

Company number 11998344
THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
NEW
ARTICLES OF ASSOCIATION
of
DRISHTI DISCOVERIES LTD
(the "Company")



(Adopted by a special resolution passed on

29 July 2020)

1. Introduction

- 1.1 The model articles for private companies limited by shares contained or incorporated in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these articles (the "**Model Articles**") shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following articles.
- 1.2 In these articles and the Model Articles any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof from time to time.
- 1.3 In these articles: article headings are used for convenience only and shall not affect the construction or interpretation of these articles.

2. Defined terms

- 2.1 In these articles the following words and expressions shall have the following meanings:

"**Act**" means 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 from time to time);

"**Associate**" in relation to any person means:

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

"Auditors" means the auditors or accountants (as the case may be) of the Company from time to time;

"Bad Leaver" means the Founder, if he ceases to be a Relevant Person at any time during the Relevant Period as a consequence of the following (whichever is the first to occur):

- (a) resigning as an employee voluntarily and in circumstances which do not amount to constructive dismissal and/or constructive unfair dismissal (save in the case that unfair dismissal is as a result of a procedural defect);
- (b) serving notice to the Company to terminate, or otherwise terminating, the Founder's engagement with the Company; or
- (c) being dismissed, or the Founder's engagement otherwise being terminated by, the Company for Cause;

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

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

"Cause" means:

- (a) the lawful termination of the Founder's contract of employment without notice or payment in lieu of notice as a consequence of the Founder's misconduct or as otherwise permitted pursuant to the terms of the Founder's contract of employment; and/or
- (b) the lawful termination of the Founder's consultancy without notice as a consequence of the Founder's misconduct or as otherwise permitted pursuant to the terms of the Founder's contract of consultancy; and/or
- (c) the Founder's fair dismissal pursuant section 98(2)(a) (capability) or 98(2)(b) (conduct) of the Employment Rights Act 1996;

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

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

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

"Deferred Shares" means deferred shares of £0.00001 each in the capital of the Company from time to time;

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

"Effective Termination Date" means the date on which the Founder ceases to be a Relevant Person;

"Encumbrance" means any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including

without limitation any retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law);

"Equity Shares" means the issued shares in the capital of the Company excluding the Deferred Shares (if any);

"Fair Value" is as determined in accordance with article 11.3;

"Family Trusts" means trust(s) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than a Shareholder who is an individual and/or Privileged Relations of that individual;

"Founder" means Dr Sapan Gandhi;

"Founder Shares" means all Ordinary Shares held by:

- (a) the Founder; and
- (b) any Permitted Transferee of the Founder (other than those Ordinary Shares held by those persons that the Board and the Investor (with Investor Consent) declares itself satisfied were not acquired directly or indirectly from the Founder or by reason of his relationship with the Founder;

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

"Group" means the Company and its subsidiary undertaking(s) (if any) from time to time;

"Holding Company" means a newly formed holding company, pursuant to which the shareholders of, and the proportion and class(es) of shares held by each of them in, such holding company (immediately after a transfer of the issued share capital of the Company to such holding company) are the same as the shareholders of and their shareholdings in the Company immediately prior to the transfer of the issued share capital of the Company to such holding company;

"Investor" means Start Codon Fund 1 L.P. (acting by its General Partner, Start Codon General Partner Ltd) and its Permitted Transferees;

"Investor Consent" means the consent in writing of the Investor;

"Investor Observer Consent" means the consent in writing of any observer of the Company appointed by the Investor pursuant to article 3.1;

"Member of the same Fund Group" means if the Shareholder is a fund, collective investment undertaking, collective investment scheme or co-investment scheme (however so configured) partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an **"Investment Fund"**) (or a nominee of that person or an authorised representative of a Fund Manager or an operator):

- (a) any:
 - (i) participant or partner in or member of any such Investment Fund; or
 - (ii) holder of any unit trust which is a participant or partner in or member of any Investment Fund,

and any Member of the same Fund Group of any of the same;

