitted Transfer in accordance with the terms of Article 15) or as otherwise approved by an Investor Majority, no Shares held by the Founder (or his Permitted Transferees) shall be transferred prior to the earlier of: (a) an Exit (other than an IPO) approved by an Investor Majority; and (b) a Qualifying IPO.

14.7 The Directors may refuse to register a transfer if:

- (a) it is a transfer of a Share to a bankrupt, a minor or a person of unsound mind;
- (b) the transfer is to an Employee, Director or prospective Employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, and such person has not entered into a joint section 431 ITEPA election with the Company;
- (c) it is a transfer of a Share which is not fully paid:
 - (i) to a person of whom the Directors do not approve; or
 - (ii) on which Share the Company has a lien;
- (d) the transfer is not lodged at the registered office or at such other place as the Directors may appoint;
- (e) the transfer is not accompanied by the certificate for the Shares to which it relates (or an indemnity for lost certificate in a form reasonably 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;
- (f) the transfer is in respect of more than one class of Shares (other than with respect to a transfer by an Investor to a Permitted Transferee);
- (g) the transfer is in favour of more than four transferees (other than with respect to a transfer by an Investor to a Permitted Transferee);
- (h) the Permitted Transferee does not enter into the Subscription and Shareholders' Agreement pursuant to Article 15.3; or
- (i) these Articles otherwise provide that such transfer shall not be registered.

If the Directors refuse to register a transfer, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

14.8 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 14.8 the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

14.9 To enable the Directors to determine whether or not there has been any disposal of shares in the capital of the Company (or any interest in shares in the capital of the Company) in breach of these Articles the Directors may require any holder or the legal

personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or any other person who the Directors may reasonably believe to have information relevant to that purpose, to furnish to the Company that information and evidence the Directors may request regarding any matter which they deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares in the capital of the Company from time to time registered in the holder's name. If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or where as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such shares in the capital of the Company in writing of that fact and the following shall occur:

- (a) the relevant shares shall cease to confer upon the holder of them (including any proxy appointed by the holder) any rights to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting or on a written resolution of the Company or at any separate meeting or written resolution of the class in question) provided that, at the election of the relevant Investor, such rights shall not cease if as a result of such cessation the Company shall become a Subsidiary of that Investor; or
- (b) the withholding of payment of all dividends or other distributions otherwise attaching to the relevant shares or to any further shares issued in respect of those shares; and
- (c) the holder may be required at any time following receipt of the notice to transfer some or all of its Shares to any person(s) at the price that the Directors may require by notice in writing to that holder.

The rights referred to in (a) and (b) above may be reinstated by the Board, including the consent of the Series Seed Director (if one has been appointed and if no Series Seed Director has been appointed, with Investor Majority Consent), and shall in any event be reinstated upon the completion of any transfer referred to in (c) above.

- 14.10 In any case where the Board requires a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within a period of 10 Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration of that period.
- 14.11 If a Transfer Notice is required to be given by the Board or is deemed to have been given under these Articles, the Transfer Notice, unless otherwise specified in the Articles, will be treated as having specified that:
- (a) the Transfer Price for the Sale Shares will be as agreed between the Board, including the consent of the Series Seed Director (if one has been appointed and if no Series Seed Director has been appointed, with Investor Majority Consent) (any director who is a Seller or with whom the Seller is connected (within the meaning of section 252 of the Act) not voting), and the Seller, or, failing agreement within five Business Days after the date on which the Board becomes aware that a Transfer Notice has been deemed to have been given, will be the Fair Value of the Sale Shares;
 - (b) it does not include a Minimum Transfer Condition (as defined in Article 16.2(d)); and
 - (c) the Seller wishes to transfer all of the Shares held by it.

- 14.12 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.

15. Permitted Transfers

- 15.1 Other than as set forth in Article 14, a Shareholder (who is not a Permitted Transferee) (the "**Original Shareholder**") may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise.
- 15.2 Other than as set forth in Article 14, Shares previously transferred as permitted by Article 15.1 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.
- 15.3 If an Investor purports to transfer any Shares held by such Investor to a Permitted Transferee who is a Member of the same Group as the Investor such Permitted Transferee shall be required to enter into the Subscription and Shareholders' Agreement as a party assuming the rights and liabilities of the transferring party.
- 15.4 Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise.
- 15.5 If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder for reasons other than the liquidation or winding-up of the Original Shareholder or another party, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares.
- 15.6 If a Permitted Transferee who was a Member of the same Fund Group as the Original Shareholder ceases to be a Member of the same Fund Group for reasons other than the liquidation or winding-up of the Original Shareholder or another party, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Fund Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to give a Transfer Notice in respect of such Shares.
- 15.7 Trustees may (i) transfer Shares to a Qualifying Company or (ii) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (iii) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.
- 15.8 No transfer of Shares may be made to Trustees unless the Board is satisfied:
- (a) with the terms of the trust instrument and in particular with the powers of the trustees;
 - (b) with the identity of the proposed trustees;

