

Company No 06644379

MONDAY



THE COMPANIES ACT 1985
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
NAVION LIMITED¹
(the "Company")

Adopted by Special Resolution passed on 28 November 2008 and amended by a special resolution passed on 8 July 2011.

PRELIMINARY

1. Definitions and interpretation

1.1 In these Articles

"1985 Act"	means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force,
"2006 Act"	means the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force,
"Acquirer"	means any person including any Shareholder, acquiring or proposing to acquire any interest in Shares,
"Acting in Concert"	has the meaning ascribed to it in the May 2002 edition (as amended) of the City Code of Takeovers and Mergers,
"Acts"	means the 1985 Act and the 2006 Act and any statutory instruments made under either of them,
"Auditors"	means the auditors appointed by the Company under the Acts from time to time as the auditors of the Company,
"Board"	means the board of Directors of the Company for the time being,
"Business Day"	means a day (except for Saturday or Sunday) when the clearing banks are open for business in London,
"Company Share Incentive Scheme"	means a share incentive scheme or an option scheme, adopted by the Company to incentivise management, staff or consultants of the Company pursuant to which any participant may be entitled to subscribe for Shares,
"Connected persons"	shall have the same meaning given to such expression by section 839 of the Income and Corporation Taxes Act 1998,

¹ The company name was changed from Navion Pharma Limited by a special resolution dated 8th JULY 2011

“Director”	means a director of the Company appointed from time to time by the Shareholders or the Directors in accordance with the terms of these Articles,
“Employee Shareholder”	a Shareholder who is, or has been, an employee, director or consultant of the Company but excluding any Founder and any Investor,
“Family Trust”	means, as regards any particular individual Shareholder or deceased or former individual Shareholder, a trust (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 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 if 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,
“Founders”	means Professor Mustafa Djamgoz, Professor Charles Coombes, Doctor Scott Fraser and Doctor James Diss,
“Group”	means a body corporate and any holding company of which that body corporate is a subsidiary and any other subsidiaries of that holding company (including any subsidiaries of the first-mentioned body corporate) and any body corporate, partnership or fund which holds or manages investments for the benefit of any of the foregoing and/or employees of any of the foregoing (but no other person), and references to any member of a Group shall be construed accordingly,
“Imperial Innovations”	Imperial Innovations Businesses LLP (registration number OC333709) whose registered office is at 52 Princes Gate, London, SW7 2PG,
“Investor”	means any of Imperial Innovations, Professor Chris Wood, Hugh Griffith or Professor Mustafa Djamgoz,
“Investor Consent”	means the consent of each of the Investors,
“Investor Shares”	the Ordinary Shares in the Company held by any Investor,
“Issue Price”	means the amount paid up or credited as paid up (including any premium on issue) on the Share concerned,
“Leaver”	an Employee Shareholder ceasing to be an employee, director or consultant of the Company,
“Majority Change of Control”	means the acquisition (whether by purchase, transfer or otherwise but excluding a subscription or a transfer of Shares made in accordance with Article 9 3 (Permitted Transfers)) by an Acquirer who, together with persons Acting in Concert with him or his Connected Persons,

did not immediately prior thereto hold or beneficially own more than 50 per cent of the Shares, of any interest in any Shares if, upon completion of that acquisition, the Acquirer, together with persons Acting in Concert with him or his Connected Persons, would hold or beneficially own more than 50 per cent of the Shares,

“Ordinary Shares” means the voting ordinary shares of £0 0001 each in the capital of the Company,

“Permitted Transfer” has the meaning set out in Article 9 3,

“Permitted Transferee” means a person to whom any Share may be transferred in accordance with the provisions of Article 9 3 of these Articles,

“Privileged Relation” means, in relation to an individual Shareholder or deceased or former individual Shareholder, the husband or wife or the widower or widow of such Shareholder and all the lineal descendants and ascendants in direct line of such Shareholder and the brother and sisters of such Shareholder and their lineal descendants and a husband or wife or widower or widow of any of the above persons and for the purpose aforesaid a step-child or adopted child or illegitimate child of any person shall be deemed to be his or her lineal descendant,

“Shareholders” means the holders of Shares and **“Shareholder”** means any of them,

“Shares” means the Ordinary Shares and any other shares in the capital of the Company from time to time in issue,

“Valuers” means the Auditors, unless

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

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

1 2 In these Articles unless the context otherwise requires

1 1 1 words in the singular include the plural and vice versa,

1 1 2 words importing any gender include all genders,

1 1 3 a reference to a person includes a reference to a body corporate and to an unincorporated body of persons, and

