

**Company Number 10205021**

**The Companies Act 2006**

**Public Limited Company**

**Articles of Association**

of

**Cornish Lithium Plc**

Adopted by special resolution passed on \_\_\_\_\_ 2023

## CONTENTS

Clause	Page
1. Definitions and interpretation .....	1
2. Classes of Shares .....	11
3. Preference Share dividend.....	12
4. Other Dividends .....	16
5. Return of capital .....	16
6. Conversion of Preference Shares .....	17
7. Conversion rights attaching to A Ordinary Shares .....	21
8. Redemption of Preference Shares .....	22
9. Voting rights.....	24
10. Directors' Powers And Responsibilities .....	25
11. Director Decision-making.....	25
12. Unanimous decisions .....	26
13. Calling a Directors' meeting.....	26
14. Quorum for Directors' meetings.....	26
15. Casting vote.....	27
16. Transactions or other arrangements with the Company.....	27
17. Directors' conflicts of interest .....	28
18. Records of decisions to be kept.....	29
19. Number of Directors .....	29
20. Appointment and removal of Directors.....	29
21. Investor Directors .....	31
22. Appointment and removal of alternate Directors.....	33
23. Rights and responsibilities of alternate Directors .....	33
24. Termination of alternate Directorship.....	34
25. Secretary.....	34
26. General Meetings .....	34
27. Quorum for general meetings.....	36
28. Poll votes .....	36
29. Procedure on a Poll .....	37
30. Proxies.....	38
31. Delivery of Proxies .....	38
32. Matters requiring A Ordinary Shareholder Consent .....	39
33. Matters Requiring the Consent of EMG, UKIB and TechMet .....	40
34. Provision of information .....	43
35. Means of communication to be used.....	44
36. Indemnity .....	45
37. Insurance .....	45
38. Prohibited transfers of Shares .....	46
39. Permitted transfers of Ordinary Shares and A Ordinary Shares .....	47

## CONTENTS

Clause	Page
40. Permitted transfers of Preference Shares .....	48
41. Directors' power to allot shares .....	49
42. Pre-emption on issue .....	50
43. Tag-along rights .....	50
44. Breach of Standards .....	51
45. Uncertificated shares .....	52

## INTRODUCTION

### 1. DEFINITIONS AND INTERPRETATION

1.1 In these Articles, unless the context otherwise requires, the words and expressions set out below shall have the following meanings:

**"A Ordinary Shareholder Consent"**: the prior written consent of all of the holder(s) of the A Ordinary Shares given in accordance with article 32.

**"A Ordinary Shareholder Dividend Consent"** has the meaning given in article 32.

**"A Ordinary Shares"**: the A ordinary shares of £1 each in the equity share capital of the Company from time to time in issue.

**"A Preference Shares"**: the redeemable convertible A preference shares of £0.0001 each in the capital of the Company from time to time in issue.

**"Act"**: the Companies Act 2006.

**"Accepting Shareholder"**: has the meaning given in article 43.5.

**"Adjustment Event"**: any or all of the following in respect of the Company, at any time, or by reference to any record date, while there remain Preference Shares in issue:

- (a) any allotment or issue of fully paid Ordinary Shares by way of capitalisation of profits or reserves in each case other than Ordinary Shares paid up out of distributable profits or reserves and issued in lieu of a cash dividend;
- (b) any cancellation, redemption or reduction of the Ordinary Share capital of the Company; or
- (c) any sub-division, consolidation or reclassification of Ordinary Shares which results in an alteration in the nominal value of the Ordinary Shares.

**"Agreed Rate"**: the spot rate published by the Bank of England on the Relevant Date at <https://www.bankofengland.co.uk/boeapps/database/Rates.asp?Travel=NIxAZx&into=GBP> or such other replacement page where such rate is published from time to time.

**"Appointor"**: has the meaning given in article 22.1.

**"Arrears"**: in relation to any Preference Share, means all accruals, deficiencies and arrears of any dividend or other monies payable in respect of or otherwise in relation to that Preference Share, whether or not earned or declared and irrespective of whether or not the Company has had at any time sufficient distributable profits to pay that dividend or capital to issue the relevant PIK Preference Shares or other monies or capital to issue the relevant PIK Preference Shares, together with all interest and other amounts payable.

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

**"B Preference Shares"**: the redeemable convertible B preference shares of £0.0001 each in the capital of the Company from time to time in issue.

**"Basic Rate"**: has the meaning given in article 3.2(b)(ii)(A).

**"Beneficial Owner"**: a person whose Shares are held on trust by NomineeCo.

**"Board"**: the board of Directors of the Company from time to time.

**"Breach of Standards"**: a material breach of any of the ESG Standards by the Company, as determined by UKIB (acting reasonably);

**"Business"**: the exploration for and commercial development of lithium and other minerals in Cornwall and Devon, and such other complementary or similar activities (including development or utilisation of geothermal resources) as may be ancillary or accretive to such business.

**"Business Day"**: any day (other than a Saturday, Sunday or public holiday in the United Kingdom, Ireland or the United States of America) on which clearing banks in the City of London are generally open for business.

**"C Preference Shares"**: the redeemable convertible C preference shares of £0.0001 each in the capital of the Company from time to time in issue.

**"Call Notice"**: a call notice issued to the relevant Investor in accordance with such Investor's agreement with the Company to subscribe for Preference Shares.

**"Cash Dividend Notice"**: has the meaning given in article 3.3(a).

**"Cash Dividend Rate"**: has the meaning given in article 3.2(b).

**"Catch-Up Dividend"**: has the meaning given in article 3.2(b).

**"Change of Control Transaction"**: any transaction (other than an IPO):

- (a) pursuant to which Shareholders together holding 75 per cent. or more of the Ordinary Shares in issue transfer all of their interests in such Ordinary Shares to a bona fide purchaser on arm's length terms and which would result in each Preference Shareholder receiving no less than the Target Return for the sale of its Ordinary Shares on Conversion; or
- (b) which involves the sale of all or substantially all of the Company's assets and which (if the proceeds of sale were fully distributed by the Company to each Preference Shareholder) would result in each Preference Shareholder receiving no less than the Target Return for the sale of the relevant assets.

**"CME Term SOFR Administrator"**: CME Group Benchmark Administration Limited as administrator of the forward-looking Term SOFR (or a successor administrator).

**"Company"**: Cornish Lithium Plc (company number 10205021).

**"Conflict"**: has the meaning given in article 17.1.

**"Controlling Interest"**: an interest in shares giving to the holder or holders control of the relevant company within the meaning of section 1124 of the Corporation Tax Act 2010.

**"Conversion"**: the conversion of Preference Shares into Ordinary Shares in accordance with article 6.

**"Conversion Date"**: in the case of a Conversion under:

- (a) article 6.1 or 6.3, the date specified in the Conversion Notice;
- (b) article 6.2(a), the date of completion of the Change of Control Transaction;
- (c) article 6.2(b), the date of Successful Commissioning; or
- (d) article 6.4, on the date elected by the Company,

or such other date as may be agreed between the Company and the relevant Preference Shareholder.

**"Conversion Notice"**: a notice in writing from the Preference Shareholder to the Company electing to convert their Preference Shares.

**"Conversion Price"**: a price per Ordinary Share of 20p.

**"Co-operation Period"** has the meaning given in article 9.3(a).

**"D Preference Shareholder"**: the holders of D Preference Shares from time to time.

**"D Preference Shares"**: the redeemable convertible D preference shares of £0.0001 each in the capital of the Company from time to time in issue.

**"Daily Simple SONIA"** means, for any day (an **"RFR Interest Day"**), an interest rate per annum equal to SONIA for the day that is 5 RFR Business Days prior to (A) if such RFR Interest Day is an RFR Business Day, such RFR Interest Day or (B) if such RFR Interest Day is not an RFR Business Day, the RFR Business Day immediately preceding such RFR Interest Day.

**"Dealing Restrictions"**: has the meaning given in article 6.5(e).

**"Director"**: a director for the time being and from time to time of the Board (including, for the avoidance of doubt, any Investor Director(s)).

**"Dividend Payment Date"**: the last day of the Dividend Period.

**"Dividend Period"**: the period from and including the date of adoption of these Articles up to and including the date falling 12 months after such date, and each period of 12 months thereafter.

**"Electing Preference Shareholder"**: has the meaning given in article 9.1(a).

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

**"EMG"**: EMG Cornish Lithium Holdings, LLC.

**"EMG Participation"**: has the meaning given in article 21.1(a).

**"EMG Seller"**: has the meaning given in article 43.1.

**"Employee Shareholder"**: any Shareholder who is an individual and who is, has been, becomes or is assessed by HM Revenue & Customs as at any time being or having been, an employee of the Company or any other Group Company.

**"Enhanced Rate"**: has the meaning given in article 3.2(b)(ii)(B).

**"Equity Issuance"**: any allotment and issue of Ordinary Shares or securities convertible into Ordinary Shares (excluding any Ordinary Shares or securities allotted or issued pursuant to an Excluded Arrangement) that is completed by the Company following the date of adoption of these Articles.

**"Equity Issuance Price"**: (a) the price per Ordinary Share at which the Company issues Ordinary Shares to a shareholder or investor as part of an Equity Issuance; or (b) the conversion or exercise price of any securities agreed between the Company and any shareholder or investment as part of an Equity Issuance (and if such price is in a currency other than GBP, this shall be converted using the Agreed Rate on the date on which definitive transaction documents are entered into in connection with such allotment and issuance).

**"Excluded Arrangement"**: (i) any employee share scheme or option scheme of the Company regardless of when such scheme was established by the Company; (ii) any securities of the Company in issue as at the date of the adoption of these Articles or any agreement disclosed to EMG and UKIB prior to the date of adoption of these Articles pursuant to which the Company is required to allot or issue Ordinary Shares or securities to any person; and (iii) any agreements entered into with EMG or UKIB for future funding or options to provide future funding by EMG or UKIB after the date of these Articles.

**"Fair Market Value"**: means the fair market value of any Shares to be transferred by UKIB pursuant to article 44, to be determined (at UKIB's election) by reference to either: (i) the valuation achieved by the Company at its most recent equity fundraising; or (ii) such other valuation as may be advised by an independent expert (appointed by UKIB, acting reasonably) of international standing and reputation whose experience includes valuing enterprises carrying on businesses similar to that of the Company;

**"Family Member"**: in relation to a Shareholder who is an individual, their spouse and/or any one or more of their children or grandchildren (including step-children).

**"Family Trust"**: in relation to a Shareholder who is an individual, a trust or settlement set up wholly for the benefit of that Shareholder and/or their Family Members.

**"FID"**: has the meaning given in article 3.2(b)(i).

**"Final Maturity Date"**: in relation to each Preference Share, the fifth anniversary of the date of issuance of that Preference Share (or if such day is not a Business Day, the next following Business Day).

**"Final Product"** means high purity electric vehicle battery grade lithium carbonate or lithium hydroxide equating to the lithium carbonate equivalent (LCE) in accordance with the then established methodology for equating lithium hydroxide quantities to LCEs.

**"GBP"** means the British Pound Sterling, the lawful currency of the United Kingdom.

**"Group"**: the Company, any holding company and any parent undertaking, any subsidiary and any subsidiary undertaking (whether or not such subsidiary is a wholly-owned subsidiary), for the time being and from time to time, of the Company and any company connected with the Company and **"Group Company"** shall be construed accordingly.

**"HM Government Entity"**: a ministry, department or agency of His Majesty's Government or any body corporate or other person which is directly or indirectly wholly-owned by any of the foregoing, the Treasury Solicitor and any of His Majesty's Secretaries of State or other Minister of the Crown (including the Commissioners of His Majesty's Treasury).

**"Insolvency Event"**: any of the following in respect of the Company:

- (a) the making of an order for its winding up;
- (b) the passing of a resolution for its winding up (except for the purpose of a solvent amalgamation or reconstruction where the resulting entity is to assume all of the Company's obligations under these Articles);
- (c) the making of an administration order by the court or the filing with the court of a notice of appointment of an administrator by it;
- (d) a provisional liquidator, liquidator, administrative receiver, administrator, trustee or other similar officer taking possession of or being appointed over or an encumbrancer taking possession of the whole or substantially the whole of its property;
- (e) a receiver being appointed over any part of its property which is material in the context of the Company;
- (f) its entering into a company voluntary arrangement (within the meaning of Part I, Insolvency Act 1986) or otherwise entering into a compromise with the majority by value of its unsecured creditors or its entering into any scheme of arrangement or composition with or for the benefit of creditors generally;
- (g) its entering into any reorganisation or arrangement requiring the consent of creditors or any class of its creditors; or



(h) its becoming unable to pay its debts as and when they fall due within the meaning of section 123(1) of the Insolvency Act 1986.

**"Insolvency Event Notice"**: a notice of an Insolvency Event having occurred given by the Company in writing to each Preference Shareholder and to the holder of A Ordinary Shares, as applicable.

**"Investor"**: each of EMG, UKIB and TechMet;

**"Investor Director"**: a Director appointed by a Shareholder in accordance with article 21.

**"IPO"**: an initial public offering of all of the shares in the Company or securities representing those shares (including, without limitation, American depositary receipts, American depositary shares and/or other instruments, but excluding, for the avoidance of doubt, the Preference Shares) on the New York Stock Exchange, Nasdaq or on the Official List of the Financial Conduct Authority or any other regulated market.

