

ARTICLES OF ASSOCIATION

## Contents

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1.	Interpretation .....	1
2.	Adoption of the Model Articles .....	11
3.	Number of directors .....	11
4.	Proceedings of directors .....	11
5.	Appointment and removal of directors and observers.....	12
6.	Chairperson .....	14
7.	Transactions or other arrangements with the Company .....	14
8.	Directors' conflicts.....	15
9.	Secretary .....	16
10.	Dividends .....	16
11.	Liquidation preference .....	17
12.	Deferred Shares.....	18
13.	Conversion of Seed Preference Shares and B Ordinary Shares .....	18
14.	Anti-Dilution protection .....	21
15.	Variation of rights .....	23
16.	Pre-emption rights on the issue of further shares .....	24
17.	Transfers of shares: general .....	26
18.	Permitted transfers of shares.....	27
19.	Pre-emption rights on the transfer of shares .....	29
20.	Valuation .....	32
21.	Compulsory transfers .....	34
22.	Mandatory offer on change of control .....	35
23.	Drag along .....	36
24.	Co-sale Right.....	39
25.	General meetings .....	40
26.	Voting.....	40
27.	Purchase of own shares .....	41
28.	Company's Lien over Shares.....	42
29.	Enforcement of the Company's Lien .....	42
30.	Means of communication to be used .....	44
31.	Indemnity and insurance.....	44
32.	Data protection .....	45

THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF  
CAPTUR LIMITED  
(Company number 11807164)

(Adopted by special resolution passed on \_\_\_\_\_2023)

INTRODUCTION

1. Interpretation

1.1 The following definitions and rules of interpretation apply in these Articles:

Act: the Companies Act 2006 (as amended from time to time).

Acting in concert: has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended).

Adoption Date: the date of adoption of these Articles.

Arrears: in relation to any Share, all arrears of declared and/or accrued but unpaid dividends on that Share.

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

As Converted Basis: in the case of each Seed Preference Share, on the basis as if that Seed Preference Share had immediately previously been converted into such number of Ordinary Shares as is determined by article 13.

Ascension: MNL (Ascension) Nominees Limited.

Ascension Ventures: Ascension Ventures Limited, company number 07766902.

Asset Sale: the disposal by the Company of all or substantially all of its undertaking and assets (where disposal may include the grant by the Company of an exclusive licence of intellectual property not entered into in the ordinary course of business).

Auditors: the auditors of the Company from time to time (or if none are appointed the accountants of the Company from time to time).

Available Profits: means profits available for distribution within the meaning of Part 23 of the Act.

B Ordinary Shares: B Ordinary (non-voting) shares of £0.001 each in the capital of the Company.

Bad Leaver: a Founder who, at any time during the three year period from the Adoption Date, becomes a Departing Employee as a result of:

- (a) dismissal or termination for gross misconduct, fraud, dishonesty or being convicted of any criminal offence (other than a road traffic offence which is not punishable by a custodial sentence) or any grounds which entitle the Company to summarily dismiss or immediately terminate the Founder's employment, office, consultancy or engagement, provided always that such dismissal is not later determined by an employment tribunal or a court of competent jurisdiction from which there is no right of appeal, to be wrongful or unfair;
- (b) resignation of employment without an agreement with the Company (approved in writing in advance by the Board in respect of which the Sure Valley Director has voted in favour) other than in circumstances which amount to constructive dismissal within the meaning of section 95(1)(c) of the Employment Rights Act 1996; or
- (c) resignation in circumstances where she subsequently becomes an employee of or consultant to any person or entity who is in the reasonable opinion of the Board a competitor of the Company;

Board: the board of Directors of the Company as constituted from time to time.

Bonus Issue or Reorganisation: any return of capital, bonus issue of shares or other securities of the Company by way of capitalisation of profits or reserves (other than a capitalisation issue in substitution for or as an alternative to a cash dividend which is made available to the Seed Preference Shareholders) or any consolidation or subdivision or any variation in the 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 14 or in the definition of Relevant Securities.

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

Chairperson: has the meaning given to it in article 7.

Company: means Captur Limited (Company number 11807164).

Company's Lien: has the meaning given to it in article 28.1.

connected: has the meaning given in section 252 of the Act.

Controlling Interest: an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010.

"Conversion Ratio" means one Ordinary Share per Seed Preference Share (if applicable, adjusted as referred to in Article 1.12).

Credit Institution: any Financial Conduct Authority registered credit institution (or a credit institution registered with the equivalent body or authority in the country of the relevant credit institution's principal place of business).

Deemed Transfer Notice: a Transfer Notice which is deemed to have been served by any of the provisions of these Articles.

Deferred Shares: the deferred shares of £0.001 each in the capital of the Company.

Departing Employee: a Founder who ceases to be an Employee of any Group Company and who does not continue as, or become, an Employee of any Group Company.

Directors: the directors of the Company from time to time.

EIS: the Enterprise Investment Scheme as contained in Part 5 of the Income Tax Act 2007 (as amended).

EIS Relief: means the tax reliefs available under the EIS, including income tax relief, capital gains tax exemption, share loss relief and capital gains tax deferral relief.

Eligible Director: means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter).

Employee: means an individual who is employed by, or who provides consultancy services to, the Company.

Employee Trust: a trust, the terms of which are approved by Investor Majority Consent, whose beneficiaries are the bona fide employees of the Group.

Fair Value: has the meaning given in article 20.2.

Family Trust: as regards any particular Shareholder who is an individual (or deceased or former Shareholder who is an individual) any trust (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 particular Shareholder and/or any of the Privileged Relations of that Shareholder (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 any such person or any voting or other rights attaching thereto are exercisable by or as directed by any 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: an accounting reference period (as defined in section 391 of the Act) of the Company.

Founder: Charlotte Bianca Bax.

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

GLIF Limited: GLIF Limited (company number 11403390) whose registered office is at 5 Chancery Lane, London, WC2A 1LG.

Good Leaver: a Founder who becomes a Departing Employee but who is not a Bad Leaver.

Group: the Company, any subsidiary or any holding company from time to time of the Company, and any subsidiary from time to time of a holding company of the Company from time to time and Group Company shall be construed accordingly.

holding company: has the meaning given in article 1.10.

Independent Expert: the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the Company and the Seller or, in the absence of agreement between the Company and the Seller on the identity of the expert within 10 Business Days of the expiry of the 10 Business Day period referred to in article 20.1, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator).

Institutional Investor: a fund, partnership, body corporate, trust or other person or entity whose principal business is to make investments or a person whose business is to make, manage or advise upon investments for any of the foregoing.

Investors: has the meaning given in the SSA.

Investor Majority Consent: the consent of the Investor Majority.

Investor Majority: means the holders of at least 60% of the Seed Preference Shares and Ordinary Shares (as if they constituted the same class) (excluding always any Share issued to the Founder) in issue from time to time, such Investor Majority to always include Sure Valley Ventures.

IPO: the successful application and admission of all or any of the shares in the capital of the Company, or securities representing such shares (including American depositary receipts, American depositary shares and/or other instruments to the Official List of the UK Listing Authority or on the AIM market operated by the London Stock Exchange plc, or the Nasdaq National Stock Market of the Nasdaq Stock Market Inc or to any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000 (as amended))).

Lien Enforcement Notice: means a notice in writing which complies with the requirements of article 29.2.

Major Investors: means (a) Ascension; (b) MMC; and (c) Sure Valley Ventures.

Member of the Same Group: as regards any company, a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company.

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

- (a) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of the Investment

Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business);

- (b) any Investment Fund managed by that Fund Manager;
- (c) any trustee, nominee or custodian of such Investment Fund and vice versa;
- (d) the Fund Manager of that Investment Fund or a Fund Manager of any other Investment Fund which is a Member of the Same Fund Group as that Investment Fund (or a nominee of any such Fund Manager) and vice versa;
- (e) any Member of the same Group as that Fund Manager.

MMC: MMC Greater London Fund and/or any Permitted Transferee of MMC Greater London Fund, and/or any MMC Fund.

MMC Funds: those funds managed or advised by MMC Ventures Limited.

MMC Greater London Fund: MMC Greater London Fund L.P. acting through its manager, MMC Ventures Limited, LP 020046, registered address 24 High Holborn, London, WC1V 6AZ.

Model Articles: the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229), as amended prior to the Adoption Date.

New Securities: any shares in the capital of the Company or Relevant Securities granted or issued (or to be granted or issued) by the Company after the Adoption Date.

Non Vested Shares: a Departing Employee's Relevant Shares which are not Vested Shares.

Ordinary Shares: the ordinary shares of £0.001 each in the capital of the Company.