- 1 1 4 save to the extent modified by this Article 1, words or expressions contained in these Articles bear the same meaning as in the Acts but excluding any statutory modification thereof not in force on the date of the adoption of these Articles
- 2 A reference to any statute or provision of a statute includes a reference to any statutory modification or re-enactment of it for the time being in force
- 3 The Company is a private company within the meaning of the Acts. Accordingly the Company shall not offer to the public (whether for cash or otherwise) any Shares in or debentures of the Company or allot or agree to allot (whether for cash or otherwise) any Shares or debentures being offered for sale to the public
- 4 Subject as hereinafter provided the Regulations set out in Table A of the Schedules to the Companies (Tables A to F) Regulations 1985 as amended by SI 2007/2541 and SI 2007/2826 shall apply to this Company
- 5 The following Regulations of the said Table A shall not apply to this Company 35, 40, 41, 42, 46, 47 48, the last sentence of 66, 76, 77, 78, 79, 88, 89, 90, 91 and the last sentence of 112
- 6 **Capital**
- 6 1 Each Share shall carry the right to one vote at general meetings of the Company, other than stated in Article 6 2
- 6 2 Notwithstanding any other provision of the articles, for so long as Imperial Innovations, or any holding company or subsidiary of Imperial Innovations or any subsidiary of any such holding company (each an “**Imperial Entity**”) shall be the legal or beneficial owner of any Shares, such Shares so held by any Imperial Entity shall not together confer more than 49.9% of the total voting rights of all the Shares at any time
- 6 3 All Shares shall rank *pari passu* for all purposes save as set out in these Articles regardless of the nominal value thereof or the price at which they were issued
- 6 4 Subject to the Acts, the Company may purchase its own Shares (including redeemable shares) whether out of distributable profits or the proceeds of a fresh issue of Shares or otherwise
- 6 5 Subject to the Acts, any Shares may, with the sanction of an ordinary resolution, be issued on the terms that they are, at the option of the Company or the shareholder, liable to be redeemed on such terms and in such manner as the Company before the issue of the Shares may by special resolution determine, and whether out of distributable profits or the proceeds of a fresh issue of Shares or otherwise
- 6 6 Subject to the Acts, the Company may give financial assistance for the purpose of or in connection with any acquisition of Shares made or to be made in the Company or its holding company
- 6 7 For the avoidance of doubt, the provisions of section 89(1) of the Companies Act 1985 and section 561 Companies Act 2006 shall not apply to the share capital of the Company (present and future)
- 6 8 **Pre-emption on issue**
- 6 8 1 Apart from any Shares to be issued pursuant to the Company Share Incentive Scheme (including the exercise of the options granted by the Company pursuant thereto), or

with the prior written consent of the holders of 80% of the Shares, any Shares in the capital of the Company which the Company proposes to allot shall first be offered for subscription to the holders of the Investor Shares in the proportion that the number of such Shares for the time being held respectively by each such Investor bears to the total number of such Investor Shares in issue. Such offer shall be made by notice in writing specifying the number of Shares to which the Investor is entitled and limiting a time (being not less than twenty one days) within which the offer, if not accepted, will be deemed to be declined.

6 8 2 Investors who accept the offer shall be entitled to indicate that they would accept, on the same terms, Shares (specifying a maximum number) that have not been accepted by other Investors ("Excess Shares") and any Excess Shares shall be allotted to Investors who have indicated they would accept Excess Shares. Excess Shares shall be allotted pro rata to the aggregate number of Investor Shares held by Investors accepting Excess Shares providing that no such Investors shall be allotted more than the maximum number of Excess Shares such Investors has indicated he is willing to accept. After the expiration of such time or upon receipt by the Company of an acceptance or refusal of every offer so made, the Board shall be entitled to dispose of any Shares so offered and which are not required to be allotted in accordance with the foregoing provisions in such manner as the Board may think most beneficial to the Company.

6 8 3 If, owing to the inequality in the number of new Shares to be issued and the number of Investor Shares held by the Investors entitled to receive the offer of new Shares, any difficulty shall arise in the apportionment of any such new Shares amongst the holders, such difficulties shall in the absence of direction by the Company be determined by the Board on as fair a basis as possible.

7 Lien

The lien conferred by Regulation 8 of Table A shall attach to all Shares whether fully paid or not and to all Shares registered in the name of any person indebted or under liability to the Company whether it be the sole holder thereof or one of two or more joint holders. The board may at any time declare any share to be wholly or partly exempt from the provisions of this article.

8 Transfer of shares

8 1 No Shareholder shall purport to dispose of or otherwise transfer an interest in any of the Shares held by it other than by a disposal in accordance with these Articles and as may be permitted pursuant to any agreement in writing between all the Shareholders.

8 2 The instrument of transfer of a Share may be in any usual form or in any other form which the Directors may approve and shall be executed by or on behalf of the transferor and, unless the Share is fully paid, by or on behalf of the transferee.

8 3 The Directors shall register any transfer of Shares which is effected with the consent in writing of all the other Shareholders or pursuant to any agreement in writing between all the Shareholders.