**"ITA 2007"**: the Income Tax Act 2007.

**"Licensing Termination Event"**: (i) any of Lepidico Limited, Lepidico Holdings Pty Ltd, Bright Minz Pty Ltd or Li-Technology Pty Ltd becoming the subject of any bankruptcy, composition, receivership, liquidation, winding up, insolvency, financial restructuring or similar process or proceedings; or (ii) the termination, rescission, repudiation or material adverse amendment to the terms of any licensing or similar agreements entered into between Lepidico Holdings Pty Ltd and any Group Company from time to time.

**"Model Articles"**: the model articles for public companies contained in Schedule 3 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles.

**"Minimum Holding"**: has the meaning given in article 21.1(b).

**"NomineeCo"**: Crowdcube Nominees Limited (company number 09820478) or another trust company to whom NomineeCo transfers Shares in accordance with article 39.1(e).

**"Offer"**: has the meaning given in article 43.2.

**"Offer Notice"**: has the meaning given in article 43.3.

**"Offer Period"**: has the meaning given in article 43.3.

**"Offer Shares"**: has the meaning given in article 43.3(d).

**"Ordinary Shares"**: the ordinary shares of £0.0001 each in the equity share capital of the Company from time to time in issue.

**"PIK Dividend Rate"**: has the meaning given in article 3.2(d).

**"PIK DPD"**: has the meaning given in article 3.3(a).

**"Preference Share Dividend ":** has the meaning given in article 3.1.

**"Preference Share Dividend Rate":** has the meaning given in article 3.2(a).

**"Preference Share Subscription Price":** 20p.

**"Preference Shareholder":** a holder of Preference Shares.

**"Preference Shares":** the redeemable convertible preference shares of £0.0001 each in the capital of the Company, consisting of the A Preference Shares, B Preference Shares, C Preference Shares and D Preference Shares.

**"Prohibited Person":** any legal or natural person:

- (a) that is: (i) the subject of any economic or financial sanctions or trade embargoes administered or enforced by the relevant sanctions authority of the European Union, the United Kingdom, the United States of America, Australia or the United Nations Security Council (including the Office of Foreign Assets Control of the United States Department of Treasury, the United States Department of State and Department of Commerce and His Majesty's Treasury) (collectively, "**Sanctions**"); (ii) owned or controlled directly or indirectly by a person, or acting on behalf of a person, that is the subject of Sanctions; or (iii) located, organised or resident in a country or territory that is the subject of Sanctions; or
- (b) that the Company knows or has reasonable cause to suspect (having made reasonable enquiry) is involved in any arrangements (including any scheme, transaction or series of transactions) that would or might reasonably be expected to be: (i) notifiable under the Disclosure of Tax Avoidance Schemes regime in Part 7 of the Finance Act 2004 and/or the Disclosure of Tax Avoidance Schemes: VAT and Other Indirect Taxes regime in Schedule 17 of the Finance (No.2) Act 2017; or (ii) liable to counteraction under the General Anti-Abuse Rule in Part 5 of the Finance Act 2013.

**"Prevailing Amount":** in respect of each Preference Share:

- (a) the Preference Share Subscription Price; and
- (b) a sum equal to the Arrears on that Preference Share.

**"Proposed Transfer":** has the meaning given in article 43.1.

**"Redemption Date":** the date specified in the Redemption Notice or such other date as may be agreed between the Company and the relevant Preference Shareholder.

**"Redemption Notice":** a notice in writing from the Company or a Preference Shareholder (as applicable) to a Preference Shareholder or the Company (as applicable) specifying the total number of Preference Shares to be redeemed, the applicable Redemption Date.

**"Redemption Notice Period":** has the meaning given in article 9.1(b).

**"Redemption Price"**: has the meaning given in article 9.1(a);

**"Reference Rate"**: in the case of (i) the A Preference Shares and C Preference Shares, the Term SOFR and (ii) the B Preference Shares and D Preference Shares, a rate per annum equal to the aggregate Daily Simple SONIA for each day during a Dividend Period.

**"Related Party"**: at the relevant time, a Director or any Shareholder holding more than 20 per cent. of Shares of the Company, or any associate of such Director or Shareholder.

**"Relevant Date"**: (i) in the event of an Equity Issuance, the date on which definitive transaction documents are entered into in connection with such allotment and issuance, (ii) for the purposes of article 6.1(c)(i), the date of the relevant Conversion Notice, and (iii) for the purposes of article 9.4(b), the date of redemption.

**"RFR Business Day"** means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which banks are closed for general business in London.

**"Sale Date"**: has the meaning given in article 43.3.

**"Seller"**: has the meaning given in article 43.1.

**"Return of Capital"**: has the meaning given in article 5.

**"Shareholder"**: any holder of any Share from time to time.

**"Shares"**: Preference Shares, the A Ordinary Share and Ordinary Shares.

**"SOFR"**: a rate per annum equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

**"SONIA"** means, with respect to any Business Day, a rate per annum equal to the Sterling Overnight Index Average for such Business Day published by the SONIA Administrator on the SONIA Administrator's Website on the immediately succeeding Business Day.

**"SONIA Administrator"** means the Bank of England (or any successor administrator of the Sterling Overnight Index Average).

**"SONIA Administrator's Website"** means the Bank of England's website, currently at <http://www.bankofengland.co.uk>, or any successor source for the Sterling Overnight Index Average identified as such by the SONIA Administrator from time to time.

**"Specified Price"**: has the meaning given in article 43.3.

**"Successful Commissioning"** means the: (a) commissioning of one or more production facilities of the Company (or any subsidiary of the Company) using feed from hard rock and/or brine sources (each, a **"Commercial Facility"**), where commissioning has been either: (i) undertaken by an internationally recognised engineering, procurement and construction firm retained by the Company to undertake the engineering, construction and procurement of the relevant Commercial Facility; or (ii) confirmed by an

internationally recognised engineering firm retained by the Company to project manage the engineering, construction and procurement of the relevant Commercial Facility, in each case with the prior approval of the Board and subject to the Company's oversight through its "owner's team"; and (b) achievement of Target Production.

**"Tag Offeree"**: has the meaning given in article 43.2.

**"Tag Seller"**: has the meaning given in article 43.1.

**"Target Production"** means the operation of the Commercial Facility(ies) for at least 90 days: (a) on a continuous basis (to the extent contemplated by the design parameters of the relevant Commercial Facility as to operating times, and subject to normal outages and maintenance turnarounds consistent with good industry practice); and (b) at a rate over such 90 day period which results in the production of not less than 1755 metric tonnes of Final Product.

**"Target Return"**:

- (a) two times the Prevailing Amount; plus
- (b) after the second anniversary of the date of issuance of the relevant Preference Shares, 15 per cent. compounded annually on the Prevailing Amount for each year following the second anniversary of the date of issuance of the relevant Preference Shares and pro rata for any portion of any additional year following the second anniversary of the date of issuance of the relevant Preference Shares.

**"Tax"** includes any tax, levy, impost, duty or other charge, deduction or withholding of a similar nature whenever and by whatever authority impose, irrespective of the person against or to whom the same are directly or primarily chargeable (including any related penalty, fine, surcharge or interest).

**"TechMet"**: TechMet Limited.

**"TechMet Seller"**: has the meaning given in article 43.1.

**"Term SOFR"**: for any tenor comparable to the applicable Dividend Period, the Term SOFR Reference Rate at approximately 5:00 a.m., New York Time, two U.S. Government Securities Business Days prior to the commencement of such tenor comparable to the applicable Dividend Period, as such rate is published by the CME Term SOFR Administrator.

**"Term SOFR Reference Rate"**: for any day and time (such day, the **"Term SOFR Determination Day"**), and for any tenor comparable to the applicable Dividend Period, the rate per annum published by the CME Term SOFR Administrator and identified by the Company as the forward-looking term rate based on SOFR. If by 5:00 pm (New York City time) on such Term SOFR Determination Day, the Term SOFR Reference Rate for the applicable tenor has not been published by the CME Term SOFR Administrator then, so long as such day is otherwise a U.S. Government Securities Business Day, the Term SOFR Reference Rate for such Term SOFR Determination Day will be the Term SOFR Reference Rate as published in respect of the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate was published by the CME Term SOFR Administrator, so long as such

first preceding U.S. Government Securities Business Day is not more than five U.S. Government Securities Business Days prior to such Term SOFR Determination Day.

**"Third Party Buyer"**: has the meaning given in article 43.1.

**"UKIB"**: UK Infrastructure Bank Limited or, in the event that UK Infrastructure Bank Limited transfers all of its Preference Shares and Ordinary Shares to an HM Government Entity, such HM Government Entity.

**"UKIB Seller"**: has the meaning given in article 43.1.

**"UKIB Standards"**: all applicable law, regulation and best industry practice, all relevant UK environmental standards, including all permits, conditions and authorisations required for any of the Company's projects as granted or to be granted by applicable governmental and regulatory authorities, the sanctions, money-laundering, anti-bribery and corruption and tax strategies policies adopted by the Company on or around the date of adoption of these Articles and such other reasonable legal, regulatory, environmental, social and governance standards as may be adopted by UKIB and notified to the Company from time to time.

**"U.S. Government Securities Business Day"**: any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an **"article"** is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
  - (a) any subordinate legislation from time to time made under it; and
  - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms **"including"**, **"include"**, **"in particular"** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 The term **"connected with"** shall have the meaning attributed to it at the date of this Agreement by section 1122 Corporation Tax Act 2010.

- 1.8 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.
- 1.9 Articles 10, 13, 14(1) and (2), 16, 18(4), 85 and 86 of the Model Articles shall not apply to the Company.
- 1.10 Article 20 of the Model Articles shall be amended by the insertion of the following words as a new paragraph at the end of such article "*provided that the appointment does not cause the number of Directors in office for the time being (excluding alternate Directors who are not also Directors) to exceed any maximum number fixed or otherwise determined in accordance with these Articles.*"
- 1.11 Article 24 of the Model Articles shall be amended by the insertion of the words "*(including alternate Directors) and the secretary*" before the words "*properly incur*".
- 1.12 Article 66(2) of the Model Articles shall be amended by the insertion of the words ", *subject to article 20,*" after the word "*But*".
- 1.13 Article 68 of the Model Articles shall be amended by the insertion of the words ", *or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 36.2,*" after the words "*the transmittee's name*".
- 1.14 Articles 72(1)(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "*either*" and "*or as the Directors may otherwise decide*".

## **SHARE RIGHTS**

### **2. CLASSES OF SHARES**

- 2.1 The A Preference Shares, B Preference Shares, C Preference Shares, D Preference Shares, Ordinary Shares and A Ordinary Shares shall each constitute separate classes of Shares.
- 2.2 The Ordinary Shares and the A Ordinary Shares shall have the same rights except as otherwise provided in these Articles.
- 2.3 The A Preference Shares, B Preference Shares, C Preference Shares and D Preference Shares shall have the same rights except as otherwise provided in these Articles.
- 2.4 None of the rights for the time being attached to any class of Preference Shares may be varied or abrogated without the consent in writing of the holders of 75 per cent. or more of such class of Preference Shares at the relevant time.

### **3. PREFERENCE SHARE DIVIDEND**

#### **3.1 Preference Share Dividend**

The Company will, without any resolution of the Directors or of the Shareholders being required, and before the application of any profits to reserves or for any other purpose, accrue on a daily basis to the holders of the Preference Shares from time to time in issue a fixed preferential dividend at the PIK Dividend Rate (as defined below) on the

Preference Share Subscription Price, unless the Company delivers a Cash Dividend Notice (as defined below) to all holders of Preference Shares at least 10 Business Days prior to the prior Dividend Payment Date (and provided the A Ordinary Shareholder Dividend Consent shall have been obtained prior to the delivery of the Cash Dividend Notice), in which case, the dividend on all Preference Shares in respect of the relevant Dividend Payment Date shall be deemed to accrue at the Cash Dividend Rate (as defined below) (the "**Preference Share Dividend**"), from and including the date of issue of the relevant Preference Share. For the avoidance of doubt, the Company shall not, without the consent of each Preference Shareholder, deliver a Cash Dividend Notice in respect of any Preference Shares without doing so in respect of all Preference Shares then outstanding.

