

THE COMPANIES ACT 2006  
COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

OXYNTIX LIMITED

COMPANY NUMBER: 07555858 (THE COMPANY)

THURSDAY



Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that

- resolution 1 is passed as an ordinary resolution (**Ordinary Resolution**), and
- resolutions 2 and 3 are passed as special resolutions (**Special Resolutions**)

ORDINARY RESOLUTION

1 SUB DIVISION OF SHARES

- 1 1 That the 1 issued ordinary share of £1 00 each be subdivided into 1000 ordinary shares of £0 001 each with the rights attaching as defined in the new Articles of Association

SPECIAL RESOLUTION

2 ARTICLES OF ASSOCIATION

- 2 1 That the articles of association of the Company contained in the document attached to this written resolution and marked "A" for identification purposes be approved and adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association of the Company
- 2 2 That the right of pre-emption contained in aforementioned Articles of Association be waived for the purpose of allotting up to a further 155,500 shares in the Company

AGREEMENT

The undersigned, a person entitled to vote on the above resolutions hereby irrevocably agrees to the Ordinary Resolution and Special Resolutions

Signed by PROFESSOR YIANNIS VENTIKOS

Date

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30/6/2011

NATP

Company number. 07555858

DM

JPV

# Articles of Association Oxyntix Limited

Incorporated on 8 March 2011

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Adopted on 30 June 2011

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8/2/11

Company number 07555858

# Articles of Association Oxyntix Limited

Incorporated on 8 March 2011

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Adopted on [●] 2011

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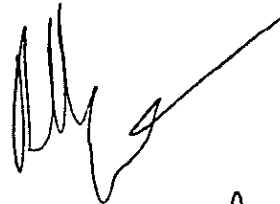
Company number: 07555858

Articles of Association  
Oxyntix Limited

Incorporated on 8 March 2011

Adopted on [•] 2011

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Company number: 07555858

# Articles of Association Oxyntix Limited

Incorporated on 8 March 2011

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Adopted on [•] 2011

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Company number: 07555858

# Articles of Association Oxyntix Limited

Incorporated on 8 March 2011

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Adopted on [•] 2011

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Company number: 07555858

Articles of Association  
Oxyntix Limited

Incorporated on 8 March 2011

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2<sup>nd</sup> June 2011

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Adopted on [●] 2011

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Company number: 07555858


# Articles of Association Oxyntix Limited

Incorporated on 8 March 2011

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Adopted on [●] 2011

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22/6/2011



Company number: 07555858

Articles of Association  
Oxyntix Limited

Incorporated on 8 March 2011

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Adopted on [●] 2011

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Company number: 07555858

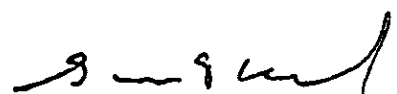
# Articles of Association Oxyntix Limited

Incorporated on 8 March 2011

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Adopted on [●] 2011

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**Company number: 07555858**

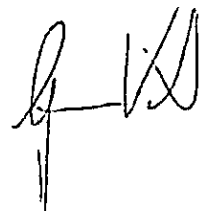
# **Articles of Association Oxyntix Limited**

**Incorporated on 8 March 2011**

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Adopted on [●] 2011

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**Companies Act 2006**

**Private company limited by shares**

**ARTICLES OF ASSOCIATION**

**of**

**OXYNTIX LIMITED**

Registered company number **07555858**

Adopted by special resolution on **[•] 2011**

**1. DEFINITIONS**

1 1 In these articles the following words and phrases have the meanings set out opposite them below

<b>“Act”</b>	the Companies Act 2006 (as amended from time to time)
<b>“Adoption Date”</b>	<b>[•] 2011</b>
<b>“these articles”</b>	means these articles of association, whether as originally adopted or from time to time altered by special resolution
<b>“Bad Leaver”</b>	means any Leaver (i) whose cessation of employment, engagement or appointment as an employee or consultant of or provision of consultancy services to the Company occurs for reason of fraud or gross misconduct (and such dismissal is not found by a tribunal or court of competent jurisdiction to have been wrongful or unfair) or (ii) who (other than as a result of Serious Ill Health, death redundancy, retirement, or by reason of circumstances which give rise to a successful claim for constructive dismissal or, in the case of any Founder, the Company terminating or suspending the Sponsored Research Agreement either without cause or for a cause unrelated to the relevant Founder save where the Sponsored Research Agreement is immediately replaced by a service agreement or consultancy agreement directly with the Founder and the Company or where such Sponsored Research Agreement is renewed, extended or replaced with a new research agreement in which case termination or suspension for the purposes of this definition shall mean in relation to those new agreements ) voluntarily ceases such employment, engagement, appointment or provision of services or, in the case of any Founder, voluntarily

	ceases to provide his services to the Company under the Sponsored Research Agreement (or any replacement agreement) at any time prior to the second anniversary of the Adoption Date, or (iii) whose cessation of employment, engagement or appointment as an employee or consultant of or provision of consultancy services to the Company occurs as a result of the Company terminating the relevant Leaver's contract of employment lawfully, consultancy agreement or the relevant agreement which governs the Leaver's provision of services to the Company summarily
<b>"Bad Leaver Shares"</b>	means those Ordinary Shares held by the relevant Bad Leaver and any Privileged Relation who or Family Trust which has acquired Ordinary Shares from such Bad Leaver (directly or by a means of a series of two or more transfers)
<b>"Board"</b>	the board of directors of the Company from time to time present at a duly convened meeting of the Directors at which a quorum is present
<b>"Business Day"</b>	means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks are open for business in the City of London
<b>"Call"</b>	has the meaning given to it in article 18 3
<b>"Call Notice"</b>	has the meaning given to it in article 18 3
<b>"Company"</b>	Oxyntix Limited (company number 07555858)
<b>"Controlling Interest"</b>	means an interest (within the meaning of Sections 820-825 of the Act) in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010
<b>"Director"</b>	each director of the Company from time to time
<b>"EBT"</b>	any employment trust established to hold shares in the Company
<b>"electronic form"</b>	has the meaning given in section 1168 of the Act
<b>"Eligible Director"</b>	means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter)

