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ARTICLES OF ASSOCIATION

of

SENEXIS LIMITED

(hereinafter referred to as "the Company")

(as amended by special resolution dated 3 August 2012 ("Amendment Date"))

Table A

- 1 Subject as otherwise provided in these Articles, the regulations in Table A prescribed under section 8 of the Act or under the Companies Act 2006 or any other legislation, as in force at the Amendment Date (in these Articles referred to as **Table A**), will apply to the Company
2. The following provisions of Table A will not apply to the Company
 - 2 1. regulation 40 (*quorum*);
 - 2 2 in regulation 62(a) the words "not less than 48 hours" (*proxies*);
 - 2.3. in regulation 62(b) the words "not less than 24 hours" (*proxies*),
 - 2.4. regulation 64 (*directors*),
 - 2.5 regulations 76 to 79 inclusive and all references elsewhere in Table A to retirement by rotation will not apply accordingly (*rotation*);
 - 2.6 regulations 88, 90 and 94 to 98 inclusive (*directors' proceedings*),
 - 2.7. regulations 112 and 115 (*notices*).

Definitions

3. In these Articles, where the context so admits.

"**Act**" means the Companies Act 1985, as amended;

"**Affiliate**" means, in relation to a person, any other person which directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with that first person;

"**BTG Weighted Average Share Price**" means the total subscription monies paid by BTG International Limited ("BTG") from the date of adoption of these Articles (up to an aggregate amount of £800,000) for BTG's Series A Preferred Shares divided by the total number of Series A Preferred Shares issued to BTG (up to a maximum of 556) in respect of such aggregate subscription monies but excluding such number of Series A Preferred Shares converted into deferred shares in accordance with Article 6A.

"**Control**" has the meaning given to it by section 840 of the Income and Corporation Taxes Act 1988 and "controls" and "controlled" will be construed accordingly;

"**Deferred Shares**" means the deferred shares of £1 00 each in the capital of the Company,

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"Employee Share Scheme" means a scheme to be established by the Company to facilitate the holding of Ordinary Shares by its employees,

"Executive" means any employee or consultant or former employee or consultant of the Company or any of its subsidiaries;

"Executive Shares" means all or any of the Ordinary Shares held by an Executive or a Family Member or the trustees of a Family Trust in relation to such Executive or, in the case of a consultant, any entity employing such consultant,

"Fair Value" means the fair market value of Offer Shares as determined in accordance with Article 16.2;

"Family Member" means a Shareholder's spouse or children over the age of 18,

"Family Trust" means any settlement or trust where the principal beneficiaries are a Shareholder and/or his spouse and/or children;

"Group" means a Shareholder together with its subsidiaries and holding companies and the subsidiaries of those holding companies,

"Holding company" will be construed in accordance with section 736 of the Act 2006;

"Initial Period" means the period of three years from the date of adoption of these Articles;

"Investor" means a holder of Series A Preferred Shares,

"Investor Director" means a director appointed from time to time by the holders of a majority of the Series A Preferred Shares,

"Investor Group" means the company of which the Investor is a subsidiary and any holding company of that company, together with any other subsidiaries of those holding companies (including the Investor and its subsidiaries);

"Listed Investment Trust" means an investment trust (as defined in the Listing Rules of the London Stock Exchange) whose shares are listed on a recognised investment exchange (as defined in the Financial Markets and Services Act 2000);

"Offer Notice" means a notice in writing issued by the Company to the Remaining Shareholders offering Sale Shares for purchase at the Offer Price;

"Offer Price" means the price per Share specified in a Transfer Notice or if no price is specified, the Fair Value,

"Ordinary Shares" means ordinary shares of 1 each in the capital of the Company;

"Permitted Transfer" means a transfer pursuant to Articles 15, 16, 17, and 18;

"Remaining Shareholders" means the Shareholders other than the Selling Shareholder and **"Remaining Series A Preferred Shareholders"** shall be construed accordingly;

"Series A Preferred Shareholders" means the holders of the Series A Preferred Shares from time to time;

"Series A Preferred Shares" means 'A' preferred ordinary shares of £1 each in the capital of the Company;

"Sale Shares" means Shares that are the subject of a Transfer Notice;

"Selling Shareholder" means any Shareholder that wishes to sell or otherwise dispose of Shares,

"Shareholder" means the registered holder of any Share;

"Shares" means shares in the Company of any class;

"Subsidiary" will be construed in accordance with section 736 of the Act,

"Transfer Notice" means a notice given by a Shareholder to the Company that it wishes to sell or otherwise dispose of any of its Shares and specifying the number of Sale Shares it wishes to transfer, the proposed transferee (if any) and the Offer Price;

Share Capital

4. At the Amendment Date the issued share capital of the Company is £7,337 divided into 3,714 Series A Preferred Shares of £1.00 each, 2,623 Ordinary Shares of £1.00 each and 1,000 Deferred Shares of £1.00 each. Such Shares will entitle the holders to the respective rights and privileges, and subject them to the respective restrictions and provisions, contained in these Articles but save as otherwise provided in these Articles the Ordinary Shares and the Series A Preferred Shares will rank *pari passu* in all respects.