### 3.2 **Preference Share Dividend Rate**

- (a) The "**Preference Share Dividend Rate**" shall be either the PIK Dividend Rate or the Cash Dividend Rate, as may be determined by the Company in respect of all Preference Shares in accordance with this article 3, provided that if the Company is not lawfully able to pay such dividend at the Dividend Payment Date, any such amounts shall be Arrears.
- (b) The "**Cash Dividend Rate**" shall be the following rate:
  - (i) from and including the date of issue of the relevant Preference Share until, but excluding, the date of final investment decision in relation to the hard rock or brine operation of the Company ("**FID**"), at the Reference Rate plus five per cent., but subject to a minimum of 8.5 per cent. and subject to a maximum of 12 per cent.; and
  - (ii) from and including the date of FID, at the following rate:
    - (A) in the event the Board determines (acting reasonably) that Successful Commissioning remains expected within the time frame set out in the timetable for Successful Commissioning approved by the Directors at the relevant time and remains on budget as set out in the FID budget approved by the Directors at the relevant time, the Reference Rate plus three per cent., but subject to a minimum of 6.5 per cent. and subject to a maximum of 10 per cent. (the "**Basic Rate**"); or
    - (B) in the event the Board determines (acting reasonably) that Successful Commissioning is not expected within the time frame set out in the timetable for Successful Commissioning approved by the Directors at the relevant time or does not remain on budget as set out in the FID budget approved by the Directors at the relevant time, the Reference Rate plus five per cent., but subject to a minimum of 8.5 per cent and subject to a maximum of 12 per cent. (the "**Enhanced Rate**"),

provided that, once the Board has determined that Successful Commissioning is not expected within the time frame set out in the timetable for Successful Commissioning approved by the Directors at the relevant time or is not on

budget as set out in the FID budget approved by the Directors at the relevant time and any Preference Share Dividends have been paid or are accruing to Preference Shareholders at the Basic Rate, on the next following Dividend Payment Date, the Company shall pay each Preference Shareholder an additional sum based on the difference between the Enhanced Rate and the Basic Rate, so as to ensure that the Enhanced Rate shall have been the applicable Cash Dividend Rate from the date of the FID (such additional sum, the "**Catch-Up Dividend**").

- (c) For the avoidance of doubt, any Catch-Up Dividend shall be due and payable at the next following Dividend Payment Date as if it were a part of the Preference Share Dividend, and if the Company is not lawfully able to pay the Catch-Up Dividend, it shall be Arrears in respect of the relevant Preference Shares, payable upon the next following Dividend Payment Date, Redemption, Conversion or return of capital.
- (d) The "**PIK Dividend Rate**" means a rate equal to two per cent. above the Cash Dividend Rate.
- (e) When the Preference Share Dividend Rate is required to be calculated in respect of a period of less than a full year, it shall be calculated:
  - (i) in the case of the A Preference Shares and C Preference Shares, on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days; and
  - (ii) in the case of the B Preference Shares and D Preference Shares, on the basis of the actual number of days elapsed and a year of 360 days.
- (f) Interest shall be payable for the actual number of days elapsed (including the first day but excluding the last day).
- (g) The Preference Share Dividend for the B Preference Shares and the D Preference Shares (but not the A Preference Shares or the C Preference Shares) shall be computed on a daily basis based upon the outstanding principal amount of the Preference Share Subscription Price as of each applicable date of determination. If any day during a Dividend Period for a B Preference Share or a D Preference Share is not an RFR Banking Day, the Preference Share Dividend Rate for the B Preference Shares and the D Preference Shares for that day will be the rate applicable to the immediately preceding RFR Banking Day.
- (h) In the case of the B Preference Shares and the D Preference Shares (but not the A Preference Shares or the C Preference Shares), a determination of Daily Simple SONIA (a "**Determination**") shall be determined by the Company (acting reasonably), and such determination shall be conclusive absent manifest error. The Company shall promptly notify UKIB and the D Preference Shareholders of any Determination. The Company shall pay the Preference Share Dividend to UKIB and the D Preference Shareholders for the applicable Dividend Period within five Business Days of making a Determination for the



Preference Share Dividend for the B Preference Shares and the D Preference Shares relating to such Dividend Period.

### 3.3 Payment of Preference Share Dividend

- (a) The Company shall deliver a notice stating its intention to pay a cash dividend (the "**Cash Dividend Notice**") to the Preference Shareholders no later than 10 Business Days prior to a Dividend Payment Date in respect of the next following Dividend Payment Date (and provided the A Ordinary Shareholder Dividend Consent shall have been obtained prior to the delivery of the Cash Dividend Notice). If the Company has not delivered a Cash Dividend Notice in respect of the dividends payable on such a Dividend Payment Date, that next following Dividend Payment Date shall be a "**PIK DPD**" and the Company shall, on the PIK DPD, issue to all Preference Shareholders further Preference Shares in full satisfaction of any dividend that has accrued at the PIK Dividend Rate in respect of such Preference Shareholder's Preference Shares from the date of issuance of the relevant Preference Shares or the last Dividend Payment Date (whichever is the later) up to but excluding the PIK DPD. Any issue of such Preference Shares shall be made in respect of all of the Preference Shares held by each Preference Shareholder, with each Preference Shareholder entitled to be issued Preference Shares pursuant to this article 3.3(a) being issued the same class of Preference Shares held by such Preference Shareholder as at the relevant Dividend Payment Date.
- (b) Subject to article 3.3(a), where the Company has delivered a Cash Dividend Notice to the Preference Shareholders prior to a Dividend Payment Date, the Company shall pay to each registered Preference Shareholder in cash an amount representing the Preference Share Dividend that has accrued at the Cash Dividend Rate on the Preference Shares from such Dividend Payment Date up to, but excluding, the next following Dividend Payment Date (less any Tax or other amounts that the Company is required by law to deduct or withhold). Subject to article 3.3(a), the Preference Share Dividend will without any resolution of the Directors or the Shareholders become a debt due from and immediately payable by the Company to the Preference Shareholder entitled to the Preference Share Dividend on such next following Dividend Payment Date, subject to there being profits out of which they may be lawfully paid. If there are not available profits out of which such cash dividend may be paid in respect of all Preference Shares then outstanding on such next following Dividend Payment Date, such next following Dividend Payment Date shall be deemed to be a PIK DPD, and any dividend that has accrued in respect of such Preference Shareholder's Preference Shares and is not paid in cash on such next following Dividend Payment Date shall be deemed instead to have accrued at the PIK Dividend Rate in respect of such Preference Shareholder's Preference Shares, and the Company shall, on such next following Dividend Payment Date issue to all Preference Shareholders further Preference Shares in full satisfaction of any such dividend that has accrued. On or as soon as practicable following each Dividend Payment Date, the Company shall deliver to each Preference Shareholder a certificate as to the gross amount of the relevant Preference Share Dividend payment, the amount of any Catch-Up Dividend and the amount of Tax deducted or withheld (if any).

- (c) Where the Company is not lawfully able to issue Preference Shares to satisfy any Preference Share Dividend at any Dividend Payment Date, whether as a result of insufficient distributable reserves or share capital or otherwise, any such unpaid Preference Share Dividend amounts shall continue to accrue on the relevant Preference Shares and be Arrears in respect of such Preference Shares, payable upon the next following Dividend Payment Date, Redemption, Conversion or return of capital.

#### 3.4 **PIK Preference Shares**

- (a) Any Preference Shares issued by the Company pursuant to article 3.3(a) shall be issued on identical terms (other than with respect to their issue date) and with the same rights attaching to the Preference Shares as set out in these Articles.
- (b) Upon the issuance of any Preference Shares pursuant to article 3.3(a), the Company shall update the relevant entries in the register of Shareholders to reflect the issue of such Preference Shares to each Preference Shareholder. The Company shall, as soon as practicable thereafter, deliver or cause to be delivered to each relevant Preference Shareholder either:
  - (i) where all existing Share certificates in respect of Preference Shares held by the relevant Preference Shareholder have been returned to the Company for cancellation prior to the relevant PIK DPD (the "**Returned Certificates**"), a replacement certificate in respect of all Preference Shares held by the relevant Preference Shareholder following the issue of the relevant additional Preference Shares in place of the Returned Certificate; or
  - (ii) in all other circumstances a supplemental Share certificate in respect of the relevant additional Preference Shares.
- (c) In respect and on account of the Tax liability of the relevant Preference Shareholder to whom any Preference Shares are issued pursuant to article 3.3(a), the Company may retain such proportion of any issue of Preference Shares pursuant to article 3.3(a) as shall equal the appropriate rate of Tax on the dividend for the year of assessment in which such Preference Shares are issued to satisfy its obligations pursuant to Section 939 of the ITA 2007. Notwithstanding the above, prior to paying any amount to HM Revenue & Customs in satisfaction of a Tax Liability of a relevant Preference Shareholder, the Company will use commercially reasonable efforts to (i) notify such Preference Shareholder of its obligations to deduct and withhold at least 15 days prior to making such deduction or withholding and (ii) cooperate with the relevant Preference Shareholder (at the request and cost of the relevant Preference Shareholder) to reduce or eliminate any such deduction or withholding (including by accepting properly completed documentation provided by the relevant Preference Shareholder, where relevant).
- (d) If the Company reasonably considers that it is impractical to retain Preference Shares pursuant to article 3.3(a) on account of Tax, it may provide to HM Revenue & Customs details of the names and addresses of the persons to which such Preference Shares have been issued and the amount of such Preference

Shares issued to each person and Tax will be charged on the recipients of the such Preference Shares, or those entitled to them.

### 3.5 Further rights of participation

The Preference Shares do not confer any further right of participation in the profits of the Company other than the rights to receive the Preference Share Dividend pursuant to this article 3.

## 4. OTHER DIVIDENDS

4.1 The Company may by ordinary resolution declare dividends, and the Directors may decide to pay interim dividends.

4.2 No dividend may be declared or paid by the Company on the Ordinary Shares or the A Ordinary Shares unless and until all Arrears which have accrued to the Preference Shares have been paid or issued to the holders of the relevant Preference Shares, or converted into Ordinary Shares issued to the holders of the relevant Preference Shares.

4.3 Subject to article 4.2, any profits available for distribution within the meaning of the Act may be distributed amongst the holders of the Ordinary Shares and the A Ordinary Shares in the proportions and amounts as recommended by the Board according to the number of such Shares held by the relevant Shareholder at the relevant time, save that, where there are any A Ordinary Share(s) in issue, the A Ordinary Shares shall as a class be entitled to ten per cent. of any such distribution.

## 5. RETURN OF CAPITAL

On a return of capital on a sale, liquidation, capital reduction or otherwise (except on a purchase by the Company of any Shares) (a "**Return of Capital**"), to the extent that the Company is lawfully permitted to do so, the surplus assets of the Company remaining after payment of its liabilities shall be applied in the following manner and order of priority:

- (a) first, in paying to the holders of Preference Shares a sum equal to 1.5 times the Prevailing Amount to such holders in proportion to the number of Preference Shares held by them, and calculated up to and including the date of such Return of Capital;
- (b) second, where there are any A Ordinary Share(s) in issue, in paying to the holders of A Ordinary Shares a sum equal to ten per cent. of such surplus assets remaining after payment of the Company's liabilities and the payment to the Preference Shareholders of the amounts referred to in article 5(a), to such holders and in proportion to the number of A Ordinary Shares held by them, and calculated up to and including the date of such Return of Capital; and
- (c) the balance to the holders of the Ordinary Shares, pro rata according to the number of Ordinary Shares held by them.

## 6. CONVERSION OF PREFERENCE SHARES

### 6.1 Conversion at the election of the Preference Shareholder

- (a) Each Preference Shareholder shall have the right to convert all or some of its Preference Shares into fully paid Ordinary Shares:
  - (i) at any time prior to 1 January 2024 immediately prior to, and conditional on the occurrence of an Insolvency Event (in which case the provisions of article 6.3 will apply to the Conversion);
  - (ii) at any time prior to 1 January 2024 if agreed in advance by the Company in writing (in which case the provisions of articles 6.1(b) to (d) and articles 6.5 and 6.6 inclusive will apply to the Conversion); or
  - (iii) at any time on or after 1 January 2024 (in which case the provisions of articles 6.1(b) to (d) and articles 6.5 and 6.6 inclusive will apply to the Conversion).
- (b) Each Preference Shareholder may exercise its right to convert all or some of its Preference Shares into Ordinary Shares by serving a Conversion Notice on the Company (not less than 10 Business Days prior to the proposed Conversion Date) to convert all or some of its Preference Shares into fully paid Ordinary Shares at the Conversion Price.
- (c) The Conversion Notice shall specify the number of Preference Shares which the Preference Shareholder wishes to convert at any time, provided that:
  - (i) any Conversion Notice served in respect of the Conversion of some of the Preference Shareholder's Preference Shares shall not be valid unless the Ordinary Shares to be issued to that Preference Shareholder on Conversion have an underlying value of at least the GBP equivalent of USD 5,000,000 (converted using the Agreed Rate on the date of the Conversion Notice) in the aggregate, provided that where such Conversion Notice is in respect of all of the Preference Shares held by a Preference Shareholder, the Conversion Notice may be in respect of Preference Shares having an underlying value of less than USD 5,000,000 (converted using the Agreed Rate on the date of the Conversion Notice); and
  - (ii) a Preference Shareholder may not serve a Conversion Notice more than once in any fiscal quarter.
- (d) The service of a Conversion Notice by a Preference Shareholder shall be irrevocable.

## 6.2 Automatic Conversion

All Preference Shares shall be automatically converted into Ordinary Shares:

- (a) immediately prior to completion of a Change of Control Transaction; or
- (b) on Successful Commissioning,

and the provisions of articles 6.5 and 6.6 inclusive will apply to the Conversion.