9 Permitted transfers, pre-emption on transfer and offers to purchase

9 1 Except as may be permitted by Articles 9 2 or 9 8 to 9 25 inclusive, none of the Shareholders shall assign, transfer, mortgage, charge, pledge or otherwise dispose of or encumber in any

manner whatsoever and whether in whole or in part its legal or beneficial interest in its holding of Shares in the Company or any right or obligation under these Articles or any other right or obligation as a member of the Company

Permitted Transfers

- 9 2 Notwithstanding the provisions of Article 9 1, each Shareholder (except an Employee Shareholder) may transfer all or any of its Shares in accordance with the following provisions following notification to the Board
- 9 2 1 an individual Shareholder (not being in relation to the Shares concerned a holder thereof as a trustee of a Family Trust) may transfer any of his Shares to the trustees of a Family Trust related to such individual Shareholder or to a Privileged Relation of that Shareholder,
- 9 2 2 where Shares are held by trustees of a Family Trust, they may, on any change of trustees, be transferred to the new trustees of the Family Trust concerned,
- 9 2 3 the trustees of a Family Trust may also transfer any of the Shares held by them in that capacity to a beneficiary of that Family Trust,
- 9 2 4 Shares may be transferred without restriction by a nominee or trustee of a Family Trust to the beneficial owner of such Shares or to another nominee or trustee of a Family Trust of the same beneficial owner,
- 9 2 5 Shares may be transferred by a corporate Shareholder to another member of its Group
- 9 3 If any trust to which Shares have been transferred pursuant to Article 9 2 1 ceases to be a Family Trust then the trustees of that trust shall be deemed, upon such cessation, to have served the Company with a Transfer Notice (as defined in Article 9 8) in respect of the Shares concerned
- 9 4 If a person to whom Shares have been transferred pursuant to Article 9 2 1 ceases to be a Privileged Relation of the transferor then he shall be deemed, upon such cessation, to have served the Company with a Transfer Notice in respect of the Shares concerned
- 9 5 If a corporate Shareholder to which Shares have been transferred pursuant to Article 9.2.5 ceases to be a member of the same Group as the original Shareholder who held such Shares then it shall be deemed, upon such cessation, to have served the Company with a Transfer Notice in respect of the Shares concerned
- 9 6 If a Transfer Notice is deemed to have been served on the Company under Article 9 3, 9 4 or 9 5 then the provisions of Articles 9 8 to 9 23 inclusive shall apply to those Shares
- 9 7 Any Transfer Notice deemed to have been served on the Company under Article 9 3, 9 4 or 9 5 shall be deemed not to contain a Total Transfer Condition (as defined in Article 9 9 5) and shall be irrevocable

Transfer of Shares

- 9 8 Subject to the provisions of Article 9 2, any Shareholder (a **“Vendor”**) shall, before transferring or agreeing to transfer any Share or any interest in any Share, serve notice in writing (a **“Transfer Notice”**) on the Company of his wish to make that transfer
- 9 9 In the Transfer Notice, the Vendor shall specify
- 9 9 1 the number and class of Shares (**“Sale Shares”**) which he wishes to transfer,
 - 9 9 2 the identity of the person (if any) to whom the Vendor wishes to transfer the Sale Shares,
 - 9 9 3 the price per Share at which the Vendor wishes to transfer the Sale Shares (the **“Proposed Sale Price”**),
 - 9 9 4 any other terms relating to the transfer of the Sale Shares (and such terms may not be terms which are prohibited by these Articles), and
 - 9 9 5 whether the Transfer Notice is conditional upon all (and not part only) of the Sale Shares being sold pursuant to the following provisions of this Article 9 (a **“Total Transfer Condition”**)
- 9 10 Each Transfer Notice shall
- 9 10 1 relate to one class of Shares only,
 - 9 10 2 constitute the Company as the agent of the Vendor for the sale of the Sale Shares on the terms of Articles 9 11 to 9 23 and shall, save as provided in Article 9 12, be irrevocable, and
 - 9 10 3 not be deemed to contain a Total Transfer Condition unless expressly stated otherwise or required by these Articles
- 9 11 The Sale Shares shall be offered for purchase in accordance with this Article 9 at
- 9 11 1 a price per Sale Share agreed between the Vendor and the Board, or
 - 9 11 2 in default of agreement under Article 9 11 1 within 21 days after the date of service of the Transfer Notice, the lower of
 - (i) the Proposed Sale Price, and
 - (ii) if the Board elects within 21 days after the date of service of the Transfer Notice to instruct Valuers for that purpose, the price per Share determined by the Valuers as their written opinion of the open market value of each Sale Share in accordance with Article 9 20 (the **“Market Value”**) as at the date of service of the Transfer Notice
- The price per Sale Share agreed or determined in accordance with this Article 9 11 shall be referred to as the **“Sale Price”**
- 9 12 If the Market Value determined by the Valuers under Article 9 11 2(ii) is less than the Proposed Sale Price specified in the Transfer Notice, the Vendor may, subject to Articles 9 7, revoke the

