

Company Number: 03671700

THE COMPANIES ACT 1985 AND 1989

COMPANY LIMITED BY SHARES

RESOLUTIONS

of

THE HOLDERS OF A ORDINARY SHARES

of

OXXON PHARMACCINES LIMITED
("Company")



At a class meeting of the A Ordinary Shareholders of the Company held at Olswang, 90 High Holborn, London WC1V 6XX on Tuesday, 8 April 2003 the following resolutions were passed in the case of resolution 1 as an ordinary resolution and in the case of resolutions 2 and 3 as special resolutions:

ORDINARY RESOLUTION

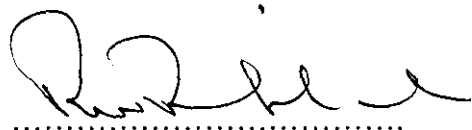
THAT:

1. The authorised share capital of the Company be increased from £47,466.88 to £134,500 by the creation of 6,328,750 new B Ordinary Shares of £0.01 each and 2,374,562 new Ordinary Shares of £0.01 each.

SPECIAL RESOLUTIONS

- 2(a) Subject to the passing of resolution 1, the directors of the Company ("**Directors**") be, and they are hereby, generally and unconditionally authorised, for the purposes of section 80 of the Companies Act 1985 ("**Act**"), in substitution for all prior authorities conferred upon them, but without prejudice to any allotments made pursuant to the terms of such authorities, to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 80 of the Act) of the Company on, and subject to, such terms as the Directors may additionally determine, provided always that the maximum aggregate nominal amount of relevant securities that may be allotted under this authority shall be equal to the entire authorised but unissued share capital of the Company as at the end of this meeting, to such persons, at such times and upon such terms and conditions as they may determine (subject to the articles of association of the Company from time to time) provided that (save as provided in resolution 2(d) below) this authority shall expire five years from the date on which this resolution is passed unless previously renewed, revoked or varied by the Company in general meeting;

- (b) subject to the passing of resolution 1, the Directors be, and they are hereby, empowered generally and unconditionally, pursuant to Section 95 of the Act, to allot, grant options over, offer or otherwise deal or dispose of equity securities (within the meaning of Section 94(2) of the Act) pursuant to the authorities conferred by resolution 2(a) above, in substitution for all prior powers conferred upon the Directors as if Section 89(1) of the Act did not apply to any such allotment of equity securities provided that this power shall (unless previously revoked, varied or renewed) be limited to the allotment up to an aggregate amount of the authorised but unissued share capital of the Company; and provided further that (save as is provided in resolution 2(c) below) this power shall expire five years from the date on which this resolution is passed (unless previously renewed, revoked or varied by the Company in general meeting);
- (c) the Directors shall be entitled under the authorities and powers contained in resolutions 2(a) and (b) above, or any renewal thereof, to make any offer or agreement prior to the expiry of the relevant authority and power which would, or might, require securities the subject of the said authority and power to be allotted or granted options over, offered or otherwise dealt with or disposed of after such authority or power has expired or been varied or revoked and the Directors may allot, grant options over, offer or otherwise deal with or dispose of such securities pursuant to any such offer or agreement as if the relevant authority and power hereby conferred had not expired or been varied or revoked; and
- (d) the authorities and powers conferred prior to the date hereof to allot, grant options over, offer or otherwise deal with or dispose of securities be revoked, but without prejudice to the allotment, grant of options over, offer or other dealing with, or disposal of, securities already made pursuant to such authorities and powers.
3. The draft articles of association in the form produced to the meeting and signed for the purposes of identification by a Director of the Company, be adopted as the articles of association of the Company in substitution for, and to the exclusion of, all existing articles of association of the Company.



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Chairman

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

NEW
ARTICLES OF ASSOCIATION
of
OXXON PHARMACCINES LIMITED

(as adopted by Special Resolution passed on *5 April* 2003)

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THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

NEW
ARTICLES OF ASSOCIATION
of
OXXON PHARMACCINES LIMITED

(as adopted by Special Resolution passed on 8 April 2003)

1 Preliminary

1.1 The regulations contained in Table A as prescribed by the regulations made under the Act in force at the date of the adoption of these Articles of Association (hereinafter referred to as "Table A") shall apply to the Company in so far as these Articles do not exclude or modify Table A. A reference herein to any regulation is to that regulation as set out in Table A.

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

the Act	the Companies Act 1985 including every statutory modification or re-enactment thereof for the time being in force
Affiliates	East Hill V, East Hill VI and any entity to which any shares or other interests or benefits arising out of these Articles are transferred to, following any reorganisation of any group of companies which East Hill is a member and any person or entity which controls, is controlled by or which is under common control with either of the foregoing (excluding any East Hill investee companies)
A Ordinary Shares	A ordinary shares of 1p each in the capital of the Company having the rights set out in Article 2.2
Arrears	in relation to any share, all accruals, deficiencies and arrears of any dividend payable in respect of such share, whether or not earned or declared and irrespective of whether or not the Company has had sufficient available profits to pay such dividend
Asset Sale	the sale or other disposal of all or substantially all of the undertaking or assets of the Company (and whether the consideration for such Asset Sale is to be satisfied in cash, shares, loan stock or a combination thereof or otherwise and Asset Sale Proceeds shall be construed accordingly)
the Auditors	the auditors for the time being of the Company
B Ordinary Shares	B ordinary shares of 1p each in the capital of the Company having the rights set out in Article 2.2

the Directors	the directors for the time being of the Company or a quorum of such directors present at a meeting of the directors
Employee Member	a person, firm or company who is or has been a director, employee and/or consultant of the Company or any of its subsidiaries, other than a Founder
Employee Trust	a trust approved by an Investor Majority and whose beneficiaries are the bona fide employees and former employees of the Company or any of its subsidiaries from time to time and the wives, husbands, widows, widowers, children and step-children under the age of eighteen of such employees or former employees
Family Trusts	as regards any particular individual member or deceased or former individual member, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than that individual and/or Privileged Relations of that individual; and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income thereof is or may become liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are or may become liable to be exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons
Founder	Dr Joerg Schneider, Professor Adrian Hill, Professor Andrew McMichael and Professor Geoffrey Smith
ICTA	the Income and Corporation Taxes Act 1988
Investment Fund	any person, company, trust (other than a Family Trust), limited partnership or fund holding shares for investment purposes and not being a member of the Company by virtue of being a Relevant Member
Investor Majority	the Investors who hold not less than 50% of the issued A Ordinary Shares and B Ordinary Shares (for the purposes of this definition only, the A Ordinary Shares and B Ordinary Shares shall be deemed to constitute one class of share)
the Investors	(i) IAN MICHAEL LAING; (ii) NICHOLAS JOHN CROSS; (iii) QUESTER VCT 4 PLC, a company incorporated in incorporated in England and Wales (registered no. 4063505) whose registered office is at 29 Queen Anne's Gate, London, SW1H 9BU, QUESTER VCT 5 PLC, a

