

Company Number: 7543962

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION  
of  
AUTIFONY THERAPEUTICS LIMITED

(Adopted by special resolution  
passed on 14 February 2013 and amended by special  
resolution on 8 April 2013 and // October 2013)



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Company no: 7543962

THE COMPANIES ACT 2006

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

AUTIFONY THERAPEUTICS LIMITED

(adopted by special resolution dated 11 October 2013)

1. DEFINITIONS

In these Articles the following words and phrases have the following meanings

“Act” means the Companies Act 2006 and every statutory modification or re-enactment thereof for the time being in force,

“Adoption” means the passing of the special resolution approving the adoption of these Articles,

“Affiliate” means in respect of any person (the “Principal”)

- (i) any person which Controls the Principal (a “Parent”),
- (ii) any person which is Controlled by the Principal or a Parent of the Principal (or is jointly Controlled by such persons) (an “Immediate Subsidiary”),
- (iii) any further person which is an Affiliate (as this definition would apply to such further person) of a Parent of the Principal and/or Immediate Subsidiary of the Principal,

provided that in this definition

- (a) the term “person” shall not include (i) any individual, nor (ii) any person (including, without limitation, any partnership formed under the Partnership Act 1890) which does not have independent legal personality, and

- (b) a Shareholder shall not be an Affiliate of the Company (and the Company shall not be an Affiliate of any Shareholder) save in the event that such Shareholder “holds 95 per cent or more of the issued Shares,

“ <u>A Ordinary Consent</u> ”	means the prior written consent of the Holder(s) of 66 6% of the A Ordinary Shares,
“ <u>A Ordinary Group</u> ”	means any parent undertaking of the A Ordinary Shareholder and any subsidiary undertaking of the A Ordinary Shareholder or such parent undertaking from time to time and references to “A Ordinary Group Company” and to “members of the A Ordinary Group” shall be construed accordingly,
“ <u>A Ordinary Shareholder(s)</u> ”	means the Holder(s) of the A Ordinary Shares,
“ <u>A Ordinary Shares</u> ”	means the A ordinary shares of 0 1 pence each in the capital of the Company which have the rights set out in the Articles,
“ <u>Articles</u> ”	means these Articles of Association (as amended from time to time).
“ <u>Arrears</u> ”	means in relation to any Share, all accruals, deficiencies and arrears of any dividend payable in respect of such Share, including any unpaid Preferred Dividend accrued pursuant to Article 9 2 whether or not declared or otherwise then payable and irrespective of whether or not the Company has had at any time sufficient distributable profits to pay such dividend together with all interest and other amounts payable thereon (if any).
“ <u>As Converted Basis</u> ”	in reference to any calculation or number, means that such calculation shall be made, or number determined, on the basis that each Preferred Share is equivalent to such number of Conversion Shares into which such Preferred Share may then be converted in accordance with Article 6 3 at the then applicable Conversion Ratio
“ <u>Associates</u> ”	means in respect of any person  (i) any Family Trust of which such person is settlor or a beneficiary,  (ii) any Privileged Relation of such person,  (iii) any person “connected” with such person,

and

- (iv) any other person who the Board (acting reasonably and in good faith) determines to be closely connected with such person,

“Auditors”

means the auditors of the Company from time to time,

“Authority Amount”

as at the date of Adoption, the Authority Amount shall be the amount of the share capital of the Company as limited by Article 3 2 which is unissued at the time of Adoption (provided always that the Authority Amount may at any time after the date of Adoption be varied by resolution passed by the members of the Company in accordance with the Companies Acts),

“Authority Period”

as at the date of Adoption, the period commencing on the date of Adoption and ending on the fifth anniversary of the date of Adoption (provided always that the Authority Period may at any time after the date of Adoption be varied by resolution passed by the members of the Company in accordance with the Companies Acts),

“Available Assets”

means the assets of the Company remaining after the payment (or other satisfaction) of its liabilities,

“Bad Leaver”

means a person who is or has been a Director and/or an employee and/or a consultant of the Company or any of its subsidiaries who, in the absolute determination of the Directors, ceases employment or his consultancy services with any member of the Company’s Group by reason of

- (i) gross misconduct or other conduct which is in the reasonable opinion of the Directors calculated or likely to materially affect prejudicially the interests of the Company’s Group whether or not such misconduct or other conduct occurs in the course or in the context of his employment or consultancy, or
- (ii) dishonesty to be proven, on a reasonable basis, by the Directors,

“Board”

means the board of Directors of the Company from time to time;

<u>“Business Day”</u>	means any day other than a Saturday, Sunday or public holiday in England when banks are open for the transaction of normal banking business,
<u>“Business Sale”</u>	means the sale or other transfer of the whole or substantially the whole of the business and assets of the Company,
<u>“Capitalisation Issue”</u>	means an issue of Shares by the Company credited as fully paid up as to nominal value from any share premium account of the Company (or otherwise lawfully paid up from a capitalisation of profits or reserves (including any capital redemption reserve)),
<u>“Capital Reorganisation”</u>	means any (i) issue of shares in the capital of the Company fully or partly paid up pursuant to a capitalisation of profits or reserves (including any share premium account or capital redemption reserve) but excluding any Permitted Capitalisation Issue, (ii) sub-division or consolidation of shares in the capital of the Company, (iii) redesignation or re-classification of any shares in the capital of the Company, (iv) the redemption or repurchase of any shares in the capital of the Company, or (v) any other reorganisation of the share capital of the Company,
<u>“Companies Acts”</u>	has the same meaning as in section 2 of the Act (as adapted or modified from time to time),
<u>“Company’s Group”</u>	means the Company and its Subsidiaries,
<u>“Company’s Lien”</u>	has the meaning given in Article 23 1,
<u>“Compensation Committee”</u>	<i>has the meaning given to such term in the Investment and Shareholders Agreement</i>
<u>“Compulsory Transfer Event”</u>	has the meaning given to that term in Article 16 4,
<u>“Compulsory Transfer Notice”</u>	means a Transfer Notice served (or deemed to have been served) pursuant to a Compulsory Transfer Event or mandatory transfer on cessation of employment as set out in further detail in Article 16 6),
<u>“Control”</u>	means, in relation to any person <ul style="list-style-type: none"> <li>(i) having, directly or indirectly, the power to direct, or cause the direction of, the management and policies of that person, whether through the ownership of voting securities in that or any other person, by</li> </ul>

contract or otherwise, or

- (ii) holding, directly or indirectly, such securities (or other rights) as confer on the holder thereof the right to exercise more than 50 per cent of all votes exercisable in general meeting of the members of such person,

provided that in this definition

- (a) the term “person” shall not include (a) any individual, nor (b) any person (including, without limitation, any partnership under the Partnership Act 1890) which does not have an independent legal personality, and
- (b) a Holding Company shall be deemed to Control its subsidiaries,

“Controlling Interest”

means in relation to the Company, the possession, directly or indirectly, of

- (i) the power to direct, or cause the direction of the management and policies of the Company, whether through the ownership of voting securities in that or any other company, by contract or otherwise, or
- (ii) such shares (or other rights) as confer on the holder thereof the right to exercise more than 50 per cent of all votes exercisable in general meetings of the members of the Company,

“Conversion Ratio”

initially equals 1, but subject to any adjustment made in accordance with Article 6 3(E),

“Conversion Shares”

means

- (i) other than on conversion immediately prior to a Qualified Listing in accordance with Article 6 2(A), in the case of the conversion of Series A Preferred Shares and Series A-2 Preferred Shares, Ordinary Shares and, in the case of the conversion of Series A (NV) Preferred Shares and Series A-2 (NV) Preferred Shares, Ordinary (NV) Shares, and
- (ii) on conversion immediately prior to a Qualified Listing in accordance with Article 6 2(A), Ordinary Shares or Ordinary (NV)

Shares (as the case may be),

“Core Investor Groups”

means for as long as they each hold not less than 5% of the Shares on a fully diluted basis (i) the SVLS Group, (ii) the Imperial Group, and (iii) the Pfizer Group and each one shall be a Core Investor Group,

“Director”

means a director of the Company from time to time,

“Employee Member”

means a person who is or has been a Director and/or an employee and/or consultant of the Company or any of its subsidiaries,

“Encumbrance”

means any interest or equity of any person including, without limitation, any right to acquire, option or right of pre-emption and any mortgage, charge, pledge, lien, assignment, hypothecation or other priority interest or arrangement whatsoever having the same commercial or economic effect as security,

“Family Trust”

means a trust which only permits the settled property or the income therefrom to be applied for the benefit of

- (i) the settlor and/or a Privileged Relation of that settlor, or
- (ii) any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income therefrom when the trust is created but may become so interested if there are no other beneficiaries from time to time except another such charity or charities),

and under which no power of control is capable of being exercised over the votes of any shares which are the subject of the trust by any person other than the trustees or the settlor or the Privileged Relations of the settlor For purposes of this definition “settlor” includes a testator or an intestate in relation to a Family Trust arising respectively under a testamentary disposition or an intestacy of a deceased member,

“Final Entitlement”

has the meaning given in Article 12 7,

“Founder”

has the meaning given to such term in the Investment and Shareholders Agreement,



<u>“Fund Manager”</u>	a person whose principal business is to make, manage or advise on share investments,
<u>“Holder” or “Shareholder”</u>	means in relation to any Shares, the member whose name is for the time being entered in the register of members of the Company as the holder of the Shares,
<u>“Holding Company”</u>	means any holding company or parent undertaking,
<u>“Imperial Group”</u>	means together (i) Imperial Innovations Businesses LLP, (ii) any Permitted Transferee of any person referred to in (i), and (iii) any other person to whom any person referred to in (i) or (ii) transfers any interest in Shares pursuant to Article 15,
<u>“Independent Expert”</u>	means an accountant (acting as an expert and not as an arbitrator) appointed by the Company or, if the relevant transferor objects within 5 days of the Company having given notice of the identity of such accountant to the transferor, then such accountant as the Company and the transferor may agree, or in the absence of agreement as may be nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales,
<u>“Initial Entitlement”</u>	has the meaning given in Article 12 2,
<u>“Investment and Shareholders Agreement”</u>	means the investment and shareholders agreement to be entered into between some of the Shareholders on or about the date of Adoption of these Articles,
<u>“Investors”</u>	means for so long as they are Holders (i) SV Life Sciences Fund V LP, SV Life Sciences Fund V Strategic Partners LP, SV Life Sciences Advisers LLC, Imperial Innovations Businesses LLP, UCL Business Plc, Pfizer Inc , IBT and any other investor who adheres to the Investment and Shareholders Agreement in accordance with clause 5 of that agreement and, (ii) any Permitted Transferee of any person referred to in (i) and (iii) any other person to whom any person referred to in (i) or (ii) transfers any interests in Shares pursuant to Article 15,
<u>“Investor Majority Consent”</u>	means the prior written consent of the Holders of at least two-thirds of the Series A Preferred Shares and the Series A-2 Preferred Shares in aggregate,
<u>“Investor’s Group”</u>	means, with respect to an Investor, an Affiliate of such Investor, and the following, if such Investor is

a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an "Investment Fund"), or a nominee of any such person

- (a) any participant or partner in, or member of, any such Investment Fund, or the holders of any unit trust which is a participant or partner in (or member of) any such Investment Fund (but only in connection with the dissolution of such Investment Fund, or any distribution of assets of the Investment Fund in the ordinary course of that Investment Fund's business),
- (b) any fund managed by that Fund Manager which is, or whose nominee is, the transferor, or any holding company or Subsidiary of that Fund Manager, or any Subsidiary of any holding company of that Fund Manager, or
- (c) any trustee, nominee or custodian of such Investment Fund and vice versa,

"Lien Enforcement Notice"

has the meaning given in Articles 23 3 and 23 4,

"Listing"

means the admission of any Shares (or the Shares of any Holding Company of the Company) to trading on, or the granting of permission for any of the Company's Shares to be dealt on, a Recognised Investment Exchange or other investment exchange,

"Listing Price"

means the price at which Ordinary Shares are offered to new investors as part of any placing (or other form of offering) undertaken in connection with a Listing (or, in the absence of any such placing (or other form of offering), the price as to be first quoted for Ordinary Shares on the relevant investment exchange on which such Listing shall occur),

"Listing Shares"

means the issued equity share capital of the Company or a holding company of the Company (excluding any equity share capital to be subscribed and issued on such Listing other than new shares to be paid up by way of capitalisation of reserves or arising from any sub-division, consolidation or conversion of shares),

<u>“Listing Value”</u>	means, in the event of a Listing, the market value of the Listing Shares determined by reference to the price per share at which such shares are to be offered for sale, placed or otherwise marketed pursuant to the arrangements relating to the Listing, all as determined by the financial advisers to the Company or, if none, the broker appointed by the Board to advise in connection with the Listing,
<u>“Liquidation Event”</u>	means a distribution of assets (whether in cash or in specie) by the Company on a liquidation or otherwise (including any such return of assets following a Business Sale) and shall include any distribution by way of dividend but shall exclude any dividend or other distribution which is <ul style="list-style-type: none"> <li>(i) made by way of Capitalisation Issue in connection with any Capital Reorganisation approved by the Board, and/or</li> <li>(ii) paid to all Holders pro-rata to the number of Shares held by each such person (regardless of class) and approved by Holders of not less than 75 per cent of the issued Shares (excluding any non-voting shares),</li> </ul>
<u>“Market Value”</u>	has the meaning given in Article 16 8,
<u>“Model Articles”</u>	means the model articles for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles,
<u>“New Issue”</u>	has the meaning given in Article 12 1,
<u>“nil paid”</u>	in relation to a Share means that none of that Share’s nominal value or any premium at which it was issued has been satisfied,
<u>“Non-Voting Proportion”</u>	means a proportion of the Final Entitlement of the relevant Holder of Preferred Shares in the relevant New Issue,
<u>“Non-Voting Relevant Security”</u>	means a Relevant Security which has the same rights, preferences and privileges as, and ranks pari passu with, the Relevant Securities which are the subject of the relevant New Issue, but

- (i) shall carry no right to receive notice of or to attend and vote at any general meeting of the Company, and
- (ii) if it contains or provides for any right to subscribe or exchange for, convert into or otherwise call for any issue of any Shares or other securities in the capital of the Company, any resulting Shares shall carry no right to receive notice of or to attend and vote at any general meeting of the Company,