- (b) any Investment Fund managed by that Fund Manager;
- (c) any investment adviser to any Investment Fund;
- (d) any parent undertaking or subsidiary undertaking of that Fund Manager and/or investment adviser to any Investment Fund, or any subsidiary undertaking of any parent undertaking of that Fund Manager and/or any investment adviser to any Investment Fund; or
- (e) any trustee, nominee or custodian of such Investment Fund and vice versa;

"a Member of the same Group" means as regards any company, a company which is from time to time a parent undertaking or a subsidiary undertaking of that company or a subsidiary undertaking of any such parent undertaking;

"New Securities" means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the Date of Adoption (other than (a) options to subscribe for Ordinary Shares under any Share Option Plan or (b) shares or other securities which the Investor has through Investor Consent agreed should be issued without complying with article 7);

"Ordinary Shareholder" means any holder of Ordinary Shares;

"Ordinary Shares" means the ordinary shares of £0.00001 each in the capital of the Company from time to time;

"Permitted Transfer" means a transfer of Shares in accordance with article 9;

"Permitted Transferee" means:

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

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

"Proceeds of Sale" means the consideration payable (including any deferred and/or contingent consideration and any other consideration which having regard to the substance of the transaction as a whole, can be reasonably regarded as an addition to the price paid or payable for the Shares being sold) whether in cash or otherwise to

those Shareholders selling Shares under a Share Sale less any fees, costs and expenses payable in respect of such Share Sale as approved by Investor Consent;

"Proposed Purchaser" means a proposed purchaser who at the relevant time has made an offer on arm's length terms;

"Proposed Sale Date" has the meaning given in article 17.3;

"Proposed Sale Notice" has the meaning given in article 17.3;

"Proposed Sale Shares" has the meaning given in article 17.3;

"Proposed Seller" means any person proposing to transfer any shares in the capital of the Company;

"Proposed Transfer" has the meaning given in article 17.1;

"Qualifying Company" means a company in which a Shareholder or Trustee(s) holds a Controlling Interest and over which that Shareholder or Trustee(s) exercises control (within the meaning of section 1124 of the Corporation Taxes 2010);

"Relevant Period" means 48 months from the Date of Adoption;

"Relevant Person" means an individual who is employed by, or who provides consultancy services to, the Company or any member of the Group (as the case may be);

"Shareholder" means any holder of any Shares;

"Share Option Plan" means any share option plan of the Company, the terms of which have been approved by Investor Consent;

"Shares" means the Ordinary Shares and the Deferred Shares;

"Share Sale" means the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the purchaser of those shares (or grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest in the Company, except where following completion of the sale the shareholders in the purchasing company 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;

"Trustees" means the trustee(s) of a Family Trust; and

"Unvested Shares" means all the Founder Shares prior to the first anniversary of the Date of Adoption and thereafter until the end of the Relevant Period, such number of Founder Shares equal to all the Founder Shares multiplied by the following percentage (rounded up to two decimal places):

$$100 - (2.08334 \times \text{NM}),$$

where NM = number of full calendar months from the Date of Adoption to the Effective Termination Date.

3. Appointment of Directors

- 3.1 For so long as the Investor holds any Equity Shares it shall have the right to appoint one person to act as an observer to the Board and to the board of directors of any Member of the same Group as the Company. The observer shall be entitled to attend and speak at all meetings of the Board (and any other board, as applicable) and receive copies of all board papers as if he were a director but shall not be entitled to vote on any resolutions proposed at a board meeting.
- 3.2 The observer appointed by the Investor shall be entitled at his request to be appointed to any committee of the Board and committee of any board of directors any Member of the same Group as the Company.

4. Proceedings of Directors

The quorum for Directors' meetings shall be two Directors. Article 11(2) of the Model Articles shall not apply to the Company.

5. Alternate Directors

Articles 15 and 25 to 27 of the model articles for public companies limited by shares contained in Schedule 3 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) shall apply to the Company.

6. Directors' interests

- 6.1 Subject to the provisions of the Act, and provided that he has declared to the Directors the nature and extent of his interest, a Director may vote at a meeting of the Directors or of a committee of the Directors on any resolution concerning a matter in which he has an interest, whether a direct or an indirect interest, or in relation to which he has a duty and shall also be counted in reckoning whether a quorum is present at such a meeting. Article 14 of the Model Articles shall not apply to the Company.