<b>"Fair Value"</b>	as provided in article 10 2
<b>"Family Trusts"</b>	in relation to any Shareholder, a trust which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of that Shareholder or any of his Privileged Relations (and any charity or charities as default beneficiaries meaning that the charity or charities have no immediate beneficial interest in any of the settled property or the income from it when the trust is created but may become so interested if there are no other beneficiaries from time to time except other charities) and under which no power of control over the voting powers conferred by any shares the subject of the trust is capable of being exercised by, or being subject to the consent of, any person other than the trustees or such Shareholder or any of his Privileged Relations
<b>"Founder Director"</b>	means any director appointed by the Founders, acting jointly, in accordance with article 14 and references to the Founder Director shall include any alternate appointed in his place from time to time
<b>"Founders"</b>	together, Yiannis Ventikos and Nicholas Hawker and <b>"Founder"</b> shall mean any one of them
<b>"Good Leaver"</b>	means a Leaver who is not a Bad Leaver
<b>"Group"</b>	the Company, its subsidiaries, any holding company of the Company and any subsidiary of any such holding company from time to time and <b>"Group Company"</b> shall be construed accordingly
<b>"hard copy form"</b>	has the meaning given in section 1168 of the Act
<b>"holding company"</b>	has the meaning given in section 1159 of the Act
<b>"Independent Expert"</b>	an umpire (acting as an expert and not as an arbitrator) nominated by the parties concerned or, in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales, whose decision shall, save in the case of manifest error, be final and binding
<b>"Investment Agreement"</b>	means the investment and shareholders' agreement to be entered into in relation to the Company on or around the

	Adoption Date]
<b>“IP2IPO”</b>	means IP2IPO Limited (registered number 04072979)
<b>“IP2IPO Director”</b>	means any director appointed by IP2IPO in accordance with article 14 and references to the IP2IPO Director shall include any alternate appointed in his place from time to time
<b>“IP2IPO Employees’ Trust”</b>	means any trust established by IP2IPO or any member of the IP Group to acquire and hold Ordinary Shares for the benefit of employees and/or ex-employees of the IP Group and their dependents
<b>“IP Group”</b>	means the group of companies consisting of IP Group plc (registered number 4204490), any company which is its subsidiary, any subsidiary company of its subsidiaries, its holding company or any subsidiary of that holding
<b>“Lien Enforcement Notice”</b>	a notice in writing which complies with the requirements of article 18 2(b)
<b>“Leaver”</b>	means any employee, consultant or Founder who <ul style="list-style-type: none"> <li>(i) ceases to be employed or engaged by ,or to provide consultancy services, to the Company, or</li> <li>(ii) in the case of any Founder, ceases to provide his services to the Company pursuant to the Sponsored Research Agreement or any renewal, extension or replacement of such Sponsored Research Agreement or any service agreement, consultancy agreement or other agreement entered into directly between the relevant Founder and the Company,</li> </ul>
<b>“Model Articles”</b>	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 Adoption Date
<b>“ordinary resolution”</b>	has the meaning given in section 282 of the Act
<b>“Ordinary Shares”</b>	the ordinary shares of £0 001 each in the capital of the Company
<b>“Parkwalk”</b>	Parkwalk Advisors Limited (registered number 06925696)

<b>"Parkwalk Director"</b>	means any director appointed by Parkwalk in accordance with article 14 and references to the Parkwalk Director shall include any alternate appointed in his place from time to time
<b>"Privileged Relation"</b>	the spouse or civil partner (under the Civil Partnership Act 2004) of a Shareholder and every child, stepchild, grandchild, adopted child and the respective spouse, civil partner, widow or widower of a person who is a Shareholder immediately following the Adoption Date
<b>"Relevant Member"</b>	has the meaning set out in article 11 2
<b>"Relevant Securities"</b>	all shares, rights to subscribe for shares or to receive them for no consideration and all securities convertible into shares, but excluding <ul style="list-style-type: none"> <li>(a) the grant of options to subscribe for Ordinary Shares under a Share Option Scheme (and the issue of the shares upon exercise of such options),</li> <li>(b) any shares which the Company is required to issue by reason of a right specifically attached to shares under these articles</li> </ul>
<b>"Sale Price"</b>	shall have the meaning set out in article 10 2
<b>"Sale Shares"</b>	the shares specified or deemed to be specified for sale in a Transfer Notice or Deemed Transfer Notice
<b>"Seller"</b>	the transferor of shares pursuant to a Transfer Notice
<b>"Second Tranche"</b>	means the second tranche of the investment prescribed by the Investment Agreement to be invested by the Investors (as defined therein) under and pursuant to clause 4 of the Investment Agreement]
<b>"Serious Ill Health"</b>	means an illness or disability certified by a general medical practitioner (nominated by the Directors) as rendering the relevant Shareholder incapable of carrying out his employment, engagement or appointment as a director, employee or consultant of or from providing consultancy services to the Company
<b>"Share Option Scheme"</b>	any share option scheme established by the Company, eligible beneficiaries of which shall be bona fide employees, non-executive Directors and/or consultants to



	the Company and which IP2IPO identifies in writing as being a Share Option Scheme for the purposes of these articles
<b>"Shareholder"</b>	a holder of Ordinary Shares in the Company
<b>"Shareholder Majority"</b>	the holders of in aggregate 75% of the total number of Ordinary Shares in issue in the capital of the Company
<b>"shares"</b>	means any share forming part of the share capital of the Company from time to time
<b>"special resolution"</b>	has the meaning given in section 238 of the Act
<b>"Specified Shares"</b>	has the meaning set out in article 12 1
<b>"Sponsored Research Agreement"</b>	means the sponsored research agreement to be entered into between the University and the Company on or around the Adoption Date
<b>"Subscription Price"</b>	in relation to any share, the amount 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)
<b>"subsidiary"</b>	has the meaning given in section 1159 of the Act
<b>"Technikos"</b>	Technikos LLP (registered in England and Wales under number OC319725)
<b>"Technikos Director"</b>	means any director appointed by Technikos in accordance with article 14 and references to the Technikos Director shall include any alternate appointed in his place from time to time
<b>"Termination Date"</b>	shall mean the date on which the relevant Bad Leaver ceases to be employed by or provide services to the Company and, in case of a Founder, the date on which he ceases to provide his services to the Company under the Sponsored Research Agreement
<b>"Total Transfer Condition"</b>	shall have the meaning set out in article 10 3
<b>"Transferee"</b>	has the meaning given in article 10 12
<b>"Transfer Event"</b>	has the meaning set out in article 11 1

**"Transfer Notice"** a notice in writing given by any Shareholder to the Company where such Shareholder desires or is required by these articles to transfer any shares and where such notice is deemed to have been served it shall be referred to as a **"Deemed Transfer Notice"**

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

**"University Director"** means any director appointed by the University in accordance with article 14 and references to the University Director shall include any alternate appointed in his place from time to time

1 2 Whether or not persons are 'acting in concert' will be determined by the then most recent edition of the City Code on Takeovers and Mergers

1 3 A person shall be deemed to be connected with another if that person is connected with another within the meaning of Sections 1122 and 1123 of the Corporation Tax Acts 2010

