

Company No: 3548262

THE COMPANIES ACT 1985

AND

THE COMPANIES ACTS 1989

COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

OF

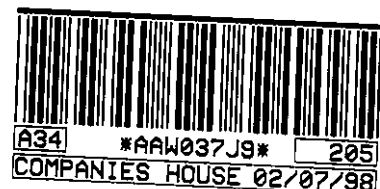
MICROGENICS LIMITED

Pursuant to regulation 53 of Table A of the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985, we the undersigned being all of the members of the Company for the time being entitled to attend and vote at general meetings of the Company, hereby pass the following resolution as a special resolution and agree that the said resolution shall for all purposes be as valid and effective as if passed as a special resolution at a general meeting of the Company duly convened and held:

SPECIAL RESOLUTION


THAT:

- 1 the articles of association in the form attached to this resolution be adopted as the new articles of association of the Company;



- 2 10,000 of the existing authorised but unissued ordinary shares at 10 pence each be converted to Preference Shares of 10 pence each (as defined in the articles of association of the Company adopted pursuant to paragraph 1 of this resolution);
- 3 the authorised share capital of the Company be increased from £2,000 to £1,001,000 by the creation of 9,990,000 Preference Shares of 10 pence each in the Company, (as defined in the articles of association of the Company adopted pursuant to paragraph 1 of this resolution);
- 4 the directors be generally and unconditionally authorised pursuant to and in accordance with section 80 Companies Act 1985 (the "Act") to exercise for the period of 5 years from the date of the passing of this resolution all the powers of the Company to allot relevant securities up to an aggregate nominal amount of £1,000,349.90;
- 5 the Company be authorised to make prior to the expiry of the said period any offer or agreement which would or might require the allotment of relevant securities or equity securities after the expiry thereof and the directors may allot such securities in pursuance of any such offer or agreement notwithstanding the expiry of any authority or power given by this resolution;
- 6 for the purposes of this resolution:
 - (a) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the maximum nominal amount of such shares which may be allotted pursuant to such rights; and
 - (b) words and expressions defined in or for the purposes of Part IV of the Act shall bear the same meanings in this resolution; and

7 the authority hereby conferred shall be in substitution for all existing authorities conferred on the directors for the purpose of section 80 of the Act.

..... 

duly authorised for and on behalf of
the **Chancellor Masters and Scholars**
of the **University of Oxford**

..... 
Professor Jeffery Errington

Dated 26 June 1998

Company No. 3548562

Gerinf
Mr A *Shaw*
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THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

MICROGENICS LIMITED

(adopted on 2 June 1998)



ADDLESHAW BOOTH & CO

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Company No: 3425102

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

MICROGENICS LIMITED

(adopted on 26 June 1998)

1 Definitions and interpretation

1.1 In these articles, unless the context otherwise requires:

"acting in concert" has the meaning ascribed to it by the City Code on Takeovers and Mergers as in force and construed at the Investment Date;

"Auditors" means the auditors for the time being of the Company;

"Acquirer" has the meaning ascribed to it in the definition of "Change of Control";

"Board" means the board of directors for the time being of the Company or a committee thereof or the directors present at a duly convened quorate meeting of the Board or a committee thereof;

"body corporate" includes the University;

"Change of Control" means the acquisition (whether by purchase, transfer or otherwise but excluding a subscription or a transfer of Shares made in accordance

with article 7 (Permitted Transfers)) by any person, including a member of the Company at the Investment Date (an "**Acquirer**"), of any interest in any Shares if, upon completion of that acquisition the Acquirer, together with persons acting in concert or connected with him, would hold or beneficially own more than 30 per cent of the Ordinary Shares;

"**connected with**" has the meaning ascribed to it in section 839 Income and Corporation Taxes Act 1988 save that there shall be deemed to be control for that purpose whenever either section 416 or section 840 of that Act would so require;

"**Exit Event**" means the earliest to occur of:

- (a) the date and time at which an agreement referred to in the definition of "**Sale**" is completed;
- (b) the date and time at which a Listing takes place;
- (c) the subscription for shares in the Company other than by an existing Member; and
- (d) the completion of the purchase of Ordinary Shares pursuant to the Existing Shareholders Option in accordance with the Investment Agreement,

but excluding the exercise by OMG of the OMG Option provided in the Investment Agreement or the subscription by management for shares in the Company in accordance with clause 9 of the Investment Agreement;

"**Group**" means the Company and all its subsidiaries and subsidiary undertakings for the time being and "**member of the Group**" shall be construed accordingly;

"**Index Linked**" means, in relation to any amount (whether or not previously adjusted), such amount as increased annually on 1st January in each year commencing in 1999 by a percentage equal to the percentage increase in the General Index of Retail Prices (all items) published by the Central Statistical Office immediately prior to that date over the preceding 12 months (or in the case of the increase on 1st January 1999, from the Index last published before the Investment Date);

"**Investment Agreement**" means the investment agreement dated 25th June 1998 between OMG, Professor Jeffery Errington, Isis Innovation Limited, the University and the Company;

"**Investment Date**" means the date of adoption of these articles;

"**Issue Price**" means the amount paid up or credited as paid up (including any premium on issue) on the Share concerned;

"Listing" means either:

- (a) the admission by London Stock Exchange Limited of any of the issued equity share capital of the Company to the Official List, and such admission becoming effective;
- (b) the granting of permission by London Stock Exchange Limited for dealings in any of the issued equity share capital of the Company on the Alternative Investment Market, and such permission becoming effective; or
- (c) any equivalent admission to, or permission to deal on, any other recognised investment exchange (as defined in section 207 Financial Services Act 1986) becoming unconditionally effective in relation to any of the issued equity share capital of the Company;

"Member" means any registered holder of Shares for the time being;

"OMG" means Oxford Molecular Group PLC, a public limited company incorporated in England with registered no. 2869950 whose registered office is at The Medawar Centre, Oxford Science Park, Oxford OX4 4GA;

"OMG Director" has the meaning ascribed to it in article 16;

"Ordinary Shares" means the Ordinary Shares of 10 pence each of the Company having the rights set out in article 3;

"Preference Dividend" means the dividend payable on the Preference Shares under article 3.1(a)(i);

"Preference Shares" means the cumulative convertible redeemable variable rate preference shares of 10 pence each of the Company having the rights set out in article 3;

"Sale" means the making of one or more agreements (whether conditional or not) for an acquisition of any Share giving rise to a Change of Control;

"Security Documents" means the Debenture and the Subsidiary Guarantee and Debenture as defined in the Investment Agreement;

"Shares" means shares in the capital of the Company;

"Table A" means Table A in the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985;

"University" means The Chancellor Masters and Scholars of the University of Oxford;

"University Director" has the meaning ascribed to it in article 16; and

"Valuers" means the Auditors unless:

- (a) a report on Market Value is to be made pursuant to a Deemed Transfer Notice and, within 21 days after the date of the Deemed Transfer Notice, the Vendor notifies the Board in writing that it objects to the Auditors making that report; or
- (b) the Auditors decline an instruction to report on Market Value,

when the Valuers for the purpose of that report shall be a firm of chartered accountants agreed between the Vendor and the Board or, in default of agreement within 20 business days after the event referred to in (a) or (b) above, appointed by the President of the Institute of Chartered Accountants in England and Wales on the application of the Vendor or the Board.

