

Registered No. 3246469

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
NOTICE OF PASSING OF WRITTEN RESOLUTIONS

-of-

OXAGEN LIMITED
(the "Company")

Notice is hereby given that on 16 June 2010 the following resolutions were duly passed as written resolutions of the Company pursuant to Chapter 2 of Part 13 of the Companies Act 2006, resolution numbered 1 and 2 being passed as an ordinary resolutions and resolution 3 and 4 as special resolutions

ORDINARY RESOLUTIONS

1 SECTION 551 AUTHORITY

That the Directors of the Company be and are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 ("the Act") (in substitution for all previous authorities pursuant to section 80 of the Companies Act 1985 and section 551 of the Act which are hereby revoked) to allot up to 118,909,206 Series C Preferred Shares, such authority to expire, unless sooner revoked or altered by the Company in general meeting, on the date five years from the date of passing this Resolution, and provided further that the Company may before the expiry of this authority make an offer or agreement which would or might require relevant securities to be allotted after the expiry of this authority and the Directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired

2 INCREASE IN SHARE OPTION POOL

That the aggregate total number of Ordinary Shares of £0.001 each having the rights set out in the New Articles (as defined in, and to be adopted pursuant to, Resolution 3 below) in respect of which options may be granted pursuant to individual agreements and collective arrangements (inclusive of shares in respect of which options have already been granted and are outstanding) be and hereby increased to 156,938,244 and that such agreements and arrangements be amended to reflect the same where required




SPECIAL RESOLUTIONS

3 ADOPTION OF NEW ARTICLES OF ASSOCIATION

That the articles of association in the form annexed hereto (the "New Articles") be adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing articles of association with effect from the passing of this Resolution

4 DISAPPLICATION OF PRE-EMPTION RIGHTS

That pursuant to article 4.3(b) of the New Articles, the provisions of article 4 2 of the New Articles shall not apply to the allotment and issue of Series C Shares pursuant to the authority conferred on the Directors by Resolution 1 above

 FOR AND ON BEHALF OF
W C P H D
SECRETARIES LIMITED

Company Secretary

THE COMPANIES ACTS 1985 TO 2006

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
of
OXAGEN LIMITED

(as adopted by Special Resolution passed on 16 June 2010)

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Company No 3246469

THE COMPANIES ACTS 1985 to 2006

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
of
OXAGEN LIMITED

(as adopted by Special Resolution passed on 16 June 2010)

1. Preliminary

1.1 The regulations contained in Table A as prescribed by the regulations made under the Companies Act 1985 in force at the date of the adoption of these Articles of Association (hereinafter referred to as "**Table A**") shall apply to the Company in so far as these Articles do not exclude or modify Table A. A reference herein to any regulation is to that regulation as set out in Table A.

1.2 In these Articles the following words and expressions shall have the meanings set out below

"the Accountants" means independent accountants appointed by the President of the Institute of Chartered Accountants,

"Act" means the Companies Act 2006, as it may be amended or re-enacted from time to time,

"Asset Sale" means the sale, lease, transfer or disposal by the Company of all or substantially all of its undertaking and assets,

"the Auditors" means the auditors for the time being of the Company,

"Available Profits" means the profits available for distribution within the meaning of part 23 of the Act,

"Board" means the board of Directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these Articles,

"Capital Distribution" means any dividend or other distribution of capital profits (whether realised or not) or capital reserves (other than a capitalisation issue in substitution for or as an alternative to a cash dividend which is made available to the Shareholders),

"Cause" for the purpose of Article 8, means

- (a) in relation to a consultant, the immediate termination by any member of the Group of the consultancy agreement or arrangement under which the

consultant provides services to any member of the Group as a result of the consultant's repudiatory breach of contract, including (but not limited to) any gross misconduct, gross negligence and/or dishonesty on the part of the consultant, or

- (b) in relation to an employee, the immediate termination by any member of the Group of the employee's employment with any member of the Group as a result of (i) the employee's breach of any express written term in any applicable offer letter, service agreement or contract of employment which permits any member of the Group Company to terminate the employee's employment with immediate effect, without the elapsing of a notice period or any payment in lieu of such notice period, or (ii) any gross misconduct, gross negligence and/or dishonesty on the part of the employee, or
- (c) in relation to a non-executive director, the termination by any member of the Group of the director's office as a director of that member of the Group as a result of (i) the gross misconduct, gross negligence or dishonesty of the director, (ii) the director's material breach of any fundamental term of his appointment as a director of any member of the Group, (iii) the director's material breach of the fiduciary duties he owes to any member of the Group

"Conversion Date" has the meaning set out in Article 2 2(d)(vi),

"Conversion Price" means the Original Subscription Price subject to such adjustment as may be made in accordance with Article 2 3(a),

"Conversion Rate" has the meaning set out in Article 2 2(d)(i),

"Current Market Price" as at any date in respect of one Ordinary Shares shall be deemed to be

- (a) if the Ordinary Shares are publicly traded, the ten day average of the daily average of the high and low sales prices of the Ordinary Shares,
- (b) if the Ordinary Shares are not publicly traded, the fair market value of such Ordinary Share, as determined in good faith by a majority of the Board

"Date of Adoption" means the date of adoption of these Articles,

"Deferred Shares" means the deferred shares of £0 001 each in the capital of the Company having the rights set out in Article 2 4,

"Dilutive Issue" has the meaning set out in Article 2 3(a),

"the Directors" the directors for the time being of the Company or a quorum of such directors present at a meeting of the directors,

"Excluded Shares" means the Ordinary Securities issued from time to time (or issuable upon conversion, exchange or exercise of securities issued) pursuant to events set out in Article 4 3(a),

"Fund Manager" means a person whose principal business is to make, manage or advise upon investments in securities,

"the Group" means the Company and its subsidiaries (if any),

"Investment Fund" means any person, company, trust, limited partnership or fund holding Shares for investment purposes and not being a member of the Company by virtue of being a Relevant Member,

