

THE COMPANIES ACT 2006

COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

of

IT'S NOT 1999 LTD

(Adopted by a special resolution passed on 27 October 2021)

Index

Article No.	Page No.
1. INTRODUCTION	2
2. DEFINITIONS	2
3. SHARE CAPITAL	8
4. DIVIDENDS	9
5. LIQUIDATION PREFERENCE	9
6. EXIT PROVISIONS	10
7. VOTES IN GENERAL MEETING AND WRITTEN RESOLUTIONS	10
8. DEPARTING FOUNDERS AND EMPLOYEES	10
9. CONVERSION OF SERIES SEED SHARES	12
10. ANTI-DILUTION PROTECTION	12
11. DEFERRED SHARES	14
12. VARIATION OF RIGHTS	14
13. ALLOTMENT OF NEW SHARES OR OTHER SECURITIES: PRE-EMPTION	14
14. TRANSFERS OF SHARES – GENERAL	16
15. PERMITTED TRANSFERS	18
16. TRANSFERS OF SHARES SUBJECT TO PRE-EMPTION RIGHTS	19
17. VALUATION OF SHARES	21
18. COMPULSORY TRANSFERS	23
19. CO-SALE RIGHT	23
20. DRAG-ALONG	25
21. GENERAL MEETINGS	27
22. PROXIES	27
23. NUMBER AND APPOINTMENT OF DIRECTORS	27
24. DISQUALIFICATION OF DIRECTORS	28
25. PROCEEDINGS OF DIRECTORS	28
26. DIRECTORS' POWERS TO AUTHORISE CONFLICTS OF INTEREST	30
27. NOTICES	32
28. INDEMNITIES AND INSURANCE	34
29. DATA PROTECTION	34
30. SECRETARY	35
31. LIEN	35

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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 (the "**Model Articles**") shall apply to the Company, save insofar as they are varied or excluded by the following articles (the "**Articles**") 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 for the time being in force.
- 1.3. In these Articles:
- (a) article headings are used for convenience only and shall not affect the construction or interpretation of these Articles;
 - (b) words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa;
 - (c) Articles 8(2), 9(4), 10(3), 11(2), 13, 14, 17(2), 17(3), 19, 21, 26(5), 27, 28, 29, 30(5) to (7) (inclusive), 51, 52 and 53 of the Model Articles shall not apply to the Company.

2. DEFINITIONS

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);

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

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

"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 (whether or not an associate as so determined);
- (b) any Member of the same Group;

"Auditors" means the auditors of the Company from time to time or, if the Company has lawfully not appointed auditors, its accountants for the time being;

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

"B Ordinary Shares" means the B ordinary shares of 0.000001 GBP in the capital of the Company from time to time;

"Bad Leaver" means a person who ceases to be an Employee (i.e. ceases to be employed by or provide consultancy services to the Company or any Group Company, or otherwise be engaged by the Company, or ceases to be a director of the Company, as the case may be) at any time as a consequence of (i) such person's resignation as an Employee at any time during the Relevant Period or (ii) the termination of that person's contract of employment or consultancy for Cause, such person's dismissal by the Company or any Group Company for Cause, or removal by the board of any Group 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 any day from Monday to Friday (inclusive) other than public bank holidays in England during normal working hours;

"Cause" means: (a) material or repudiatory breach of covenants regarding non-competition, non-solicitation, confidentiality, IP assignment and/or operational exclusivity as prescribed under the Subscription and Shareholders' Agreement and/or as prescribed under the terms of an employment agreement, consulting agreement or director's service agreement with the Company; (b) wilful misconduct, fraud or acts of dishonesty against the Company; (c) being convicted of any criminal offence involving dishonesty, fraud or bribery, where such conviction is not quashed on appeal; (d) being convicted of any criminal offence resulting in imposition of a custodial sentence; (e) being disqualified from being a company director or having given, or offered to give, a disqualification undertaking under section 1A of the Company Directors Disqualification Act 1986; (f) being made subject to a penalty by any regulatory authority in respect of findings of dishonesty, fraud or bribery, where such penalty or findings are not set aside on review or appeal; or (g) (in the case of an Employee other than the Founder or Co-founder) reasons justifying summary dismissal by the Company;

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

"Co-founder" means Daniel Knight;

"Commencement Date" means the date on which the employment or consultancy of the relevant Employee with the Company or any Group Company commences, or any later date otherwise determined by the Board

"Company" means It's not 1999 Limited (UK company number 12787431);

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

"CTA 2010" means the Corporation Tax Act 2010;

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

"Deferred Conversion Date" means the date that the Employee Shares or Founder Shares convert into Deferred Shares pursuant to Article 8;

"Deferred Shares" means deferred shares of 0.000001 GBP each in the capital of the Company;

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

"Effective Termination Date" means the date on which an Employee's employment or consultancy terminates or the date on which an Employee gives or is given notice to terminate his employment or consultancy.

"electronic address" has the same meaning as in section 333 of the Act;

"electronic form" and **"electronic means"** have the same meaning as in section 1168 of the Act;

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

"Employee" means an individual who is employed by or who provides consultancy or advisory services to or is otherwise engaged by, the Company or any Group Company, or is an officer or director of the Company;

"Employee Shares" means:

- (a) in relation to an Employee – all the Shares held by that Employee;
- (b) in relation to the Founder and the Co-founder – all the Shares held by, respectively, the Founder or Co-founder (also referred to as **"Founder Shares"**);

"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) (and **"Encumber"** shall be construed accordingly);

"Equity Securities" has the meaning given in sections 560(1) to (3) inclusive of the Act and for the avoidance of doubt an allotment of Equity Securities includes a transfer of shares which immediately before such transfer were held by the Company as Treasury Shares;

"Equity Shares" means the Ordinary Shares, B Ordinary Shares and the Series Seed Shares, other than the Deferred Shares;

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

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

"Family Trusts" means as regards any particular individual member or deceased or former individual member, trusts (whether arising under a settlement, declaration of trust or other

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

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

"Founder" means Krystian Zając;

"Founder Consent" means the prior written consent of the Founder;

"Fully Diluted" means, at any time, the aggregate of:

- (a) the number of Equity Shares then in issue and outstanding (always excluding any Deferred Shares); and
- (b) the number of Equity Shares which would be in issue assuming the exercise in full of all Convertibles (whether or not, on their terms, the same are actually convertible into shares at such time) and the issue of all unissued Convertibles available in any share option scheme pool which would, when issued or exercised, result in an increase in the number of Equity Shares issued and outstanding;

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

"Good Leaver" means a person who ceases to be an Employee at any time and who is not a Bad Leaver and shall include, without limitation, when the Board (with the Investor Consent with respect to the Founder and the Co-founder) determines that a person is not a Bad Leaver; in particular but without limitation, a person who ceases to be an Employee as a result of their or any of their Privileged Relations' death, disability or other health issues resulting in permanent incapacity (whether physical or mental) following delivery to the Company of evidence of diagnosis of such permanent incapacity by a registered medical professional shall not be deemed a Bad Leaver;

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

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

"Investors" means Kogito, the Seedrs Nominated Custodian and holders of the Series Seed Shares;

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

"IPO" means the admission of all or any of the Shares or securities representing those shares on any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000);

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

"Kogito" means Kogito Ventures spółka z ograniczoną odpowiedzialnością ASI spółka komandytowo - akcyjna with its registered office in Warsaw (registration number: KRS: 0000762518);

"Leaver's Percentage A" means, in relation to and for the purpose of calculating the number of Unvested Shares relating to the Founder or the Co-founder (for the purposes of Article 8), the percentage (rounded up to two decimal places) as calculated using the formula below:

$$75 - ((1/36 \times 75) \times NM),$$

where NM = number of full calendar months from the Date of Adoption to the Effective Termination Date, such that the Leaver's Percentage A shall be zero on the first day of the 37th month after the Date of Adoption, save that where such Effective Termination Date of the Founder or Co-founder, as the case may be, occurs prior to the date being 12 months from the Date of Adoption, the respective Leaver's Percentage A shall be 75.

"Leaver's Percentage B" means, in relation to calculating the number of Unvested Shares relating to an Employee (other than the Founder or the Co-founder) for the purposes of Article 8, the percentage (rounded up to two decimal places) as calculated using the formula below:

$$100 - ((1/48 \times 100) \times NM)$$

where NM equals the number of full calendar months from the Commencement Date to the Effective Termination Date, such that the Leaver's Percentage B shall be zero on the first day of the 5th year after the Commencement Date, save that where such Employee's Effective Termination Date occurs prior to the date being 12 months from such Employee's Commencement Date, such Employee's Leaver's Percentage B shall be 100.