- 1.2 These articles and the regulations of Table A (subject to any modifications set out in these articles) shall constitute the articles of association of the Company.
- 1.3 References in these articles to regulations are to regulations in Table A and references to an article by number are to the particular article of these articles.
- 1.4 In these articles, words importing a gender include every gender and references to persons shall include bodies corporate, unincorporated associations and partnerships.
- 1.5 Words and expressions defined in or for the purposes of the Act or Table A shall, unless the context otherwise requires, have the same meanings in these articles.
- 1.6 Words and expressions defined elsewhere in these articles shall bear the meanings thereby ascribed to them.
- 1.7 The headings in these articles shall not affect the construction or interpretation of these articles.

2 Authorised share capital

- 2.1 The authorised share capital of the Company at the date of adoption of these articles is £1,001,000 divided into 10,000 Ordinary Shares and 10,000,000 Preference Shares.

3 Share rights

The rights attached to the Ordinary Shares and the Preference Shares are as follows:

3.1 Dividends

- (a) Subject to article 3.1(c), any profits which the Company determines to distribute in respect of any financial year shall be applied:
 - (i) first in paying to the Members holding Preference Shares, in respect of each Preference Share and in priority to the holders of any other class of Share, a cumulative preferential net cash dividend at the rate of 4 per cent per annum above the base rate for the time being of Barclays Bank PLC on the Issue Price of the Preference Share concerned; and
 - (ii) second, subject to payment of the Preference Dividend, in paying to the holders of the Ordinary Shares a non-cumulative dividend of an amount determined by the Board.
- (b) The Preference Dividend shall accrue from day to day from and including the date of issue down to and including the date on which any Preference Share is redeemed or converted and shall accrue and be payable, in arrears on 30th June and 31st December in each year save that the first payment shall be made on 31st December 1998 in respect of the period from the date of issue of the Preference Shares to that date.
- (c) Unless the Company is prohibited from paying dividends by the Act, the Preference Dividend shall (notwithstanding regulations 102 to 108 inclusive or any other provision of these articles and in particular notwithstanding that there has not been a recommendation of the Board or resolution of the Company in general meeting) be paid immediately on the due date and if not then paid shall be a debt due by the Company and be payable in priority to any later Preference Dividend.
- (d) If the Company fails to pay a Preference Dividend on a date specified in article 3.1(b), interest thereon shall accrue from that date until payment at the rate of 4 per cent per annum above the base rate of Barclays Bank PLC (together with the benefit of any associated tax credit) for the time being compounded on 30th June and 31st December in each year.
- (e) Where the Company is precluded by the Act from paying in full any Preference Dividend on any date specified in article 3.1(b), then in respect of any Preference Dividend which would otherwise require to be paid pursuant to these articles on that date:
 - (i) the Company shall pay on that date to the Members holding the Preference Shares on account of the Preference Dividend the maximum sum (if any) which can then, consistently with the Act be paid by the Company; and

- (ii) as soon as the Company is no longer precluded from doing so, the Company shall in respect of the Preference Shares pay on account of the balance of the Preference Dividend for the time being remaining outstanding, and until all arrears and deficiencies of the Preference Dividend have been paid in full, the maximum amount of Preference Dividend which can, consistently with the Act and the Banking Agreements, be paid by the Company at that time.
- (f) Save as provided in this article 3.1, the holders of the Preference Shares shall have no right to participate in the profits of the Company.

3.2 Capital

On a return of capital on liquidation or capital reduction or otherwise (other than a redemption of Preference Shares in accordance with article 3.5), the surplus assets of the Company remaining after the payment of its liabilities shall be applied:

- (a) first in paying to each Member holding Preference Shares, in priority to the holders of any other class of Share all unpaid arrears, accruals and deficiencies of the Preference Dividend on the Preference Shares held by it, calculated down to and including the date the return of capital is made (such arrears, accruals and deficiencies being payable irrespective of whether the Preference Dividend has become due and payable in accordance with these articles) and, subject thereto;
- (b) second, in paying to each Member holding Preference Shares an amount equal to the Issue Price of all the Preference Shares held by it;
- (c) third, in paying to each Member holding Ordinary Shares, any dividends thereon which have been declared but are unpaid;
- (d) fourth, in respect of Ordinary Shares allotted on the Investment Date, an amount equal to the Issue Price of each such Ordinary Share held by it pro rata to the amount due to be paid in respect of such Shares in accordance with this article 3.2(d);
- (e) fifth, in paying to each member holding Ordinary Shares subscribed at par an amount per share equal to £307.60; and
- (f) thereafter in distributing the balance of such assets amongst the holders of the Ordinary Shares in proportion to the numbers of Ordinary Shares held by them respectively.

Save as provided in article 3.2(a) and 3.2(b), the holders of the Preference Shares shall have no right to participate in the assets of the Company.

- (ii) at any time after any of the events referred to in article 3.4(a) have occurred and have not been waived or otherwise remedied to the reasonable satisfaction, confirmed in writing by them in each case, of the holders of 75 per cent or more of the issued Preference Shares.
- (c) On each resolution on which the voting rights attaching to Preference Shares are exercisable those Members holding Preference Shares who (being individuals) are present in person or by proxy or (being corporations) are present by a duly authorised representative or by proxy shall, on a show of hands, each have one vote, and, on a poll, have in aggregate such number of votes as equal 75 per cent of the total number of votes exercisable on the relevant resolution by all the Members.
- (d) Each Member holding Ordinary Shares shall be entitled to receive notice of and to attend and speak at any general meeting of the Company and each Member holding Ordinary Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by duly authorised representative or by proxy shall, on a show of hands, have one vote, and, on a poll, subject to article 3.4(c), have one vote for each Ordinary Share of which he is the holder.

3.5 Redemption

- (a) Subject to the provisions of the Act and in accordance with the other provisions of this article 3.5:
 - (i) subject to article 3.5(i), the Company may at any time upon giving not less than 14 and not more than 28 clear days' notice in writing to the Members holding Preference Shares, redeem such shares either in their entirety or in tranches of not less than 500,000 Preference Shares;
 - (ii) subject to article 3.5(i), the Company shall, on 31st December 2004 or, if later, nine months after expiry of the last date for OMG to give notice exercising the OMG Option (as defined in the Investment Agreement), redeem all of the Preference Shares;
 - (iii) the Company shall redeem all the Preference Shares then in issue immediately prior to, and conditionally upon, the occurrence of any of the following:
 - (A) an Exit Event;
 - (B) the Company or any Subsidiary of the Company is deemed unable to pay its debts within the meaning of section 123(1)(e) or (2) of the Insolvency Act 1986 or a

demand is served under section 123(1)(a) of the Insolvency Act 1986 which is not withdrawn or defeated within 30 days of the presentation of such demand and which is not vexatious or frivolous;

- (C) a meeting is convened by the Company or any Subsidiary of the Company for the purpose of passing any resolution to purchase, reduce or redeem any of its share capital or to comply with section 142 of the Companies Act 1985;
 - (D) any petition is presented which is not vexatious or frivolous or other step is taken for the purpose of winding up the Company or any Subsidiary of the Company or an order is made or resolution passed for the winding up of the Company or any Subsidiary of the Company or a notice is issued convening a meeting for the purpose of passing any such resolution;
 - (E) any petition is presented or other step is taken for the purpose of the appointment of an administrator of the Company or any Subsidiary of the Company or an administration order is made in relation to the Company or any Subsidiary of the Company;
 - (F) any administrative or other receiver is appointed of the Company or any Subsidiary of the Company or any part of their respective assets and/or undertakings or any other steps are taken to enforce any encumbrance over all or any part of the assets of the Company or any Subsidiary of the Company; or
 - (G) there occurs, in relation to the Company or any Subsidiary of the Company, in any country or territory in which any of them carries on business or to the jurisdiction of whose courts any part of their respective assets is subject, any event which, ~~in the reasonable opinion of OMG, appears in that country or territory to correspond with, or have an effect equivalent or similar to, any of those mentioned in clauses 3.5(a)(iii)(B) to 3.5(a)(iii)(F) above (inclusive) or the Company or any Subsidiary of the Company otherwise becomes subject, in any such country or territory, to the operation of any law relating to insolvency, bankruptcy or liquidation.~~ ^③ *MM* *JE* *MA*
- (b) The Company shall pay on each of the Preference Shares so redeemed, as a debt of the Company, an amount equal to the Issue Price thereof together with a sum equal to all arrears, deficiency or accruals of the Preference