<u>“Non-Voting Shares”</u>	means the Series A (NV) Preferred Shares, Series A-2 (NV) Preferred Shares and Ordinary (NV) Shares,
<u>“Offered Shares”</u>	has the meaning given to that term in Article 17.2
<u>“Officer”</u>	in relation to a body corporate includes a Director, manager or secretary,
<u>“Option Pool”</u>	has the meaning given to such term in the Investment and Shareholders Agreement,
<u>“ Ordinary Shares”</u>	means the ordinary shares of 0.1 pence each in the capital of the Company which have the rights set out in the Articles,
<u>“Ordinary (NV) Shares”</u>	means the ordinary non-voting shares of 0.1 pence each in the capital of the Company, which have the rights set out in the Articles,
<u>“Permitted Capitalisation Issue”</u>	means a Capitalisation Issue made pursuant to Article 5,
<u>“Permitted Transfer”</u>	means the transfer of Shares permitted by Article 15,
<u>“Permitted Transferee”</u>	means a person to whom Shares may be transferred pursuant to a Permitted Transfer,
<u>“Pfizer Group”</u>	means together (i) Pfizer Inc., (ii) any Permitted Transferee of any person referred to in (i), and (iii) any other person to whom any person referred to in (i) or (ii) transfers any interest in Shares pursuant to Article 15,
<u>“Preferred Shares”</u>	means the Series A Preferred Shares, Series A (NV) Preferred Shares, Series A-2 Preferred Shares and Series A-2 (NV) Preferred Shares,

<u>“Privileged Relation”</u>	means, in relation to any Holder (being an individual who does not own the Shares concerned as a trustee), the spouse or civil partner (as defined in the Civil Partnership Act 2004) or widow or widower of such Holder and such Holder’s children and grandchildren (including step and adopted children and their issue) and step and adopted children of the Holder’s children,
<u>“Proxy Notice”</u>	has the meaning given in Article 10 9,
<u>“Qualified Listing”</u>	means the admission of any of the Shares (or the shares of any Holding Company of the Company) to trading on, or the granting of permission for any such Shares to be dealt on, a Recognised Investment Exchange or other investment exchange at a price per Share of not less than three times the Subscription Price per Share of the Series A Preferred Shares and where the gross proceeds to the Company of the Listing exceed £25,000,000 (before the deduction of broker’s commissions and discounts),
<u>“Recognised Investment Exchange”</u>	means a recognised investment exchange as defined by s 285 Financial Services and Markets Act 2000 together with (whether or not falling within such definition) the Official List of the London Stock Exchange plc, the AIM market of the London Stock Exchange plc and NASDAQ,
<u>“Relevant Officer”</u>	means any Director or other Officer or former Director or Officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act)),
<u>“Relevant Security”</u>	means any Share or other security in the capital of the Company from time to time, or any other security, warrant, agreement or instrument which contains or provides for any right to subscribe or exchange for, convert into or otherwise call for any issue of any Shares or other securities in the capital of the Company,
<u>“Second Completion Longstop Date”</u>	means the first anniversary of the date of Adoption,
<u>“Series A Preferred Shares”</u>	means the series A convertible preference shares of 0 1 pence each in the capital of the Company which have the rights set out in the Articles,

<u>“Series A-2 Preferred Shares”</u>	means the series A-2 convertible preference shares of 0.1 pence each in the capital of the Company which have the rights set out in the Articles,
<u>“Series A-2 (NV) Preferred Shares”</u>	means the series A-2 non-voting convertible preference shares of 0.1 pence each in the capital of the Company which have the rights set out in the Articles,
<u>“Series A (NV) Preferred Shares”</u>	means the series A non-voting convertible preference shares of 0.1 pence each in the capital of the Company which have the rights set out in the Articles,
<u>“Shares”</u>	means the Ordinary Shares, the Ordinary (NV) Shares, the A Ordinary Shares and the Preferred Shares (and all other classes of shares (if any)) comprised in the capital of the Company from time to time,
<u>“Shareholder Debt”</u>	means any debt to be issued by the Company to any Shareholder including any debt securities,
<u>“Share Sale”</u>	means the sale or other transfer of the whole or any part of the issued share capital of the Company to any person (or merger or scheme of arrangement resulting in any person holding Shares in the capital of the Company) and resulting in that person together with all persons (if any) acting in concert (within the meaning of the City Code on Takeovers and Mergers) with such person together holding a Controlling Interest in the Company.
<u>“Special Directors”</u>	means such Directors of the Company as are nominated by each of the Core Investor Groups from time to time pursuant to Article 20, and <u>“Special Director”</u> shall mean any one of them,
<u>“Subscription Price”</u>	means, in relation to any Share, the amount paid up or credited as paid up thereon (including the full amount of any premium at which such Share was issued whether or not such premium is applied for any purpose thereafter), subject to adjustment in the event of a Capital Reorganisation in such manner (if at all) as is determined by the Auditors (acting as experts and not as arbitrators) (at the cost of the Company) to be fair and reasonable. For the avoidance of doubt the Subscription Price for the Series A Preferred Shares and Series A (NV) Preferred Shares is £1.00 and the Subscription Price for the Series A-2 Preferred Shares and Series A-2

(NV) Preferred Shares is £1.20, other than in relation to any Shares which have been issued pursuant to Article 5 and subject to any adjustment required as a result of a Capital Reorganisation,

“Subsidiary”

means any subsidiary or subsidiary undertaking,

“SVLS Group”

means together (i) SV Life Sciences Fund V LP, SV Life Sciences Fund V Strategic Partners LP and SV Life Sciences Advisers LLC, (ii) any Permitted Transferee of any person referred to in (i), and (iii) any other person to whom any person referred to in (i) or (ii) transfers any interest in Shares pursuant to Article 15,

“Transfer Notice”

has the meaning given to that term in Article 17 1,

“Voting Shares”

means the Series A Preferred Shares, Series A-2 Preferred Shares, A Ordinary Shares and Ordinary Shares

## **2 APPLICATION OF MODEL ARTICLES AND INTERPRETATION**

2 1 The Model Articles (together with those provisions of Schedule 3 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) shall apply to the Company, except for so far as they are modified or excluded by these Articles, and subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation

2 2 Model Articles 7, 8, 9(1) and (3), 11 (2) and (3), 12, 13, 14(1) to (4) (inclusive), 16, 21, 22, 26(5), 32, 38, 39, 49, 50 and 51 to 53 (inclusive) shall not apply to the Company

2 3 In Model Article 25 2(C), the words “Evidence, indemnity and the payment of a reasonable fee” shall be deleted and replaced with the words “Evidence and indemnity”

2 4 In these Articles a reference to a statute or statutory provision includes, unless expressly provided otherwise

(A) any subordinate legislation (as defined in section 21(1) of the Interpretation Act 1978) made under it,

(B) any repealed statute or statutory provision which it re-enacts (with or without modification), and

(C) any statute or statutory provision which modifies, consolidates, re-enacts or supersedes it

2 5 In these Articles, where the context admits

- (A) words and phrases the definitions of which are contained or referred to in the Companies Acts shall have the meanings thereby respectively attributed to them,
- (B) every reference to a particular statutory provision or other law shall be construed as a reference to all other laws, rules and regulations made under the law referred to and to all such laws as amended, re-enacted, consolidated or replaced or as their application or interpretation is affected by other laws, rules or regulations from time to time and whether before or after the date of Adoption,
- (C) references to the singular shall include the plural and vice versa and references to the masculine, the feminine and the neuter shall include each other such gender,
- (D) except where otherwise stated in these Articles “person” includes any individual, partnership, body corporate, corporation sole or aggregate, state or agency of a state, and any unincorporated association or organisation, in each case whether or not having separate legal personality,
- (E) general words shall not be given a restrictive meaning because they are followed by words which are particular examples of the Companies Acts matters or things covered by the general words and the word “including” shall be construed without limitation,
- (F) “company” includes any body corporate, and
- (G) for the purposes of the definition of a “Compulsory Transfer Event” every reference to an English legal term for any action, remedy, method or judicial proceedings, legal document, legal status court official, or any other legal concept shall, in respect of any jurisdiction other than England be deemed to include the legal term which most nearly approximates in that jurisdiction to the English legal term

## **2.6 Headings**

The headings and sub-headings are inserted for convenience only and shall not affect the construction of these Articles

## **2.7 Liability of Shareholders**

The liability of each Shareholder is limited to the amount, if any, unpaid on the Shares held by him

## **2.8 Private Company**

The Company is a private company within the meaning of section 4 of the Act and accordingly no Shares in or debentures of the Company shall be offered to the public (whether for cash or otherwise) and the Company shall not allot (whether for cash or otherwise) any Shares in or debentures of the Company with a view to all or any of those Shares or debentures being offered for sale to the public, provided that these



restrictions shall cease to apply upon the Company being re-registered as a public company.

### **3 OBJECTS AND SHARE CAPITAL**

#### **3 1 Objects**

The objects of the Company are unlimited

#### **3 2 Share Capital**

The Share capital of the Company is limited to £53,038 48 divided into 19,818,633 Ordinary Shares, 5,000,000 Ordinary (NV) Shares, 1,400,000 A Ordinary Shares, 16,321,429 Series A Preferred Shares, 5,000,000 Series A (NV) Preferred Shares, 2,998,418 Series A-2 Preferred Shares and 2,500,000 Series A-2 (NV) Preferred Shares Such capital may be increased by special resolution

#### **3 3 No voting rights on nil paid Shares**

No voting rights attached to a Share which is nil paid may be exercised

- (A) at any general meeting, at any adjournment of it or at any poll called at or in relation to it, or
- (B) on any proposed written resolution, unless all or some of the amounts payable to the Company in respect of that Share have been paid

#### **3 4 Fractions of Shares**

Whenever as a result of a consolidation of Shares any Holders would become entitled to fractions of a Share, the Directors may, on behalf of those Holders, sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those Holders, and the Directors may authorise some person to execute an instrument of transfer of the Shares to, or in accordance with the directions of, the purchaser The transferee shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale

#### **3 5 Commission**

The Company may pay any person a commission in consideration for that person

- (A) subscribing, or agreeing to subscribe, for Shares, or
- (B) procuring, or agreeing to procure, subscriptions for Shares

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#### **3 6 Any commission payable by the Company may be paid**

- (A) in cash, or in fully paid or partly paid Shares or other securities, or partly in one way and partly in the other, and

- (B) in respect of a conditional or an absolute subscription

## 4 LIQUIDATION PREFERENCE

### 4.1 Liquidation Event and Business Sale

- (A) Unless dis-applied with Investor Majority Consent (where such dis-application affects all Holders in the same manner and pro rata to their number of Shares), on a Liquidation Event, the Available Assets shall, subject to Article 4.4, be applied amongst, and distributed to the Holders of Shares
- (1) first in paying the Holders of Preferred Shares an amount equal to the Subscription Price per Preferred Share (not including any Shares issued pursuant to Article 5.1) together with a sum equal to any Arrears on such shares calculated down to and including the date of the return of capital and, if there is a shortfall of assets remaining to satisfy the entitlements of Holders of Preferred Shares, then in proportion to the amounts due to each such Share held, and
  - (2) thereafter, in paying any balance remaining to the Holders of Ordinary Shares, Ordinary (NV) Shares, A Ordinary Shares and Preferred Shares pro rata on an As Converted Basis as if they constituted one and the same class
- (B) As soon as practicable following receipt of the consideration payable to the Company in respect of a Business Sale, the Company shall, subject to Article 4.4, distribute the Available Assets to the Holders by means of a dividend or other distribution constituting a Liquidation Event in accordance with the priorities set out in Article 4.1(A). For the purposes of effecting such distribution, the Directors shall have authority to procure the liquidation of the Company or to distribute the Available Assets to the Holders by way of dividend or otherwise. The provisions of this Article 4 shall take precedence over Article 9 and all other provisions of these Articles which may otherwise conflict with the provisions of this Article

### 4.2 Share Sale

Unless dis-applied with Investor Majority Consent (where such dis-application affects all Holders in the same manner and pro rata to their number of Shares) on a Share Sale, the aggregate proceeds of such Share Sale (the "Sale Proceeds") shall, subject to Article 4.4, be applied amongst the Holders of Shares (or, in the case of a sale of less than all of the issued Shares, amongst only the Holders of the Shares thereby transferred) in the following order of priority

- (A) firstly, in paying to each Holder of Preferred Shares thereby transferred, an amount in respect of each Preferred Share so transferred (not including any Shares issued pursuant to Article 5.1) by such Holder equal to the Subscription Price together with all Arrears thereon (and if the Sale Proceeds are not sufficient to pay in full the amounts so due in respect of all Preferred Shares so transferred, then such Sale Proceeds shall be applied

rateably as between the Holders of Preferred Shares so transferred in proportion to the amounts which would have been otherwise payable in respect of each Preferred Share so transferred by each such Holder had such payment been made in full (and with no payment being made in respect of the A Ordinary Shares, Ordinary Shares or Ordinary (NV) Shares)), and

- (B) thereafter, in paying any balance remaining to the Holders of Ordinary Shares, Ordinary (NV) Shares, A Ordinary Shares and Preferred Shares thereby transferred pro rata on an As Converted Basis as if they constituted one and the same class

#### 4 3 Listing

Unless dis-applied with Investor Majority Consent (where such dis-application affects all Holders in the same manner and pro rata to their number of Shares), immediately prior to and conditionally upon a Listing other than a Qualified Listing, the Holders shall enter into such reorganisation of the share capital of the Company or any holding company of the Company as they may agree or, in default, as the Investors by Investor Majority Consent may reasonably specify, to ensure that the Listing Value is allocated between the Shareholders in the same proportions as the preceding provisions of this Article 4 would provide on a Share Sale or Liquidation Event at that Listing Value

#### 4 4 Termination of this Article 4

- (A) Where a Liquidation Event, a Business Sale or a Share Sale occurs, the directors shall calculate in accordance with Articles 4 1(A)(2) or 4 2(B) only (as applicable) the return of the Available Assets or the Sale Proceeds (as appropriate) per Preferred Share (on an as converted basis)
- (B) Where the return mentioned above would exceed three times the Subscription Price, then the provisions of Articles 4 1(A)(2) or 4 2(B) (as applicable) only shall apply to any distribution of Available Assets or Sale Proceeds (as the case may be), and in such a case (and for the avoidance of doubt), the actual payment per Preferred Share (on an as converted basis) shall not be less than three times the Subscription Price and the provisions of Articles 4 1(A)(1) and 4 2(A) shall be excluded