6.2 *Specific interests of a Director*

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

- (a) where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested;
- (b) where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested;
- (c) where a Director (or a person connected with him) is a Shareholder or a shareholder in, employee, director, member or other officer of, or consultant to, a parent undertaking of, or a subsidiary undertaking of a parent undertaking of, the Company;

- (d) where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested;
- (e) where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested; or
- (f) where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this.

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

7.1 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act do not apply to an allotment of equity securities made by the Company.

7.2 Unless otherwise determined by special resolution (with Investor Consent), any New Securities shall, before they are allotted or granted on any terms, be first offered by the Company in writing to each Ordinary Shareholder by:

- (a) giving details of the number and subscription price of the New Securities;
- (b) inviting him to apply for the New Securities at the subscription price (being on no less favourable terms);
- (c) stating that he will have a period of at least 14 days from the date of the notice in which to apply;
- (d) stating that, if there is competition among the Ordinary Shareholders for the New Securities, the New Securities will be allocated to him in proportion (as nearly as may be) to his existing holdings of Ordinary Shares (his "**Proportionate Allocation**"); and
- (e) inviting him to indicate if he is willing to purchase New Securities in excess of his Proportionate Allocation ("**Extra Securities**") and, if so, the number of Extra Securities.

7.3 On expiry of an offer made in accordance with article 7.2 (or sooner if applications or refusals have been received from all Ordinary Shareholders and all requisite approvals have been given), the Company shall allot or grant (as the case may be) the New Securities as follows:

- (a) if the total number of New Securities applied for is equal to or less than the New Securities offered, each Ordinary Shareholder shall be allocated the number applied for by him; or
- (b) if the total number of New Securities applied for is more than the New Securities offered, each Ordinary Shareholder shall be allocated his Proportionate Allocation or, if less, the number of New Securities for which he has applied; and

- (c) applications for Extra Securities shall be allocated in accordance with such applications or, in the event of competition, among those Ordinary Shareholders applying for Extra Securities in proportion to their Proportionate Allocations but so that no applicant shall be allocated more Extra Securities than he has applied for and so that if there is a surplus further allocations shall be made on the same basis (and if necessary more than once) until all New Securities have been allocated;
- (d) fractional entitlements shall be rounded to the nearest whole number,

following which the Directors may, subject to these articles and the Act, allot or grant (as the case may be) such New Securities as have not been taken up in such manner as they think fit, but on no less favourable terms.

7.4 Any New Securities offered under this article 7 to the Investor may be accepted in full or part by:

- (a) a Member of the same Fund Group as the Investor; and/or
- (b) a Member of the same Group as the Investor,

in each case accordance with the terms of this article 7.

7.5 No Shares shall be allotted to any Relevant Person, Director, prospective Relevant Person or prospective director of the Company, who in the opinion of the Board (acting with Investor Observer Consent) is subject to taxation in the United Kingdom, unless such person has entered into a joint section 431 Income Tax (Earnings and Pensions) Act 2003 election with the Company if so required by the Company.

7.6 The Company may issue Shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder. The Directors are not authorised to determine the terms, conditions and manner of redemption unless express authorisation to do so is given by the Shareholders by ordinary resolution and by Investor Consent. Article 22(2) of the Model Articles shall not apply to the Company.

8. Transfers of Shares – general

8.1 Reference to the transfer of a Share in these articles includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or Encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share.

8.2 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these articles he will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him.

8.3 The Directors may refuse to register a transfer of a Share if:

- (a) a Shareholder transfers a Share other than in accordance with these articles;
- (b) the transfer is to a Relevant Person, Director or prospective Relevant Person or prospective director of the Company and such person has not entered into a joint section 431 Income Tax (Earnings and Pensions) Act 2003 election with the Company; or

- (c) the transferee is a person (or a nominee for a person) who is a competitor with (or an associate (as determined in accordance with section 435 of the Insolvency Act 1986) of a competitor with) the business of the Company or with a subsidiary undertaking of the Company.