Transfer Notice by written notice given to the Board within the period (the **"Withdrawal Period"**) of 14 days after the date on which the Board serves on the Vendor the Valuers' written opinion of the Market Value

- 9 13 The Board shall invite applications to purchase the Sale Shares at the Sale Price by a written invitation (the **"Invitation"**) served on all Shareholders within 7 days after the Sale Price is agreed or determined under Article 9 11 or, if the Transfer Notice is capable of being revoked under Article 9 12, within 7 days after the expiry of the period for revocation in Article 9 12
- 9 14 An Invitation shall
- 9 14 1 specify the Sale Price,
- 9 14 2 expire 30 days after its service,
- 9 14 3 contain the other details included in the Transfer Notice, and
- 9 14 4 invite the relevant Shareholders to apply in writing, before expiry of the Invitation, to purchase the numbers of Sale Shares specified by them in their application
- 9 15 After the expiry date of the Invitation the Board shall allocate the Sale Shares in accordance with the applications received, subject to the other provisions of these Articles, save that
- 9 15 1 if there are applications from any class of Shareholders for more than the number of Sale Shares available for that class of Shareholders, they shall be allocated to those applicants in proportion (as nearly as possible but without allocating to any Shareholder more Sale Shares than the maximum number applied for by him) to the number of Shares of the relevant class then held by them respectively,
- 9 15 2 if it is not possible to allocate any of the Sale Shares without involving fractions, those fractions shall be aggregated and allocated amongst the applications of the relevant class in such manner as the Board thinks fit, and
- 9 15 3 if the Transfer Notice contained a Total Transfer Condition, no allocation of Sale Shares shall be made unless all the Sale Shares are allocated
- 9 16 The Board shall, within 7 days of the expiry of the Invitation, give notice in writing (a **"Sale Notice"**) to the Vendor and to each person to whom Sale Shares have been allocated (each a **"Purchaser"**) specifying the name and address of each Purchaser, the number of Sale Shares allocated to him, the aggregate price payable for them and the time for completion of each sale and purchase
- 9 17 If some or all of the Sale Shares remain unsold at the expiration of the Invitation, the Board shall forthwith give written notice thereof to the Shareholders holding shares of that class (including the Vendor) Any member of the Company (other than a person who had declined to purchase any of the Sale Shares) may, by written notice to the Company, within a further period of 10 days after the expiration of the Invitation, accept the offer in respect of any number of the Sale Shares which remain unsold but, in the case of competition, the Sale Shares shall be sold to the members accepting the offer in proportion (as nearly as may be without involving fractions and without increasing the number applied for by them) to their then existing holdings of the issued share capital of the Company taking account of the Sale Shares purchased during the Invitation The Board shall, on the expiration of such 10 day period, forthwith give a further Sale Notice to the Vendor in respect of any acceptance of the offer of such remaining Sale Shares and shall specify the name and address of each Purchaser, the number of Sale Shares

allocated to him, the aggregate price payable for them and the time for completion of each sale and purchase

- 9 18 Completion of a sale and purchase of Sale Shares pursuant to a Sale Notice shall take place at the registered office of the Company at the time specified in the Sale Notice (being not less than one week and not more than one month after the expiry of the Invitation, unless agreed otherwise in relation to any sale and purchase by both the Vendor and the Purchaser concerned) when the Vendor shall, upon payment to him by a Purchaser of the Sale Price in respect of the Sale Shares allocated to that Purchaser, transfer those Sale Shares and deliver the relevant share certificates to that Purchaser
- 9 19 The Vendor may, during the period falling between one and six months after the expiry of the Invitation, sell any Sale Shares for which a Sale Notice has not been given by way of bona fide sale to any person at any price per Sale Share which is not less than the Sale Price, without any deduction, rebate or allowance to the proposed transferee, provided that
- 9 19 1 the Board shall be entitled to refuse registration of the proposed transferee if the transferee is reasonably believed by the Board to be a direct competitor or connected with a direct competitor of any business of the Company or a nominee of such person, and
- 9 19 2 if the Transfer Notice contained a Total Transfer Condition, the Vendor shall not be entitled to sell only some of the Sale Shares under this Article 9 19 save with the written consent of the other Shareholders
- 9 20 If a Vendor fails to transfer any Sale Shares when required pursuant to this Article 9, the Board may authorise any person (who shall be deemed to be the attorney of the Vendor with full power for the purpose) to execute the necessary transfer of such Sale Shares and deliver it on the Vendor's behalf. The Company may receive the purchase money for the Sale Shares from the Purchaser and shall, upon receipt of the transfer duly stamped, register the Purchaser as the holder of those Sale Shares. The Company shall hold the purchase money in a separate bank account on trust for the Vendor but shall not be bound to earn or pay interest on any money so held. The Company's receipt for the purchase money shall be a good discharge to the Purchaser (who shall not be concerned to see to the application of it) and, after the name of the Purchaser has been entered in the register of members in purported exercise of the power conferred by this Article, the validity of that exercise shall not be questioned by any person
- 9 21 If instructed to give their opinion of Market Value under Article 9 11 2(ii), the Valuers shall
- 9 21 1 act as expert and not as arbitrator and their written determination shall be final and binding on the Shareholders, save in the case of manifest error, and
- 9 21 2 proceed on the basis that
- (i) the open market value of each Sale Share shall be the sum which a willing purchaser would agree with a willing vendor to be the purchase price for all the class of Shares of which the Sale Shares form part, divided by the number of issued Shares then comprised by that class,
- (ii) there shall be no addition of any premium or subtraction of any discount by reference to the size of the holding that is the subject of the Transfer Notice or in relation to any restrictions on the transferability of the Sale Shares, and