3.3 Proceeds of sale

In the event of a Sale involving the sale of Shares held by OMG or any person to whom it transfers Shares by way of a permitted transfer, then notwithstanding anything to the contrary in the terms of such Sale (unless all the Members immediately prior to the Sale have agreed in writing to the contrary expressly for the purposes of this provision, whether in the agreements for the Sale or otherwise) the Members immediately prior to such Sale shall procure that the purchase consideration whenever received shall be distributed amongst those Members who sold Shares under those terms in the manner and order of priority in which the amount of the purchase consideration would have been distributed had a resolution for the winding up of the Company been passed on the date of the Sale and had the amount available for distribution to the Members in such winding up been equal to the amount of purchase consideration.

3.4 Voting

(a) The Members holding Preference Shares shall be entitled to receive notice of, and to attend and speak at, any general meeting of the Company. They shall not be entitled to vote on any resolution at any general meeting of the Company in respect of their holdings of Preference Shares unless at the date of the relevant meeting:

- (i) the Company has failed to redeem any of the Preference Shares whose due date for redemption has passed (irrespective of whether such redemption is prohibited by the Act);
- (ii) the business of the meeting includes a resolution for the liquidation of the Company (save for a solvent liquidation previously consented to by the holders of the Preference Shares) or a reduction of its capital or which directly or indirectly varies, modifies, alters or abrogates any of the special rights or privileges attaching to the Preference Shares; or
- (iii) OMG has required payment of any amount payable by any member of the Group under the Investment Agreement or the Security Documents in advance of its stated payment date because of an Event of Default (as defined in the Investment Agreement),

when the Preference Shares shall carry the voting rights described in article 3.4(b) and 3.4(c).

(b) The voting rights attached to the Preference Shares shall be exercisable:

- (i) on any resolution referred to in article 3.4(a)(ii); and

- (ii) at any time after any of the events referred to in article 3.4(a) have occurred and have not been waived or otherwise remedied to the reasonable satisfaction, confirmed in writing by them in each case, of the holders of 75 per cent or more of the issued Preference Shares.
- (c) On each resolution on which the voting rights attaching to Preference Shares are exercisable those Members holding Preference Shares who (being individuals) are present in person or by proxy or (being corporations) are present by a duly authorised representative or by proxy shall, on a show of hands, each have one vote, and, on a poll, have in aggregate such number of votes as equal 75 per cent of the total number of votes exercisable on the relevant resolution by all the Members.
- (d) Each Member holding Ordinary Shares shall be entitled to receive notice of and to attend and speak at any general meeting of the Company and each Member holding Ordinary Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by duly authorised representative or by proxy shall, on a show of hands, have one vote, and, on a poll, subject to article 3.4(c), have one vote for each Ordinary Share of which he is the holder.

3.5 Redemption

- (a) Subject to the provisions of the Act and in accordance with the other provisions of this article 3.5:
 - (i) subject to article 3.5(i), the Company may at any time upon giving not less than 14 and not more than 28 clear days' notice in writing to the Members holding Preference Shares, redeem such shares either in their entirety or in tranches of not less than 500,000 Preference Shares;
 - (ii) subject to article 3.5(i), the Company shall, on 31st December 2004 or, if later, nine months after expiry of the last date for OMG to give notice exercising the OMG Option (as defined in the Investment Agreement), redeem all of the Preference Shares;
 - (iii) the Company shall redeem all the Preference Shares then in issue immediately prior to, and conditionally upon, the occurrence of any of the following:
 - (A) an Exit Event;
 - (B) the Company or any Subsidiary of the Company is deemed unable to pay its debts within the meaning of section 123(1)(e) or (2) of the Insolvency Act 1986 or a

demand is served under section 123(1)(a) of the Insolvency Act 1986 which is not withdrawn or defeated within 30 days of the presentation of such demand and which is not vexatious or frivolous;

- (C) a meeting is convened by the Company or any Subsidiary of the Company for the purpose of passing any resolution to purchase, reduce or redeem any of its share capital or to comply with section 142 of the Companies Act 1985;
- (D) any petition is presented which is not vexatious or frivolous or other step is taken for the purpose of winding up the Company or any Subsidiary of the Company or an order is made or resolution passed for the winding up of the Company or any Subsidiary of the Company or a notice is issued convening a meeting for the purpose of passing any such resolution;
- (E) any petition is presented or other step is taken for the purpose of the appointment of an administrator of the Company or any Subsidiary of the Company or an administration order is made in relation to the Company or any Subsidiary of the Company;
- (F) any administrative or other receiver is appointed of the Company or any Subsidiary of the Company or any part of their respective assets and/or undertakings or any other steps are taken to enforce any encumbrance over all or any part of the assets of the Company or any Subsidiary of the Company; or
- (G) there occurs, in relation to the Company or any Subsidiary of the Company, in any country or territory in which any of them carries on business or to the jurisdiction of whose courts any part of their respective assets is subject, any event which, ~~in the reasonable opinion of OMG, appears~~ in that country or territory ~~to correspond with, or have an effect equivalent to, any of those mentioned in clauses 3.5(a)(iii)(B) to 3.5(a)(iii)(F) above (inclusive) or the Company or any Subsidiary of the Company otherwise becomes subject, in any such country or territory, to the operation of any law relating to insolvency, bankruptcy or liquidation.~~ ^(S) JRM
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- (b) The Company shall pay on each of the Preference Shares so redeemed, as a debt of the Company, an amount equal to the Issue Price thereof together with a sum equal to all arrears, deficiency or accruals of the Preference

Dividend (whether earned or declared or not), calculated down to and including the date of redemption. The Preference Dividend on the relevant Preference Shares shall cease to accrue from the date of redemption unless, upon delivery to the Company of the documents specified in article 3.5(c), payment of the redemption money is not made.