"Investor Directors" means directors appointed in accordance with Article 15,

"Investor Majority" means holders of in aggregate not less than 65 per cent of the Series C Shares in issue at the relevant time,

"Investor Supermajority" means holders of in aggregate not less than 65 per cent of the Series C Shares in issue at the relevant time,

"IPO" means a successful application being made for all or any of the ordinary share capital of the Company or of any holding company of the Company to be admitted to trading on the Official List of the United Kingdom Listing Authority or on the Alternative Investment Market (the market of that name operated by the London Stock Exchange plc) or on Nasdaq or on the New York Stock Exchange or any other recognised investment exchange (as such expression is defined in the Financial Services and Markets Act 2000) approved by the Investor Majority for all or any of such ordinary shares (or any depository receipts representing such share capital) to be admitted to trading on such exchange,

"Issue or Reorganisation" means any return of capital, issue of shares or other securities of the Company by way of a Capital Distribution or any consolidation or sub-division or any repurchase or redemption of shares (other than Preference Shares) or any variation in the subscription price or conversion rate (not including changes to the conversion price affected pursuant to Article 2 3 or bonus issues pursuant to Article 2 2(d)(xii)) applicable to any other outstanding Shares,

"Liquidation" means any of the following events

- (a) the presentation of a winding up petition against the Company by any creditor or contributory other than presentation of a winding up petition which is capable of being struck out within five (5) Business Days of its presentation,
- (b) the presentation of a petition for an administration order in relation to the Company by any creditor,
- (c) the appointment of a receiver over the whole or any part of the Company's assets,
- (d) the passing of a resolution by the members of the Company that the Company be wound up, or
- (e) the Board making a proposal under Part I of the Insolvency Act 1986 to the Company and to its creditors for a voluntary arrangement,

"Liquidation Surplus" means such cash sum (and the cash equivalent value of any Non-Cash Asset as determined in accordance with Article 2 2(b)(i)) as remains on a

Liquidation after all of its liabilities have been paid and any fees (or a fair estimate thereof) incurred by the Auditors pursuant to Article 2 2(b)(i),

"a Member of the same Group" as regards any company, a company which is for the time being a holding company or a subsidiary of that company or of any such holding company,

"MPM Affiliates" means with respect to any specified person, party or entity (a **"Person"**), (A) any other Person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person, (B) if such specified Person is a partnership, corporation or limited liability company, MPM Affiliate shall also include the general partner, limited partners, retired partners, shareholders, managers, members and retired members of such Person, and the general partners, limited partners, retired partners, shareholders, managers, members, retired members and MPM Affiliates (as defined in clause (A) of this paragraph) of the foregoing, and investment vehicles for whom any of the foregoing is a general partner or manager, as applicable, and the estates, beneficiaries and family members of any such general partners, limited partners, retired partners, shareholders, managers, members, retired members and MPM Affiliates (as defined in clause (A) above) and any trusts for the benefit of any of the foregoing persons and (C) any Person for whom MPM Asset Management LLC or an MPM Affiliate (as defined in clause (A) of this paragraph) provides management or advisory services or serves as a partner, manager or member thereof,

"MPM Investors" means MPM BioVentures III, L P , MPM BioVentures III-QP, L P, MPM BioVentures III GmbH & Co. Beteiligungs KG, MPM BioVentures III Parallel Fund, L P , MPM Asset Management Investors 2005 BVIII LLC, MPM BioVentures Strategic Fund, L P and MPM Affiliates of such entities,

"MPM Directors" means the Directors nominated by the MPM investors pursuant to Article 15 1,

"Nasdaq" means the Nasdaq National Market of the Nasdaq Stock Market Inc ,

"Non Cash Asset" means any property other than cash,

"Non-Participating Member" has the meaning given in Article 4 2(b),

"Novartis Director" means the Director nominated by the Novartis Investor pursuant to Article 15 3,

"Novartis Investor" means Novartis Bioventures Ltd,

"Offer" means the offer made to all holders of Preference Shares to each such Shareholder pro rata (or nearly thereabouts) to his respective holding of Preferred Shares by the Company on 6 October 2009 of up to 313,790,256 (and potentially up to 346,820,809) Series C Shares for subscription,

"on an as converted basis" means the number of Ordinary Shares as adjusted from time to time in accordance with these Articles into which the Preference Shares held by

the relevant holder would convert into Ordinary Shares at the Conversion Rate on the relevant date,

"Ordinary Securities" means Ordinary Shares and shall be deemed to include all other securities convertible into, or exchangeable or exercisable for Ordinary Shares (including, but not limited to, Preference Shares) or options to purchase or other rights to subscribe for such convertible, exchangeable or exercisable securities, in each case other than Excluded Shares,

"Ordinary Shares" means ordinary shares of £0.001 each in the capital of the Company having the rights set out in Article 2.4,

"Ordinary Shareholders" means the holders of Ordinary Shares,

"Original Subscription Price" means the amount subscribed for each Series C Share (being either £0.030275 or £0.037844, as the case may be, save that if the Wellington Warrants become capable of exercise it shall in any event be £0.030275) as adjusted from time to time following any Issue or Reorganisation,

"Permitted Transfer" means a transfer of shares authorised by Article 5.1,

"Permitted Transferee" means a person, firm or unincorporated association to whom or which shares have been transferred pursuant to a Permitted Transfer,

"Preference Shares" means the Series A Shares, the Series B Shares and the Series C Shares,

"Pro Rata Entitlement" means for the purposes of Article 2.2(d)(iii) the number of shares, or rights to convert into shares, of the relevant class offered to the relevant Shareholder,

"Qualified IPO" means the completion of an underwritten IPO in which the net aggregate subscription amount (including premium) in respect of new shares issued at the time of the IPO is not less than US\$50 million at an issue price per share not less than £0.185517,