- (c) the proposed transfer will not result in 50 per cent. or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
 - (d) that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.
- 15.9 If a Permitted Transferee who is a Qualifying Company of the Original Shareholder ceases to be a Qualifying Company of the Original Shareholder, it must within five Business Days of so ceasing, transfer the Shares held by it to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) (any may do so without restriction as to price or otherwise) failing which it will be deemed (unless it obtains the approval of the Board, including the consent of the Series Seed Director (if one has been appointed and if no Series Seed Director has been appointed, with Investor Majority Consent)) to have given a Transfer Notice in respect of such Shares.
- 15.10 If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise he must, within 15 Business Days of so ceasing either:
- (a) execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
 - (b) give a Transfer Notice to the Company in accordance with Article 16.2,
- failing which he shall be deemed to have given a Transfer Notice.
- 15.11 On the death (subject to Article 15.4), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice.
- 15.12 A transfer of any Shares approved by the Board, including the consent of the Series Seed Director (if one has been appointed and if no Series Seed Director has been appointed, with Investor Majority Consent), may be made without restriction as to price or otherwise and with any such conditions as may be imposed and each such transfer shall be registered by the Directors.
- 15.13 Any Shares may at any time be transferred where there is a sale of the entire issued share capital of the Company to a Holding Company, which has been approved by the Board, including the consent of the Series Seed Director (if one has been appointed and if no Series Seed Director has been appointed, with Investor Majority Consent).
- 15.14 Unless otherwise approved by the Board, including the consent of the Series Seed Director (if one has been appointed and if no Series Seed Director has been appointed, with Investor Majority Consent), the Founder may not transfer Shares to a Permitted Transferee unless the Founder retains sole voting and dispositive control

over such Shares. If the Founder transfers or purports to transfer Shares to a Permitted Transferee other than in accordance with this Article 15.14, then he shall be deemed to have given a Transfer Notice with respect to such Shares.

16. Transfers of Shares subject to pre-emption rights

16.1 Save where the provisions of Articles 15, 20 and 21 apply, any transfer of Shares by a Shareholder (other than an Investor or their respective Permitted Transferees) shall be subject to the pre-emption rights contained in this Article 16.

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

- (a) the number of Shares which he wishes to transfer (the "**Sale Shares**");
- (b) if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee;
- (c) the price at which he wishes to transfer the Sale Shares; and
- (d) whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to Shareholders (a "**Minimum Transfer Condition**").

If no cash price is specified by the Seller, the price at which the Sale Shares are to be transferred (the "**Transfer Price**") must be agreed by the Board, including the consent of the Series Seed Director (if one has been appointed and if no Series Seed Director has been appointed, with Investor Majority Consent). In addition, if the price is not specified in cash, an equivalent cash value price must be agreed between the Seller and the Board, including the consent of the Series Seed Director (if one has been appointed and if no Series Seed Director has been appointed, with Investor Majority Consent). In both cases, the price will be deemed to be the Fair Value of the Sale Shares if no price is agreed within 5 Business Days of the Company receiving the Transfer Notice.

16.3 Except with consent of the Board, including the consent of the Series Seed Director (if one has been appointed and if no Series Seed Director has been appointed, with Investor Majority Consent), no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn.

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

16.5 As soon as practicable following the later of:

- (a) receipt of a Transfer Notice; and
- (b) in the case where the Transfer Price has not been agreed, the determination of the Transfer Price under Article 17,

the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in Articles 16.6 and 16.7. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered.

16.6 Priority for offer of Sale Shares

To the Investors pro rata on an as converted basis (assuming conversion of all Series Seed Shares into Ordinary Shares).

16.7 *Transfers: Offer*

- (a) The Board shall offer the Sale Shares pursuant to the Priority Rights to all shareholders specified in the offer other than the Seller (the "**Continuing Shareholders**") inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (inclusive) (the "**Offer Period**") for the maximum number of Sale Shares they wish to buy.
- (b) If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under Article 16.7 will be conditional on the fulfilment of the Minimum Transfer Condition.
- (c) If, at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder who have applied for Sale Shares in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of the relevant class(es) of Shares bears to the total number of the relevant class(es) of Shares held by those Continuing Shareholders who have applied for Sale Shares which procedure shall be repeated until all Sale Shares have been allocated but no allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.
- (d) If, at the end of the Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications and the balance will be dealt with in accordance with Article 16.8(e).

16.8 *Completion of transfer of Sale Shares*

- (a) If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for does not meet the Minimum Transfer Condition the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Article 16.7 stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.
- (b) If:
 - (i) the Transfer Notice does not include a Minimum Transfer Condition; or
 - (ii) the Transfer Notice does include a Minimum Transfer Condition and allocations have been made in respect of all or the minimum required number of the Sale Shares,

the Board shall, when no further offers are required to be made under Article 16.7 and once the requirements of Article 20 have been fulfilled to the extent required, give written notice of allocation (an "**Allocation Notice**") to the Seller and each Shareholder to whom Sale Shares have been allocated (an "**Applicant**") specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than 5 Business Days nor more than 10 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.