- (iii) any difficulty in applying either of the foregoing bases shall be resolved by the Valuers as they think fit in their absolute discretion
- 9 22 The Company will use its reasonable endeavours to procure that the Valuers deliver their written opinion of the Market Value to the Board and the Vendor within 28 days of the Board electing to instruct them under Article 9 11
- 9 23 The Valuers' fees for reporting on their opinion of the Market Value shall be borne as to one half by the Vendor and as to the other half by the Purchasers pro rata to the number of Sale Shares purchased by them, unless
 - 9 23 1 the Vendor revokes the Transfer Notice pursuant to Article 9 12, or
 - 9 23 2 none of the Sale Shares are purchased pursuant to this Article 9,in which case the Vendor shall pay all the Valuers' fees

Mandatory Transfers

- 9 24 If an Employee Shareholder becomes a Leaver, all of the Shares then held by the Leaver shall be subject to the following
 - 9 24 1 the date on which the Leaver ceases to be an employee, director or consultant of the Company shall be the "**Cessation Date**" for the purposes of these Articles provided always that where a Leaver who is an employee, director or consultant of the Company ceases to be an employee, director or consultant in circumstances where he has served notice on the Company or the Company has served notice on him terminating his employment, directorship or consultancy (as the case may be) then, unless the Board determines otherwise, the Cessation Date shall be deemed to be the date of service of such notice,
 - 9 24 2 there shall be deemed to have been given on the Cessation Date a Transfer Notice in respect of all of the Shares then held by the Leaver (a "**Mandatory Transfer Notice**") to transfer the Shares to such person(s) as the Board may determine,
 - 9 24 3 in respect of any Shares held by the Leaver
 - (a) if the Leaver is a Good Leaver, the price of the Shares which are the subject of the Mandatory Transfer Notice shall be the higher of the market value of the Shares as determined by the Board and the price paid by the Leaver for the Shares, and
 - (b) if the Leaver is a Bad Leaver, the price of the Shares which are the subject of the Mandatory Transfer Notice shall be the lower of the market value of the Shares as determined by the Board and the price paid by the Leaver for the Shares,
 - 9 24 4 if at any time a former employee, former director or former consultant of the Company shall, after ceasing to be such an employee, director or consultant acquire any Shares pursuant to an option or other like right granted to him prior to such cessation then the provisions of this Article 9 2 4 shall apply as if the reference in Article 9 24 1 to the Cessation Date were reference to a date on which he acquires such Shares,

9 24 5 for the purposes of this Article 9 24

- (a) a Bad Leaver shall mean a Leaver who is not a Good Leaver, and
- (b) a Good Leaver shall mean a Leaver who has ceased to be an employee, director or consultant of the Company in any of the following circumstances
 - (i) the death of the Leaver,
 - (ii) the injury, ill-health or disability of the Leaver,
 - (iii) the Board with prior Investor Consent in its absolute discretion determines that the Leaver shall be treated as a Good Leaver for the purposes of this Article 9 24

9 25 **Tag Along**

9 25 1 Notwithstanding any other provision in these Articles, no sale or transfer or other disposition of any interest in any Shares (the “**Specified Shares**”) shall have any effect if it would result in a Majority Change of Control unless before the transfer is lodged for registration the Acquirer has made a bona fide offer in accordance with this Article 9 25 to purchase in cash at the Specified Price (as defined in Article 9 25 3) all the Shares held by the Shareholders (except any Shareholder which has expressly waived its right to receive such an offer for the purpose of this Article 9 25)