"Qualified Party" has the meaning ascribed to it in the Subscription Agreement,

"Relevant Member" means a member who is a director or employee of or a consultant to, the Company or any subsidiary of the Company, or a member who shall have acquired shares directly or indirectly from such a person,

"Relevant Shares" has the meaning set out in Article 5.2,

"Sale Proceeds" means the price paid for all of the Shares which are the subject of the Share Sale and the consideration paid for the release of options (if any) in issue on the date of the Share Sale,

"Series A Shares" means the Series A convertible preference shares of £0.001 each in the capital of the Company having the rights set out in Article 2.2,

"Series A Liquidation Preference Amount" means an amount per Series A Share equal to £0 105536,

"Series B Shares" means the Series B convertible preference shares of £0 001 each in the capital of the Company having the rights set out in Article 2 2,

"Series B Subscription Price" means £0 061839 per Series B Share as adjusted from time to time following any Issue Reorganisation,

"Series C Shares" means the Series C convertible preference shares of £0 001 each in the capital of the Company having the rights set out in Article 2 2,

"Series C Round" means the issue by the Company of up to 346,820,809 Series C Shares pursuant to the Offer together with the issue by the Company of 198,183,320 Series C Shares to Novartis Bioventures Ltd, in each case, at the Original Subscription Price,

"Shareholder" means any holder of any Shares,

"Share Option Scheme" means any share option scheme established by the Company which qualifies as an employees' share scheme under the Act,

"Shares" means together, the Ordinary Shares and the Preference Shares,

"Share Sale" means the sale of any part of the Shares to any person resulting in that person together with any person acting in concert (within the meaning given in the City Code on Takeovers and Mergers as in force at the Date of Adoption) with such person holding more than 50% of the issued Shares and for the purposes of these Articles, the persons who are holders of the Preference Shares at the Date of Adoption shall not be deemed to be acting in concert with each other,

"Subscription Agreement" means the subscription agreement dated 20 November 2009 in respect of the Series C Round and made between the Company and certain of the members of the Company relating, inter alia, to the subscription of the Series C Shares, as varied and supplemented for the time being,

"Subscription Price" means in relation to any Ordinary or Deferred 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),

"Supplemental Subscription Agreement" means the subscription agreement to be entered into following the Date of Adoption in respect of further Series C Shares and made between the Company and Wellington relating to the subscription of further Series C Shares,

"Surplus Assets" means the surplus assets of the Company following an Asset Sale after payment of the Company's liabilities,

"SVLS Investors" means Sitco Nominees Limited, SV (Nominees) Limited, Schroder Ventures International Life Sciences Fund II LP1, Schroder Ventures International Life

Sciences Fund II LP2, Schroder Ventures International Life Sciences Fund II LP3, Schroder Ventures International Life Sciences Fund II Strategic Partners LP and International Biotechnology Trust Plc and, where the context permits, any trustee, nominee or custodian of any of the foregoing ,

"SVLS Director" means the Director nominated by the SVLS Investor pursuant to Article 15 2,

"Transferee Company" means a company for the time being holding shares in consequence, directly or indirectly, of a transfer or series of transfers of shares between Members of the same Group (the relevant Transferor Company in the case of a series of such transfers being the first transferor in such series),

"Transfer Notice" means a notice in accordance with Article 6 that a member desires to transfer his shares,

"Transferor Company" means a company (other than a Transferee Company) which has transferred or proposes to transfer shares to a Member of the same Group,

"Wellcome" means The Wellcome Trust Limited, a company incorporated in England under registered number 02711000,

"Wellington" means Wellington Partners Ventures III Life Science Fund LP and Wellington Partners Ventures III Life Science Network Fund LP and, where the context permits, any trustee, nominee or custodian of either of the foregoing, and

"Wellington Warrants" means the warrants to subscribe for further Series C Shares granted to Wellington within one month of the Date of Adoption

2. Liability of Members and Share Capital

2 1 Limited Liability

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

2 2 Preference Shares

The Preference Shares shall entitle the holders thereof to the following rights

- (a) as regards dividend, if after the Date of Adoption the Directors resolve to distribute any Available Profits in any year the Company shall pay such Available Profits to the holders of the Shares (in the case of the Preference Shares, on an as converted basis), in respect of their holdings of such Shares *pari passu* and *pro rata* to the number of such Shares held by each of them,
- (b) save where an Investor Supermajority agrees that the provisions of this Article 2 2(b) shall not apply, in which case the Shareholders shall be entitled to the Liquidation Surplus, Sale Proceeds or Surplus Assets, as the case may be, in proportion to the number of Shares (in the case of the Preference Shares, on an as converted basis) held by each of them as if they together constituted one class)

- (i) on a return of assets on Liquidation the following order of priority shall apply to payments to holders of shares in the capital of the Company out of the Liquidation Surplus
- (A) first, the holders of Series C Shares shall be entitled in respect of their Series C Shares (in proportion to the number of such Shares held by each of them), in priority to all other Shareholders, to payment of the aggregate Original Subscription Price for all such Series C Shares and in the event that the Liquidation Surplus is insufficient to make full payment hereunder, such Liquidation Surplus shall be distributed to the holders of Series C Shares pro rata to the full amount payable to each such holder hereunder,
 - (B) secondly, the holders of Series B Shares shall be entitled in respect of their Series B Shares (in proportion to the number of such Shares held by each of them), in priority to all other Shareholders, to payment of the aggregate of the Series B Subscription Price for all such Series B Shares and in the event that the Liquidation Surplus is insufficient to make full payment hereunder, such Liquidation Surplus shall be distributed to the holders of Series B Shares pro rata to the full amount payable to each such holder hereunder,
 - (C) thirdly, the holders of Series A Shares shall be entitled in respect of their Series A Shares (in proportion to the number of such Shares held by each of them), in priority to all other Shareholders, to payment of the aggregate of the Series A Liquidation Preference Amount for all such Series A Shares and in the event that the Liquidation Surplus is insufficient to make full payment hereunder, such Liquidation Surplus shall be distributed to the holders of Series A Shares pro rata to the full amount payable to each such holder hereunder,
 - (D) fourthly and subject to Article 2 2(b)(i)(E), the balance (if any) remaining after payment of such sums shall be paid to the holders of Shares (in the case of the Preference Shares, on an as converted basis) in proportion to the number of such Shares held by each of them and in respect of which options are being released, as if they together constituted one class, and
 - (E) fifthly, provided that each Shareholder has received not less than £1,000,000 in respect of each Share held by such Shareholders, the holders of Deferred Shares shall be entitled in respect of each Deferred Share to payment of the sum of £0 0001 per Deferred Share,