- (c) Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.
- (d) If the Seller fails to comply with the provisions of Article 16.8(c):

- (i) the chairman of the Company or, failing him, one of the directors, or some other person nominated by a resolution of the Board, may on behalf of the Seller:
 - (A) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - (B) receive the Transfer Price and give a good discharge for it; and
 - (C) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and
 - (ii) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) or otherwise hold the Transfer Price on trust for the Seller until he has delivered to the Company his certificate or certificates for the relevant Shares (or an indemnity for lost certificate in a form acceptable to the Board).
- (e) If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 16.8(f), the Seller may, within eight weeks after service of the Allocation Notice, transfer the unallocated Sale Shares to any person at a price at least equal to the Transfer Price.
- (f) The right of the Seller to transfer Shares under Article 16.8(e) does not apply if the Board, including the consent of the Series Seed Director (if one has been appointed and if no Series Seed Director has been appointed, with Investor Majority Consent), is of the opinion on reasonable grounds that:
 - (i) the transferee is a person (or a nominee for a person) who the Board, including the consent of the Series Seed Director (if one has been appointed and if no Series Seed Director has been appointed, with Investor Majority Consent), determines in their absolute discretion is a competitor with (or an Associate of a competitor with) the business of the Company or with a Subsidiary Undertaking of the Company;
 - (ii) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
 - (iii) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above.

16.9 Any Sale Shares offered under this Article 16 to an Investor may be accepted in full or part only by a Member of the same Fund Group as that Investor or a Member of the same Group as that Investor in accordance with the terms of this Article 16. For the avoidance of doubt, the Founder shall not be permitted to assign or syndicate any of his rights under this Article 16 to any third party or to any other individual.

17. Valuation of Shares

17.1 If no Transfer Price can be agreed between the Seller and the Board, including the consent of the Series Seed Director (if one has been appointed and if no Series Seed Director has been appointed, with Investor Majority Consent), in accordance with provisions of Articles 14.11 or 16.2 or otherwise then, on the date of failing agreement, the Board shall either:

- (a) appoint an expert valuer in accordance with Article 17.2 (the "**Expert Valuer**") to certify the Fair Value of the Sale Shares; or
 - (b) (if the Fair Value has been certified by an Expert Valuer within the preceding 12 weeks) specify that the Fair Value of the Sale Shares will be calculated by dividing any Fair Value so certified by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares the subject of the Transfer Notice.
- 17.2 The Expert Valuer will be either:
- (a) the Auditors; or
 - (b) (if otherwise agreed by the Board and the Seller) an independent firm of Chartered Accountants to be agreed between the Board and the Seller or failing agreement not later than the date 10 Business Days after the date of service of the Transfer Notice to be nominated by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party and approved by the Company.
- 17.3 The "**Fair Value**" of the Sale Shares shall be determined by the Expert Valuer on the following assumptions and bases:
- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer;
 - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - (c) that the Sale Shares are capable of being transferred without restriction;
 - (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent but taking account of the rights attaching to the Sale Shares; and
 - (e) reflect any other factors which the Expert Valuer reasonably believes should be taken into account.
- 17.4 If any difficulty arises in applying any of these assumptions or bases then the Expert Valuer shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit.
- 17.5 The Expert Valuer shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Board of their determination.
- 17.6 The Expert Valuer 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).
- 17.7 The Board will give the Expert Valuer 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.
- 17.8 The Expert Valuer shall deliver their certificate to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. Unless the Sale Shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller may by notice in writing to the Company within five Business Days of

the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares.

17.9 The cost of obtaining the certificate shall be paid by the Company unless:

- (a) the Seller cancels the Company's authority to sell; or
- (b) the Sale Price certified by the Expert Valuer is less than the price (if any) offered by the directors to the Seller for the Sale Share before Expert Valuer was instructed,

in which case the Seller shall bear the cost.

18. Compulsory transfers – general

18.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of that Share at a time determined by the Directors.

18.2 If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death the Directors may require the legal personal representatives of that deceased Shareholder either:

- (a) to effect a Permitted Transfer of such Shares (including for this purpose an election to be registered in respect of the Permitted Transfer); or
- (b) to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased Shareholder.

If either requirement in this Article 18.2 shall not be fulfilled to the satisfaction of the Directors a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that, the Directors may otherwise determine.

18.3 If a Shareholder which is a company, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets (other than as part of a bona fide restructuring or reorganisation), the relevant Shareholder (and all its Permitted Transferees) shall be deemed to have given a Transfer Notice in respect of all the shares held by the relevant Shareholder and its Permitted Transferees save to the extent that, and at a time, the Directors may determine.

18.4 If there is a change in control (as control is defined in section 1124 of the CTA 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its and their names and their respective nominees' names save that, in the case of the Permitted Transferee, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee before being required to serve a Transfer Notice. This Article 18.4 shall not apply to an Investor.

19. Departing employees

19.1 Unless the Board, including the consent of the Series Seed Director (if one has been appointed and if no Series Seed Director has been appointed, with Investor Majority Consent), determines that this Article 19.1 shall not apply and subject to Article 19.3, if at any time the Founder ceases to be an Employee, the Leaver's Percentage of the

Employee Shares relating to the Founder shall automatically convert into Deferred Shares (on the basis of one Deferred Share for each Ordinary Share held) on the Effective Termination Date (rounded down to the nearest whole share).

