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Companies Act 1985

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

-of-

VASTOX LIMITED

(Amended by Written Resolution on 10 February 2003)

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PRIVATE COMPANY LIMITED BY SHARES

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of
VASTOX LIMITED

1. **PRELIMINARY**

1.1 The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Table A to F) (Amendment) Regulations 1985 ("Table A") shall apply to the Company and shall be the Articles of Association of the Company save in so far as they are excluded or varied by these Articles.

1.2 In these Articles:-

"**Article**" means an Article contained in these Articles;

"**Board**" means the board of directors of the Company from time to time;

"**Group Company**" means, in relation to a member, any subsidiary or holding company (as such expressions are defined in section 736 Companies Act 1985) of such member, or any subsidiary of such holding company;

"**IP2IPO**" means IP2IPO Limited;

"**Regulation**" means a regulation in Table A;

"**Relevant Securities**" means:

- (a) shares in the Company; and
- (b) any right to subscribe for, or to convert any security into, shares in the Company (other than shares so allotted);

"**Section**" means a section of the Companies Act 1985, as it may be amended or re-enacted from time to time;

"**University**" means the Chancellor, Masters and Scholars of the University of Oxford.

1.3 In Regulation 1 "execution" includes both signature under hand and execution under seal.

1.4 Regulations 24, 41, 59, 64, 73 to 80, 87, 89, 94 to 97, 101 and 118 shall not apply to the Company.

2. **PRIVATE COMPANY**

The Company is a private company.

3. **SHARES**

Authorised Share Capital

- 3.1 At the date of adoption of these Articles, the Company's authorised share capital is £1,000, made up of 1,000 ordinary shares of £1.00 each.

Directors' Power to Issue Shares

- 3.2 The directors can decide how to deal with any shares which have not been issued. The directors can allot those shares on any terms. The directors can also grant options to acquire shares, for example, in exchange for a certain sum of money. Or the directors can dispose of the shares in any other way. The directors have complete freedom to decide who they deal with, when they deal with the shares, and the terms that they deal on. However, the directors must obey the provisions of the Act and these Articles relating to authority and pre-emption rights (including, but not limited to, the provisions contained in Articles 3.3 - 3.6 inclusive).

Directors' Authority to Issue Shares

- 3.3 The directors are authorised, generally and without conditions, under Section 80 to allot Relevant Securities. They are authorised to allot them for a period of five years from the date of adoption of these Articles. The members can, by passing ordinary resolutions, renew or extend this period for periods of no more than five years each and they may revoke this authority.
- 3.4 The directors may, before the authority in Article 3.3 expires, make an offer or enter into an agreement which could require them to allot Relevant Securities after that authority expires. They may allot Relevant Securities after that authority expires under the terms of such an offer or agreement.
- 3.5 The maximum amount of Relevant Securities that may be allotted under the authority in Article 3.3 is the Company's authorised share capital on the date of adoption of these Articles.

Persons who may be allotted shares

- 3.6 Unless the holders of 80% of the issued shares in the capital of the Company agree otherwise in writing, if the directors want to issue shares, they must first offer the shares to the members of the Company in proportion (so far as possible) to the numbers of shares currently held by them. The offer shall be at the same price and on the same terms to each member and shall be made by notice sent by the directors to the members which gives details of the number of shares offered and giving a deadline before which the members must accept the offer. The deadline must be more than 30 days after the day the notice was sent to the members. After the deadline, the members who have not responded to the offer will be deemed to have refused it.

After the deadline, any shares which have not been accepted by members will be offered to the members who accepted the original offer in proportion to their current shareholding. This offer will be made in the same manner as the original offer.

3.7 Any shares which:

- (a) have not been accepted by any members after being offered under Article 3.6; or
- (b) could not be offered under Article 3.6 without being offered in fractions;

may be allotted in accordance with the powers given to the directors by Article 3.2. However, the directors may not deal with the shares on terms which are more favourable than the terms on which the shares were originally offered to the members

Effect of Companies Act

- 3.8 Articles 3.6 and 3.7 are subject to Section 80. Sections 89(1) and 90(1) to (6) (inclusive) shall not apply to the Company.

4. **LIEN**

- 4.1 In Regulation 8, the words "(not being a fully paid share)" shall be replaced with the words "(whether fully paid or not)".
- 4.2 The Company shall have a first and paramount lien on all shares (whether fully paid or not) registered in the name of any person who is indebted to, or is in any way liable to, the Company for that indebtedness or liability. This lien will apply even if that person is a joint owner of shares and it will also bind that person's estate or trustee in bankruptcy.