provided that where on a return of assets on a Liquidation the Liquidation Surplus includes Non Cash Assets, the Directors shall prior to the proposed date of the return of assets instruct the Auditors to determine the market value of the Non-Cash Assets as at the date of the return of assets and the sum so determined and certified shall be that applicable for the purposes of determining the amount of the Liquidation Surplus and the distributions to be made in accordance with this Article 2 2(b)(i). The costs and expenses of the Auditors in acting pursuant to this Article 2 2(b)(i) shall be paid from the Liquidation Surplus. The Auditors shall act as experts and not as arbitrators and

their determination shall be final and binding on all persons concerned and, in the absence of fraud, they shall be under no liability to any such person by reason of their determination or certificate or by anything done or omitted to be done by them for the purpose thereof or in connection therewith,

(ii) in the event of a Share Sale, the Sale Proceeds shall be reallocated between the holders of the shares in the capital of the Company so as to ensure the following order of application of the Sale Proceeds

- (A) first, in paying to the holders of the Series C Shares that are the subject of the Share Sale (if any) the aggregate of the Original Subscription Price on all such Shares (or in the event of an insufficiency, then pro rata to the respective number of such Series C Shares held by each of them),
- (B) secondly, in paying to the holders of the Series B Shares that are the subject of the Share Sale (if any) the aggregate of the Series B Subscription Price on all such shares (or in the event of an insufficiency, then pro rata to the respective number of such Series B Shares held by each of them),
- (C) thirdly, in paying to the holders of the Series A Shares that are the subject of the Share Sale (if any) the aggregate of the Series A Liquidation Preference Amount on all such shares (or in the event of an insufficiency, then pro rata to the respective number of such Series A Shares held by each of them),
- (D) fourthly and subject to Article 2 2(b)(ii)(E) in paying the balance pro rata to the holders of Shares which are the subject of the Share Sale and the holders of any options to subscribe for shares which are to be released in the Share Sale in proportion to the number of Shares (in the case of the Preference Shares, on an as converted basis) sold or Shares in respect of which options are to be released by each of them as if they together constituted one class, and
- (E) fifthly, provided that each Shareholder has received not less than £1,000,000 in respect of each Share that is the subject of the Share Sale held by such Shareholders, in paying to the holders of the Deferred Shares which are the subject of the Share Sale (if any) the sum of £0 0001 per Deferred Share,

provided that upon a Share Sale, the Directors shall not register any transfer of Shares unless

- (1) the Sale Proceeds represented by cash are paid into the Company's solicitors bank account (or such other account as the Investor Majority shall nominate) and the Sale Proceeds represented other than in cash shall be held by the Company on trust for the holders of those Shares being sold in connection with the Sale,
- (2) the Sale Proceeds are distributed in the order of priority set out in this Article 2 2(b)(ii),

save that if the Sale Proceeds are not settled in their entirety upon completion of the Sale

- (A) the Directors shall not be prohibited from registering the transfer of the Shares so long as the provisions of paragraph (1) and (2) above have been applied to the Sale Proceeds settled upon completion, and
 - (B) the Shareholders shall be required to take such actions as the Investor Majority may require to ensure that the Sale Proceeds in their entirety are distributed in the order of priority set out in this Article 2 2(b)(ii),
- (iii) in the event of an Asset Sale the Surplus Assets shall be distributed (insofar as the Company is lawfully permitted to do so) in the order of priority set out in Article 2 2(b)(ii) as if such Asset Sale was a Share Sale provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, the Shareholders shall be required to take such actions as the Investor Majority shall require (including, but without prejudice to the generality of the foregoing, such actions as may be necessary to put the Company into voluntary liquidation so that Article 2 2(b)(i) applies),
- (c) as regards voting in general meetings

each holder of Preference Shares shall be entitled to receive notice of, and to attend and vote at, general meetings of the Company On a show of hands every holder of Preference Shares who (being an individual) is present in person or by proxy or (being a corporation or partnership) is present by a duly authorised representative or by proxy shall have one vote, and on a poll every holder of Preference Shares shall have such number of votes as equals the number of Ordinary Shares into which the Preference Shares are convertible into on the date of any such meeting,
- (d) as regards conversion
 - (i) subject to Articles 2 2(d)(ii) and 2 2(d)(iii) each holder of Preference Shares shall be entitled at any time in the manner set out in these Articles (and subject to the provisions of these Articles), and without the payment of additional consideration by the holder thereof, to convert all or any of the Preference Shares held by him (such number as adjusted in accordance with Article 2 3(a)) into such number of fully paid Ordinary Shares for each Preference Share as is determined, by, dividing the Original Subscription Price by the then effective Conversion Price (the "**Conversion Rate**"),
 - (ii) in addition, each holder of Series A Shares and Series B Shares who subscribed pursuant to the Offer for his Pro Rata Entitlement in respect of the Series C Round, shall be entitled, on conversion of all or any of the Series A Shares or Series B Shares held by him and without payment of additional consideration by the holder thereof, to receive such number of additional Ordinary Shares as he would have been entitled to receive on conversion of such Series A Shares or Series B Shares had the provisions of Article 2 3(a) applied to the Series C Round as though for such purposes