Return of Capital Rights

- 5.1 On a return of assets on liquidation, reduction of capital, dissolution, winding-up or otherwise, the surplus assets of the Company remaining after the payment of its liabilities will be distributed first in paying to each Series A Preferred Shareholder an amount per share equal to the BTG Weighted Average Share Price plus 8% per annum (simple interest) on each such share at such share price for the period from the time of subscription to the time of repayment. Any surplus remaining after this payment to the Series A Preferred Shareholders shall be:
 - (a) first, in paying the Deferred Shares £1.00 in aggregate. This payment shall be deemed satisfied by payment to any holder of Deferred Shares, and
 - (b) second, equally divided between the Series A Preferred Shareholders and the Ordinary Shareholders pro rata to their shareholdings.
- 5.2 In the event that the assets of the Company are insufficient to pay an amount per share equivalent to the BTG Weighted Average Share Price plus 8% per annum on each such share at such share price between the time of subscription and the time of repayment to the Series A Preferred Shareholders, the assets of the Company will be split among the Series A Preferred Shareholders in proportion to their holdings.
- 5.3 In the event of a sale of the entire issued share capital of the Company or the sale of substantially the whole of the assets of the Company or any other exit ("Exit"), the total of all and any cash and other form of consideration received will be reallocated between the Shareholders so as to ensure that the aggregate sale proceeds are applied:
 - 5.3.1 first in paying to each Series A Preferred Shareholder an amount per share equal to the BTG Weighted Average Share Price plus 8% per annum (simple

interest) on each such share at such share price between the time of subscription and the time of Exit,

5.3.2 second, in paying the Deferred Shares £1.00 in aggregate. This payment shall be deemed to be satisfied by payment to any holder of Deferred Shares, and

5.3.3 third, in paying any excess to the Ordinary Shareholders and the Series A Preferred Shareholders in proportion to the number of Ordinary Shares or Series A Preferred Shares held by each of them

Voting Rights and Conversion Rights

6.1 Subject to Article 6.2 below, on a show of hands every member holding one or more Ordinary Share or Series A Preferred Share who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, shall have one vote and on a poll every member 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 for each Ordinary Share or Series A Preferred Share (on an as if converted basis in accordance with Article 20) in the capital of the Company of which he or it is the holder

6.2 If any transfer of Ordinary Shares, or Series A Preferred Shares or any interest in any such Shares shall be made in breach of the provisions of these Articles the holder of the Ordinary Share or Series A Preferred Share in question (whether the transferor or the transferee) shall cease immediately to be entitled to exercise at any general meeting any votes in respect of the transferred Shares until the relevant breach has been remedied.

6.3 Notwithstanding the above, holders of the Series A Preferred Shares shall have rights of veto over all key decisions affecting significant operational and corporate issues (including the issue of shares, warrants, options and any debt instruments). Key decisions shall comprise those decisions set out in Annex 1 ("Key Decisions") Holders of 75% of the Series A Preferred Shares shall have rights of veto over Key Decisions 1 and 2, and holders of a simple majority of the Series A Preferred Shares shall have rights of veto over the other Key Decisions.

6.4 The Deferred Shares (if any) shall not entitle the holders to them to receive notice of, to attend, to speak, or to vote at any general meeting of the Company.

Dividends

7. Payment of a dividend shall be a Key Decision subject to veto by a majority of the Series A Preferred Shareholders. In the event that any dividend is paid, the holders of Series A Preferred Shares and Ordinary Shares shall rank *pari passu*.

Redemption of Shares

8. Subject to Article 29, there shall be no mandatory redemption of any of the Shares in the Company.

Variation of Class Rights

9.1 Subject to the provisions of Article 9.2 below, in any case where the rights attaching to any class of Share in the Company are proposed to be varied, those rights shall only be varied with the consent in writing of the holders of three-fourths by nominal value of the issued shares of that class or with the sanction of an extraordinary resolution

passed at a separate general meeting of the holders of the shares of that class to which the provisions of Article 9.2 below shall apply.

9.2 Without prejudice to Articles 9.1 and 9.3 the special rights attaching to the Series A Preferred Shares shall be deemed to be varied at any time in any of the following instances:

- 9.2.1 the acquisition of any interest in any share in the capital of any company by the Company,
- 9.2.2 the alteration of the restrictions on the powers of the directors of the Company and its subsidiaries to borrow, give guarantees (other than in the normal course of business) or create charges,
- 9.2.3 the winding up of the Company;
- 9.2.4 the redemption of any of the Company's shares, the reduction of the share capital of the Company or the amount in the share premium account or the capital redemption reserve or the entering into of a contract by the Company to purchase any of its shares,
- 9.2.5 the alteration of the Company's Memorandum and Articles of Association;
- 9.2.6 the alteration of the Company's accounting reference date;
- 9.2.7 the payment of any dividend or the making of any distribution;
- 9.2.8 the proposal of a resolution to remove any director appointed in accordance with Article 22.2;
- 9.2.9 the variation in any way (whether directly or indirectly) the rights attaching to any of the shares,
- 9.2.10 the allotment of any further shares ranking as regards participation in the profits or assets of the Company in priority to or pari passu with the Series A Preferred Shares;
- 9.2.11 the allotment of any shares by any subsidiary (other than to the Company or another wholly-owned subsidiary of the Company); or
- 9.2.12 the capitalisation of any profits or reserves, including its share premium account or capital redemption reserve, other than in lieu of a cash dividend

9.3 To every separate general meeting referred to in Article 9.1 all the provisions of these Articles relating to general meetings of the Company and to the proceedings at general meetings shall, with the necessary changes, apply, except that

- 9.3.1 the necessary quorum at any meeting (other than an adjourned meeting) shall be two persons holding or representing by proxy not less than 10% in nominal amount of the issued Shares of the class,
- 9.3.2 at an adjourned meeting the necessary quorum shall be one person holding Shares of the class or his proxy,
- 9.3.3 the holders of shares of the relevant class shall on a poll have one vote in respect of every share of that class held by them respectively, and

- 9.3 4 a poll may be demanded by any one holder of Shares of the class whether present in person or by proxy

Allotment of Shares

10. The directors are authorised pursuant to section 80 of the Companies Act 1985 but subject always to the prior approval of a majority of the holders of the Series A Preferred Ordinary Shares being given, to exercise any power of the Company to allot and grant rights to subscribe for, or to convert securities into, shares of the Company up to a maximum nominal amount of the authorised but unissued share capital at the date of adoption of these Articles.