company incorporated in England and Wales (registered no.4282877) whose registered office is at 29 Queen Anne's Gate, London, SW1H 9BU, QUESTER VENTURE PARTNERSHIP, a limited partnership registered in England and Wales under the Limited Partnership Act 1907 with registered number LP7736 having its principal place of business at 6th Floor, 29 Queen Anne's Gate, London, SW1H 9BU acting by its manager Quester Capital Management Limited, a company registered in England and Wales under number 2454345 whose registered office is at 6th Floor, 29 Queen Anne's Gate, London, SW1H 9BU, THE ISIS COLLEGE FUND NO.1 LIMITED PARTNERSHIP a limited partnership with registered number LP6582, acting by its general partner Quester Venture Managers Limited whose registered office is at 29 Queen Anne's Gate, London, SW1H 9BU and THE ISIS COLLEGE FUND NO.2 LIMITED PARTNERSHIP a limited partnership with registered number LP6583, acting by its general partner Quester Venture Managers Limited whose registered office is 29 Queen Anne's Gate, London, SW1H 9BU; (iv) UK MEDICAL VENTURES FUND NO.1 LIMITED PARTNERSHIP of 6 Henrietta Street, London WC2E 8PU and MVM INTERNATIONAL LIFE SCIENCES FUND NO. 1 LP of 6 Henrietta Street, London WC2E 8PU and MVM LIMITED of 6 Henrietta Street, London WC2E 8PU; (v) NEOMED INNOVATION ASA of Parkveien 55, Oslo - 0256, Norway, JOCK SCOTT, LLC and GRAY GHOST, LLC both of 2330 W Joppa Road, Suite 330, Lutherville, MD 21093 USA; (vi) NIF VENTURES CO; LTD, VENTURE CAPITAL INVESTMENT LIMITED PARTNERSHIP NIF JAPAN-USA-EUROPE BRIDGE FUND and VENTURE CAPITAL INVESTMENT LIMITED PARTNERSHIP NIF GLOBAL FUNDall of 1-2-1 Kyobashi, Chuo-Ku, Tokyo 104-0031, Japan; (vii) EAST HILL UNIVERSITY SPINOUTS V, LLC ("East Hill V") and EAST HILL UNIVERSITY SPINOUTS VI, LLC ("East Hill VI") both acting by their managing member East Hill Advisors, LLC whose registered office is at John Hancock Tower, Suite 6000, 200 Clarendon Street, Boston, Massachusetts, 02116-5028, USA (being together referred to in these Articles as "East Hill"); (viii) BARONSMEAD VCT 2 PLC, a company incorporated in England and Wales (registered no. 03504214) whose registered office is at 100 Wood Street, London EC2V 7AN and BARONSMEAD VCT 3 PLC, a company incorporated in England and Wales (registered no. 04115341 whose registered office is at 100 Wood Street, London EC2V 7AN; (ix) DAVID BRISTER; (x) PAUL TRINIMAN; (xii) STEPHEN REEDERS; (xii) and any other person who becomes a shareholder in the Company after the date of adoption of these Articles and who is designated as an Investor in a deed of adherence to any

	shareholders' and subscription agreement executed by him;
Listing	a successful application being made in relation to all or any of the Ordinary Share Capital of the Company for admission to listing to the United Kingdom Listing Authority and admission to trading to the London Stock Exchange or a successful application being made to any other recognised investment exchange or overseas investment exchange (as such expressions are defined in the Financial Services and Markets Act 2000) which has been approved by an Investor Majority to be admitted to trading on such exchange
Majority	as regards members of a class or classes of shares, a majority by reference to the number of shares of such class or classes held and not by reference to the number of members holding shares of such class or classes
a Member of the same Group	as regards any company, a company which is for the time being a holding company or a subsidiary of that company or of any such holding company
Ordinary Share Capital	collectively, the A Ordinary Shares, the B Ordinary Shares and the Ordinary Shares and (except as otherwise provided) for the purposes of these Articles and otherwise, the A Ordinary Shares, B Ordinary Shares and the Ordinary Shares shall be treated as separate classes
Ordinary Shares	ordinary shares of 1p each in the capital of the Company having the rights set out in Article 2.2
Permitted Transfer	a transfer of shares authorised by Article 4
Permitted Transferee	a person, firm or unincorporated association to whom or which shares have been transferred pursuant to a Permitted Transfer
Privileged Relation	in relation to an individual member or deceased or former individual member, the husband or wife or the widower or widow of such member and all the lineal descendants and ascendants in direct line of such member and the brothers and sisters of such member and their lineal descendants and a husband or wife or widower or widow of any of the above persons and for the purposes aforesaid a step-child or adopted child or illegitimate child of any person shall be deemed to be his or her lineal descendant
Qualifying Holding	as such term is defined in Schedule 28B of ICTA
Relevant Executive	an executive director of, employee of, or a consultant to, the Company or any subsidiary of the Company
Relevant Member	a member who is a Relevant Executive, or a member who shall have acquired shares directly or indirectly from a Relevant Executive pursuant to one or more Permitted Transfers (including where such shares were subscribed by

	such member and that member would have been entitled to receive a Permitted Transfer from the Relevant Executive)
the Relevant Shares	(so far as the same remain for the time being held by the trustees of any Family Trusts or by any Transferee Company) the shares originally acquired by such trustees or Transferee Company and any additional shares issued to such trustees or Transferee Company by way of capitalisation or acquired by such trustees or Transferee Company in exercise of any right or option granted or arising by virtue of the holding of such shares or any of them or the membership thereby conferred
Sale	the sale of any part of the Ordinary Share Capital to any person resulting in that person together with any person acting in concert (within the meaning given in the City Code on Takeovers and Mergers as in force at the date of adoption of these Articles) with such person holding more than 50% of the issued Ordinary Share Capital and for the purpose of these Articles, the persons who are holders of the A Ordinary Shares, B Ordinary Shares and Ordinary Shares at the date of adoption of these Articles shall not be deemed to be acting in concert with each other (and whether the consideration for such Sale is to be satisfied in cash, shares, loan stock or a combination thereof or otherwise and Sale Proceeds shall be construed accordingly)
Subscription Price	in relation to any share, the amount paid up or credited as paid up thereon (including the full amount of any premium at which such share was issued whether or not such premium is applied for any purpose thereafter)
Termination Date	<ul style="list-style-type: none"> (i) where employment/consultancy ceases by virtue of notice given by the employer to the employee/consultant, the date on which such notice expires; (ii) where a contract of employment/consultancy is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served; (iii) where the Employee Member/Founder concerned is a director but not an employee or consultant, the date on which his contract for services with the Company is terminated; and (iv) in any other case, the date on which the contract of employment/consultancy is terminated
Transferee Company	a company for the time being holding shares in consequence, directly or indirectly, of a transfer or series of transfers of shares between Members of the same Group

	(the relevant Transferor Company in the case of a series of such transfers being the first transferor in such series)
Transferor Company	a company (other than a Transferee Company) which has transferred or proposes to transfer shares to a Member of the same Group
Transfer Notice	a notice in accordance with Article 5 that a member desires to transfer his shares
Warrant Instrument	the instrument dated on or about the date of adoption of these Articles and executed by the Company
Warrants	a warrant to subscribe for shares in the capital of the Company in accordance with the terms of the Warrant Instrument

2 Share Capital

2.1 Authorised Share Capital

The share capital of the Company at the date of adoption of these Articles is £134,500 divided into 2,850,000 A Ordinary Shares, 6,328,750 B Ordinary Shares and 4,271,250 Ordinary Shares.