- (A) references in Article 2 2(d)(i) to the Original Subscription Price were references to the Series B Subscription Price,
- (B) assuming that for the purposes of the application of Article 2 3(a), the Conversion Price in effect immediately prior to the issue of shares pursuant to the Series C Round were equal to the Series B Subscription Price, and
- (C) assuming that for the purposes of the formula in Article 2 3(a), the denominator of the fraction were equal to the number of Ordinary Shares in issue immediately prior to the Series C Round plus the number of Ordinary Shares which the aggregate consideration received or to be received by the Company pursuant to the Series C Round would purchase at the Original Subscription Price,

less the number of Series A Shares or Series B Shares to be so converted,

- (iii) save where an Investor Majority consents otherwise, if at any time following the Date of Adoption the Company undertakes any financing round (which, for the avoidance of doubt, shall require the approval of the Board and an Investor Majority), but excluding the Series C Round, the issue of Series C Shares to Wellington within one month of the Date of Adoption or pursuant to the Wellington Warrants, pursuant to which Series C Shares or shares of any class which have rights, preferences or privileges equivalent or senior to those attaching to the Series C Shares are issued, then Preference Shares held by any Shareholder who does not subscribe for his Pro Rata Entitlement in respect of such financing round will, on closing of such financing round, automatically and without further action by the Board or the Company in general meeting, convert into Ordinary Shares pro rata to the proportion of his Pro Rata Entitlement in respect of which he has failed to subscribe, at the then effective Conversion Rate,
- (iv) the right to convert provided in Article 2 2(d)(i) shall be exercisable by notice in writing given to the Company signed by the holders of such Preference Shares specifying the number of Preference Shares to be converted on that occasion and accompanied by a share certificate in respect of the same. The conversion shall take effect immediately upon the date of delivery of such notice to the Company unless such notice states that conversion is to be effective when any conditions specified in the notice have been fulfilled in which case conversion shall take effect when such conditions have been fulfilled,
- (v) forthwith after conversion takes effect in accordance with Articles 2 2(d)(i) or 2 2(d)(iii) the Company shall issue to the holder of Preference Shares the subject of the conversion a certificate for the number of Ordinary Shares resulting from the conversion and a certificate for the balance (if any) of unconverted Preference Shares represented by the certificate delivered to the Company in accordance with Article 2 2(d)(iv),
- (vi) subject as hereinafter provided, as at the date (the "Conversion Date") of
 - (A) a Qualified IPO, or

- (B) an Investor Majority electing to convert all of the Preferred Shares

the Preference Shares in issue shall be automatically converted into such number of fully paid Ordinary Shares as they would convert into if converted pursuant to Articles 2 2(d)(i) and 2 2(d)(ii) as at such date

In the event of conversion being required pursuant to this Article 2 2(d)(vi), the Company shall give seven days prior written notice of the Conversion Date to each holder of Preference Shares and upon the Conversion Date each holder of Preference Shares shall deliver to the Company at its registered office the certificate for his Preference Shares and upon such delivery there shall be issued to him a certificate for the number of Ordinary Shares resulting from the conversion,

- (vii) no fractional Ordinary Shares shall be issued upon conversion of Preference Shares and the number of Ordinary Shares to be issued shall be rounded down to the nearest Ordinary Share. The Company shall pay a cash adjustment for any such fractional interest in an amount equal to such fraction multiplied by the fair market value of an Ordinary Share as determined in good faith by the Board, subject to the payment being greater than £10 (ten pounds),
- (viii) the Ordinary Shares arising on a conversion shall rank *pari passu* in all respects with the Ordinary Shares then in issue and fully paid up and shall entitle the holders to all dividends and other distributions declared made or paid on the Ordinary Shares by reference to any record date occurring on or after the date on which they are converted,
- (ix) the Company shall pay all documentary costs attributable to the issue or delivery of Shares upon conversion of any Preference Shares,
- (x) in the event of any Issue or Reorganisation the Original Subscription Price, the Series A Liquidation Preference Amount, the Series B Subscription Price and/or the Conversion Price shall also be subject to adjustment on such basis as shall be determined in good faith by the Auditors provided that in the event of the Company purchasing any Ordinary Securities, the amount of the Capital Distribution per Ordinary Security shall be deemed to be that amount which is the gross amount paid in such purchase divided by the number of Ordinary Securities remaining in issue following such purchase,
- (xi) so long as any conversion rights of the Preference Shares remain exercisable, the Company will not do any act or thing resulting in an adjustment of the Conversion Price pursuant to Article 2 3(a) if the consequence of such act would involve the issue of Shares at a discount to nominal value,
- (xii) if Preference Shares are to convert into Ordinary Shares with a total nominal value greater than the nominal value of the relevant Preference Shares, the Company shall issue additional Ordinary Shares to the relevant holder by way of bonus issue, such Ordinary Shares to be issued fully paid up by the amounts standing to the credit of the share premium account or any other available reserves of the Company as determined by the Board. Such capitalisation shall be automatic and shall not require any action on the part of the Shareholders and the Board shall allot the Ordinary Shares arising on

such capitalisation to the holders of the Preference Shares in accordance with this Article,