### **6.3 Conversion in the event of an insolvency**

- (a) If the Company suffers an Insolvency Event, the Company shall give an Insolvency Event Notice to each Preference Shareholder as soon as reasonably practicable following the occurrence of the Insolvency Event and each Preference Shareholder may, but is not required to, exercise its right to convert all or some of its Preference Shares into Ordinary Shares at the Conversion Price by serving a Conversion Notice on the Company within 20 Business Days of the Insolvency Event Notice being given. The provisions of articles 6.3(b), 6.5 and 6.6 inclusive will apply to the Conversion.
- (b) The service of a Conversion Notice by a Preference Shareholder shall be irrevocable.

### **6.4 Conversion in the event of default**

In the event that a Preference Shareholder fails to fund a Call Notice when validly due in accordance with the terms of any agreement between the Company and that Preference Shareholder to do so, such Preference Shareholder shall be in default and the Company may elect to either exercise its redemption rights pursuant to article 8.2 or convert the Preference Shares held by such Preference Shareholder into Ordinary Shares at the Conversion Price, and the provisions of articles 6.5 and 6.6 inclusive will apply to the Conversion.

### **6.5 Procedures on Conversion**

- (a) On the Conversion Date, the Directors shall convert the Prevailing Amount of the relevant Preference Shares into Ordinary Shares at the Conversion Price, subject to any adjustment as set out in article 6.5(f) and in accordance with the following provisions of articles 6.5(b) to 6.5(e) (inclusive). The Ordinary Shares issued to the relevant Preference Shareholder shall be denominated in GBP and the number of Ordinary Shares to be issued on a Conversion shall be determined by dividing the Prevailing Amount by the Conversion Price.
- (b) Conversion of the Preference Shares may be effected by the Company in such manner as may be authorised by law and as the Directors from time to time determine and, without prejudice to the generality of the foregoing, may be effected by redemption of the Preference Shares at nominal value or at a premium and the subscription for new Ordinary Shares at nominal value or at a premium or the consolidation and/or sub-division and redesignation of the Preference Shares as Ordinary Shares and/or deferred shares and/or a capitalisation of reserves, each on the Conversion Date.
- (c) If any entitlements to fractions of Ordinary Shares arise on Conversion pursuant to this article 6, no fraction of a Share may be allotted but (if any such arrangements can be made) fractional entitlements in respect of each Preference Shareholder's holdings may be aggregated and sold at the best price reasonably obtainable, and the net proceeds of sale allocated by the Company to the relevant Preference Shareholder. Any remaining fractional entitlements may be aggregated and sold at the best price reasonably obtainable, and the net proceeds of sale shall be for the benefit of the Company. For the purpose of implementing

the provisions of this article 6.5(c), the Directors may appoint some person to execute transfers or renunciations on behalf of persons otherwise entitled to those fractions and generally may make all arrangements which appear to them necessary or appropriate for the settlement and disposal of fractional entitlements.

- (d) Ordinary Shares arising on Conversion of the Preference Shares shall be issued and allotted by the Company on the Conversion Date and, following the Conversion Date, the certificates for such Ordinary Shares shall be despatched to the persons entitled to them at their own risk. Each Ordinary Share arising on Conversion shall be issued and allotted at such premium to reflect the difference between the nominal amount of the Ordinary Share and the Prevailing Amount of Preference Shares converted into one Ordinary Share on the Conversion Date. Certificates for Preference Shares which have been converted are, following Conversion, deemed to be cancelled and are of no further effect or value.
- (e) In the event that, at the time of Conversion, the Ordinary Shares are quoted on, traded on, or permission has been granted for dealings on, any recognised investment exchange in any part of the world, a Preference Shareholder shall not be entitled to elect to convert any of its Preference Shares at a time when it has inside information in relation to the Company or when to do so would breach any of the rules relating to dealing in the Company's securities applicable to the Company or that Preference Shareholder ("**Dealing Restrictions**"). Where a Preference Shareholder is prevented by an applicable Dealing Restriction from converting a Preference Share on the Conversion Date, the Company shall use its reasonable endeavours to ensure such Dealing Restriction is lifted as soon as practicable and the Conversion Date for that Preference Shareholder shall (as applicable) be extended until the Business Day after the lifting of the Dealing Restriction.
- (f) Following an Adjustment Event, the professional advisors or auditors of the Company for the time being shall, acting in good faith and having taken into account the reasonable views of any Preference Shareholder in relation to the same, notify the Company in writing of the adjustments to the number and nominal value of the Preference Shares to be converted which they consider to be necessary so that, after such adjustment and on Conversion, the Preference Shareholders shall be entitled to receive the same percentage of the issued share capital of the Company carrying the same proportion of votes exercisable at a general meeting of shareholders and the same entitlement to participate in distributions of the Company, in each case as nearly as practicable, as would have been the case had no Adjustment Event occurred (and making such reduction or increase as is necessary to the premium arising on the issue and allotment of the Ordinary Shares on Conversion of the Preference Shares). The Company shall then notify the Preference Shareholders in writing as soon as reasonably practicable of the necessary adjustment as determined by such professional advisors or auditors.

## 6.6 Dividends and rights attaching to Ordinary Shares and Preference Shares on Conversion

- (a) The Preference Share Dividend will accrue on a Preference Share for so long as it remains issued and outstanding.
- (b) The Ordinary Shares arising on Conversion are to be credited as fully paid and must in all respects rank as a single class with the issued and fully paid Ordinary Shares then in issue.

## 6.7 EIS Status

In the event that conversion of all or any part of a Preference Shareholder's Preference Shares, would (when aggregated with all other Ordinary Shares or securities, and the voting or other rights associated with such Ordinary Shares or securities, held by such Preference Shareholder or any person acting together with that Shareholder to secure or exercise control of the Company or any person otherwise connected with that Shareholder (a "**Connected Person**")) result in:

- (a) the issued share capital of the Company held by such Preference Shareholder and its Connected Persons exceeding 49.99 per cent. of the issued share capital of the Company; or
- (b) the voting rights in the Company held by such Preference Shareholder and its Connected Persons exceeding 49.99 per cent. of the voting rights in the Company,

such Preference Shareholder shall only be entitled to convert such number of Preference Shares as would cause it (together with its Connected Person) to hold no more than 49.99 per cent. of the issued share capital of the Company and no more than 49.99 per cent. of the voting rights in the Company, and those Preference Shares that the Preference Shareholder is not entitled to convert pursuant to this article 6.7 shall be the "**EIS Excess Preference Shares**".

## 6.8 Excess Preference Shares

A Preference Shareholder that is prevented from converting EIS Excess Preference Shares pursuant to article 6.7 may (i) at any time after 9 April 2025 require the Company to redeem all of its Excess Preference Shares and pay it the higher of (x) the Prevailing Amount; in respect of such Excess Preference Shares; and (y) the Fair Market Value of such Excess Preference Shares, in each case in cash and within five (5) Business Days of the Preference Shareholder notifying the Company; or (ii) transfer such Excess Preference Shares to any Preference Shareholder or third party without any of the requirements of articles 38 (other than article 38.6(a)) and 43 applying to such transfer. If a Preference Shareholder has not exercised its rights pursuant to article 6.8, the EIS Excess Preference Shares shall remain outstanding until the earlier of: (x) such time as all of the EIS Excess Preference Shares can be converted without the Preference Shareholder (together with any Connected Person) exceeding any of the limits referred to in (a) or (b) above; or (y) the Final Maturity Date.

## 7. **CONVERSION RIGHTS ATTACHING TO A ORDINARY SHARES**

Upon:

- (a) any transfer of A Ordinary Shares which is not a permitted transfer pursuant to article 39; or
- (b) a written request by all of the holder(s) of A Ordinary Shares,

the A Ordinary Shares shall automatically convert into such number of Ordinary Shares as represents 10 per cent. of the Ordinary Shares immediately following such conversion when calculated on the basis of the following assumptions:

- (i) the conversion to Ordinary Shares of all Preference Shares of the Company then in issue;
- (ii) the issuance of Ordinary Shares upon exercise of all outstanding warrants granted by the Company that are unconditionally exercisable in accordance with their terms at the time of such proposed conversion of the A Ordinary Share; and
- (iii) the exercise of any other options, rights or entitlements of any other party, in issue at the time of such proposed conversion of the A Ordinary Share, to acquire or be issued Ordinary Shares in the Company (excluding, for the avoidance of doubt, the warrants and Ordinary Shares referred to in article 7(ii)),

(such number, the "**A Share Conversion Figure**").

Conversion of the A Ordinary Shares may be effected by the Company in such manner as may be authorised by law and as the Directors from time to time determine so as to result in the holder of A Ordinary Shares holding, after such conversion, the A Share Conversion Figure of all of the issued Ordinary Shares in the capital of the Company and, without prejudice to the generality of the foregoing, may be effected by the allotment of new A Ordinary Shares or Ordinary Shares by the Company as a bonus, redemption of the A Ordinary Shares at nominal value or at a premium and the subscription for new Ordinary Shares at nominal value or at a premium or the consolidation and/or sub-division and redesignation of the A Ordinary Shares as Ordinary Shares and/or deferred shares and/or a capitalisation of reserves, each on the date of such conversion.

## 8. **REDEMPTION OF PREFERENCE SHARES**

### 8.1 **Redemption on or after the Final Maturity Date**

- (a) The Company may at any time after the Final Maturity Date redeem all of the Preference Shares then in issue (but not some only unless each other Preference Shareholder (an "**Electing Preference Shareholder**") consents in writing to the redemption of another Preference Shareholder's Preference Shares without all of the Electing Preference Shareholder's Preference Shares also being redeemed) and each relevant Preference Shareholder may at any time after the Final Maturity Date redeem all or some of the Preference Shares held by such



Preference Shareholder for a redemption price per Preference Share (the "**Redemption Price**") which is equal to the higher of: (i) the Prevailing Amount; and (ii) where the Company has completed an Equity Issuance in the 12 months ending on the proposed Redemption Date, the Equity Issuance Price (provided that where the Company has completed more than one Equity Issuance in the past 12 months, the highest price of such Equity Issuances shall be used for this purpose), and the provisions of articles 8.1(b) to 8.1(d) and 8.3 inclusive will apply to the redemption.

- (b) The Company or the relevant Preference Shareholder (as applicable) shall, at least 60 days prior to the redemption of any Preference Shares in accordance with article 8.1 (the "**Redemption Notice Period**"), give a Redemption Notice to the Preference Shareholder or the Company (as applicable). On the Redemption Date, the Preference Shareholder shall deliver to the Company at the Company's registered office or such other place specified in the Redemption Notice certificates for those of its Preference Shares which are to be redeemed or an indemnity in respect of any lost certificate in terms reasonably satisfactory to the Company. On delivery of the certificates or an indemnity in respect of any lost certificate in terms reasonably satisfactory to the Company, the Company will pay to the relevant holder the amount due to them in respect of the redemption. If any certificate includes any Preference Shares not to be redeemed on the relevant Redemption Date, a new certificate for those Preference Shares will be issued free of charge to the holder.
- (c) On each redemption in accordance with article 8.1, the holder of the Preference Shares being redeemed will be paid the Redemption Price (less any Tax or other amounts that the Company is required by law to deduct or withhold) for each Preference Share redeemed and the Company will pay the relevant redemption monies by wire transfer to such bank account as the relevant Preference Shareholder may instruct in writing.
- (d) In the event that the relevant Preference Shareholder serves a Conversion Notice in accordance with article 6.1 during the Redemption Notice Period, the relevant Preference Shares which are the subject of the Conversion Notice will, on the Redemption Date, be converted into Ordinary Shares in accordance with article 6 and will not be redeemed.

## 8.2 **Redemption in the event of a default**

- (a) In the event that a Preference Shareholder fails to fund a Call Notice when due in accordance with the terms of any agreement between the Company and that Preference Shareholder to do so, such Preference Shareholder shall be in default and the Company may, at any time following such default, either exercise its conversion rights pursuant to article 6.4 or provide a Redemption Notice to the relevant Preference Shareholder electing to redeem up to 50 per cent. of the Preference Shares held by such Preference Shareholder for a redemption price per Preference Share which is equal to the nominal value of the Preference Shares (less any Tax or other amounts that the Company is required by law to deduct or withhold) and the Company will pay the relevant redemption monies by wire transfer to such bank account as the relevant Preference Shareholder

may instruct in writing. The provisions of articles 8.2(b) and 8.3 inclusive will apply to the redemption.

- (b) On the Redemption Date the Preference Shareholder shall deliver to the Company at the Company's registered office or such other place specified in the Redemption Notice certificates for those of its Preference Shares which are to be redeemed or an indemnity in respect of any lost certificate in terms reasonably satisfactory to the Company. On delivery of the certificates or an indemnity in respect of any lost certificate in terms reasonably satisfactory to the Company, the Company will pay to the relevant holder the amount due to them in accordance with article 8.2(a) in respect of the redemption. If any certificate includes any Preference Shares not to be redeemed on the relevant Redemption Date, a new certificate for those Preference Shares will be issued free of charge to the holder.