Issue of New Shares

- 11.1 The Directors shall not issue any new Shares without obtaining the prior written approval of the holders of a majority of the Series A Preferred Shares as to the terms on which such Shares shall be offered.
- 11.2 Any shares issued to holders of Series A Preferred Shares shall be designated Series A Preferred Shares and any shares issued to holders of Ordinary Shares shall be designated Ordinary Shares
- 11.3 The pre-emption provisions of Section 89(1) of the Act shall not apply to any allotment of the Company's equity securities.

Lien

- 12 The lien conferred by regulation 8 of Table A will attach to all Shares, whether fully paid or not, and to all Shares registered in the name of any person indebted or under any liability to the Company, whether he is the sole registered holder thereof or one of two or more joint holders Regulation 8 of Table A will be modified accordingly

Transfer of Shares

- 13 1 All transfers of Shares will be effected by instrument in writing in any form for the time being authorised by the Stock Transfer Act 1963 (or any statutory modification or reenactment thereof for the time being in force) or in any other form which the directors may approve The directors may require from any person lodging a share transfer any information and evidence as they think fit regarding any matter which they may reasonably deem relevant for the purposes of these Articles and may refuse to register the relevant transfer until they have received information and evidence satisfactory to them
- 13 2 Except in the case of a transfer of any Share made in accordance with the provisions of these Articles the Board of Directors may, in its absolute discretion refuse to register any proposed transfer of a Share whether or not it is a fully paid Share.
- 13.3 A person executing an instrument or transfer of a Share shall be deemed to remain the holder of that Share until the name of the transferee shall be entered in the Register of Members as the holder of that Share

Prohibited Transfers

- 14 1 Except as permitted by these Articles or with the prior written consent of the Investors, no member will:
- 14.1.1 transfer any Shares; or

- 14.1 2 grant, declare, create or dispose of any right or interest in any Shares; or
- 14.1 3 create or permit to exist any pledge, lien, charge (whether fixed or floating) or other encumbrance over any Shares.

Permitted Transfers

15 1 Any Shareholder may transfer any Share to

15 1 1 another member of its group of companies, including any subsidiary undertakings or any holding company of that Shareholder or any subsidiary undertaking of any such holding company; or

15.1.2 a Family Member; or

15.1.3 trustees to be held upon a Family Trust of such Shareholder and where shares are held by Trustees upon a Family Trust such shares may (1) on any change of trustees be transferred to the new trustees of that Family Trust and (2) be transferred to any person to whom under this article 15.1 the same could have been transferred by the settlor of such Family Trust if he had remained the holder of such shares,

provided that if any such shares cease to be held by a Family Member or by the trustees of a Family Trust, or by a company which is in the same group of companies (within the meaning of article 15 1 1 above) as the original transferor company, they shall be transferred back to the Shareholder who was the original transferor, in default of which, a Transfer Notice will have deemed to have been served under article 16.1

15.2 Any Investor may transfer any Series A Preferred Share to

15.2.1 where the Investor is Catalyst, to Wellcome or another member of Wellcome's group of trusts and companies;

15.2.2 another Investor,

15.2.3 any person who becomes a manager or advisor of a company, fund or partnership in place of, or in addition to, such Investor, or

15 2 4 any Listed Investment Trust which is managed by the manager of such Investor.

Pre-emption Rights

16.1 Any Shareholder ("Selling Shareholder") wishing to sell or otherwise dispose of any of its Shares (other than as set out in article 15.1 or 15.2) ("Sale Shares"), must serve a notice to the Company ("Transfer Notice"). The Transfer Notice will constitute the Company the agent of the Selling Shareholder for the sale of the Sale Shares at the price agreed between the Company and the Selling Shareholder or if no agreement is reached the Fair Value (calculated in accordance with article 16 2) ("Offer Price") to the Investors.

16.2 For the purposes of determining the fair value of the Shares ("Fair Value"), the Auditors will value the Sale Shares on the basis of an arm's length sale between a willing vendor and a willing purchaser taking into account the class of share to be transferred and, if the Company is then carrying on business as a going concern, it shall be assumed that it will continue to do so unless progress against the milestones agreed between the Investors and the Company suggests otherwise The Auditors will

ignore the fact, if such be the case, that the Sale Shares do or do not carry effective control of the Company and disregard any limitations on the transferability of such shares but will take into account the likely impact, if any, of the Selling Shareholder ceasing to be involved in the Company. The Auditors will act as experts and not as arbitrators and their determination will be final and binding on the parties, save in the case of manifest error. The Auditors' costs in determining the Fair Value will be borne by the Selling Shareholder and the Company may deduct such costs from any sale proceeds it holds on trust for the Selling Shareholder.