2.3 *Anti-Dilution Protection*

The Preference Shares shall have the following anti-dilution protection

- (a) If the Company shall, at any time or from time to time after the Date of Adoption until such a time as all of the Preference Shares have been converted, issue any Ordinary Securities which are not Excluded Shares or Series C Shares issued pursuant to the Series C Round for a consideration per Ordinary Share (which for the purposes of this Article 2.3(a) shall be calculated in accordance with Article 2.3(b)) less than the Conversion Price in effect immediately prior to the issue of such Ordinary Securities (a "Dilutive Issue"), the Conversion Price in effect immediately prior to each such Dilutive Issue shall automatically be reduced to a price equal to the product obtained by multiplying such Conversion Price by a fraction (A) the numerator of which shall be (1) the number of Ordinary Shares outstanding immediately prior to such Dilutive Issue plus (2) the number of Ordinary Shares which the aggregate consideration received or to be received by the Company pursuant to the Dilutive Issue for the total number of securities so issued would purchase at such Conversion Price, and (B) the denominator of which shall be the number of Ordinary Shares in issue immediately prior to such Dilutive Issue plus the number of Ordinary Shares so issued, provided that (i) for the purpose of this calculation, all Ordinary Shares issuable upon conversion of all Preference Shares outstanding immediately prior to such Dilutive Issue (but no options, warrants, derivative securities or similar instrument then outstanding) shall be deemed to be outstanding and (ii) the number of Ordinary Shares deemed issuable upon conversion of such outstanding Preference Shares shall be determined without giving effect to any adjustments to the Conversion Price resulting from the issue of the Ordinary Securities pursuant to the proposed Dilutive Issue,
- (b) For the purposes of any adjustment of the Conversion Price pursuant to Article 2.3(a), the following provisions shall be applicable
 - (i) in the case of the issue of Ordinary Securities in whole or in part for cash, the consideration shall be deemed to be the amount of cash paid therefor after deducting therefrom any discounts, commissions or other expenses allowed, paid or incurred by the Company for any underwriting or otherwise in connection with the issue and sale thereof, plus the value of any Non-Cash Assets received by the Company, determined as provided in Article 2.3(b)(ii),
 - (ii) in the case of the issue of Ordinary Securities for a consideration in whole or in part of Non-Cash Assets, the value of such Non-Cash Assets shall be deemed to be the fair market value of such Non-Cash Assets as determined in good faith by the Board, provided, however, that such fair market value of such Non-Cash Assets as determined by the Board shall not exceed the aggregate Current Market Price of the Ordinary Securities being issued, less any cash consideration paid for such shares, determined as provided in Article 2.3(b)(i),
 - (iii) in the case of the issue of Ordinary Securities whether in whole or in part for cash or for Non-Cash Assets, where such cash is denominated, or Non-Cash Assets valued in a currency other than British Pounds Sterling (£), such cash or value of Non-Cash Assets shall be converted into £ for the purposes of ascertaining whether such issue is a Dilutive

Issue at the exchange rate quoted for such currency in the London edition of the Financial Times on the date of such issue,

- (iv) in the case of the issue of options or other rights to purchase or subscribe for Ordinary Securities or the issue of securities by their terms convertible into or exchangeable or exercisable for Ordinary Shares or options to purchase or other rights to subscribe for such convertible or exchangeable or exercisable securities
 - (A) the aggregate maximum number of Ordinary Securities deliverable upon exercise of such options to purchase or rights to subscribe for Ordinary Securities shall be deemed to have been issued at the time such options or rights were issued and for a consideration equal to the consideration (determined in the manner provided in Articles 2 3(b)(i) and 2 3(b)(ii)), if any, received by the Company upon the issue of such options or rights plus the minimum purchase price provided in such options or rights for the Ordinary Securities covered thereby (the consideration in each case to be determined in the manner provided in Articles 2 3(b)(i) and 2 3(b)(ii)),
 - (B) the aggregate maximum number of Ordinary Securities deliverable upon conversion of, or in exchange for, any such convertible or exchangeable securities or upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof shall be deemed to have been issued at the time such securities were issued or such options or rights were issued and for a consideration equal to the consideration received by the Company for any such securities and related options or rights (excluding any cash paid by the Company on account of accrued interest or accrued dividends), plus the minimum purchase price, if any, to be received by the Company upon the conversion or exchange of such securities or the exercise of any related options or rights (the consideration in each case to be determined in the manner provided in Articles 2 3(b)(i) and 2 3(b)(ii)),
 - (C) if there is any change (whether automatic pursuant to the terms contained therein or as a result of the amendment of such terms) in the exercise price of or number of Shares deliverable upon exercise of, any such options or rights or upon the conversion or exchange of any such convertible or exchangeable securities, then the Conversion Price shall automatically be readjusted in proportion to such change (notwithstanding the foregoing, no adjustment pursuant to this Article 2 3(b)(iii)(C) shall have the effect of increasing the Conversion Price to an amount which exceeds the lower of (i) the Conversion Price on the original adjustment date, or (ii) the Conversion Price that would have resulted from any Dilutive Issues between the original adjustment date and such readjustment date),
 - (D) upon the expiration of any such options or rights or the termination of any such rights to convert or exchange such convertible or exchangeable securities (or in the event that the change that precipitated an adjustment pursuant to Article

2 3(b)(iii)(C) is reversed or terminated, or expires), then the Conversion Price shall be automatically readjusted to the Conversion Price that would have been obtained had such options, rights or convertible or exchangeable securities not been granted or issued (or had such adjustment pursuant to Article 2 3(b)(iii)(C) not occurred), and