Article 26(5) of the Model Articles shall be modified accordingly.

- 8.4 The Directors may, as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement in force between some or all of the Shareholders and the Company.
- 8.5 Articles 27 to 29 of the Model Articles regarding transmission of shares shall not apply to the Company.
- 8.6 Any transfer of a Share by way of sale which is required to be made under articles 10 to 15 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee.
- 8.7 Notwithstanding any provision in these articles to the contrary, no Share held by the Founder shall be transferred without Investor Consent.

9. Permitted Transfers

- 9.1 A Shareholder (the "**Original Shareholder**") may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise.
- 9.2 Shares previously transferred as permitted by article 9.1 may be transferred by the transferee to the Original Shareholder or any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.
- 9.3 Where, upon death of a Shareholder, the persons legally or beneficially entitled to any Shares are Permitted Transferees of that deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees without restriction as to price or otherwise.
- 9.4 A transfer of any Shares approved by Investor Consent and the Board may be made without restriction as to price or otherwise and each transfer shall be registered by the Directors.
- 9.5 Any Shares may at any time be transferred where there is a transfer of the entire issued share capital of the Company to a Holding Company, which has been approved by a majority of the Board, with prior Investor Consent.

10. Transfers of Shares subject to pre-emption rights

- 10.1 Save where the provisions of articles 9, 15 and 16 apply and subject in particular to article 8, a Shareholder who wishes to transfer Shares (a "**Seller**") shall give notice in writing (which cannot be withdrawn save with the consent of the Board) (a "**Transfer Notice**") to the Company (constituting the Company the agent of the Seller) specifying:
 - (a) the number of Shares which he wishes to transfer (the "**Sale Shares**");
 - (b) if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee; and

- (c) the price at which he wishes to transfer the Sale Shares.

If no cash price is specified by the Seller, the price at which he is to transfer the Sale Shares shall be agreed between the Seller and the Board (with Investor Observer Consent) (but with any Director who is a Seller or with whom the Seller is connected (within section 252 of the Act) not being entitled to vote) within five Business Days after the date when the Board received the Transfer Notice (the "**Transfer Price**"). If no price is agreed it will be deemed to be Fair Value of the Sale Shares.

If a Shareholder is deemed to have given a Transfer Notice, the price at which he is to transfer the Sale Shares (being in this case the Transfer Price) shall be agreed between such Shareholder and the Board (with Investor Observer Consent) (but with any Director who is a Seller or with whom the Seller is connected (within section 252 of the Act) not being entitled to vote) within five Business Days after the date when the Board received the Transfer Notice) and failing such agreement such price will be deemed to be the Fair Value of such Shares.

- 10.2 As soon as practicable following the receipt of a Transfer Notice (or, in the case where the Transfer Price has not been agreed, the determination of the Transfer Price under article 11) the Company shall give notice in writing to each holder of Ordinary Shares other than the Seller (each an "**Eligible Shareholder**"):

- (a) inviting him to apply for the Sale Shares at the Transfer Price;
- (b) stating that he will have a period of at least 14 days from the date of the notice in which to apply;
- (c) stating that, the Sale Shares shall be offered to the Eligible Shareholders and if there is competition among the Eligible Shareholders for the Sale Shares, the Sale Shares will be allocated to him in proportion (as nearly as may be) to his existing holding of Ordinary Shares (his "**Proportionate Allocation**"); and
- (d) inviting him to indicate if he is willing to purchase Sale Shares in excess of his Proportionate Allocation ("**Extra Shares**") and, if so, the number of Extra Shares.