- (c) On each date fixed for any redemption of Preference Shares, the Company shall pay to each registered holder (or in the case of joint holders, to the holder whose name stands first in the register of members of the Company) of Shares which are to be redeemed on that date the amount payable in respect of such redemption. Upon receipt of that amount, the holder shall deliver to the Company for cancellation the certificate(s) for those Shares or an indemnity in form reasonably satisfactory to the Company in respect of any missing share certificate. If any share certificate delivered to the Company includes any Shares not redeemable at that time, the Company shall issue to the holder at the same time a fresh certificate for the balance of the Shares not redeemed. Any redemption of Preference Shares under this article 3.5 shall take place at the registered office of the Company.
- (d) In the case of a redemption of less than all the Preference Shares for the time being in issue, the Company shall redeem the same proportion (as nearly as practicable) of each Member's registered holding of Preference Shares.
- (e) The Company shall not redeem any Preference Share at a time when any Preference Dividend has not been paid, except where payment of the relevant dividend is prevented by article 3.5(f);
- (f) If the Company is permitted by the Act to redeem only some of the Preference Shares which would otherwise fall to be redeemed at any time, the Company shall only redeem that number of such Shares that it can so redeem at that time. The Company shall redeem, as soon thereafter as it may do so, all the remaining Preference Shares which would otherwise have fallen to be redeemed, and pending such redemption, shall not pay any dividend.
- (g) If any Member any of whose Preference Shares are liable to be redeemed under this article 3.5 fails to deliver to the Company the documents referred to in article 3.5(c), the Company may retain the redemption money until it receives those documents. The Company shall then pay the redemption money to the relevant Member upon receipt of those documents.
- (h) If the Company fails for any reason to redeem any Preference Shares which fall to be redeemed on a particular date, other than following a failure by the Member concerned to deliver the documents referred to in article 3.5(c), the redemption price shall be increased at a rate of 4 per cent per annum above the base rate of Barclays Bank Plc for the time being (together with the

benefit of any associated tax credit), calculated on a daily basis and compounded on 30th June and 31st December in each year.

- (i) The Company shall not, without the consent in writing of the holders of 75% or more in nominal value of the Preference Shares, prior to conversion of Preference Shares to Ordinary Shares under article 3.6, redeem Preference Shares to the extent that the resulting number of Preference Shares remaining in issue is less than 2,002.

3.6 Conversion

- (a) 2,002 Preference Shares shall be converted into the same number of fully paid Ordinary Shares automatically, immediately prior to and conditional upon either of an Exit Event or exercise by OMG for so long as it is the holder of the Preference Shares of its option to acquire the whole of the issued ordinary share capital of the Company in accordance with the terms of the Investment Agreement, and the Company and Members shall do all acts necessary to procure that conversion.
- (b) In this article 3.6, the "**conversion date**" means the date and time on which Preferred Ordinary Shares are to be converted into Ordinary Shares in accordance with this article 3.6.
- (c) Each Member holding Preference Shares shall deliver the certificate(s) for those shares (or an indemnity in form reasonably satisfactory to the Company in respect of any missing share certificate) to the Company on or before the conversion date whereupon the Company shall issue to the persons entitled thereto certificates for the Ordinary Shares arising on conversion.
- (d) The Preference Shares shall rank for an apportioned part of the Preference Dividend, calculated on a daily basis down to and including the conversion date. The Company shall accordingly deliver to each holder of Preferred Ordinary Shares on the conversion date, in cleared funds, an amount equal to the aggregate of all arrears, accruals and deficiencies of the Preference Dividend attributable to periods ending on or before the conversion date, whether declared or earned and payable under these articles or not.
- (e) In the case of conversion of less than all the Preference Shares for the time being in issue, the Company shall convert the same proportion (as nearly as practicable) of each Member's registered holding of Preference Shares.
- (f) The Ordinary Shares arising on conversion shall rank *pari passu* in all respects with the issued Ordinary Shares and shall entitle the holders of them to all dividends and other distributions declared, made or paid by reference to a record date on or after the conversion date on the Ordinary Shares.

4 Issue of shares

- 4.1 Any Shares which the directors propose to issue after the Investment Date shall first be offered to the Members in proportion as nearly as may be to the number of the existing Shares of the relevant class held by them respectively. For the avoidance of doubt, the Ordinary Shares shall constitute one class of Shares. The offer shall be made by notice, given in accordance with article 20, specifying the number of Shares offered, and specifying a period (not being less than 21 days) within which the offer, if not accepted, will be deemed to be declined. After the expiry of that period, those Shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted the Shares offered to them; such further offer shall be made in like terms in the same manner and limited by a like period as the original offer and the notice which makes such further offer shall set out the names of the Members who have not accepted the Shares offered to them. Any Shares not accepted pursuant to such offer or further offer as aforesaid or not capable of being offered as aforesaid except by way of fractions shall be under the control of the directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that in the case of Shares not accepted as aforesaid, such Shares shall not be disposed of on terms which are more favourable to the subscribers therefor than the terms on which they were offered to the Members.
- 4.2 In accordance with section 91(1) of the Act, sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the Company.

5 Lien

- 5.1 The lien conferred by regulation 8 shall attach to all Shares of any class, whether fully paid or not, and to all Shares registered in the name of any Member for all money presently payable by him or his estate to the Company, whether he is their sole registered holder or one of two or more joint holders. Regulation 8 shall be modified accordingly.
- 5.2 All Shares to be sold in the enforcement of the Company's lien or rights of forfeiture shall be offered in accordance with article 9 (Compulsory Transfers) as if a Deemed Transfer Notice were deemed given in respect of such Shares.

6 Transfer of shares - general

- 6.1 The Board shall not register the transfer of any Share or any interest in any Share unless the transfer:
- (a) is either:
- (i) permitted by article 7 (Permitted Transfers); or

- (ii) is made in accordance with article 8 (Voluntary Transfers), article 9 (Compulsory Transfers) or article 10 (Come Along Option); and
 - (b) is not prohibited under article 12 (Prohibited Transfers).
- 6.2 An obligation to transfer a Share under these articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from any lien, charge or other encumbrance.
- 6.3 No arrangement shall be entered into by any Member whereby the terms upon which that Member holds any Shares are to be varied if as a result any interest in those Shares is varied, disposed of or created or extinguished other than by a transfer made in accordance with these articles.
- 6.4 Regulations 30 and 31 shall be modified to reflect the provisions of this article 6 and articles 7, 8, 9, 10 and 12.

7 Permitted transfers

7.1 Definitions

For the purposes of this article and articles 8 and 9:

- (a) **"family member"** means, in relation to any person, any of his spouse (or widow or widower), children and grandchildren (including step and adopted children and grandchildren);
- (b) **"family trust"** means, in relation to a Member, a trust which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of that Member or any of his family members and under which no power of control over the voting powers conferred by any Shares the subject of the trust is capable of being exercised by, or being subject to the consent of, any person other than the trustees or such Member or any of his family members;
- (c) **"a member of the same group"** means, in relation to a body corporate, any other body corporate which is for the time being a holding company or corporation of that body corporate or a subsidiary of that body corporate or a subsidiary of any holding company or corporation of which that body corporate is also a subsidiary; and
- (d) **"permitted transfer"** means any transfer of Shares permitted under this article 7.

7.2 Transfers to relations and trustees

- (a) Subject to articles 7.2(b) to 7.2(e) inclusive, any Member who is an individual may at any time transfer Shares held by him to a person or persons shown to the reasonable satisfaction of the Board to be:
 - (i) a family member of his; or
 - (ii) trustees who will hold the Shares under a family trust for that Member.
- (b) No transfer of Shares shall be made by a Member under article 7.2(a)(ii), unless the Board has confirmed in writing its satisfaction:
 - (i) with the terms of the instrument constituting the relevant family trust and in particular with the powers of the trustees;
 - (ii) with the identity of the trustees and the procedures for the appointment and removal of trustees;
 - (iii) with the restrictions on changes in the terms of the trust instrument and on distributions by the trustees; and
 - (iv) that none of the costs incurred in establishing or maintaining the relevant family trust will be payable by any member of the Group.
- (c) Subject to articles 7.2(d) and 7.2(e), no Shares shall be transferred under article 7.2(a) by any person who previously acquired those Shares by way of transfer under article 7.2(a).
- (d) Where Shares are held by trustees under a family trust:
 - (i) those Shares may, on any change of trustees, be transferred by those trustees to any new trustee of that family trust whose identity has been approved in writing by the Board;
 - (ii) those Shares may at any time be transferred by those trustees to the settlor of that trust or any other person to whom that settlor could have transferred them under article 7.2(a) if he had remained the holder of them; and
 - (iii) if any of those Shares cease to be held under a family trust (other than by virtue of a transfer made under article 7.2(d)(ii)), the trustees shall give a Transfer Notice (as defined in article 8.1) in respect of all the Shares then held by those trustees within 28 days of the Shares ceasing to be so held.