- 19.2 Upon such conversion into Deferred Shares, the Company shall be entitled to enter the holder of the Deferred Shares on 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 Founder (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 reasonably acceptable to the Board) for the Unvested Shares so converting and upon such delivery there shall be issued to him (or his Permitted Transferee(s)) share certificate(s) for the number of Deferred Shares resulting from the relevant conversion and any remaining Ordinary Shares.

Deemed Transfer Notice

- 19.3 If the Board, including the consent of the Series Seed Director (if one has been appointed and if no Series Seed Director has been appointed, with Investor Majority Consent), has determined that Article 19.1 shall not apply upon the Founder's ceasing to be an Employee, a Transfer Notice shall be deemed to be given automatically in respect all of the Employee Shares held by the Founder which were to convert into Deferred Shares under Article 19.1 on the Effective Termination Date unless the Board, including the consent of the Series Seed Director (if one has been appointed and if no Series Seed Director has been appointed, with Investor Majority Consent), determines that neither Article 19.1 nor Article 19.3 shall apply. In such circumstances the Transfer Price shall be the nominal value of the Employee Shares.
- 19.4 For the purposes of this Article, the Priority Rights shall be such that the Employee Shares are offered in the following order of priority:

- (a) to the Company (subject always to the provisions of the Act); and
- (b) the Investors.

20. Co-Sale right

- 20.1 No transfer (other than a Permitted Transfer) of any of the Equity Shares by any Shareholder other than an Investor or an Investor's respective Permitted Transferees may be made or validly registered unless the relevant Shareholder (a **"Selling Member"**) shall have observed the following procedures of this Article unless the Investor Majority has determined that this Article 20 shall not apply to such transfer.
- 20.2 After the Selling Member has gone through the pre-emption process set out in Article 16, the Selling Member shall give to each holder of Series Seed Shares (other than the Selling Member, if the Selling Member is a holder of Series Seed Shares) (a **"Co-Sale Eligible Holder"**) not less than 15 Business Days' notice in advance of the proposed sale (a **"Co-Sale Notice"**). The Co-Sale Notice shall specify:
- (a) the identity of the proposed purchaser (the **"Buyer"**);
 - (b) the price per share which the Buyer is proposing to pay;
 - (c) the manner in which the consideration is to be paid;
 - (d) the number and class of Equity Shares which the Selling Member proposes to sell; and

- (e) the address where the counter-notice should be sent.

For the purposes of this Article 20, it is acknowledged that Shares of different classes will be transferable at different prices, such price per class of Share being a sum equal to that to which they would be entitled if the consideration payable by the Buyer to the Selling Member were used to determine the valuation of the entire issued share capital of the Company and such valuation was then allocated as between the Shares in accordance with Articles 5 and 6.

- 20.3 Each Co-Sale Eligible Holder shall be entitled within five Business Days after receipt of the Co-Sale Notice, to notify the Selling Member that they wish to sell a certain number of Equity Shares held by them at the proposed sale price, by sending a counter-notice which shall specify the number and class of Equity Shares which such Co-Sale Eligible Holder wishes to sell. The maximum number of Equity Shares which a Co-Sale Eligible Holder can sell under this procedure shall be:

$$\left(\frac{X}{Y} \right) \times Z$$

where:

X is the number of Equity Shares the Selling Member proposes to sell;

Y is the total number of Equity Shares held by the Selling Member;

Z is the number of Equity Shares held by the Co-Sale Eligible Holder.

Any Co-Sale Eligible Holder who does not send a counter-notice within such five Business Day period shall be deemed to have specified that they wish to sell no Shares.

- 20.4 Following the expiry of five Business Days from the date the Co-Sale Eligible Holders receive the Co-Sale Notice, the Selling Member shall be entitled to sell to the Buyer on the terms notified to the Co-Sale Eligible Holders a number of Shares not exceeding the number specified in the Co-Sale Notice, provided that at the same time the Buyer (or another person) purchases from the Co-Sale Eligible Holders the number of Equity Shares they have respectively indicated they wish to sell on terms no less favourable than those obtained by the Selling Member from the Buyer.

- 20.5 No sale by the Selling Member shall be made pursuant to any Co-Sale Notice more than three months after service of that Co-Sale Notice.

- 20.6 Sales made in accordance with this Article 20 shall not be subject to Article 16.

21. Drag-along

- 21.1 If the Selling Shareholders wish to transfer all their interest in Shares (the "**Sellers' Shares**") to an unaffiliated third party Proposed Purchaser, the Selling Shareholders shall have the option (the "**Drag Along Option**") to compel each other holder of Shares (each a "**Called Shareholder**" and together the "**Called Shareholders**") to sell and transfer all their Shares to the Proposed Purchaser or as the Proposed Purchaser shall direct (the "**Drag Purchaser**") in accordance with the provisions of this Article. "**Selling Shareholders**" shall mean an Ordinary Majority and an Investor Majority.