Ordinary Shareholder: means the holders from time to time of the Ordinary Shares (but excludes the Company holding Treasury Shares).

Preference Amount: means in respect of a Seed Preference Share, £13.2237 (if applicable, adjusted as referred to in Article 1.12 and/or Article 14.5) together with a sum equal to any Arrears.

Permitted Transfer: a transfer of Shares made in accordance with article 18.

Permitted Transferee: in relation to:

- (a) a Shareholder who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust;
- (b) a Shareholder which is a company, a Member of the Same Group as that company;
- (c) an Investor, to (i) a Member of the Same Fund Group as that Investor, or (ii) a Member of the Same Group as that Investor, or (iii) any nominee of that Investor (or of a Member of the Same Fund Group as that Investor) , or (iv) to any other Investor, or (v) to any other Credit Institution or Institutional Investor;

- (d) in respect of MMC, any transfer to GLIF Limited and/or the Mayor of London and/or any MMC Fund; and
- (e) in relation to Sure Valley Ventures, Sure Valley Ventures and any company which from time to time is its subsidiary or holding company or a subsidiary of any such holding company or an associated company of any of the foregoing and any fund, investment company and/or partnership for the time being owned or controlled by any of the foregoing or any company for the time being owning, controlling or managing any such partnership or in the case of a partnership in which any of such parties is the general partner, all other partners in or of any such partnership, or in the case of a company holding shares in trust for any such partnership and/or person(s) co-investing with such partnership, the partners of or co-investors with such partnership.

Privileged Relation: in relation to a Shareholder who is an individual (or a deceased or former Shareholder who is an individual) means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted or illegitimate child and their issue).

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

Qualifying Issue: has the meaning given in Article 14.1.

Realisation: an Asset Sale, Share Sale or Liquidation (whichever occurs first);

Relevant Securities: any Shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the Company after the Adoption Date, other than:

- (a) the grant of any options under a Share Option Plan (and the issue of B Ordinary Shares on the exercise of any such options);
- (b) any Shares or other securities issued by the Company in order for the Company to comply with its obligations under these Articles, including, but not limited to the Anti-Dilution Shares;
- (c) any Shares or other securities issued in consideration of the acquisition by the Company of any company or business which has been approved by Investor Majority Consent;
- (d) Shares or Relevant Securities issued or granted by the Company as a result of a Bonus Issue or Reorganisation which has been approved by Investor Majority Consent; or
- (e) Shares or options for Shares issued or granted to the Investors in accordance with the terms of the SSA.

Relevant Shares: in relation to a Founder means all Ordinary Shares held by:



- (a) the Founder in question; or
- (b) any Permitted Transferee of that Founder (other than those Shares held by those persons that an Investor Majority declares itself satisfied were not acquired directly or indirectly from the Founder or by reason of his/her relationship with the Founder).

Restricted Shares: has the meaning given in article 21.6.

Sale Shares: has the meaning given in article 19.2(a).

Seed Preference Shares: seed preference shares of £0.001 each in the capital of the Company, having the rights and being subject to the restrictions set out in the Articles.

Seed Preference Shareholders: the holders of the Seed Preference Shares (but excludes the Company holding Treasury Shares).

Seed Preference Majority: the holders of more than 50% of the Seed Preference Shares from time to time (including always Sure Valley Ventures).

Seller: has the meaning given in article 19.2.

Shareholder: any holder of any Shares (but excludes the Company holding Treasury Shares).

Share Option Scheme: means any employee share option plan for employees, officers, directors and consultants of the Company established by the Company and pursuant to which not more than 133,651 B Ordinary Shares (79,403 of which represents 10% of the Company's share capital on a fully diluted basis immediately prior to the adoption of this Articles) may be put under option, the terms of which must be approved by the Investor Majority.

Share Sale: the sale or transfer of any of the existing shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the acquirer of those shares and persons Acting in concert with them together acquiring a Controlling Interest in the Company, except where following completion of the sale or transfer the shareholders and the proportion of shares held by each of them are the same as the shareholders and their shareholdings in the Company immediately prior to the sale or transfer.

Shares: means the B Ordinary Shares, the Seed Preference Shares and the Ordinary Shares.

SSA: the subscription and shareholders' agreement dated on or around the Adoption Date between, amongst others, the Company and the New Investors (as the same may have been varied, supplemented, adhered to or superseded in accordance with its terms for the time being).

Starting Price: in respect of a Seed Preference Share, £13.2237 (if applicable, adjusted as referred to in Article 1.12 and/or Article 14.5).

subsidiary: has the meaning given in article 1.10.

Sure Valley Director: the director appointed by Sure Valley Ventures.

Sure Valley Group: Sure Valley Ventures and any company which from time to time is its subsidiary or holding company or a subsidiary of any such holding company or an associated company of any of the foregoing and any fund, investment company and/or partnership for the time being owned or controlled by any of the foregoing or any company for the time being owning, controlling or managing any such partnership or in the case of a partnership in which any of such parties is the general partner, all other partners in or of any such partnership, or in the case of a company holding shares in trust for any such partnership and/or person(s) co-investing with such partnership, the partners of or co-investors with such partnership and the term Member of the Sure Valley Group shall include any of the foregoing.

Sure Valley Ventures: Sure Valley Ventures Enterprise Capital LP, having its principal place of business at 70 St Mary Axe, London, EC3A 8BE, United Kingdom, acting by its General Partner Sure Valley General Partner Limited.

Treasury Shares: shares in the capital of the Company held by the Company as treasury shares from time to time within the meaning set out in section 724(5) of the Act.

Termination Date:

- (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires;
- (b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;
- (c) where the Founder dies, the date of her death;
- (d) where the Founder is a director but not an employee, the date on which her service agreement (or other terms of appointment) with the relevant Group Company is terminated;
- (e) in any other case, the date on which the employment or holding of office is terminated.

Transfer Notice: has the meaning given in article 19.2.

Transfer Price: has the meaning given in article 20.

Vested Shares: the number of the Departing Employee's Relevant Shares shall be calculated as follows:

- i) 25% of the Relevant Shares vest on the Adoption Date; and
- ii) from the Adoption Date, the number of the Departing Employee's Relevant Shares shall be calculated as follows:

$$(75 - (1/36 \times NM) / 100) \times DFS$$

NM = the number of full calendar months from the Adoption Date to the Termination Date for the applicable Departing Employee

DFS = the total number of Departing Employee's Relevant Shares

(such that on the date falling three years from the Adoption Date 100% of the Relevant Shares will be Vested Shares).

Writing or written: the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, save that, in relation to a Transfer Notice (or Deemed Transfer Notice), "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form (other than by fax).

- 1.2 Headings in these Articles shall not affect the interpretation of these Articles.
- 1.3 Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.
- 1.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.5 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles (but excluding any statutory modification of them not in force on the Adoption Date).
- 1.6 A reference in these Articles to:
  - (a) an Article is a reference to the relevant numbered article of these Articles;  
and
  - (b) a model article is a reference to the relevant article,unless expressly provided otherwise.
- 1.7 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time. A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.8 Any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.9 Where the context permits, other and otherwise are illustrative and shall not limit the sense of the words preceding them.
- 1.10 A reference to a holding company or a subsidiary means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and for the

purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of:

- (a) another person (or its nominee), by way of security or in connection with the taking of security; or
- (b) its nominee.

In the case of a limited liability partnership which is a subsidiary of a company or another limited liability partnership, section 1159 of the Act shall be amended so that: (a) references in sections 1159(1)(a) and (c) to voting rights are to the members' rights to vote on all or substantially all matters which are decided by a vote of the members of the limited liability partnership; and (b) the reference in section 1159(1)(b) to the right to appoint or remove a majority of its board of directors is to the right to appoint or remove members holding a majority of the voting rights.

**1.11 With respect to the calculation of any number of Shares:**

- (a) each B Ordinary Share shall be counted as one B Ordinary Share; and
- (b) each Ordinary Share shall be counted as one Ordinary Share; and
- (c) each Seed Preference Share shall be counted as a number of Ordinary Shares (including fractional entitlements) equal to one multiplied by the then applicable Conversion Ratio (provided that if the relevant calculation is being made when a doubt or dispute has arisen in relation to the adjustment to the Conversion Ratio and the matter has not yet been determined by the Auditors pursuant to Article 1.12, then the applicable Conversion Ratio for the purposes of this Article 1.11 shall be the Conversion Ratio as determined by the Board acting with Investor Majority Consent. If the Board, acting with Investor Majority Consent, has not determined the applicable adjusted Conversion Ratio, then it shall be deemed to be the most recent determined applicable Conversion Ratio, or, in the absence of the same, the unadjusted Conversion Ratio).