1 4 Save as otherwise specifically provided in these articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these articles (but excluding any statutory modification of them not in force on the date of adoption of these articles

## 2. APPLICATION OF MODEL ARTICLES

2 1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these articles or are inconsistent with 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 A copy is set out in the schedule to these articles

2 2 Model Articles 7(1), 8, 9(1) and (3), 11(2) and (3), 13, 14(1) to (4) (inclusive), 16, 26(5), 44(2) 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 Model Article 29 shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name"

### **3. DIVIDENDS**

Any profits which the Company determines to distribute in respect of any financial year shall be distributed amongst the holders of Ordinary Shares then in issue according to the number of Ordinary Shares held by them Model Article 30 is modified accordingly

### **4. VOTING**

4 1 Subject to any other provisions in these articles concerning voting rights, the Ordinary Shares in the Company shall carry one vote per Ordinary Share at all general meetings of the Company and on proposed written resolutions of the Company

4 2 Votes on shares may be exercised

(a) on a show of hands by every Shareholder who (being an individual) is present in person or (being a corporation) is present by a representative (in which case each Shareholder holding shares with votes shall have one vote), and

(b) on a poll by every Shareholder 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 holding shares with votes shall have one vote for each such share held)

4 3 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting Model Article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that Model Article

### **5. PROXIES**

5 1 The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Directors may be sent or supplied in hard copy form, or (subject to any conditions and limitations which the Board may specify) in electronic form, to the registered office of the Company or to such other address (including electronic address) as may be specified for this purpose in the notice convening the meeting or in any instrument of proxy or any invitation to appoint a proxy sent or supplied by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote

5 2 Model Article 45(1) shall be amended by

(a) the deletion of Model Article 45(1)(d) and its replacement with the words "is delivered to the Company in accordance with these articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the

right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate", and

- (b) the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that Model Article

## **6. CLASS RIGHTS**

- 6 1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, with and only with, the consent in writing of the holders of 75% of the issued shares of that class

## **7. FURTHER ISSUES OF SHARES**

- 7 1 Subject to the remaining provisions of this article 7, the Board is generally and unconditionally authorised for the purposes of section 551 of the Act to exercise any power of the Company to offer or allot, grant rights to subscribe for or to convert any security into and otherwise deal in, or dispose of, any shares in the Company to any person, at any time, subject to any terms and conditions as the Board thinks proper. There shall be no maximum amount of shares that may be allotted or issued by the Company
- 7 2 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of any Relevant Securities made by the Company
- 7 3 Unless otherwise agreed by special resolution, if the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to all Shareholders holding Ordinary Shares on the date of the offer on the same terms, and at the same price, as those Relevant Securities are being offered to other persons on a pari passu and pro rata basis to the number of Ordinary Shares held by those holders (as nearly as possible without involving fractions). The offer
  - (a) shall be in writing, shall be open for acceptance for a period of 21 Business Days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities, and
  - (b) may stipulate that any Shareholder who wishes to subscribe for a number of Relevant Securities in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess equity securities ("**Excess Securities**") for which he wishes to subscribe
- 7 4 Any Relevant Securities not accepted by Shareholders pursuant to the offer made to them in accordance with article 7 3 shall be used for satisfying any requests for Excess Securities made pursuant to article 7 3. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of Ordinary Shares held by the applicants immediately before the offer was made to

Shareholders in accordance with article 7 3 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him) After that allotment, any Excess Securities remaining shall be offered to any other person as the Board may determine, at the same price and on the same terms as the offer to the Shareholders

7 5 Subject to articles 7 3 and 7 4 and to section 551 of the Act, any Relevant Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper

7 6 Without the prior written consent of the Board, no shares shall be allotted to any employee, director, prospective employee or director of any member of the Group unless such person has entered into a joint election with the Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003

## **8. TRANSFER OF SHARES**

The Directors shall refuse to register any transfer of shares made in contravention of the provisions of these articles but shall not otherwise be entitled to refuse to register any transfer of shares unless (i) they suspect that the proposed transfer may be fraudulent, (ii) the registration thereof would permit the registration of a transfer of shares on which the Company has a lien, or (iii) the transfer is to a minor For the purpose of ensuring that a particular transfer of shares is permitted under the provisions of these articles, the Directors may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the Directors may reasonably think necessary or relevant Failing such information or evidence being furnished to the satisfaction of the Directors within a period of 28 days after such request the Directors shall be entitled to refuse to register the transfer in question

## **9. PERMITTED TRANSFERS**

### **Transfers with shareholder approval**

9 1 Notwithstanding any other provision of these articles, a transfer of any shares approved by a Shareholder Majority may be made without restriction as to price or otherwise and any such transfer shall be registered by the Directors

### **Permitted transfers by corporate Shareholders**

9 2 Notwithstanding any other provision of these articles, a transfer of any shares in the Company by IP2IPO may be made by IP2IPO to the trustees of an IP2IPO Employees Trust without any restriction as to price or otherwise and any such transfer shall be registered by the Directors

9 3 Notwithstanding any other provisions of these articles, a transfer of any shares in the Company held by any Shareholder which is a body corporate may be made to

(a) any subsidiary of that body corporate,

- (b) that body corporate's holding company, and
- (c) any subsidiary of that holding company,

(a "member of the same group") without restriction as to price or otherwise, and any such transfer shall be registered by the Directors. If any such transferee ceases to be a member of the same group as the original transferor it shall forthwith transfer the relevant shares back to the original transferor, or another member of the same group as the original transferor.

- 9.4 Notwithstanding any other provision of these articles, a transfer of any shares in the Company may be made by the University to any limited partnership or any similar investment vehicle in which it, or any colleges belonging to it, are the majority participants from time to time (or to a nominee appointed by such person) without any restriction as to price or otherwise and any such transfer shall be registered by the Directors.

#### **Permitted transfers to Privileged Relations and Family Trusts**

- 9.5 Subject to the provisions of articles 9.6 and 9.7, any Shareholder may at any time during his lifetime transfer all or any shares held by him to a Privileged Relation or to trustees to be held upon a Family Trust of which he is the settlor, provided that any such transfer of shares to trustees to be held upon a Family Trust may only be made with Board approval.
- 9.6 If and whenever any shares in the Company held by trustees upon a Family Trust ceases to be so held upon a Family Trust (otherwise than in consequence of a transfer to the relevant beneficiary or to any Privileged Relation of the beneficiary) or there cease to be any beneficiaries of the Family Trust other than a charity or charities a Transfer Notice (as hereinafter defined) shall be deemed to have been given in respect of all shares in the Company by the holders thereof and such shares may not otherwise be transferred.
- 9.7 If and whenever any shares in the Company are held by a Privileged Relation who ceases so to be a Privileged Relation, a Transfer Notice (as hereinafter defined) shall be deemed to have been given in respect of all shares in the Company by the holders thereof and such shares may not otherwise be transferred.