"a Member of the same Group" means:

- (i) 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;
- (ii) if the Shareholder is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an **"Investment Fund"**) or is a nominee of that Investment Fund:
 - (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 or advised by that Fund Manager;
 - (C) any Parent Undertaking or Subsidiary Undertaking of that Fund Manager, or any Subsidiary Undertaking of any Parent Undertaking of that Fund Manager; or
 - (D) any trustee, nominee or custodian of such Investment Fund and vice versa;
- (iii) any Parent Undertaking or Subsidiary Undertaking of that Fund Manager, or any Subsidiary Undertaking of any Parent Undertaking of that Fund Manager.

"New Securities" means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the Date of Adoption (other than shares or securities issued as a result of the events set out in Article 13.6) excluding for the avoidance of doubt any Treasury Shares transferred by the Company after the Date of Adoption;

"Ordinary Shares" means the ordinary shares of 0.000001 GBP in the capital of the Company from time to time;

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

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

"Permitted Transferee" means:

- (a) in relation to a Shareholder who is an individual, any of his Privileged Relations, a Family Trust or Qualifying Companies;
- (b) in relation to a Shareholder which is an undertaking (as defined in section 1161(1) of the Act), including Kogito, any Member of the same Group;
- (c) in relation to the Founder or the Co-founder, any of his Privileged Relations, a Family Trust or a person who has been accepted in writing by Kogito.

"Preference Amount" means a price per Share equal to the amount paid up, subscribed or deemed to have been subscribed (including premium) for such Share;

"Priority Rights" means the rights of Shareholders to purchase Shares contained in a Transfer Notice in the priority stipulated in Article 8.7;

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

"Proceeds of Sale" means the consideration payable (including any deferred consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale;

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

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

"Qualifying Issue" has the meaning given in Article 10.1;

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

"Relevant Period" means:

- (a) with respect to the Founder or the Co-founder 36 months from the Date of Adoption; or
- (b) with respect to an Employee 48 months from the Commencement Date.

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

"Seedrs Nominated Custodian" means Seedrs Nominees Limited, a limited company incorporated in England and Wales under No. 08756825 whose registered office is at Churchill House, 142-146 Old Street, London EC1V 9BW, United Kingdom;

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

"Selling Shareholders" has the meaning set out in Article 19.1;

"Series Seed Shareholder" means any holders of Series Seed Shares from time to time;

"Series Seed Shares" means the series Seed shares of 0.000001 GBP each in the capital of the Company from time to time;

"Shareholder" means any holder of any Shares (but excludes the Company holding Treasury Shares);

"Shares" means the Ordinary Shares, B Ordinary Shares, Deferred Shares, and the Series Seed Shares in the capital of the Company from time to time;

"Share Sale" means the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the Company (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 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;

"Starting Price" means with respect to the Series Seed Shares – 4.24 GBP per Series Seed Share;

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

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

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

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

"Treasury Shares" means 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; and

"Unvested Shares" means in relation to any Employee Shares of the departing Founder, Co-founder or Employee (as the case may be), such Shares as determined by calculating (as applicable): (i) the Leaver's Percentage A of any the Founder's or Co-founder's Employee Shares or (ii) the Leaver's Percentage B of any such Employee's Employee Shares.

3. SHARE CAPITAL

- 3.1. In these Articles, unless the context requires otherwise, references to shares of a particular class shall include shares allotted and/or issued after the Date of Adoption and ranking pari passu in all respects (or in all respects except only as to the date from which those shares rank for dividend) with the shares of the relevant class then in issue.

- 3.2. Except as otherwise provided in these Articles, the Series Seed Shares, the Ordinary Shares and the B Ordinary Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.
- 3.3. The words "and the directors may determine the terms, conditions and manner of redemption of any such shares" shall be deleted from Article 22(2) of the Model Articles.
- 3.4. Subject to Investor Consent and Founder Consent, and the Act, the Company may purchase its own Shares to the extent permitted by section 692(1ZA) of the Act.
- 3.5. Paragraph (c) of article 24(2) of the Model Articles shall be amended by the replacement of the words "that the shares are fully paid; and" with the words "the amount paid up on them; and".
- 3.6. In article 25(2) of the Model Articles, the words "payment of a reasonable fee as the directors decide" in paragraph (c) shall be deleted and replaced by the words "payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine".

4. DIVIDENDS

- 4.1. Model Article 30 shall be amended by inserting the words "Subject always to Article 4 of the Articles:" before the words "(1) The company may".
- 4.2. In respect of any Financial Year, the Company's Available Profits will be applied as set out in this Article 4.
- 4.3. Any Available Profits which the Company may determine, with the Investor Consent and the Founder Consent, to distribute in respect of any Financial Year will be distributed among the holders of the Equity Shares (*pari passu* as if the Equity Shares constituted one class of shares) pro rata to their respective holdings of Equity Shares.
- 4.4. Subject to the Act and these Articles, the Board may, provided that the Investor Consent and the Founder Consent are given, pay interim dividends if justified by the Available Profits in respect of the relevant period.
- 4.5. Every dividend shall accrue on a daily basis assuming a 365-day year. All dividends are expressed net and shall be paid in cash.
- 4.6. Article 31(1) of the Model Articles shall be amended by:
 - (a) the replacement of the words "either in writing or as the directors may otherwise decide" at the end of paragraphs (a), (b) and (c) of that article 31(1) with the words "in writing"; and
 - (b) the replacement of the words "either in writing or by such other means as the directors decide" from the end of paragraph (d) of that article 31(1) with the words "in writing".

5. LIQUIDATION PREFERENCE

- 5.1. On a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of Shares) the surplus assets of the Company remaining after payment of its liabilities shall be applied (to the extent that the Company is lawfully permitted to do so) in the following order of priority:

- (a) first in paying to each of the Series Seed Shareholders the greater of (whichever results in a greater amount for the holders of the Series Seed Shareholders):
 - (i) an amount per Series Seed Share, held equal to the respective Preference Amount (provided that if there are insufficient surplus assets to pay the amounts per Share equal to the Preference Amounts in full, the remaining surplus assets shall be distributed to the Series Seed Shareholders pro rata to the amounts which they would have received had the Preference Amounts been paid in full); or
 - (ii) an amount per Series Seed Share, respectively, held equal to the amount which would have been received had the Series Seed Shares converted into Ordinary Shares immediately prior to distribution of assets on a liquidation or a return of capital;
- (b) second in paying to the holders of Deferred Shares, if any, a total of 1.00 GBP for the entire class of Deferred Shares (which payment shall be deemed satisfied by payment to any one holder of Deferred Shares); and
- (c) third, the balance of the surplus assets (if any) shall be distributed among the holders of Ordinary Shares and B Ordinary Shares, pro rata to the number of Ordinary Shares and B Ordinary Shares held.

6. EXIT PROVISIONS

- 6.1. On a Share Sale the Proceeds of Sale shall be distributed in the order of priority set out in Article 5 and the Directors shall not register any transfer of Shares if the Proceeds of Sale are not so distributed save in respect of any Shares not sold in connection with that Share Sale provided that if the Proceeds of Sale are not settled in their entirety upon completion of the Share Sale:
 - (a) the Directors shall not be prohibited from registering the transfer of the relevant Shares so long as the Proceeds of Sale that are settled have been distributed in the order of priority set out in Article 5; and
 - (b) the Shareholders shall take any action as required by Kogito to ensure that the Proceeds of Sale in their entirety are distributed in the order of priority set out in Article 5.

In the event that the Proceeds of Sale are distributed on more than one occasion (for any deferred or contingent consideration or otherwise), the consideration so distributed on any further occasion shall be paid by continuing the distribution from the previous distribution of consideration in the order of priority set out in Article 5.

- 6.2. On an Asset Sale the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in Article 5 provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, the Shareholders shall take any action required by Kogito (including, but without prejudice to the generality of this Article 6.2, actions that may be necessary to put the Company into voluntary liquidation) so that Article 5 applies.

7. VOTES IN GENERAL MEETING AND WRITTEN RESOLUTIONS

- 7.1. The Series Seed Shares shall confer on each holder of Series Seed Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.

- 7.2. The Ordinary Shares shall confer on each holder of Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.
- 7.3. The Deferred Shares (if any) and B Ordinary 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 or vote on, or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the Company.
- 7.4. Where shares confer a right to vote, on a show of hands each holder of such shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll each such holder so present shall have one vote for each such share held by them.