### 5 ANTI-DILUTION

#### 5 1 Weighted average anti-dilution

- (A) On each occasion that the Company is unconditionally obliged to issue (or does issue) any Relevant Securities (other than (i) pursuant to a Permitted Capitalisation Issue or otherwise pursuant to this Article 5 1(A), (ii) pursuant to any option granted from the Option Pool in accordance with the terms of the Investment and Shareholders Agreement; or (iii) any Preferred Shares being issued pursuant to the Investment and Shareholders Agreement), or (iv) pursuant to any direct issue of Ordinary Shares which the Company's Compensation Committee determines as reducing the Option Pool (a "Relevant Issue") where, in the case of an issue (for cash or non-

cash consideration) of Shares the issue is made at a price of less than the Subscription Price of any class of Preferred Shares (a “Relevant AD Class”) as at the date of Adoption (the “Benchmark Price”) or, in the case of the issue of Relevant Securities (other than Shares), where the consideration received by the Company in respect of the Relevant Issue and any subsequent consideration (if any) received by the Company in connection with the issue of Share(s) pursuant to the terms of such Relevant Securities, are together equal to a price per Share which is less than the Benchmark Price (such price, in each case, being referred to as the “Third Party Price”) then the Company shall (to the extent that it is lawfully able to do so) issue to each Holder of Preferred Shares of the Relevant AD Class by way of a Capitalisation Issue such number of additional Preferred Shares of the Relevant AD Class or, in the event the Relevant AD Class comprises Series A Preferred Shares or Series A-2 Preferred Shares, at the election of a Holder (an “Election”), Series A (NV) Preferred Shares or Series A-2 (NV) Preferred Shares (as appropriate) (an “Elected AD Class”) as would result in such Holder of Preferred Shares holding such number of Preferred Shares of the Relevant AD Class plus, in the case of any Holder that makes an Election, Elected AD Class as it would hold if the aggregate amount of the Subscription Price in respect of all Preferred Shares of the Relevant AD Class then held by such Holder of Preferred Shares were applied wholly in subscribing for Preferred Shares of the Relevant AD Class or Elected AD Class (as the case may be) at the weighted average subscription price for the Relevant Issue (“WAP”) as calculated as set out below

In this Article 5 1

“WAP” means the weighted average subscription price in respect of the Relevant Issue, being

$$WAP = \frac{N_1 P_1 + N_2 P_2}{N_1 + N_2}$$

“P1” = the Benchmark Price

“N1” = the total number of Shares (not including any Shares issued pursuant to Article 5) (on an As Converted Basis) in issue immediately prior to the Relevant Issue and the maximum number of Shares (on an As Converted Basis) which may fall to be issued in respect of Relevant Securities (other than Shares) where the same are outstanding immediately prior to the Relevant Issue

“P2” = the Third Party Price

“N2” = the total number of Shares (on an As Converted Basis) to be issued in the Relevant Issue and the maximum number of Shares (on an As Converted Basis) which may fall to be issued in respect of any Relevant

Securities (other than Shares) comprised in the  
Relevant Issue

To the extent that it is not lawful for the Company to make such a Capitalisation Issue to a Holder of Preferred Shares pursuant to this Article 5 1(A), the Company shall instead offer to such Holder of Preferred Shares the right to subscribe, nil paid, for such number of Preferred Shares of the Relevant AD Class or, at the election of a relevant Holder, Elected AD Class as would otherwise have been due to be issued to such Holder of Preferred Shares pursuant to this Article 5 1(A) by way of Capitalisation Issue had it been lawful for the Company to do so

- (B) In the event of a Relevant Issue comprising Relevant Securities conferring a right to subscribe or exchange for, or convert into, or otherwise call for, the issue of any Shares where the number of Shares issuable pursuant to the terms of the Relevant Issue is not immediately ascertainable (because, for example but without limitation, the exercise or conversion rate is variable according to a formula), then (i) the number of Preferred Shares (if any) to be issued pursuant to this Article 5 1 shall be determined by the Board (acting reasonably and in good faith) and approved by an Investor Majority Consent, or (ii) if so determined by the Board (acting reasonably and in good faith) and approved by an Investor Majority Consent (or otherwise in the absence of a Board determination approved by an Investor Majority Consent for the purposes of (i)) then the application of Article 5 1(A) may be postponed in respect of such Relevant Issue until such time or times as Shares are actually issued pursuant to the terms of such Relevant Securities, whereupon the number of Preferred Shares (if any) to be issued pursuant to Article 5 1(A) shall be determined on the basis of the number of Shares actually issued
- (C) In the event of a Capital Reorganisation the Auditors (acting as experts and not as arbitrators) shall determine whether it is fair and reasonable to adjust the Benchmark Price and, if so determined, the Benchmark Price shall be adjusted in such manner as is determined by the Auditors (acting as experts and not as arbitrators) to be fair and reasonable. The Auditor's fees and expenses shall be paid by the Company
- (D) The provisions of this Article 5 1 may from time to time be disapplied or suspended (in whole and not in part) with an Investor Majority Consent, provided that such disapplication or suspension affects all Holders of Preferred Shares in the same manner and pro rata to their number of Preferred Shares

**5.2 Pay-to-play**

- (A) Unless there is an Investor Majority Consent determining otherwise, after the date of Adoption, if the Company offers to all the Holders of Preferred Shares the opportunity to subscribe for
  - (1) additional Relevant Securities as part of a Relevant Issue (provided always that Holders may elect instead to subscribe for an equivalent

number of Non-Voting Relevant Securities) at a price which is at or less than the Benchmark Price, or

(2) any Shareholder Debt,

and if any such Holder (or any person nominated by it who would be its Permitted Transferee of any such Relevant Securities or Shareholder Debt) in a Core Investor Group does not accept in full the Initial Entitlement so offered to it by the Company pursuant to Article 12 then immediately prior to the completion of the Relevant Issue or issue of Shareholder Debt all Preferred Shares then held by such Holder (and any Permitted Transferee) shall convert into Conversion Shares at a ratio of 10 Preferred Shares into 1 Conversion Share and the relevant Holder of the Preferred Shares shall lose its right to appoint a Special Director. For the avoidance of doubt, any Holder electing to subscribe for an equivalent number of Non-Voting Relevant Securities shall for the purposes of this Article 5 2(A) be deemed to have accepted in full the Initial Entitlement

- (B) Article 5 2(A) shall cease to apply and, for the avoidance of doubt, shall be of no force or effect in relation to any future offer of Relevant Securities once the Holders of Preferred Shares in the Core Investor Groups in aggregate have subscribed under Article 5 2(A) for Relevant Securities or Shareholder Debt in the aggregate amount of £5,000,000

## 6 CONVERSION

### 6.1 Voluntary Conversion

- (A) Each Holder of Preferred Shares may at any time (i) after Second Completion (as defined in the Investment and Shareholders Agreement), (ii) after the Second Completion Longstop Date or (iii) immediately prior to a Listing, convert all, or any part of, its holding of Preferred Shares into a number of Conversion Shares calculated as follows

$$Z = W \times X$$

W = the applicable Conversion Ratio

X = the number of the Preferred Shares to be converted

Z = the number of Conversion Shares into which the Preferred Shares to be so converted shall so convert

- (B) Such right of conversion may be effected by notice in writing given to the Company signed by the Holder of the relevant Preferred Shares
- (C) A conversion under Article 6.1(A) shall take effect immediately upon the date of delivery of a notice to the Company in accordance with Article 6.1(B) (unless such notice states that the conversion is to be effective when any conditions specified in the notice have been fulfilled in which case conversion shall take effect immediately upon the satisfaction of such conditions)

## 6.2 Automatic Conversion

- (A) All of the Preferred Shares in issue shall automatically be converted into a number of Conversion Shares calculated in accordance with Article 6.1(A) (and where so required by Article 6.3(G) a number of Deferred Shares calculated in accordance with the said Article 6.3(F)) immediately prior to a Qualified Listing (or otherwise immediately upon written notice being served on the Company signed by the Holders of not less than two-thirds in number of all issued Preferred Shares (other than Holders of the Series A (NV) Preferred Shares or Series A-2 (NV) Preferred Shares) requiring that all Preferred Shares be so converted into Conversion Shares) and all Relevant Securities (excluding Shares) conferring any right to acquire Preferred Shares shall automatically as from the time of such Qualified Listing instead take effect as a right to acquire a number of Conversion Shares calculated in accordance with Article 6.1(A) by reference to the number of Preferred Shares which would otherwise have been acquired pursuant to such Relevant Securities
- (B) In the event that the Listing Price is less than the Subscription Price for any class of Preferred Share (a "Relevant LPR Class") the Company shall (to the extent that it is lawfully able to do so) immediately prior to a Listing (and prior to the conversion of Preferred Shares into Conversion Shares pursuant to Article 6.3(G)) issue to the Holder of such Preferred Shares of the Relevant LPR Class by way of a Capitalisation Issue such number of additional Preferred Shares of the Relevant LPR Class (if any) as would result in such Holder of Preferred Shares holding such increased number of Preferred Shares of the Relevant LPR Class as is required to ensure that the LPR (as defined below) in respect of that Relevant LPR Class held by such Holder is equal to the PAR (as defined below) in respect of the Relevant LPR Class held by such Holder

In this Article 6.2(B)

"LPR" means the Listing Price Return in respect of the Preferred Shares of the Relevant LPR Class held by the relevant Holder, being

$$\text{LPR} = \text{LP} \times \text{OA}$$

"LP" = the Listing Price

"OA" = the number of Conversion Shares into which the Preferred Shares of the Relevant LPR Class held by the relevant Holder (together with such further Preferred Shares of the Relevant LPR Class to be issued pursuant to this Article 6.2(B)) shall convert in connection with the relevant Listing

"PAR" means the aggregate Subscription Price paid by such Holder of Preferred Shares in respect of all Preferred Shares of the Relevant LPR Class held by the relevant Holder (excluding Preferred Shares

of the Relevant LPR Class to be issued pursuant to this Article 6 2(B))

### 6 3 General

- (A) Forthwith upon a conversion taking effect the Holders of the resulting Conversion Shares shall send to the Company the certificates in respect of their respective holdings of Preferred Shares. Following each receipt of the certificate for Preferred Shares or an indemnity in favour of the Company in respect of a lost certificate, the Company shall issue to the Holder thereof a certificate for the Conversion Shares resulting from the conversion of such Preferred Shares.
- (B) The Conversion Shares resulting from a conversion pursuant to this Article 6 shall rank from the date of conversion *pari passu* in all respects with the other Conversion Shares in the Company.
- (C) Nothing in this Article 6 3 shall entitle any person to any fraction of any Share and any such fraction of a Preferred Share shall be disregarded and may be otherwise applied by the Company at the discretion of the Directors in accordance with the Companies Acts.
- (D) Immediately on conversion pursuant to Article 6 2, all Arrears in respect of the Preferred Shares so converted shall be capitalised into Conversion Shares, which Conversion Shares the Company shall immediately allot and issue (together with Share certificates in respect thereof) to each Holder of the Preferred Shares so converted. The number of Conversion Shares, on a series by series basis, to be so allotted and issued to each such Holder (the "Relevant Holder") shall be calculated as follows

$$J = \frac{K}{L}$$

J = number of Conversion Shares to be issued to the Relevant Holder.

K = the aggregate of all Arrears in respect of all Preferred Shares of the applicable series to be so converted and held by the Relevant Holder, and

L = a) in the event of a conversion made in connection with or otherwise at the time of a Qualified Listing, the Listing Price, b) in the event of a conversion made on written notice being served on the Company in accordance with Article 6 2, the Subscription Price

If the number, "J", calculated in accordance with this Article 6 3 is not a whole number, the number of Conversion Shares to be actually issued and allotted by the Company to the Relevant Holder in respect of a capitalisation of the aggregate of all Arrears in respect of the Preferred Shares to be so converted and held by the Relevant Holder shall be such



whole number as is closest to, but less than, J (and the balancing fraction of a Preferred Share shall be disregarded and any corresponding Arrears shall cease to be payable)

- (E) In the event that a Capital Reorganisation or Capitalisation Issue (other than a Permitted Capitalisation Issue) shall take place whilst any Preferred Shares remain unconverted the Auditors (acting as experts and not as arbitrators) shall determine whether it is fair and reasonable to adjust the Conversion Ratio in respect of all those Preferred Shares and, if so determined, the Conversion Ratio shall be adjusted in such manner as is determined by the Auditors (acting as experts and not as arbitrators) to be fair and reasonable. The Auditor's fees and expenses shall be paid by the Company.
- (F) If the aggregate nominal value of Preferred Shares to be converted into Conversion Shares exceeds the aggregate nominal value of the Conversion Shares into which such Preferred Shares are to be converted, then the excess Preferred Shares shall be converted into "Deferred Shares" having the rights set out in Article 6.4
- (G) If the aggregate nominal value of Preferred Shares to be converted into Conversion Shares is less than the aggregate nominal value of the Conversion Shares into which such Preferred Shares are to be converted, then the Preferred Shares to be converted shall be converted into an equal nominal value of Conversion Shares and the shortfall in nominal value shall be paid up by the issue of additional Conversion Shares by capitalisation of reserves or such other manner as the Directors may determine, subject to applicable laws.