#### **Criteria for consents to Family Trusts**

- 9.8 Where Board approval is requested to a transfer to a Family Trust such consent must be given if the Board is satisfied
- (a) with the terms of the trust instrument and in particular with the powers of the trustees,
  - (b) with the identity of the proposed trustees,
  - (c) that the proposed transfer will not result in 50% or more in the aggregate of the Company's equity share capital being held by trustees of that and any other trusts, and

- (d) that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company

**Permitted transfers by trustees**

- 9 9 Notwithstanding any other provisions of these articles, trustees who hold shares on behalf of beneficiaries may transfer the beneficial interest to other beneficiaries, including terminating declarations of trust made in favour of certain beneficiaries and declaring new trusts in favour of other beneficiaries
- 9 10 Notwithstanding any other provisions of these articles, a transfer of shares held by a Shareholder may be made by
- (a) trustees of a Family Trust to new trustees of such Family Trusts or to persons who are beneficiaries under such trusts,
  - (b) a transfer from a Shareholder holding shares as a share trustee to persons who are beneficiaries under such share trusts
- 9 11 Any EBT shall be entitled to transfer or distribute any share or shares according to its rules to any employee of the Company

**10. PRE-EMPTION RIGHTS**

**Transfer Notices and Sale Price**

- 10 1 Except where otherwise provided in these articles (including under articles 9 and 11 3), every Shareholder who desires to transfer any interest in shares ("**Seller**") must serve a Transfer Notice and any Shareholder who is required by these articles to transfer any interest in shares will be deemed to have served a Deemed Transfer Notice
- 10 2 Transfer Notices and Deemed Transfer Notices shall constitute the Company the Seller's agent for the sale of the Sale Shares in one or more lots at the discretion of the Directors at the price agreed by the Seller and the Directors (the "**Sale Price**") If the Seller and the Directors are unable to agree a price within 21 days of the Transfer Notice being given or being deemed to have been given, the Sale Price will instead be the price which the Independent Expert shall certify to be in his opinion a fair value of the Sale Shares ("**Fair Value**") In arriving at his opinion the Independent Expert will value the Sale Shares as at the date the Transfer Notice is given, or is deemed to have been given, on a going concern basis as between a willing seller and a willing buyer, ignoring any reduction in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority interest and on the assumption that the Sale Shares are capable of transfer without restriction The decision of the Independent Expert as to the Sale Price shall, save in the case of manifest error, be final and binding

#### **Right of Seller to reject partial sales**

- 10 3 A Transfer Notice (but not a Deemed Transfer Notice) may contain a condition (a "Total Transfer Condition") that unless all the Sale Shares are sold by the Company pursuant to this article none shall be sold. Any such provision shall be binding on the Company.

#### **Certification of the Sale Price and right of Seller to cancel**

- 10 4 If the Independent Expert is asked to certify the fair value his certificate shall be delivered to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. The Seller shall be entitled by notice in writing given to the Company within 7 days of the service upon him of the copy certificate to cancel the Company's authority to sell the Sale Shares unless the shares are to be sold pursuant to a Deemed Transfer Notice. The cost of obtaining the certificate shall be paid by the Company unless the Seller cancels the Company's authority to sell the Sale Shares in which case the Seller shall bear the cost.

#### **Pre-emptive offers-general**

- 10 5 Once the Sale Price has been agreed or determined (as the case may be) then, unless the Seller has given a valid notice of cancellation pursuant to article 10 4, the Sale Shares shall be offered for sale in accordance with the following provisions of this article.

#### **Offer to Shareholders**

- 10 6 As soon as the Sale Shares become available they shall forthwith be offered for sale by the Company giving notice in writing to that effect to all holders of Ordinary Shares (other than the Seller). The notice shall specify
- (a) the number of Sale Shares on offer and the Sale Price,
  - (b) whether the Sale Shares are subject to a Total Transfer Condition,
  - (c) the date by which the application to purchase the Sale Shares has to be received by the Company (being a date no less than 14 days and no more than 21 days after the date of the notice).

- 10 7 The notice shall set out the method of allocation of the Sale Shares and shall invite each Shareholder to apply in writing to the Company for as many of the Sale Shares (if any) as that Shareholder would like to purchase.

#### **Basis of allocation to Shareholders**

- 10 8 The Sale Shares shall be allocated by the Directors in satisfaction of the applications received in accordance with the procedure set out in this article.
- 10 9 If the total number of Sale Shares applied for by the Shareholders is equal to or less than the number of Sale Shares available, the Sale Shares shall be allocated in satisfaction of the applications received.



- 10 10 If the total number of Sale Shares applied for is more than the number of Sale Shares available, the Directors shall allocate Sale Shares in satisfaction of each Shareholder's application for Sale Shares in accordance with the following formula This formula shall be applied repeatedly until such time as there are no Sale Shares remaining to be allocated Each application of the formula is herein referred to as an "iteration"

$$A = \frac{B}{C} \times D$$

- A** is the number of Sale Shares to be allocated to the relevant Shareholder in the iteration
- B** is the number of Ordinary Shares held by the Shareholder
- C** is the number of Ordinary Shares held by all Shareholders to whom the iteration is being applied
- D** is the number of Sale Shares or, after the first iteration, the number of Sale Shares remaining unallocated by previous iterations

- 10 11 If, in any iteration, a Shareholder would be allocated all or more than all of the Sale Shares for which he applied (including allocations from previous iterations) then any excess will not be allocated to that Shareholder That Shareholder will cease to take part in any further iterations and the excess Sale Shares will be available for allocation in the next iteration
- 10 12 The Company shall notify the Seller and each Shareholder who applied for Sale Shares ("Transferee") of the number of Sale Shares that have been allocated and the persons to whom they have been allocated The notification shall include the place and time (being not later than 14 days after the date by which applications had to be received) at which the sale of the Sale Shares shall be completed

#### **Transfer procedure for pre-emptive offers**

- 10 13 If the Company finds a purchaser or purchasers for all or any of the Sale Shares under the terms of this article the Seller shall be bound, upon receipt of the Sale Price, to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers) to such persons If the Seller defaults in transferring Sale Shares the Company shall, if so required by the person or persons willing to purchase such Sale Shares, receive and give a good discharge for the purchase money on behalf of the Seller and shall authorise some person to execute transfers of the Sale Shares in favour of the purchasers and shall enter the names of the purchasers in the Register of Shareholders as the holder of such of the Sale Shares as have been transferred to them