- 21.2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "**Drag Along Notice**") to the Company which the Company shall

forthwith copy to the Called Shareholders at any time before the transfer of the Sellers' Shares to the Drag Purchaser. A Drag Along Notice shall specify that:

- (a) the Called Shareholders are required to transfer all their Shares (the "**Called Shares**") under this Article;
- (b) the person to whom they are to be transferred;
- (c) the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article);
- (d) the proposed date of transfer, and
- (e) the form of any sale agreement or form of acceptance or any other document of similar effect that the Called Shareholders are required to sign in connection with such sale (the "**Sale Agreement**").

(and, in the case of paragraphs (b) to (d) above, whether actually specified or to be determined in accordance with a mechanism described in the Drag Along Notice). No Drag Along Notice or Sale Agreement may require a Called Shareholder to agree to any terms except those specifically provided for in this Article.

21.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Drag Purchaser within 60 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

21.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Drag Purchaser were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Articles 5 and 6 (the "**Drag Consideration**").

21.5 In respect of a transaction that is the subject of a Drag-Along Notice and with respect to any Drag Document, no Investor shall be bound by the Drag-Along Notice unless:

- (a) any representations and warranties to be made by such Investor in connection therewith are limited to authority, ownership and the ability to convey title;
- (b) such Investor shall not be liable for the inaccuracy of any representation or warranty made by any other person, other than the Company (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any Shareholder of any of identical representations, warranties and covenants provided by all Shareholders);
- (c) the liability of such Investor is several and not joint with any other person (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any Shareholder of any of identical representations, warranties and covenants provided by all Shareholders), and is pro rata in proportion to, and does not exceed, the amount of consideration received by such Investor in connection with such proposed transaction;
- (d) liability is limited to such Investor's applicable share (determined based on the respective proceeds payable to each Shareholder in connection with such proposed transaction) of a negotiated aggregate indemnification amount

that applies equally to all Shareholders but that in no event exceeds the amount of consideration otherwise received by such Investor in connection with such proposed transaction, except with respect to claims related to fraud by such Investor, the liability for which need not be limited as to such Investor;

- (e) upon the consummation of the proposed transaction, each holder of each class of the Company's shares will receive the same form of consideration for its shares of such class as is received by other holders in respect of their shares of such same class of shares as contemplated by Articles 5 and 6;
- (f) other than an Investor that is an Employee, such Investor and its Affiliates shall not be required to give any release of claims other than a release that is limited to its role as a shareholder, other security holder or employee of the Company; and
- (g) other than an Investor that is an Employee, such Investor and its Affiliates shall not be subject to any non-competition, non-investment, non-solicitation or other similar provisions.

21.6 Within three Business Days of the Company copying the Drag Along Notice to the Called Shareholders (or such later date as may be specified in the Drag Along Notice) (the "**Drag Completion Date**"), each Called Shareholder shall deliver:

- (a) duly executed stock transfer form(s) for its Shares in favour of the Drag Purchaser;
- (b) the relevant share certificate(s) (or a duly executed indemnity for lost certificate in a form reasonably acceptable to the Board) to the Company; and
- (c) duly executed Sale Agreement, if applicable, in the form specified in the Drag Along Notice or as otherwise specified by the Company,

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

21.7 On the Drag Completion Date, the Company shall pay each Called Shareholder, on behalf of the Drag Purchaser, the Drag Consideration that is due to the extent the Drag Purchaser has paid such consideration to the Company. The Company's receipt of the Drag Consideration shall be a good discharge to the Drag Purchaser. The Company shall hold the Drag Consideration in trust for each of the Called Shareholders without any obligation to pay interest.

21.8 To the extent that the Drag Purchaser has not, on the Drag Completion Date, paid the Drag Consideration that is due to the Company, the Called Shareholders shall be entitled to the immediate return of the Drag Documents for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 21 in respect of their Shares.

21.9 If a Called Shareholder fails to deliver the Drag Documents for its Shares to the Company by the Drag Completion Date, the Company and each Director shall be constituted the agent of such defaulting Called Shareholder to take such actions and enter into any Drag Document or such other agreements or documents as are necessary to effect the transfer of the Called Shareholder's Shares pursuant to this Article 21 and the Directors shall, if requested by the Drag Purchaser, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Drag Purchaser to the extent the Drag Purchaser has, by the Drag Completion Date, paid the Drag Consideration to the Company for the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the

transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or suitable executed indemnity) to the Company. On surrender, he shall be entitled to the Drag Consideration due to him.

- 21.10 Any transfer of Shares to a Drag Purchaser pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 16.
- 21.11 On any person, following the issue of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option or warrant to acquire shares in the Company or pursuant to 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 who shall then be bound to sell and transfer all Shares so acquired to the Drag Purchaser and the provisions of this Article 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.

22. Asset Sale

In the event that an Asset Sale is approved by the Selling Shareholders, such consenting Shareholders shall have the right, by notice in writing to the Company and to all other Shareholders, to require such Shareholders to take any and all such actions as it may be necessary for the Company and such Shareholders to take in order to give effect to or otherwise implement such Asset Sale, subject always to the proceeds from such Asset Sale being distributed to Shareholders in accordance with the provisions of Articles 5 and 6 and the provisions of Article 21 *mutatis mutandis*.