#### **6.4 Deferred Shares**

- (A) Notwithstanding any other provision of these Articles to the contrary, Deferred Shares (i) carry no right to payment of any dividend or to receive notice of or to attend, speak or vote at any general meeting of the Company or on a return of capital (whether on a winding up or otherwise) or to the repayment of the amount paid up on such Deferred Shares until after the repayment in full of the amount paid up on the A Ordinary Shares, Ordinary Shares and Ordinary (NV) Shares together with the payment of £1,000,000 on each such A Ordinary Share, Ordinary Share and Ordinary (NV) Share whereupon the Deferred Shares shall carry the right to repayment of the nominal capital paid up thereon and no more, and (ii) shall not be transferable without the consent of the Company.
- (B) Each holder of Deferred Shares shall be deemed to have conferred irrevocable authority on the Company at any time to appoint any person, for and on behalf of such holder, to
  - (1) receive notice of, attend and vote at any meeting of the class of Deferred Shares and sign any written resolution of such class,

- (2) agree and execute any transfer of (and any agreement to re-purchase, transfer or otherwise dispose of) some or all of the Deferred Shares to such persons as the Company may determine (including, without limitation, the Company itself),
  - (3) agree to sell or cancel all of the Deferred Shares then in issue for not more than one penny for all such Deferred Shares, and/or
  - (4) receive any consideration payable upon a transfer or re-purchase made pursuant to (2) or (3) above, in each case without obtaining the sanction of the holders, of such Deferred Shares, and in respect of any transfer and/or purchase, and to retain the certificate(s) for such Deferred Shares
- (C) The Company may at its option re-purchase all of the Deferred Shares then in issue, at a price not exceeding one penny (in aggregate) for all such Deferred Shares purchased at any one time
- (D) Notwithstanding any other provisions of these Articles, entering into a contract to purchase, and the purchase of, Deferred Shares shall not require the sanction of a resolution passed at a meeting of the holders of the Deferred Shares or any other consent of such holders
- (E) In the event of any conflict or inconsistency between this Article 6 4 and any other provision of these Articles, this Article 6 4 shall prevail in respect of any matter relating to the Deferred Shares

## 7 VOTING

### 7 1 Number of votes

- (A) Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with these Articles
- (1) each Ordinary Share shall, on a poll, carry one vote per Share,
  - (2) each A Ordinary Share shall, on a poll, carry one vote per Share,
  - (3) each Series A Preferred Share shall, on a poll, carry one vote per Share (on an As Converted Basis),
  - (4) each Series A-2 Preferred Share shall, on a poll, carry one vote per Share (on an As Converted Basis),
- (B) The Ordinary (NV) Shares, Series A (NV) Preferred Shares and Series A-2 (NV) Preferred Shares shall carry no right to receive notice of or to attend and vote at any general meeting, or sign any written resolution, of the Company

### 7 2 Exercise of votes

Votes on Shares may be exercised

- (A) on a show of hands, by every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative, not being himself a member (in which case each Shareholder shall have one vote), and
- (B) on a poll, by every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case each Shareholder shall have that number of votes attributable to the Shares held by him or in respect of which he has been appointed an authorised representative or proxy as is set out in Article 7 1)

### **7 3 Certain Shares not to carry votes**

Notwithstanding Articles 7 1 and 7 2, Shares the subject of a Compulsory Transfer Notice shall temporarily cease to carry any voting rights or give the Holder thereof the right to attend or receive notice of any meetings of the Company until such Shares are transferred and registered in the name of another Holder in accordance with these Articles. The temporary cessation of voting rights and the right to attend or receive notice of any meetings of the Company, shall not constitute such Shares a class of Shares separate from the classes of voting Shares.

### **7 4 Removal of Special Directors**

Article 20 1(C) shall apply in respect of any resolution (proposed pursuant to section 168 of the Act or otherwise) to remove a Special Director from office.

### **7 5 Voting rights of A Ordinary Shareholder**

Notwithstanding any other provision of these Articles on a poll the A Ordinary Shares and the Preferred Shares held by an A Ordinary Shareholder in respect of which votes are cast on the relevant resolution shall in aggregate carry such number of votes as is equal to the lower of

- (A) the actual number of votes attaching to the A Ordinary Shares and the Preferred Shares held by an A Ordinary Shareholder in respect of which votes are cast on that resolution, and
- (B) the greater of (i) 20% of the total number of votes cast on that resolution and (ii) 20% of the total number of votes eligible to be cast on that resolution.

and if the provisions of this Article 7 5 apply so as to reduce the vote cast in respect of each A Ordinary Shares below 1, that reduction shall be applied pro rata in respect of all the A Ordinary Shares.

### **7 6 Voluntary conversion of Voting Shares into Non-Voting Shares**

Any member of the Pfizer Group may at any time at its sole discretion on delivery to the Company of a notice in writing effect an automatic conversion of such number of its Voting Shares then held into an equal number of Non-Voting Shares on the basis of one Series A Preferred Share for one Series A (NV) Preferred Share, one Series A-2 Preferred Share for one Series A-2 (NV) Preferred Share and, following a conversion pursuant to Article 6, one Ordinary Share into one Ordinary (NV) Share.

respectively. The right to convert pursuant to this Article 7.6 shall be exercised by notice in writing to the Company signed by the relevant member of the Pfizer Group and delivered, together with the share certificate(s) in respect of such Voting Shares, at the Company's registered office and shall take effect immediately upon such delivery.

#### **7.7 Automatic conversion of Voting Shares into Non-Voting Shares**

If at any time the aggregate number of Voting Shares held by all members of the Pfizer Group exceeds 18.5%, or in the case of Voting Shares proposed but not yet issued (whether to be issued pursuant to Article 5 or otherwise), would on issue exceed 18.5% of the total issued Voting Shares in the capital of the Company (of whatever class or series), such number of Voting Shares then held by the Pfizer Group that exceeds or shall, in the case of Voting Shares proposed but not yet issued, on issue exceed 18.5% of the total issued Voting Shares shall immediately be automatically converted into an equal number of Non-Voting Shares in the capital of the Company.

- 7.8 The Non-Voting Shares resulting from a conversion under Articles 7.6 and 7.7 shall, as from the date of conversion, rank *pari passu* in all respects with the existing Non-Voting Shares of the relevant class in the capital of the Company.

#### **7.9 Voluntary conversion of Non-Voting Shares into Voting Shares**

Any member of the Pfizer Group may at any time at its sole discretion on delivery to the Company of a notice in writing effect an automatic conversion of such number of its Non-Voting Shares then held into an equal number of Voting Shares on the basis of one Series A (NV) Preferred Share for one Series A Preferred Share, one Series A-2 (NV) Preferred Share for one Series A-2 Preferred Share and, following a conversion pursuant to Article 6, one Ordinary (NV) Share for one Ordinary Share respectively, as, when taken together with all existing Voting Shares in the capital of the Company then held by the Pfizer Group, amount to not more than 18.5% of the total Voting Shares issued by the Company. The right to convert pursuant to this Article 7.9 shall be exercised by notice in writing to the Company signed by the relevant member of the Pfizer Group and delivered together with the share certificate(s) in respect of such Non-Voting Shares, at the Company's registered office and shall take effect immediately upon such delivery.

- 7.10 The Voting Shares resulting from a conversion under Article 7.9 shall, as from the date of conversion, rank *pari passu* in all respects with the existing Voting Shares of the relevant class in the capital of the Company.

### **8 VARIATION OF CLASS RIGHTS**

- 8.1 Subject to Article 8.3, whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may (subject to the Companies Acts, and in particular section 630 of the Act) be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, with the consent in writing of the Holders of not less than two-thirds of the issued Shares of that class. For this purpose, the

- Preferred Shares shall be treated as a single class and the Ordinary Shares and Ordinary (NV) Shares shall be treated as a single class
- 8 2 Without prejudice to the generality of Article 8 1, the special rights attached to the Preferred Shares shall be deemed to be varied by the Company
- (A) amending its Articles of Association, or
  - (B) varying in any way (whether directly or indirectly) the rights attached to any of the Shares in the capital of such company from time to time,
  - (C) capitalising any reserves of such company or the applying of any amount for the time being standing to the credit of the share premium account or capital redemption reserve of such company for any purpose (other than pursuant to a Permitted Capitalisation Issue),
  - (D) altering, increasing, reducing, sub-dividing, cancelling, purchasing, or consolidating the whole or part of its issued share capital other than. (i) any issue of Shares made pursuant to the Investment and Shareholders Agreement, (ii) a Permitted Capitalisation Issue, or (iii) pursuant to any option granted from the Option Pool in accordance with the Investment and Shareholders Agreement, and (iv) any conversion of Preferred Shares into Conversion Shares (where applicable) in accordance with Article 6 and (v) *pursuant to any direct issue of Ordinary Shares which the Company's Compensation Committee determines as reducing the Option Pool,*,
  - (E) ceasing to trade, taking steps for its voluntary winding up or its placing in administration or taking similar proceedings, save where such company or the Board has been advised that such company is insolvent or in the reasonable opinion of the Board there is no reasonable prospect of such company avoiding insolvency,
  - (F) disposing of all or any substantial part of its business or assets, whether by merger, asset sale or otherwise, or
  - (G) disposing of or acquiring any interest in any share in the capital of any other company
- 8 3 Without prejudice to the generality of Article 8 1 the special rights attached to the A Ordinary Shares shall be deemed to be varied by the Company
- (A) creating or reclassifying any new or existing class or series of Shares having rights, preferences or privileges senior to or on a parity with the A Ordinary Shares (save to the extent that all the Preferred Shares are equally affected),
  - (B) altering or changing the rights, preferences or privileges of the A Ordinary Shares (save to the extent that all the Preferred Shares are equally affected),-or
  - (C) amending or waiving any provision of the Company's Articles of Association in a manner adverse to the A Ordinary Shares (save to the extent that all the Preferred Shares are equally affected)

## 9 DIVIDENDS

### 9 1 Dividends and other distributions to be paid pro rata

- (A) Except as set out in Article 9 1(B) all dividends and other distributions shall be paid to all Holders of Shares pro rata to the number of Shares held on an As Converted Basis by each such person and shall not be paid where this would be contrary to Article 9 2(D) and in any case without an Investor Majority Consent
- (B) Article 9 1(A) shall not apply to a dividend or other distribution which
  - (1) occurs as a result of a Liquidation Event which shall be distributed in accordance with Article 4, or
  - (2) is a Preferred Dividend in accordance with Article 9 2, or
  - (3) which is a Permitted Capitalisation Issue

### 9 2 Preferred Dividend

- (A) Subject to Article 9 2(B), a cumulative fixed rate dividend (the “Preferred Dividend”) shall accrue on each Preferred Share (other than on any Shares issued pursuant to Article 5) from the date on which such Share was first issued until the first to occur of the completion of a Share Sale or a Qualified Listing (the first such event to occur shall constitute a “Payment Date”) No Preferred Dividend shall accrue in respect of the period subsequent to the Payment Date
- (B) The Preferred Dividend shall accrue on each such Preferred Share at a rate of 8% per annum (calculated on a straight line non-compounding daily basis and on the basis of 365 day year) on the Subscription Price of the Preferred Share as from the date on which each such Preferred Share was first issued The Preferred Dividend shall so accrue on each Preferred Share whether or not the Company is then lawfully able to distribute and pay such Preferred Dividend
- (C) Subject to Article 6 3(D), the Preferred Dividend shall be payable in cash immediately prior to the Payment Date, to the extent it is lawful for the Company to do so, from the profits of the Company available for distribution and in priority to the payment of any other dividend by the Company
- (D) Subject to Article 4, no dividend or other distribution (other than a Permitted Capitalisation Issue) shall be paid by the Company prior to the Payment Date or otherwise in priority to the Preferred Dividend, without an Investor Majority Consent
- (E) Payment of the Preferred Dividend shall be made notwithstanding any other provision of these Articles and in particular notwithstanding that there has not been a recommendation of the Board or resolution of the Company in general meeting

## 10 GENERAL MEETINGS

- 10 1 The quorum for any general meeting shall be two persons including representatives from at least two of the Core Investor Groups, each being a Shareholder in person or a proxy or authorised representative appointed by one or more Shareholders, unless the Company has only one Shareholder, when the quorum shall be one such person. Two or more persons being or representing or being a proxy for the same Shareholder shall count as one person.
- 10 2 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, the meeting shall stand adjourned to the same day in the next week at the same time and place or such date and time as the Board may determine. Article 41(1) of the Model Articles shall not apply. Article 41(4) of the Model Articles shall only apply to meetings adjourned under Article 41(2) of the Model Articles.
- 10 3 The provisions of section 318 of the Act shall apply to the Company, save that if there is only one Shareholder who is permitted to vote upon the business at the meeting, the quorum for that part of a meeting considering the business for which only one Shareholder is permitted to vote, shall be one qualifying person present at the meeting (as defined in Section 318(3) of the Act).
- 10 4 If at any general meeting any votes are counted which ought not to have been counted, or are not counted which ought to have been counted, the error shall not vitiate the result of the voting unless
- (A) it is pointed out at the same meeting, and
  - (B) it is, in the opinion of the chairman of the meeting, of sufficient magnitude to affect the result of the voting.
- 10 5 If a demand for a poll is withdrawn under Article 44(3) of the Model Articles, the demand shall not be taken to have invalidated the result of a show of hands declared before the demand was made and the meeting shall continue as if the demand had not been made.
- 10 6 Polls must be taken in such manner as the chairman directs. A poll demanded on the election of a chairman or on a question of adjournment must be held immediately. A poll demanded on any other question must be held either immediately or at such time and place as the chairman directs not being more than 14 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. Article 44(4) of the Model Articles shall not apply.
- 10 7 No notice need be given of a poll not held immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

- 10 8 If the poll is to be held more than 48 hours after it was demanded the Shareholders shall be entitled to deliver Proxy Notices in respect of the poll at any time up to 24 hours before the time appointed for taking that poll. In calculating that period, no account shall be taken of any part of a day that is not a working day.
- 10 9 Proxies may only validly be appointed by a notice in writing (a “Proxy Notice”) which
- (A) states the name and address of the Shareholder appointing the proxy,
  - (B) identifies the person appointed to be that Shareholder’s proxy and the general meeting in relation to which that person is appointed,
  - (C) is signed by or on behalf of the Shareholder appointing the proxy, or is authenticated in such manner as the Board may determine, and
  - (D) (subject to Article 10 6) is either handed to the chairman any time before the start of the relevant meeting or delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate

Article 45(1) of the Model Articles shall not apply

- 10 10 If a Proxy Notice is executed on behalf of the Shareholder appointing the proxy, it must be accompanied by written evidence of the authority (being the original, a duly certified copy of the grant of authority or such other evidence as the Board deems appropriate) of the person who executed it to execute it on the appointor’s behalf. Article 46(4) of the Model Articles shall not apply

## 11 ISSUES OF RELEVANT SECURITIES

Subject to the provisions of the Companies Acts, any resolutions passed by Shareholders varying any authority and/or power conferred on the Directors pursuant to section 551 of the Act, the terms of the Investment and Shareholders Agreement and these Articles having been duly and properly complied with