8. DEPARTING FOUNDERS AND EMPLOYEES

- 8.1. Subject to Article 8.9 below, unless the Board and Kogito determine that this Article 8.1 shall not apply, if at any time during the Relevant Period the Founder, the Co-founder or an Employee, as the case may be, ceases to be an Employee by reason of being a Bad Leaver, all the Employee Shares (rounded down to the nearest whole share) relating to the Founder, the Co-founder or Employee, as the case may be, shall immediately convert into Deferred Shares (on the basis of one Deferred Share for each Ordinary Share held).
- 8.2. Subject to Article 8.9 below, unless the Board and Kogito determine that this Article 8.2 shall not apply, if at any time during the Relevant Period the Founder or the Co-founder, as the case may be, ceases to be an Employee by reason of being a Good Leaver, the Leaver's Percentage A of the Employee Shares (rounded down to the nearest whole share) relating to that Employee shall immediately convert into Deferred Shares (on the basis of one Deferred Share for each Ordinary Share held).
- 8.3. Subject to Article 8.9 below, unless the Board and Kogito determine that this Article 8.3 shall not apply, if at any time during the Relevant Period an Employee ceases to be an Employee by reason of being a Good Leaver, the Leaver's Percentage B of the Employee Shares (rounded down to the nearest whole share) relating to that Employee shall immediately convert into Deferred Shares (on the basis of one Deferred Share for each Ordinary Share held).
- 8.4. Upon such conversion into Deferred Shares in accordance with this Article 8, 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 relevant Deferred Conversion Date. Upon the relevant Deferred Conversion Date, the Founder, the Co-founder or Employee (and his Permitted Transferee(s) if applicable) 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 and Kogito) for the relevant Shares so converting and upon such delivery there shall be issued to them (or their Permitted Transferee(s) if applicable) share certificate(s) for the number of Deferred Shares resulting from the relevant conversion and any remaining Ordinary Shares.

Deemed Transfer Notice

- 8.5. The Board with the Investor Consent shall be entitled to determine that, in the alternative to Article 8.1 or 8.2, if the Founder or the Co-founder ceases to be an Employee a Transfer Notice shall be deemed to be given in respect all of the Employee Shares which were to convert into Deferred Shares under Article 8.1 or 8.2, as the case may be.

- 8.6. For the purpose of this Article 8, the Transfer Price shall be the lower of the original subscription price and the nominal value of the Employee Shares referred to in Article 8.5.
- 8.7. For the purposes of this Article 8, the Priority Rights shall be such that the Employee Shares referred to in Article 8.5 are offered in the following order of priority:
- (a) to the Company (subject always to the provisions of the Act);
 - (b) other Shareholders pro rata to their respective holdings of Equity Shares; and/or
 - (c) to any person(s) approved by the Board (other than the departing Founder, Co-founder or Employee) with the Investor Consent.
- 8.8. The Company shall be entitled to retain any share certificate(s) relating to the Employee Shares while any such Shares remained Unvested Shares.
- 8.9. In the event of an Exit, the vesting of any Unvested Shares held by the Founder and the Co-founder, respectively, shall be automatically accelerated in full and all the Shares held by the relevant Founder and the Co-founder, respectively shall be considered vested provided that at any time during the Relevant Period the Founder or the Co-founder, as the case may be, has not ceased to be an Employee by reason of being a Bad Leaver. Other than the foregoing, there shall be no accelerated vesting in any event.

9. CONVERSION OF SERIES SEED SHARES

- 9.1. Any holder of Series Seed Shares shall be entitled, by notice in writing to the Company, to require conversion into Ordinary Shares of all of the fully paid Series Seed Shares held by them at any time and those Series Seed Shares shall convert automatically on the date of such notice (the "**Conversion Date**"), provided that the holder may in such notice, state that conversion of its Series Seed Shares into Ordinary Shares is conditional upon the occurrence of one or more events (the "**Conditions**").
- 9.2. All of the fully paid Series Seed Shares shall automatically convert into Ordinary Shares immediately upon the occurrence of an IPO.
- 9.3. In the case of Article 9.1, not more than five Business Days after the Conversion Date, or in the case of Article 9.2, at least five Business Days prior to the occurrence of the IPO, each holder of the relevant Series Seed Shares shall deliver the certificate (or an indemnity for lost certificate in a form acceptable to the Board) in respect of the Series Seed Shares (being converted) to the Company at its registered office for the time being.
- 9.4. Where conversion is mandatory on the occurrence of an IPO, that conversion will be effective only immediately prior to such IPO (and "**Conversion Date**" shall be construed accordingly) and, if such IPO does not become effective or does not take place, such conversion shall be deemed not to have occurred. In the event of a conversion under Article 9.1, if the Conditions have not been satisfied or waived by the relevant holder by the Conversion Date such conversion shall be deemed not to have occurred.
- 9.5. On the Conversion Date, the relevant Series Seed Shares shall without further authority than is contained in these Articles stand converted into Ordinary Shares on the basis of one Ordinary Share for each Series Seed Share held, and the Ordinary Shares resulting from that conversion shall in all other respects rank *pari passu* with the existing issued Ordinary Shares.
- 9.6. The Company shall on the Conversion Date enter the holder of the converted Series Seed Shares on the register of members of the Company as the holder of the appropriate number of Ordinary Shares and, subject to the relevant holder delivering its certificate(s) (or an indemnity for lost certificate in a form acceptable to the Board) in respect of the Series Seed

Shares in accordance with this Article, the Company shall within 10 Business Days of the Conversion Date forward to such holder of Series Seed Shares by overnight or local courier, or, by post to his address shown in the register of members, free of charge, a definitive certificate for the appropriate number of fully paid Ordinary Shares.

- 9.7. If a Shareholder does not take any actions or execute any documents which the Board may reasonably request in relation to mandatory conversion of Series Seed Shares pursuant to Articles 9.2 to 9.6 (inclusive), the Company and each Director shall be constituted the agent of such Shareholder to take such actions as the Board deems necessary or desirable to effect the conversion of the relevant Series Seed Shares pursuant to this Article and the Board may authorise any Director, officer or member to execute and deliver on behalf of such Shareholder the necessary documents.

10. ANTI-DILUTION PROTECTION

- 10.1. If New Securities are issued by the Company at a price per New Security which equates to less than the Starting Price (a "**Qualifying Issue**") (which in the event that the New Security is not issued for cash shall be a price certified by the Auditors acting as experts and not as arbitrators (and at the expense of the Company) as being in their opinion the current cash value of the new consideration for the allotment of the New Securities) then the Company shall, unless Kogito shall have specifically waived the rights of all the holders of Series Seed Shares under this Article in writing (provided that such waiver if made applies to all holders of Series Seed Shares in the same fashion), issue to each holder of Series Seed Shares (the "**Exercising Holder**") a number of new Series Seed Shares, respectively, determined by applying the following formula (and rounding the product, N, down to the nearest whole share) (the "**Anti-Dilution Shares**"):

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

Where:

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

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

SIP = Starting Price

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

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

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

Z = the number of Series Seed Shares held by the Exercising Holder prior to the Qualifying Issue.

10.2. The Anti-Dilution Shares shall:

- (a) be paid up by the automatic capitalisation of available reserves of the Company, unless and to the extent that the same shall be impossible or unlawful or Kogito as the Exercising Holder shall agree otherwise, in which event the Exercising Holder shall be entitled to subscribe for the Anti-Dilution Shares in cash at par and the entitlement of such Exercising Holder to Anti-Dilution Shares shall be increased by adjustment to the formula set out in Article 10.1 so that the Exercising Holder shall be in no worse position than if they had not so subscribed at par. In the event of any dispute between the Company and any Exercising Holder as to the effect of Article 10.1 or this Article 10.2, the matter shall be referred (at the cost of the Company) to the Auditors for certification of the number of Anti-Dilution Shares to be issued. The Auditor's certification of the matter shall in the absence of manifest error be final and binding on the Company and the Exercising Holder; and
- (b) subject to the payment of any cash payable pursuant to Article 10.2(a) (if applicable), be issued, credited fully paid up in cash and shall rank *pari passu* in all respects with the existing Series Seed Shares, within five (5) Business Days of the expiry of the offer being made by the Company to the Exercising Holder and pursuant to Article 10.2(a).

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

11. DEFERRED SHARES

11.1. Subject to the Act, any Deferred Shares may be purchased by the Company at any time at its option for the aggregate sum of 1 GBP for all the Deferred Shares registered in the name of any holder(s) without obtaining the sanction of the holder(s).

11.2. No Deferred Share shall have any entitlement to a dividend.

11.3. The allotment or issue of Deferred Shares or the conversion or re-designation of Shares into Deferred Shares or otherwise shall be deemed to confer irrevocable authority on the Board 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 such case for a price being not more than an aggregate sum of 1 GBP for all the 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 the transfer, cancellation and/or purchase thereof.

11.4. The Company shall not hold shares in treasury and, accordingly, any Deferred Shares transferred to the Company shall, subject to the Act, be immediately and automatically cancelled.

11.5. No Deferred Share may be transferred without the prior consent of the Board.

12. VARIATION OF RIGHTS

- 12.1. Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) with the consent in writing of the holders of more than 75% in nominal value of the issued shares of that class save that the special rights attaching to the Series Seed Shares may only be varied or abrogated with Investor Consent.
- 12.2. 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.