23. General meetings

- 23.1 If the Directors are required by the Shareholders under section 303 of the Act to call a general meeting, the Directors shall convene the meeting for a date not later than 28 days after the date on which the Directors became subject to the requirement under section 303 of the Act.
- 23.2 The provisions of section 318 of the Act shall apply to the Company, save that if a quorum is not present at any meeting adjourned for the reason referred to in article 41 of the Model Articles, then, provided that the Qualifying Person present holds or represents the holder of at least 50 per cent. in nominal value of the Equity Shares, any resolution agreed to by such Qualifying Person shall be as valid and effectual as if it had been passed unanimously at a general meeting of the Company duly convened and held.
- 23.3 If any two or more Shareholders (or Qualifying Persons representing two or more Shareholders) attend the meeting in different locations, the meeting shall be treated as being held at the location specified in the notice of the meeting, save that if no one is present at that location so specified, the meeting shall be deemed to take place where the largest number of Qualifying Persons is assembled or, if no such group can be identified, at the location of the chairman.

24. Directors' borrowing powers

The Directors may, with Investor Majority Consent or Series Seed Director consent where required, exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and to issue debentures, debenture stock and other securities as security for any debt, liability of obligation of the Company or of any third party.

25. Alternate Directors

25.1 Notwithstanding any provision of these Articles to the contrary, any person appointed as a Director (the "**Appointer**") may appoint any director or any other person as he thinks fit to be his alternate Director to:

- (a) exercise that Director's powers; and
- (b) carry out that Director's responsibilities in relation to the taking of decisions by the Directors in the absence of the alternate's Appointor.

The appointment of an alternate Director shall not require approval by a resolution of the Directors.

25.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the Directors.

25.3 The notice must:

- (a) identify the proposed alternate; and
- (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice.

25.4 An alternate Director may act as an alternate to more than one Director and has the same rights, in relation to any Directors' meeting (including as to notice) or Directors' written resolution, as the alternate's Appointor.

25.5 Except as these Articles specify otherwise, alternate directors:

- (a) are deemed for all purposes to be Directors;
- (b) are liable for their own acts and omissions;
- (c) are subject to the same restrictions as their Appointors; and
- (d) 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.

25.6 A person who is an alternate Director but not a Director:

- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating); and
- (b) may sign a Directors' written resolution (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate).

No alternate may be counted as more than one Director for such purposes.

25.7 A Director who is also an alternate Director is entitled, in the absence of his Appointor, to a separate vote on behalf of each Appointor, in addition to his own vote on any decision of the Directors (provided that his Appointor is an Eligible Director in relation to that decision).

25.8 An alternate Director is not entitled to receive any remuneration from the company for serving as an alternate Director, except such part of the alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the Company.

25.9 An alternate Director's appointment as an alternate shall terminate:

- (a) when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- (b) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a Director;
- (c) on the death of the alternate's Appointor; or
- (d) when the alternate's Appointor's appointment as a Director terminates.

26. Number of Directors

Unless and until the Company shall otherwise determine by ordinary resolution, the number of Directors shall be not less than three.

27. Appointment of Directors

27.1 An Investor Majority shall be entitled to nominate one natural person to act as a Director of the Company by notice in writing addressed to the Company from time to time and the other holders of Shares shall not vote their Shares so as to remove that Director from office. An Investor Majority shall be entitled to remove its nominated Director so appointed at any time by notice in writing to the Company served at its registered office and appoint another person to act in his place.

27.2 An Ordinary Majority shall be entitled to nominate two natural persons to act as Directors of the Company by notice in writing addressed to the Company from time to time and the other holders of Shares shall not vote their Shares so as to remove any such Director(s) from office. An Ordinary Majority shall be entitled to remove any nominated Director(s) so appointed at any time by notice in writing to the Company served at its registered office and appoint another person or persons to act in his or their place; provided, however, that at any time prior to his Effective Termination Date, Brett Shanley shall always be an Ordinary Director (unless he declines such role from time to time in his sole and absolute discretion).

27.3 An appointment or removal of a Director under Articles 27.1 or 27.2 shall be effective upon delivery to the Company's registered office of:

- (a) an appropriate notice naming the relevant person signed by the relevant Shareholder(s) (or their duly authorised representatives); and
- (b) in the case of appointments only, a notice consenting to act and specifying an address for service of notices of meetings signed by the person being appointed as a Director.

27.4 The Series Seed Director and each Ordinary Director shall be entitled at his or her request to be appointed to any committee of the Board established from time to time and to the board of directors of any Subsidiary Undertaking (and any committee thereof).

28. Secretary

Subject to the provisions of the Act, the Directors may appoint a secretary for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

29. Disqualification of Directors

In addition to that provided in article 18 of the Model Articles, the office of a Director shall also be vacated if:

- (a) he is convicted of a criminal offence (other than a minor motoring offence) and the Directors resolve that his office be vacated; or
- (b) in the case of Directors, if a majority of his co-Directors serve notice on him in writing, removing him from office.