- (E) if the terms of any option or convertible security (excluding options or convertible securities which, upon exercise, conversion or exchange thereof, would entitle the holder thereof to receive Ordinary Securities which are Excluded Shares), the issue of which was not a Dilutive Issue, are revised after the Date of Adoption (either automatically pursuant to the provisions contained therein or as a result of an amendment to such terms) to provide for either (1) any increase or decrease in the number of Ordinary Securities issuable upon the exercise, conversion or exchange of any such option or convertible security or (2) any increase or decrease in the consideration payable to the Company upon such exercise, conversion or exchange, then such option or convertible security, as so amended, and the Ordinary Securities subject thereto shall be deemed to have been issued effective upon such increase or decrease becoming effective,
- (c) All calculations under Articles 2 3(a) or 2 3(b) shall be made to the nearest one-tenth of a penny (£0 001) or to the nearest one-tenth of a share, as the case may be
- (d) In any case in which the provisions of Articles 2 3(a) and 2 3(b) shall require that an adjustment shall become effective immediately after a record date for an event, the Company may defer until the occurrence of such event (A) issuing to the holder of any Preference Shares converted after such record date and before the occurrence of such event the additional shares issuable upon such conversion by reason of the adjustment required by such event over and above the shares issuable upon such conversion before giving effect to such adjustment, and (B) paying to such holder any cash amounts in lieu of fractional shares pursuant to Article 2 2(d)(vii), provided, however, that the Company shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional shares, and such cash, upon the occurrence of the event requiring such adjustment
- (e) If a state of facts shall occur that, without being specifically controlled by the provisions of Articles 2 3(a) and 2 3(b) would not fairly protect the conversion rights of the holders of the Preference Shares in accordance with the essential intent and principles of such provisions, then the Board shall make an adjustment in the application of such provisions, in accordance with such essential intent and principles, so as to protect such conversion rights
- (f) Whenever the Conversion Price shall be adjusted as provided in Articles 2 3(a) and 2 3(b), the Company shall forthwith file and keep on record at the office of the Secretary of the Company and at the office of the transfer agent (if any) for the Preference Shares or at such other place as may be designated by the Company, a statement, signed by its Chairman or Chief Executive Officer and by its Chief Financial Officer (or if applicable, the chief operating officer or VP of Finance), showing in detail the facts requiring such adjustment and the Conversion Price that shall be in effect after such adjustment. The Company shall also cause a copy of such statement to be sent by first-class, certified

mail, return receipt requested, postage prepaid, to each holder of Preference Shares at such holder's address appearing in the Company's records. Where appropriate, such copy shall be given in advance of any such adjustment and shall be included as part of a notice required to be mailed under the provisions of Article 2.3(g).

- (g) In the event the Company shall propose to take any action of the types described in Articles 2.3(a) and 2.3(b), the Company shall give notice to each holder of Preference Shares in the manner set forth in Article 2.3(f), which notice shall specify the record date, if any, with respect to any such action and the date on which such action is to take place. Such notice shall also set forth such facts with respect thereto as shall be reasonably necessary to indicate the effect of such action (to the extent such effect may be known at the date of such notice) on the Conversion Price with respect to the Preference Shares, and the number, kind or class of shares or other securities or property which shall be deliverable or purchasable upon each conversion of Preference Shares. In the case of any action that would require the fixing of a record date, such notice shall be given at least 20 days prior to the record date so fixed, and in the case of any other action, such notice shall be given at least 30 days prior to the taking of such proposed action.

2.4 *Ordinary Shares*

The Ordinary Shares shall entitle the holders thereof to the following rights:

- (a) as regards dividend, from the Date of Adoption such rights as are set out in Article 2.2(a),
- (b) as regards capital
 - (i) on a return of assets on a Liquidation the holders of the Ordinary Shares shall be entitled (in proportion to the number of Ordinary Shares held by each of them) to the payments out of the Liquidation Surplus of the Company referred to in Article 2.2(b)(i)(D),
 - (ii) in the event of a Share Sale or Asset Sale, the holders of the Ordinary Shares shall be entitled to participate in the proceeds as referred to in Article 2.2(b)(ii)(D) and Article 2.2(b)(iii), as the case may be, and
- (c) as regards voting in general meetings each holder of Ordinary Shares shall be entitled to receive notice of and to attend at general meetings of the Company and shall be entitled to vote at general meetings of the Company. On a show of hands every holder of Ordinary Shares who is entitled to vote and who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll every holder of Ordinary Shares who is entitled to vote and who is so present shall have one vote for each Ordinary Share held by him.

2.5 *Deferred Shares*

- (a) The Deferred Shares shall carry no right to vote and no right to participate in the profits of the Company and on a Liquidation or on a Share Sale or on an Asset Sale shall be entitled to receive the sum referred to in Article 2.2(b)(i)(E), Article 2.2(b)(ii)(E) or Article 2.2(b)(iii) (as the case may be).
- (b) The creation or issue of Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time thereafter to appoint any person to

execute or give on behalf of the holder of such shares a transfer thereof and/or a consent to the cancellation of the same and/or an agreement to transfer the same to such person or persons as the Company may determine as custodian thereof and/or purchase the same in accordance with the Act in any such case for not more than 1 penny for all the Deferred Shares registered in the name of any such holder without obtaining the sanction of such holder or holders and pending such transfer and/or purchase to retain the certificates (if any) in respect thereof

- 2 6 Subject to the Act, and provided it is a private company, the Company shall be authorised to make a payment in respect of the redemption or purchase of any of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares

3 Variation of Rights

- 3 1 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class other than Deferred Shares may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) either (i) with the consent in writing of the holders of more than 50% in nominal value of the issued shares of that class, or (ii) with the sanction of an ordinary resolution passed at a separate general meeting of the holders of that class. To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company (and to the proceedings at such general meetings) shall, mutatis mutandis, apply, except that (i) the necessary quorum shall be two persons, present in person or by proxy or by duly authorised representative (if a corporation), who together hold or represent at least half in nominal value of the issued shares of the relevant class (unless not less than 50% of the shares of that class are registered in the name of a single holder, in which case the quorum shall be that holder, his proxy or duly authorised representative (if a corporation)), but so that if, at any adjourned meeting of such holders (held at least five business days after the meeting which was adjourned and in respect of which notice has been given to all holders of shares of that class), such a quorum is not present, then those holders who are present (in person or by proxy or by duly authorised representative (if a corporation)) shall be a quorum, (ii) any holder of shares of the relevant class present in person or by proxy or by duly authorised representative (if a corporation) may demand a poll, and (iii) the holders of shares of the relevant class shall, on a poll, have one vote in respect of every share of that class held by each of them

The rights attaching to the Deferred Shares may be varied or abrogated at any time without the consent of the holders of the Deferred Shares