#### **Transfers of excess Sale Shares**

10 14 If, following the Company's notification of the allocation of the Sale Shares as referred to in article 10 12, any of the Sale Shares have not been allocated, the Seller may (subject to the provisions of article 12) at any time within a period of eight weeks transfer the Sale Shares which have not been allocated (or, where the Transfer Notice contains a Total Transfer Condition and such condition has not been satisfied, all of the Sale Shares) to any person approved by the Directors and at any price (being not less than the Sale Price or deemed Sale Price as the case may be) provided that the Directors

- (a) may refuse approval if the Board reasonably considers (acting at their absolute discretion) that the transferee is a person (or a nominee for a person), who is a competitor with the business of the Company or any member of its Group, or
- (b) may require to be satisfied that those shares are being transferred under a *bona fide* sale for the consideration stated in the transfer without any deduction, rebate or allowance to the purchaser or purchasers and, if not so satisfied, may refuse to register the instrument of transfer,

(without prejudice, however, to the Directors' obligation to refuse to approve or register any transfer of shares in the circumstances described in Article 8)

#### **Effect of non-compliance**

10 15 Any purported transfer of shares otherwise than in accordance with the provisions of these articles shall be void and have no effect

### **11 COMPULSORY TRANSFERS**

11 1 In this article 11, a "**Transfer Event**" means in relation to any Shareholder

- (a) a Shareholder who is an individual
  - (i) becoming bankrupt, or
  - (ii) suffering from a mental disorder and being admitted to hospital or becoming a patient for any purpose of an enactment relating to mental health,
- (b) a Shareholder making any arrangement or composition with his creditors generally,
- (c) a Shareholder who is a body corporate or public sector entity
  - (i) having a receiver, manager or administrative receiver appointed over all or any part of its undertaking or assets, or
  - (ii) having an administrator appointed in relation to it, or
  - (iii) entering into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction), or
  - (iv) having any equivalent action taken in any jurisdiction,

- (d) with the exception of the Founders, a Shareholder who becomes a Good Leaver, save where the Board determines otherwise,
- (e) a Shareholder who fails to invest his or its proportion of the Second Tranche in accordance with clause 4 of the Investment Agreement where IP2IPO and Parkwalk have committed their proportion of the Second Tranche,
- (f) a Shareholder or any Privileged Relation of a Shareholder or the trustees of any Family Trust of a Shareholder wilfully attempting to deal with or dispose of any Ordinary Share or any interest in it otherwise than in accordance with these articles, or
- (g) a Shareholder not giving a Transfer Notice in respect of any Shares which may otherwise be required by these articles

11 2 Any Shareholder who becomes aware of the occurrence of a Transfer Event shall immediately notify the Company and all the other Shareholders in writing of that Transfer Event. Upon the happening of any Transfer Event, the Shareholder in respect of whom it is a Transfer Event ("**Relevant Member**") and any Privileged Relation who or Family Trust which has acquired Ordinary Shares from him (directly or by a means of a series of two or more transfers) shall be deemed to have immediately given a Transfer Notice in respect of all the Ordinary Shares then held by such Shareholder(s) ("**Deemed Transfer Notice**"). A Deemed Transfer Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the same Ordinary Shares except for Ordinary Shares which have been validly transferred pursuant to that Transfer Notice. Notwithstanding any other provisions of these articles, any Shareholder holding Ordinary Shares in respect of which a Deemed Transfer Notice is deemed given shall not be entitled to exercise any voting rights at general meetings of the Company or any proposed written resolution in respect of those Ordinary Shares on and from the date of the relevant Deemed Transfer Notice until the entry in the register of Shareholder of the Company of another person as the holder of those Ordinary Shares.

11 3 The Ordinary Shares the subject of any Deemed Transfer Notice shall be offered for sale in accordance with article 10 as if they were Sale Shares in respect of which a Transfer Notice had been given and treating as the Seller the person who is deemed to have given the Deemed Transfer Notice (including any Good Leaver) save that

- (a) subject to article 11 4, the Sale Price shall be a price per Sale Share agreed between the Seller and the Board and in default of agreement within twenty business days after a Deemed Transfer Notice is deemed to have been given, the Fair Value,
- (b) the Seller may retain any Sale Shares for which Transferees are not found, and
- (c) the Sale Shares shall be sold together with all rights attaching thereto as at the date of the Transfer Event, including the right to any dividend declared or payable on those Shares after that date

- 11 4 The Sale Price for any Sale Shares which are the subject of a Deemed Transfer Notice given as a consequence of the Transfer Event falling within article 11 1(e) shall be nominal value
- 11 5 Between the date of the Deemed Transfer Notice and the transfer of the Relevant Member's shares, all voting rights attaching to such shares shall be suspended
- 11 6 In the event the Board determines that, even though a Leaver, a Founder may retain his Ordinary Shares, then, unless the Board determines otherwise, such Ordinary Shares shall, on and from the date the relevant Founder becomes a Leaver and for so long only as they continue to be held by such Founder and any of his permitted transferees under article 9, no longer confer any right to attend, speak or vote at any general meeting of the Company or any class meeting, nor count towards any Shareholder Majority, and, as from such date, such shares shall no longer confer any such rights accordingly

*Bad Leavers*

- 11 7 If a Leaver is a Bad Leaver, then, unless the Board determine otherwise, the Leaver and any Privileged Relation who or Family Trust which has acquired Ordinary Shares from him under (directly or by a means of a series of two or more transfers) shall be deemed to have immediately given a Transfer Notice ("**Bad Leaver Transfer Notice**") in respect of the following number of Bad Leaver Shares

- (a) in the event the Termination Date occurs any time prior to the date which is 12 months from the Adoption Date (the "**Trigger Date**"), all of the Bad Leaver Shares, and
- (b) in the event that the Termination Date occurs at any time after the date which is 12 months from the Adoption Date but prior to the date which is 24 months from the Adoption Date, such number of Bad Leaver Shares as is equal to X (rounded down to the nearest whole number) whereby

$$X = (12 - Y) / 12 \times Z$$

Y = the number of complete months which have expired since the Trigger Date and the month during which the Termination Date occurs, and

Z = the total number of Bad Leaver Shares held on the Termination Date

provided that X cannot be less than zero A Bad Leaver Transfer Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the same Bad Leaver Shares except for Bad Leaver Shares which have been validly transferred pursuant to that Transfer Notice Notwithstanding any other provisions of these articles, any Shareholder holding Bad Leaver Shares in respect of which a Bad Leaver Transfer Notice is deemed given shall not be entitled to exercise any voting rights at general meetings of the Company or any proposed written resolution in respect of those Bad Leaver Shares on and from the date of the relevant Bad Leaver