**1.12 In the event of any Bonus Issue or Reorganisation, the Preference Amount, Starting Price and/or Conversion Ratio, as applicable, shall be adjusted as determined by the Board equitably so as to ensure that each Seed Preference Shareholder is in no better or worse position (with respect to each Seed Preference Share held) as a result of such Bonus Issue or Reorganisation provided that if a doubt or dispute arises concerning such adjustment, the Board or the relevant Seed Preference Shareholder shall refer the matter to the Auditors (or such independent firm of accountants as the Board may decide) whose determination shall, in the absence of manifest error, be final and binding on the Company and each of the Shareholders (and the costs of the Auditors (or such independent firm of accountants) shall be borne by the Company).**

## 2. Adoption of the Model Articles

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Model articles 7(1), 8, 9(4), 9(1) and (3), 10(3), 11(2) and (3), 12, 13, 14(1) to (4) (inclusive), 16, 17(2), 17(3), 26(5), 38, 39, 44(2), 49, 50 and 51 to 53 (inclusive) shall not apply to the Company.
- 2.3 Model article 29 shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".

## DIRECTORS

### 3. Number of directors

- 3.1 Unless otherwise determined by ordinary resolution, the number of Directors shall not be less than two.

### 4. Proceedings of directors

- 4.1 Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with article 4.2 (subject to article 4.3 and article 4.4). All decisions made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions at any meeting of the Directors (or committee of the Directors) shall be decided by a majority of votes.
- 4.2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.3 A decision taken in accordance with article 4.2 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.
- 4.4 A decision may not be taken in accordance with article 4.2 if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with article 4.6 and article 4.7.
- 4.5 Meetings of the Directors shall take place at least once every three months, with a period of not more than 14 weeks between any two meetings. Any Director may call a

meeting of the Directors. Unless with Sure Valley Director Consent not less than seven days' advance notice in writing of each such meeting shall be given to each Director.

- 4.6 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two Eligible Directors including always the Sure Valley Director (if appointed). If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Directors determine. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed then the meeting shall proceed with those Directors present.
- 4.7 For the purposes of any meeting (or part of a meeting) held pursuant to article 8 to authorise a Conflict (as defined in article 8.1), if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 4.8 If the number of Directors in office for the time being is less than two the Director in office must not take any decision other than a decision to:
- (a) appoint further Directors; or
  - (b) call a general meeting so as to enable the Shareholders to appoint further Directors.
- 4.9 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the Chairperson (or other chairperson of the meeting) shall not have a second or casting vote.
- 4.10 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.
- 4.11 The Directors may make any rule which they think fit about how they take decisions and about how such rules are to be recorded or communicated to Directors.

## 5. Appointment and removal of directors and observers

- 5.1 For so long as the Founder is an employee of, or service provider to, the Company and (together with its Permitted Transferees) holds Shares, the Founder shall have the right to appoint and maintain herself in office as a director of the Company (and as a member of each and any committee of the Company) (the "Founder Director"). The Founder Director shall (for so long as she remains appointed to the Board) be entitled to pass any information received from the Company to her professional advisors, provided always that the Founder Director and such professional advisers shall be obliged to keep confidential all such information.

- 5.2 Sure Valley Ventures shall, on giving seven days prior notice in writing to the Board, be entitled to appoint one person as a Director and to remove and/or replace any such person from time to time. The Sure Valley Director shall have the right to be appointed as a non-executive director of each subsidiary of the Company and each sub-committee of the Board and subcommittee of the Board of each subsidiary of the Company. Any appointment or removal pursuant to this article 5.2 shall be made by notice in writing served on the Company and the Company agrees to procure (in so far as lies within its power of procurement) that, such appointment and/or removal shall be effected as soon as possible following receipt of such notice. The Sure Valley Director shall (for so long as he remains appointed to the Board) be entitled to pass any information, which is strictly necessary and required in connection with the Business, received from the Company to (i) Sure Valley Ventures and (ii) Sure Valley Ventures' professional advisors, provided always that the Sure Valley Director, Sure Valley Ventures and all and any professional advisers shall be obliged to keep confidential all such information.
- 5.3 Where Sure Valley Ventures has not exercised its right to appoint a Sure Valley Director, Sure Valley Ventures may at any time, by notice in writing to the Company, nominate one individual to attend (but not to vote at) Board meetings in a non-participating observer capacity (the "Sure Valley Observer") and the Company hereby agrees to procure that, and the parties hereto hereby agree to use all reasonable endeavours to procure that, any Sure Valley Observer so nominated is sent an invitation to attend Board meetings together with the relevant notice of meeting and Board papers and is permitted to attend such Board meetings in each case as if he were a Director.
- 5.4 Model article 18 shall be modified by the addition of the following events upon the occurrence of which a person shall cease to be a Director:
- (a) he is convicted of a criminal offence (other than a minor motoring offence) and a majority of the other Directors resolve that he cease to be a Director;
  - (b) other than in relation to the Sure Valley Director, a majority of the other Directors resolve that he cease to be a Director; and
  - (c) in the case of an executive Director only, he shall cease to be employed by the Company or other Group Company (as appropriate) and does not continue as an employee of any other Group Company.
- 5.5 For so long as Ascension holds Shares, it shall have a right to appoint a representative to attend as an observer at each and any meeting of the Board and of each and any committee of the Board (who shall be entitled to attend and speak at, but not vote at, any meeting of the Board and committees of the Board).
- 5.6 For so long as MMC holds Shares, it shall have a right to appoint a representative to attend as an observer at each and any meeting of the Board and of each and any

committee of the Board (who shall be entitled to attend and speak at, but not vote at, any meeting of the Board and committees of the Board).

5.7 The reasonable expenses of any observers shall be payable by the Company.

6. Chairperson

The Directors may with Investor Majority Consent appoint any person as chairperson of the Board (Chairperson) and may with Investor Majority Consent remove and replace any such Chairperson. If there is no Chairperson in office for the time being, or the Chairperson is unable to attend any meeting of the Directors, the Directors present at the meeting must appoint another Director present at the meeting to chair the meeting and the appointment of the chairperson of the meeting must be the first business of the meeting.

7. Transactions or other arrangements with the Company

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- (b) shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- (c) shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
- (e) may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested;
- (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.



## 8. Directors' conflicts

- 8.1 The Directors may, in accordance with the requirements set out in this article 8, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an Interested Director) breaching his duty under section 175 of the Act to avoid conflicts of interest (Conflict).
- 8.2 For the avoidance of doubt, a Sure Valley Director will be entitled to vote on any matter relating to the Investment Agreement or the exercise of any of its rights thereunder or any matters relating to Sure Valley Ventures investment in the Company.
- 8.3 Any authorisation under this article 8 will be effective only if:
- (a) to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;
  - (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director;
  - (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 8.4 Any authorisation of a Conflict under this article 8 may (whether at the time of giving the authorisation or subsequently):
- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;
  - (c) provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
  - (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
  - (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence;
  - (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from

reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.

- 8.5 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
- 8.6 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 8.7 A Director, notwithstanding his office, may be a Director or other officer of, employed by, or otherwise interested (including by the holding of shares) in his appointor(s) (or any Permitted Transferee of such appointor(s)) and no authorisation under article 8.1 shall be necessary in respect of any such interest.
- 8.8 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

## 9. Secretary

The Directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Directors so decide, appoint a replacement, in each case by a decision of the Directors.

## SHARES AND DISTRIBUTIONS

## 10. Dividends

Subject to any other provisions of these Articles concerning the right of certain classes of Shares to receive dividends, any dividends shall be distributed among the holders of Deferred Shares and the Ordinary Shares and Seed Preference Shares so that the holders of Deferred Shares receive a total of one penny in aggregate (as a class), payment of which may be made to any holder of Deferred Shares on behalf of the class, and the remainder shall be distributed to the holders of Ordinary Shares and Seed Preference Shares pro rata to the number of Ordinary Shares and Seed Preference Shares held by those persons, as if they all constituted shares of the same class.

## 11. Liquidation preference

11.1 In the event of a Realisation, the Company and each Shareholder shall procure that the net proceeds (after payment of the applicable transaction costs or surplus assets of the Company remaining after payment of its liabilities) of any Share Sale comprised in the Realisation whether payable in shares, cash or other assets whatsoever, in a Liquidation or following an Asset Sale (the Proceeds) shall be allocated and distributed as follows and in the following order of priority (to the extent that the Company is lawfully permitted to do so):

- (a) first, the holders of Seed Preference Shares shall have the right to payment of an amount per share which is equal to the Preference Amount provided that, in the event that the Proceeds are insufficient to return to the holders of the Seed Preference Shares in respect of their Seed Preference Shares, an amount equal to or more than the Preference Amount, the entire Proceeds shall be distributed or paid to the holders of Seed Preference Shares pro rata to their respective holding of Seed Preference Shares; and
- (b) second, in paying the balance (if any) of such Proceeds after paying the Preference Amount, to the holders of Ordinary Shares and B Ordinary Shares pro rata to their respective holding of Ordinary Shares and/or B Ordinary Shares, respectively.