2.2 Share Rights

The A Ordinary Shares, the B Ordinary Shares and the Ordinary Shares shall entitle the holders thereof to the following rights:

(a) as regards dividend:

- (i) subject to Article 2.2(a)(ii) below, the Company shall apply any profits which the Directors resolve to distribute in any year, in paying a non-cumulative dividend to the holders of the A Ordinary Shares, B Ordinary Shares and the Ordinary Shares in respect of their holdings of such shares *pari passu* and *pro rata* to the number of shares held by them (as if the same constituted one class of shares);
- (ii) no dividend payment shall be due to any member if as a result of such dividend payment (when aggregated with any dividend payments which would otherwise be due to persons connected with that member pursuant to section 839 ICTA) being due, any shareholding is thereby prevented from being or ceases to be a Qualifying Holding, but provided that if any part of the dividend payment which is due to any such member can be paid without the holding being prevented from being or ceasing to be a Qualifying Holding, so much of the dividend payment shall be paid as is possible without prejudicing the Qualifying Holding status of the relevant shares. Any dividend payment not paid to such member as a result of this Article 2.2(a)(ii) shall, subject to the terms of this Article, be distributed amongst the other members *rateably* in proportion to the number of shares held by them respectively.

(b) as regards capital:

- (i) on a return of assets on a liquidation, winding up, dissolution of the Company, reduction of capital or otherwise the surplus assets of the Company available for distribution remaining after payment of its liabilities shall be distributed in the following order of priority:

- (A) first, the holders of the B Ordinary Shares shall be entitled in respect of their B Ordinary Shares to payment of an amount per share equal to the Subscription Price paid or credited as paid per B Ordinary Share; and
 - (B) second, the holders of the A Ordinary Shares and Ordinary Shares shall be entitled in respect of such shares to payment of an amount per share equal to the premium paid or credited as paid per A Ordinary Share and Ordinary Share (as appropriate); and
 - (C) thereafter any balance shall be paid to the holders of the A Ordinary Shares, B Ordinary Shares and the Ordinary Shares *pari passu* and *pro rata* to the number of such shares held by each of them (as if the same constituted one class);
- (ii) no payment shall be due to any member if as a result of such payment (when aggregated with any payments which would otherwise be due to persons connected with that member pursuant to section 839 ICTA) being due, any shareholding is thereby prevented from being or ceases to be a Qualifying Holding, but provided that if any part of the payment which is due to any such member can be paid without the holding being prevented from being or ceasing to be a Qualifying Holding, so much of the payment shall be paid as is possible without prejudicing the Qualifying Holding status of the relevant shares. Any payment not paid to such member as a result of this Article 2.2(b) shall, subject to the terms of and in the order of priority set out in Article 2.2(b)(i), be distributed amongst the other holders of the Ordinary Share Capital (taking into account any distribution already received by such members in accordance with article 2.2(b)) to the greatest extent possible;
- (c) as regards sale:
 - (i) in the event of a Sale, the proceeds of such Sale (the "Sale Proceeds") shall be reallocated between the holders of the shares in the capital of the Company selling their shares in the Sale so as to ensure the following order of application of the Sale Proceeds:
 - (A) first, in paying to the holders of the B Ordinary Shares who are selling shares on a Sale an amount per share equal to the Subscription Price paid or credited as paid per B Ordinary Share being sold;
 - (B) thereafter, any balance shall be paid to the holders of the A Ordinary Shares, B Ordinary Shares and Ordinary Shares who are selling shares on a Sale *pari passu* and *pro rata* to the number of shares held and being sold by each of them (as if they together constituted one class of shares);
 - (ii) in the event of an Asset Sale, the proceeds of such Asset Sale (the "Asset Sale Proceeds") shall be reallocated between the holders of the shares in the capital of the Company so as to ensure the following order of application of the Asset Sale Proceeds:
 - (A) first, in paying to the holders of the B Ordinary Shares an amount per share equal to the Subscription Price paid or credited as paid per B Ordinary Share; and

- (B) second, in paying to the holders of the A Ordinary Shares and Ordinary Shares an amount per share equal to the premium paid or credited as paid per A Ordinary Share and Ordinary Share (as appropriate); and
 - (C) thereafter, any balance shall be paid to the holders of the A Ordinary Shares, B Ordinary Shares and Ordinary Shares *pari passu* and *pro rata* to the number of such shares held by each of them (as if the same constituted one class);
- (d) as regards conversion:
 - (i) each A Ordinary Share and each B Ordinary Share shall automatically be converted into and redesignated as one fully paid Ordinary Share (A) immediately before the completion of a Listing which has been approved by an Investor Majority or (B) by notice in writing signed by an Investor Majority. The rate of conversion of A Ordinary Shares and B Ordinary Shares into Ordinary Shares shall be subject to an appropriate adjustment on the occurrence of any consolidation, sub-division, reduction or other reorganisation of the Company's share capital.

 Notice of a Listing shall be given to the holders of the A Ordinary Shares and B Ordinary Shares by the Company at least 10 but not more than 60 days prior to the expected completion of the Listing and such notice may designate the expected date of completion of the Listing or immediately prior thereto as the date for conversion provided that, for the avoidance of doubt, if the Listing referred to in Article 2.2(d)(i) shall not have completed within 30 days after the expected completion date, such conversion and re-designation of A Ordinary Shares and B Ordinary Shares into Ordinary Shares shall be null and void;
 - (ii) the Ordinary Shares arising on conversion and redesignation shall rank *pari passu* with the Ordinary Shares then in issue and fully paid up and shall entitle the holders of Ordinary Shares arising on conversion to all dividends and other distributions declared, made or paid on the Ordinary Shares by reference to any record date occurring after the conversion;
 - (iii) the holder of any A Ordinary Shares and B Ordinary Shares shall within 10 days of giving notice to the Company or receipt of the notice given by the Company pursuant to Article 2.2(d)(i) deliver to the Company the certificates or an indemnity in favour of the Company in respect of a lost certificate for the relevant A Ordinary Shares and B Ordinary Shares and upon such delivery there shall be issued to him a certificate for the number of Ordinary Shares resulting from the conversion and redesignation referred to in Article 2.2(d)(i) provided that such certificates shall be returned by the Company or the holder, as appropriate, in the event that the Listing shall not have completed within the period specified in Article 2.2(d)(i);
 - (iv) the Company shall procure that at all times the nominal value of the A Ordinary Shares and B Ordinary Shares and the Ordinary Shares remains equal.
- (e) as regards voting in general meetings:
 - (i) each holder of A Ordinary Shares, B Ordinary Shares or Ordinary Shares shall be entitled to receive notice of, and to attend and vote at, general meetings of the Company; on a show of hands every holder of A Ordinary Shares, B Ordinary Shares or Ordinary Shares who (being an individual) is present in