30. Proceedings of Directors

- 30.1 The quorum for Directors' meetings shall be two Directors which must include, at minimum, one Ordinary Director and the Series Seed Director (if appointed) (save that where a Relevant Interest of a director is being authorised by other directors in accordance with section 175(5)(a) of the Act, such director and any other interested director shall not be included for the purpose of such authorisation but shall be included for the purpose of forming the quorum), unless there is only one Director. 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 to the same day in the next week at the same time and place or at such time and place as determined by the Directors present at such meeting. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed.
- 30.2 In the event that a meeting of the Directors is attended by a Director who is acting as alternate for one or more other Directors, the Director or Directors for whom he is the alternate shall be counted in the quorum despite their absence, and if on that basis there is a quorum the meeting may be held despite the fact (if it is the case) that only one Director is physically present.
- 30.3 If all the Directors participating in a meeting of the Directors are not physically in the same place, the meeting shall be deemed to take place where the largest group of participators in number is assembled. In the absence of a majority the location of the chairman shall be deemed to be the place of the meeting.
- 30.4 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company at any time before or after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.
- 30.5 Provided (if these Articles so require) that he has declared to the Directors, in accordance with the provisions of these Articles, the nature and extent of his interest (and subject to any restrictions on voting or counting in a quorum imposed by the Directors in authorising a Relevant Interest), a Director may vote at a meeting of the Directors or of a committee of the Directors on any resolution concerning a matter in which he has an interest, whether a direct or an indirect interest, or in relation to which he has a duty and shall also be counted in reckoning whether a quorum is present at such a meeting.

- 30.6 Questions arising at any meeting of the Directors shall be decided by a majority of votes. In the case of any equality of votes, the chairman shall not have a second or casting vote.
- 30.7 A decision of the Directors 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 (including confirmation given by electronic means). Reference in article 7(1) of the Model Articles to article 8 of the Model Articles shall be deemed to include a reference to this Article also.

31. Notices

- 31.1 Any communication and/or information to be given in connection with these Articles shall be in writing in English and shall either be delivered by hand or sent by pre-paid, first class post (in the case of deliveries solely within the United Kingdom or pre-paid, internationally recognized courier, specifying overnight delivery, if outside the United Kingdom) or fax, email or other electronic form:

- (a) to the Company at its registered address;
- (b) to any Shareholder that is a company at its registered office; or
- (c) to a Shareholder that is an individual at the address of that individual on the books and records of the Company,

(or in the cases of clauses (b) and (c), such other address as the recipient may notify to the other parties in accordance with this Article 31 for such purpose).

- 31.2 A communication sent according to Article 31.1 shall be deemed to have been received:

- (a) if delivered by hand, at the time of delivery;
- (b) if sent by pre-paid first class post, on the second day after posting (in the case of deliveries solely within the United Kingdom);
- (c) if sent via pre-paid, internationally recognized courier, specifying overnight delivery, on the third day after sending; or
- (d) if sent by fax, email or other electronic form, at the time of completion of transmission by the sender;

- 31.3 except that if a communication is received between 5.30 pm on a business day in the jurisdiction of the recipient and 9.30 am on the next business day in the jurisdiction of the recipient, it shall be deemed to have been received at 9:30am on the second of such business days; provided, however, that no delivery shall be deemed to have been received by (a) GFC if a copy thereof is not also sent promptly by email to arnd.lodowicks@rocket-internet.de and inka.brunn@rocket-internet.de, or (b) RICP if a copy thereof is not also sent promptly by email to bettina.curtze@rocket-internet.com, ricp@rocket-internet.com and RocketInternet@aztecgroup.eu.

- 31.4 At the same time as sending any notice to GFC, RICP or any of their respective Permitted Transferee pursuant to these Articles, a copy (which shall not constitute notice) shall be sent to each of (i) Tamara Thompson of Thompson Legal Advisory Services at tt@tamarathompson.com and (ii) Dr. Sascha Leske of Noerr LLP at sascha.leske@noerr.com.

32. Directors' interests

Specific interests of a Director

32.1 Subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind:

- (a) where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested;
- (b) where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested;
- (c) where a Director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a Parent Undertaking of, or a Subsidiary Undertaking of a Parent Undertaking of, the Company;
- (d) where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested;
- (e) where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested;
- (f) where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this;
- (g) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- (h) any other interest authorised by ordinary resolution.

Shareholder approval

32.2 Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this Article 32.

Interests of which a Director is not aware

32.3 For the purposes of this Article 32, an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his.

Accountability of any benefit and validity of a contract

- 32.4 In any situation permitted by this Article 32 (save as otherwise agreed by him) a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit.

Terms and conditions of Board authorisation

- 32.5 Any authority given in accordance with section 175(5)(a) of the Act in respect of a Director ("**Interested Director**") who has proposed that the Directors authorise his interest ("**Relevant Interest**") pursuant to that section may, for the avoidance of doubt:

- (a) be given on such terms and subject to such conditions or limitations as may be imposed by the authorising Directors as they see fit from time to time, including, without limitation:
 - (i) restricting the Interested Director from voting on any resolution put to a meeting of the Directors or of a committee of the Directors in relation to the Relevant Interest;
 - (ii) restricting the Interested Director from being counted in the quorum at a meeting of the Directors or of a committee of the Directors where such Relevant Interest is to be discussed; or
 - (iii) restricting the application of the provisions in Articles 32.7 and 32.8, so far as is permitted by law, in respect of such Interested Director;
- (b) be withdrawn, or varied at any time by the Directors entitled to authorise the Relevant Interest as they see fit from time to time; and

an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising Directors pursuant to section 175(5)(a) of the Act and this Article 32.