11.2 In the event of a Realisation, if any portion of the consideration payable to the Shareholders is deferred or is payable only upon satisfaction of contingencies (the Additional Consideration), it shall be a condition of the Realisation that (a) the portion of such consideration that is not Additional Consideration (such portion, the Initial Consideration) shall be allocated among the Shareholders of the Company in accordance with the order of priority of payment as set for in article 11.1 as if the Initial Consideration were the only consideration payable in connection with such Realisation and (b) any Additional Consideration which becomes payable to the Shareholders of the Company on expiry of time or upon satisfaction of such contingencies shall be allocated among the Shareholders in accordance with the order of priority of payment as set forth in article 11.1 after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this article 11.2:

- (a) consideration placed into escrow or retained as holdback to be available for satisfaction of indemnification or similar obligations in connection with such Realisation shall be deemed to be Additional Consideration; and
- (b) if, once the Additional Consideration has been calculated and the holders of the Seed Preference Shares would have received a greater sum pursuant to the operation of article 11.2 if the aggregate of the Initial Consideration and the Additional Consideration (Total Consideration) were distributed to the holders of the Seed Preference Shares on an As Converted Basis, an adjustment will be made when the payment of the Additional Consideration is paid so that, as far as is possible, the Seed Preference Shares have received

their proportion of the Total Consideration an amount calculated on an As Converted Basis.

## 12. Deferred Shares

- 12.1 Subject to the Act, all Deferred Shares in issue may be purchased by the Company at any time at its option for a total of one penny in aggregate for all such Deferred Shares (which amount shall be apportioned between the holders of Deferred Shares pro rata as to the number of Deferred Shares held and may be paid to any one or more holders of Deferred Shares on behalf of all holders of Deferred Shares) without obtaining the sanction of the holder(s).
- 12.2 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) of such Deferred Shares to such person(s) as the Company may determine (as nominee or custodian thereof or otherwise), including (subject to the Act) to the Company itself, in any case for a price being not more than an aggregate sum of one penny for all Deferred Shares registered in the name of such holder(s); and/or
  - (b) receive the consideration for such a transfer or purchase (and give a good discharge for it) and hold the same on trust for the transferor(s); and/or
  - (c) give, on behalf of such holder(s), consent to the cancellation of such Deferred Shares, and/or
  - (d) retain the certificate(s) (if any) in respect of such Deferred Shares pending transfer, cancellation and/or purchase thereof.
- 12.3 No Deferred Shares may be transferred without the prior consent of the Board.

## 13. Conversion of Seed Preference Shares and B Ordinary Shares

- 13.1 Each holder of Seed Preference Shares shall be entitled at any time (in the manner and subject to the provisions set out in this article 13.1) to convert any or all of its Seed Preference Shares into fully paid Ordinary Shares on the basis of the conversion rate, which shall initially be one Ordinary Share for each Seed Preference Share converted and in proportion for any greater number of Seed Preference Shares applicable (the rate as adjusted from time to time as set out in the following provisions of this article 13.1 and called the Conversion Rate). The right to convert shall be exercisable by a holder of Seed Preference Shares at any time by completing a notice of conversion (a Conversion Notice) and delivering the same to the Company together with the share certificate for the Seed Preference Shares the subject of the Conversion Notice.

- 13.2 The Conversion Date for the conversion shall be such date (being not less than 2 Business Days after the date of the Conversion Notice) as the relevant holder of Seed Preference Shares shall specify in the Conversion Notice.
- 13.3 Allotments of Ordinary Shares or re-designations arising from conversion shall be effected within 5 Business Days of the Conversion Date. Within 5 Business Days after the Conversion Date, the Company shall forward to each holder of the Seed Preference Shares which have been converted (at his/her/its own risk and free of any charge) a definitive certificate for the appropriate number of fully paid Ordinary Shares. In the meantime transfers shall be certified against the Register.
- 13.4 The Ordinary Shares to which a holder is entitled upon conversion shall for all purposes:
- (a) be credited as fully paid;
  - (b) rank pari passu in all respects and form one class with the Ordinary Shares then in issue; and
  - (c) entitle the holder to receive dividends and other distributions declared, made or paid on Ordinary Shares on or after the Conversion Date.
- 13.5 The Board may in its absolute discretion from time to time decide the manner in which relevant Shares are to be converted (whether by redesignation or the redemption and issue of new Ordinary Shares out of some or all of the proceeds of such redemption) subject to the provisions of these Articles and the Companies Act.
- 13.6 If while any Seed Preference Shares remain capable of being converted into Ordinary Shares the Company shall make any issue of shares by way of capitalisation of profits or reserves (including any share premium account and capital redemption reserve) only to the holders of Ordinary Shares or the holders of any other class of Shares (but not to the holders of Seed Preference Shares), then the number of Ordinary Shares to result from any subsequent conversion of Seed Preference Shares shall be increased pro rata and if any doubt shall arise as to the amount of the increase in the number of Ordinary Shares the certificate of the Auditors shall (subject to article 13.11) be conclusive and binding on all concerned. No adjustment shall be made in the event of an issue of shares by way of capitalisation of profits or reserves in place of cash dividends but no such issue shall be made without Investor Majority Consent.
- 13.7 If while any Seed Preference Shares remain capable of being converted into Ordinary Shares the Company shall make any capital distribution to the holders of Ordinary Shares or the holders of any other class of shares (but not to the holders of Seed Preference Shares), then the number of Ordinary Shares to result from any subsequent conversion of the Seed Preference Shares shall be increased by an amount (if any) determined to be appropriate by the Auditors whose certificate shall (subject to article 13.14) be conclusive and binding on all concerned but so that no such capital distribution shall be made without Investor Majority Consent. For the purpose of this

article capital distribution means any dividend or other distribution of capital profits (whether realised or not) or capital reserves or profits or reserves arising after the date of the passing of the resolution creating the Seed Preference Shares from a distribution of capital profits (whether realised or not) or capital reserves (other than by means of a capitalisation issue) or any repayment of capital or purchase of redeemable shares in accordance with the terms of issue. For the purposes of this article 2.4 where the relevant audited accounts do not distinguish between capital and revenue profits or reserves then the Company shall be entitled to rely upon a written estimate by the Auditors to the extent to which any part of any profits or reserves shall be regarded as of a capital nature and in any case where the Company shall purchase any Ordinary Shares the amount of the capital distribution per Ordinary Shares shall be that amount which is the gross amount paid on that purchase divided by the number of Ordinary Shares remaining in issue following the purchase.

- 13.8 If while any Seed Preference Shares remain capable of being converted into Ordinary Shares, the Ordinary Shares shall be consolidated or sub-divided by then the number of Ordinary Shares to result from any subsequent conversion of the Seed Preference Shares shall be reduced or increased pro rata and if any doubt shall arise as to the number of Shares then the certificate of the Auditors shall (subject to article 13.4.11) be conclusive and binding on all concerned.
- 13.9 The Company shall give not less than 20 Business Days' prior notice (or if such notice is not possible, such shorter notice as is the longest possible in the circumstances) to the holders of Seed Preference Shares of any Realisation, to enable such holders to determine before the occurrence of any event, whether such holders wish to exercise their conversion rights.
- 13.10 In the event of any doubt or dispute arising in respect of any adjustment to the Conversion Rate the matter will be referred to the Auditors who will certify an adjustment which in their view is fair and reasonable and that adjustment shall (subject to article 13.14) be conclusive and binding on all concerned.
- 13.11 If the holder of Seed Preference Shares is not satisfied with any certificate of the Auditors issued pursuant to this article 2.4 for any reason in any circumstance in which such certificate is issued (or if the Auditors refuse to issue a certificate) and so notify the Company and the Auditors in writing within 10 Business Days of receiving such certificate or learning of its contents (if a copy of such certificate is not sent to them) or learning of the refusal of the Auditors to issue a certificate, the matter shall be submitted as soon as practicable to an auditor firm as agreed by the Investor Majority and the Board or in default of agreement as nominated by the President (or next most senior available officer) for the time being of the Institute of Chartered Accountants in England and Wales such firm of auditors to be deemed to be an expert and whose decision as to the matter shall be final and binding on all persons save for manifest error. The fees and expenses of the independent firm of auditors shall be borne by such person or persons as determined by such firm.