9 25 2 An offer made under Article 9 25 1 shall be in writing open for acceptance for at least 21 days, and shall be deemed to be rejected by any Shareholder who has not accepted it in accordance with its terms within 21 days, and the consideration under such an offer shall be settled in full on completion of the purchase and within 30 days of the date of the offer

9 25 3 For the purpose of Article 9 25 1

- (i) the expressions “**transfer**”, “**transferor**” and “**transferee**” include respectively the renunciation of a renounceable letter of allotment and any renouncer and renounee of such a letter, and
- (ii) the expression “**Specified Price**” means a cash amount which is the higher of
 - (a) a price per Share equal to the highest price paid or payable by the Acquirer or persons Acting in Concert with him or his Connected Persons for any Shares (including the Specified Shares) within the last 6 months plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Specified Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as part of the overall consideration paid or payable for the Specified Shares, and
 - (b) a price per Share equal to the Issue Price thereof

9 26 **Drag Along**

- 9 26 1 If any one or more Shareholders holding between them not less than 60% of the Shares (together the **"Selling Shareholders"**) wish to accept a bona fide arm's length offer for all of their Shares, the Selling Shareholders or, after the transfer by them to the Acquirer of the Shares in question, the Acquirer shall have the option (the **"Drag Along Option"**) to require all the other holders of Shares to transfer all their Shares to the Acquirer or as the Acquirer shall direct in accordance with this Article 9 26 if the Offer by the Acquirer shall not require any Investor to provide any representations, warranties, covenants or indemnities to the Acquirer
- 9 26 2 The Selling Shareholders or the Acquirer may exercise the Drag Along Option by giving notice to that effect (a **"Drag Along Notice"**) to all such other Shareholders (the **"Called Shareholders"**) at any time after the Selling Shareholders have agreed to transfer the Shares in question to the Acquirer. A Drag Along Notice shall specify the fact that the Called Shareholders are required to transfer all their Shares (the **"Called Shares"**) pursuant to Article 9 26 1, the price at which the Called Shares are to be transferred (calculated in accordance with Article 9 26 4) and the proposed date of transfer
- 9 26 3 A Drag Along Notice is irrevocable but a Drag Along Notice and all obligations thereunder will lapse if it is given before the transfer from the Selling Shareholders to the Acquirer of the Shares in question and for any reason the transfer of the Shares in question is not effected within 6 months of the date of the Drag Along Notice
- 9 26 4 The Called Shareholders shall be obliged to sell the Called Shares at the highest price per Share at which the relevant transfer of Shares referred to in Article 9 26 1 takes place or took place
- 9 26 5 Completion of the sale of the Called Shares shall take place on the date specified for that purpose by the Selling Shareholders or the Acquirer except that
- (i) such person may not specify a date that is less than 14 days after the date of the Drag Along Notice, and
 - (ii) if the Drag Along Notice is given by the Selling Shareholders, the date specified by the Selling Shareholders shall be the same date as the date proposed for completion of the sale of their Shares to the Acquirer
- unless all of the Called Shareholders, the Selling Shareholders and the Acquirer agree otherwise
- 9 26 6 If any of the Called Shareholders shall make default in selling its Shares in accordance with this Article 9 26, the Acquirer or (where the Acquirer is a company) any director of the Acquirer or other person duly nominated by resolution of the Board for that purpose shall forthwith be deemed to be the duly appointed attorney of such Called Shareholders with power to execute, complete and deliver in the name and on behalf of such Called Shareholders a transfer of the relevant Called Shares and any such person may receive and give a good discharge of the purchase money on behalf of such Called Shareholders and (subject to the transfer being duly stamped) the Company may enter the name of the third party in the register of members as the holder or holders by transfer of the Called Shares so purchased by him or them. The Board shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for such Called Shareholders until they shall deliver up a certificate or certificates for the

relevant Shares to the Company and they shall thereupon be paid by the purchase money

10 Notice of general meeting

Regulation 38 of Table A shall be amended so that all annual general meetings and extraordinary general meetings of the Company shall be called by at least twenty-one clear days' notice. The provisions contained in that Regulation for calling a general meeting by shorter notice shall continue to apply.

11 Proceedings at general meetings

11.1 No business shall be transacted at any general meeting of the Company unless a quorum is present. The quorum for all general meetings of Shareholders of the Company shall be a representative of each Shareholder holding 5% or more of the voting rights at a general meeting of the Company, present in person or by proxy. If a quorum is not present within half an hour of the time fixed for any such meeting, that meeting shall be adjourned for five Business Days to be reconvened (if possible) at the same time and place, and notice thereof shall be given to the Shareholders. If, at the adjourned general meeting, a quorum is not present within half an hour from the time appointed for such adjourned general meeting, the quorum necessary for the purposes of such adjourned general meeting shall be any two Shareholders.