Transfer Notice until the entry in the register of Shareholder of the Company of another person as the holder of those Bad Leaver Shares

11 8 The Bad Leaver Shares the subject of any Bad Leaver Transfer Notice shall be offered for sale in accordance with article 10 as if they were Sale Shares in respect of which a Transfer Notice had been given and treating as the Seller the person who is deemed to have given the Deemed Transfer Notice save that

- (a) the Sale Price shall be the lower of the Subscription Price paid by the relevant Leaver or their Fair Value,
- (b) the Seller may retain any Sale Shares for which Transferees are not found, and
- (c) the Sale Shares shall be sold together with all rights attaching thereto as at the date of the Transfer Event, including the right to any dividend declared or payable on those Shares after that date

## 12. TAG ALONG AND DRAG ALONG RIGHTS

### Tag along

12 1 Notwithstanding any other provision in these articles, no sale or transfer or other disposition of any interest in any shares ("**Specified Shares**") shall have any effect if it would result in a Controlling Interest being obtained in the Company by any person or group of persons acting in concert unless, before the sale, transfer or other disposition takes effect, the proposed transferee has made a bona fide offer in accordance with this article 12 1 to purchase at the specified price (defined in article 12 3) all the shares held by all the other Shareholders (except any Shareholder which has expressly waived its right to receive such offer for the purpose of this article)

12 2 An offer made under article 12 1 shall be in writing, open for acceptance for at least 20 days and shall be deemed to be rejected by any Shareholder who has not accepted it in accordance with its terms within the time period for acceptance

12 3 For the purpose of article 12 1

- (a) the expression "**transfer**" shall include the renunciation of a renounceable letter,
- (b) the expression "**specified price** " means a price per share equal to the highest price paid (or payable pursuant to such bona fide offer referred to in article 12 1) by the transferee or persons acting in concert with him or connected with him for any shares within the last 6 months plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Specified Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as part of the overall consideration paid or payable for the Specified Shares

12 4 If the specified price or its cash equivalent for any shares cannot be agreed within 15 business days of the proposed sale, transfer or other disposition referred to in article 12 1 between the proposed transferee and Shareholders holding 75% of the class of shares concerned (excluding the transferee and persons who have waived their right to receive an offer), it may be referred to the Independent Expert by any Shareholder and, pending its determination, the sale, transfer or other disposition referred to in article 12 1 shall have no effect. The costs of the Independent Expert shall be borne as the Independent Expert shall determine.

12 5 The rights of pre-emption set out in these articles shall not arise on any transfer of shares made in accordance with articles 12 1 to 12 4 inclusive. Further, the provisions of articles 12 1 to 12 4 shall not apply where a Drag Along Notice has been served.

#### **Drag along**

12 6 If the holders of 75% of the Ordinary Shares in issue for the time being (the "**Selling Shareholders**") wish to transfer all their interest in Ordinary Shares (the "**Sellers' Shares**") to a bona fide arms length purchaser (the "**Third Party Purchaser**"), the Selling Shareholders shall have the option (the "**Drag Along Option**") to require all the other holders of Ordinary Shares (the "**Called Shareholders**") to sell and transfer all their shares to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with the provisions of this article.

12 7 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "**Drag Along Notice**") at any time before the transfer of the Sellers' Shares to the Third Party Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Ordinary Shares (the "**Called Shares**") pursuant to this article, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this article) and the proposed date of transfer.

12 8 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Third Party Purchaser within 60 days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

12 9 No Drag Along Notice may require a Called Shareholder to agree to any terms save those specifically provided for in this article.

12 10 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Sellers' Shares unless

- (a) all of the Called Shareholders and the Selling Shareholders agree otherwise, or
- (b) that date is less than 3 days after the Drag Along Notice where it shall be deferred until the third day after the Drag Along Notice.

- 12 11 The rights of pre-emption set out in these articles shall not arise on any transfer of shares to a Third Party Purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served
- 12 12 If any holder of Ordinary Shares does not on completion of the sale of Called Shares execute transfer(s) in respect of all the Called Shares held by them the defaulting holder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be their agent and attorney to execute all necessary transfer(s) on his behalf against receipt by the Company (on trust for such holder) of the purchase monies or any other consideration payable for the Called Shares deliver such transfer(s) to the Third Party Purchaser (or as they may direct) and the Directors shall forthwith register the Third Party Purchaser (or as they may direct) as the holder thereof After the Third Party Purchaser (or their nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person It shall be no impediment to registration of shares under this sub-article that no share certificate has been produced
- 12 13 Upon any person, following the issue of a Drag Along Notice, becoming a member of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company (a 'New Shareholder'), a Drag Along Notice shall be deemed to have been served upon the New Shareholder on the same terms as the previous Drag Along Notice who shall thereupon be bound to sell and transfer all such shares acquired by them to the Third Party Purchaser or as the Third Party Purchaser may direct and the provisions of this article shall apply mutatis mutandis to the New Shareholder save that completion of the sale of such shares shall take place forthwith upon the Drag Along Notice being deemed served on the New Shareholder

### **13 APPOINTMENT AND REMOVAL OF DIRECTORS**

- 13 1 The Directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director In addition, the holders of shares representing more than half of the shares which carry the right to attend and vote at general meetings of the Company may by notice to the Company together appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director
- 13 2 Model Article 18 shall be modified by the addition of the following events upon the occurrence of which a person shall cease to be a Director
- (a) he is convicted of a criminal offence (other than a minor motoring offence) and a majority of the other Directors resolve that he cease to be a Director,
  - (b) save in the case of an IP2IPO Director, the University Director, the Technikos Director, the Parkwalk Director or the Founder Director, a majority of the other Directors resolve that he cease to be a Director, and
  - (c) in the case of an executive Director only, he shall cease to be employed by the Company or other Group Company (as appropriate) or, if applicable, ceases to provide consultancy services to the Company or other Group Company and does

not either continue as an employee of or consultant to any other Group Company or otherwise provide consultancy services to any other Group Company