13.12 Each holder of Seed Preference Shares shall be entitled upon the conversion of all or any of its Seed Preference Shares into fully paid new Ordinary Shares as referred to in Article 13.1 to receive a cash payment from the Company in respect of the whole or any part of the declared but unpaid dividends in respect of all or any of its Seed Preference Shares.

#### 14. Anti-Dilution protection

14.1 Subject to Article 14.4, if New Securities are granted or issued after the Adoption Date by the Company at a price per New Security which equates to less than the Starting Price per Seed Preference Share (a "Qualifying Issue") which in the event that the New Security is not granted or issued for cash shall be a price agreed by the Board and the Seed Preference Majority (and failing such agreement 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 New Securities) then the Company shall, unless the Seed Preference Majority shall have specifically waived the rights of all of the holders of Seed Preference Shares, issue to each Shareholder holding Seed Preference Shares at the time of such Qualifying Issue (the "Exercising Investor") a number of new Seed Preference Shares determined by applying the following formula (and rounding the product, N, down to the nearest whole share), subject to adjustment in accordance with Article 14.5 (the "Anti-Dilution Shares"):

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

Where:

N = the 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 = (i) the number of Shares in issue, plus (ii) the number of allocated options to subscribe for Ordinary Shares which have been granted under the Share Option Scheme, plus (iii) an equivalent number of Shares (to be determined in accordance with Article 14.3) in respect of any other outstanding Relevant Securities (excluding any Relevant Securities in respect of which Shares are being issued pursuant to such Qualifying Issue), in each case immediately prior to the Qualifying Issue

QISP = the weighted average equivalent price per Share in respect of the New Securities granted or issued pursuant to the Qualifying Issue (and for which purpose any non-cash consideration shall be valued at a cash equivalent sum agreed by the Board and the Seed Preference Majority and failing such agreement a sum certified by

the Auditors acting as experts and not as arbitrators as being in their opinion the cash equivalent value of such non-cash consideration)

NS = the number of Shares issued or granted pursuant to the Qualifying Issue (or in the case of Relevant Securities issued or granted pursuant to the Qualifying Issue, an equivalent number of Shares to be determined in accordance with Article 14.3)

Z = the number of Seed Preference Shares held by the Exercising Investor immediately prior to the Qualifying Issue.

In the event of multiple Qualifying Issues on the same date, whether at a single issue price or at different issue prices, whether for new money or as a consequence of outstanding convertible securities or similar instruments, the calculations set out in this Article 14.1 will be made with respect to each Qualifying Issue independently and simultaneously such that none of such Qualifying Issues are deemed to be outstanding for purposes of the calculations in this Article 14.1 for any of the other Qualifying Issues.

**14.2 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 the Seed Preference Majority shall agree otherwise, in which event the Exercising Investors shall be entitled to subscribe for the Anti-Dilution Shares in cash at nominal value. In the event of any dispute between the Company and any Exercising Investor as to the effect of Article 14.1 or this Article 14.2, the matter shall be determined between the Board and the Seed Preference Majority and the Board may (and at the request of the Seed Preference Majority will) refer (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 each Exercising Investor; and
- (b) subject to the payment of any cash payable pursuant to Article 14.2(a) (if applicable), be issued, credited fully paid up in cash and shall rank *pari passu* in all respects (save as to (i) the date from which those Shares rank for dividend and (ii) the amount paid up or credited as paid up on each Share) with the existing Seed Preference Shares, within five Business Days of the expiry of the offer being made by the Company to the Exercising Investor and pursuant to Article 14.2(a).

**14.3 If the number of Shares issuable in respect of any Relevant Securities is not then ascertainable (because, for example but without limitation, the exercise or conversion price is variable according to a formula) then, for the purpose of any calculation under this Article 14, the equivalent number of Shares the subject of such Relevant Securities shall be deemed to be such number of Shares as the Board (acting reasonably and in**



good faith) shall estimate to be the number of Shares reasonably likely be issued thereunder.

- 14.4 In the event of any grant or issue of New Securities other than Shares ("Rights To Acquire Shares"), then unless the Board determines the grant or issue of such Rights To Acquire Shares shall constitute a Qualifying Issue.
- 14.5 The Preference Amount and Starting Price of each Seed Preference Share held by each Exercising Investor following the issue of Anti-Dilution Shares under this Article 14 shall be adjusted to equal to the quotient of (i) the aggregate Preference Amount or Starting Price (as the case may be) of the Seed Preference Shares held by such Exercising Investor immediately prior to the issuance of the Anti-Dilution Shares and (ii) the number of Seed Preference Shares held by such Exercising Investor immediately afterwards (including the Anti-Dilution Shares) provided that such aggregate adjusted Preference Amount or Starting Price (as the case may be) shall be no less than, and no greater than, the aggregate (as the case may be) for all Seed Preference Shares held by such Exercising Investor prior to the issue of the Anti-Dilution Shares.
- 14.6 For the purposes of this Article 14 any Shares held as Treasury Shares by the Company shall not be included when calculating the number of Shares in issue (but may, for the avoidance of doubt, be included if and to the extent such Treasury Shares are the subject of any Rights To Acquire Shares granted or issued by the Company).

## 15. Variation of rights

- 15.1 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 a majority of the issued Shares of that class (provided that, if such variation or abrogation treats two or more classes in the same manner, the written consent of the holders of a majority of the issued Shares of such classes (as if such classes constituted one and the same class) shall only be required).
- 15.2 The creation of a new class of Shares which has preferential rights to one or more existing classes of Shares shall not constitute a variation of the rights of those existing classes of Shares.
- 15.3 The special rights attached to:
- (a) any shares may be varied or abrogated in any manner otherwise provided for in these Articles; and
  - (b) the Deferred Shares as a class may be varied or abrogated by a special resolution without the requirement for any consent by the holders of the Deferred Shares or any of them.

16. Pre-emption rights on the issue of further shares

16.1 Save to the extent authorised by these Articles, the Directors shall not, save with Investor Majority Consent, exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares.

16.2 Subject to the remaining provisions of this article 146, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to:

- (a) offer or allot;
- (b) grant rights to subscribe for or to convert any security into;
- (c) otherwise deal in, or dispose of,

any Shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for Shares) to any person, at any time and subject to any terms and conditions as the Directors think proper.

16.3 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.

16.4 Unless otherwise disapplied by the Shareholders passing a special resolution (to include Investor Majority), if the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to:

- (a) the holders (on the date of the offer) of the Seed Preference Shares (and for the purposes of determining the proportionate entitlement of Relevant Shareholders holding Seed Preference Shares, treating them on an As Converted Basis) and the Ordinary Shares (save as set out below);
- (b) in respect of any Shares held by Ascension or a Permitted Transferee of Ascension, to Ascension, all Permitted Transferees of Ascension (in its capacity as an Investor) and to Ascension Ventures; and
- (c) in respect of any Shares held by MMC or a Permitted Transferee of MMC, to MMC, all Permitted Transferees of MMC (in its capacity as an Investor) and to any MMC Funds,
- (d) in respect of any Seed Preference Shares held by Sure Valley Ventures or a Permitted Transferee of Sure Valley Ventures, to Sure Valley Ventures, all Permitted Transferees of Sure Valley Ventures and to any Member of the Sure Valley Group,

(each an Offeree), on a pari passu basis and in the respective proportions that the number of Shares held by each holder referred to in article 16.5 bears to the total number of Shares held by all such holders (as nearly as possible without involving

fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person.

- 16.5 An offer made under article 16.4:
- (a) shall be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered;
  - (b) shall remain open for a period of at least 10 Business Days from the date of service of the offer (save that, in the case of Sure Valley Ventures, the offer will be deemed until confirmed as rejected in writing by Sure Valley Ventures); and
  - (c) may stipulate that any Offeree who wishes to subscribe for a number of Relevant Securities in excess of the number to which he is entitled under article 16.4 shall, in his acceptance, state the number of excess Relevant Securities (Excess Securities) for which he wishes to subscribe.
- 16.6 If, on the expiry of an offer made in accordance with article 16.4, the total number of Relevant Securities applied for is less than the total number of Relevant Securities so offered, the Directors shall allot the Relevant Securities to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.
- 16.7 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with article 16.4 shall be used to satisfy any requests for Excess Securities made pursuant to article 16.5(c). If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions that the number of Shares held by each such applicant bears to the total number of such Shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him). After those allotments, any Excess Securities shall, subject to article 16.8, be offered to any other person(s) as the Directors may, with Investor Majority Consent, determine, at the same price and on the same terms as the offer to the Shareholders.
- 16.8 No Shares shall be allotted to any current or prospective employee or director of any Group Company unless such person shall first have entered into a joint election with the relevant Group Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.
- 16.9 Any 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.