5. **FORFEITING SHARES**

This Article 5 will apply if the directors make a call in respect of a member's shares and the member does not pay. If the Company has to pay any costs or expenses in connection with the member's failure to pay the call, the directors may decide that the member will also be liable for those costs or expenses. Regulations 18 and 21 shall be altered accordingly.

6. **TRANSFERRING SHARES**

- 6.1 The directors shall not register a transfer of any shares unless the transfer is in accordance with this Article 6. The directors shall not in any circumstances register a transfer of any shares to an infant, a bankrupt or a person of unsound mind. If a transfer is made in accordance with this Article 6, the directors shall register it, whether or not the shares being transferred are fully paid up. Regulation 24 shall be modified accordingly.
- 6.2 The directors shall register a transfer of shares, or a transmission of shares:

- (a) to which the holders of 80% of the issued shares in the capital of the Company (excluding the holders of the shares proposed to be transferred) agree in writing;
 - (b) by the personal representatives of a deceased member to the member's mother or father, or the member's mother's or father's lineal descendants or the member's husband or wife;
 - (c) being a transfer of not more than 50 shares from the University to IP2IPO; or
 - (d) being a transfer of the legal title only, to a different or additional nominee or trustee where the beneficial owner remains unchanged; or
 - (e) by a member which is a company to any of the Group Companies of that member provided that if such transferee ceases to be its Group Company it shall procure that the shares are immediately transferred back to the original member.
- 6.3 If a member ("the Seller") wants to transfer their shares, and Article 6.2 does not apply, they must give a written notice to the directors ("the Transfer Notice"). The Transfer Notice must be accompanied by the share certificates for the shares to be transferred. It must state both the number and the class of the shares that the Seller wants to transfer.
- 6.4 The Transfer Notice will make the directors the Seller's agents to sell the Seller's shares. The directors will therefore be able to sell the shares referred to in the Transfer Notice ("the Sale Shares"). However, the directors may only sell the Sale Shares at the Fair Value. How the Fair Value is worked out is explained in Article 6.5. The Seller cannot revoke the Transfer Notice unless the directors agree, or if it is allowed by this Article 6.
- 6.5 The Fair Value will be agreed between the Seller and the directors within 14 days after the directors have received the Transfer Notice. If agreement cannot be reached, the Company's auditors will decide what the Fair Value is. In doing this, the Company's auditors will act as experts and not as arbitrators. Their decision will be binding on both the directors and the Seller. In making their determination, the auditors will value the Sale Shares on the basis of an arms length transaction between willing seller and buyer. The calculation of the Fair Value by the auditors will be on a "pro rata" basis. It will not include any premium for a majority interest or a discount for a minority interest.
- 6.6 Once the Fair Value has been worked out, the directors shall offer the Sale Shares to all the members (other than the Seller) in proportion (as far as possible) to the number of shares held by them. They will do this by giving written notice ("the Offer Notice"). The Offer Notice will give the Fair Value and ask each member to respond to the Offer Notice within 14 days saying;
- (a) how many shares they want to buy; and
 - (b) how many extra shares they would want to buy, if they become available.

- 6.7 If the members do not accept the offer to buy all of the Shares, the surplus shares shall be used to satisfy the claims of the members who said in their response to the Offer Notice that they wanted extra shares. The surplus shares will be offered to those members in proportion to the number of shares held by each of them. However, a member will not have to take more shares than they wanted. If any of the Sale Shares cannot be offered to the members without being divided into fractions, the directors will decide who those Sale Shares shall be offered to.
- 6.8 Once the 14 day period after the Offer Notice has ended, the directors will send a written notice to the Seller stating the number of Sale Shares that the members want to buy ("the Sale Notice"). If the members wish to buy some, but not all, of the Sale Shares, the Seller may withdraw the Transfer Notice. The Seller must do this by giving written notice to the directors ("the Counter Notice") within 21 days of receiving the Sale Notice.
- 6.9 If members are willing to buy all of the Sale Shares, or if the Seller has not sent a Counter Notice within the 21 day period, the Seller must transfer the Sale Shares to the members specified in the Sale Notice. However, the Seller does not have to transfer the Sale Shares until he or she has been offered payment for all of them.
- 6.10 If the Seller must transfer the Sale Shares, but does not, then:
- (a) the directors shall authorise a person to execute stock transfer forms for the Sales Shares in favour of the buying members;
 - (b) the directors will (subject to stamping of the stock transfer forms) enter the names of the buying members in the Register of Members as the holders of the Sale Shares in accordance with the Sale Notice; and
 - (c) the Company can receive and give a good discharge for any payment for the Sale Shares.