#### **14. BOARD APPOINTEES**

- 14 1 Notwithstanding any other provisions of these articles, for so long as each of IP2IPO, the University, Teknikos and Parkwalk (together with any of their respective permitted transferees pursuant to Article 9) holds more than 5% of the Ordinary Shares in issue, each of IP2IPO, the University, Teknikos and Parkwalk shall be entitled to appoint as a Director of the Company any person and to remove from office any person so appointed and to appoint another person in his place
- 14 2 Notwithstanding any other provisions of these articles, for so long as the Founders (together with any of their permitted transferees pursuant to Article 9) between them hold more than 10% of the Ordinary Shares in issue, they shall, acting jointly in respect of the making of such appointment, be entitled to appoint as a Director of the Company any person and to remove from office any person so appointed and to appoint another person in his place
- 14 3 An appointment or removal of an IP2IPO Director, University Director, Teknikos Director, Parkwalk Director or Founder Director under articles 14 1 or 14 2 will take effect at and from the time when the notice is received at the registered office of the Company or produced to a meeting of the Directors
- 14 4 Each IP2IPO Director, University Director, Teknikos Director, Parkwalk Director and Founder Director shall be entitled at his request to be appointed to any committee of the Board established from time to time and to the board of directors of any Subsidiary

#### **15 PROCEEDINGS OF DIRECTORS**

- 15 1 Any decision of the Directors must be taken at a meeting of Directors in accordance with these articles or must be a decision taken in accordance with article 15 2 (subject to article 15 3 and article 15 4) All decisions made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions at any meeting of the Directors (or committee of the Directors) shall be decided by a majority of votes
- 15 2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter
- 15 3 A decision taken in accordance with article 15 2 may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing
- 15 4 A decision may not be taken in accordance with article 15 2 if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with article 15 6 and article 15 7



- 15 5 Meetings of the Directors shall take place at least 10 times in each year, with a period of not more than 6 weeks between any two meetings unless the Board shall agree otherwise. Any Director may call a meeting of the Directors, or authorise the company secretary (if any) to give such notice. At least 7 Business Days' advance notice in writing of each such meeting shall be given to each Director. 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 be 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. Meetings of the directors may, be held by conference telephone or similar equipment, so long as all the participants can hear each other. Such meetings shall be as effective as if the directors had met in person.
- 15 6 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two Eligible Directors, which must, to the extent the same are appointed, include the IP2IPO Director (unless the IP2IPO Director has agreed to the meeting which would otherwise be inquorate taking place without his attendance).
- 15 7 If the necessary quorum pursuant to article 15 6 for any meeting is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to the date which is one week from the original meeting or to such other time and place as the Directors determine. If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed, then the meeting shall proceed so long as two Eligible Directors are present. No business shall be raised at a meeting adjourned pursuant to this Article 7 unless it was included in the agenda and associated notices of the original meeting.
- 15 8 For the purposes of any meeting (or part of a meeting) held pursuant to article 15 5 to authorise a conflict of interest, if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 15 9 If the number of Directors in office for the time being is less than two, the Directors in office must not take any decision other than a decision to
- (a) appoint further Directors, or
  - (b) call a general meeting so as to enable the Shareholders to appoint further Directors.
- 15 10 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the chairman (or other chairman of the meeting) shall not have a second or casting vote.
- 15 11 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.

## **16. DIRECTORS' CONFLICTS OF INTEREST**

### *Specific interests of a Director*

- 16 1 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
- (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

### *Interests of an IP2IPO Director, Technikos Director, University Director and Parkwalk Director*

- 16 2 In addition to the provisions of article 16 1, 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, where a Director is an IP2IPO Director, Technikos Director, University Director or Parkwalk 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, or
- (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

*Interests of which a Director is not aware*

- 16 3 For the purposes of this article 16, 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

*Accountability of any benefit and validity of a contract*

- 16 4 In any situation permitted by this article 16 (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

*Terms and conditions of Board authorisation*

- 16 5 Subject to article 16 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
  - (i) 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,
  - (ii) 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
  - (iii) restricting the application of the provisions in articles 16 7 and 16 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 Situation as they see fit from time to time

and, subject to article 16 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 16

*Terms and conditions of Board authorisation for an IP2IPO Director, University Director, Technikos Director or Parkwalk Director*

- 16 6 Notwithstanding the other provisions of this article 16, it shall not be made a condition of any authorisation of a matter in relation to the IP2IPO Director, the University Director, the Technikos Director or the Parkwalk 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 16 7

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

- 16 7 Subject to article 16 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 16), 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

- 16 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 16 7 shall apply only if the conflict arises out of a matter which falls within article 16 1 or article 16 2 or has been authorised under section 175(5)(a) of the Act

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

- 16 9 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

*Requirement of a Director to declare an interest*

16 10 Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by article 16 1 or article 16 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) falling under article 16 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

*Shareholder approval*

16 11 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 16

16 12 For the purposes of this article 16

- (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

**17. NOTICES OF GENERAL MEETINGS AND QUORUM**

17 1 Every notice convening a general meeting may be given in accordance with section 308 of the Act, that is in hard copy form, electronic form or by means of a website and shall comply

with the provisions of section 325(1) of the 2006 Act as to giving information to members in regard to their right to appoint proxies. Notices of, and other communications relating to, any general meeting which any member is entitled to receive shall be sent to the Directors and to the auditors of the Company.

17.2 The quorum for a general meeting shall be two qualifying persons (as defined in section 318 of the Act) present at the general meeting, except when the Company has only one Shareholder, when the quorum shall be one such qualifying person.

17.3 Where a general meeting is adjourned under Model Article 41 because a quorum is not present or if during a meeting a quorum ceases to be present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Shareholders present shall form a quorum, and Model Article 41 shall be modified accordingly.

17.4 Ordinary resolutions and special resolutions may be passed as written resolutions in accordance with the Act. A proposed written resolution will lapse if not passed before the period of 28 days beginning with the circulation date. A written resolution shall be deemed to have been executed on behalf of a corporation if signed by one of its directors or its secretary. In the case of a share held by joint holders, the signature of any one shall be sufficient.

## **18. LIEN, CALLS ON SHARES AND FORFEITURE**

18.1 The Company has a lien (the "**Company's Lien**") over every Ordinary Share which is registered in the name of a person indebted or under any liability to the Company, whether he is the sole registered holder of the Ordinary Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.

### **18.2 Enforcement of the Company's Lien**

(a) Subject to the provisions of this article 18.2, if

(i) a Lien Enforcement Notice has been given in respect of an Ordinary Share, and

(ii) the person to whom the notice was given has failed to comply with it,

the Company may sell that Ordinary Share in such manner as the Directors decide.