person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll every holder of A Ordinary Shares, B Ordinary Shares or Ordinary Shares so present shall have one vote for each A Ordinary Share, B Ordinary Share or Ordinary Share held by him.

- 2.3 Save as may be expressly set out in these Articles, the A Ordinary Shares, B Ordinary Shares and the Ordinary Shares shall be treated on a pari passu basis.
- 2.4 The Company shall procure that each of its subsidiaries and, so far as it is able, each of its subsidiary undertakings which has profits available for distribution shall from time to time declare and pay to the Company such dividends to the extent possible as are necessary to permit lawful and prompt payment by the Company of any dividend and any Arrears in accordance with these Articles.

3 Issue of Shares

- 3.1 Subject to this Article 3 and the provisions of the Act, all unissued shares shall be at the disposal of the Directors and they may allot, grant rights, options or warrants to subscribe or otherwise dispose of them to such persons, at such times, and on such terms as they think proper as if sections 80(1), 89(1) and 90(1) to (6) inclusive of the Act did not apply to the Company.
- 3.2 Any unissued shares or other equity securities to be issued, excepting equity securities to be issued:
- (a) to employees, consultants or directors of the Company in accordance with any employee share option plan of the Company (subject to a maximum of 750,000 Ordinary Shares) from time to time approved by the Board (unless such share options relate to the Founders in which case the approval of an Investor Majority shall be required);
 - (b) pursuant to the conversion of A Ordinary Shares and B Ordinary Shares in accordance with Article 2.2(d);
 - (c) at par pursuant to anti-dilution protections granted to holders of the B Ordinary Shares;
 - (d) pursuant to the terms of the Warrant Instrument to holders of Warrants;
 - (e) up to 750,000 B Ordinary Shares or Ordinary Shares which may be issued to new investors approved by an Investor Majority within 120 days from the date of adoption of these Articles;
 - (f) 1,500,000 B Ordinary Shares or Ordinary Shares less the number of B Ordinary Shares or Ordinary Shares issued under Article 3.2(e) subject to the approval of an Investor Majority; or
 - (g) to strategic partners (such strategic partners having been approved by an Investor Majority) subject to a maximum of 1,000,000 Ordinary Shares;

("New Shares") shall not be allotted to any person unless the Company has, in the first instance offered such New Shares on the same terms and at the same price as such New Shares are being offered to such other person, to all members of the Company (in the case of East Hill to any of its Affiliates (as East Hill may direct) pari passu and pro rata to the number of shares in the Ordinary Share Capital held by such members on the terms that in case of competition the New Shares shall be allotted to the acceptors of any such offer in proportion (as nearly as may be achieved without involving fractions or increasing the number allotted to any member beyond that applied for by him) to their existing holdings of the Ordinary Share Capital. Any such New Shares shall rank pari passu with existing shares in the same class then in issue. Each such offer:

- (h) shall be in writing and shall stipulate a time not less than 28 days within which it must be accepted or in default will lapse; and
- (i) may in the sole and absolute discretion of the Board stipulate that any members who desire to subscribe for a number of New Shares in excess of the proportion to which each is entitled may in their acceptance state how many excess New Shares they wish to subscribe for and any shares not accepted by other members shall (in the event that any such stipulation is included in such acceptance(s)) be used for satisfying such requests for excess New Shares pro rata to the existing holdings of all shares held by any members making such requests and thereafter, such New Shares shall be offered to any other person at the same price and on the same terms as the offer to members.

3.3 The provisions of Article 3.2 may be varied by special resolution.

4 Transfer of Shares

4.1 Subject to the provisions of Regulation 24 any shares (other than any shares in respect of which the holder shall have been required by the Directors under these Articles to give a Transfer Notice or shall have been deemed to have given a Transfer Notice) may at any time be transferred:

- (a) to any person with the prior consent in writing of holders of shares entitled to cast 95% of the votes exercisable on a poll at a general meeting of the Company (which consent may be granted unconditionally or subject to terms or conditions and in the latter case any share so transferred shall be held subject to such terms and conditions notified in writing to the transferee prior to registration of the transfer); or
- (b) by any individual member (not being in relation to the shares concerned a holder thereof as a trustee of any Family Trusts) to a Privileged Relation of such member; or
- (c) by any such individual member to trustees to be held upon Family Trusts related to such individual member; or
- (d) by any member being a company (not being in relation to the shares concerned a holder thereof as a trustee of any Family Trusts) to a Member of the same Group as the Transferor Company; or
- (e) by any person entitled to shares in consequence of the death or bankruptcy of an individual member to any person or trustee to whom such individual member, if not dead or bankrupt, would be permitted hereunder to transfer the same; or
- (f) by an Investor holding A Ordinary Shares, B Ordinary Shares or Ordinary Shares which is an Investment Fund or by its trustee, custodian or nominee:
 - (i) to any trustee, nominee or custodian for such fund and vice versa;
 - (ii) to any unitholder, shareholder, partner, participant, manager or adviser (or an employee of such manager or adviser) in any such fund;
 - (iii) to any other Investment Fund, or its trustee, nominee or custodian, managed or advised by the same manager or adviser as any such fund.
- (g) to a trustee, nominee, custodian or to a Member of the same Group of any of the persons referred to in sub-paragraphs (i) (ii) or (iii) of paragraph (f) above of this Article 4.1;
- (h) where any shares are held by trustees under an Employee Trust:
 - (i) to the new trustees of that Employee Trust on any change of trustees; or
 - (ii) to any beneficiary of that Employee Trust;

- (i) by Professor Andrew McMichael to any charitable trust;
- (j) by East Hill to any of its Affiliates; or
- (k) by The Chancellor, Masters and Scholars of the University of Oxford to any co-inventor of the Company's patents (which are registered in the Company's name (or assigned to it at any time) at the date of adoption of these Articles or at any time hereafter) in order to satisfy claims of such co-inventor.