The Company will hold any money received for the Sale Shares in a separate bank account as trustee for the Seller. The Company will pay the Seller that money on demand. The Company does not have to pay the Seller any interest on the money.

- 6.11 The Seller may sell and transfer any Sale Shares not sold to members under this Article 6 to any person. However:
- (a) the Seller must send the directors a copy of the terms of sale of the Sale Shares;
 - (b) the Seller cannot sell the Sale Shares on better terms for the purchaser than the terms that were offered to the members; and
 - (c) any sale must be within 6 months after the date of the Sale Notice;
- 6.12 The directors may ask the following people to give the Company any information or evidence that they feel is necessary to ensure that a transfer of shares complies with this Article 6:
- (a) a member;

- (b) a member's trustee in bankruptcy;
- (c) a deceased member's personal representative;
- (d) a corporate member's liquidator; or
- (e) a person named as a transferee in a stock transfer form lodged with the company for a registration.

If:

- (i) the directors do not get the information or evidence they have asked for within a reasonable time; or
- (ii) the information or evidence that they do receive shows that a Transfer Notice ought to be given for shares;

then the directors may resolve that the member must transfer the shares concerned. If they do this, the member who is shown in the Register of Members as holding the shares will be deemed to have served a Transfer Notice.

- 6.13 A stock transfer form for a fully paid share must be signed by or on behalf of the transferor. If the shares are not fully paid up, the stock transfer form must also be signed by or on behalf of the transferee.
- 6.14 Even if a member has signed a stock transfer form for shares, the Company will treat him or her as a holder of those shares until the transferee's name is entered in the Register of Members for those shares.

7. GENERAL MEETINGS

- 7.1 A notice which calls a general meeting does not need to specify the general nature of the business to be transacted, unless there is special business. All business transacted at an extraordinary general meeting or at an annual general meeting shall be deemed to be special other than:
 - (a) declaring a dividend;
 - (b) consideration of accounts, balance sheets and reports of the directors and auditors; and
 - (c) the fixing of the remuneration of the auditors at an annual general meeting. Regulation 38 shall be altered accordingly.
- 7.2 All notices of general meetings shall give information to members about their right to appoint a proxy in accordance with Section 372(3).
- 7.3 All notices and other communications relating to a general meeting which a member is entitled to receive shall also be sent to the directors and the auditors.
- 7.4 At a general meeting, votes may be given on a show of hands or on a poll. In either case, votes may be given either personally or by proxy.

- 7.5 The words "at the time when the meeting proceeds to business" shall be added at the end of the first sentence in Regulation 40.
- 7.6 If a quorum is not present within half an hour of the scheduled time for a general meeting, the meeting will be adjourned until the same day of the next week at the same time and place. However, the directors may decide to adjourn a general meeting to another time or place. If, at the adjourned meeting, a quorum is not present within half an hour of the scheduled time, the meeting shall be dissolved.
- 7.7 The sentence "If a body corporate is a member of the Company then execution of a resolution by one of its directors or officers on its behalf will be sufficient." shall be added at the end of Regulation 53

8. APPOINTING AND REMOVING DIRECTORS

- 8.1 The maximum number and minimum number of directors may be decided by ordinary resolution of the Company from time to time. If no resolution is made, there shall be no maximum number of directors and the minimum number of directors shall be 1. When the minimum number of directors is one, the sole director shall have authority to exercise all the powers and discretions granted to the directors by Table A and by these Articles. The sole director may do this by written resolution. Regulations 89 and 90 shall be altered accordingly.
- 8.2 The directors do not need to retire by rotation.
- 8.3 No person can be appointed a director at any general meetings unless:-
- (a) they are recommended by the directors; or
 - (b) they are proposed by a person qualified to vote at the General Meeting. In that case, the member proposing the director must, not less than 14 and no more than 35 clear days before the date of the meeting, give notice to the Company of their intention to propose the person for appointment and also send to the Company a notice signed by that person indicating his willingness to be appointed.

Subject to this, the Company may by ordinary resolution appoint any person to be a director, either to fill a vacancy or as an additional director.

- 8.4 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director.

9. ALTERNATE DIRECTORS

- 9.1 Each director (other than an alternate director) may appoint an alternate (who need not be a director) to represent him at meetings of the Board which he is unable to attend; but, in the case of an alternate who is not a director, such appointment shall not be valid unless the appointee has been approved by a resolution of the Board, such approval not to be unreasonably withheld. Regulation 65 shall be modified accordingly. An alternate director so appointed can represent more than one director. At any meeting of the directors (or of any committee of the directors), the alternate director shall be entitled to one vote for every director that he represents,

as well as his own vote as a director, if he has one. However, an alternate director shall only count as one for the purpose of determining whether a quorum is present, irrespective of how many directors he represents.