11.2 The Chairman, if any, of the Board or in his absence some other Director nominated by the Directors shall preside as chairman of the general meeting, but if neither the Chairman nor such other Director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the Directors present shall elect one of their number to be chairman and, if there is only one Director present and willing to act, he shall be chairman.

11.3 At any general meeting a resolution put to the vote of the meeting shall be decided by a poll and the number or proportion of the votes recorded in favour of or against such resolution shall be recorded in the Company's minute book. Regulation 54 of Table A shall be amended accordingly. In the event of an equality of votes the Chairman shall not have a second or casting vote.

11.4 On a poll taken at a general meeting each Shareholder shall have one vote for each Share of which he is the holder.

11.5 For the purposes of a resolution in writing pursuant to Regulation 53 of Table A the execution, in the case of a corporation, by a director or the secretary thereof and, in the case of joint holders of a Share, by or on behalf of any one of such joint holders, shall be sufficient.

12 Directors

12.1 Unless otherwise determined by ordinary resolution the number of directors (other than alternate directors) shall be subject to a maximum of six but shall not be less than 3.

12.2 The quorum for all meetings of the Board (or of any committee of directors appointed by the Board) shall be two Directors. If a quorum is not present within half an hour of the time fixed for any such meeting, or within such longer time as those Directors present within half an hour of the time fixed for the meeting shall agree, that meeting shall be adjourned for five Business Days to be reconvened (if possible) at the same time and place, and notice thereof shall be given to the Directors. A person who holds office only as an alternate Director shall, if his appointor is not present, be counted in the quorum.

- 12 3 Any Director may participate in a meeting of the Board by means of conference telephone or similar communications facilities whereby all the Directors participating in the meeting can hear each other and all the Directors participating in a meeting in this manner shall be deemed to be present in person at such meeting
- 12 4 A director or the secretary of a corporation shall be deemed to be a duly authorised representative of that corporation and shall be entitled to exercise the same powers on behalf of that corporation as that corporation could exercise if it were an individual shareholder, creditor or debenture holder of the Company
- 12 5 Subject to the provisions of these Articles, the Directors may regulate their proceedings as they think fit A Director may, and the secretary at the request of a Director shall, call a meeting of the Board It shall be necessary to give at least 5 days' notice of such meeting to all Directors (even if not in the United Kingdom), unless all Directors accept shorter notice Resolutions of a meeting of the Board shall be approved if and only if a majority of votes of the Directors are cast in favour thereof In the case of an equality of votes, the chairman shall not have a second or casting vote A Director who is also an alternate director shall be entitled, in the absence of his appointor, to a separate vote on behalf of his appointor in addition to his own vote
- 12 6 A Director need not hold Shares in the Company, and no Director shall be subject to retirement by rotation
- 12 7 The Company shall not be subject to section 293 of the 1985 Act or equivalent provision of the 2006 Act and accordingly any person may be appointed as a Director, whatever his age, provided that such appointment is in accordance with any agreement between the Shareholders, and no Director shall be required to vacate his office of Director by reason of his attaining or having attained the age of seventy years or any other age
- 12 8 Subject to the provision of the Acts, a Director may contract with the Company and participate in the profits of any contracts or arrangements involving the Company as if he were not a Director A Director shall also be capable of voting in respect of such contracts or arrangements, where he has previously disclosed his interest to the Company, or in respect of his appointment to any office or place of profit under the Company, or in respect of the terms thereof, and may be counted in the quorum at any meeting at which any such matter is considered
- 12 9 Each of the following shall be entitled to appoint and maintain one Director by written notice served on the Company at its registered office or upon production of such a notice at a meeting of the Board
- 12 9 1 Imperial Innovations, for so long as it (or its nominee or nominees) (or its or their Permitted Transferees) holds Shares constituting a minimum of 20% of the issued share capital of the Company from time to time, and
- 12 9 2 Professor Chris Wood, Hugh Griffith and Professor Mustafa Djamgoz for so long as they together hold Shares constituting a minimum of 20% of the issued share capital of the Company from time to time, and
- 12 9 3 the Founders for so long as they together hold Shares constituting a minimum of 20% of the issued share capital of the Company from time to time
- 12 10 Each of the persons entitled to appoint any Director pursuant to Article 12 9 may, by written notice served on the Company at its registered office or upon production of such a notice at a meeting of the Board, remove a Director appointed by it and may appoint another Director as a

replacement Where any such Director is appointed jointly by two or more appointors, any such notice must be signed by a majority of them

12 11 Each of the Directors appointed pursuant to Article 12 9 shall be Non-Executive Directors and the fees payable to them shall be in accordance with normal commercial terms from time to time

12 12 Each Director shall be entitled to appoint an alternate to attend and vote at meetings of the Board