(b) A Lien Enforcement Notice

(i) may only be given in respect of an Ordinary 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,

(ii) must specify the Ordinary Share concerned,

- (iii) must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),
  - (iv) must be addressed either to the holder of the Ordinary Share or to a transmittee of that holder, and
  - (v) must state the Company's intention to sell the Ordinary Share if the notice is not complied with
- (c) Where Ordinary Shares are sold under this article 18 2
  - (i) the Directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser, and
  - (ii) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale
- (d) The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied
  - (i) 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
  - (ii) second, to the person entitled to the Ordinary Shares at the date of the sale, but only after the certificate for the Shares 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 certificates, and subject to a lien equivalent to the Company's Lien over the Ordinary Shares before the sale for any money payable by that person (or his estate or any joint holder of the Ordinary Shares) after the date of the Lien Enforcement Notice
- (e) A statutory declaration by a Director that the declarant is a Director and that an Ordinary Share has been sold to satisfy the Company's Lien on a specified date
  - (i) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Ordinary Share, and
  - (ii) subject to compliance with any other formalities of transfer required by these articles or by law, constitutes a good title to the Share

### 18 3 Call notices

- (a) Subject to these articles and the terms on which Ordinary Shares are allotted, the Directors may send a notice (a "Call Notice") to a Shareholder requiring the Shareholder to pay the Company a specified sum of money (a "Call") which is

payable to the Company at the date when the Directors decide to send the Call Notice

(b) A Call Notice

- (i) may not require a Shareholder to pay a Call which exceeds the total amount of his indebtedness or liability to the Company,
- (ii) must state when and how any Call to which it relates is to be paid, and
- (iii) may permit or require the Call to be made in instalments

(c) A Shareholder must comply with the requirements of a Call Notice, but no Shareholder is obliged to pay any Call before 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) have passed since the notice was sent

(d) Before the Company has received any Call due under a Call Notice the Directors may

- (i) revoke it wholly or in part, or
- (ii) specify a later time for payment than is specified in the notice,

by a further notice in writing to the Shareholder in respect of whose Shares the Call is made

(e) A Call Notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share

- (i) on allotment,
- (ii) on the occurrence of a particular event, or
- (iii) on a date fixed by or in accordance with the terms of issue

#### 18.4 Forfeiture

(a) If a person is liable to pay a Call and fails to do so by the Call payment date

- (i) the Directors may issue a notice of intended forfeiture to that person, and
- (ii) until the Call is paid, that person must pay the company interest on the Call from the Call payment date at the relevant rate

(b) A notice of intended forfeiture

- (i) may be sent in respect of any Share in respect of which a Call has not been paid as required by a Call Notice,
- (ii) must be sent to the holder of that Share (or all the joint holders of that Share) or to a transmittee of that holder,



- (iii) must require payment of the Call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not less than 14 clear days after the date of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),
  - (iv) must state how the payment is to be made, and
  - (v) must state that if the notice is not complied with, the Ordinary Shares in respect of which the Call is payable will be liable to be forfeited
- (c) At any time before the Company disposes of a forfeited Ordinary Share, the Directors may decide to cancel the forfeiture on payment of all Calls, interest and expenses due in respect of it and on such other terms as they think fit

## **19. PARTLY PAID SHARES**

- 19 1 Model Article 21(1) shall not apply to the Company and shares may be issued other than fully paid
- 19 2 If the subscription price of any share (including any premium) is partly paid, the rights to dividend of any such share shall be abated in the same proportion as the unpaid amount bears to the total subscription price

## **20. MEANS OF COMMUNICATION TO BE USED**

- 20 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient
- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 24 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider),
  - (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address,
  - (c) if properly addressed and sent or supplied by electronic means, six hours after the document or information was sent or supplied, and

- (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

For the purposes of this article 20, no account shall be taken of any part of a day that is not a Business Day, save for the purposes of determining whether sufficient notice of a general meeting has been given

- 20 2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act

## **21. DIRECTORS' EXPENSES**

Model Article 20 shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur"

## **22. INDEMNITY**

- 22 1 Subject to the provisions of and so far as may be permitted by, the Act

- (a) every Director or other officer of the Company (excluding the Company's auditors) shall be entitled to be indemnified by the Company (and the Company shall also be able to indemnify directors of any associated company (as defined in section 256 of the Act)) out of the Company's assets against all liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, provided that no Director of the Company or any associated company is indemnified by the Company against

- (i) any liability incurred by the Director to the Company or any associated company, or

- (ii) any liability incurred by the Director to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirements of a regulatory nature, or

- (iii) any liability incurred by the Director

- (A) in defending any criminal proceedings in which he is convicted,

- (B) in defending civil proceedings brought by the Company or any associated company in which final judgment (within the meaning set out in section 234 of the Act) is given against him, or

- (C) in connection with any application under sections 661(3) or 661(4) or 1157 of the Act (as the case may be) for which the court refuses to grant him relief,

save that, in respect of a provision indemnifying a director of a company (whether or not the Company) that is a trustee of an occupational pension scheme (as that term is used in section 235 of the Act) against liability incurred in connection with that company's activities as trustee of the scheme, the Company shall also be able to indemnify any such director without the restrictions in articles 22 1(a) and 22 1 (a)(iii)(B) applying,

- (b) the Directors may exercise all the powers of the Company to purchase and maintain insurance for any such Director or other officer against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company, or any associated company including (if he is a director of a company which is a trustee of an occupational pension scheme) in connection with that company's activities as trustee of an occupational pension scheme

- 22 2 The Company shall (at the cost of the Company) effect and maintain for each Director policies of insurance insuring each Director against risks in relation to his office as each Director may reasonably specify including without limitation, any liability which by virtue of any rule of law may attach to him in respect of any negligence, default of duty or breach of trust of which he may be guilty in relation to the Company

## **23. OBJECTS**

The Company's objects are unrestricted

## **24. LIABILITY OF SHAREHOLDERS**

The liability of the Shareholders is limited to the amount, if any, unpaid on the shares held by them

## **25. BORROWING POWERS**

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part of it, and to issue debentures, debenture stocks and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party

## **26. DATA PROTECTION**

- 26 1 Each of the Shareholders and Directors (from time to time) consent to the processing of their personal data by the Company, its Shareholders and Directors (each a "Recipient") for due diligence exercises, compliance with applicable laws, regulations and procedures and the

exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually.

26.2 The personal data that may be processed for such purposes under this Article 25 shall include any information which may have a bearing on the prudence or commercial merits of investing, or disposing of any shares (or other investment or security) in the Company. Other than as required by law, court order or any regulated authority, that personal data shall not be disclosed by a Recipient or any other person, except to

- (a) a member of the same group as the Recipient ("**Recipient Group Companies**"),
- (b) to employees, directors and professional advisors of that Recipient or the Recipient Group Companies, and
- (c) to funds managed by any of the Recipient Group Companies

26.3 Each of the Shareholders and Directors consent to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient, both within and outside the European Economic Area, for the purposes stated above, where it is necessary or desirable to do so.