- 10.3 On expiry of an offer made in accordance with article 10.2 (or sooner if applications or refusals have been received from all Eligible Shareholders) the Company shall allocate the Sale Shares as follows:

- (a) if the total number of Sale Shares applied for is equal to or less than the number of Sale Shares, each Eligible Shareholder shall be allocated the number applied for by him; or
- (b) if the total number of Sale Shares applied for is more than the available number of Sale Shares, each Eligible Shareholder shall be allocated his Proportionate Allocation or, if less, the number of Sale Shares for which he has applied;
- (c) applications for Extra Shares shall be allocated in accordance with such applications or, in the event of competition, among those Eligible Shareholders applying for Extra Shares in proportion to their Proportionate Allocations but so that no applicant shall be allocated more Extra Shares than he has applied for and so that if there is a surplus further allocations shall be made on the same basis (and if necessary more than once) until all Shares have been allocated; and
- (d) fractional entitlements shall be rounded to the nearest whole number.

- 10.4 The Company shall give written notice of allocation (an "**Allocation Notice**") to the Seller which shall specify the number of Sale Shares to be allocated to each applicant and the place and time (being not less than 7 nor more than 14 days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.
- 10.5 On service of an Allocation Notice, the Seller shall, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.
- 10.6 If the Seller fails to comply with the provisions of article 10.5:
- (a) the chairman of the Directors or, failing him, one of the Directors, or some other person nominated by a resolution of the Board, may 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; and
 - (ii) receive the transfer price and give a good discharge for it and (subject to the transfer being duly stamped) enter each applicant in the register of members as the holders of the Sale Shares allocated to him; and
 - (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 to the Company his certificate(s) for the relevant Shares (or a suitable indemnity).
- 10.7 If an Allocation Notice does not relate to all the Sale Shares then, subject to article 10.8, the Seller may, within eight weeks after service of the Allocation Notice, transfer the unsold Sale Shares not included within the Allocation Notice to any person at a price at least equal to the Transfer Price.
- 10.8 The right of the Seller to transfer Shares under article 10.7 does not apply if the Board is of the opinion on reasonable grounds that:
- (a) 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
 - (b) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above.
- 10.9 Any Sale Shares offered under this article 10 to the Investor may be accepted in full or part by:
- (a) a Member of the same Fund Group as the Investor; and/or
 - (b) a Member of the same Group as the Investor,
- in accordance with the terms of this article 10.

11. Valuation of Shares

- 11.1 If no price is agreed between the Seller and the Board then, upon service of the Transfer Notice the Board shall appoint an expert valuer in accordance with article 11.2 (the "**Expert Valuer**") to certify the Fair Value of the Sale Shares or if the Fair Value has been certified by Expert Valuer within the preceding 12 weeks, such certified Fair Value shall apply.

- 11.2 The Expert Valuer will be the Auditors unless this is not agreed by the Seller and the Board in which case it will be an independent firm of Chartered Accountants to be agreed between the Board and the Seller or failing agreement within 10 Business Days after the date of service of the Transfer Notice to be nominated by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party and appointed by the Company.
- 11.3 The "**Fair Value**" of the Sale Shares shall be determined by the Expert Valuer on the following assumptions and bases:
- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer;
 - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - (c) that the Sale Shares are capable of being transferred without restriction;
 - (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
 - (e) reflect any other factors which the Expert Valuer reasonably believe should be taken into account.
- 11.4 The Expert Valuer shall be requested to determine the Fair Value within 20 Business Days of its appointment and to notify the Board and the Seller of its determination. The Expert Valuer shall act as experts and not as arbitrators and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 11.5 The cost of obtaining the certificate shall be paid by the Company unless the Sale Price certified by the Expert Valuer is less than the price (if any) offered by the Directors to the Seller for the Sale Share before Expert Valuer was instructed in which case the Seller shall bear the cost.
- 12. Compulsory transfers – general**
- 12.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of that Share at a time determined by the Directors.
- 12.2 If a Shareholder which is a company, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, the relevant Shareholder (and all its Permitted Transferees) shall be deemed to have given a Transfer Notice in respect of all the Shares held by the relevant Shareholder and its Permitted Transferees save to the extent that, and at a time, the Directors may determine.
- 12.3 If a Permitted Transferee ceases to be a Permitted Transferee of the Original Shareholder, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or another Permitted Transferee of the Original Shareholder without restriction as to price or otherwise, failing which it will be deemed to have given a Transfer Notice in respect of those Shares.