9.2 Alternate directors will not be entitled to be paid any remuneration by the Company. However, the person who has appointed the alternate director may, by giving written notice to the Company, direct that any payment due from the Company to them should be paid to the alternate director. The first sentence of Regulation 66 is altered accordingly.

9.3 If something happens which could cause an alternate director, if he was a director, to vacate the office of director, then the appointment of that alternate director will automatically terminate.

10. **POWERS AND PROCEEDINGS OF DIRECTORS**

10.1 This Article 10.1 applies if a meeting of the directors (or of a committee of directors) considers any proposal in which a director has an interest which conflicts, or could conflict, with the interests of the Company. If this Article applies, the director must disclose that interest to the meeting in accordance with Section 317. As long as the director does this, he may vote at the meeting and may be counted in determining that a quorum is present at the meeting. A disclosure made by a director which complies with Section 317 will be sufficient disclosure for the purposes of Regulations 85 and 86.

10.2 No meeting of the Board may transact business unless a quorum is present. For these purposes a quorum of the Board is 2 directors, present in person or represented by an alternate.

10.3 All resolutions of the Board shall be passed by a simple majority vote. The Chairman shall not have a casting vote and Regulation 88 shall be modified accordingly.

10.4 If the Company is a member of another corporation then any director:

- (a) is authorised under Section 375 to act as the Company's representative at any meeting of such corporation or at any meeting of a class of members of that corporation;
- (b) may sign any written resolution of the members of that corporation; or
- (c) may act as a signatory to conclude any particular business in relation to that corporation

as if the board of directors of the Company had given its consent.

10.5 The directors may exercise all the powers of the Company to pay or provide pensions, annuities, gratuities, superannuation and other allowances and benefits to:-

- (a) current and former directors;

- (b) current and former employees;
- (c) dependents and relatives of current and former directors and employees

of the Company or any subsidiary or associated company. The directors are entitled to retain any benefits received by any of them as a result of their exercise of these powers.

- 10.6 If a director performs special services for the Company which are outside the normal scope of his duties, then that director may receive extra remuneration. The amount of the remuneration will be decided by the directors and will be charged as part of the Company's ordinary revenue expenses. However, the directors do not need to give extra remuneration to any director who performs special services without being requested to do so by the directors.
- 10.7 A meeting of the board of directors or of a committee may be held by means of video-conference, telephone or similar communications equipment. However, everybody who participates in the meeting must be able to hear each other. Any person participating in a meeting held in this manner shall be deemed to be present at the meeting. They will therefore count towards the quorum and be entitled to vote in any resolutions proposed to be passed at the meeting.

11. BORROWING

The directors may exercise all the powers of the Company to:-

- 11.1 borrow money without limit as to amount on such terms and in such manner as they think fit;
- 11.2 grant any mortgage, charge or standard security over all or any part of its undertaking, property and uncalled capital; and
- 11.3 subject (in the case of any security convertible into shares) to Section 80, issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

12. NOTICES

- 12.1 In regulation 112 the words "or by telex or fax" shall be inserted before the words "or by sending it by" and the words "first class" shall be inserted before the words "post in a pre-paid envelope".
- 12.2 Where notice is communicated by telex or fax then the notice shall be deemed to be given at the time it is correctly transmitted to the person to whom it is addressed.

13. COMPANY SEAL

- 13.1 A document can only be sealed with the company seal if the directors authorise this. The directors shall decide who will sign any document that the seal is affixed to. If the directors do not decide this then the documents will be signed by any director and also by the secretary or another director. Share certificates do not

have to be sealed with the seal and Regulation 6 is modified accordingly.

- 13.2 The Company is authorised under Section 39 to have one or more official seals which can be used outside the United Kingdom. The directors may exercise this power.

14. **OFFICERS' INDEMNITY**

- 14.1 Insofar as the following provisions are not avoided by Section 310:-

- (a) every director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or in relation to the performance of the duties of his office, including any liability incurred by him in defending any proceedings, either civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with an application under Section 144 or Section 727 in which relief is granted to him by the Court; and
- (b) no director or other officer shall be liable to the Company or any third party for any loss or damage suffered by the Company arising out of that person's performance of their duties of office.

- 14.2 Subject to the provisions of the Act, the directors may purchase and maintain insurance at the expense of the Company for the benefit of any director or other officer of the Company against any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done by him as a director or officer of the Company.

NAME AND ADDRESS OF SUBSCRIBER

BHD Nominees Limited

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DATED the 8th day of January 2003

WITNESS to the above signature:

Name: Leah Doyle

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