- 16.3 Within seven (7) days of receipt of the Transfer Notice or, if the Offer Price is the Fair Value, within seven (7) days of receiving the Auditors' report determining the Fair Value, the Company will issue an Offer Notice. The Offer Notice will offer the Sale Shares to the Investors in the same proportion (as nearly as may be without involving fractions) as their existing holdings of Series A Preferred Shares bear to the total number of issued Series A Preferred Shares (less the Sale Shares if the Sale Shares are Series A Preferred Shares) and will state that

16.3.1 the offer must be accepted within two (2) months or will lapse;

16.3.2 any Investor who wishes to purchase Sale Shares in excess of his proportion must in his reply state how many excess Sale Shares he wishes to purchase;

16.3.3 any Sale Shares which have not been accepted after two (2) months will be used to satisfy any claims made by other Investors provided that if claims are made for more than the number of Sale Shares available the claims will be scaled down pro rata,

16.3.4 the Offer Price; and

16.3.5 the identity of any third party wishing to purchase Sale Shares

- 16.4 The Investor shall notify the Company within such two month period if it wishes to purchase any Sale Shares and shall state the number of such Sale Shares it wishes to purchase. The Company will notify the Selling Shareholder of the number of Sale Shares for which it has failed to find a purchaser after satisfying claims made by Investors wishing to purchase excess Shares

- 16.5 In the event that there are remaining Ordinary Shares not taken up by the Investors in accordance with articles 16.3 and 16.4, an Offer Notice shall be sent to the holders of Ordinary Shares within 7 days of the expiry of the two month period referred to in clause 16.3.1. The Offer Notice will offer the remaining Ordinary Sale Shares to the holders of Ordinary Shares in the same proportion (as nearly as may be within involving fractions) as their existing holdings of Ordinary Shares bear to the number of total issued Ordinary Shares (less the Sale Shares if Ordinary Shares) and will state that:

16.5.1 the offer must be accepted within one (1) month or will lapse;

16.5.2 a holder of Ordinary Shares who wishes to purchase Sale Shares in excess of his proportion must in his reply state how many excess Sale Shares he wishes to purchase,

16.5.3 any Sale Shares which have not been accepted after 1 month will be used to satisfy claims made by other Ordinary Shareholders provided that if claims are made for more than the number of Sale Shares available the claims will be scaled down pro rata;

16.5.4 the Offer Price; and

16 5 5 the identity of any third party wishing to purchase the Sale Shares

- 16.6 A holder of Ordinary Shares shall notify the Company within such one month period if it wishes to purchase any Sale Shares in accordance with article 16.5 and shall state the number of such Sale Shares it wishes to purchase.
- 16.7 The Company will notify the Selling Shareholder if there are any Sale Shares which remain unallocated and the Selling Shareholder will be free to sell such unallocated Sale Shares provided that the transferee is the person named in the Offer Notice, the sale price is no lower than the Offer Price and sale is completed within 21 days of such notification by the Company
- 16.8 Upon finding purchasers for the Sale Shares or any of them, in accordance with articles 16.3 to 16.6 (inclusive), the Company will give a notice in writing to the Selling Shareholder, stating the name and address of each purchaser ("Purchaser") and the number of Shares agreed to be purchased by him and the place and time appointed by the Directors at which the sale will be completed not being less than 3 days nor more than 10 days after the date of such notice. Upon receipt of the notice the Selling Shareholder will be bound, upon payment of the Offer Price, to transfer the relevant number of Shares to each of the Purchaser(s)
- 16.9 The Sale Shares shall be sold free from all charges, liens and encumbrances and otherwise with full title guarantee, at the Offer Price and together with all rights attaching to the Sale Shares on or after the date of the Offer Notice, including the right to receive dividends and the right to be sold or allotted any other shares by virtue of the holding of any of the Sale Shares
- 16 10 If the Selling Shareholder fails or refuses to transfer any Sale Shares to a Purchaser, the Directors may authorise any person to execute and deliver the necessary instrument of transfer on behalf of the Selling Shareholder and the Company may receive the purchase money in trust for the Selling Shareholder and cause the Purchaser 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 (who will not be bound to see to the application thereof) and after the transfer has been registered in purported exercise of the aforesaid powers the validity of the proceedings may not be questioned by any person. The Company will not pay the purchase money to the Selling Shareholder until he has delivered his share certificate(s) or a suitable indemnity for the relevant Shares and the necessary instrument of transfer to the Company.

Tag Along Rights

- 17 1 Notwithstanding the above, no sale, transfer or other disposition of Shares other than a permitted transferer under articles 15.1 and/or 15.2 to a purchaser (a "Third Party Purchaser") which will result in any Third Party Purchaser holding 5% of the issued share capital of the Company will be permitted unless and until the Third Party Purchaser has offered to purchase all of the Shares held by the Investors. The provisions relating to pre-emption (articles 16.1 to 16.10) shall not apply to transfers under the Tag Along Rights set out in this article 17,
- 17.2 The offer to be made by the Third Party Purchaser under article 17.1 must be in writing and capable of acceptance by the Investors for not less than two (2) months from the date of the offer. The Offer must state the consideration for the acquisition, the identity of the proposed Third Party Purchaser, the class and number of shares to be transferred and the proposed date of transfer. The offer will be deemed to have

been irrevocably rejected by an Investor if that Investor has not accepted the offer in accordance with its terms, conditions and provisions within this period

17.3 The price for the Investors' Shares will be at a premium (to take account of the enhanced rights of the Series A Preferred Shares) to the price offered by the Third Party Purchaser for the Ordinary Shares in the Company. For the avoidance of doubt, the premium to be paid for the Investors' Shares in the event of a purchase under the Tag Along Rights shall be no less favourable than the premium which would be obtained by the Investors under Article 5.3 in the event of a sale of entire issued share capital of the Company.

17.4 The consideration for the Shares which the Third Party Purchaser offers to purchase from the Shareholders must be paid within 21 days of the date of acceptance of the offer.