### 11 1 Authority to allot

- (A) The Directors shall be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Act to exercise all the powers of the Company for each Authority Period to allot Relevant Securities up to an aggregate nominal amount equal to the Authority Amount
- (B) Without prejudice to any authority otherwise conferred on the Directors (whether pursuant to this Article 11 1 or any resolution passed by the Shareholders), the Directors may not exercise any power of the Company to allot Shares, or grant any rights to subscribe for or convert any security into Shares, where such authority is conferred solely by section 550 of the Act (notwithstanding that the Company may at the relevant time be a private company having only one class of Shares)



## **11.2 Disapplication of the statutory pre-emption rights**

The statutory pre-emption rights contained in section 561 of the Act shall not apply to the Company

## **11.3 Authority to make offers or agreements which might require future allotments**

By the authority and power conferred by Article 11.1, the Directors may, during each Authority Period, make offers or agreements which would or might require the allotment of Relevant Securities after such period expires and in such circumstances the Directors may allot securities in pursuance of that offer or agreement as if such authority and power had not expired

## **12 PRE-EMPTION RIGHTS ON ISSUE OF SHARES AND SHAREHOLDER DEBT**

### **12.1 Pre-emption rights**

On each occasion that the Company proposes to issue any Relevant Securities or Shareholder Debt after Adoption other than (i) any subscription for Shares made pursuant to the Investment and Shareholders Agreement, (ii) a Permitted Capitalisation Issue, or (iii) pursuant to any option granted from the Option Pool in accordance with the Investment and Shareholders Agreement, *or (iv) pursuant to any direct issue of Ordinary Shares which the Company's Compensation Committee determines as reducing the Option Pool* (a "New Issue") each Holder of Preferred Shares in the Company and each Holder of A Ordinary Shares in the Company shall have the right *pari passu* (as if the Preferred Shares and the A Ordinary Shares were one class of Share) (the "Pre-emption Right") to subscribe for such number of such Relevant Securities or amount of Shareholder Debt as is determined pursuant to this Article 12 (or to nominate one or more Permitted Transferees of such Holder to so subscribe for all or any of the Relevant Securities or Shareholder Debt for which the Holder is entitled to subscribe) on the same terms (including, without limitation, as to price per Relevant Security) as are proposed to be offered pursuant to such New Issue

### **12.2 Initial Entitlements**

In the first instance, the maximum number of Relevant Securities or amount of Shareholder Debt which a Holder of Preferred Shares and a Holder of A Ordinary Shares (and their respective nominated Permitted Transferees) may subscribe by virtue of the exercise of its Pre-emption Right shall be that number of Relevant Securities or amount of Shareholder Debt (an "Initial Entitlement") which when expressed as a percentage of the total number of Relevant Securities or amount of Shareholder Debt to be comprised in the Relevant Issue is determined by the Directors to be as near as may be to that percentage of Preferred Shares and A Ordinary Shares which are then held by the relevant Holder as compared to the total number of Preferred Shares and A Ordinary Shares (as if the Preferred Shares and the A Ordinary Shares were one class of Share) then in issue

### 12.3 Pre-emption notices

Prior to a New Issue, the Company shall notify in writing each Holder of Preferred Shares and each Holder of A Ordinary Shares of the Company's intention to make a New Issue (a "Pre-emption Notice") A Pre-emption Notice shall specify in reasonable detail the terms of the New Issue, the Initial Entitlement of the relevant Holder and the maximum number of Relevant Securities or the maximum amount of Shareholder Debt the subject of the New Issue A Pre-emption Notice shall invite the relevant Holder to exercise its Pre-emption Rights by confirming to the Company in writing within 21 days after the date of such Pre-emption Notice (or such longer period as the Company may specify) (the "Acceptance Period") whether or not such Holder wishes to exercise such Pre-emption Rights and such confirmation is hereafter referred to as a "Confirmation Notice"

### 12.4 Confirmation Notices

(A) To be valid a Confirmation Notice must (unless otherwise approved by the Company)

- (1) specify the names and addressees of such persons (being the Holder and/or its/his Permitted Transferee(s)) who wish to subscribe for Relevant Securities pursuant to the exercise of the relevant Holder's Pre-emption Rights (each such person being a 'Subscriber' )
- (2) be accompanied by such information as the Company shall have reasonably and expressly requested in the Pre-emption Notice in respect of each Subscriber,
- (3) be signed and executed as a deed by each Subscriber identified in the Confirmation Notice so as to constitute an application to subscribe for such Relevant Securities or the Shareholder Debt and an agreement to comply with Article 12.10 (and additionally signed by the Holder serving such Confirmation Notice by way of agreement to such applications to subscribe for Relevant Securities or the Shareholder Debt, if such Holder is not itself a Subscriber)
- (4) specify the number of Relevant Securities or the amount of Shareholder Debt to be comprised in the Initial Entitlement of each Subscriber (which in aggregate shall not exceed the Initial Entitlement of the Holder serving such Confirmation Notice) (the number of such Relevant Securities or the amount of Shareholder Debt in respect of each such a person being a "Principal Subscription Amount"), and
- (5) specify any maximum number of additional Relevant Securities or additional Shareholder Debt for which each Subscriber wishes to subscribe (an "Additional Subscription Request") (and in aggregate, not exceeding the maximum number of Relevant Securities or the maximum amount of Shareholder Debt the subject of the New Issue (as specified in the Pre-emption Notice) after deducting the relevant Holder's Initial Entitlement) (the number of such Relevant Securities

or the amount of Shareholder Debt in respect of each such Subscriber being an "Additional Subscription Request Amount")

- (B) A Preferred Shareholder may specify a Non-Voting Proportion in its Confirmation Notice, in which case it shall subscribe for and be issued in accordance with Article 12 6(A) a number of Non-Voting Relevant Securities equal to the Non-Voting Proportion instead of the same number Relevant Securities

## 12 5 Lapse of Pre-emption Rights

If a relevant Holder fails to confirm by valid Confirmation Notice delivered to the Company within the Acceptance Period whether or not it wishes to exercise its Pre-emption Rights or so confirm that it wishes to exercise them in respect of a lower number of Relevant Securities or the amount of Shareholder Debt than its Initial Entitlement, it shall be deemed to have waived its Pre-emption Rights in respect of the New Issue to the extent of the Initial Entitlement not taken up and such Holder's Pre-emption Rights or remaining Pre-emption Rights in respect of the New Issue shall lapse in full

## 12 6 Final entitlements

- (A) Within 3 months following the earlier of

- (1) the receipt by the Company of Confirmation Notices from all Holders of Shares, or
- (2) the end of the Acceptance Period,

the Company may elect to proceed to make the New Issue (subject to such Pre-emption Rights as have been exercised by valid Confirmation Notices served on the Company during the Acceptance Period) but the Company shall not be obliged to make the New Issue by virtue of its having issued any Pre-emption Notice or received any valid Confirmation Notice in respect thereof. If, however, the Company proceeds to make the New Issue it shall issue such number of Relevant Securities (subject to Article 12 4(B)) or amount of Shareholder Debt as is equal to the aggregate of the Final Entitlements (as defined in Article 12 7) of all Subscribers (subject to each Subscriber's compliance with Article 12 10) (the "Aggregate Final Entitlement")

- (B) All or any part of the remaining balance of the New Issue (the "Balance"), being the maximum number of Relevant Securities or amount of Shareholder Debt (as specified in the Pre-emption Notice) less the Aggregate Final Entitlement, may be issued by the Company
- (a) to the holders of the Ordinary Shares and Ordinary (NV) Shares pro rata to the number of shares held by each such Ordinary Shareholder and Ordinary (NV) Shareholder as compared to each other,
  - (b) and thereafter, to any other persons, (subject to the further provisions of these Articles) within such 3 month period

## **12.7 Determination of Final Entitlements**

The “Final Entitlement” of each Holder (or relevant nominated Permitted Transferees (as the case may be)) shall be equal to its Principal Subscription Amount and its Further Subscription Amount (as calculated in accordance with Article 12.8)

## **12.8 Unallocated amounts**

The number of Relevant Securities or amount of Shareholder Debt to be comprised in the New Issue less the aggregate of all Principal Subscription Amounts shall be defined as the “Unallocated Amount”. The Unallocated Amount shall be allocated by the Company *pari passu* as between the Holders of Preferred Shares (and their relevant nominated Permitted Transferees) and the Holders of A Ordinary Shares (and their relevant nominated Permitted Transferees) *pro-rata* as nearly as may be to the number of Preferred Shares and A Ordinary Shares held by each Holder of Preferred Shares or A Ordinary Shares (as if the Preferred Shares and the A Ordinary Shares were one class of Share) who and/or whose nominated Permitted Transferees (as the case may be) has made an Additional Subscription Request, provided that no such Holder or nominated Permitted Transferee shall be allocated Relevant Securities in excess of its Additional Subscription Request Amount (and any such excess may be so allocated by the Company on such a *pro-rata* basis as nearly as may be between such other Holders or nominated Permitted Transferees whose allocation of additional Relevant Securities or amount of Shareholder Debt would otherwise be less than its Additional Subscription Request Amount). The number of Relevant Securities or an amount of Shareholder Debt comprised in the Unallocated Amount which is allocated to each such Holder or nominated Permitted Transferee is defined as a “Further Subscription Amount”.

## **12.9 Obligation Notices**

In the event that the Company elects to proceed to make the New Issue pursuant to Article 12.6, the Company shall forthwith give written notice (the “Obligation Notice”) to each Holder of Preferred Shares and to each Holder of A Ordinary Shares specifying the number of Relevant Securities or amount of Shareholder Debt which is equal to its Final Entitlement which each such Holder of Preferred Shares and each such Holder of A Ordinary Shares (and/or their respective nominated Permitted Transferees (as the case may be)) is obliged to subscribe as part of the New Issue and the final terms of the New Issue, and specifying what actions (including the prompt making of payment (if relevant)) the Company requires the relevant Holder and/or its nominated Permitted Transferees (if any) to take and which is necessary to complete the subscription to be made by each such person pursuant to the New Issue (including, without limitation, as may be required the execution of a deed of adherence to the Investment and Shareholders Agreement if so required by the Company).

## **12.10 Completion of Subscriptions**

On service upon it of an Obligation Notice each Holder shall promptly undertake (and each Holder who has nominated a Permitted Transferee to subscribe for Relevant Securities or an amount of Shareholder Debt as part of the New Issue shall procure that its nominated Permitted Transferee shall undertake) such actions as the Company

shall have specified in the Obligation Notice pursuant to Article 12 9 (including, without limitation, making any payment in respect of its Final Entitlement)

#### **12 11 No other issues**

Subject to Article 12 12, the Company shall not issue Relevant Securities or Shareholder Debt save in compliance with this Article 12

#### **12 12 Disapplication of pre-emption rights**

A New Issue to a person who is not a Holder or to a person to whom a Permitted Transfer could be made, may be made free of the Pre-emption Rights and other procedures set out in this Article 12, if so approved in writing by the Holders of not less than 75 per cent of the issued Shares (excluding any non-voting shares) and an Investor Majority Consent. In no other circumstance may a New Issue be made free of the Pre-emption Rights unless approved in writing by the Holders of not less than 75 per cent of the issued Shares (excluding any non-voting shares) and an Investor Majority Consent.

#### **12 13 Fractions**

An entitlement to any fraction of any Relevant Security or Shareholder Debt pursuant to this Article 12 may, at the option of the Company, be disregarded.

#### **12.14 Termination of Rights**

The rights set out in this Article 12 shall cease upon a Share Sale or Qualified Listing and in relation to a particular Shareholder, upon that Shareholder ceasing to hold any Shares.

### **13 TRANSFER OF SHARES**

#### **13 1 Method of transfer**

Subject to Articles 13 2, 13 4 and 13 6

- (A) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Directors, which is executed by or on behalf of the transferor or, if the Share is nil or partly paid, by or on behalf of both the transferor and the transferee.
- (B) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any Share.
- (C) The Company may retain any instrument of transfer which is registered.
- (D) The transferor remains the Holder until the transferee's name is entered in the register of members as Holder of it.

### **13 2 Transfers restricted**

No Shareholder may transfer any Share except (to the extent applicable) in accordance with Article 14 (Transfers with Shareholder Approval), Article 15 (Permitted Transfers), Article 16 (Compulsory Transfers), Article 17 (Pre-emption Rights on the Transfer of Shares), or Article 18 (Drag Rights) and any purported transfer in breach of this Article 13 2 shall be of no effect

### **13 3 Transfers or grants of interests**

References in Article 13 2 to a transfer of any Share includes a transfer or grant of any interest in any Share or of any right attaching to any Share, whether by way of sale, gift, holding on trust, charge, mortgage or pledge, or in any other way, and whether at law or in equity, and also includes an agreement to make any such transfer or grant or to exercise the voting rights attaching to a Share at the direction of any third party

### **13 4 Director's powers to refuse to register transfers**

The Directors shall refuse to register a transfer of Shares

- (A) prohibited by these Articles,
- (B) not effected in accordance with these Articles
- (C) where legal title to such Shares is purportedly transferred to a child under 18 years of age
- (D) the transfer is in respect of more than one class of shares or is in favour of more than four transferees, and/or
- (E) where (unless otherwise approved in writing by an Investor Majority Consent) the Directors are aware that any of the circumstances described in Article 16 4(A)(1) to 16 4(A)(5) inclusive apply in respect of the proposed transferee

The Directors shall not otherwise be entitled to refuse to register any transfer of Shares

### **13 5 Investigations as to rights or requirements to transfer**

For the purpose of ensuring that a particular transfer of Shares is permitted under the provisions of these Articles or that no circumstances have arisen whereby a Compulsory Transfer Notice may be given or is deemed to have been given under these Articles, the Directors may from time to time require any Holder or past Holder (or a joint Holder or joint past Holder or the personal representatives, trustee in bankruptcy, liquidator, administrator or receiver of any such Holder or past Holder), or any person becoming entitled to Shares on a transmission of those Shares, or in the case of any proposed transfer, any proposed transferee, to supply to the Company such information as they may reasonably think relevant for the purpose of determining whether (A) there has been a breach of these Articles, (B) a Compulsory Transfer Event has occurred, (C) the proposed transfer is permitted under the Articles, or (D) a Transfer Notice should be deemed to have been served Unless that information is supplied within 30 days of the date of the request, the Directors may

declare that until such time as the information so requested is provided to the Company the Shares in question shall be subject to the restrictions set out in sections 797(1)(a)-(d) of the Act and the Directors may refuse to register any transfer of the relevant Shares