12.4 On the death, bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice.

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

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

If either requirement in this article 12.5 shall not be fulfilled to the satisfaction of the Directors a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that, the Directors may otherwise determine.

12.6 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, in the case of any Permitted Transferee and/or nominee, procure the giving of) a Transfer Notice in respect of all the Shares registered in its name, its Permitted Transferees' names and their respective nominees' names save that, in the case of the Permitted Transferee, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee of the Original Shareholder before being required to serve a Transfer Notice. This article 12.6 shall not apply to the Investor.

13. Compulsory conversion – Founder

13.1 Unless the Board and the Investor (by Investor Consent) determine that this article 13.1 shall not apply, if at any time during the Relevant Period the Founder is a Bad Leaver, all the Unvested Shares relating to the Founder shall automatically convert into Deferred Shares (on the basis of one Deferred Share for each Ordinary Share held) on the Effective Termination Date (rounded down to the nearest whole share).

13.2 Upon such conversion into Deferred Shares, the Company shall be entitled to enter the holder of the Deferred Shares on the register of members of the Company as the holder of the appropriate number of Deferred Shares as from the Effective Termination Date. Upon the Effective Termination Date, the Founder (and his Permitted Transferee(s)) shall deliver to the Company at its registered office the share 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 Unvested Shares so converting and upon such delivery there shall be issued to him (or his Permitted

Transferee(s)) share certificate(s) for the number of Deferred Shares resulting from the relevant conversion and any remaining Ordinary Shares.

- 13.3 The Company shall be entitled to retain any share certificate(s) relating to Founder Shares, while any such Shares remain Unvested Shares.

14. Deferred Shares

- 14.1 The Deferred Shares shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company, nor to receive, vote on or otherwise constitute an eligible member for the purposes of proposed written resolutions of the Company.

- 14.2 No Deferred Share shall have any entitlement to a dividend.

- 14.3 Subject to the Act, any Deferred Shares may be purchased or (in the case of Shares issued as redeemable shares) redeemed by the Company at any time at its option for one penny for all the Deferred Shares registered in the name of any holder(s) without obtaining the sanction of the holder(s).

- 14.4 The allotment or issue of Deferred Shares or the conversion or re-designation of shares into Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time after their allotment, issue, conversion or re-designation, without obtaining the sanction of such holder(s), to:

- (a) appoint any person to execute any transfer (or any agreement to transfer) such Deferred Shares to such person(s) as the Company may determine (as nominee or custodian thereof or otherwise); and/or
- (b) give, on behalf of such holder, consent to the cancellation of such Deferred Shares; and/or
- (c) purchase such Deferred Shares in accordance with the Act,

in any such case (i) for a price being not more than an aggregate sum of one penny for all the Deferred Shares registered in the name of such holder(s) and (ii) with the Company having authority pending such transfer, cancellation and/or purchase to retain the certificates (if any) in respect thereof.

- 14.5 On:

- (a) a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of shares) the surplus assets of the Company remaining after payment of its liabilities; or
- (b) a Share Sale the Proceeds of Sale

shall be first applied (to the extent that the Company is lawfully permitted to do so) in paying to the holders of the Deferred Shares, if any, a total of £1.00 for the entire class of Deferred Shares (which payment shall be deemed satisfied by payment to any one holder of Deferred Shares).

- 14.6 Save as otherwise set out herein, no Deferred Share may be transferred without the prior consent of the Board.

15. Co-Sale right

- 15.1 No transfer (other than a Permitted Transfer) of any of the Ordinary Shares may be registered unless a Shareholder (a "**Selling Member**") shall have observed the following procedures of this article.
- 15.2 After the Selling Member has gone through the pre-emption process set out in article 10, the Selling Member shall give to the Investor 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.
- 15.3 The 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 Ordinary Shares held by them at the proposed sale price, by sending a counter-notice which shall specify the number of Ordinary Shares which the Investor wishes to sell. The maximum number of Ordinary Shares which the Investor can sell under this procedure shall be:

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

where:

X is the number of Ordinary Shares held by the Investor;

Y is the total number of Ordinary Shares;

Z is the number of Ordinary Shares the Selling Member proposes to sell.