13. ALLOTMENT OF NEW SHARES OR OTHER SECURITIES: PRE-EMPTION

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

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

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

- (a) this authority shall be limited to a maximum nominal amount of 361,835 Ordinary Shares;
- (b) this authority shall only apply insofar as the Company has not by resolution waived or revoked it;
- (c) this authority may only be exercised for a period of five years commencing upon the Date of Adoption, save that the Directors may make an offer or agreement which would or might require Shares to be allotted or rights granted to subscribe for or convert any security into Shares after the expiry of such authority (and the Directors may allot Shares or grant such rights in pursuance of an offer or agreement as if such authority had not expired).

This authority is in addition to all subsisting authorities to the extent unused.

- 13.2. Sections 561(1) and 562(1) to (5) (inclusive) of the Act do not apply to an allotment of Equity Securities made by the Company.
- 13.3. Unless otherwise agreed by special resolution passed in general meeting or as a written resolution passed in accordance with Chapter 2 of Part 13 of the Act and all the holders of Series Seed Shares shall have specifically waived the rights under this Article in writing, if the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to all existing holders of Equity Shares (the “**Subscribers**”) on the same terms and at the same price as those New Securities are being offered to other persons on a pari passu and pro rata basis to the number of Equity Shares (as if the Equity Shares constituted one and the same class) held by those holders (as nearly as may be without involving fractions). The offer:
- (a) shall be in writing, be open for acceptance from the date of the offer to the date 15 Business Days after the date of the offer (inclusive) (the “**Subscription Period**”) and give details of the number and subscription price of the New Securities; and

- (b) where deemed appropriate by the Board (such decision being at the Board's full discretion), may stipulate that any Subscriber who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Securities (the "**Excess Securities**") for which they wish to subscribe.
- 13.4. Some or all of any New Securities not accepted by the Subscribers pursuant to the offer made to them in accordance with Article 13.3 may at the Board's discretion be used for satisfying any requests for Excess Securities made pursuant to Article 13.3(b) (where applicable) and in the event that there are insufficient unallocated New Securities to satisfy such requests for Excess Securities, some or all of the unallocated New Securities may at the Board's full discretion be allotted to the applicants for Excess Securities on a pro rata basis to the number of Equity Shares held by the applicants immediately prior to the offer (on a Fully Diluted basis) made to Subscribers in accordance with Article 13.3 (as nearly as may be without involving fractions) and after that allotment (where applicable), any unallocated New Securities remaining shall be offered to any person as the Board may determine at the same price and on the same terms as the offer to the Subscribers.
- 13.5. Subject to the requirements of Articles 13.3 to 13.4 (inclusive) and to the provisions of section 551 of the Act, any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.
- 13.6. The provisions of Articles 13.3 to 13.5 (inclusive) shall not apply to:
 - (a) options to subscribe for Ordinary Shares under any share option plan or other incentive plan approved with Investor Consent and Founder Consent;
 - (b) New Securities issued or granted in order for the Company to comply with its obligations under these Articles, including but not limited to the Anti-Dilution Shares.
- 13.7. Any New Securities offered under this Article 13 to an Investor may be accepted in full or part only by a Member of the same Group as that Investor in accordance with the terms of this Article 13.
- 13.8. No Shares shall be allotted (nor any Treasury Shares be transferred) to any Employee, Director, prospective Employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, unless such person has entered into a joint section 431 ITEPA election with the Company if so required by the Company.

14. TRANSFERS OF SHARES – GENERAL

- 14.1. In Articles 14 to 20 inclusive, reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or Encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share.
- 14.2. No Share may be transferred unless the transfer is made in accordance with these Articles.
- 14.3. If a Shareholder transfers or purports to transfer any Shares otherwise than in accordance with these Articles they will be deemed immediately to have served a Transfer Notice in respect of those Shares, unless this Article 14.3 shall have been disapplied by the Board.
- 14.4. Prior to the third anniversary of the Date of Adoption, neither Founder, nor the Co-founder shall, nor shall they agree to, transfer, Encumber or otherwise dispose of the whole or any part of their interest in, or rights in respect of, or grant any option or other rights over, any Shares in the Company held by the Founder or the Co-founder to any person except (i) with

the Investor Consent and the Founder Consent; or (ii) as required to do so pursuant to any provision of these Articles.

14.5. Prior to the fourth anniversary of the Commencement Date, no Employee shall, nor shall they agree to, transfer, Encumber or otherwise dispose of the whole or any part of their interest in, or rights in respect of, or grant any option or other rights over, any Shares in the Company held by such Employee to any person, except (i) with the Investor Consent and the Founder Consent; or (ii) as required to do so pursuant to any provision of these Articles.

14.6. The Board may refuse to register a transfer if:

- (a) it is a transfer of a Share to a bankrupt, a minor or a person of unsound mind (as determined by the Board, acting reasonably);
- (b) the transfer is to an Employee, Director or prospective Employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, and such person has not entered into a joint section 431 ITEPA election with the Company;
- (c) it is a transfer of a Share which is not fully paid:
 - (i) to a person of whom the Directors do not approve; or
 - (ii) on which Share the Company has a lien;
- (d) the transfer is not lodged at the registered office of the Company or at such other place as the Board may appoint;
- (e) it is a transfer of any Shares by the Founder or the Co-founder, respectively, in breach of Article 14.4;
- (f) it is a transfer of any Shares by an Employee in breach of Article 14.5;
- (g) the transfer is not accompanied by the certificate for the Shares to which it relates (or an indemnity for lost certificate in a form acceptable to the Board) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; or
- (h) these Articles otherwise provide that such transfer shall not be registered.

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

14.7. As a condition to the registration of any transfer of shares in the Company (whether pursuant to a Permitted Transfer or otherwise), the transferee shall be required to execute and deliver to the Company a deed agreeing to be bound by the terms of the Subscription and Shareholders' Agreement, any shareholders' agreement or similar document in force between some or all of the Shareholders and the Company in a form approved by the Board with the Investor Consent and the Founder Consent (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document), and any such transfer shall not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

14.8. To enable the Board to determine whether or not there has been any disposal of shares in the capital of the Company (or any interest in shares in the capital of the Company) in breach of these Articles the Board may require any holder or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or

any other person who the Board may reasonably believe to have information relevant to that purpose, to furnish to the Company that information and evidence the Board may request regarding any matter which they deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares in the capital of the Company from time to time registered in the holder's name.

- 14.9. In any case where the Board requires a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within a period of 10 Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration of that period.
- 14.10. If a Transfer Notice is required to be given by the Board or is deemed to have been given under these Articles, the Transfer Notice, unless otherwise specified in the Articles, will be treated as having specified that:
- (a) the Transfer Price for the Sale Shares will be as agreed between the Board (any director who is a Seller or with whom the Seller is connected (within the meaning of section 252 of the Act) not voting) with the Investor Consent and (save where the Seller is an Associate of the Founder) the Founder Consent and the Seller, or, failing agreement within five Business Days after the date on which the Board becomes aware that a Transfer Notice has been deemed to have been given, will be the Fair Value of the Sale Shares;
 - (b) it does not include a Minimum Transfer Condition (as defined in Article 16.2(d)); and
 - (c) the Seller wishes to transfer all of the Shares held by it.
- 14.11. Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Board, which is executed by or on behalf of:
- (a) the transferor; and
 - (b) (if any of the shares is partly or nil paid) the transferee.

15. PERMITTED TRANSFERS

- 15.1. A Shareholder (who is not a Permitted Transferee) (the "**Original Shareholder**") may transfer all or any of their Equity Shares to a Permitted Transferee without restriction as to price or otherwise save that the transfer of Equity Shares held by the Founder, the Co-founder or Employee under this Article 15.1 shall require the Investor Consent.
- 15.2. Shares previously transferred as permitted by Article 15.1 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.
- 15.3. Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise.
- 15.4. If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases (within 2 (two) years of the Permitted Transfer in question) to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not later than 5 (five) Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or

otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares.

- 15.5. If a Permitted Transferee who is a Qualifying Company of the Original Shareholder ceases (within 2 (two) years of the Permitted Transfer in question however not earlier than before the lapse of the Relevant Period with respect to the Original Shareholder being the Founder, Co-founder or an Employee) to be a Qualifying Company of the Original Shareholder, it must within five Business Days of so ceasing, transfer the Shares held by it to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) (any may do so without restriction as to price or otherwise) failing which it will be deemed (unless it obtains the approval of the Board with the Investor Consent) to have given a Transfer Notice in respect of such Shares.
- 15.6. If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise (otherwise than due to the death of the Original Shareholder), he must, within 15 Business Days of so ceasing either:
- (a) execute and deliver to the Company a transfer of the Shares held by them to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
 - (b) give a Transfer Notice to the Company in accordance with Article 16.2,
- failing which they shall be deemed to have given a Transfer Notice.
- 15.7. On the death (subject to Article 15.3), 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 other Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice.
- 15.8. Notwithstanding anything to the contrary in these Articles, in respect of any shares held by the Seedrs Nominated Custodian, the following transfers shall be permitted without any restrictions as to price, requirement to offer shares on a pre-emptive basis, sign a deed of adherence or otherwise, and the Board shall register such transfers to the extent necessary to give effect to them:
- (a) any transfer of the shares to any person who is the beneficial owner of such shares;
 - (b) any transfer of the shares to any person who is to hold the shares as nominee for the beneficial owner in substitution for the then registered legal shareholder;
 - (c) any transfer of the beneficial ownership of such shares where the identity of the registered legal shareholder remains the same before and immediately after such transfer.