4.2 Where shares have been issued to trustees of Family Trusts or Employee Trusts or transferred under Article 4.1 or under paragraphs (a), or (b) of this Article to trustees of Family Trusts, or Employee Trusts, the trustees and their successors in office may (subject to the provisions of Article 4.1) transfer all or any of the Relevant Shares:

- (a) to the trustees for the time being of the Family Trust or Employee Trust concerned on any change of trustees;
- (b) in the case of Family Trusts only to the trustees for the time being of any other trusts being Family Trusts in relation to the same individual member or deceased or former member pursuant to the terms of such Family Trusts or to any discretion vested in the trustees thereof or any other person; or
- (c) in the case of Family Trusts only to the Relevant Member or former member or any Privileged Relation of the Relevant Member or deceased or former member who has thereby become entitled to the shares proposed to be transferred on the total or partial termination of or pursuant to the terms of the Family Trusts concerned or in consequence of the exercise of any such power or discretion as aforesaid.

4.3 If and whenever any of the Relevant Shares come to be held otherwise than upon Family Trusts or Employee Trusts, except in circumstances where a transfer thereof is authorised pursuant to Article 4.1 or 4.2 to be and is to be made to the person or persons entitled thereto, it shall be the duty of the trustees holding such shares to notify the Directors in writing that such event has occurred and (unless the Relevant Shares are thereupon transferred to a Family Trust or Employee Trust (as appropriate), any such transfer being deemed to be authorised under the foregoing provisions of this Article 4) the trustees shall be bound, if and when required in writing by the Directors so to do, to give a Transfer Notice in respect of the shares concerned.

4.4 If a person to whom shares have been transferred pursuant to Article 4.1(b) shall cease to be a Privileged Relation, such person shall be bound (unless the Relevant Shares are thereupon transferred to a Privileged Relation, any such transfer being deemed to be authorised under the foregoing provisions of Article 4.1(b)), if and when required in writing by the Directors so to do, to give a Transfer Notice in respect of the shares concerned.

4.5 If a Transferee Company ceases to be a Member of the same Group or an Affiliate as the Transferor Company from which (whether directly or by a series of transfers under Article 4.1(d)) the Relevant Shares derived, it shall be the duty of the Transferee Company to notify the Directors in writing that such event has occurred and (unless the Relevant Shares are thereupon transferred to the Transferor Company or a Member of the same Group as the Transferor Company or an Affiliate, any such transfer being deemed to be authorised under the foregoing provisions of this Article) the Transferee Company shall be bound, if and when required in writing by the Directors so to do, to give a Transfer Notice in respect of the Relevant Shares (save that this Article shall not apply in respect of the transfer of shares by Catalyst BioMedica Limited to The Wellcome Trust Limited as Trustee of the Wellcome Trust ("Wellcome") in the event that Catalyst BioMedica Limited ceases to be a Member of the same Group as Wellcome)

- 4.6 For the avoidance of doubt, any change in the partners, participants, shareholders, unitholders (or any other interests) in any member which is an Investment Fund shall not be regarded as a transfer of shares or any interest in shares for the purposes of these Articles.

5 Pre-emption on Transfer

- 5.1 Except in the case of a Permitted Transfer, or a transfer pursuant to Article 8.5 or Article 9, the right to transfer shares or any interest in shares in the Company shall be subject to the following restrictions and provisions. References in this Article 5 to transferring shares or Sale Shares shall include any interest in and grant of contractual rights or options over or in respect of shares.
- 5.2 Any person ("the Proposing Transferor") proposing to transfer any shares in the capital of the Company ("the Sale Shares") shall be required, before effecting, or purporting to effect the transfer, to give a notice in writing to the Company (a "Transfer Notice") that he desires to transfer the Sale Shares and shall state in the Transfer Notice the identity of the person (if known) to whom the Proposing Transferor desires to transfer the beneficial interest in the Sale Shares. The Transfer Notice shall constitute the Company his agent for the sale of the Sale Shares (together with all rights then attached thereto) at the Prescribed Price (as determined in accordance with Articles 5.3 and/or 5.4) during the Prescribed Period (as defined in Article 5.5) to any member or to any other person selected or approved by the Directors on the basis set out in the following provisions of this Article 5 and shall include such other details of the proposed transfer as the Directors may in their absolute discretion determine and shall not be revocable except with the consent of the Directors.
- 5.3 The Prescribed Price (subject to the deduction therefrom where the Prescribed Price has been agreed with the Directors of any dividend or other distribution declared or made after such agreement and prior to the date on which the Transfer Notice was given (or deemed to have been given) ("the Notice Date") and subject to where the Prescribed Price has been determined in accordance with the provisions of Articles 8.1 or 9.8) shall be whichever is applicable of:
- (a) the price per Sale Share agreed not more than one month before the Notice Date between the Proposing Transferor and the Directors as representing the market value thereof; or
 - (b) if no such agreement has been reached by the Notice Date, the price contained in a bona fide offer received from a third party by the Proposing Transferor not more than one month before the Notice Date and which remains open for acceptance in respect of the Sale Shares until at least seven days after the last date for compliance with the pre-emption provisions contained in this Article 5 (but subject to the right of the Directors to satisfy themselves that such offer is bona fide, for the consideration stated in the offer without any deduction, rebate or allowance whatsoever to the purchaser or other arrangement or agreement and so open for acceptance).
- 5.4 If, prior to the Notice Date, the Prescribed Price shall not have been agreed or determined in accordance with Article 5.3 or if the Transfer Notice has been given (or deemed to have been given) because of a requirement to do so by virtue of any provision of these Articles other than this Article 5, upon the giving of the Transfer Notice the Directors shall refer the matter to the Auditors and the Auditors shall determine and certify the sum per share considered in their opinion to be the market value (on the basis of a going concern as between a willing buyer and a willing seller and disregarding any effect upon value of the share forming part of a majority or minority holding and disregarding any provision for transfer, reversion or forfeiture attaching to those shares) thereof as at the Notice Date and the sum per share so determined and certified shall be the Prescribed Price. The Auditors shall act hereunder as experts and not as arbitrators and their determination shall be final and binding on all persons concerned and, in the absence of fraud, they shall be under no liability to any such person by reason of their determination or certificate or by anything

done or omitted to be done by them for the purpose thereof or in connection therewith. The Auditors shall determine who shall bear their costs.