- (e) If any person has acquired Shares as a family member of a Member by way of one or more permitted transfers and that person ceases to be a family member of that Member that person shall forthwith transfer all the Shares then held by that person back to that Member, for such consideration as they agree, within 21 days of the cessation, or, failing such transfer within that period, shall during the remainder of the 28 day period after the cessation, give a Transfer Notice (as defined in article 8.1) in respect of all of the Shares then held by that person.

7.3 Transfers within groups of companies and corporations

- (a) Any Member which is a body corporate (but not a family company of a Member) may at any time transfer any Shares held by it to a member of the same group.
- (b) Where Shares have been transferred under article 7.3(a) (whether directly or by a series of such transfers) from a Member (the "**Transferor**" which expression shall not include a second or subsequent transferor in such a series of transfers) to a member of the same group as the Transferor (the "**Transferee**") and subsequently the Transferee ceases to be a member of the same group as the Transferor, the Transferee shall forthwith transfer all the Shares held by it to the Transferor, for such consideration as they agree, within 21 days of the cessation, or, failing such transfer within that period, shall during the remainder of the 28 day period after the cessation, give a Transfer Notice in respect of all of the Shares then held by the Transferee.

7.4 Transfers of entire interest

A transfer of any Share pursuant to this article 7 shall only be treated as a permitted transfer for the purposes of these articles if it is a transfer of the entire legal and beneficial interest in such Share, free from any lien, charge or other encumbrance (save for any interest of beneficiaries under the relevant family trust where applicable).

8 Voluntary transfers

- 8.1 Except as permitted under article 7 (Permitted Transfers), any Member (a "**Vendor**") shall, before transferring or agreeing to transfer any Share or any interest in any Share, serve notice in writing (a "**Transfer Notice**") on the Company of his wish to make that transfer.
- 8.2 In the Transfer Notice, the Vendor shall specify:
 - (a) the number and class of Shares ("**Sale Shares**") which he wishes to transfer:

- (b) the identity of the person (if any) to whom the Vendor wishes to transfer the Sale Shares;
- (c) the price per share at which the Vendor wishes to transfer the Sale Shares (the "**Proposed Sale Price**");
- (d) any other terms relating to the transfer of the Sale Shares (and such terms may not be terms which are prohibited by these articles); and
- (e) whether the Transfer Notice is conditional upon all (and not part only) of the Sale Shares being sold pursuant to the following provisions of this article 8 (a "**Total Transfer Condition**").

8.3 Each Transfer Notice shall:

- (a) relate to one class of Shares only;
- (b) constitute the Company as the agent of the Vendor for the sale of the Sale Shares on the terms of this article 8;
- (c) save as provided in article 8.5, be irrevocable; and
- (d) not be deemed to contain a Total Transfer Condition unless expressly stated otherwise or required by these articles.

8.4 The Sale Shares shall be offered for purchase in accordance with this article 8 at:

- (a) a price per Sale Share (the "**Sale Price**") agreed between the Vendor and the Board (with the approval (not to be unreasonably withheld or delayed) of the OMG Director); or
- (b) in default of agreement under article 8.4(a) within 21 days after the date of service of the Transfer Notice, the lower of:
 - (i) the Proposed Sale Price; and
 - (ii) if the Board elects within 28 days after the date of service of the Transfer Notice to instruct Valuers for that purpose, the price per Share reported on by the Valuers as their written opinion of the open market value of each Sale Share in accordance with article 8.14 (the "**Market Value**") as at the date of service of the Transfer Notice.

8.5 If the Market Value is reported on by the Valuers under article 8.4(b)(ii) to be less than the Proposed Sale Price specified in the Transfer Notice, the Vendor may revoke the Transfer Notice by written notice given to the Board within the period

(the "**Withdrawal Period**") of 14 days after the date the Board serves on the Vendor the Valuers' written opinion of the Market Value.

8.6 The Board shall offer the Sale Shares for purchase at the Sale Price by a written offer notice (the "**Offer Notice**") served on all Members within seven days after the Sale Price is agreed or determined under article 8.4 or, if the Transfer Notice is capable of being revoked under article 8.5, within seven days after the expiry of the period for revocation in article 8.5.

8.7 An Offer Notice shall:

- (a) specify the Sale Price;
- (b) expire 42 days after its service;
- (c) contain the other details included in the Transfer Notice; and
- (d) invite the relevant Members to apply in writing, before expiry of the Offer Notice, to purchase the numbers of Sale Shares specified by them in their application.

8.8 Sale Shares which are Ordinary Shares held by:

- (a) Members who are directors and/or employees of the Company shall be treated as offered in the first instance to all Members holding Ordinary Shares who are directors and/or employees of the Company and to the extent not accepted by such Members, to all Members holding Ordinary Shares who are not directors and/or employees of the Company;
- (b) Members who are not directors and/or employees of the Company shall be treated as offered in the first instance to all Members holding Ordinary Shares who are not directors and/or employees of the Company and to the extent not accepted by such Members, to all Members holding Ordinary Shares who are directors and/or employees of the Company

but no Shares shall be treated as offered to the Vendor or any other Member who is then bound to give or deemed to have given a Transfer Notice.

8.9 After the expiry date of the Offer Notice, (or, if earlier, upon valid applications being received for all the Sale Shares in accordance with article 8.7) the Board shall, in the priorities and in respect of each class of persons set out in article 8.8, allocate the Sale Shares in accordance with the applications received, subject to the other provisions of these articles and Table A, save that:

- (a) if there are applications from any class of Members for more than the number of Sale Shares available for that class of Members, they shall be

allocated to those applicants in proportion (as nearly as possible but without allocating to any Member more Sale Shares than the maximum number applied for by him) to the number of Shares of the relevant class then held by them respectively;

- (b) if it is not possible to allocate any of the Sale Shares without involving fractions, those fractions shall be aggregated and allocated amongst the applicants of the relevant class in such manner as the Board thinks fit; and
- (c) if the Transfer Notice contained a Total Transfer Condition, no allocation of Sale Shares shall be made unless all the Sale Shares are allocated.