### **13 6 Registration of transfers**

Unless under these Articles the Directors have an express discretion or are obliged to refuse to register the transfer of any Share, the Directors shall register all transfers of Shares permitted by or effected in accordance with these Articles within 30 days of the following being lodged at the registered office of the Company (or such other place in the United Kingdom as the Directors may have notified to Holders of Shares for such purpose)

- (A) the duly stamped transfer;
- (B) the certificates for the Shares to which the transfer relates or an indemnity in lieu of the certificates in a form reasonably satisfactory to the Directors,
- (C) evidence that each proposed transferee has first agreed to be bound, in accordance with its terms, by any applicable provisions of the Investment and Shareholders Agreement then in force with effect from the date of the transfer (if the transferor is bound by the terms of such shareholders' agreement and required pursuant thereto to procure that the transferee so agrees to be bound by the terms thereof), and
- (D) such information (if any) as the Company may have requested pursuant to Article 13 5 in respect of the proposed transferee

## **14. TRANSFERS WITH SHAREHOLDER APPROVAL**

Notwithstanding any other provisions of these Articles a purported transfer by an Employee Member of any Shares or Relevant Securities must be approved in writing by an Investor Majority Consent

## **15 PERMITTED TRANSFERS**

### **15 1 Permitted Transferees**

Unless otherwise prohibited by these Articles, the following transfers may be made without restriction as to price or otherwise and any such transfers shall (subject to Article 13 4 and Article 13 6) be registered by the Directors

- (A) a transfer of the entire legal and beneficial interest in any Share by a Holder (being an individual who does not hold the Share concerned as a trustee) to a Privileged Relation (aged 18 or over) of such Holder,
- (B) a transfer of the legal interest in any Share by a Holder (being an individual who does not hold the Shares concerned solely as a trustee) to the trustees of a Family Trust (acting in that capacity) of such Holder and a transfer of the beneficial interest in any Share by a Holder (being an individual who does not hold the Shares concerned solely as a trustee) to the beneficiaries

of any Family Trust of such Holder where the legal interest in such Share is held by the trustees of such Family Trust (in such capacity),

- (C) a transfer of the legal interest in any Share by any trustees of a Family Trust acting in that capacity to any other or new trustees of that Family Trust acting in that capacity,
- (D) a transfer of the entire legal interest in any Share by any trustees of a Family Trust acting in that capacity to any beneficiary of that trust (aged 18 or over) who has become absolutely entitled to the entire legal and beneficial interest in the Share proposed to be transferred, or
- (E) a transfer of the entire legal and beneficial interest in any Share by a Shareholder to any of its Affiliates, provided that if the transferee ceases to be an Affiliate of its transferor the transferee shall on request by the Company re-transfer the Shares in question to its transferor (or a Permitted Transferee thereof) and failing such transfer, the Company may authorise some person to execute transfers of the relevant Shares in favour of such transferor (or a Permitted Transferee thereof) and may thereupon enter the name of such transferor (or a Permitted Transferee thereof) in the Register of Members as the Holder of such Shares,

provided always that the Holder first informs the Board in writing of the intention to make a Permitted Transfer

## **15.2 Investor transfers**

Unless otherwise prohibited by these Articles, the following transfers may be made without restriction as to price or otherwise and any such transfers shall (subject to Article 13.4 and Article 13.6) be registered by the Directors

- (A) any transfer by an Investor to any member of such Investor's Group (and thereafter any transfer by any member of such Investor's Group to any other member of such Investor's Group), provided that if the transferee ceases to be a member of the same Investor's Group of its transferor it shall on request by the Company re-transfer the Shares in question to its transferor (or a Permitted Transferee thereof) and failing such transfer, the Company may authorise some person to execute transfers of the relevant Shares in favour of the original transferor (or a Permitted Transferee thereof) and may thereupon enter the name of such transferor (or a Permitted Transferee thereof) in the Register of Members as the Holder of such Shares,
- (B) a transfer of any Shares held by an Investor (or a nominee of an Investor) who is
  - (1) a person whose principal business is to make, manage or advise upon investments (an "Investment Manager"), or
  - (2) a fund, partnership, company, syndicate or other entity whose principal business is to make investments and whose business is managed by an Investment Manager (an "Investment Fund"), or



(3) a nominee of an Investment Manager or an Investment Fund,

to any of the following transferees

- (a) where the Investor is an Investment Manager or a nominee of an Investment Manager, to any person who is
  - (i) (a participant (directly or indirectly) or partner in or member of an Investment Fund which is managed by such Investment Manager (but only in connection with the dissolution of such Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund),
  - (ii) an Investment Fund whose business is managed by the Investment Manager who is or whose nominee is the transferor, or
  - (iii) any other Investment Manager who manages the business of the Investment Fund in respect of which the Shares are held, or
  - (iv) any other Investment Fund
- (b) where that Investor is an Investment Fund, or a nominee of an Investment Fund, to any person who is
  - (i) a participant (directly or indirectly) or partner in or member of such Investment Fund (but only in connection with the dissolution of such Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund),
  - (ii) any other Investment Fund whose business is managed by the same Investment Manager as manages the Investment Fund which is or whose nominee is the transferor, or
  - (iii) the Investment Manager who manages the business of the Investment Fund which is or whose nominee is the transferor, or
  - (iv) any other Investment Fund,

(or, in the case of (a)(i) to (iii) or (b)(i) to (iii), a nominee of any such person)

### 15.3 A Ordinary Shareholder Transfers

A transfer of Shares (of any class of Share) may be made without restriction as to price or otherwise by the A Ordinary Shareholder to a member of the A Ordinary Group or to a nominee or bare trustee and thereafter any transfer by such person may be made without restriction as to price or otherwise to another member of the A Ordinary Group or to a nominee or bare trustee and any such transfers shall be registered by the Directors

## 16 COMPULSORY TRANSFERS

### 16.1 Compulsory Transfer Events – Founder Leavers

- (A) If a Founder (a “Founder Relevant Member”) ceases to be a director employee or consultant of the Company other than as a Bad Leaver (a “Founder Leaver”) at any time before the fourth anniversary of the commencement of his employment or consultancy with the Company, he shall be deemed to have issued a Transfer Notice in accordance with Article 17 below in respect of such number of Shares held by the Founder Relevant Member (and his Permitted Transferees) that were issued prior to Adoption as calculated in accordance with Article 16.1(B), and the provisions of Article 17 shall apply, subject to this Article 16
- (B) For the purposes of the Transfer Notice given pursuant to Article 16.1(A), the number of Shares to be transferred by the Founder Relevant Member shall be calculated as follows

Date of cessation of employment of the Founder	Shares subject to Transfer Notice
At any time following the commencement of directorship, employment or the consultancy but prior to the first anniversary of the same	75% of the number of shares held by the Founder Relevant Member that were issued prior to Adoption
At any time on or following the first anniversary of the commencement of directorship, employment or the consultancy but prior to the fourth anniversary of the same	$\left( A - \left[ \frac{T \times A}{36} \right] \right)$

Where

A = 56.25% of the number of Shares held by the Founder Relevant Member that were issued prior to Adoption, and

T = the number of complete calendar months elapsed since the first anniversary of the date of commencement of employment or consultancy with the Company or any of its subsidiaries as at the date the Founder Relevant Member becomes a Founder Leaver

- (C) For the purposes of a Transfer Notice given pursuant to Article 16.1, the Specified Price shall be the subscription price paid for each Share the subject of the Transfer Notice
- (D) The provisions of this Article 16 shall not apply to any Preferred Shares held by a Founder Relevant Member or to any person who acquires shares in the capital of the Company as a result of the exercise of options granted by the Company out of the Option Pool

## 16 2 Compulsory Transfer Events – Employee Leavers

(A) If an Employee Member (including a Founder) (an “Employee Relevant Member”) ceases to be a director, employee or consultant of the Company other than as a Bad Leaver (an “Employee Leaver”) at any time, he shall be deemed to have issued a Transfer Notice in accordance with Article 17 below in respect of such number of Shares held by the Employee Relevant Member (and his Permitted Transferees) as calculated in accordance with (in respect of Shares issued prior to Adoption) Article 16 2(B) and (in respect of Shares issued on or following Adoption) Article 16 2(C), and the provisions of Article 17 shall apply, subject to this Article 16

### (B) Issuances prior to Adoption

(1) In respect of Shares issued to the Employment Relevant Member prior to Adoption, for the purposes of the Transfer Notice given pursuant to Article 16 2(A), the number of Shares to be transferred by the Employee Relevant Member other than John Berriman, Hamish Cameron, Allan Baxter and other Employee Members designated in writing by the Board to be included within this exception, shall be calculated as follows

Condition	Date of cessation of employment of the Employee Member	Shares subject to Transfer Notice
1	At any time prior to the first anniversary of the commencement of directorship, employment or the consultancy	100% of Shares held by the Employee Relevant Member that were issued prior to Adoption
2	At any time following the first anniversary of commencement of directorship, employment or the consultancy but prior to the fourth anniversary of the same	$\left( B - \left[ \frac{U \times B}{48} \right] \right)$

Where

B = the number of Shares held by the Employee Relevant Member that were issued prior to Adoption, and

U = the number of complete calendar months elapsed since the date of commencement of employment or consultancy with the Company or any of its

subsidiaries as at the date the Employee Relevant Member becomes an Employee Leaver

- (2) For the purposes of the Transfer Notice given pursuant to Article 16 2(A), the number of Shares to be transferred by John Berriman or Hamish Cameron or Allan Baxter or any other Employee Member designated pursuant to Article 16 2(B) as the case may be shall be calculated in accordance with Condition 2 set out above in Article 16 2(B) other than
  - (a) the relevant date of cessation of employment shall be calculated at any time following his commencement of directorship, employment or the consultancy but prior to the fourth anniversary of the same, and
  - (b) "B" shall equal 85% of the number of shares held by John Berriman or Hamish Cameron or Allan Baxter or any other Employee Member designated pursuant to Article 16 2(B) as the case may be

(C) **Issuances on or following Adoption**

In respect of Shares issued to the Employee Relevant Member on or following Adoption, for the purposes of the Transfer Notice given pursuant to Article 16 2(A) the number of Shares to be transferred by the Employee Relevant Member shall be calculated as follows

*either (1)*

Condition	Date of cessation of employment of the Employee Member	Shares subject to Transfer Notice
1	At any time prior to the first anniversary of the issuance of the relevant Shares	100% of the number of Shares held by the Employee Relevant Member that were issued on or following Adoption
2	At any time following the first anniversary of the issuance of the relevant Shares but prior to the fourth anniversary of the same	$\left( B - \left[ \frac{U \times B}{48} \right] \right)$

Where

B = 75% of the number of shares held by the Employee Relevant Member that were issued on or following Adoption, and

U = the number of complete calendar months elapsed since the date of issuance of the relevant Shares as at the date the Employee Relevant Member becomes an Employee Leaver

*or (2) pursuant to the terms of any mandatory transfer agreement entered into between the Company and the Employee Relevant Member from time to time*

- (D) For the purposes of a Transfer Notice given pursuant to Article 16 2, the Specified Price shall be the subscription price paid for each Share the subject of the Transfer Notice
- (E) The provisions of this Article 16 shall not apply to any Preferred Shares held by an Employee Relevant Member or to any person who acquires shares in the capital of the Company as a result of the exercise of options granted by the Company out of the Option Pool

### **16 3 Compulsory Transfer Events - Bad Leavers**

If an Employee Member or a Founder Member becomes a Bad Leaver at any time he shall be deemed to have issued a Transfer Notice in accordance with Article 17 below in respect of all his Shares

### **16 4 Compulsory Transfer Events - General**

For the purposes of these Articles, a Compulsory Transfer Event shall occur (unless otherwise approved in writing by the Board (including an Investor Majority Consent) in relation to a Holder (other than an Investor, the A Ordinary Shareholder or their Permitted Transferees)

- (A) if that Holder (being an individual)
  - (1) makes any proposal under Part VIII Insolvency Act 1986 for a composition in satisfaction of his debts or a scheme of arrangement of his affairs, or makes any arrangement or compromise with his creditors generally,
  - (2) has a bankruptcy order made against him;
  - (3) dies (unless that Holder is a joint Holder) save to the extent such Shares are thereafter transferred to any Permitted Transferees of such deceased Holder and the Board approves such transfers,
  - (4) by reason of his mental health he becomes the subject of an order of the court which wholly or partly prevents him from personally exercising any powers or rights he may otherwise have,
  - (5) becomes the subject of any occurrence analogous to those in Articles 16 4(A)(1) to 16 4(A)(4) (whether or not such occurrence arises in England and Wales or in some other jurisdiction), or
  - (6) in the case of a Holder who holds Shares by reason of a Permitted Transfer made to a Privileged Relation, if the Holder thereafter ceases to be a Privileged Relation (including, without limitation, by reason of divorce) of the transferor, or

- (7) where the Holder is a nominee holding the legal interest in such Shares, the person holding the beneficial interest in such Shares (legal title to which is held by such nominee) (a) becomes subject to a change of the person who has Control of it (other than if (and for so long as) the person(s) acquiring Control of the holder of such beneficial interest is a Permitted Transferee of the previous holder of such beneficial interest) or (b) is subject to a Compulsory Transfer Event (or would be subject to a Compulsory Transfer Event if such person were a Holder),

(and in case of an event within (a) or (b) any Compulsory Transfer Notice shall be deemed to be served jointly by the nominee and the holder of the beneficial interest), or

- (B) in the case of a Holder who holds Shares as trustee of a Family Trust, if he ceases to hold those shares on the terms of a Family Trust (other than in consequence of a transfer under Article 16 6) or holds them on trust for an individual in relation to whom a Compulsory Transfer Event has occurred

#### **16 5 Notification of Compulsory Transfer Event**

If a Compulsory Transfer Event occurs (or is due to occur), then the Holder to whom such event relates shall promptly notify the Board in writing (specifying such details of the Compulsory Transfer Event as the Board may reasonably require)

#### **16 6 Deemed Transfer Notices**

At any time prior to the date 12 months after the Board has received all details concerning such a Compulsory Transfer Event as the Board may reasonably require (or, if later, the date 12 months from the occurrence of the Compulsory Transfer Event) the Board may determine that a Transfer Notice be deemed to have been served (being a Compulsory Transfer Notice) in respect of the entire legal and beneficial interest in all (or such other portion as may be determined by the Board) of the Shares held by the relevant Holder (and its Permitted Transferees, to the extent the Board determines that such Shares are to be so offered for transfer in connection with such Compulsory Transfer Event) Article 17 shall apply to a Compulsory Transfer Notice except as modified by this Article 16 6

#### **16 7 Transfers to be at Market Value**

The price at which Shares the subject of a Compulsory Transfer Notice served pursuant to Article 16 6 shall be offered for sale pursuant to Article 17 shall be Market Value

#### **16 8 Determination of Market Value**

- (A) In respect of a transfer of Shares pursuant to a Compulsory Transfer Notice "Market Value" shall be the sale price of such Shares as agreed between the Board and the relevant transferor or as otherwise determined pursuant to this Article 16 8 A transferor may not subsequently retract his agreement as to any such sale price once the Market Value has been so established If the

Board and such transferor are unable to agree such sale price then the sale price shall, at the request of either party, instead be the price which an Independent Expert shall certify to be in his opinion the market value of the Shares to be transferred as at the date of its certificate. In arriving at this opinion prior to certifying the sale price, the Independent Expert will value the Shares on a going concern basis and assuming a sale between a willing seller and a willing buyer ignoring any reduction or increase in value which may be ascribed to the Shares by virtue of the fact that they represent a minority or majority or Controlling Interest and on the assumption that the Shares are capable of transfer without restriction. If the Independent Expert is asked to certify the sale price, his certificate shall be delivered to the Company. The certificate of the Independent Expert shall, (in the absence of fraud or manifest error), be binding on all persons. As soon as the Company receives the certificate it shall deliver a copy to the transferor. The fees and expenses of the Independent Expert shall be payable by the Company (or, if so determined by the Independent Expert, by the transferor and the Company in such proportions as the Independent Expert may notify to such persons).