17.5 Provided that the following conditions are met to the reasonable satisfaction of the Investors, the Ordinary Shareholders shall have tag-along rights (analogous to those in articles 17.1 to 17.5 above) in the event that there is a sale of the Shares which will result in any Third Party Purchaser holding 25% of the issued share capital of the Company to a biotechnology or pharmaceutical company:

17.5.1 the Series A Preferred Shareholders receive consideration per Share of at least five times the BTG Weighted Average Share Price, and

17.5.2 Dr Andrew Doig and UMIST contribute future intellectual property rights under the Research Contract Agreement; and

17.5.3 the Ordinary Shareholders fulfill all of their contractual obligations under and do not breach the Research Contract Agreement, Services Agreement; this Agreement, or their individual Service Contracts,

provided that in the event that the sale to the biotechnology or pharmaceutical company is for cash and there are no earn out provisions or claw-back provisions associated with that sale then the conditions set out in clauses 17.5.2 and 17.5.3 shall be waived; and

provided further that a failure by any one Ordinary Shareholder to fulfill its contractual obligations as indicated in clause 10.17.3 shall not affect the Tag-Along Rights of the other Ordinary Shareholders

Drag Along Rights

18.1 If the holders of 65% or more of the Series A Preferred Shares wish to sell all or any of their Shares in the Company pursuant to a bona fide transaction on arm's length terms, they shall have the option (the "Drag Along Option") to require the other Shareholders to transfer a corresponding proportion of their Shares with full title guarantee to a Third Party Purchaser at a price which is no less than the arms' length, bona fide price being offered provided that in the event that any holder of the Series A Preferred Shares secures a cash exit of greater than three times the BTG Weighted Average Share Price consent shall be deemed to be given by holders of Series A Preferred Shares.

18.2 Before the Selling Shareholders may issue a Drag Along Notice they must give notice in writing (or procure that such notice is given) to all of the Ordinary Shareholders and holders of Series A Preferred Shares of the offer to acquire their Series A Preferred Shares and Convertible Shares (if any), identifying the Third Party Purchaser and specifying the price per Share which the Third Party Purchaser has

indicated it is prepared to offer for the whole or part of the issued share capital of the Company. The value of the Ordinary Shares and the Series A Preferred Shares and the Convertible Shares (if any) shall be determined in accordance with the rights attaching to each of them.

- 18.3 The Selling Shareholders may exercise the Drag Along Option in clause 18.1 by giving notice to that effect (a "Drag Along Notice") to all the Ordinary Shareholders and holders of Series A Preferred Shares, specifying that the Ordinary Shareholders and holders of Series A Preferred Shares are required to transfer all or a proportion of their Shares to the Third Party Purchaser, identifying the Third Party Purchaser and specifying the price at which the Shares are to be transferred and the proposed date of transfer
- 18.4 A Drag Along Notice will be irrevocable and shall lapse if for any reason the Selling Shareholders have not sold their Shares to the Third Party Purchaser within 21 days after the date of the Drag Along Notice.
- 18.5 Completion of the sale of the Ordinary Shareholders' Shares and Series A Preferred Shares shall take place on the same date as the date proposed for completion of the sale of the Selling Shareholders' Shares.
- 18.6 The rights of pre-emption and other restrictions contained in articles 16 and 17 shall not apply on any sale and transfer of Shares to the Third Party Purchaser named in a Drag Along Notice. The Drag Along provisions shall not apply to permitted transfers made under article 15
- 18.7 If the Shareholder fails or refuses to transfer any Shares to a Third Party Purchaser under the Drag Along provision, the Directors may authorise any person to execute and deliver the necessary instrument of transfer on behalf of the Shareholder and the Company may receive the purchase money in trust for the Shareholder and cause the Third Party Purchaser 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 Third Party Purchaser (who will not be bound to see to the application thereof) and after the transfer has been registered in purported exercise of the aforesaid powers the validity of the proceedings may not be questioned by any person. The Company will not pay the purchase money to the Shareholder until he has delivered his share certificate(s) or a suitable indemnity for the relevant Shares and the necessary instrument of transfer to the Company.

Deemed Transfers

- 19.1 A Shareholder will be deemed to have served a Transfer Notice in respect of all of his or its Shares and the Shares held by his or its permitted transferees under Article 15 (or, in the case of Article 19.1.3, the Relevant Proportion of all Shares held by such Shareholder) if
 - 19.1.1 winding-up or bankruptcy proceedings are commenced against the Shareholder, or an application is made for an administration order or a receiver is appointed in respect of the Shareholder, or a proposal is made for a voluntary arrangement with the Shareholder's or its holding company's creditors (other than, in any of these situations, for the purposes of a solvent liquidation, winding up, amalgamation, reorganisation or reconstruction); or
 - 19.1.2 (in relation to a person other than an Investor) there is a change of Control of the Shareholder or its holding company; or

19.1.3 (in relation to a Shareholder other than an Investor) the Shareholder's employment by the Company or a subsidiary of the Company (or the employment of a person from whom a Shareholder has obtained shares pursuant to article 15.1) ceases (other than for a Prescribed Reason) prior to the date which is the third anniversary of the date of adoption of these Articles; or

19.1.4 (a person other than an Investor) commits any material breach of any shareholders' agreement or other agreement with the Company for the time being in force and, if that breach is capable of remedy, does not remedy that breach within 30 days of receiving notice from any other member requiring the breach to be remedied provided that breach by one party to such agreement (or his or its agents or representatives) shall not result in any other party being deemed to have transferred their Shares.