- 5.5 If the Prescribed Price was agreed as provided in Article 5.3, the Prescribed Period shall commence on the Notice Date and expire 12 weeks thereafter. If the Prescribed Price is to be determined in accordance with Article 5.4, the Prescribed Period shall commence on the Notice Date and shall expire two months after the date on which the Auditors shall have notified the Directors of their determination of the Prescribed Price. Pending such determination the Directors shall defer the making of the offer mentioned in Article 5.6.
- 5.6 All shares included in any Transfer Notice shall by notice in writing be offered by the Company forthwith on receipt (subject to Article 5.5) of the relative Transfer Notice to all members of the Company for purchase at the Prescribed Price on the terms that in case of competition the Sale Shares shall be sold to the acceptors in proportion (as nearly as may be without involving fractions or increasing the number sold to any member beyond that applied for by him) to their existing holdings of shares. Such offer:
- (a) shall stipulate a time not exceeding 28 days within which it must be accepted or in default will lapse; and
 - (b) shall stipulate that any members who desire to purchase a number of Sale Shares in excess of the proportion to which each is entitled shall in their acceptance state how many excess Sale Shares they wish to purchase and any shares not accepted by other members shall be used for satisfying the requests for excess Sale Shares pro rata to the existing shares respectively held by such members making such requests.
- 5.7 Any shares not accepted by any of the members pursuant to the foregoing provisions of these Articles by the end of the period stipulated under Article 5.6 may be offered by the Directors to such persons as they may think fit for purchase at the Prescribed Price.
- 5.8 If the Company shall within the Prescribed Period find members or such other persons as aforesaid (each such person being hereinafter called "a Purchaser") to purchase the Sale Shares or any of them and give notice in writing thereof to the Proposing Transferor he shall be bound, upon payment to him of the Prescribed Price, to transfer such shares to the respective Purchaser(s), provided that, if the Transfer Notice shall state that the Proposing Transferor is not willing to transfer some only of the Sale Shares (which he shall not be entitled to do if he is required by virtue of any provision of these Articles other than this Article 5 to give a Transfer Notice), this provision shall not apply unless the Company shall have found Purchasers for all of the Sale Shares. Every notice given by the Company under this Article 5.8 shall state the name and address of each Purchaser and the number of Sale Shares agreed to be purchased by him and the purchase shall be completed at a place and time to be appointed by the Directors not being less than three days nor more than ten days after the date of the notice.
- 5.9 If a Proposing Transferor shall fail or refuse to transfer any Sale Shares to a Purchaser(s) hereunder the Directors may authorise some person to execute and deliver on his behalf the necessary transfer and the Company may receive the purchase money in trust for the Proposing Transferor and cause the Purchaser(s) to be registered as the holder of such shares. The receipt of the Company for the purchase money shall constitute a good discharge to the Purchaser(s) (who shall not be bound to see to the application thereof) and after the Purchaser(s) has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person. The Company shall not pay the purchase money to the Proposing Transferor until he shall have delivered his share certificate(s) or a suitable indemnity and the necessary transfers to the Company.

5.10 If the Company shall not within the Prescribed Period find Purchasers willing to purchase any or all of the Sale Shares and gives notice in writing thereof to the Proposing Transferor, or if the Company shall within the Prescribed Period give to the Proposing Transferor notice in writing that the Company has no prospect of finding Purchasers, the Proposing Transferor at any time during a period of 45 days after the end of the Prescribed Period shall be at liberty (subject only to the provisions of Regulation 24 and any relevant restrictions in the any shareholders and subscription agreement to which the Investors are a party) to transfer those Sale Shares for which the Company has not within the Prescribed Period given notice that it has found (or has given notice that it has no prospect of finding) Purchasers to any person by way of a bona fide sale at any price not being less than the Prescribed Price (after deducting, where appropriate, any dividend or other distribution declared or made after the date of the Transfer Notice and to be retained by the Proposing Transferor) provided that:

- (a) if the Transfer Notice shall state that the Proposing Transferor is not willing to transfer part only of the Sale Shares he shall only be entitled to transfer all the unsold Sale Shares under this Article;
- (b) the Directors may require to be satisfied that the Sale Shares are being transferred under this Article pursuant to a bona fide sale for the consideration stated in the Transfer Notice without any deduction, rebate or allowance whatsoever to the purchaser and if not so satisfied may refuse to register the instrument of transfer; and
- (c) such transfer is subject to the provisions of Article 6.

6 Tag Along

6.1 In the case of any transfer (not being a Permitted Transfer) of Ordinary Shares, A Ordinary Shares or B Ordinary Shares held by the Proposing Transferor, the Proposing Transferor will not sell any such Sale Shares under Article 5 unless the proposed purchaser(s) of such shares:

- (a) shall have offered to purchase from each such holder of Ordinary Shares, A Ordinary Shares and B Ordinary Shares (at the price per share to be paid by the proposed purchaser(s) to the Proposing Transferor in respect of the Sale Shares) such proportion of each class of the Ordinary Share Capital held by each such holder of Ordinary Shares, A Ordinary Shares and B Ordinary Shares as is equal to the proportion which the Ordinary Shares, A Ordinary Shares and B Ordinary Shares being sold by the Proposing Transferor under Article 5 bears to the total holding of Ordinary Share Capital (including the shares to be sold) held by the Proposing Transferor; and
- (b) shall, in respect of any holder of Ordinary Shares, A Ordinary Shares and B Ordinary Shares which wishes to take up the offer referred to in Article 6.1(a) above, acquire from such holder of Ordinary Shares, A Ordinary Shares and B Ordinary Shares the shares in question at the relevant price simultaneously with the acquisition from the Proposing Transferor of the Sale Shares to be sold.

7 Bare Nominees

For the avoidance of doubt and without limitation, no share (other than any share so held on the date of adoption of these Articles or entitled to be held under Article 4.1) shall be held by any member as a bare nominee for, and no interest in any share shall be sold to, any person unless a transfer of such share to such person would rank as a Permitted Transfer. If the foregoing provision shall be infringed the holder of such share shall be bound to give a Transfer Notice in respect thereof.