13 **Borrowing powers of the Directors**

The Directors of the Company may exercise all the powers of the Company to borrow money, whether in excess of the nominal amount of the share capital of the Company for the time being issued or not, and to mortgage or charge its undertaking, property or uncalled capital, or any part thereof, and subject to the Acts to 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

14 **Indemnity**

14 1 Subject to and to the extent permitted by the Acts, but without prejudice to any indemnity to which he may otherwise be entitled every director shall be entitled to be indemnified out of the assets of the Company against all costs and liabilities incurred by him in relation to any proceedings (whether criminal or civil) which relate to anything done or omitted or alleged to have been done or omitted by him as a director save that no director shall be entitled to be indemnified

14 1 1 for any liability incurred by him to the Company or any associated company of the Company (as defined by the Act for these purposes),

14 1 2 for any fine imposed in criminal proceedings,

14 1 3 for any sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature howsoever arising,

14 1 4 for any costs for which he has become liable in defending any criminal proceedings in which he is convicted and such conviction has become final,

14 1 5 for any costs for which he has become liable in defending any civil proceedings brought by the Company or an associated company in which a final judgment has been given against him, and

14 1 6 for any costs for which he has become liable in connection with any application under the Acts in which the court refuses to grant him relief and such refusal has become final

14 2 Subject to and to the extent permitted by the Acts, but without prejudice to any indemnity to which he may otherwise be entitled every director shall be entitled to have funds provided to him by the Company to meet expenditure incurred or to be incurred in any proceedings (whether civil or criminal) brought by any party which relate to anything done or omitted or alleged to have been done or omitted by him as a director, provided that he will be obliged to repay such amounts no later than

- 14 2 1 in the event he is convicted in proceedings, the date when the conviction becomes final,
- 14 2 2 in the event of judgment being given against him in proceedings, the date when the judgment becomes final, or
- 14 2 3 in the event of the court refusing to grant him relief on any application under the Acts, the date when refusal becomes final
- 14 3 Subject to the provisions of the Acts, the Board shall 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, employees or auditors of the Company, or of any company or body which is its holding company or in which the Company or such holding company has an interest whether direct or indirect or which is in any way allied to or associated with the Company or who were at any time trustees of any pension fund in which any employees of the Company or of any other such company or body 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 and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company and/or any such other company, body or pension fund
- 15 **Conflicts of interest requiring board authorisation**
 - 15 1 This article shall take effect from the time that section 175 of the Companies Act 2006 comes into force and these articles shall be read and construed accordingly
 - 15 2 The Board may, provided the quorum and voting requirements set out below are satisfied, authorise any matter that would otherwise involve a Director breaching his duty under the Companies Act 2006 to avoid conflicts of interest
 - 15 3 Any Director (including the Director concerned) may propose that the Director concerned be authorised in relation to any matter the subject of such a conflict Such proposal and any authority given by the Board shall be effected in the same way that any other matter may be proposed to and resolved upon by the Board under the provisions of these articles, except that the Director concerned and any other Director with a similar interest
 - 15 3 1 shall not count towards the quorum at the meeting at which the conflict is considered,
 - 15 3 2 may, if the other members of the Board so decide, be excluded from any Board meeting while the conflict is under consideration, and
 - 15 3 3 shall not vote on any resolution authorising the conflict except that, if he does vote, the resolution will still be valid if it would have been agreed to if his vote had not been counted
 - 15 4 Where the Board gives authority in relation to such a conflict
 - 15 4 1 the Board may (whether at the time of giving the authority or at any time or times subsequently) impose such terms upon the Director concerned and any other Director with a similar interest as it may determine, including, without limitation, the exclusion of that Director and any other Director with a similar interest from the receipt of information, or participation in discussion (whether at meetings of the Board or otherwise) related to the conflict,

- 15 4 2 the Director concerned and any other Director with a similar interest will be obliged to conduct himself in accordance with any terms imposed by the Board from time to time in relation to the conflict,
- 15 4 3 any authority given by the Board in relation to a conflict may also provide that where the Director concerned and any other Director with a similar interest obtains information that is confidential to a third party, the Director will not be obliged to disclose that information to the company, or to use the information in relation to the company's affairs, where to do so would amount to a breach of that confidence,
- 15 4 4 the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded), and
- 15 4 5 the Board may withdraw such authority at any time

16 The company seal

Pursuant to the Acts, the Company can execute documents and deeds without the use of a seal, and any Share certificate signed by a Director and Secretary or by two Directors shall be as valid as a certificate sealed with the seal of the Company, and Regulations 6 and 101 of Table A shall be amended accordingly. The Company may in accordance with the Acts have an official seal for use in any territory, district or place elsewhere than in the United Kingdom, but the official seal shall only be used by a Director and Secretary or by two Directors or by such person or persons on such occasions and in such circumstances as are specifically authorised by a resolution of the Directors, who shall have the authority to amend, suspend or withdraw such authority as they think fit