19.2 For the purposes of Article 19.1:

19.2.1 "Relevant Proportion" shall mean a percentage of the total Shares held by such Shareholder and shall vary according to the number of months which have elapsed since the date of these Articles as shown in the following table

Months elapsed	Percentage
less than 6 months from the adoption of these Articles	90%
more than 6 months but less than 12 months from the adoption of these Articles	80%
more than 12 months but less than 18 months from the adoption of these Articles	75%
more than 18 months but less than 24 months from the adoption of these Articles	50%
more than 24 months but less than 30 months from the adoption of these Articles	25%
more than 30 months from the adoption of these Articles	0%

19.2.2 "Prescribed Reason" shall mean:

19.2.2.1 the constructive dismissal of such Shareholder as an employee of the Company held to be so by a court or tribunal of competent jurisdiction,

19.2.2 the retirement of such Shareholder due to illness or physical or mental incapacity as determined by a competent medical practitioner, and

19.2.3 death

19.3 The Offer Price of Shares offered in accordance with a deemed Transfer Notice served pursuant to Articles 19.1.1 or 19.1.2 will be the Fair Value.

19.4 The Offer Price of Shares offered in accordance with a deemed Transfer Notice served pursuant to Articles 19.1.3 and 19.1.4 will be the par value of the Shares.

19.4 If the Remaining Series A Preferred Shareholders do not offer to purchase all of the Sale Shares following deemed service of a Transfer Notice pursuant to Article 19.1, the Company may, following approval by the holders of a majority of the Series A Preferred Shares

19.4.1 purchase all or some of the remaining Shares, provided always that it is lawful and economically viable for it to do so; and/or

19.4.2 use reasonable endeavours to find a purchaser who is not a Shareholder for all or some of the remaining Shares

in either case at the Offer Price.

Conversion and Anti-Dilution Rights

20.1 Each holder of Series A Preferred Shares may convert the Series A Preferred Shares (or any proportion of them) held by it into Ordinary Shares at a conversion rate of one Series A Preferred Share for one Ordinary Share provided that:

20.1.1 Where additional Ordinary Shares have been subscribed for following the adoption of these Articles, additional Series A Preferred Shares shall first have been issued to the Series A Preferred Shareholders in accordance with Article 20.3.

20.1.2 The conversion ratio is adjusted upwards for any stock splits, stock dividends and other customary adjustments (but excluding any shares issued to employees under the terms of approved share option schemes) affecting Ordinary Shares subsequent to the adoption of these Articles such that the proportion of the Ordinary Share Capital held by the A Preferred Shareholders as a result of the conversion is unaffected by such stock splits, stock dividends and other customary adjustments

20.1.3 Each Series A Preferred Shareholder must retain at least seventy Series A Preferred Shares for a period of at least 18 months from the date of adoption of these Articles

20.2 Where the Company achieves a listing on a recognised investment exchange, raising a minimum aggregate sum of £20 million and achieving a price per Share more than five times the BTG Weighted Average Share Price then the conversion in Article 20.1 will occur automatically immediately prior to but conditional upon listing

20.3 Where Ordinary Shares are issued or rights to subscribe for Ordinary Shares are granted (other than pursuant to a Permitted Grant) to existing or future Ordinary Shareholders (otherwise than by way of transfer) at a price below the BTG Weighted Average Share Price at the time of dilution (then the Series A Preferred Shareholders shall be protected against such dilution. The protection against dilution shall be achieved by issuing the Series A Preferred Shareholders with additional Series A Preferred Shares at par such that the proportion of Series A Preferred Shares relative to Ordinary Shares is unaffected by the issue of Ordinary Shares below the BTG Weighted Average Share Price. For the purposes of this article, a Permitted Grant means options over an aggregate of 221 Ordinary Shares to be granted to (1) Andrew Doig and his research team at UMIST, (2) third parties in consideration for intellectual property rights; and (3) the CEO.

Proceedings at General Meetings

- 21.1 No business will be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. The quorum at a general meeting will consist of two members one of whom must be an Investor and each of whom is present in person or by proxy or, in the case of a corporation, by a duly authorised representative.
- 21.2 If a quorum is not present within one (1) hour from the time appointed for a general meeting, the meeting will stand adjourned to the same day in the next week at the same time and place and if a quorum is then not present, then if at such re-adjourned meeting an Investor is present the meeting will be deemed quorate and if no Investor is present then the meeting shall be re-adjourned.
- 21.3 In the event of a re-adjournment under article 21.2 the meeting will stand adjourned to the same day in the following week at the same time and place and if a quorum is still then not present then the meeting will be deemed quorate even if an Investor is not present except in the circumstance where an Investor has written to the other members requesting a further adjournment of the meeting and proposing an alternative time which must not be more than one week later.

Directors

- 22.1 The directors will not be less than 2 nor more than 5 in number
- 22.2 Two of the directors may be appointed by the holders of a majority of the Series A Preferred Shares. One of the Directors appointed by the holders of a majority of the Series A Preferred Shares shall be designated by them as the Investor Director.

Alternate Directors

- 23.1 At the end of regulation 66 of Table A, as applicable to the Company, there will be added the following sentence: "A director or any other person may act as alternate director to represent more than one director, and an alternate director will be entitled at meetings of the directors or any committee of the directors to one vote for every director whom he represents in addition to his own vote (if any) as a director, but he will count as only one for the purpose of determining whether a quorum is present "
- 23.2 At the end of regulation 67 of Table A, as applicable to the Company, there will be added the following sentence: "The appointment of an alternate director will also terminate automatically on the happening of any event which if he were a director would cause him to vacate his office as director "
- 23.3 The words "or in any other manner approved by the directors" in regulation 68 of Table A (as applicable to the Company) will be deleted and the following will be added to that regulation. "and will take effect in accordance with the terms of the notice, subject to any approval required by regulation 65 of Table A (as applicable to the Company), on receipt of such notice at the registered office of the Company."