### 8.3 Redemption on a Licensing Termination Event

- (a) If a Licensing Termination Event occurs, the Company and each Preference Shareholder shall co-operate in good faith for a period of 15 Business Days (the "**Co-operation Period**") with a view to agreeing any arrangements, steps or actions to be made or taken by the Company to address or mitigate the consequences of such Licensing Termination Event.
- (b) Following the expiration of the relevant Co-operation Period, each Preference Shareholder may, at any time on or after 9 April 2025, redeem all of the Preference Shares held by such Preference Shareholder for a redemption price per Preference Share which is equal to the Prevailing Amount, and the provisions of articles 8.3(c) to 8.3(e) and 8.4 inclusive will apply to the redemption.
- (c) Each relevant Preference Shareholder shall, at least 10 days prior to the redemption of any Preference Shares in accordance with article 8.3(b), give a Redemption Notice to the Company. On the Redemption Date, the relevant Preference Shareholder shall deliver to the Company at the Company's registered office certificates for its Preference Shares which are to be redeemed or an indemnity in respect of any lost certificate in terms reasonably satisfactory to the Company. On delivery of the certificates or an indemnity in respect of any lost certificate in terms reasonably satisfactory to the Company, the Company will pay to the relevant holder the amount due to them in accordance with article 8.3(b) in respect of the redemption.
- (d) On a redemption in accordance with article 8.3, the holder of the Preference Shares being redeemed will be paid the redemption price specified in article 8.3(b) (less any Tax or other amounts that the Company is required by law to deduct or withhold) for each Preference Share redeemed and the Company will pay the relevant redemption monies by wire transfer to such bank account as the relevant Preference Shareholder may instruct in writing.
- (e) In the event that the relevant Preference Shareholder serves a Conversion Notice in accordance with article 6.1 during the period between the relevant Preference Shareholder giving the Company a Redemption Notice in accordance with

article 8.3(a) and the Redemption Date, the relevant Preference Shares which are the subject of the Conversion Notice will, on the Redemption Date, be converted into Ordinary Shares in accordance with article 6 and will not be redeemed.

- (f) The Company shall, to the maximum extent it is lawfully able to do so, take all such actions and do all such things (including, without limitation, the creation of sufficient distributable profits or reserves) as may be necessary or desirable to give full effect to a redemption of Preference Shares on or after 9 April 2025 pursuant to this article 8.3.

#### **8.4 Provisions applying to all redemptions**

- (a) The Preference Share Dividend will accrue on each Preference Share for so long as such Preference Share is issued and outstanding.
- (b) The Preference Shares shall be redeemed in either GBP or, at the election of the relevant Preference Shareholder, in US Dollars converted from GBP using the Agreed Rate on the Redemption Date.
- (c) Certificates for Preference Shares which have been redeemed are, following redemption, deemed to be cancelled and are of no further effect or value.

### **9. VOTING RIGHTS**

9.1 The voting rights attached to each class of Share shall be as set out in this article 9:

- (a) on a resolution to be passed at a general meeting of the Company on a show of hands, the holders of the Ordinary Shares present shall have one vote each; and
- (b) on a resolution to be passed at a general meeting of the Company on a poll, the holders of the Ordinary Shares present shall have one vote in respect of each Ordinary Share held.

9.2 The Preference Shares and the A Ordinary Shares are non-voting Shares. The Preference Shares and the A Ordinary Shares shall entitle the holders thereof to receive copies of any written resolutions and receive notices and attend and speak at any general meetings, but shall not entitle the holders to vote on any such resolution or at any such meeting, save in respect of:

- (a) in the case of UKIB, EMG or TechMet, any matter requiring the consent of UKIB, EMG or TechMet pursuant to article 33;
- (b) in the case of the holders of A Ordinary Shares, any matter requiring A Ordinary Shareholder Consent pursuant to article 32; or
- (c) any class consent matter pursuant to section 630 of the Act.

### **DIRECTORS**

## 10. **DIRECTORS' POWERS AND RESPONSIBILITIES**

10.1 Without the prior approval of the Board, the Company shall not, and shall procure that no Group Company shall, take any of the following actions or enter into any agreement or arrangement in relation to the taking of the following actions:

- (a) the sale by any Group Company of any asset with a value in excess of GBP 195,000 (or the equivalent in another currency);
- (b) the entry by any Group Company into any working capital facility or any financing arrangement for the provision of working capital;
- (c) the entry into, or modification of, an arrangement or commitment between any Group Company and any governmental or regulatory agency, excluding any new or existing grant funding arrangements (provided such grant funding arrangements are on terms agreed by the Board);
- (d) any and all actions in relation to hedging transactions in circumstances where the aggregate mark-to-market value of the Group's hedging transaction(s) has increased above GBP 195,000 (or the equivalent in another currency);
- (e) material and adverse amendments to the Group's directors' and officers' insurance policy or key man life insurance policy; or
- (f) material and adverse changes to the Group's internal accounting controls.

10.2 Subject to article 10.1 and the other provisions of these articles, the Directors may delegate any of the powers which are conferred on them under the articles: (a) to such person or committee; (b) by such means (including by power of attorney); (c) to such an extent; (d) in relation to such matters or territories; and (e) on such terms and conditions, as they think fit. If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.

10.3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions.

## 11. **DIRECTOR DECISION-MAKING**

11.1 The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with article 12.

## 12. **UNANIMOUS DECISIONS**

12.1 A decision of the Directors is taken in accordance with this article 12 when all Eligible Directors indicate to each other that they share a common view on a matter.

12.2 Such a decision 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.

12.3 A decision may not be taken in accordance with this article 12 if the Eligible Directors would not have formed a quorum at such a meeting.

### **13. CALLING A DIRECTORS' MEETING**

13.1 Any Director may call a Directors' meeting by giving not less than seven days' notice of that meeting to each of the Directors or by authorising the company secretary (if any) to give such notice.

13.2 Notice of any Directors' meeting must indicate:

- (a) its proposed date and time;
- (b) where it is to take place; and
- (c) if it is anticipated that the Directors participating in that meeting will not be in the same place, how it is proposed that they should communicate with each other during that meeting.

13.3 Directors may attend meetings of the Directors by telephone or video-conference.

13.4 Notice of a Directors' meeting must be given to each Director but need not be in writing.

13.5 Notice of a Directors' meeting need not be given to any Director who waives their entitlement to notice of that meeting by giving notice to that effect to the Company either before or not more than seven days after the date on which that meeting is held. Where such notice is given after the relevant meeting has been held, that does not affect the validity of that meeting or of any business conducted at it.

13.6 Unless the Board is required to schedule a meeting on shorter notice due to urgent business need, the Company will provide to each Director:

- (a) the written papers relevant for the Directors' meeting not less than three Business Days prior to the date of the scheduled meeting; and
- (b) on request, provide any other information reasonably requested by a Director which is necessary for the purposes of that meeting as soon as reasonably practicable.

### **14. QUORUM FOR DIRECTORS' MEETINGS**

14.1 Save where the Company only has one Director, and subject to article 14.3, the quorum for the transaction of business at a meeting of Directors must never be less than three Eligible Directors, which must include at least one Investor Director (or that Investor Director's duly appointed alternate) appointed by each Investor entitled to do so at the relevant time.

14.2 If a meeting of Directors does not reach the required quorum set out in article 14.1, the meeting shall be adjourned and the quorum for the adjourned meeting of Directors (to be adjourned for no less than 5 Business Days), must never be less than two Eligible Directors, which must include at least one Investor Director.

- 14.3 For the purposes of any meeting (or part of a meeting) held pursuant to article 17 (*Directors' conflicts of interest*) to authorise a Director's conflict, if there are insufficient Eligible Directors to constitute a quorum, the quorum for such meeting (or part of a meeting) shall be all the Eligible Directors.
- 14.4 If the total number of Directors in office for the time being is less than the quorum required, the Directors must not take any decision other than a decision:
- (a) to appoint further Directors; or
  - (b) to call a general meeting so as to enable the Shareholders to appoint further Directors.

**15. CASTING VOTE**

If the numbers of votes for and against a proposal at a meeting of Directors are equal, the chair or other Director chairing the meeting shall not have a casting vote.

**16. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

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

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- (b) shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of Directors) in respect of such contract or proposed contract in which they are interested;
- (c) shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which they are interested;
- (d) may act by themselves or their firm in a professional capacity for the Company (otherwise than as auditor) and they or their firm shall be entitled to remuneration for professional services as if they were not a Director;
- (e) may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- (f) shall not, save as they may otherwise agree, be accountable to the Company for any benefit which they (or a person connected with them (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of

any such remuneration or other benefit constitute a breach of their duty under section 176 of the Act.

## 17. DIRECTORS' CONFLICTS OF INTEREST

17.1 The Directors may, in accordance with the requirements set out in this article 17, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director breaching their duty under section 175 of the Act to avoid conflicts of interest (a "**Conflict**").

17.2 Any authorisation under this article 17 will be effective only if:

- (a) the matter in question shall have been proposed by any Director for consideration at a meeting of Directors in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;
- (b) any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question; and
- (c) the matter was agreed to without their voting or would have been agreed to if their vote had not been counted.

17.3 Any authorisation of a Conflict under this article 17 may (whether at the time of giving the authorisation or subsequently):

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
- (b) be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine; and
- (c) be terminated or varied by the Directors at any time.

This will not affect anything done by the Director prior to such termination or variation in accordance with the terms of the authorisation.

17.4 In authorising a Conflict the Directors may decide (whether at the time of giving the authorisation or subsequently) that if a Director has obtained any information through their involvement in the Conflict otherwise than as a Director of the Company and in respect of which they owe a duty of confidentiality to another person, the Director is under no obligation to:

- (a) disclose such information to the Directors or to any Director or other officer or employee of the Company; or
- (b) use or apply any such information in performing their duties as a Director, where to do so would amount to a breach of that confidence.

17.5 Where the Directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the Director:

- (a) is excluded from discussions (whether at meetings of Directors or otherwise) related to the Conflict;
- (b) is not given any documents or other information relating to the Conflict; and
- (c) may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution relating to the Conflict.

17.6 Where the Directors authorise a Conflict:

- (a) the Director will be obliged to conduct themselves in accordance with any terms imposed by the Directors in relation to the Conflict; and
- (b) the Director will not infringe any duty they owe to the Company by virtue of sections 171 to 177 of the Act provided they acts in accordance with such terms, limits and conditions (if any) as the Directors impose in respect of its authorisation.

17.7 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which they derive from or in connection with a relationship involving a Conflict which has been authorised by the Directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

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

The company secretary must ensure that the company keeps a record, in writing, of all Directors' written resolutions for at least ten years from the date of their adoption.

**19. NUMBER OF DIRECTORS**

Unless otherwise determined by an ordinary resolution of the Shareholders, the number of Directors (other than alternate Directors) shall not, prior to an IPO, exceed seven persons and shall not be less than two.

**20. APPOINTMENT AND REMOVAL OF DIRECTORS**

20.1 Any person who is willing to act as a Director and is permitted by law to do so may be appointed as a Director of the Company by either:

- (a) a resolution of the Board;
- (b) an ordinary resolution of the Shareholders; or
- (c) in the case of an Investor Director, in accordance with article 21.

20.2 A Director shall not be removed from office without the consent of the holders of a majority of the issued Shares from time to time.



- 20.3 At the first annual general meeting after the date of adoption of these Articles all the Directors shall retire from office.
- 20.4 At every subsequent annual general meeting any Directors:
- (a) who have been appointed by the Directors since the last annual general meeting; or
  - (b) who were not appointed or reappointed at one of the preceding two annual general meetings,
- must retire from office and may offer themselves for reappointment by the members.
- 20.5 If the Company does not fill the vacancy at the meeting at which a Director retires by rotation or otherwise, the retiring Director shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the re-appointment of the Director is put to the meeting and lost.
- 20.6 No person other than a Director retiring by rotation shall be appointed a Director at any general meeting unless:
- (a) they are recommended by the Board;
  - (b) they are an Investor Director proposed for appointment by the relevant Shareholder in accordance with article 21; or
  - (c) not less than fourteen nor more than 42 days before the date appointed for the meeting, notice by a member qualified to vote at the meeting (not being the person to be proposed) has been received by the Company of the intention to propose that person for appointment stating the particulars which would, if they were so appointed, be required to be included in the Company's register of Directors, together with notice by that person of their willingness to be appointed.
- 20.7 Except as otherwise authorised by the Act, the appointment of any person proposed as a Director shall be effected by a separate resolution.
- 20.8 Subject as aforesaid, the Company may by ordinary resolution appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director and may also determine the rotation in which any additional Directors are to retire. The appointment of a person to fill a vacancy or as an additional Director shall take effect from the end of the meeting.
- 20.9 The Board may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director and, in either case, whether or not for a fixed term. Irrespective of the terms of their appointment, a Director so appointed shall hold office only until the next following annual general meeting and shall not be taken into account in determining the Directors who are to retire by rotation at the meeting. If not re-appointed at such annual general meeting, they shall vacate office at its conclusion.

20.10 A Director who retires at an annual general meeting may, if willing to act, be re-appointed. If they are not re-appointed, they shall retain office until the meeting appoints someone in their place, or if it does not do so, until the end of the meeting.