If the Investor does not send a counter-notice within such five Business Day period it shall be deemed to have specified that it wishes to sell no Ordinary Shares.

- 15.4 Following the expiry of five Business Days from the date the Investor receives the Co-Sale Notice, the Selling Member shall be entitled to sell to the Buyer on the terms notified to the Investor a number of Ordinary Shares not exceeding the number specified in the Co-Sale Notice less any Ordinary Shares which the Investor has indicated it wishes to sell, provided that at the same time the Buyer (or another person) purchases from the Investor the number of Ordinary Shares it has indicated it wishes to sell on terms no less favourable than those obtained by the Selling Member from the Buyer.
- 15.5 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.
- 15.6 Sales made under a Co-Sale Notice in accordance with this article 15 shall not be subject to article 10.

16. Drag-along

- 16.1 If the holders of more than 75% of the Ordinary Shares (including always those Equity Shares held by the Investor) (the "**Selling Shareholders**") wish to transfer all their interest in Shares (the "**Sellers' Shares**") to a Proposed Purchaser, the Selling Shareholders shall have the option (the "**Drag Along Option**") to require all the other holders of Shares (the "**Called Shareholders**") to sell and transfer all their Shares (the "**Called Shares**") to the Proposed Purchaser or as the Proposed Purchaser shall direct in accordance with the provisions of this article 16.
- 16.2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "**Drag Along Notice**") to the Company (which the Company shall immediately send to the Called Shareholders) at any time before the transfer of the Sellers' Shares to the Proposed Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Called Shares under this article 16, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this article 16) and the proposed date of transfer.
- 16.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Proposed Purchaser within 40 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 16.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be on terms no less favourable than those obtained by the Selling Shareholders from the Proposed Purchaser.
- 16.5 No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in this article 16.
- 16.6 Within five Business Days of the Company 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 Purchaser or as the Proposed Purchaser shall direct, together with the relevant share certificate(s) (or an indemnity for a lost certificate in a form acceptable to the Directors) to the Company. On the expiration of that five Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Purchaser, the amounts they are due pursuant to article 16.4 to the extent that the Company has received these amounts in cleared funds from the Proposed Purchaser. The Company's receipt for the amounts due pursuant to article 16.4 shall be a good discharge to the Proposed Purchaser. The Company shall hold the amounts due to the Called Shareholders pursuant to article 16.4 in trust for the Called Shareholders without any obligation to pay interest.
- 16.7 To the extent that the Proposed Purchaser has not, on the expiration of such five Business Day period, put the Company in funds to pay the amounts due pursuant to article 16.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or an indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this article 16 in respect of their Shares.
- 16.8 If a Called Shareholder fails to deliver stock transfer forms and share certificates (or an indemnity) for its Shares to the Company upon the expiration of that five Business Day period, any Director is authorised to transfer the Called Shareholder's Shares as agent on the Called Shareholder's behalf to the Proposed Purchaser (or its nominee(s)) to the extent the Proposed Purchaser has, at the expiration of that five Business Day period, put the Company in funds to pay the amounts due pursuant to article 16.4 for

the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or provide a suitable indemnity) to the Company. On surrender, he shall be entitled to the amount due to him pursuant to article 16.4.

- 16.9 Any transfer of Shares to a Proposed Purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of article 10.
- 16.10 On any person, following the issue of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a "**New Shareholder**"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all Shares so acquired to the Proposed Purchaser or as the Proposed Purchaser may direct and the provisions of this article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