Interests of Directors

Directors' declaration of interests

- 24.1 A director who is in any way, whether directly or indirectly interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of

his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Companies Act 2006

- 24.2 A director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Companies Act 2006, unless the interest has already been declared under Article 24.1
- 24.3 Subject, where applicable, to the disclosures required under Article 24.1 and Article 24.2, and to any terms and conditions imposed by the directors in accordance with Articles 24.5 to 24.10 a director shall be entitled to vote in respect of any proposed or existing transaction or arrangement with the Company in which he is interested and if he shall do so his vote shall be counted and he shall be taken into account in ascertaining whether a quorum is present
- 24.4 A director need not declare an interest under Article 24.1 and Article 24.2 as the case may be:
- 24.4.1 if it cannot reasonably be regarded as likely to give rise to a conflict of interest,
- 24.4.2 of which the director is not aware, although for this purpose a director is treated as being aware of matters of which he ought reasonably to be aware;
- 24.4.3 if, or to the extent that, the other directors are already aware of it, and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware; or
- 24.4.4 if, or to the extent that, it concerns the terms of his service contract that have been, or are to be, considered at a board meeting.

Directors' powers to authorise conflicts of interest

- 24.5 For the purposes of section 175 of the Companies Act 2006 the directors may, in accordance with the requirements set out in this article, authorise any matter proposed to them by any director which would, if not authorised, constitute or give rise to a situation in which a director has, or can have, a direct or indirect interest which conflicts, or possibly may conflict with the interest of the Company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it) ("Conflict").
- 24.6 Any authorisation under this article will be effective only if:
- 24.6.1 the director has disclosed to the other directors the nature and extent of his interest in any Conflict, such disclosure to be made as soon as reasonably practicable;
- 24.6.2 the matter in question shall have been proposed by any director for consideration at a meeting of directors in the same way that any other matter may be proposed to the directors under the provisions of these articles or in such other manner as the directors may determine;
- 24.6.3 any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question; and

- 24.6.4 the matter was agreed to without his voting or would have been agreed to if his vote had not been counted
- 24.7 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently), subject to the provisions of these Articles of Association
- 24.7.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the Conflict so authorised,
- 24.7.2 be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine,
- 24.7.3 be terminated or varied by the directors at any time.
- This will not affect anything done by the director prior to such termination or variation in accordance with the terms of the authorisation.
- 24.8 In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person the director is under no obligation to
- 24.8.1 disclose such information to the directors or to any director or other officer or employee of the Company;
- 24.8.2 use or apply any such information in performing his duties as a director, where to do so would amount to a breach of that confidence.
- 24.9 Where the directors authorise a Conflict they may provide, without limitation (whether at the time of giving the authorisation or subsequently) that the director:
- 24.9.1 is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict;
- 24.9.2 is not given any documents or other information relating to the Conflict;
- 24.9.3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict.
- 24.10 Where the directors authorise a Conflict:
- 24.10.1 the terms of the authorisation shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded);
- 24.10.2 the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict,
- 24.10.3 the director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Companies Act 2006 provided he acts in accordance with such terms, limits and conditions (if any) as the directors impose in respect of its authorisation.
- 24.11 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for

any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

Proceedings of Directors

- 25.1 Subject to the provisions of these Articles, the directors may regulate their proceedings as they think fit. Any director may, and the Secretary will on the requisition of any director, at any time summon a meeting of the directors. At least seven (7) days' written notice of every meeting of the directors will be given unless the written approval of the Investor Director (or his alternate) is obtained. Any such notice will contain an agenda identifying in reasonable detail the matters to be discussed at the meeting and will be accompanied by copies of any relevant papers to be discussed at the meeting. No business except that in respect of which the notice has been given will be transacted at that meeting unless all the directors otherwise agree.
- 25.2 The quorum for the transaction of business at any directors' meeting will be any 2 directors (one of whom must be the Investor Director or his alternate).
- 25.3 Decisions of the directors will be by majority vote. The chairman will not have a second or casting vote.
- 25.4 The directors may appoint two or more of their number as a committee to deal with such matters and having such powers as the Directors may decide. A committee of directors may meet and adjourn as it sees fit.
- 25.5 Without prejudice to the first sentence of regulation 88 of Table A, 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 each of whom is able (directly or by telephonic or video 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 and in Table A will be construed accordingly.

Deeds

- 26.1 Where the Act or the Companies Act 2006 so permits, any instrument signed with the authority of a resolution of the directors or a committee of the directors by one (1) director and the secretary or by two (2) directors or by one (1) director in the presence of an independent witness and expressed to be executed by the Company as a deed will have the same effect as if executed under the seal, provided that no instrument which makes it clear on its face that it is intended by the persons making it to have effect as a deed will be signed without the authority of the directors.
- 26.2 A document which is executed by the Company as a deed will not be deemed to be delivered by the Company solely as a result of its having been executed by the Company.

Insurance and Benefits

- 27.1 Without prejudice to the provisions of regulation 118 of Table A (as applicable to the Company), the directors will have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers, or employees of the Company, or of any other company which is its holding company or in which the Company or such holding company has any

interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company or any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution or discharge of their duties or in the exercise or purported exercise of their powers or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund.