20.11 A Director shall not be required to hold any shares in the capital of the Company by way of qualification.

## 21. INVESTOR DIRECTORS

21.1 EMG, UKIB and TechMet shall each have the right to appoint (by notice in writing to the Company) and maintain in office one natural person as each of EMG, UKIB and TechMet may from time to time nominate as a Director of the Company (each an "**Investor Director**") and to remove (by notice in writing to the Company) any Investor Director so appointed by EMG, UKIB or TechMet (as applicable) and, upon their removal, to appoint (by notice in writing to the Company) another Investor Director in their place, in each case at the following times:

(a) in the case of EMG's Investor Director:

- (i) from the date of adoption of these articles, and until the date on which both EMG has subscribed for USD 30,000,000 of Preference Shares (the "**EMG Participation**") and Successful Commissioning has occurred; and
- (ii) following the date on which EMG has subscribed for the EMG Participation in full and Successful Commissioning has occurred, at any time as EMG holds Preference Shares and Ordinary Shares that together represent at least 7.5 per cent. of the issued share capital of the Company (the "**Minimum Holding**");

(b) in the case of UKIB's Investor Director:

- (i) from the date of adoption of these articles, and until the date on which both UKIB has subscribed for USD 30,000,000 of Preference Shares (the "**UKIB Participation**") and Successful Commissioning has occurred; and
- (ii) following the date on which UKIB has subscribed for the UKIB Participation in full and Successful Commissioning has occurred, at any time as UKIB holds Preference Shares and Ordinary Shares that together represent at least the Minimum Holding; and

(c) in the case of TechMet's Investor Director:

- (i) from the date of adoption of these articles, and until the date on which both TechMet has subscribed for USD 30,000,000 of Preference Shares (the "**TechMet Participation**") and Successful Commissioning has occurred; and
- (ii) following the date on which TechMet has subscribed for the TechMet Participation in full and Successful Commissioning has occurred, at any

time as TechMet holds Preference Shares and Ordinary Shares that together represent at least the Minimum Holding.

21.2 If:

- (a) at any time following the date on which the EMG Participation has been issued in full, EMG's holding of Preference Shares and Ordinary Shares falls below the Minimum Holding, following a request made by the Company in writing, EMG shall at its own cost procure the resignation of any Investor Director which it has appointed;
- (b) at any time following the date on which the UKIB Participation has been issued in full, UKIB's holding of Preference Shares and Ordinary Shares falls below the Minimum Holding, following a request made by the Company in writing, UKIB shall at its own cost procure the resignation of any Investor Director which it has appointed; and
- (c) at any time following the date on which the TechMet Participation has been issued in full, TechMet's holding of Preference Shares and Ordinary Shares falls below the Minimum Holding, following a request made by the Company in writing, TechMet shall at its own cost procure the resignation of any Investor Director which it has appointed.

21.3 EMG shall have the right to appoint (by notice in writing to the Company) and maintain in office a second Investor Director and to remove (by notice in writing to the Company) the second Investor Director so appointed and, upon their removal, to appoint (by notice in writing to the Company) another second Investor Director in their place:

- (a) once it has provided further funding to the Company pursuant to a subscription for Ordinary Shares following the subscription in full of the EMG Participation; or
- (b) if, at any time, EMG's holding of Preference Shares and Ordinary Shares together represents at least 25 per cent. of the issued share capital of the Company, provided that, if at any time following the appointment of the second Investor Director EMG's holding of Preference Shares and Ordinary Shares falls below 25 per cent. of the issued share capital of the Company, EMG shall at its own cost procure the resignation of the second Investor Director which it has appointed, unless EMG increases its holding of Preference Shares and Ordinary Shares to represent at least 25 per cent. of the issued share capital of the Company, in which case the first sentence of this article 21.3(b) shall apply.

21.4 In the event that any Investor Director resigns in order to stand for re-election at the annual general meeting of the Company, the Board will unanimously recommend that Investor Director's appointment to the shareholders of the Company. No fees or other payments will be paid by the Company to any Investor Director.

## 22. **APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS**

22.1 Any Director (an "**Appointor**") may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to:

- (a) exercise that Director's powers; and
- (b) carry out that Director's responsibilities,

in relation to the taking of decisions by the Directors, in the absence of the alternate's Appointor.

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

22.3 The notice must:

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

## 23. **RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS**

23.1 An alternate Director may act as alternate Director to more than one Director and has the same rights in relation to any decision of the Directors as the alternate's Appointor.

23.2 Except as the Articles specify otherwise, alternate Directors:

- (a) are deemed for all purposes to be Directors;
- (b) are liable for their own acts and omissions;
- (c) are subject to the same restrictions as their Appointors; and
- (d) are not deemed to be agents of or for their Appointors,

and, in particular (without limitation), each alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which their Appointor is a member.

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

- (a) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's Appointor is not participating);
- (b) may participate in any decision of the Directors (but only if their Appointor is an Eligible Director in relation to that decision, but does not participate); and
- (c) shall not be counted as more than one Director for the purposes of articles 23.3(a) and 23.3(b).

23.4 A Director who is also an alternate Director is entitled, in the absence of their Appointor, to a separate vote on behalf of their Appointor in addition to their own vote on any decision of the Directors (provided that their Appointor is an Eligible Director in relation to that decision), and is entitled to be counted as participating for the purposes of determining whether a quorum is present, both on behalf of their Appointor and on behalf of themselves.

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

## 24. **TERMINATION OF ALTERNATE DIRECTORSHIP**

An alternate Director's appointment as an alternate terminates:

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

## 25. **SECRETARY**

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

## 26. **GENERAL MEETINGS**

26.1 Subject to the provisions of the Act, annual general meetings shall be held at such time and place as the Board may determine.

26.2 All general meetings other than annual general meetings, shall be called general meetings.

26.3 The Board may convene a general meeting whenever it thinks fit. At any meeting convened on such requisition (or any meeting requisitioned pursuant to section 303 of the Act) no business shall be transacted except that stated by the requisition or proposed by the Board. If there are not within the United Kingdom sufficient members of the Board to convene a general meeting, any Director or any member of the Company may call a general meeting.

26.4 An annual general meeting shall be convened by not less than 21 clear days' notice in writing. All other general meetings shall be convened by not less than 14 clear days' notice in writing. The period of notice shall in either case be exclusive of the day on which it is given or deemed to be given and of the day on which the meeting is held.

- 26.5 Subject to the provisions of the Act, and notwithstanding that it is convened by shorter notice than that specified in article 26.4, a general meeting shall be deemed to have been duly convened if it is so agreed:
- (a) in the case of an annual general meeting by all the members entitled to attend and vote at the meeting; and
  - (b) in the case of any other meeting by a majority in number of the members having a right to attend and vote at the meeting being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.
- 26.6 Every notice convening a general meeting shall specify:
- (a) whether the meeting is an annual general meeting or a general meeting;
  - (b) the place, the day and the time of the meeting;
  - (c) in the case of special business, the general nature of that business;
  - (d) if the meeting is convened to consider a special resolution the intention to propose the resolution as such;
  - (e) details of any resolutions to be considered at the meeting; and
  - (f) with reasonable prominence that a member entitled to attend, speak and vote is entitled to appoint one or more proxies to attend, speak and vote instead of them and that a proxy need not also be a member.
- 26.7 The notice shall be given to the members (other than any who under the provisions of these Articles or of any restrictions imposed on any shares are not entitled to receive notice from the Company), to the Director and to the auditors and if more than one for the time being, to each of them.
- 26.8 The accidental omission to send a notice of meeting or, in cases where it is intended that it be sent out with the notice, an instrument of proxy, to, or the non-receipt of either by, any person entitled to receive the same shall not invalidate the proceedings at that meeting.
- 26.9 All business that is transacted at a general meeting shall be deemed special, except the following transactions at an annual general meeting:
- (a) the declaration of dividends;
  - (b) the receipt and consideration of the annual accounts and the reports of the Directors and other documents required to be attached or annexed to the accounts;
  - (c) the election or re-election of Directors;
  - (d) the fixing of the Directors fees; and

- (e) the re-appointment of the auditors retiring (unless they were last appointed otherwise than by the Company in general meeting) and the fixing of the remuneration of the auditors or the determination of the manner in which such remuneration is to be fixed.
- 26.10 For the purposes of determining which persons may attend and vote at a general meeting, and the number of votes each such person has, the notice of the meeting may specify a date and time by which persons must be entered in the register in order to be entitled to attend and vote at the meeting. This date and time must not be more than 48 hours (excluding any part of a day which is not a working day) before the time appointed for commencement of the meeting.
- 26.11 The provisions of these Articles applying to general meetings of the Company shall, with any necessary modifications, apply to any separate general meeting of the holders of a class of shares, but so that the necessary quorum for any such meeting shall be holders of 75 per cent. or more of such class of shares.

## **DECISION MAKING BY SHAREHOLDERS**

### **27. QUORUM FOR GENERAL MEETINGS**

- 27.1 No business other than the appointment of the chair of the meeting is to be transacted at a general meeting if the persons attending to it do not constitute a quorum.
- 27.2 Two Shareholders present in person or by proxy, entitled to vote upon the business to be transacted, shall be a quorum.

### **28. POLL VOTES**

- 28.1 A poll on a resolution may be demanded:
- (a) in advance of the general meeting where it is to be put to the vote; or
  - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 28.2 A poll may be demanded by:
- (a) the chair of the meeting;
  - (b) the Directors;
  - (c) two or more persons having the right to vote on the resolution;
  - (d) a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution; or
  - (e) a person or persons holding shares in the Company conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the shares conferring that right.

- 28.3 A demand for a poll may be withdrawn if:
- (a) the poll has not yet been taken; and
  - (b) the chair of the meeting consents to the withdrawal.
- 28.4 Where a demand for a poll is withdrawn:
- (a) this will not invalidate the result of a show of hands declared before the demand was made; and
  - (b) if the demand was made before the declaration of the result of a show of hands, the meeting will continue as if the demand had not been made.

## 29. **PROCEDURE ON A POLL**

- 29.1 Subject to the Articles, polls at general meetings must be taken when, where and in such manner as the chair of the meeting directs.
- 29.2 The chair of the meeting may appoint scrutineers (who need not be members) and decide how and when the result of the poll is to be declared.
- 29.3 The result of a poll will be the decision of the meeting in respect of the resolution on which the poll was demanded.
- 29.4 A poll on:
- (a) the election of the chair of the meeting; or
  - (b) a question of adjournment,
- must be taken immediately.
- 29.5 Other polls must be taken within 30 days of their being demanded.
- 29.6 A demand for a poll does not prevent a general meeting from continuing, except as regards the question on which the poll was demanded.
- 29.7 No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded.
- 29.8 In any other case, at least seven days' notice must be given specifying the time and place at which the poll is to be taken.

## 30. **PROXIES**

- 30.1 Proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which:
- (a) states the name and address of the member appointing the proxy;
  - (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;



- (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the Directors may determine; and
  - (d) is delivered to the Company in accordance with these Articles not less than 48 hours before the time appointed for holding the general meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions in the notice of the meeting to which they relate.
- 30.2 In calculating the 48 hour period referred to in article 30.1, no account will be taken of any part of a day that is not a working day.
- 30.3 The Company may require proxy notices to be delivered in a particular form and may specify different forms for different purposes.
- 30.4 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 30.5 Unless a proxy notice indicates otherwise, it must be treated as:
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
  - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.
- 31. DELIVERY OF PROXIES**
- 31.1 Any notice of a general meeting must specify the address or addresses ("**proxy notification address**") at which the Company or its agents will receive proxy notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form.
- 31.2 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.
- 31.3 Subject to articles 30.5 and 31.5, a proxy notice must be delivered to a proxy notification address not less than 48 hours before the general meeting or adjourned meeting to which it relates.
- 31.4 In the case of a poll taken more than 48 hours after it is demanded, the notice must be delivered to a proxy notification address not less than 24 hours before the time appointed for the taking of the poll.
- 31.5 In the case of a poll not taken during the meeting but taken not more than 48 hours after it was demanded, the proxy notice must be delivered:
- (a) in accordance with article 31.3; or
  - (b) at the meeting at which the poll was demanded to the chair, secretary or any Director.

- 31.6 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 31.7 A notice revoking a proxy appointment only takes effect if it is delivered before:
- (a) the start of the meeting or adjourned meeting to which it relates; or
  - (b) (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll to which it relates.
- 31.8 If a proxy notice is not signed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the Appointor's behalf.