16. TRANSFERS OF SHARES SUBJECT TO PRE-EMPTION RIGHTS

- 16.1. Save in the case of any transfer of Shares pursuant to Articles 15, 19, 20 or 21, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights contained in this Article 16.
- 16.2. A Shareholder who wishes to transfer Equity Shares (a "**Seller**") shall, except as otherwise provided in these Articles, before transferring or agreeing to transfer any Equity Shares give notice in writing (a "**Transfer Notice**") to the Company specifying:
- (a) the number of Equity Shares which they wish to transfer (the "**Sale Shares**");
 - (b) if they wish to sell the Sale Shares to a third party, the name of the proposed transferee;
 - (c) the price (in cash) at which they wish to transfer the Sale Shares; and
 - (d) whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to Shareholders (a "**Minimum Transfer Condition**").

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

- 16.3. Except as approved by the Board and with the Investor Consent and the Founder Consent or as otherwise specified in these Articles, no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn.
- 16.4. A Transfer Notice constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.
- 16.5. As soon as practicable following the later of:
- (a) receipt of a Transfer Notice; and
 - (b) in the case where the Transfer Price has not been agreed, the determination of the Transfer Price under Article 17,

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

16.6. *Transfers: Offer*

- (a) The Board shall offer the Sale Shares to all Shareholders (excluding the Seller), inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the offer (inclusive) (the "**Offer Period**") for the maximum number of Sale Shares they wish to buy.
- (b) If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under this Article 16.6 will be conditional on the fulfilment of the Minimum Transfer Condition.

- (c) If, at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Shareholder who has applied for Sale Shares in the proportion (fractional entitlements being rounded to the nearest whole number) which their existing holding of Equity Shares bears to the total number of Equity Shares held by those Shareholders who have applied for Sale Shares which procedure shall be repeated but no allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which they have stated they are willing to buy.
- (d) If not all Sale Shares are allocated in accordance with Article 16.6(c) but there are applications for Sale Shares that have not been satisfied those Sale Shares that have not yet been allocated shall be allocated to the relevant applicant(s) in accordance with the procedure set out in Article 16.6(c).
- (e) If, at the end of the Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Shareholders (who have applied for the Sale Shares) in accordance with their applications and the balance will be dealt with in accordance with Article 16.7(e).

1.7. Completion of transfer of Sale Shares

- (a) If the Transfer Notice includes a Minimum Transfer Condition and the total number of the Sale Shares applied for does not meet the Minimum Transfer Condition the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Article 16.6 stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.
- (b) If:
 - (i) the Transfer Notice does not include a Minimum Transfer Condition; or
 - (ii) the Transfer Notice does include a Minimum Transfer Condition and allocations have been made in respect of all or the minimum required number of the Sale Shares applied of is equal to or greater than the Minimum Transfer Condition,

the Board shall, when no further offers are required to be made under Article 16.6 and once the requirements of Article 19 have been fulfilled to the extent required, give written notice of allocation (an "**Allocation Notice**") to the Seller and each Shareholder to whom Sale Shares have been allocated (an "**Applicant**") specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than 10 Business Days nor more than 20 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.
- (c) Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.
- (d) If the Seller fails to comply with the provisions of Article 16.7(c):
 - (iii) the chairman of the Company or, failing them, one of the Directors, or some other person nominated by a resolution of the Board, may on behalf of the Seller:
 - (A) complete, execute and deliver in their name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;

- (B) receive the Transfer Price and give a good discharge for it; and
 - (C) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and
- (iv) 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 they have delivered to the Company their certificate or certificates for the relevant Shares (or an indemnity for lost certificate in a form acceptable to the Board).
- (c) If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 16.7(f), the Seller may, within eight weeks after service of the Allocation Notice, transfer the unallocated Sale Shares to any person at a price at least equal to the Transfer Price.
- (d) The right of the Seller to transfer Shares under Article 16.7(e) does not apply if the Board is of the opinion on reasonable grounds that:
 - (i) both (A) the transferee is a person (or a nominee for a person) who the Board determines (with the Investor Consent and the Founder Consent) in their absolute discretion is a competitor with (or an Associate of a competitor with) the business of the Company or with a Subsidiary Undertaking of the Company and (B) the sale of the Sale Shares to that transferee is not in the best interests of the Company;
 - (ii) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
 - (iii) the Seller has failed or refused to provide any information available to them within 5 Business Days of receiving a request by the Board for such information for the purpose of enabling it to form the opinion mentioned above.

1.8. Any Sale Shares offered under this Article 16 to any Investor may be accepted in full or part only by a Member of the same Group as that Investor in accordance with the terms of this Article 16.

2. VALUATION OF SHARES

2.6. If no Transfer Price can be agreed between the Seller and the Board in accordance with provisions of Articles 14.10, 16.2 and 18 or otherwise then, on the date of failing agreement, the Board shall either:

- (a) appoint an expert valuer in accordance with Article 17.2 (the "**Expert Valuer**") to certify the Fair Value of the Sale Shares; or
- (b) (if the Fair Value has been certified by an Expert Valuer within the preceding 12 weeks) specify that the Fair Value of the Sale Shares will be calculated by dividing any Fair Value so certified by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares the subject of the Transfer Notice.

2.7. The Expert Valuer will be either:

- (a) the Auditors; or

- (b) (if otherwise agreed by the Board and the Seller) an independent firm of Chartered Accountants to be agreed between the Board (with the Investor Consent and the Founder Consent) and the Seller or failing agreement not later than the date 10 Business Days after the date of service of the Transfer Notice to be nominated by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party and approved by the Company.
- 2.8. 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 Equity Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent but taking account of the rights attaching to the Sale Shares; and
 - (e) reflecting any other factors which the Expert Valuer reasonably believes should be taken into account.
- 2.9. If any difficulty arises in applying any of these assumptions or bases then the Expert Valuer shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit.
- 2.10. The Expert Valuer shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Board of their determination.
- 2.11. The Expert Valuer shall act as expert and not as arbitrator and their determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 2.12. The Board will give the Expert Valuer access to all accounting records or other relevant documents of the Company subject to them agreeing to such confidentiality provisions as the Board may reasonably impose.
- 2.13. The Expert Valuer shall deliver their certificate to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. Unless the Sale Shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller may by notice in writing to the Company within five Business Days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares.
- 2.14. The cost of obtaining the certificate shall be paid by the Company unless:
 - (a) the Seller cancels the Company's authority to sell; or
 - (b) the Sale Price certified by the Expert Valuer is less than the price (if any) offered by the Directors to the Seller for the Sale Shares before the Expert Valuer was instructed,

in which case the Seller shall bear the cost.

3. COMPULSORY TRANSFERS

- 3.6. 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 Board.
- 3.7. Without prejudice to Article 18.3, if a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of their death the Board may require the legal personal representatives of that deceased Shareholder either:
- (a) to effect a Permitted Transfer of such Shares (to 1 (one) Permitted Transferee of the deceased Shareholder) (including for this purpose an election to be registered in respect of the Permitted Transfer); or
 - (b) to show to the satisfaction of the Board that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased Shareholder.

If either requirement in this Article 18.2 shall not be fulfilled to the satisfaction of the Board a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that, the Board may otherwise determine. The Transfer Price for the Shares shall be equal to Fair Value (as determined in accordance with Article 17).