- (B) The Market Value of any Shares may be nil if so determined in accordance with this Article 16.8

#### **16.9 No withdrawal of Compulsory Transfer Notices**

A Compulsory Transfer Notice deemed to have been given may not be withdrawn (other than with written approval of the Board and an Investor Majority Consent)

### **17 PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES**

- 17.1 Subject to Article 15, no Shareholder, or person entitled to Shares by transmission, shall be entitled to transfer his Shares without first offering them for transfer to the Preferred Shareholders and A Ordinary Shareholders *pari passu* (as if the Preferred Shares and the A Ordinary Shares were one class of Share). The offer may be in respect of all or part only of the Shares held by the proposing transferor and shall be made by the proposing transferor by notice in writing to the Company (a "Transfer Notice")

- 17.2 The Transfer Notice shall specify the Shares offered (the "Offered Shares") and the price per Share at which they are offered (the "Specified Price") The Transfer Notice shall constitute the Board as the agent of the proposing transferor for the sale of the Offered Shares to the Preferred Shareholders and A Ordinary Shareholders *pari passu* (as if the Preferred Shares and the A Ordinary Shares were one class of Share) at the Specified Price. The Transfer Notice may contain a provision that, unless all the Offered Shares are sold under this Article 17, none shall be sold and that provision shall have effect. The Transfer Notice may not be revoked unless the Board otherwise agrees.

- 17.3 On receipt by the Company of the Transfer Notice the Board shall as soon as practicable give notice to all the Preferred Shareholders and A Ordinary Shareholders (other than the proposing transferor if the proposing transferor is a Preferred Shareholder or an A Ordinary Shareholder) of the number and

description of the Offered Shares and the Specified Price. The notice shall invite each of the Preferred Shareholders and each of the A Ordinary Shareholders to state in writing to the Company within 14 days (the "Period") whether he is willing to purchase any and, if so, what maximum number ("Maximum"), of the Offered Shares. The Board shall at the same time give a copy of the notice to the proposing transferor.

17.4 Subject to Article 17.5, on the expiration of the Period the Board shall allocate the Offered Shares to or amongst those persons who have expressed a willingness to purchase Offered Shares ("Purchasers") as follows:

- (A) each allocation between Purchasers shall, in the case of competition, be made pro rata to the number of Preferred Shares and A Ordinary Shares held by each of them but shall not exceed the Maximum which such holder shall have expressed a willingness to purchase; and
- (B) if the Transfer Notice shall state that the proposing transferor is not willing to transfer part only of the Offered Shares, no allocation will be made unless all the Offered Shares are allocated.

17.5 On the allocation being made, the Board shall give details of the allocation in writing to the proposing transferor and each Purchaser and, 7 days after the date on which such details are given, the Purchasers to whom the allocation has been made shall be bound to pay the purchase price for, and to accept a transfer of, the Offered Shares allocated to them respectively and the proposing transferor shall be bound, on payment of the purchaser price, to transfer the Offered Shares to the respective Purchasers to whom the allocation has been made.

17.6 If the proposing transferor, after becoming bound to transfer Offered Shares, fails to do so, the Company may receive the purchase price and the Board may appoint a person to be the proposing transferor's agent or attorney to execute instruments of transfer of the Offered Shares in favour of the Purchasers to whom the allocation has been made and shall cause the names of those Purchasers to be entered in the register of Shareholders of the Company as the holders of the Offered Shares and shall hold the purchase price in trust for the proposing transferor. The receipt of the Company shall be a good discharge to those Purchasers and, after their names have been entered in the register of Shareholders of the Company under this provision, the validity of the transactions shall not be questioned by any person.

17.7 If, following the expiry of the Period, any of the Offered Shares have not been allocated under Article 17.4, the proposing transferor may at any time within a period of 3 months after the expiry of the Period transfer the Offered Shares not allocated to: a) the holders of the Ordinary Shares and Ordinary (NV) Shares pro rata to the number of shares held by each such Ordinary Shareholders and Ordinary (NV) Shareholders as compared with each other, and b) thereafter any person and at any price (being not less than the Specified Price) provided that the Board may require to be satisfied that those shares are being transferred under a bona fide arm's length sale for the consideration stated in the transfer without any deduction, rebate or allowance to the Purchaser and that the transferee is a person (or a nominee for a person) who is not a competitor with (or an associated



company of a competitor with) the business of the Company or any of its subsidiaries and, if not so satisfied, may refuse to register the instrument of transfer (without prejudice, however, to the Board's absolute discretion to refuse to approve or register any transfer of Shares in the circumstances described in Article 12 14)

17 8 Notwithstanding the foregoing provisions of this Article 17 but subject to Article 17 9, if so approved (in writing) by the Holders of not less than 75% in number of issued Shares (excluding any non-voting shares) and an Investor Majority Consent, then any Offered Shares the subject of a Transfer Notice (or Compulsory Transfer Notice) may, in lieu of being offered to all Holders of Preferred Shares and all Holders of A Ordinary Shares (other than the proposing transferor (or any Permitted Transferee thereof) and any other person to the extent such other person is then offering Shares for sale pursuant to any further Transfer Notice(s) (or any Permitted Transferee thereof)), instead be offered to a person who is neither a Holder nor a person to whom a Permitted Transfer could be made whether or not such person is then a Shareholder and the provisions of this Article 17 shall otherwise apply mutatis mutandis to such offer and any such sale of Shares

17 9 No transfer may occur under Article 17 7 (other than a Permitted Transfer or a transfer to an existing Shareholder) or Article 17 8 unless the proposed transferee or his or their nominees has or have offered to purchase (giving written notice to all Holders in writing, enclosing a copy of the proposed transfer agreement, giving the Holder 60 days in which to accept such offer (after such time the offer shall expire and the transfer may proceed))

(A) from each Shareholder a proportion (any fraction of a Share being disregarded) of the Shares held by each Shareholder equal to the proportion that the number of Shares to be so transferred by the proposed transferor bears to the total number of Shares held by such transferor immediately prior to such transfer, or

(B) all Shares, where such transfer would result in any person or persons obtaining a Controlling Interest in the Company,

all at the same price per Share and on the same terms and conditions and the provisions of Article 18 3, 18 4 and 18 6 shall apply mutatis mutandis

#### 17 10 Termination of Rights

The rights set out in this Article 17 shall cease upon a Share Sale or Qualified Listing and in relation to a particular Shareholder, upon that Shareholder ceasing to hold any Shares

### 18 DRAG RIGHTS

#### 18 1 Scope and application of Drag Rights

If the terms of an agreement, offer or other arrangement (a "Transfer Agreement") are accepted in writing by the "Accepting Shareholders" being at least two of the Core Investor Groups, and such Transfer Agreement provides for a sale or other transfer of

Shares to be made on bona fide arms length terms and such that the transferee (together with all persons (if any) acting in concert (within the meaning given in the City Code on Takeovers and Mergers) with such transferee) (the "Acquirer") proposes to acquire the entire issued Share capital of the Company (other than those Shares (if any) already held by it) on terms complying with Article 18 3 and Article 18 4 then

- (A) any of the Accepting Shareholders shall have the right to direct that the Company shall promptly (and in any event within 5 Business Days of being so directed) give written notice (a "Drag Notice") to all persons, other than the Accepting Shareholders, who are Holders of Shares and such holders of other Relevant Securities as confer a right to acquire Shares on completion of the proposed transfer of Shares pursuant to the Transfer Agreement (and the holders of such other Shares as the Acquirer may direct) (all the foregoing holders of Relevant Securities being "RS Holders"), enclosing a copy of the Transfer Agreement. If the Company fails to serve a Drag Notice in accordance with this Article 18 1 then such notice may be served by any Accepting Shareholder for and on behalf of the Company,
- (B) upon the service of a Drag Notice and for a period of 60 days thereafter no further transfer of any interest in any Share (or other Relevant Security (if and to the extent the Company has the right to so restrict the transfer thereof)) shall be made unless it is (i) approved in writing by the Acquirer (such approval not to be unreasonably withheld or delayed), or (ii) the Drag Notice is withdrawn (with the approval of the Company, the Acquirer and the Accepting Shareholders), or (iii) the obligation to transfer Shares pursuant to the Transfer Agreement lapses in accordance with its terms,
- (C) upon receipt of the Drag Notice each Holder and each RS Holder upon whom it is served shall have the right to unconditionally accept the terms of the Transfer Agreement (and in the case of an RS Holder, such acceptance shall be in respect of such Shares as the RS Holder may acquire on exercise of the Relevant Securities held by such RS Holder and to which the Transfer Agreement relates), and
- (D) if and to the extent any Holder or RS Holder does not expressly and unconditionally accept the terms of the Transfer Agreement (in the manner described in the Drag Notice) but subject to Article 18 4 in writing within 21 days of the Drag Notice, each such Holder or RS Holder shall be deemed in any event to have unconditionally accepted the terms of the Transfer Agreement in the manner described in the Drag Notice (but subject to Article 18 4) and the provisions of Article 18 2 shall apply

## **18 2 Failure to accept the terms of Transfer Agreement**

If any such Holder or RS Holder having become bound by the terms of the Transfer Agreement (in the manner described in the Drag Notice) does not thereafter execute and deliver to the Acquirer any transfers in respect of the Shares (or other Relevant Securities, as the case may be) held by him, and any other documents or indemnities (including, without limitation, any share certificate or notice of exercise of the rights of any Relevant Securities) necessary to accept and complete the transfer of Shares

(and, if relevant, other Relevant Securities) in accordance with the terms of the Transfer Agreement (together the "Transfer Documents"), then the Board shall be entitled to (and, in default of the Board doing so any of the Preferred Shareholders shall be entitled to execute and deliver, or to authorise and instruct such person as the Board (or the relevant Preferred Shareholder (as the case may be)) thinks fit to execute and deliver such Transfer Documents on that Holder's or RS Holder's behalf and, where the Transfer Agreement provides for any election to be made between any forms of consideration, to make such election on behalf of that Holder or RS Holder in the same proportions as elected by the Accepting Shareholders and, against receipt by the Company (or such other nominee as the Company may nominate for such purpose (or in default of the Company accepting receipt or nominating such a nominee, then such nominee(s) as any of the Preferred Shareholders may nominate for such purpose)) of the consideration payable for the relevant Shares (or other Relevant Securities, as the case may be) to be held on trust for that Holder or RS Holder, deliver such transfers, other necessary documents, certificate or indemnities to the Acquirer. The Company (or by such nominee as the Company or an Accepting Shareholder shall have nominated to hold such consideration) shall be entitled to deduct and receive payment from any consideration so held on trust by it for a Holder or RS Holder any amount payable by such Holder or RS Holder (as the case may be) to the Company in respect of the exercise of any right to acquire Share(s) and/or any other amount payable by such Holder and/or RS Holder (as the case may be) to the Company (or a member of the Company). Following receipt by the Company (or such other nominee(s) as the Company or an Accepting Shareholder may have nominated for such purpose) of the consideration payable for those Shares (or other Relevant Securities, as the case may be) the Company shall (subject to the payment of any stamp duty by the Acquirer) cause the Acquirer to be registered as the Holder of those Shares (and Relevant Securities, as the case may be) and, after such registration, the validity of such proceedings shall not be questioned by any person.

### **18.3 Terms of Transfer Agreement**

The terms of a Transfer Agreement shall, inter alia, provide that the aggregate consideration to be satisfied thereunder shall be apportioned so that the consideration to be satisfied in respect of each Share to be transferred pursuant to such Transfer Agreement (including, without limitation, Shares to be issued on or prior to completion of the transfer of Shares pursuant to the Transfer Agreement) shall be in accordance with Article 4.