17. Mandatory Offer on a Change of Control

- 17.1 Except in the case of Permitted Transfers and transfers pursuant to article 12, after going through the pre-emption procedure in article 10, the provisions of article 17.2 will apply if one or more Proposed Sellers propose to transfer in one or a series of related transactions any Ordinary Shares (the "**Proposed Transfer**") which would, if put into effect, result in any Proposed Purchaser (and Associates of his or persons Acting in Concert with him) acquiring a Controlling Interest in the Company.
- 17.2 A Proposed Seller must, before making a Proposed Transfer procure the making by the Proposed Purchaser of an offer (the "**Offer**") to the other Shareholders to acquire all of the Ordinary Shares for a consideration per share the value of which is at least equal to the Specified Price (as defined in article 17.7).
- 17.3 The Offer must be given by written notice (a "**Proposed Sale Notice**") at least 10 Business Days (the "**Offer Period**") prior to the proposed sale date ("**Proposed Sale Date**"). The Proposed Sale Notice must set out, to the extent not described in any accompanying documents, the identity of the Proposed Purchaser, the purchase price and other terms and conditions of payment, the Proposed Sale Date and the number of Shares proposed to be purchased by the Proposed Purchaser (the "**Proposed Sale Shares**").
- 17.4 If any other holder of Ordinary Shares is not given the rights accorded him by this Article, the Proposed Sellers will not be entitled to complete their sale and the Company will not register any transfer intended to carry that sale into effect.
- 17.5 If the Offer is accepted by any Shareholder (an "**Accepting Shareholder**") within the Offer Period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the Ordinary Shares held by Accepting Shareholders.
- 17.6 The Proposed Transfer is subject to the pre-emption provisions of article 10 but the purchase of the Accepting Shareholders' Shares shall not be subject to article 10.
- 17.7 For the purpose of this article:

- (a) the expression "**Specified Price**" shall mean in respect of each Share a sum in cash equal to the highest price per Share offered or paid by the Proposed Purchaser:

- (i) in the Proposed Transfer; or
- (ii) in any related or previous transaction by the Proposed Purchaser or any person Acting in Concert with the Proposed Purchaser in the 12 months preceding the date of the Proposed Transfer,

plus an amount equal to the Relevant Sum, as defined in article 17.7(b), of any other consideration (in cash or otherwise) paid or payable by the Proposed Purchaser or any other person Acting in Concert with the Proposed Purchaser, which having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Shares (the "**Supplemental Consideration**");

- (b) $\text{Relevant Sum} = C \div A$

where: A = number of Ordinary Shares being sold in connection with the relevant Proposed Transfer;

C = the Supplemental Consideration.

18. Purchase of own Shares

Subject to the Act, the Company may purchase its own Shares out of capital otherwise than in accordance with Chapter 5 of Part 18 of the Act, to the extent permitted by section 692(1ZA) of the Act.

19. Data Protection

- 19.1 The Company may process (electronically, manually or otherwise) the following categories of personal data in respect of the Shareholders and Directors:

- (a) identifying information, such as names, addresses, contact details and any other information required for the Company's statutory registers;
- (b) details of participation in the Company's affairs, such as attendance at and contribution to Company meetings and/or written resolutions, voting records etc;
- (c) in the case of Shareholders, details of their respective shareholdings (and any other security) in the Company; and
- (d) any other information which is required to be recorded by law, regulation or court order or which may have a bearing on the prudence or commercial merits of investing, or disposing of any shares (or other investment or security), in the Company

(together, the "**Personal Data**").

- 19.2 The Company will only use the Personal Data where it has a valid legal basis to do so. The Company has a legitimate interest in processing Personal Data where it is necessary for the purposes of the proper administration of the Company and its affairs, the undertaking of due diligence exercises and compliance with applicable laws, regulations and procedures.

19.3 The Company will use appropriate technical and organisational measures to safeguard Personal Data. The Company will retain Personal Data for no longer than is reasonably required.

19.4 The Company may disclose Personal Data to:

- (a) other Shareholders and Directors (each a "**Recipient**");
- (b) a Member of the same Group as a Recipient ("**Recipient Group Companies**");
- (c) employees, directors and professional or financial advisers of that Recipient or the Recipient Group Companies;
- (d) funds managed by any of the Recipient Group Companies and their respective professional or financial advisers; and
- (e) current or potential investors in the Company or purchasers of the Company's shares,

provided always that the Company takes reasonable steps to ensure that Personal Data is treated in accordance with relevant data protection laws. The Personal Data will only be processed and stored within the European Economic Area *except* to the extent permitted by law.