- 3.8. Where under the provision of a deceased Shareholder's will or laws as to intestacy, there is more than one person legally or beneficially entitled to any Shares of that deceased Shareholder, the Board may determine that such persons are required to appoint one legal representative of that deceased Shareholder who will exercise rights attached to the deceased's Shares by the completion of the administration of the estate of the deceased Shareholder. If no legal representative has been appointed to the satisfaction of the Board, a Transfer Notice in respect of all the Shares held by any deceased Shareholder shall be deemed to be given. The Transfer Price for all the Shares held by any deceased Shareholder shall be determined in accordance with Articles 16 and 17, accordingly.
- 3.9. If a Shareholder which is a company, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets (other than as part of a bona fide restructuring or reorganisation), the relevant Shareholder (and all its Permitted Transferees) shall be deemed to have given a Transfer Notice in respect of all the Shares held by the relevant Shareholder and its Permitted Transferees with the Transfer Price for such Shares being Fair Value (as determined in accordance with Article 17) save to the extent that, and at a time, the Board may determine.
- 3.10. Where a Shareholder holds a legal interest in a Share on behalf of another person and the Company is on notice of such arrangement, the provisions of Articles 18.4 shall not apply to such Shareholder, and instead if such a Shareholder suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it (or a material part of its business) or enters into a composition or arrangement with its creditors generally, then:
- (a) If the Shareholder notifies the Company of its intention to transfer the legal interest in the relevant Shares within one month from the date of such appointment or composition or arrangement, then the Company shall, together with such Shareholder, take such steps as may be reasonably be required to effect such a transfer of the legal interest of the relevant Shares; and
 - (b) If the Shareholder fails to notify the Company in accordance with paragraph (a) above, then a Transfer Notice shall be deemed to have been given in respect of such Shares on such date as the Board determine.

4. CO-SALE RIGHT

4.6. Except where Article 20 or 21 applies, no transfer (other than a Permitted Transfer) of any Equity Shares may be made or validly registered unless the relevant Shareholder (and any Permitted Transferees of such Shareholder) (each, a **"Selling Shareholder"**) shall have observed the following procedures of this Article 19.

4.7. After the Selling Shareholder has gone through the pre-emption process set out in Article 16, the Selling Shareholder shall give to each Investor who has not taken up their pre-emptive rights under Article 16 in connection with such proposed transfer (each a **"Relevant Holder"**) not less than 15 Business Days' notice in advance of the proposed sale (a **"Co-Sale Notice"**). The Co-Sale Notice shall specify:

- (a) the identity of the proposed purchaser (the **"Buyer"**);
- (b) the price per share which the Buyer is proposing to pay;
- (c) the manner in which the consideration is to be paid;
- (d) the number of Equity Shares which the Selling Shareholder proposes to sell; and
- (e) the address where the counter-notice should be sent.

For the purposes of this Article 19.2, it is acknowledged that Shares of different classes will be transferable at different prices, such price per class of Share being a sum equal to that to which they would be entitled if the consideration payable by the Buyer to the Selling Shareholder were used to determine the valuation of the entire issued share capital of the Company and such valuation was then allocated as between the Shares in accordance with Articles 5 and 6.

4.8. Each Relevant Holder shall be entitled within ten (10) Business Days after receipt of the Co-Sale Notice, to notify the Selling Shareholder that it wishes to sell a certain number of Equity Shares held by them at the proposed sale price, by sending a counter-notice which shall specify the number of Equity Shares which such Relevant Holder wishes to sell. The maximum number of shares which a Relevant Holder can sell under this procedure shall be:

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

where:

X is the number of Equity Shares that the Selling Shareholder proposes to sell;¹

Y is the total number of Equity Shares held by the Selling Shareholder;²

Z is the number of Equity Shares held by the Relevant Holder;

Any Relevant Holder who does not send a counter-notice within such ten (10) Business Day period shall be deemed to have specified that it wishes to sell no Equity Shares.

4.9. Following the expiry of ten (10) Business Days from the date the Relevant Holders receive the Co-Sale Notice, the Selling Shareholder shall be entitled to sell to the Buyer on the terms

¹ Provided that, where there are two or more Selling Shareholders who propose to sell Equity Shares as part of the same transaction, X is the total number of Equity Shares that those Selling Shareholders, taken together, propose to sell.

² Provided that, where there are two or more Selling Shareholders who propose to sell Equity Shares as part of the same transaction, Y is the total number of Equity Shares held by those Selling Shareholders, taken together.

notified to the Relevant Holders a number of Equity Shares not exceeding the number specified in the Co-Sale Notice, provided that at the same time the Buyer (or another person) purchases from the Relevant Holders the number of Equity Shares they have respectively indicated they wish to sell on terms no less favourable than those obtained by the Selling Shareholder from the Buyer.

- 4.10. No sale by the Selling Shareholder shall be made pursuant to any Co-Sale Notice more than three months after service of that Co-Sale Notice.
- 4.11. In the event of a transfer of Equity Shares by the Selling Shareholder to a Buyer who is deemed by the Board and/or Kogito to be a competitor of (or an Associate of a competitor of) the business of the Company or of a Subsidiary Undertaking of the Company, each holder of Series Seed Shares and the Seedrs Nominated Custodian shall be entitled to sell all the Equity Shares held by each such holders and not the number calculated based on the formula specified in Article 19.3 above.
- 4.12. Sales made in accordance with Article 19.2, 19.4 or 19.6 shall not be subject to Article 16.

5. TAG-ALONG

- 5.6. Except in the case of transfers pursuant to Article 15, Article 18 or Article 21, if any Shareholder(s) (the “**Exiting Party**”) proposes to transfer any Shares (a “**Proposed Transfer**”) as part of a transaction or a series of transactions which would, if carried out, result in any person (other than a person who holds a Controlling Interest in the Company at that time or a connected person of such a person) (a “**Buyer**”), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company the provisions of this Article 20 shall apply.
- 5.7. Before completing the Proposed Transfer, the Exiting Party shall procure that the Buyer makes an offer (an “**Offer**”) to all the Shareholders to buy all of the Shares held by each Shareholder, for a consideration in cash per Share that is at least equal to the highest price per Share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the six months preceding the date of the Proposed Transfer (the “**Specified Price**”).
- 5.8. The Offer shall be made by written notice (an “**Offer Notice**”), at least 20 Business Days (the “**Offer Period**”) before the proposed sale date (the “**Sale Date**”) and the Offer Notice shall set out:
 - (a) the identity of the Buyer;
 - (b) the purchase price and other terms and conditions of payment;
 - (c) the proposed date of the transfer; and
 - (d) the number of Shares proposed to be purchased by the Buyer from the Shareholders (provided that such offer must be for all Shares) (the “**Offer Shares**”).
- 5.9. If the Buyer fails to make the Offer to the Shareholders then the Exiting Party shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer intended to effect the Proposed Transfer.
- 5.10. If the Offer is accepted by a Shareholder within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all of the Offer Shares held by such Shareholder.

6. DRAG-ALONG

- 6.6. If the holders of more than 60% of Equity Shares but including Kogito (together the "**Drag Shareholders**"), wish to transfer all their interest in their Equity Shares (the "**Sellers' Shares**") to a Proposed Purchaser the Drag Shareholders shall have the option (the "**Drag Along Option**") to compel each other holder of Shares (each a "**Called Shareholder**" and together the "**Called Shareholders**") to sell and transfer all their Shares to the Proposed Purchaser or as the Proposed Purchaser shall direct (the "**Drag Purchaser**") in accordance with the provisions of this Article 21.
- 6.7. The Drag Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "**Drag Along Notice**") to the Company, which the Company shall forthwith copy to the Called Shareholders, at any time before the transfer of the Sellers' Shares to the Drag Purchaser. A Drag Along Notice shall specify: (i) that the Called Shareholders are required to transfer all their Shares (the "**Called Shares**") under this Article 21; (ii) the person to whom they are to be transferred; (iii) the consideration (whether in cash or otherwise) for which the Called Shares are to be transferred (calculated in accordance with this Article 21); (iv) the proposed date of transfer; and (v) the form of any sale agreement or form of acceptance or any other document of similar effect that the Called Shareholders are required to sign in connection with such sale (the "**Sale Agreement**").
- 6.8. No Drag Along Notice or Sale Agreement may require a Called Shareholder to agree to any terms unless such terms are (a) specifically provided for or referred to in this Article; or (b) apply equally (or on a substantially equivalent basis) to each Drag Shareholder that holds the same class of Equity Shares, and in each case then only on the basis that the Called Shareholder's maximum liability in the event of any claim in respect of Article 21.6 shall be limited to the consideration actually received by such Called Shareholder inclusive of all costs and expenses of the claim.
- 6.9. Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Drag Shareholders to the Drag Purchaser within 60 (sixty) Business Days after the date of service of the Drag Along Notice. The Drag Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 6.10. The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Drag Purchaser were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Articles 5 and 6 (the "**Drag Consideration**").
- 6.11. In respect of a transaction that is the subject of a Drag-Along Notice and with respect to any Drag Document, a Called Shareholder shall be obliged to undertake to transfer their Called Shares with full title guarantee (and provide an indemnity for any lost certificate in a form acceptable to the Board if so necessary) on receipt of the Drag Consideration when due and:
- (a) may be required to accept that some or all of the Drag Consideration will be paid as deferred consideration, provided that the Called Shareholders shall receive any Drag Consideration due to them no later than the Drag Shareholders;
 - (b) may be required to make a contribution towards any escrow, retention of consideration or similar arrangement on the same basis as the Drag Shareholders, on a pro-rata basis to their respective entitlement to the Drag Consideration;
 - (c) shall be required to provide representations and warranties related to capacity, authority, ownership and the ability to convey title to the Called Shares, including, but not limited to, representations and warranties that the Called Shareholder holds all right, title and interest in and to the Called Shares such Called Shareholder purports

to hold or, in the case of the Seedrs Nominated Custodian, has the right to sell such Called Shares, free and clear of all Encumbrances, on a several and not joint basis with any other person;