### **18.4 Equality of terms**

- (A) The terms of such Transfer Agreement shall not impose any warranties and indemnities as to the title and right to transfer the Shares the subject of the Transfer Agreement or as to the affairs of the Company or any other liability or obligation on any Holder or RS Holder (unless expressly agreed and accepted by such Holder or RS Holder in respect of itself)
- (B) The terms of the Transfer Agreement shall not, subject to Article 18.3, confer any benefit as to the form and time or times for payment or other satisfaction of the consideration on any Holder or RS Holder in their capacity as a Holder or RS Holder (as the case may be) save to the extent that such the terms are also applied to all other Holders or RS Holders (as

the case may be) *pari passu* and any other benefits are not less favourable than those applied to the Accepting Shareholders in respect of the same class of Share (or other Relevant Security, as the case may be) under such Transfer Agreement

#### **18.5 Entire interest to be transferred**

Each Holder and each RS Holder transferring Shares (and other Relevant Securities, as the case may be) pursuant to such Transfer Agreement shall procure that the transfer of such Shares (and other Relevant Securities, as the case may be) so transferred by it (or its nominee) constitutes a transfer of the entire legal and beneficial interest in such Shares (or other Relevant Securities, as the case may be) free from all Encumbrances

#### **18.6 Options and rights not yet exercisable**

For the avoidance of doubt, a Transfer Agreement need not (in the sole discretion of the Acquirer) concern the sale or transfer of Relevant Securities (other than Shares) to the extent such Relevant Securities do not confer a right to acquire Shares on or before completion of the transfer of Shares pursuant to the Transfer Agreement and the Acquirer shall not be obliged to offer to acquire such Relevant Securities

### **19 PRIMACY OF DRAG RIGHTS**

#### **19.1 Drag Rights**

These Articles and all other regulations of the Company relating to the transfer of Shares and the rights to registration of transfers shall be read subject to the provisions of Article 18

### **20 SPECIAL DIRECTORS**

#### **20.1 Right to appoint Special Directors**

- (A) Notwithstanding any other provisions of these Articles, each Core Investor Group shall be entitled to appoint any one person holding office at any one time to act as a Special Director of the Company and to remove from office any person so appointed and to appoint another person in his place
- (B) In the event that a resolution to remove a Special Director from office as a Director of the Company is proposed pursuant to section 168 of the Act (or otherwise by resolution of the Shareholders in general meeting) then, in respect of such resolution only, each Share held by the Core Investor Group having the right to appoint such Special Director shall carry a number of votes per Share equal to 1,000,000 multiplied by the number of votes in respect of such Share otherwise determined in accordance with Article 7.1(A)(1) or 7.1(A)(3) (as the case may be depending on the class of such Share)
- (C) The right of each Core Investor Group to appoint a Special Director pursuant to this Article 20 shall cease to apply immediately prior to, but conditional upon completion of, a Listing

## **21 APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS**

### **21 1 Maximum number of Directors**

The maximum number of Directors shall be seven (7) which number can be increased or decreased with an Investor Majority Consent

### **21 2 Telephone conferences**

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 of whom each is able (directly or by telephonic or other communication) to speak to each of the others, and to be heard by each of the others simultaneously, and the word "meeting" in these Articles shall be construed accordingly

### **21 3 Written Directors' resolutions**

A resolution in writing signed or approved by facsimile by all the Directors shall be as valid and effectual as if it had been passed at a meeting of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors, but a resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity

### **21 4 Calling Directors' meetings**

- (A) Any Director may call a Directors' meeting by sending notice of the meeting to all the other Directors or by authorising the company secretary (if any) to send such notice to all the Directors
- (B) Notice of any Directors' meeting must indicate
  - (1) the proposed date and time,
  - (2) where it is to take place,
  - (3) if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they communicate with each other during the meeting
- (C) Notice of every meeting of the Directors shall be given to each Director at any address supplied by him to the Company for that purpose whether or not he is present in the United Kingdom provided that any Director may waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him

### **21 5 Quorum for Directors' meetings**

- (A) At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting

- (B) The quorum for a Directors' meeting shall be two Directors including
- (1) at least two of the Special Directors (or their alternates) appointed by the Core Investor Groups in accordance with the Investment and Shareholders Agreement, and
  - (2) the Chief Scientific Officer of the Company. However, if the Chief Scientific Officer is not present within 15 minutes of the time at which the meeting was due to start, the Chairman may adjourn the meeting by 48 hours, to be held at the same time of the day and place, and shall give written notice of the same to all Directors. If the Chief Scientific Officer is not present within 15 minutes of the time at which the adjourned meeting was due to start, then the Chairman may declare that a quorum shall be two Directors and that such quorum is present so long as the persons required by Article 21 5(B)(2) above are participating at such meeting.

If a Director or alternate Director participates also as an alternate Director for one or more other Directors he shall count as one Director for the purpose of determining whether there is a quorum.

- (C) If the total number of Directors for the time being is less than the quorum required, the Director or Directors remaining must not take any decision other than a decision
- (1) to appoint further Directors, or
  - (2) to call a general meeting or invite the Shareholders to pass a written resolution so as to enable the Shareholders to appoint further Directors.
- (D) If the total number of Directors for the time being is less than the quorum required and the Directors have not within one month of that situation arising taken either of the actions specified in Article 21 5(C) or there are no Directors in office, any Shareholder may call a general meeting or propose a written resolution (or instruct the company secretary, if any, to do so) for the purpose of appointing one or more Directors specified by that Shareholder and who are willing to act.
- (E) A Director is participating in a Directors' meeting if he is physically present at the meeting or if he is taking part in a conference which complies with Article 21 2.

#### **21 6 Chairing of Directors' meetings**

- (A) The Directors may appoint a Director to chair their meetings either for a specified meeting or on a continuing basis.
- (B) The person so appointed for the time being is known as the chairman.
- (C) Where the chairman is appointed on a continuing basis the Directors may terminate the appointment of the chairman at any time.

- (D) If a chairman appointed on a continuing basis is not participating in a Directors' meeting within ten minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair that meeting, but the chairman previously appointed on a continuing basis shall thereafter continue in office unless and until such office is terminated under Article 21 6(C)

#### **21 7 Voting at Directors' meetings**

- (A) Each Director participating in a Directors' meeting has one vote
- (B) If the numbers of votes for and against a proposal are equal, the Special Directors present at the meeting, voting unanimously where only two Special Directors are present and by majority where three Special Directors are present, shall have a second or casting vote

#### **21 8 Determination of questions as to the right to participate in a Directors' meeting**

- (A) Subject to Article 21, if a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any Director other than the chairman is to be final and conclusive
- (B) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the Directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes

#### **21 9 Irregularities**

In the absence of fraud, all decisions made and acts done by the Directors, or by any person acting as a Director or by any person or persons to whom authority has been delegated by a decision of one or more Directors or by a person or persons acting as such shall, notwithstanding that it shall afterwards be discovered that there was a defect in the appointment of any such person or in such delegation, or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if such irregularity had not occurred

#### **21 10 Vacation of office**

The office of a Director shall be vacated if

- (A) he resigns by notice delivered to the secretary at the registered office or tendered at a board meeting,
- (B) he ceases to be a Director by virtue of a provision of the Act, is removed from office pursuant to these Articles or becomes prohibited by law from being a Director,

- (C) a bankruptcy order is made against him,
- (D) a composition or arrangement is made with his creditors generally in satisfaction of his debts,
- (E) by reason of his mental health, a court makes an order which wholly or partly prevents him from personally exercising any powers or rights which he would otherwise have,
- (F) a registered medical practitioner who is treating him gives a written opinion to the Company stating that he has become mentally or physically incapable of acting as a Director and may remain so for more than three months,
- (G) in the case of a Director (other than a Special Director) he shall be removed from office by notice in writing served upon him signed by all of his co-Directors,
- (H) in the case of a Director if he holds an appointment to an executive office with the Company which terminates or otherwise determines. (unless resolved otherwise by the Board) and such removal shall take effect at the time such appointment terminates or otherwise determines and shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of contract of service or otherwise between him and the Company, and
- (I) in the case of a Director (other than a Special Director) he shall be removed from office by the service of written notice on such person signed by the Holders of not less than 50% in number of the issued Shares

## 22 DIRECTORS' CONFLICTS OF INTEREST

### 22.1 Specific interests of a Director

Subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind and subject to approval of the Board in accordance with Article 22.5 may be entitled to vote and be counted in the quorum in relation to any matter concerning the following particulars

- (A) where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested,
- (B) where a Director (or a person connected with him) is a Director, employee or other Officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested,



- (C) where a Director (or a person connected with him) is a Shareholder in the Company or a Shareholder in, employee, Director, member or other Officer of, or consultant to, a parent undertaking of, or a subsidiary undertaking of a parent undertaking of, the Company,
- (D) where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested,
- (E) where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested,
- (F) where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a Director, employee or other Officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this,
- (G) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest, or
- (H) any other interest authorised by ordinary resolution

Article 14 of the Model Articles shall not apply

## **22.2 Interests of a Special Director**

In addition to the provisions of Article 22.1, subject to the provisions of the Companies Acts and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the nature and extent of his interest, where a Director is a Special Director he may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest arising from any duty he may owe to, or interest he may have as an employee, Director, trustee, member, partner, Officer or representative of, or a consultant to, or direct or indirect investor (including without limitation by virtue of a carried interest, remuneration or incentive arrangements or the holding of securities) in

- (A) a Fund Manager,
- (B) any of the funds advised or managed by a Fund Manager from time to time,
- (C) another body corporate or firm in which a Fund Manager or any fund advised by such Fund Manager has directly or indirectly invested, including without limitation any portfolio companies, or
- (D) a corporate entity by which such Special Director is employed or with which such Special Director is otherwise affiliated

### **22 3 Interests of which a Director is not aware**

For the purposes of this Article 22, an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his

### **22 4 Accountability of any benefit and validity of a contract**

In any situation permitted by this Article 22 (save as otherwise agreed by him) a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit

### **22 5 Terms and conditions of Board authorisation**

Subject to Article 22 6, any authority given in accordance with section 175(5)(a) of the Act in respect of a Director ("Interested Director") who has proposed that the Directors authorise his interest ("Relevant Interest") pursuant to that section may, for the avoidance of doubt

- (A) be given on such terms and subject to such conditions or limitations as may be imposed by the authorising Directors as they see fit from time to time, including, without limitation
  - (1) restricting the Interested Director from voting on any resolution put to a meeting of the Directors or of a committee of the Directors in relation to the Relevant Interest,
  - (2) restricting the Interested Director from being counted in the quorum at a meeting of the Directors or of a committee of the Directors where such Relevant Interest is to be discussed, or
  - (3) restricting the application of the provisions in Articles 22 7 and 22 8, so far as is permitted by law, in respect of such interested Director,
- (B) be withdrawn, or varied at any time by the Directors entitled to authorise the Relevant Interest as they see fit from time to time, and

subject to Article 22 6, an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising Directors pursuant to section 175(5)(a) of the Act and this Article 22

### **22 6 Terms and conditions of Board authorisation for an Special Director**

Notwithstanding the other provisions of this Article 22, it shall not (save with the consent in writing of a Special Director) be made a condition of any authorisation of a matter in relation to that Special Director in accordance with section 175(5)(a) of the Act, that he shall be restricted from voting or counting in the quorum at any meeting of, or of any committee of the Directors or that he shall be required to disclose, use or apply confidential information as contemplated in Article 22 8

## **22 7 Director's duty of confidentiality to a person other than the Company**

Subject to Article 22 8 (and without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 22), if a Director, otherwise than by virtue of his position as Director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:

- (A) to disclose such information to the Company or to any Director, or to any Officer or employee of the Company, or
- (B) otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director

22 8 Where such duty of confidentiality arises out of a situation in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, Article 22 7 shall apply only if the conflict arises out of a matter which falls within Article 22 1 or Article 22 2 or has been authorised under section 175(5)(a) of the Act

## **22 9 Additional steps to be taken by a Director to manage a conflict of interest**

Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director may take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation

- (A) absenting himself from any discussions, whether in meetings of the Directors or otherwise, at which the relevant situation or matter falls to be considered, and
- (B) excluding himself from documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information

## **22 10 Requirement of a Director is to declare an interest**

Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by Article 22 1 or Article 22 2 at a meeting of the Directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as the Directors may determine, except that no declaration of interest shall be required by a Director in relation to an interest

- (A) failing under Article 22 1(G),

- (B) if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware), or
- (C) if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles

## 22 11 Shareholder approval

Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this Article 22

## 22 12 For the purposes of this Article 22

- (A) a conflict of interest includes a conflict of interest and duty and a conflict of duties,
- (B) the provisions of section 252 of the Act shall determine whether a person is connected with a Director,
- (C) a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified

## 23 LIEN

23 1 The Company has a lien (the "Company's Lien") over every Share which is nil paid or partly paid for any part of

- (A) that Share's nominal value, and
- (B) any premium at which it was issued,

which has not been paid to the Company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it

23 2 The Company's Lien over a Share shall

- (A) take priority over any third party's interest in that Share, and
- (B) extend to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share

The Directors may at any time decide that a Share which is, or would otherwise be, subject to the Company's Lien shall not be subject to it, either wholly or in part

23 3 Subject to the provisions of this Article 23, if:

- (A) a notice complying with Article 23 4 (a "Lien Enforcement Notice") has been given by the Company in respect of a Share, and
- (B) the person to whom the notice was given has failed to comply with it,

then the Company shall be entitled to sell that Share in such manner as the Directors decide

23 4 A Lien Enforcement Notice

- (A) may only be given by the Company in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed,
- (B) must specify the Share concerned,
- (C) must require payment of the sum payable within 14 days of the notice,
- (D) must be addressed either to the holder of the Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise, and
- (E) must state the Company's intention to sell the Share if the notice is not complied with

23 5 Where any Share is sold pursuant to this Article 23

- (A) the Directors may authorise any person to execute an instrument of transfer of the Share to the purchaser or a person nominated by the purchaser, and
- (B) the transferee shall not be bound to see to the application of the consideration, and the transferee's title shall not be affected by any irregularity in or invalidity of the process leading to the sale

23 6 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) shall be applied

- (A) first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice, and
- (B) secondly, to the person entitled to the Share at the date of the sale, but only after the certificate for the Share sold has been surrendered to the Company for cancellation or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificate, and subject to a lien equivalent to the Company's Lien for any money payable over the Share before the sale for any money payable in respect of the Share after the date of the Lien Enforcement Notice

23 7 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date

- (A) shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
- (B) subject to compliance with any other formalities of transfer required by the Articles or by law, shall constitute a good title to the Share

## 24 INDEMNITY

### 24 1 Subject to Article 24 2

- (A) each Relevant Officer of the Company or an associated company shall be indemnified out of the Company's assets against
  - (1) any liability incurred by that person in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company,
  - (2) any liability incurred by that person in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act), and
  - (3) any other liability incurred by that person as an Officer of the Company or an associated company
- (B) the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with defending any civil or criminal proceedings or any application for relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs and otherwise may take any action to enable any such Relevant Officer to avoid incurring such expenditure

24 2 This Article 24 does not authorise or provide any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law

### 24 3 Power to Purchase and Maintain Insurance

The Directors shall be entitled to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' Share scheme of the Company or associated company

24 4 In this Article 24, companies are "associated" if one is a subsidiary of the other or both are subsidiaries of the same body corporate

24 5 Articles 52 and 53 of the Model Articles shall not apply