- 8.10 The Board shall, within 7 days of the expiry of the Offer Notice, give notice in writing (a "**Sale Notice**") to the Vendor and to each person to whom Sale Shares have been allocated (each a "**Purchaser**") specifying the name and address of each Purchaser, the number of Sale Shares allocated to him, the aggregate price payable for them, and the time for completion of each sale and purchase.
- 8.11 Completion of a sale and purchase of Sale Shares pursuant to a Sale Notice shall take place at the registered office of the Company at the time specified in the Sale Notice (being not less than one week nor more than two months after the expiry of the Offer Notice, unless agreed otherwise in relation to any sale and purchase by both the Vendor and the Purchaser concerned) when the Vendor shall, upon payment to him by a Purchaser of the Sale Price in respect of the Sale Shares allocated to that Purchaser, transfer those Sale Shares and deliver the relative share certificates to that Purchaser.
- 8.12 The Vendor may, during the period falling between one and two months after the expiry of the Offer Notice, sell any Sale Shares for which a Sale Notice has not been given by way of bona fide sale to the proposed transferee (if any) named in the Transfer Notice at any price per Sale Share which is not less than the Sale Price, without any deduction, rebate or allowance to the proposed transferee, provided that:
- (a) the Board shall be entitled to refuse registration of the proposed transferee if he is believed by the Board to be a competitor or connected with a competitor of any business of any member of the Group or a nominee of such a person; and
 - (b) if the Transfer Notice contained a Total Transfer Condition, the Vendor shall not be entitled to sell only some of the Sale Shares under this article 8, save with the written consent of all the other Members.
- 8.13 If a Vendor fails to transfer any Sale Shares when required pursuant to this article 8, the Board may authorise any person (who shall be deemed to be the attorney of the Vendor for the purpose) to execute the necessary transfer of such Sale Shares and

deliver it on the Vendor's behalf. The Company may receive the purchase money for the Sale Shares from the Purchaser and shall, upon receipt of the transfer duly stamped, register the Purchaser as the holder of those Sale Shares. The Company shall hold the purchase money in a separate bank account on trust for the Vendor but shall not be bound to earn or pay interest on any money so held. The Company's receipt for the purchase money shall be a good discharge to the Purchaser (who shall not be concerned to see to the application of it) and, after the name of the Purchaser has been entered in the register of Members in purported exercise of the power conferred by this article 8, the validity of that exercise shall not be questioned by any person.

8.14 If instructed to report on their opinion of Market Value under article 8.4(b)(ii), the Valuers shall:

- (a) act as expert and not as arbitrator and their written determination shall be final and binding on the Members, save in the case of manifest error; and
- (b) proceed on the basis that:
 - (i) the open market value of each Sale Share shall be the sum which a willing purchaser would agree with a willing vendor to be the purchase price for all the class of Shares of which the Sale Shares form part, divided by the number of issued Shares then comprised in that class but taking into account the application of articles 3.2 and 3.3 to the Sale Shares;
 - (ii) there shall be no addition of any premium or subtraction of any discount by reference to the size of the holding the subject of the Transfer Notice or in relation to any restrictions on the transferability of the Sale Shares; and
 - (iii) any difficulty in applying either of the foregoing bases shall be resolved by the Valuers as they think fit in their absolute discretion.

8.15 The Company will use its best endeavours to procure that the Valuers deliver their written opinion of the Market Value to the Board and the Vendor within 28 days of the Board electing to instruct them under article 8.4.

8.16 The Valuers' fees for reporting on their opinion of the Market Value shall be borne as to one half by the Vendor and as to the other half by the Purchasers *pro rata* to the number of Sale Shares purchased by them unless:

- (a) the Vendor revokes the Transfer Notice pursuant to article 8.5; or
- (b) none of the Sale Shares are purchased pursuant to this article 8,

when the Vendor shall pay all the Valuers' fees.

9 Compulsory transfers

9.1 In this article 9, a "**Transfer Event**" means, in relation to any Member:

- (a) a Member who is an individual:
 - (i) becoming bankrupt; or
 - (ii) dying; or
 - (iii) suffering from mental disorder and being admitted to hospital or becoming a patient for any purpose of any enactment relating to mental health;
- (b) a Member making any arrangement or composition with his creditors generally;
- (c) a Member which is a body corporate:
 - (i) having a receiver, manager or administrative receiver appointed over all or any part of its undertaking or assets; or
 - (ii) having an administrator appointed in relation to it; or
 - (iii) entering into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction); or
 - (iv) having any equivalent action taken in any jurisdiction;
- (d) subject to article 9.8, a Member who is or was previously a director or employee or consultant of a member of the Group ceasing to hold such office or employment or consultancy (other than by circumstances falling within articles 9.1(a) and 9.1(c)) and as a consequence no longer being a director or employee or consultant of any member of the Group;
- (e) which is a family trust, subject to article 9.8, the relevant Member ceasing to be a director or employee or consultant of a member of the Group (other than by circumstances falling within articles 9.1(a) and 9.1(c)) and as a consequence no longer being a director or employee or consultant of any member of the Group;
- (f) a Member or any family member, family trust or family company of that Member attempting to deal with or dispose of any Share or any interest in it otherwise than in accordance with article 7 (Permitted Transfers), article 8

(Voluntary Transfers) and this article 9 (Compulsory Transfers) or in contravention of article 12 (Prohibited Transfers); and

- (g) a Member not giving a Transfer Notice in respect of any Shares or transfer any Shares (as the case may be) as required by articles 7.2(d)(iii), 7.2(e) or 7.3(b).
- 9.2 Upon the happening of any Transfer Event, the Member in question and any other Member who has acquired Shares from him under a permitted transfer (directly or by means of a series of two or more permitted transfers) shall be deemed to have immediately given a Transfer Notice in respect of all the Shares then held by them (a "**Deemed Transfer Notice**"). A Deemed Transfer Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the same Shares except for Shares which have then been validly transferred pursuant to that Transfer Notice.
- 9.3 Notwithstanding any other provision of these articles, any Member holding Shares in respect of which a Deemed Transfer Notice is deemed given shall not be entitled to exercise any voting rights at general meetings of the Company in respect of those Shares between the date of the relevant Deemed Transfer Notice and the expiry of one month after the date of the Sale Notice given in respect of those Shares or, if earlier, the entry in the register of members of the Company of another person as the holder of those Shares.
- 9.4 The Shares the subject of any Deemed Transfer Notice shall be offered for sale in accordance with article 8 as if they were Sale Shares in respect of which a Transfer Notice had been given save that:
- (a) a Deemed Transfer Notice shall be deemed to have been given on the date of the Transfer Event or, if later, the date of the first meeting of the Board at which details of the facts or circumstances giving rise to the Deemed Transfer Notice are tabled or, if the Directors so resolve, at any time up to 6 months after the Transfer Event;
 - (b) subject to article 9.5, the Sale Price shall be a price per Sale Share agreed between the Vendor and the Board or, in default of agreement within 21 days after the date of the date on which the Deemed Transfer Notice is deemed, under article 9.4(a), to have been served, the Market Value, less in each case any dividends on the Sale Shares referred to in article 9.4(f) and retained by the Vendor;
 - (c) a Deemed Transfer Notice shall be deemed not to contain a Total Transfer Condition and shall be irrevocable;
 - (d) the Directors may resolve that an Offer Notice may be served, in respect of some or all of the Shares which are the subject of a Deemed Transfer Notice, on a member of management of the Company or any other member

of the Group (regardless of whether such person is a Member) and an Offer Notice in respect of any other shares the subject of the Deemed Transfer Notice shall be served in accordance with article 8.6;

- (e) the Vendor may retain any Sale Shares for which Purchasers are not found or, during the period between one and two months after the expiry of the relevant Offer Notice and with the prior written approval of the Board and the OMG Director, sell all or any of those Sale Shares to any person (including any Member) at any price per Sale Share which is not less than the Sale Price;
- (f) the Sale Shares shall be sold together with all rights, attaching thereto as at the date of the Transfer Event, including the right to any dividend declared or payable on those Shares after that date; and
- (g) article 9.6 shall apply.

9.5 The Sale Price for any Sale Shares which are the subject of a Deemed Transfer Notice given as a consequence of a Transfer Event falling within article 9.1(d) or 9.1 (e) shall:

- (a) in the case of a Good Leaver (as defined in article 9.7) be their Market Value; and
- (b) in the case of a Bad Leaver (as defined in article 9.7), be the par value of such Shares.

less, in each case any dividends on the Sale Shares referred to in article 9.4(f) which are retained by the Vendor.