- (d) shall not be required to give any other warranties or indemnities save as stated above;
 - (e) may be required to accept the terms of the transfer in accordance with this Article 21 as the terms accepted by the Drag Shareholders.
- 6.12. Within five (5) Business Days of the Company copying the Drag Along Notice to the Called Shareholders (or such later date as may be specified in the Drag Along Notice) (the “**Drag Completion Date**”), each Called Shareholder shall deliver to the Company duly executed stock transfer form(s) for their Shares in favour of the Drag Purchaser, the relevant share certificate(s) (or a duly executed indemnity for lost certificate in a form acceptable to the Board) to the Company, and duly executed Sale Agreement, if applicable, in the form specified in the Drag Along Notice or as otherwise specified by the Company (together the “**Drag Documents**”).
- 6.13. On the Drag Completion Date, the Company shall pay or transfer or otherwise deliver or make available to each Called Shareholder, on behalf of the Drag Purchaser, the Drag Consideration that is due to the extent the Drag Purchaser has paid, allotted or transferred such consideration to the Company. The Company's receipt of the Drag Consideration shall be a good discharge to the Drag Purchaser. Following the Company's receipt of the Drag Consideration, but pending its payment or transfer to the Called Shareholder, the Company shall hold the Drag Consideration in trust for each of the Called Shareholders without any obligation to pay interest.
- 6.14. To the extent that the Drag Purchaser has not, on the Drag Completion Date, paid the Drag Consideration that is due to the Company, the Called Shareholders shall be entitled to the immediate return of the Drag Documents for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 21 in respect of their Shares.
- 6.15. If a Called Shareholder fails to deliver the Drag Documents for its Shares to the Company by the Drag Completion Date, the Company and each Director shall be constituted the agent of such defaulting Called Shareholder to take such actions and enter into any Drag Document or such other agreements or documents as are necessary to effect the transfer of the Called Shareholder's Shares pursuant to this Article 20 and the Directors shall, if requested by the Drag Purchaser, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Drag Purchaser to the extent the Drag Purchaser has, by the Drag Completion Date, paid the Drag Consideration to the Company for the Called Shareholder's Shares offered to them. The Board shall then authorise registration of the transfer once appropriate stamp duty (if any is required) has been paid. The defaulting Called Shareholder shall surrender their share certificate for their Called Shares (or suitable executed indemnity) to the Company. On surrender, he shall be entitled to the Drag Consideration due to them.
- 6.16. Any transfer of Shares to a Drag Purchaser pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 16.
- 6.17. In the event that an Asset Sale is approved by (i) the Board and (ii) the holders of more than 60% of Equity Shares but including Kogito, such consenting Shareholders shall have the right, by notice in writing to all other Shareholders, to require such Shareholders to take any and all such actions as it may be necessary for Shareholders to take in order to give effect to or otherwise implement such Asset Sale, subject always to the proceeds from such Asset Sale being distributed to Shareholders in accordance with the provisions of Articles 5 and 6.

7. GENERAL MEETINGS

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

8. PROXIES

- 8.6. Paragraph (c) of Article 45(1) of the Model Articles shall be deleted and replaced by the words: "is signed by or on behalf of the shareholder appointing the proxy and accompanied by the authority under which it is signed (or a certified copy of such authority or a copy of such authority in some other way approved by the directors)".
- 8.7. The instrument appointing a proxy and any authority under which it is signed or a certified copy of such authority or a copy in some other way approved by the Board may:
- (a) be sent or supplied in hard copy form, or (subject to any conditions and limitations which the Board may specify) in electronic form, to the registered office of the Company or to such other address (including electronic address) as may be specified for this purpose in the notice convening the meeting or in any instrument of proxy or any invitation to appoint a proxy sent or supplied by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
 - (b) be delivered at the meeting or adjourned meeting at which the person named in the instrument proposes to vote to the chairman or to the company secretary or to any Director;

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

9. NUMBER AND APPOINTMENT OF DIRECTORS

- 9.6. Unless and until the Company in general meeting or by written resolution of the members shall otherwise determine with the Investor Consent and the Founder Consent, the number of Directors shall not exceed 4 (four).
- 9.7. The Founder shall have the right to appoint and maintain in office 2 (two) natural persons (and 2 (two) members of each and any committee of the Board) and to remove any director so appointed and, upon their removal to appoint another director in their place (each a **"Founder Director"**).
- 9.8. The holders of at least 50% of the Ordinary Shares (excluding any such holders who were but are no longer Employees as of the relevant time) shall have the right to appoint and maintain

in office 1 (one) natural person (and 1 (one) member of each and any committee of the Board) (an “**Ordinary Director**”) by notice in writing addressed to the Company from time to time and to remove the director so appointed at any time by notice in writing to the Company served at its registered office and, upon his removal whether by such holders or otherwise, to appoint another director in his place.

- 9.9. The Directors shall have the right to appoint and maintain in office 1 (one) natural person (and 1 (one) member of each and any committee of the Board) by notice in writing addressed to the Company from time to time and to remove a director so appointed at any time by notice in writing to the Company served at its registered office, and, upon his removal whether by such holders or otherwise, to appoint another director in his place.
- 9.10. An appointment or removal of a Director under Article 23.2, 23.3 or 23.4 will take effect at and from the time when the notice is received at the registered office of the Company or produced to a meeting of the Board.
- 9.11. Kogito, as long as Kogito holds any Equity Shares, shall have the right to appoint (and remove from appointment and, upon removal to appoint a replacement) a person to be an observer to the Board, and such person shall have the right to attend and be present at all Board meetings or meetings of any committee of the Board (either in person, or by telephone conference or by such other means as the Directors shall be entitled to participate at such meetings) and to speak at such meetings but not vote.
- 9.12. If a person nominated to act as a Director pursuant to this Article 23.2 23.3 or 23.4 is an Employee of the Company at the time of such appointment and at any time thereafter ceases to be an Employee for any reason, the appointment of such person shall automatically and immediately terminate and such person may not be reappointed as a Director pursuant to this Article 23.2 23.3 or 23.4 without the Investor Consent and the Founder Consent. This Article 23.7 does not apply to the Founder and/or the Co-founder if he ceases to be an Employee by reason of being a Good Leaver.
- 9.13. Any Director (other than an alternate Director) may appoint as an alternate any other Director to exercise that Director's powers and carry out that Director's responsibilities in relation to the taking of decisions by the Directors, in the absence of the appointing Director. Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointing Director, or in any other manner approved by the Directors.
- 9.14. Any remuneration of the Directors shall be determined with the Investor Consent and the Founder Consent.

10. DISQUALIFICATION OF DIRECTORS

- 10.6. In addition to that provided in Article 18 of the Model Articles, the office of a Director shall also be vacated if that person:
- (a) is convicted of a criminal offence (other than a minor motoring offence) and the Directors resolve that his office be vacated;
 - (b) is removed from office by a resolution duly passed under section 168 of the Act;
 - (c) is removed from office by notice given by a member or members under Article 23.

11. PROCEEDINGS OF DIRECTORS

- 11.6. A Director may, and the secretary at the request of a Director shall, call a meeting of the Directors. Every Director must receive notice of a meeting, whether or not he is absent from the United Kingdom. A Director may waive the requirement that notice be given to him of a board meeting, either prospectively or retrospectively. The accidental omission to give notice

of a meeting to, or the accidental non-receipt of notice of a meeting by, any Director entitled to receive notice shall not invalidate the proceedings at that meeting.