## 17. Transfers of shares: general

- 17.1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share.
- 17.2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles. Subject to article 17.5, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.
- 17.3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed to have immediately served a Transfer Notice in respect of all Shares held by him.
- 17.4 Any transfer of a Share by way of sale which is required to be made under article 21, article 22 or article 23 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.
- 17.5 The Directors shall, unless otherwise agreed by an Investor Majority, as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed, in favour of the Company and the Investors agreeing to be bound by the terms of the SSA, in such form as the Directors (acting with Investor Majority Consent) may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor). If any condition is imposed in accordance with this article 17.5, the transfer may not be registered unless and until that deed has been executed and delivered to the Company's registered office by the transferee.
- 17.6 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may require:
- (a) any holder (or the legal representatives of a deceased holder); or
  - (b) any person named as a transferee in a transfer lodged for registration;  
or
  - (c) such other person as the Directors may reasonably believe to have information relevant to that purpose,
- to provide the Company with any information and evidence that the Directors think fit regarding any matter which they deem relevant to that purpose.
- 17.7 If any such information or evidence referred to in article 17.6 is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are

reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and, if the holder fails to remedy that situation to the reasonable satisfaction of the Directors within 10 Business Days of receipt of such written notice, then, unless otherwise directed in writing by an Investor Majority:

- (a) the relevant Shares shall cease to confer on the holder of them any rights:
  - (i) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
  - (ii) to receive dividends or other distributions otherwise attaching to those Shares;
  - (iii) to participate in any future issue of Shares; and
- (b) the Directors may, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of his Shares with effect from the date of service of the notice (or such later date as may be specified in such notice).

The Directors may (with Investor Majority Consent) reinstate the rights referred to in article 17.7(a) at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 17.7(b) on completion of such transfer.

17.8 Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that:

- (a) it does not contain a Minimum Transfer Condition;
- (b) the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice).

17.9 Any Transfer Notice (but not an Offer Notice (as defined in article 22) or a Drag Along Notice (as defined in article 23)) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice.

## 18. Permitted transfers of shares

18.1 A Shareholder may transfer all or any of his or its Shares to a Permitted Transferee.

18.2 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to:

- (a) the Shareholder;

- (b) any Privileged Relation(s) of the Shareholder;
- (c) subject to article 18.3, the trustee(s) of another Family Trust of which the Shareholder is the Settlor; or
- (d) subject to article 18.3, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,

without any price or other restriction.

18.3 A transfer of Shares may only be made to the trustee(s) of a Family Trust if the Directors are satisfied:

- (a) with the terms of the trust instrument and, in particular, with the powers of the trustee(s);
- (b) with the identity of the proposed trustee(s);
- (c) that the proposed transfer will not result in 50% 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 that Family Trust are to be paid by the Company.

18.4 If the Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within 10 Business Days of ceasing to be a Member of the Same Group as the Shareholder, transfer the Shares held by it to:

- (a) the Shareholder;
- (b) a Member of the Same Group as the Shareholder,

(which in either case is not in liquidation), without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this article 18.4, a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this article 18.4.

18.5 If the Shareholder is an Investment Fund (or nominee of such person) and a Permitted Transfer has been made, the Permitted Transferee shall, within 10 Business Days of ceasing to be a Member of the Same Fund Group as the Shareholder, transfer the Shares held by it to:

- (a) the Shareholder; or
- (b) a Member of the Same Fund Group as the Shareholder,

(which in either case is not in liquidation), without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this article 18.5, a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this article 18.5.

18.6 If the Shareholder is an individual and a Permitted Transfer has been made to a Privileged Relation of the Shareholder, the Permitted Transferee (or the transmittee(s) of any such person), shall within 10 Business Days of ceasing to be a Privileged Relation of the Shareholder (whether by reason of death, divorce or otherwise) either:

- (a) execute and deliver to the Company a transfer of the Shares held by him to the Shareholder (or to any Permitted Transferee of the Ordinary Shareholder) for such consideration as may be agreed between them;
- (b) give a Transfer Notice to the Company in accordance with article 19,

failing which a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this article 18.6.

18.7 Notwithstanding any other provision of this article 18, a transfer of any Shares approved by the Directors (acting with Investor Majority Consent) may be made without any price or other restriction and any such transfer shall be registered by the Directors.

#### 19. Pre-emption rights on the transfer of shares

19.1 Unless otherwise disapplied by the Shareholders passing a special resolution (to include Investor Majority Consent) and except where the provisions of article 18, article 22 or article 23 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this article 19.

19.2 A Shareholder who wishes to transfer Shares (a Seller) shall, before transferring or agreeing to transfer any Shares, give notice in writing (a Transfer Notice) to the Company specifying:

- (a) subject to article 17.8(b), the number and class of Shares he wishes to transfer (Sale Shares);
- (b) the name of the proposed transferee, if any;
- (c) the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the Proposed Sale Price);
- (d) subject to article 17.8(a), whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a Minimum Transfer Condition).

19.3 Except in the case of a Deemed Transfer Notice (which may not be withdrawn), where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value is less than the Proposed Sale Price the Seller may, within 10 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice. Otherwise, a Transfer Notice may only be withdrawn with Investor Majority Consent.

19.4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

19.5 As soon as practicable following the later of:

- (a) receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served);
- (b) the determination of the Transfer Price,

the Directors shall (unless the Transfer Notice is withdrawn in accordance with article 19.3) offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 19 at the Transfer Price. Each offer shall be in writing and shall give details of the number and Transfer Price of the Sale Shares offered.

19.6 If the Sale Shares are Shares being sold pursuant to a Deemed Transfer Notice under article 21, the Company shall offer them first, to any Employee Trust that the Directors (acting with Investor Majority Consent) may nominate for the purpose or subject to the Act and provided such purchase shall not cause any investor's EIS Relief to be withdrawn or the Company's qualifying status for EIS Relief to cease, the Company.

19.7 An offer of Sale Shares made in accordance with article 19.6 shall remain open for acceptance for a period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive). Any Sale Shares not allocated within that period shall be dealt with in accordance with the remaining provisions of this article 19.

19.8 Subject to article 19.7, the Directors shall offer the Sale Shares to the Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (the Offer Period) for the maximum number of Sale Shares they wish to buy.

19.9 If:

- (a) 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 Directors shall allocate the Sale Shares to each Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares of the class being offered held by all Shareholders (other than the Seller). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors (acting with Investor Majority Consent)). 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;
- (b) not all Sale Shares are allocated following allocations in accordance with article 19.9(a), but there are applications for Sale Shares that have not been satisfied, the Directors shall allocate the remaining Sale Shares to such



applicants in accordance with the procedure set out in article 19.9(a). The procedure set out in this article 19.9(b) shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; or

- (c) at the end of the Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Directors shall allocate the Sale Shares to the First Offer Shareholders in accordance with their applications. The balance (the Surplus Shares) shall be dealt with in accordance with article 19.14.

19.10 Where the Transfer Notice contains a Minimum Transfer Condition:

- (a) any allocation made under article 19.7 to article 19.9(c) (inclusive) shall be conditional on the fulfilment of the Minimum Transfer Condition; and
- (b) if the total number of Sale Shares applied for under article 19.7 to article 19.9(c) (inclusive) is less than the number of Sale Shares, the Board shall notify the Seller and all those Shareholders to whom Sale Shares have been conditionally allocated stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

19.11 Where either:

- (a) the Transfer Notice does not contain a Minimum Transfer Condition; or
- (b) allocations have been made in respect of all the Sale Shares,

the Directors shall, when no further offers or allocations are required to be made under article 19.7 to article 19.9(c) (inclusive), give notice in writing of the allocations of Sale Shares (an Allocation Notice) to the Seller and each Shareholder to whom Sale Shares have been allocated (each an Applicant). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 10 Business Days, but not more than 15 Business Days, after the date of the Allocation Notice).

19.12 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice.