9.6 A dispute as to whether article 9.5(a) or article 9.5(b) applies to any Sale Shares shall not affect the validity of a Deemed Transfer Notice but any person who acquires Sale Shares pursuant to a Deemed Transfer Notice while such a dispute is continuing shall pay to the Vendor their Issue Price (or, if lower, their Market Value) and shall pay the difference between their Issue Price and their Market Value to the Company. The Company shall hold that difference in a separate bank account as trustee to pay it, and interest earned thereon, upon final determination of the dispute:

- (a) to the Purchaser in the case of a Bad Leaver; and
- (b) to the Vendor in the case of a Good Leaver.

9.7 In article 9.5:

- (a) "**Good Leaver**" refers to a person who ceases to be a director or employee or consultant of any member of the Group and as a consequence is no longer

a director or employee or consultant of any member of the Group other than a Bad Leaver; and

- (b) **"Bad Leaver"** refers to any person who ceases to be a director or employee or consultant of any member of the Group and as a consequence is no longer a director or employee or consultant of any member of the Group and either:
 - (i) such cessation occurs before the date which is three years from the Investment Date by reason of:
 - (A) resignation; or
 - (B) termination by a member of the Group (other than on full notice) in accordance with the relevant terms of employment, consultancy or engagement; or
 - (ii) such cessation occurs at any time and at the time of such cessation the relevant member has breached in any material way (and, where capable of remedy not remedied such breach) the Investment Agreement.

Provided that Professor Jeffery Errington shall not be a Bad Leaver solely by reason of either:

- (A) his resignation as a director where that resignation is required by The University of Oxford; or
- (B) his removal as a director except where any of the circumstances described in clause 13 of the Investment Agreement apply.

9.8 For the purpose of article 9.1(d) or 9.1(e), the date upon which a Member ceases to hold office as described therein shall be:

- (a) where a contract of employment or directorship or consultancy is terminated by the employer or, as the case may be, the Group Company by whom the consultant is engaged as consultant, by giving notice to the employee or, as the case may be, the consultant of the termination of the employment or directorship or consultancy, the date of that notice (whether or not a payment is made by the relevant Group Company in lieu of all or part of the notice period required to be given by the relevant Group Company in respect of such termination);
- (b) where a contract of employment or consultancy or directorship is terminated by the employee or consultant by giving notice to the employer or, as the case may be, the relevant Group Company of the termination of the employment or consultancy or directorship, the date of that notice;

- (c) where an employer or, as the case may be, the relevant Group Company on the one hand or employee or consultant on the other hand, repudiates the contract of employment or consultancy and the other accepts that the contract of employment or consultancy has been terminated, the date of such acceptance;
- (d) where a contract of employment or consultancy is terminated under the doctrine of frustration, the date of the frustrating event; or
- (e) where a contract of employment or directorship or consultancy is terminated for any reason other than in the circumstances set out in article 9.8(a) to 9.8(d) above, the date on which the action or event giving rise to the termination occurs.

10 Come along option

- 10.1 If any one or more Members (which, if OMG is not the Acquirer, must include OMG and any person to whom OMG may have transferred Shares by way of permitted transfer) (together the "**Selling Shareholders**") wish to transfer any interest in 60 per cent or more of the issued equity Shares where that transfer would result in a Change of Control, the Selling Shareholders (or, after the transfer by them of their Shares to the Acquirer resulting in the Change of Control, the Purchaser) shall have the option (the "**Come Along Option**") to require all the other holders of Ordinary Shares to transfer all their Shares to the Acquirer or as the Acquirer shall direct in accordance with this article 10.
- 10.2 The Selling Shareholders or the Acquirer may exercise the Come Along Option by giving notice to that effect (a "**Come Along Notice**") to all such other Ordinary Shareholders (the "**Called Shareholders**") at any time after the Selling Shareholders have agreed to transfer the Shares held by them giving rise to the Change of Control and before the date which is 6 months after the transfer of Shares resulting in the Change of Control. A Come Along Notice shall specify that the Called Shareholders are required to transfer all their Ordinary Shares (the "**Called Shares**") pursuant to article 10.1, the price at which the Called Shares are to be transferred (calculated in accordance with article 10.4) and the proposed date of transfer.
- 10.3 A Come Along Notice is irrevocable but the Come Along Notice and all obligations thereunder will lapse if the Come Along Notice is given before the transfer of Shares resulting in the Change of Control and for any reason there is not a Change of Control caused by a transfer of Shares by the Selling Shareholders to the Acquirer within 6 months of the date of the Come Along Notice.
- 10.4 The Called Shareholders shall be obliged to sell the Called Shares at the price per Share at which the relevant transfer of Ordinary Shares referred to in article 10.1 takes place or took place.

- 10.5 Completion of the sale of the Called Shares shall take place on the date specified for that purpose by the Selling Shareholders or the Acquirer except that:
- (a) such person may not specify a date that is less than 14 days after the date of the Come Along Notice;
 - (b) if the Come Along Notice is given by the Selling Shareholders, the date so specified by the Selling Shareholders shall be the same date as the date proposed for completion of the sale of the Shares giving rise to the Change of Control,

unless all of the Called Shareholders, the Selling Shareholders and the Acquirer agree otherwise.

- 10.6 If any of the Called Shareholders shall make default in selling its Called Shares in accordance with this article 10, any director of the Acquirer or some other person duly nominated by resolution of the Board for that purpose shall forthwith be deemed to be the duly appointed attorney of such Called Shareholders with such power to execute, complete and deliver in the name and on behalf of such Called Shareholders a transfer of the relevant Called Shares and any such director may receive and give a good discharge of the purchase money on behalf of such Called Shareholders and (subject to the transfer being duly stamped) enter the name of the third party in the Register of Members as the holder or holders by transfer of the Called Shares so purchased by him or them. The Board shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for such Called Shareholders until they shall deliver up a certificate or certificates for the relevant shares to the Company and they shall thereupon be paid the purchase money.

11 Change of control

- 11.1 Notwithstanding any other provision in these articles no sale or transfer or other disposition of any interest in any Ordinary Share shall have any effect, if it would result in a Change of Control unless before the transfer is lodged for registration the Acquirer has made a bona fide offer in accordance with this article 11 to purchase at the Specified Price (as defined in article 11.3(b)) all the Shares held by the Members (except any Member which has expressly waived its right to receive such an offer for the purpose of this article 11).
- 11.2 An offer made under article 11.1 shall be in writing open for acceptance for at least 21 days, and shall be deemed to be rejected by any Member who has not accepted it in accordance with its terms within 21 days and the consideration under such an offer shall be settled in full on completion of the purchase and within 30 days of the date of the offer.
- 11.3 For the purposes of article 11.1:

- (a) the expressions "**transfer**", "**transferor**" and "**transferee**" include respectively the renunciation of a renounceable letter of allotment and any renouncer and renounee of such letter; and
- (b) the expression "**Specified Price**" means:
 - (i) in the case of Ordinary Shares, the higher of:
 - (A) a price per share equal to the highest price paid or payable by the Acquirer or persons acting in concert with him or connected with him for any Shares within the last 6 months plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the specified shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as part of the overall consideration paid or payable for the specified shares; and
 - (B) a price per share equal to the Issue Price thereof; and
 - (ii) in the case of Preference Shares, the amount payable on the redemption of those Shares as if they fell to be redeemed on the date the relevant transfer is completed.
- (c) If any part of the Specified Price is payable otherwise than in cash any Member may require, as a condition of his acceptance of the offer made under this article 11, to receive in cash on transfer all or any of the price offered for the Shares sold by him pursuant to the offer.