- 11.7. The quorum for the transaction of business at a meeting of Directors is any two Eligible Directors, which must include at least one Founder Director or, where there is only one Director in office for the time being, that Director; provided that for the purposes of any meeting (or part of a meeting) held to authorise a Relevant Interest, 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. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or at such time and place as determined by the Director or Directors present at such meeting. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed.
- 11.8. Questions arising at a meeting shall be decided by a majority of votes unless the Articles state otherwise. In the case of an equality of votes, the chairman shall have a second or casting vote.
- 11.9. A Director who is also an alternate Director shall be entitled in the absence of his appointer to a separate vote on behalf of his appointer in addition to his own vote.
- 11.10. Provided (if these Articles so require) that they have declared to the Directors, in accordance with the provisions of these Articles, the nature and extent of their interest (and subject to any restrictions on voting or counting in a quorum imposed by the Directors in authorising a Relevant Interest), a Director may vote at a meeting of the Directors or of a committee of the Directors on any resolution concerning a matter in which they have an interest, whether a direct or an indirect interest, or in relation to which they have a duty and shall also be counted in reckoning whether a quorum is present at such a meeting.
- 11.11. A Director or his alternate may validly participate in a meeting of the Directors or a committee of Directors by telephone conference or any other form of communication equipment (whether in use when these Articles are adopted or not) or by a combination of those methods, if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting and shall be counted in a quorum and entitled to vote. Subject to the Act, all business transacted in this way by the Directors or a committee of Directors is for the purposes of these Articles deemed to be validly and effectively transacted at a meeting of the Directors or of a committee of Directors although fewer than two Directors or alternate Directors are physically present at the same place. The meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting participates.
- 11.12. In the event that a meeting of the Directors is attended by a Director who is acting as alternate for one or more other Directors, the Director or Directors for whom he is the alternate shall be counted in the quorum despite their absence, and if on that basis there is a quorum the meeting may be held despite the fact (if it is the case) that only one Director is physically present.
- 11.13. A decision of the Directors may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing (including confirmation given by electronic means). Reference in Article 7(1) of the Model Articles to Article 8 of the Model Articles shall be deemed to include a reference to this Article also. The resolution may be contained in one document or in several documents in similar form each stating the terms of the resolution accurately and signed by one or more of the Directors.

12. DIRECTORS' POWERS TO AUTHORISE CONFLICTS OF INTEREST

- 12.6. Subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind:
- (a) where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested;
 - (b) where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested;
 - (c) where a Director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a Parent Undertaking of, or a Subsidiary Undertaking of a Parent Undertaking of, the Company;
 - (d) where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested;
 - (e) where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested;
 - (f) where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he is remunerated for this;
 - (g) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - (h) any other interest authorised by ordinary resolution.
- 12.7. For the purposes of this Article 26, an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his.
- 12.8. In any situation permitted by this Article 26 (save as otherwise agreed by him) a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit.
- 12.9. Any authority given in accordance with section 175(5)(a) of the Act in respect of a Director ("**Interested Director**") who has proposed that the Directors authorise his interest ("**Relevant Interest**") pursuant to that section may, for the avoidance of doubt:
- (a) be given on such terms and subject to such conditions or limitations as may be imposed by the authorising Directors as they see fit from time to time, including, without limitation:

- (i) restricting the Interested Director from voting on any resolution put to a meeting of the Directors or of a committee of the Directors in relation to the Relevant Interest;
 - (ii) restricting the Interested Director from being counted in the quorum at a meeting of the Directors or of a committee of the Directors where such Relevant Interest is to be discussed; or
 - (iii) restricting the application of the provisions in Articles 26.5 and 26.6, so far as is permitted by law, in respect of such Interested Director; and
 - (b) be withdrawn, or varied at any time by the Directors entitled to authorise the Relevant Interest as they see fit from time to time; and
 - (c) an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising Directors pursuant to section 175(5)(a) of the Act and this Article 26.
- 12.10. Subject to Article 26.6 (and without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 26), if a Director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:
- (a) to disclose such information to the Company or to any Director, or to any officer or employee of the Company; or
 - (b) otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director.
- 12.11. Where such duty of confidentiality arises out of a situation in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, Article 26.5 shall apply only if the conflict arises out of a matter which falls within Article 26.1 or has been authorised under section 175(5)(a) of the Act.
- 12.12. Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director shall take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation:
- (a) absenting himself from any discussions, whether in meetings of the Directors or otherwise, at which the relevant situation or matter falls to be considered; and
 - (b) excluding himself from documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information.
- 12.13. Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by Article 26.1 at a meeting of the Directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as the Directors may determine, except that no declaration of interest shall be required by a Director in relation to an interest:

- (a) falling under Article 26.1(g);
- (b) if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or
- (c) if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles.

12.14. Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this Article 26.

12.15. For the purposes of this Article 26:

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

13. NOTICES

13.6. Subject to the requirements set out in the Act, any notice given or document sent or supplied to or by any person under these Articles, or otherwise sent by the Company under the Act, may be given, sent or supplied:

- (a) in hard copy form;
- (b) in electronic form; or
- (c) or partly by one of these means and partly by another of these means.

Notices shall be given and documents supplied in accordance with the procedures set out in the Act, except to the extent that a contrary provision is set out in this Article 27.

Notices in hard copy form

1.2. Any notice or other document in hard copy form given or supplied under these Articles may be delivered or sent by first class post within the United Kingdom (overnight courier if outside of the United Kingdom):

- (a) to the Company or any other company at its registered office; or
- (b) to the address notified to or by the Company for that purpose; or
- (c) in the case of an intended recipient who is a member or his legal personal representative or trustee in bankruptcy, to such member's address as shown in the Company's register of members; or

- (d) in the case of an intended recipient who is a Director or alternate, to his address as shown in the register of Directors; or
- (e) to any other address to which any provision of the Companies Acts (as defined in the Act) authorises the document or information to be sent or supplied; or
- (f) where the Company is the sender, if the Company is unable to obtain an address falling within one of the addresses referred to in (a) to (e) above, to the intended recipient's last address known to the Company.

1.3. Any notice or other document in hard copy form given or supplied under these Articles shall be deemed to have been served and be effective:

- (a) if delivered, at the time of delivery;
- (b) if posted, on receipt or 48 hours after the time it was posted, whichever occurs first.

Notices in electronic form

1.4. Subject to the provisions of the Act, any notice or other document in electronic form given or supplied under these Articles may:

- (a) if sent by email (provided that an address for email has been notified to or by the Company for that purpose), be sent by the relevant form of communication to that address;
- (b) if delivered or sent by first class post within the United Kingdom (overnight courier if outside of the United Kingdom) in an electronic form (such as sending a disk by post), be so delivered or sent as if in hard copy form under Article 27.2; or
- (c) be sent by such other electronic means (as defined in section 1168 of the Act) and to such address(es) as the Company may specify by notice (in hard copy or electronic form) to all members of the Company from time to time.

1.5. Any notice or other document in electronic form given or supplied under these Articles shall be deemed to have been served and be effective:

- (a) if sent by email (where an address for email has been notified to or by the Company for that purpose), on receipt or 48 hours after the time it was sent, whichever occurs first;
- (b) if posted in an electronic form, on receipt or 48 hours after the time it was posted, whichever occurs first;
- (c) if delivered in an electronic form as referred to in Article 27.4(c), at the time of delivery; and
- (d) if sent by any other electronic means as referred to in Article 27.4(c), at the time such delivery is deemed to occur under the Act.

1.6. Where the Company is able to show that any notice or other document given or sent under these Articles by electronic means was properly addressed with the electronic address supplied by the intended recipient, the giving or sending of that notice or other document shall be effective notwithstanding any receipt by the Company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt.

General

- 1.7. In the case of joint holders of a Share all notices shall be given to the joint holder whose name stands first in the register of members of the Company in respect of the joint holding (the "**Primary Holder**"). Notice so given shall constitute notice to all the joint holders.
- 1.8. Anything agreed or specified by the Primary Holder in relation to the service, sending or supply of notices, documents or other information shall be treated as the agreement or specification of all the joint holders in their capacity as such (whether for the purposes of the Act or otherwise).

2. INDEMNITIES AND INSURANCE

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

- (a) every Director or other officer of the Company (excluding the Auditors) shall be entitled to be indemnified out of the assets of the Company against all costs, losses, liabilities and expenses incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, provided that no current or former Director or current or former officer of the Company is indemnified by the Company against:
 - (i) any liability incurred by the director to the Company; or
 - (ii) any liability incurred by the director to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirements of a regulatory nature; or
 - (iii) any liability incurred by the director:
 - (A) in defending any criminal proceedings in which he is convicted;
 - (B) in defending civil proceedings brought by any Group Company in which final judgment (within the meaning set out in section 234 of the Act) is given against him; or
 - (C) in connection with any application under sections 661(3) or 661(4) or 1157 of the Act (as the case may be) for which the court refuses to grant him relief;
- (b) the Board may exercise all the powers of the Company to purchase and maintain insurance for any such Director or other officer against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.

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

3. DATA PROTECTION

- 3.2. Each of the Shareholders and Directors consent to the collection, processing and retention of their personal data by the Company, the Shareholders and Directors (each a "**Recipient**") for the purpose of due diligence exercises, compliance with applicable laws, regulations and

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

4. SECRETARY

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

5. LIEN

The Company shall have a first and paramount lien on every Share not fully paid for all and any indebtedness of any holder of it to the Company (whether a sole holder or one of two or more joint holders), whether or not that indebtedness or liability is in respect of the Shares concerned and whether or not it is presently payable.