8 Compulsory Transfers

- 8.1 A person entitled to a share in consequence of the bankruptcy of a member shall be bound at any time, if and when required in writing by the Directors so to do, to give a Transfer Notice in respect of such share and the price per share shall be the lower of cost and market value as determined in accordance with Article 5.
- 8.2 If a share remains registered in the name of a deceased member for longer than one year after the date of his death the Directors may require the legal personal representatives of such deceased member either to effect a transfer of such shares (including for such purpose an election to be registered in respect thereof) being a Permitted Transfer or to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased member or (failing compliance with either of the foregoing within one month or such longer period as the Directors may allow for the purpose) to give a Transfer Notice in respect of such share.
- 8.3 If a member which is a company or a Permitted Transferee of such member, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, such member or Permitted Transferee shall forthwith at the request of the Directors be required to give a Transfer Notice in respect of all of the shares held by such member and/or such Permitted Transferee.
- 8.4 If there is a change in control (as control is defined in section 840 of ICTA) of any member which is a company or a Permitted Transferee of such a member (other than any member which is an Investment Fund or a trustee, nominee or custodian for an Investment Fund), it and each of its Permitted Transferees shall be bound at any time, if and when required in writing by the Directors so to do, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the shares registered in its and their names and their respective nominees' names.
- 8.5.1 If at any time an Investor Majority and their respective Permitted Transferees (for the purposes of this Article 8.5 ("the Seller")) intend(s) to sell all of its or their holding of shares in the capital of the Company (or any interest in such shares) (the shares to be sold by the Seller being referred to as "Selling Shares") to a proposed purchaser(s) ("the Proposed Purchaser") who has made a bona fide offer on arm's length terms for the entire issued Ordinary Share Capital, the Seller shall have the right to give to the Company not less than 14 days' advance notice before selling the Selling Shares. That notice ("the Selling Notice") will include details of the Selling Shares and the highest proposed price for each Selling Share to be paid by the Proposed Purchaser, details of the Proposed Purchaser, the place, date and time of completion of the proposed purchase being a date not less than 14 days from the date of the Selling Notice ("Completion") and the terms and conditions of the offer which will be extended to the other shareholders for their shares (which for the avoidance of doubt may not differ to those offered to the Seller).
- 8.5.2 Immediately upon receipt of the Selling Notice, the Company shall give notice in writing (a "Compulsory Sale Notice") to each of the members (other than the Seller) (the "Other Members") giving the details contained in the Selling Notice, requiring each of them to sell to the Proposed Purchaser at Completion all of their holdings of shares on the same terms as those contained in the Selling Notice.
- 8.5.3 Each member who is given a Compulsory Sale Notice shall sell all of his shares referred to in the Compulsory Sale Notice at the highest price per Selling Share to be sold to the Proposed Purchaser on Completion by the Seller and on the terms set out in the Selling Notice (provided that the provisions of Article 2.2(c) shall apply to the distribution of any such consideration).
- 8.5.4 If any of the member(s) ("the Defaulting Member(s)") fails to comply with the terms of a Compulsory Sale Notice given to him, the Company shall be constituted the agent of each

Defaulting Member for the sale of his shares in accordance with the Compulsory Sale Notice (together with all rights then attached thereto) and the Directors may authorise some person to execute and deliver on behalf of each Defaulting Member the necessary transfer(s) and the Company may receive the purchase money in trust for each of the Defaulting Members and cause the Proposed Purchaser to be registered as the holder of such shares. The receipt of the Company for the purchase money, pursuant to such transfers, shall constitute a good and valid discharge to the Proposed Purchaser (who shall not be bound to see to the application thereof) and after the Proposed Purchaser has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person. The Company shall not pay the purchase money due to the Defaulting Member(s) until he shall, in respect of the shares being the subject of the Compulsory Sale Notice, have delivered his share certificates or a suitable indemnity and the necessary transfers to the Company. No member shall be required to comply with a Compulsory Sale Notice unless the Seller shall sell the Selling Shares to the Proposed Purchaser on Completion, subject at all times to the Seller being able to withdraw the Selling Notice at any time prior to Completion by giving notice to the Company to that effect, whereupon each Compulsory Sale Notice shall cease to have effect.

9 Compulsory Transfers - Management Shareholders

- 9.1 If, within 1,825 days of 17 November 2000, a Founder ceases to be a director, employee or consultant of the Company or any of its subsidiaries by reason of voluntary resignation/termination of agreement as director, employee or consultant of the Company or any of its subsidiaries (unless such resignation/termination is with the mutual consent of the Company) and does not continue in that capacity in relation to any of them, a Transfer Notice shall be deemed to have been served on the relevant Termination Date in respect of such number of shares held by the Founder immediately before such cessation, including any shares held by the Founder's Privileged Relations and/or Family Trusts and/or any other trust established by the Founder or to which the Founder shall have transferred any shares subscribed for by him (other than shares which the directors are satisfied were not issued to or acquired by such holders by reason of their connection with the Founder and the decision of the board of directors in this respect shall be final) as shall be calculated as follows:

$$80\% \text{ of No. of Shares held} - 80\% (\text{No. of Shares held} \times \frac{\text{No. of days elapsed since 17 November 2000}}{3,650})$$

- 9.2 If, within 1,460 days of 17 November 2000, a Founder ceases to be a director, employee or consultant of the Company or any of its subsidiaries for any reason other than as stated in Articles 9.1 or 9.3 and does not continue in that capacity in relation to any of them, a Transfer Notice shall be deemed to have been served on the relevant Termination Date in respect of such number of shares held by the Founder immediately before such cessation, including any shares held by the Founder's Privileged Relations and/or Family Trusts and/or any other trust established by the Founder or to which the Founder shall have transferred any shares subscribed for by him (other than shares which the directors are satisfied were not issued to or acquired by such holders by reason of their connection with the Founder, and the decision of the board of directors in this respect will be final) as shall be calculated as follows:

$$80\% \text{ of No. of Shares held} \times \frac{(1,460 - \text{No. of days elapsed since 17 November 2000})}{1,825}$$

- 9.3 If, within 1,460 days of 17 November 2000 the adoption of these articles, a Founder ceases to be a director, employee or consultant of the Company or any of its subsidiaries by any reason of his death, injury or disability and does not continue in that capacity in relation to any of them, a Transfer Notice shall be deemed to have been served on the relevant Termination Date in respect of such number of shares held by the Founder immediately before such cessation, including any

shares held by the Founder immediately before such cessation, including any shares by the Founder's Privileged Relations and/or Family Trusts and/or any other trust established by the Founder or to which the Founder shall have transferred any shares subscribed for by him (other than shares which the directors are satisfied were not issued to or acquired by such holders by reason of their connection with the Founder, and the decision of the board of directors in this respect will be final) as shall be calculated as follows:

$$80\% \text{ of No. of Shares held } \times \frac{(1,460 - \text{No. of days elapsed since 17 November 2000})}{1,825}$$

- 9.4 If an Employee Member ceases to be a director, employee or consultant of the Company or any of its subsidiaries and does not continue in that capacity in relation to any of them, a Transfer Notice shall be deemed to have been served on the relevant Termination Date in respect of all of the shares held by the Employee Member immediately before such cessation, including any shares held by the Employee Member's Privileged Relations and/or Family Trusts (other than shares which the directors are satisfied were not issued to or acquired by such holders by reason of their connection with the Employee Member, and the decision of the board of directors in this respect will be final).
- 9.5 If a person who is not (or has ceased to be) an Employee Member at the date of acquisition hereafter referred to acquires shares in pursuance of a right or interest obtained by an Employee Member (including, but not limited to, his right or interest as a beneficiary under a trust or any option granted under any share option scheme established by the Company), he shall, upon being registered as the holder of such shares, be deemed to have given a Transfer Notice under article 9.4 in respect of all of the shares registered in his name.
- 9.6 If any shares are transferred to any person by the trustees of an Employee Trust pursuant to article 4.1(h) and at the date of registration of such transfer such person is not an Employee Member then such person shall, upon being registered as the holder of such shares, be deemed to have given a Transfer Notice under Article 9.4 in respect of such shares.
- 9.7 The directors may in their absolute discretion agree to vary any of the provisions of Articles 9.4 to 9.6 (inclusive) in any circumstances, provided that such variation is not to the detriment of the relevant Employee Member.
- 9.8 The price at which any shares shall be transferred pursuant to Articles 9.1 to 9.6 (inclusive) shall be restricted to a maximum of the amount paid up or credited as paid upon any share (including the full amount of any premium paid thereon).
- 9.9 Any shares being transferred pursuant to Articles 9.1 to 9.6 (inclusive) shall first be offered by the Company forthwith on the date that the relevant Transfer Notice is deemed to be served, to an Employee Trust and if an Employee Trust shall not purchase all of the said shares within 21 days of receipt of such offer, any unsold shares shall be offered to the members of the Company in accordance with the provisions of Article 5 which shall apply mutatis mutandis.