12 **Prohibited transfers**

- 12.1 Notwithstanding any other provision of these articles, no transfer of any Share shall be registered:
- (a) if it is to any infant, bankrupt, trustee in bankruptcy or person of unsound mind; or
 - (b) unless the transferee has entered into a deed of adherence in accordance with the provisions of the Investment Agreement.

13 **General meetings**

- 13.1 The Board shall procure that the audited accounts of the Company for each financial year are laid before the Company in general meeting not later than 1 month after the date of the auditors' report contained in those accounts.

13.2 Notice of a general meeting need not be given to any director in that capacity. Regulation 38 shall be modified accordingly.

13.3 Regulation 37 shall be amended by the insertion of the words "or either of the OMG Director or the University Director acting alone" after the second word of that regulation.

14 Proceedings at General Meetings

14.1 Any Member having the right to vote at the meeting may demand a poll at a general meeting. Regulation 46 shall be modified accordingly.

14.2 A director shall not be required to hold any share qualification, but nevertheless shall be entitled to attend and speak at any general meeting of the Company and at any separate general meeting of the holders of any class of Shares.

14.3 If a meeting is adjourned under regulation 41 because a quorum is not present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, those shareholders present shall form a quorum, and regulation 41 shall be modified accordingly.

14.4 Regulation 62 shall be modified by the deletion in paragraph (a) of the words "deposited at" and by the substitution for them of the words "left at or sent by post or by facsimile transmission to" and by the insertion at the end of the regulation after the word "invalid" of the words "unless a majority of the Board (the OMG Director being part of that majority) resolve otherwise".

15 Number of directors

15.1 The number of directors (other than the OMG Director) shall not be less than two nor more than 8. Regulation 64 shall not apply.

16 OMG Director and University Director

16.1 For so long as OMG (or any person to whom it transfers Shares by way of permitted transfer) holds Shares, OMG (or such other person) may at any time and on more than one occasion appoint any person (who is acceptable to the Board, acting reasonably) to be a director (an "**OMG Director**"), which expression shall, where the context so permits but not in article 16.3, include a duly appointed alternate of such a director) and at any time and on more than one occasion remove an OMG Director from office.

16.2 There shall not be more than one OMG Director in office at any time.

16.3 Any appointment or removal of an OMG Director shall be in writing served on the Company signed by a duly authorised representative of OMG (or any person to whom it transfer Shares by way of permitted transfer) and shall take effect at the

time it is served on the Company or produced to a meeting of the Board, whichever is earlier.

- 16.4 The Company shall pay a fee to OMG in respect of the services of the OMG Director at the rate of £5,000 per annum (plus VAT, if applicable) Index Linked or at such higher rate as may be agreed between the Board and the OMG Director. Such fee shall be payable monthly in arrears.
- 16.5 Notice of meetings of the Board shall be served on an OMG Director who is absent from the United Kingdom at the registered office for the time being of OMG. The third sentence of regulation 88 shall not apply.
- 16.6 Upon written request by OMG the Company shall procure that the OMG Director is forthwith appointed as a director of any other member of the Group.
- 16.7 Regulation 81(e) shall not apply to an OMG Director.
- 16.8 On any resolution to remove an OMG Director pursuant to section 303 of the Companies Act 1985 OMG shall have 10 votes per share held by it and regulation 54 shall be modified accordingly.
- 16.9 For so long as the University (or any person to whom it transfers Shares by way of permitted transfer) holds Shares, the University (or such other person) may either:
 - (a) at any time and on more than one occasion appoint any person (who is acceptable to the Board, acting reasonably) to be a director (a "**University Director**"), which expression shall, where the context so permits, but not in article 16.3 as applied to a University Director, include a duly appointed alternate of such a director) and at any time and on more than one occasion remove a University Director from office. The provisions of articles 16.2 to 16.8 (inclusive) shall apply to the University Director as if:
 - (i) references in those articles to "OMG" and an "OMG Director" were references to the University and a University Director respectively; and
 - (ii) references to the University's registered office were reference to its administrative offices at Wellington Square, Oxford OX1 2JD; or
 - (b) if and for so long as no University Director is appointed, appoint an observer who may attend and speak but not vote at any meeting of the Board and any committee constituted by the Board and the Company shall send to the University at its administrative offices copies of all Board and Committee papers at the same time as they are sent to the Board or members of the relevant committee.

17 Alternate directors

- 17.1 The words "approved by resolution of the directors and" in regulation 65 shall not apply to an appointment of an alternate director by an OMG Director or a University Director.
- 17.2 Regulation 66 shall be amended by the insertion between the words "shall" and "be" of the words "(subject to his giving the Company an address within the United Kingdom at which notice may be served upon him)".
- 17.3 A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.
- 17.4 If an alternate director is himself a director or attends any meeting as an alternate director for more than one director, his voting rights shall be cumulative but he shall only be counted once in deciding whether a quorum is present.

18 Proceedings of directors

- 18.1 The quorum for the transaction of business of the Board shall be two directors, one of whom shall be the OMG Director or his duly appointed alternate unless:
- (a) the OMG Director or (if applicable, his duly appointed alternate) has received at least 14 clear days' notice of a Board meeting and neither the OMG Director nor such alternate attends such meeting; or
 - (b) the OMG Director has previously agreed otherwise in writing expressly for that purpose.
- 18.2 Any director or his alternate may validly participate in a meeting of the Board by conference telephone, video conference facility or other form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group which is larger than any other group, where the chairman of the meeting then is.
- 18.3 Save with the consent of the OMG Director:
- (a) the Board shall not delegate any of its powers to a committee; and
 - (b) meetings of the Board shall not be held outside the United Kingdom.
- 18.4 The chairman of the Board shall not have a second or casting vote at a meeting of the Board. The fifth sentence of regulation 88 shall not apply.

- 18.5 Subject to disclosure under section 317 of the Act, a director may vote at any meeting of the Board on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which conflicts or may conflict with the interests of the Company. Regulations 94 and 95 shall not apply.

19 Retirement of directors

- 19.1 Directors shall not be required to retire by rotation. Regulations 67 and 78 shall be modified accordingly. Regulations 73 to 77, the second and third sentences of regulation 79, regulation 80 and the last sentence of regulation 84 shall not apply.

- 19.2 The office of a director shall be vacated if:

- (a) (being an executive director) he ceases to be employed by or a consultant to any member of the Group; or
- (b) a majority of the Board so requires.

Regulation 81 shall be extended accordingly.

20 Notices

- 20.1 Any notice to be given to the Company pursuant to these articles shall be sent to the registered office of the Company or presented at a meeting of the Board.
- 20.2 Any notice to be given pursuant to these articles may be given by facsimile transmission to the facsimile number maintained at the relevant address of the addressee. Such a notice shall be conclusively deemed to have been properly given at the time shown on the transmission report received by the sender.
- 20.3 The figure "24" shall be inserted in substitution for the figure "48" in the second sentence of regulation 115. Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left.

21 Indemnity

- 21.1 Subject to the provisions of the Act, but without prejudice to any other indemnity to which the person concerned may otherwise be entitled, every director, alternate director, auditor, secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or the exercise of his powers or otherwise in relation thereto. Regulation 118 shall be extended accordingly.
- 21.2 The directors may exercise all the powers of the Company to purchase and maintain for every director or other officer insurance against any liability for negligence.

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