## 32. **MATTERS REQUIRING A ORDINARY SHAREHOLDER CONSENT**

- 32.1 The Company shall not undertake any of the following matters without A Ordinary Shareholder Consent:
- (a) enter into any contract, arrangement or commitment with any Shareholder or Director, or any person connected with any Shareholder or Director, which is not on arm's length commercial terms;
  - (b) dispose, take or agree to take or otherwise acquire or dispose of any interest in or licence over land (including any sale and leaseback transaction);
  - (c) dispose of a Controlling Interest in any subsidiary undertaking which holds or is otherwise entitled to mineral rights (or data or surface rights related to the exploitation or potential exploitation of mineral rights) leased, licensed or otherwise granted by The Hon E A H Boscawen and/or his successors and assigns ("**Tregothnan Mineral Rights**");
  - (d) dispose of a Controlling Interest in any other subsidiary undertaking (not including those subsidiary undertakings set out at article 32.1(c)) to a Related Party;
  - (e) pay any dividend in cash prior to the occurrence of Successful Commissioning (the "**A Ordinary Shareholder Dividend Consent**");
  - (f) do or permit or suffer to be done any act or thing whereby any Group Company may be wound up (whether voluntarily or compulsorily);
  - (g) issue or allot any A Ordinary Shares in the equity share capital of the Company or any securities convertible into A Ordinary Shares or any options in respect of A Ordinary Shares or convert any Shares into A Ordinary Shares;
  - (h) materially alter, vary, abrogate or modify the rights attaching to the A Ordinary Shares;
  - (i) materially alter any of its constitutional documents (including but not limited to these Articles) in any manner that would affect the rights of the holder of A

Ordinary Shares (provided that the following changes to the articles shall be deemed to affect the rights of the holder of A Ordinary Shares: (i) any material change to the terms or timing of automatic conversion for the Preference Shares; or (ii) the creation of a new class of shares (excluding, for the avoidance of doubt, the Preference Shares) which ranks ahead of the A Ordinary Share in respect of the distribution of dividends or returns of capital (excluding, for the avoidance of doubt, the Preference Shares));

- (j) reorganise, consolidate, sub-divide, redeem, convert or otherwise re-organise any of its equity share capital in any manner which would adversely affect the rights of the holder of the A Ordinary Shares;
- (k) make or enter into, or allow any Group Company to make or enter into, any transaction or series of related transactions which results in the disposal of Tregothnan Mineral Rights that involves a total sale price or transfer of value exceeding GBP 195,000 (or the equivalent in another currency) in the aggregate; or
- (l) agree or commit to do anything listed in this article 32.1,

provided that, for the avoidance of doubt, nothing in this article 32.1 shall require an A Ordinary Shareholder Consent in relation to any sale or transfer of Ordinary Shares and/or Preference Shares of the Company.

32.2 The Company shall supply to the holders of A Ordinary Shares all information and documents necessary to allow proper consideration to be given over a reasonable period of time to any proposed transaction or matter upon which A Ordinary Shareholder Consent is sought.

32.3 The Company shall not, without A Ordinary Shareholder Consent, undertake any Business unless it is conducted either through the Company or through subsidiaries of the Company, which will, on incorporation of each such subsidiary, be wholly owned by the Company.

### 33. **MATTERS REQUIRING THE CONSENT OF EMG, UKIB AND TECHMET**

33.1 The Company shall not, and shall procure that no Group Company shall, undertake any of the matters set out in article 33.2 or enter into any agreement or arrangement in relation to such matters, without the prior written approval of each of UKIB, EMG and TechMet, at the following times in relation to the relevant Investor:

- (a) from the date of adoption of these articles, and until the date on which that Investor has subscribed for the GBP equivalent (as converted at the Agreed Rate at the relevant time) of USD 30,000,000 of Preference Shares (the "**Investor Participation**") and Successful Commissioning has occurred; and
- (b) following the date on which the relevant Investor has subscribed for its Investor Participation in full and Successful Commissioning has occurred, at any time as that Investor holds Preference Shares and Ordinary Shares that together represent at least the Minimum Holding.

33.2 The matters referred to in article 33.1 are:

- (a) any amendment to the sources and uses of funds received by the Company from subscriptions for the Preference Shares, as agreed with the Investors;
- (b) the adoption of annual general and administrative, operating and capital spending budgets (as and when created) of the Company, provided that consent shall not be unreasonably withheld, and provided further that if such written consent is not given at the Board meeting at which it is requested, the Company shall, with effect from the end of that meeting, use the previous year's approved budget, increased to account for inflation by reference to the latest interest rate published by the Bank of England;
- (c) termination of the appointment of any senior management of any Group Company and the appointment of any proposed new chief executive officer or equivalent of any Group Company;
- (d) any deviation from annual budgets of the Company in amounts greater than 15 per cent. in the aggregate or 15 per cent. on a line-item basis;
- (e) any Group Company making or entering into any transaction or series of related transactions for the acquisition or disposition of assets or properties or the expansion of existing assets or properties that involves a total purchase price, cost or obligation of over GBP 195,000 (or the equivalent in another currency) in the aggregate;
- (f) any Group Company making or entering into any hedging transactions which would cause the Group's exposure to hedging transactions to increase to a mark-to-market value in excess of GBP 195,000 (or the equivalent in another currency) in the aggregate;
- (g) making any material changes in operating strategy or geographic orientation of any Group Company, regardless of project size;
- (h) becoming resident for tax purposes or creating a permanent establishment or taxable presence in any jurisdiction other than in the UK;
- (i) any Group Company entering into or modifying any purchase/sales/marketing or similar agreements that cover the purchase or sale of more than GBP 4,000,000 (or the equivalent in another currency) in aggregate in goods, product(s) and/or service(s), other than any purchase/sales/marketing or similar agreements between any Group Company and TechMet for which such consent is given pursuant to paragraph (j) and (k) below, as the case may be;
- (j) any Group Company amending or modifying the exclusivity agreement relating to marketing arrangements covering products entered into between the Company and TechMet on 3 July 2023 (the "**Marketing Exclusivity Agreement**");
- (k) any Group Company entering into or modifying any purchase/sales/marketing or similar agreements that cover the purchase or sale of more than GBP 4,000,000 (or the equivalent in another currency) in aggregate in goods, product(s) and/or service(s) with TechMet and/or TechMet-Mercuria and/or an

affiliate of TechMet, such consent not to be unreasonably withheld, acknowledging that it shall be unreasonable to withhold such consent in relation to a marketing agreement with TechMet, and/or TechMet-Mercuria and/or an affiliate of TechMet solely as a result of either or both of:

- (i) the fee contained in such agreement where such fee is 3% or less of the relevant net sales price, after deducting any and all returns, allowances, discounts, credits, netbacks, or adjustments of any kind to that price, realised by the Company and payable by the relevant purchaser(s) thereunder; or
  - (ii) the duration of such agreement where such duration is less than or equal to the fifth anniversary of the commencement of commercial production of any electric vehicle/energy storage system battery grade lithium chloride, lithium carbonate or lithium hydroxide for sale by the Company (or, if earlier, Tech-Met ceasing to hold at least 10% by nominal value of the issued Shares of the Company), provided that no sales of such products under such agreement may be made after such date;
- (l) the incurrence of any form of debt obligation (including any shareholder loan) by any Group Company representing indebtedness under IFRS or U.S. GAAP, or any form of security interest or preferential right or the amendment of any such debt facilities, other than a working capital facility that has been approved by the Board;
  - (m) the issuance by the Company of capital calls for payment, provided that consent shall not be unreasonably withheld;
  - (n) the extension by the Company of capital commitments or the issuance by any Group Company of equity or debt securities;
  - (o) any Group Company entering into any related-party transactions;
  - (p) the Company entering into any "**fundamental change**" transaction, such as a change of control, merger, consolidation or other exit, provided that consent will not be unreasonably withheld to an IPO and any IPO shall be consented to if the associated fundraise enables the FID;
  - (q) the creation of any committee of the Board;
  - (r) the declaration or payment by the Company of any dividends or distributions;
  - (s) the creation by the Company of any new class of security or any variation to the terms of any Shares or other securities of the Company in issue from time to time;
  - (t) the purchase by the Company of any Shares where such purchase would cause any Shareholder to hold more than 49.99% per cent. of the issued share capital of the Company.

- (u) the declaration by the Company of bankruptcy, insolvency or voluntary liquidation or any analogous procedure;
- (v) obligating or causing any Group Company to register any equity or debt securities under United States federal securities laws or to conduct any public offering of equity or debt securities;
- (w) increasing the size of the Board above the thresholds set out in article 19;
- (x) the approval or change of auditors by the Company;
- (y) any share splits, combinations and similar events, rights offerings and asset or special distributions to the holders of ordinary shares by the Company;
- (z) the settlement of any litigation, disputes or regulatory investigations or enforcement proceedings with a payment or financial sanction in excess of GBP 80,000 (or the equivalent in another currency);
- (aa) the Company making the final investment decision for the tailings storage solution; or
- (bb) any production of lithium chloride or the construction of a facility or the use of any existing facility for the production of lithium chloride.

33.3 Nothing in this article 33 shall require the Company to seek consent from an Investor for any action that the Company takes to redeem any Preference Shares then outstanding in accordance with Article 8.

## **ADMINISTRATIVE ARRANGEMENTS**

### **34. PROVISION OF INFORMATION**

34.1 The Company will prepare and send to all holders of A Ordinary Shares and Preference Shares:

- (a) statutory accounts for the Group immediately on the same becoming available and not in any event later than the date by which they are required to be filed in accordance with Act; and
- (b) such other written information as shall be provided to the holders of Ordinary Shares as a class from time to time (including in respect of any matter which affects only the holders of the Ordinary Shares).

34.2 The Company shall notify each holder of Preference Shares and of the A Ordinary Shares from time to time of the occurrence of any fact, matter or circumstance that directly relates to such Preference Shareholder or A Ordinary Shareholder's rights under these articles, including, for the avoidance of doubt (i) FID; (ii) Successful Commissioning; (iii) the date on which it is determined that Successful Commissioning is not expected within the time frame set out in the timetable for Successful Commissioning approved by the Directors or does not remain on budget as set out in the FID budget; (iv) that the occurrence of a Change of Control Transaction is

reasonably expected; and (v) the failure by any Preference Shareholder to fund a Call Notice when due, in each case within two Business Days of such occurrence.

- 34.3 Each Shareholder agrees to provide the Company with any information reasonably available to such Shareholder that is necessary to determine whether the Company or any subsidiary is a "controlled foreign corporation" within the meaning of Section 957 of the United States Internal Revenue Code; provided, that any such inquiry utilises any available safe harbour applicable to that determination provided by United States Internal Revenue Procedure 2019-40. Each Shareholder shall, and shall cause its respective affiliates to, reasonably cooperate with the Company to enable the Company to comply with its tax reporting obligations to its Shareholders.
- 34.4 If the Company suffers an Insolvency Event, the Company shall give an Insolvency Event Notice to the holders of A Ordinary Shares and Preference Shares as soon as reasonably practicable following the occurrence of the Insolvency Event.
- 34.5 In the event that the Company receives from a Preference Shareholder or serves on a Preference Shareholder a Redemption Notice, the Company will, as soon as reasonably practicable, provide a copy of the Redemption Notice to the holder of A Ordinary Shares (and shall notify the A Ordinary Shareholder at least ten (10) business days ahead of service by the Company of a Redemption Notice of its intent to do so).

**35. MEANS OF COMMUNICATION TO BE USED**

- 35.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
  - (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
  - (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
  - (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article 35, no account shall be taken of any part of a day that is not a Business Day.

- 35.2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

## 36. INDEMNITY

36.1 Subject to article 36.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- (a) each relevant officer may be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by them as a relevant officer in the actual or purported execution and/or discharge of their duties, or in relation to them, including any liability incurred by them in defending any civil or criminal proceedings, in which judgment is given in their favour or in which they are acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on their part or in connection with any application in which the court grants them, in their capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs; and
- (b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by them in connection with any proceedings or application referred to in article 36.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

36.2 This article 36 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

36.3 In this article 36:

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- (b) a "**relevant officer**" means any Director or secretary of the Company.

## 37. INSURANCE

37.1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

37.2 In this article 37:

- (a) a "**relevant officer**" means any Director or secretary of the Company;
- (b) a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company or employees' share scheme of the Company or associated company; and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.



## SHARE TRANSFERS

### 38. PROHIBITED TRANSFERS OF SHARES

- 38.1 Any person who holds, or becomes entitled to, any Share shall not effect a transfer of such Share except a transfer in accordance with:
- (a) in the case of the Ordinary Shares and the A Ordinary Shares, article 39; or
  - (b) in the case of the Preference Shares, article 40 or article 43.
- 38.2 The reference in this article 38 to the transfer of a Share shall mean the direct or indirect transfer of either or both of the legal and beneficial ownership in such Share and/or the grant of an option to acquire either or both of the legal and beneficial ownership in such Share and the following shall be deemed (but without limitation) to be a transfer of a Share:
- (a) any direction (by way of renunciation or otherwise) by a Shareholder or person entitled to an allotment or issue of any Share that such Share be allotted or issued to some person other than themselves;
  - (b) any sale or other disposition of any legal or equitable interest in a Share (including any voting right attached thereto) and whether or not by the registered holder thereof and whether or not for consideration or otherwise and whether or not effected by an instrument in writing; and
  - (c) any grant of a legal or equitable mortgage, encumbrance or charge over any Share.
- 38.3 For the purpose of ensuring compliance with this article 38, the Company may require any Shareholder to procure that (i) they or (ii) such other person as is reasonably believed to have information and/or evidence relevant to such purpose provides to the Company any information and/or evidence relevant to such purpose and failing such information and/or evidence being provided the Board may notify the relevant Shareholder (for the purposes of this article 38, the "**Defaulting Shareholder**") that a breach of the transfer provisions of these Articles is deemed to have occurred, whereupon:
- (a) the Company shall refuse to register any transfer of the Relevant Shares;
  - (b) the Relevant Shares shall cease to confer on the holder thereof (or any proxy thereof) any rights:
    - (i) where the Relevant Shares are Ordinary Shares, to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting of the Company or at a separate meeting of the class in question); or
    - (ii) to receive dividends or other distributions (other than the issue price of the Relevant Shares upon a return of capital),

otherwise attaching to the Relevant Shares or to any further Shares issued pursuant to the exercise of a right attaching to the Relevant Shares or in pursuance of an offer made to the relevant holder; and

- (c) the Defaulting Shareholder may be required at any time following such notice to transfer (or procure the transfer of) some or all of the Relevant Shares to such person(s) at a price determined by the Board.