Director's duty of confidentiality to a person other than the Company

- 32.6 Subject to Article 32.7 (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 32), if a Director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:

- (a) to disclose such information to the Company or to any Director, or to any officer or employee of the Company; or
- (b) otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director.

- 32.7 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 32.6 shall apply only if the conflict arises out of a matter which falls within Article 32.1 or has been authorised under section 175(5)(a) of the Act.

Additional steps to be taken by a Director to manage a conflict of interest

- 32.8 Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director shall take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation:
- (a) absenting himself from any discussions, whether in meetings of the Directors or otherwise, at which the relevant situation or matter falls to be considered; and
 - (b) excluding himself from documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information.

Requirement of a Director is to declare an interest

- 32.9 Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by Article 32.1 at a meeting of the Directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as the Directors may determine, except that no declaration of interest shall be required by a Director in relation to an interest:
- (a) falling under Article 32.1(g);
 - (b) if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or
 - (c) if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles.

- 32.10 For the purposes of this Article 32:

- (a) a conflict of interest includes a conflict of interest and duty and a conflict of duties;
- (b) the provisions of section 252 of the Act shall determine whether a person is connected with a Director;
- (c) a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified.

33. Data Protection

Each of the Shareholders and Directors consent to the processing of their personal data by the Company, the Shareholders and Directors (each a “**Recipient**”) for the purpose of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information among themselves. A Recipient may

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

34. Indemnities and insurance

34.1 Subject to the provisions of and so far as may be permitted by, the Act:

(a) every Director or other officer of the Company (excluding the Company's auditors) shall be entitled to be indemnified by the Company (and the Company shall also be able to indemnify directors of any associated company (as defined in section 256 of the Act)) out of the Company's assets against all liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, provided that no Director or any associated company is indemnified by the Company against:

- (i) any liability incurred by the director to the Company or any associated company; or
- (ii) any liability incurred by the director to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirements of a regulatory nature; or
- (iii) any liability incurred by the director:
 - (A) in defending any criminal proceedings in which he is convicted;
 - (B) in defending civil proceedings brought by the Company or any associated company in which final judgment (within the meaning set out in section 234 of the Act) is given against him; or
 - (C) in connection with any application under sections 661(3) or 661(4) or 1157 of the Act (as the case may be) for which the court refuses to grant him relief,

save that, in respect of a provision indemnifying a director of a company (whether or not the Company) that is a trustee of an occupational pension scheme (as that term is used in section 235 of the Act) against liability incurred in connection with that company's activities as trustee of the scheme, the Company shall also be able to indemnify any such director without the restrictions in Articles 34.1(a)(i), 34.1(a)(iii)(B) and 34.1(a)(iii)(C) applying;

(b) the Directors may exercise all the powers of the Company to purchase and maintain insurance for any such Director or other officer against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be

guilty in relation to the Company, or any associated company including (if he is a director of a company which is a trustee of an occupational pension scheme) in connection with that company's activities as trustee of an occupational pension scheme.

- 34.2 The Company shall (at the cost of the Company) effect and maintain for each Director policies of insurance insuring each Director against risks in relation to his office as each director may reasonably specify including without limitation, any liability which by virtue of any rule of law may attach to him in respect of any negligence, default of duty or breach of trust of which he may be guilty in relation to the Company.

35. Lock-up agreement / market stand-off

- 35.1 In connection with any IPO and upon request of the Company or the underwriters managing such IPO, no Shareholder shall sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any Shares, however or whenever acquired (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed 180 days but subject to such extension or extensions as may be required by the underwriters in order to publish research reports while complying with the applicable rules of the relevant securities exchange) from the effective date of such registration statement as may be requested by the Company or such managing underwriters and such Shareholder shall execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the IPO.
- 35.2 The obligations described in Article 35.1 shall apply only if (a) all officers and directors of the Company and all greater than one per cent. Shareholders enter into similar agreements, and (b) such agreements shall provide that any discretionary waiver or termination of the restrictions of such agreements by the Company or the representatives of the underwriters shall apply to each Shareholder pro rata based on the number of Shares subject to such agreements. In no event shall the obligations described in Article 35.1 apply to a registration relating solely to employee benefit plans, or to a registration relating solely to a transaction pursuant to Rule 145 under the U.S. Securities Act of 1933, as amended. The underwriters in connection with the IPO are intended third-party beneficiaries of the covenants and agreements set forth in this Article 35 and shall have the right, power and authority to enforce the provisions hereof. Further, each Shareholder shall, upon reasonable request by the underwriters, enter into a written agreement with such underwriters containing terms substantially equivalent to the terms of this Article 35, and such underwriters shall be entitled to reasonably require each such Shareholder to enter into such a written agreement.
- 35.3 In order to enforce the foregoing covenants, the Company may impose stop-transfer instructions with respect to the securities of any and all Shareholders.