19.13 If the Seller fails to comply with article 19.12:

- (a) the Chairperson (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent and attorney on behalf of the Seller:
  - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;

- (ii) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and
    - (iii) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them.
  - (b) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company.
- 19.14 Where a Transfer Notice lapses pursuant to article 19.10(b) or an Allocation Notice does not relate to all the Sale Shares, then, subject to article 19.15, the Seller may, at any time during the 10 Business Days following the date of lapse of the Transfer Notice, or the date of service of the Allocation Notice as the case may be, transfer the Sale Shares (in the case of a lapsed offer) or the Surplus Shares (as the case may be) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this article 19.14 shall continue to be subject to any Minimum Transfer Condition.
- 19.15 Other than in relation to Sure Valley Ventures, the Seller's right to transfer Shares under article 19.14 does not apply if the Directors reasonably consider that:
- (a) the transferee is a person (or a nominee for a person) whom the Directors determine to be a competitor (or a Member of the Same Group as a competitor) of the business of any Group Company;
  - (b) 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
  - (c) the Seller has failed or refused to promptly provide information available to him and reasonably requested to enable it to form the opinion referred to in article 19.15(b).

## 20. Valuation

- 20.1 The Transfer Price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Directors (any Director with whom the Seller is connected not voting), acting with Investor Majority Consent, and the Seller or, in default of agreement within 10 Business Days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date on which the Board first has actual knowledge of the facts giving rise to such deemed service), the Fair Value of each Sale Share.

- 20.2 The Fair Value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions:
- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served);
  - (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; or
  - (e) reflecting any other factors which the Independent Expert reasonably believes should be taken into account.
- 20.3 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.
- 20.4 The Directors will give the Independent Expert access to all accounting records or other relevant documents of the Group, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose.
- 20.5 The parties are entitled to make submissions to the Independent Expert and shall provide (or procure that others provide) the Independent Expert with such assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision.
- 20.6 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 20.7 The Independent Expert shall be requested to determine the Fair Value within 15 Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.
- 20.8 The cost of obtaining the Independent Expert's certificate shall be borne by the parties equally or in such other proportions as the Independent Expert directs unless:
- (a) the Seller withdraws the relevant Transfer Notice in accordance with article 19.3;
  - (b) in respect of a Deemed Transfer Notice, the Fair Value is less than the price per Sale Share offered to the Seller by the Directors before the appointment of the Independent Expert,

in which case the Seller shall bear the cost.

## 21. Compulsory transfers

- 21.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer Notice in respect of that Share at such time as the Directors (acting with Investor Majority Consent) may determine.
- 21.2 If a Shareholder which is a body corporate either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it, or any material part of its assets or suffers or takes any equivalent action in any jurisdiction outside England and Wales, that Shareholder shall be deemed to have given a Transfer Notice in respect of all Shares held by it at such time as the Directors (acting with Investor Majority Consent) may determine.
- 21.3 If there is a change in control (as 'control' is defined in section 1124 of the Corporation Tax Act 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its name (or the name of its nominee(s)) save that, where that Shareholder acquired Shares as a Permitted Transferee of a Shareholder, it shall first be permitted to transfer those Shares back to the Shareholder from whom it received its Shares or to any other Permitted Transferee of that Shareholder before being required to serve a Transfer Notice. This article 21.3 shall not apply to a Shareholder that is an Investor.
- 21.4 Subject to article 18.5, if:
- (a) the Founder is a Bad Leaver, 100% of the Relevant Shares shall automatically convert into Deferred Shares (on the basis of one Deferred Share for each Ordinary Share held) on the relevant Termination Date; or
  - (b) the Founder is a Good Leaver, all Non Vested Shares shall automatically convert into Deferred Shares (on the basis of one Deferred Share for each Ordinary Share held) on the relevant Termination Date,
- and any Transfer Notice served in respect of any of such Relevant Shares before the date such Employee becomes a Departing Employee shall automatically lapse.
- 21.5 The Board acting with Investor Majority Consent may, disapply the provisions set out in article 21.4.
- 21.6 Upon such conversion into Deferred Shares (i) the Company shall record in the register of members of the Company each holder of Relevant Shares so converted as the holder of the appropriate number of Deferred Shares and (ii) the Departing Employee (and his Permitted Transferee(s)) shall deliver to the Company at its registered office the shares certificate(s) (to the extent not already in the possession of the Company)

(or an indemnity for lost certificate in a form acceptable to the Board) for the Relevant Shares so converted and, subject to such delivery, there shall thereafter be issued to the holder thereof a new share certificate(s) for the number of Deferred Shares resulting from the relevant conversion and any remaining Shares, held by such Shareholder. If any Shareholder fails to so deliver to the Company any such share certificate (or such an indemnity for any lost certificate), the chairperson of the Company or, failing him or her, one of the Directors, or some other person nominated by a resolution of the Board, may as agent for and on behalf of, and in the name of, such Shareholder execute and deliver to the Company such an indemnity for any lost or absent certificate in a form acceptable to the Board.

21.7 If at any time prior to the third anniversary of the Adoption Date there is an Exit, all Relevant Shares held by an Employee shall be treated as Vested Shares.

21.8 Forthwith upon a Transfer Notice being deemed to be served under article 21 the Relevant Shares subject to a Compulsory Employee Transfer (Restricted Shares) shall cease to confer on the holder of them any rights:

- (a) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
- (b) to receive dividends or other distributions otherwise attaching to those Shares; and
- (c) to participate in any future issue of Shares.

Such rights shall be reinstated on completion of such transfer.

21.9 Any Relevant Shares retained by a Good Leaver shall cease to confer on the holder of them any rights to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares. The foregoing rights shall be reinstated on completion of a transfer, unless such transfer is to a Permitted Transferee.

## 22. Mandatory offer on change of control

22.1 In the event that a proposed transfer of Shares (other than a transfer of Shares by Sure Valley Ventures to its Permitted Transferees or any third party or transfer of Shares made pursuant to article 18, article 21 or article 27.2, but after the operation of the pre-emption procedure set out in article 19), whether made as one or as a series of transactions (a Proposed Transfer) would, if completed, result in any person other than an existing Shareholder (the Buyer), together with any person Acting in concert with the Buyer, acquiring a Controlling Interest, the remaining provisions of this article 22 shall apply.

- 22.2 The Seller shall procure that, prior to the completion of the Proposed Transfer, the Buyer shall make an offer (the Offer) to each Shareholder (each an Offeree) on the date of the Offer other than any holder(s) of Restricted Shares, to buy all of the Shares held by such Offerees on the date of the Offer for a consideration in cash per Share (the Offer Price) which is equal to the highest price per Share offered, paid or to be paid by the Buyer, or any person Acting in concert with the Buyer, for any Shares in connection with the Proposed Transfer.
- 22.3 The Offer shall be made by notice in writing (an Offer Notice) addressed to each Offeree on the date of the Offer at least 20 Business Days (the Offer Period) before the date fixed for completion of the Proposed Transfer (the Sale Date). The Offer Notice shall specify:
- (a) the identity of the Buyer (and any person(s) Acting in concert with the Buyer);
  - (b) the Offer Price and any other terms and conditions of the Offer;
  - (c) the Sale Date; and
  - (d) the number and class of Shares which would be held by the Buyer (and persons Acting in concert with the Buyer) on completion of the Proposed Transfer.
- 22.4 The completion of the Proposed Transfer shall be conditional in all respects on:
- (a) the making of an Offer in accordance with this article 22;
  - (b) the completion of the transfer of any Shares by any Offeree (each an Accepting Offeree) who accepts the Offer within the Offer Period,  
and the Directors shall refuse to register any Proposed Transfer made in breach of this article 22.4.
- 22.5 The Proposed Transfer is, but the purchase of Shares from Accepting Offerees pursuant to an Offer made under this article 22 shall not be, subject to the pre-emption provisions of article 19.

## 23. Drag along

- 23.1 If the holders of more than 50% by nominal value of the Shares in issue for the time being (including always the Investor Majority) (the Selling Shareholders) wish to transfer all of their interest in Shares (Sellers' Shares) to a bona fide purchaser on arm's-length terms (Proposed Buyer), the Selling Shareholders shall have the option (Drag Along Option) to require all the other holders of Shares on the date of the request (Called Shareholders) to sell and transfer all their interest in Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this article 23.

- 23.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a Drag Along Notice), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all their Shares (Called Shares) pursuant to this article 23;
  - (b) the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
  - (c) the consideration payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Seller's Shares; and
  - (d) the proposed date of completion of transfer of the Called Shares.
- 23.3 Once given, a Drag Along Notice may not be revoked. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 10 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 23.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 23.
- 23.5 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless:
- (a) all of the Called Shareholders and the Selling Shareholders otherwise agree; and
  - (b) that date is less than 10 Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place 10 Business Days after the date of service of the Drag Along Notice.
- 23.6 Within 10 Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that 10 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to article 23.2(c) to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to article 23.2(c) shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders

pursuant to article 23.2(c) in trust for the Called Shareholders without any obligation to pay interest.