The rights referred to in article 38.3(b) may be reinstated by the Board or, if earlier, upon the completion of the transfer of the Relevant Shares as contemplated by article 38.3(c). The expression "**Relevant Shares**" for the purposes of this article 38 shall mean Shares which the Defaulting Shareholder holds or to which he is entitled and any Shares formerly held by them which have been transferred in breach of article 38.1 or in accordance with article 39 or article 40.

38.4 Each Shareholder hereby irrevocably appoints the Company as their attorney (with the power to appoint any member of the Board as a substitute and to delegate to that substitute all or any powers hereby conferred, other than this power of substitution, as if he had been originally appointed by this Power of Attorney) to give effect to the provisions of these Articles.

38.5 Notwithstanding any other provision of these Articles, the relevant Shareholder shall be responsible for any Tax that may arise on a transfer of Shares.

38.6 Notwithstanding any other provision of these Articles:

- (a) no Shareholder shall directly or indirectly transfer any Shares to any Prohibited Person and the Company shall not consent to or register any purported transfer to any Prohibited Person; and
- (b) the Company shall not allot or issue any Shares or any securities convertible into Shares to any Prohibited Person.

## 39. **PERMITTED TRANSFERS OF ORDINARY SHARES AND A ORDINARY SHARES**

39.1 Notwithstanding the provisions of article 38:

- (a) the Company shall be permitted at any time, in accordance with the Act and these Articles, to acquire Ordinary Shares or A Ordinary Shares held by any Shareholder as agreed between the Company and such Shareholder from time to time;
- (b) any A Ordinary Shareholder who is an individual may transfer any or all of their A Ordinary Shares to any of their Family Members over the age of 18 or to the trustees of their Family Trust;
- (c) any A Ordinary Shareholder who is a trustee of a Family Trust may at any time transfer any of their A Ordinary Shares which they hold in that capacity to:
  - (i) the new or remaining trustees of the Family Trust upon any change of trustees; and

- (ii) any Shareholder or any of that person's Family Members on their becoming entitled to the same under the terms of the Family Trust;
  - (d) any A Ordinary Shareholder (and the executors to the estate of any A Ordinary Shareholder) may transfer any A Ordinary Shares at any time to another Shareholder under their will or as a result of intestacy laws;
  - (e) NomineeCo may transfer any Ordinary Shares or A Ordinary Shares it holds to another trust company of at least equivalent financial standing of NomineeCo to hold the shares on behalf of the Beneficial Owners upon terms and subject to conditions no less favourable to the Beneficial Owners than those accepted by NomineeCo;
  - (f) any A Ordinary Shareholder holding A Ordinary Shares as a result of a transfer made after the date of the adoption of these Articles by a person in relation to whom such Shareholder was a permitted transferee under the provisions of this article 39 may at any time transfer any A Ordinary Share to the person who originally transferred such A Ordinary Share (or to any other permitted transferee of such original transferor) to them; and
  - (g) subject to article 38.6(a), each Ordinary Shareholder may transfer any of its Ordinary Shares at any time to any person.
- 39.2 Subject to article 38.3, the Company shall be obliged to register any transfer made pursuant to the above provisions.
- 39.3 Notwithstanding anything to the contrary in these Articles, a transfer of the beneficial ownership of an A Ordinary Share by a Beneficial Owner of their entire beneficial interest in the A Ordinary Shares held on trust for them by NomineeCo without restriction to any person, provided that the legal title in such A Ordinary Shares continues to be held by NomineeCo and the transferee is (or becomes prior to the completion of the transfer) a member of the crowdfunding platform operated by Crowdcube Capital Limited, is not restricted in any way by the provisions of these Articles.

#### 40. **PERMITTED TRANSFERS OF PREFERENCE SHARES**

- 40.1 Notwithstanding the provisions of article 38:
- (a) the Company shall be permitted at any time, in accordance with the Act and these Articles, to acquire Preference Shares held by any Shareholder as agreed between the Company and such Shareholder from time to time;
  - (b) any Preference Shareholder may transfer all (but not some) of their Preference Shares to:
    - (i) an "**Associated Person**" of that Preference Shareholder (as defined in section 1152 of the Act);
    - (ii) another Preference Shareholder; or

- (iii) any person (other than a Prohibited Person) approved in advance in writing by the Company (an "**Approved Shareholder**") (such approval not to be unreasonably withheld or delayed),

provided that:

- (iv) any transfer to an Associated Person of the relevant Preference Shareholder shall be subject to that Associated Person providing prior evidence of identity as required by applicable law or regulation in a form reasonably satisfactory to the Company; and
- (v) if an Associated Person ceases to be an Associated Person of the relevant Preference Shareholder, then the Preference Shares shall forthwith be transferred back to the relevant Preference Shareholder or transferred to a person which is an Associated Person of that Preference Shareholder or another Preference Shareholder or Approved Shareholder; and

- (c) UKIB may transfer any of its Preference Shares to an HM Government Entity.

40.2 Subject to article 38.3, the Company shall be obliged to register any transfer made pursuant to the above provisions.

#### 41. **DIRECTORS' POWER TO ALLOT SHARES**

41.1 The Directors are generally and unconditionally authorised for the purposes of section 551 of the Act to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company on and subject to such terms as the Directors may determine up to an aggregate nominal amount of one third of the Company's existing issued share capital, provided that:

- (a) (unless previously revoked, varied or renewed by the Company) this authority will expire on the fifth anniversary of the date of adoption of these Articles, save that the Directors may, before this authority expires, make offers or agreements which would or might require shares in the Company to be allotted, or rights to subscribe for or convert securities into shares to be granted, after its expiry and the Directors may allot shares or grant rights to subscribe for or convert securities into shares pursuant to such offers or agreements as if this authority had not expired; and
- (b) this authority replaces all subsisting authorities previously granted to the Directors for the purposes of section 551, which, to the extent unused at the date of adoption of these Articles, are revoked with immediate effect, without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made under such authorities.

#### 42. **PRE-EMPTION ON ISSUE**

42.1 Unless otherwise agreed by special resolution, all Ordinary Shares which the Company proposes to allot shall first be offered for subscription to the Shareholders in proportion to the aggregate number of Shares held by them at that time *pari passu* and *pro rata* in all respects. Such offer shall be made by notice in writing specifying the maximum number of Ordinary Shares to which the relevant holder is entitled and a time (being

not less than seven days) within which the offer (if not accepted) will be deemed to have been declined. The offer may be accepted in whole or in part. After the expiration of such time, or upon receipt by the Company of an acceptance or refusal of every offer so made, the Board shall be entitled to allot and issue any Ordinary Shares so offered, but subject always to article 42.3.

42.2 The Company shall not allot any A Ordinary Shares without A Ordinary Shareholder Consent.

42.3 It shall be a condition precedent of the completion of any allotment of Shares or shares in any Group Company to any Employee Shareholder that such Employee Shareholder shall:

(a) enter into an election with their employer pursuant to section 431(1) Income Tax (Earnings and Pensions) Act 2003; and

(b) enter into a form of indemnity reasonably satisfactory to the Board, pursuant to which they shall indemnify and keep indemnified the relevant Group Company against any amount for which any Group Company becomes liable to account to HM Revenue & Customs under PAYE in respect of income tax and employees' national insurance contributions.

#### 43. TAG-ALONG RIGHTS

43.1 The provisions of this article 43 shall apply if, in one or a series of related transactions, (i) EMG or a permitted transferee of EMG pursuant to article 39 or 40 (an "**EMG Seller**"); (ii) UKIB or a permitted transferee of UKIB pursuant to article 39 or 40 (a "**UKIB Seller**"; or (iii) TechMet or a permitted transferee of TechMet (the "**TechMet Seller**"), and each of the EMG Seller, the UKIB Seller and TechMet Seller, a "**Tag Seller**") proposes to transfer any Preference Shares or Ordinary Shares ("**Proposed Transfer**") to any person other than pursuant to article 39.1(b) to (f) (inclusive), article 40.1(b)(i) to (ii) (inclusive) or article 40.1(c) (the "**Third Party Buyer**").

43.2 Before making a Proposed Transfer, the Tag Seller shall procure that the Third Party Buyer makes an offer (the "**Offer**") to UKIB, EMG and/or TechMet, as appropriate the "**Tag Offerees**") for: (i) a consideration in cash per Preference Share or Ordinary Share (as applicable) that is at least equal to the highest price per Preference Share or Ordinary Share (as applicable) offered or paid by the Third Party Buyer in the Proposed Transfer (the "**Specified Price**"); and (ii) a proportion of the total number of Preference Shares or Ordinary Shares (as applicable) held by the Tag Offerees determined by dividing the number of Preference Shares or Ordinary Shares (as applicable) the Third Party Buyer is seeking to acquire from the Tag Seller in the Proposed Transfer by the aggregate Preference Shares or Ordinary Shares (as applicable) held by the Tag Seller, in each case as at the date of the Offer Notice (as defined below).

43.3 The Offer shall be given by written notice (the "**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 Third Party Buyer;

- (b) the purchase price and other terms and conditions of payment;
- (c) the Sale Date; and
- (d) the number of shares proposed to be purchased by the Third Party Buyer ("**Offer Shares**").

43.4 If the Third Party Buyer fails to make the Offer to the Tag Offerees in accordance with articles 43.2 and 43.3, the Tag Seller shall not be entitled to complete the Proposed Transfer, and the Company shall not register any transfer of shares sought to be effected pursuant to the Proposed Transfer.

43.5 If the Offer is accepted by a Tag Offeree (the "**Accepting Shareholder**") within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by the Accepting Shareholder.

#### 44. **BREACH OF STANDARDS**

44.1 The Company shall be obliged to notify UKIB as soon as possible after becoming aware of any circumstances that constitute, or are reasonably likely to constitute, a Breach of Standards. Without prejudice to the Company's obligations under this article 44.1, UKIB shall also be entitled to notify the Company of any circumstances that constitute, or are reasonably likely to constitute, a Breach of Standards.

44.2 Notwithstanding any other provision of these Articles, where a Breach of Standards has occurred which has not been rectified (if capable of being rectified) to UKIB's reasonable satisfaction without 10 Business Days of either the Company or UKIB having notified the other of the same, UKIB shall be entitled (acting at its absolute discretion) to immediately transfer of all its Shares:

- (a) to the Company for Fair Market Value consideration (and in such circumstances the Company shall, to the maximum extent it is lawfully able to do so, take all such actions and do all such things (including, without limitation, the creation of sufficient distributable profits or reserves) as may be necessary or desirable to give full effect to the repurchase of all of UKIB's Shares pursuant to this article 44.2(a)); or
- (b) to any person (other than to a Prohibited Person).

### **MISCELLANEOUS**

#### 45. **UNCERTIFICATED SHARES**

45.1 In this article 45, the relevant rules are:

- (a) any applicable provision of the Act about the holding, evidencing of title to, or transfer of shares other than in certificated form; and
- (b) any applicable legislation, rules or other arrangements made under or by virtue of such provision.

45.2 The provisions of this article 45 have effect subject to the relevant rules.

- 45.3 Any provision of these Articles which is inconsistent with the relevant rules must be disregarded, to the extent that it is inconsistent, whenever the relevant rules apply.
- 45.4 Any share or class of shares of the Company may be issued or held on such terms, or in such a way, that:
- (a) title to it or them is not, or must not be, evidenced by a certificate; or
  - (b) it or they may or must be transferred wholly or partly without a certificate.
- 45.5 The Directors have power to take such steps as they think fit in relation to:
- (a) the evidencing of and transfer of title to uncertificated shares (including in connection with the issue of such shares);
  - (b) any records relating to the holding of uncertificated shares;
  - (c) the conversion of certificated shares into uncertificated shares; or
  - (d) the conversion of uncertificated shares into certificated shares.
- 45.6 The Company may by notice to the holder of a share require that share:
- (a) if it is uncertificated, to be converted into certificated form; and
  - (b) if it is certificated, to be converted into uncertificated form,
- to enable it to be dealt with in accordance with these Articles.
- 45.7 If:
- (a) these Articles give the Directors power to take action, or require other persons to take action, to sell, transfer or otherwise dispose of shares; and
  - (b) uncertificated shares are subject to that power, but the power is expressed in terms which assume the use of a certificate or other written instrument,
- the Directors may take such action as is necessary or expedient to achieve the same results when exercising that power in relation to uncertificated shares.
- 45.8 In particular, the Directors may take such action as they consider appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of an uncertificated share or otherwise to enforce a lien in respect of it.
- 45.9 Unless the Directors otherwise determine, shares which a member holds in uncertificated form must be treated as separate holdings from any shares which that member holds in certificated form.
- 45.10 A class of shares must not be treated as two classes simply because some shares of that class are held in certificated form and others are held in uncertificated form.