- 27.2 Without prejudice to the generality of regulation 85 of Table A (as applicable to the Company), no director or former director will be accountable to the Company or the members for any benefit provided pursuant to this Article and the receipt of any such benefit will not disqualify any person from being or becoming a director of the Company
- 27.3 Pursuant to section 719 of the Act, the directors are hereby authorised to make such provision as may seem appropriate for the benefit of any persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer of the whole or part of the undertaking of the Company or any subsidiary.
- 27.4 Any such provision will be made by a resolution of the directors in accordance with the said section.

Notices

- 28.1 Service of notices will be deemed to take place, in the case of delivery, at the time of delivery, in the case of posting, 2 Business Days after the envelope containing the notice or document was put into the post (5 Business Days if abroad), or, in the case of fax, 12 hours after the notice or document was despatched or, if that time falls on a day which is not a Business Day, at 9 a.m. on the next Business Day.

Deferred Shares

- 29.1 The Deferred Shares may be redeemed by the Company at any time at its option for £1.00 for all the Deferred Shares registered in the name of the holder without obtaining the sanction of the holder or holders pending the transfer and/or purchase, retain the certificates (if any) in respect of them.
- 29.2 The creation or issue of Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time after that creation or issue to appoint any person to execute or give on behalf of the holder of those Shares a transfer to them to such person or persons as the Company may determine.

ANNEX 1

Key Decisions

Key Decisions include are decisions by the Company to:

- 1 engage in any business other than that set out in the Agreed Form Business Plan or make or permit any material alteration (including cessation) to the general nature of the business carried on by the Company,
2. sell, transfer, lease, license or in any way dispose of or encumber all or a material part of (or any material right over) its business, undertaking, property or other assets, including shares in any subsidiary, whether by a single transaction or a series of transactions, related or not, other than by way of a licence of intellectual property rights on arms length commercial terms in accordance with the Business Plan,
3. subscribe for, purchase or otherwise acquire any shares or other securities, stock or debentures of any other company, trust or partnership or other body (whether or not having a separate legal personality),
4. alter its memorandum or articles of association or similar constitutional documents;
5. make any offer for the issue of new shares or other securities;
- 6 incur any item of expenditure or enter into any capital commitment (whether or not on lease or hire purchase) to acquire any asset or incur any capital expenditure in excess of £5,000 (individually) or £20,000 (in aggregate) or exceed the amount stated in the then- current Annual Budget in respect of any particular item by more than 10%;
7. enter into any contract, which
 - 7.1 is long term, unusual or onerous; or
 - 7.2 involves or is likely to involve obligations or liabilities which ought reasonably to be made known to the Investors; or
 - 7.3 is otherwise than at arm's length and on the best terms reasonably obtainable,
8. make any loans or give any credit other than in the normal course of business;
- 9 enter into or give or permit or suffer any guarantee or indemnity or contract of suretyship or otherwise similarly commit itself, other than in the normal course of business or factor or assign any of its book debts;
10. borrow any moneys or obtain any advance or credit above sums specified in the then- current Annual Budget or vary the terms of any borrowings or open any additional bank accounts;
- 11 create or issue or permit to subsist any debenture, mortgage, charge, lien or other security or encumbrance (other than liens arising in the ordinary course of business by operation of law so long as the obligations secured thereby do not become overdue) over the whole or any part of its undertaking, property, revenue or assets or uncalled capital;
12. make or agree to make any change to its authorised or issued share capital (whether by increasing, reducing, consolidating, sub-dividing, purchasing, redeeming,

cancelling, allotting or issuing any shares), or otherwise vary its capital structure or grant any warrant or option over, or issue any instrument carrying rights of subscription or conversion into, any shares or equity securities (as defined in Section 94(2) of the Companies Act 1985) or create or issue any debenture stock,

13. make any gift or donation,
14. apply for any of the share capital of the Company to be listed on any Recognised Investment Exchange;
15. waive its rights against another Party in respect of a breach by that other party of its obligations under this Agreement;
16. propose, declare or pay any dividend or make any distribution or agree to capitalise any reserves or apply any amount being standing to the credit of its share premium account or capital redemption reserve for any purpose (save as provided in the Articles),
17. enter into or vary the terms of any transaction, arrangement or agreement with or for the benefit of any of its directors or members or any person connected with any such directors or members within the meaning of Section 839 of the Income and Corporation Taxes Act 1988;
18. take or permit the taking of any steps to have the Company voluntarily wound up or enter into a scheme of arrangement (other than for the purposes of amalgamation or restructuring previously approved by a Majority of Investors) or any insolvency procedure under the provisions of the Insolvency Act 1986;
19. appoint or remove any person as an Investor Director or a Special Director or as Chairman or as a Director,
20. permit any variation in the terms of engagement of the Founder or Academic or any Director,
21. enter into any partnership or joint venture or strategic alliance or profit sharing agreement with any person, firm or corporation;
22. seek cancellation, amendment or revocation or any modification of any Intellectual Property or bring or take or refrain from bringing or taking any actions in respect of infringements;
23. make any change to its auditors, accounting policies or its accounting reference date,
24. threaten, instigate, conduct, settle or compromise any litigation or claim save for the collection of debts arising in the ordinary course of business,
25. incorporate or otherwise establish or acquire any subsidiary or associated company,
26. take or agree to take or otherwise acquire any interest in or licence over land;
27. establish an employee share scheme including the Employee Share Scheme or other bonus scheme or make changes to the terms of such a scheme or allot shares or options over shares pursuant to such a scheme,
28. hire, remove or dismiss or vary the remuneration, emoluments or fees of, employees or consultants earning an annual basic salary or fee in excess of £30,000 or on terms which include a notice period of more than three months;

29. take any action to permit or allow any subsidiary undertaking of the Company to take any of the actions listed in this Annex 1