- 23.7 To the extent that the Proposed Buyer has not, on the expiration of the 10 Business Day period, put the Company in funds to pay the amounts due pursuant to article 23.2(c), the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this article 23 in respect of their Shares.
- 23.8 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this article 23.
- 23.9 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares, whether or not pursuant to a Share Option Scheme (a New Shareholder), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 23 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares. References in this article 23.9 to a person becoming a Shareholder (or increasing an existing shareholding) shall include the Company, in respect of the acquisition of any of its own Shares.
- 23.10 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of article 19.
- 23.11 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.



## 24. CO-SALE RIGHT

- 24.1 No transfer (other than a Permitted Transfer or a Compulsory Transfer) of more than 10% of any Ordinary Shares held by the Founder may be made or validly registered unless the relevant Shareholder and any Permitted Transferee of that Founder (each a "Selling Member") shall have observed the following procedures of this Article unless the Investor Majority has determined that this article 24 shall not apply to such transfer(s).
- 24.2 After the Selling Member has gone through the pre-emption process set out in article 19, the Selling Member shall give to each Major Investor who has not taken up their pre-emptive rights under article 19 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 of Ordinary Shares which the Selling Member proposes to sell; and
  - (e) the address where the counter-notice should be sent.
- 24.3 Each Major Investor 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 Shares held by them at the proposed sale price, by sending a counter-notice which shall specify the number of Shares which such Major Investor wishes to sell. The maximum number of shares which a Major Investor can sell under this procedure shall be:

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

where:

- X is the number of Ordinary Shares the Selling Member proposes to sell;
- Y is the total number of Ordinary Shares held by the Selling Member; and
- Z is the number of Shares held by the Major Investor.

A Major Investor 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.

- 24.4 Following the expiry of five Business Days from the date the Major Investors receive the Co-Sale Notice, the Selling Member shall be entitled to sell to the Buyer on the terms notified to the Major Investors a number of shares not exceeding the number specified in the Co-Sale Notice less any shares which Major Investors have indicated

they wish to sell, provided that at the same time the Buyer (or another person) purchases from the Major Investors the number of shares they have respectively indicated they wish to sell on terms no less favourable than those obtained by the Selling Member from the Buyer.

24.5 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.

24.6 Sales made in accordance with this article 24 shall not be subject to article 19.

#### DECISION-MAKING BY SHAREHOLDERS

##### 25. General meetings

25.1 No business other than, subject to article 25.2, the appointment of the chairperson of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

25.2 The Chairperson shall chair general meetings. If there is no Chairperson in office for the time being, or the Chairperson is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the chairperson of the meeting must be the first business of the meeting.

##### 26. Voting

26.1 Subject to any other provisions in these Articles concerning voting rights, each Ordinary Share and Seed Preference Share in the Company shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company.

26.2 Each B Ordinary Share in the Company shall not carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company.

26.3 The Deferred Shares (if any) shall not carry the right to receive notice of and to attend, speak and vote at any general meetings of the Company and shall not have any right to vote on any proposed written resolutions of the Company.

26.4 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.

26.5 Model article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that model article.

26.6 Model article 45(1) shall be amended by:

- (a) the deletion of model article 45(1)(d) and its replacement with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate";
- (b) the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that model article.

26.7 Subject to any rights or restrictions for the time being attached to any class or classes of Shares, on a show of hands every member entitled to vote who (being an individual) is present in person or by proxy (not being himself a member entitled to vote) or (being a corporate body) is present by a representative or proxy (not being himself a member entitled to vote) shall have one vote and, on a poll, every member shall have one vote for each share of which he is the holder, provided always that in the event at any time the aggregate voting rights exercisable by a Shareholder and any other Shareholder that is connected (as defined in section 1122 of the Corporation Tax Act 2010) would result in any investor's EIS Relief to be withdrawn or the Company's qualifying status for EIS Relief to cease then the said Shareholder(s) collective voting rights shall not exceed 49.99% of the total voting rights in the Company.

## 27. Purchase of own shares

27.1 Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:

- (a) £15,000;
- (b) the nominal value of 5% of the Company's fully paid share capital at the beginning of each Financial Year.

27.2 Subject to the remaining provisions of this article 27, on a purchase of Shares in accordance with Chapter 4 of Part 18 of the Act, the Company may:

- (a) hold the Shares (or any of them) in treasury;
- (b) deal with any of the Shares, at any time, in accordance with section 727;
- (c) cancel any of the Shares, at any time, in accordance with section 729 of the Act.

27.3 The provisions of articles 16.3 to 16.8 (inclusive) shall apply to a sale or transfer of Shares held in treasury pursuant to article 27.2(b) save that, for the purposes of this article 27.3:

- (a) reference in article 13 to an allotment shall include the sale or transfer of Shares;
- (b) reference in the definition of "Relevant Securities" to Shares "issued after the Adoption Date" shall include Shares to be sold or transferred by the Company,

that immediately before the sale or transfer were, in each case, held by the Company as treasury shares.

- 27.4 Save with the prior written consent of Reyker (whilst it holds Shares in the Company) (or any other party entitled to exercise the rights of Reyker as provided for in the SSA), a purchase by the Company of its own shares shall not be permitted where it would result in any investor's EIS Relief to be withdrawn or the Company's qualifying status for EIS Relief to cease.

## 28. Company's Lien over Shares

- 28.1 The Company has a lien (the **Company's Lien**) over every Share which is registered in the name of a person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.

- 28.2 The Company's Lien over a share:

- (a) takes priority over any third party's interest in that Share;
- (b) extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share.

- 28.3 The Directors may at any time decide that a Share which is or would otherwise be subject to the Company's Lien shall not be subject to it, either wholly or in part.

## 29. Enforcement of the Company's Lien

- 29.1 Subject to the provisions of this article 29, if:

- (a) a Lien Enforcement Notice has been given in respect of a Share;
- (b) the person to whom the notice was given has failed to comply with it,

the Company may sell that Share in such manner as the Directors decide.

- 29.2 A Lien Enforcement Notice:

- (a) may only be given in respect of a Share which is subject to the Company's Lien and in respect of a sum payable to the Company for which the due date for payment has passed;
- (b) must specify the Share concerned;
- (c) must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
- (d) must be addressed either to the holder of the Share or to a transmittee of that holder;
- (e) must state the Company's intention to sell the Share if the notice is not complied with.

29.3 Where Shares are sold under this article 29:

- (a) the Directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser;
- (b) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.

29.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the Company's Lien) must be applied:

- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice;
- (b) second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien over the Shares before the sale for any money payable by that person (or his estate or any joint holder of the shares) after the date of the Lien Enforcement Notice.

29.5 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date:

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share;
- (b) subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.

ADMINISTRATIVE ARRANGEMENTS

### 30. Means of communication to be used

30.1 Subject to article 30.3, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

- (a) if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address;
- (b) if sent by pre-paid first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting;
- (c) if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting;
- (d) if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address;
- (e) if sent or supplied by email, one hour after the notice, document or information was sent or supplied; or
- (f) if deemed receipt under the previous paragraphs of this article 30.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.

30.2 To prove service, it is sufficient to prove that:

- (a) if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address;
- (b) if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
- (c) if sent by email, the notice was properly addressed and sent to the email address of the recipient.

30.3 A Transfer Notice (or Deemed Transfer Notice) may not be served or delivered in electronic form (other than by fax), or by means of a website.

30.4 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act.

### 31. Indemnity and insurance

31.1 Subject to article 31.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

- (a) each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer in the actual or purported execution and/or discharge of his duties, or in relation thereto, including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part, or in connection with any application in which the court grants him, in his capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or other Group Company's) affairs; and
- (b) the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 31.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.

31.2 This article 31 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

31.3 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any Relevant Loss.

31.4 In this article 31:

- (a) Relevant Loss means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company (or other Group Company) or any pension fund of the Company (or other Group Company); and
- (b) Relevant Officer means any director or other officer or former director or other officer of any Group Company.

## 32. Data protection

32.1 Each of the Shareholders and Directors (from time to time) consents to the processing of his personal data by the Company, its Shareholders and Directors (each a Recipient) for the purposes of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually.

32.2 The personal data that may be processed for such purposes under this article 32 shall include any information which may have a bearing on the prudence or commercial merits of investing in, or disposing of any Shares (or other investment or security) in,

the Company. Save as required by law, court order or any regulatory authority, that personal data shall not be disclosed by a Recipient or any other person, except to:

- (a) a Member of the Same Group as the Recipient (each a Recipient Group Company);
- (b) employees, directors and professional advisers of that Recipient or any Recipient Group Company;
- (c) funds managed by any of the Recipient Group Companies.

32.3 Each of the Shareholders and Directors consent (from time to time) to the transfer of such personal data to persons acting on behalf of any 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.