10 Information concerning shareholdings and transfers

- 10.1 For the purpose of ensuring that a transfer of shares is a Permitted Transfer or that no circumstances have arisen whereby a Transfer Notice is or may be required to be given hereunder or to be satisfied that any proposed sale is bona fide and on the terms stated in the Transfer Notice with no rebate or allowance, the Directors may from time to time require any member or the legal personal representatives of any deceased member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the Directors may think fit regarding any matter which they may deem relevant for such purpose. Failing such information or evidence being furnished to the satisfaction of the Directors within a reasonable time after such requirement being made, the Directors shall be entitled to refuse to

register the transfer in question or (if no transfer is in question) to require by notice in writing that a Transfer Notice be given in accordance with Article 5 in respect of the shares concerned.

10.2 In a case where the Directors have duly required a Transfer Notice to be given in respect of any shares and such Transfer Notice is not duly given within a period of one month, or such longer period as the Directors may allow for the purpose, such Transfer Notice shall (except and to the extent that a Permitted Transfer of any of such shares shall have been made) be deemed to have been given on such date after the expiration of the said period as the Directors may by resolution determine and the foregoing provisions of these Articles shall take effect accordingly.

10.3 From (and including) the date on which the Directors have duly required a Transfer Notice(s), all holders of shares the subject of such Transfer Notice(s) shall not transfer or encumber any of their shares or any interest in their shares (other than pursuant to such Transfer Notice(s)) until all proceedings pursuant to such Transfer Notice(s) have been finalised in accordance with these Articles.

11 Proceedings at General Meetings

11.1 A poll may be demanded at any general meeting by the chairman or by any member present in person or by proxy and entitled to vote. Regulation 46 shall be modified accordingly.

11.2 A resolution in writing executed or approved by facsimile by or on behalf of each member who is entitled to vote in respect of such holding, by such holder or holders shall be as valid and effectual as if the same had been duly passed at a general meeting and may consist of several documents in the like form, each executed by or on behalf of one or more persons. In the case of a corporation, the resolution may be signed on its behalf by a Director or the Secretary thereof or by its duly appointed attorney or duly authorised representative. Regulation 53 shall be modified accordingly.

11.3 A general meeting may consist of a conference call between members who are not all in one place, but where each is able (directly or by telephonic communication) to speak to each of the others, and to be heard by each of the others simultaneously, and the word "meeting" in these Articles shall be construed accordingly.

12 Alternate Directors

12.1 Any Director (other than an alternate Director) may at any time by writing under his hand and served on the Company at its registered office, or delivered at a meeting of the Directors, appoint any other Director, or any other person approved by resolution of the Directors and willing to act, to be an alternate Director and may remove from office an alternate Director so appointed by him. The same person may be appointed as the alternate Director of more than one Director.

12.2 An alternate Director shall be entitled:

- (a) to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member;
- (b) to attend, be counted in the quorum for and vote at any such meeting at which the Director appointing him is not personally present; and
- (c) generally at such meeting to perform all the functions of his appointor as a Director in his absence.

If an alternate Director is himself a Director or attends any such meeting as an alternate Director for more than one Director, then his voting rights shall be cumulative.

12.3 An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director; but, if a Director retires but is reappointed or deemed to have been reappointed at the

meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately prior to his retirement shall continue after his reappointment.

- 12.4 Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.
- 12.5 An alternate Director shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him, except in relation to matters in which he acted (or failed to act) on the direction or at the request of his appointor.
- 12.6 Save as otherwise provided in these Articles, an alternate Director shall not have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles. However, such an alternate Director shall owe the Company the same fiduciary duties and duty of care and skill in the performance of his office as are owed by a Director.
- 12.7 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

12.8 Regulations 65 to 69 shall not apply.

13 Directors

- 13.1 The Directors shall not be subject to retirement by rotation. Regulations 73 to 75 and the last two sentences of Regulation 79 shall not apply and Regulations 76, 77, 78 and 80 shall be modified accordingly.
- 13.2 Without prejudice to the first sentence of Regulation 89, a meeting of the Directors or of a committee of the Directors may consist of a conference between directors who are not all in one place, but where each is able (directly or by telephonic communication) to speak to each of the others, and to be heard by each of the others simultaneously; and the word "meeting" in these Articles shall be construed accordingly.
- 13.3 A resolution in writing signed or approved by facsimile by all the Directors shall be as valid and effectual as if it had been passed at a meeting of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors; but a resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity. Regulation 93 shall not apply.
- 13.4 A Director may vote at a meeting of Directors or of a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company. Regulation 94 shall be modified accordingly, provided that he has disclosed to the Directors the nature and extent of any material interest or duty.
- 13.5 In the case of an equality of votes at a meeting of the Directors, the chairman of the Company shall not have a second or casting vote. Regulation 88 shall be modified accordingly.
- 13.6 The office of a Director shall be vacated if he shall be removed from office by notice in writing served upon him signed by a majority of his co-Directors.
- 13.7 Subject to Article 13.6 the majority of the Directors shall have the right to appoint further director(s) of the Company, subject to a maximum number of nine Directors.

14 Notices

- 14.1 Notices shall be given to a member or director whose registered address is outside the United Kingdom. Regulation 112 shall be modified accordingly.
- 14.2 Regulations 111 to 116 inclusive, as amended by the Companies Act 1985 (Electronic Communications) Order 2000 SI 2000/3373 shall apply save that such Regulations shall apply also to notices calling a meeting of the directors and any director or shareholder with an address outside the United Kingdom shall be treated as if his address was an address within the United Kingdom and any notice shall, if given otherwise than by means of electronic communications, also be given by means of electronic communications to the address (if any) given by a director for the purposes of electronic communications.

15 Indemnity

- 15.1 Without prejudice to any indemnity to which such officer may otherwise be entitled, every Director, Auditor, Secretary or other officer of the Company shall 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 in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court. Regulation 118 shall not apply.
- 15.2 The Company may purchase and maintain for any Director, Secretary or other officer of the Company insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.