3 2 *Events varying the Series C Shares*

Without prejudice to the generality of this Article 3, the special rights attaching to the Series C Shares shall be deemed to be varied by the occurrence of the following where (and therefore the Company shall not effect any of the following where) no notice of such event has been given to the Investor Majority or where notice has been given and the Investor Majority has objected to the relevant event

- (a) amend, waive or repeal any provision of, or add any provision to the New Articles,
- (b) create any additional Series C Shares,

- (c) create any new class of shares or redesignate shares of an existing class in each case such that they have rights, preferences or privileges equivalent or senior to those attaching to the Series C Shares,
- (d) alter the issued share capital of the Company other than in respect of the issue of shares (i) on exercise of options granted pursuant to the Share Option Scheme, or (ii) on exercise of any warrants or other rights convertible into Shares in existence at the date hereof,
- (e) save as otherwise provided for in these Articles, increase or decrease the authorised number of directors,
- (f) approve or effect any Share Sale, acquisition, merger, consolidation, Liquidation or approve or effect any Asset Sale or other sale, transfer, lease, licence or disposition of all or a substantial part of the business, undertaking or assets of the Company, or
- (g) pay a dividend on or repurchase any shares prior to the payment of a dividend on or repurchase of the Series C Shares (excluding employee/consultant share repurchases upon termination of employment in accordance with Article 8, but only, in the case of repurchases of unvested shares, if such repurchase is effected at the lower of fair market value or cost)

4. Issue of Shares

- 4 1 Subject to the provisions of the Act and Articles 3 2 and 4 2, the unissued Shares of the Company from time to time shall be at the disposal of the Directors and they may allot, grant rights, options or warrants to subscribe or otherwise dispose of them to such persons, at such times, and on such terms as they think proper
- 4 2 Subject to Article 4 3, any unissued Shares or other equity securities or shares to be issued, including Ordinary Securities or rights to subscribe for any such securities ("New Shares"), shall not be allotted to any person unless the Directors have, in the first instance offered such New Shares to all holders of Preference Shares in proportion to the number of Preference Shares held by each of them (on an as converted basis) on the terms that in case of competition, the New Shares shall be allotted to the acceptors of any such offer in proportion (as nearly as may be without involving fractions or increasing the number allotted to any member beyond that applied for by him) to their existing holdings of Preference Shares (on an as converted basis and assuming exercise of all outstanding options and warrants) Such offer
 - (a) shall stipulate a time not exceeding 14 days within which it must be accepted or in default will lapse, and
 - (b) may stipulate that any member who desires to subscribe for a number of New Shares in excess of the proportion to which it is entitled shall in its acceptance state how many excess New Shares it wishes to subscribe for and any shares not accepted by other members (the "Non-Participating Member") shall be used for satisfying the requests for excess New Shares pro rata to the existing Preference Shares (on an as converted basis) respectively held by such members making such requests and thereafter, such New Shares may be offered to any other person at the same price and on the same terms as the offer to holders of Preference Shares

4 3 The provisions of Article 4 2 shall not apply

(a) to

- (i) options to subscribe for Ordinary Shares under the Share Option Scheme or to non-executive directors or consultants (subject to a maximum number of 156,938,244 Ordinary Shares over which options have been or may be granted or such higher number of Ordinary Shares as is approved by the Investor Directors),
 - (ii) Shares issued to the Investors in accordance with the terms of the Supplemental Subscription Agreement,
 - (iii) Shares issued in order for the Company to comply with its obligations under these Articles,
 - (iv) Shares issued in connection with the acquisition of shares or assets of another entity, the terms of which have been approved in accordance with Article 3 2,
 - (v) Shares issued in connection with a Qualified IPO,
 - (vi) Ordinary Securities issuable on any Issue or Reorganisation,
 - (vii) Shares to be issued to any bank or equipment lessor or otherwise pursuant to or in connection with a debt financing, (including without limitation, the issue of warrants or rights convertible into Shares), equipment leasing or real property leasing transaction, subject to the approval of the Board (to include an affirmative vote from any two of the MPM Director, the SVLS Director and the Novartis Director), or
 - (viii) Ordinary Shares to be issued in connection with any licence of intellectual property from a university or research institution, subject to the approval of the Board (to include an affirmative vote from any two of the MPM Director, the SVLS Director and the Novartis Director), or
- (b) where the members of the Company by special resolution so determine provided always that an Investor Majority shall have consented to the passing of such special resolution

4 4 In accordance with Section 567 of the Act, Sections 561 and 562 of the Act, shall not apply to any allotment of equity securities by the Company

5. Transfer of Shares

5 1 Subject to the provisions of Regulation 24 any shares (other than any shares in respect of which the holder shall have been required by the Directors under these Articles to give a Transfer Notice or shall have been deemed to have given a Transfer Notice) may at any time be transferred

- (a) to any person with the prior consent in writing of holders of shares entitled to cast 100% of the votes exercisable on a poll at a general meeting of the Company (which consent may be granted unconditionally or subject to terms or conditions and in the latter case any share so transferred shall be held subject to such terms and conditions notified in writing to the transferee prior to registration of the transfer), or

- (b) by any member being a company (not being in relation to the shares concerned a holder thereof as a trustee of an Employee Benefit Trust) to a Member of the same Group as the Transferor Company, or
- (c) by any person entitled to shares in consequence of the death or bankruptcy of an individual member to any person or trustee to whom such individual member, if not dead or bankrupt, would be permitted hereunder to transfer the same, or
- (d) by a holder of shares which is an Investment Fund or by its trustee, custodian or nominee
 - (i) to any trustee, nominee or custodian for such fund and vice versa,
 - (ii) to any unitholder, shareholder, partner, participant, manager or adviser (or an employee of such manager or adviser) in any such fund,
 - (iii) to any other Investment Fund, or its trustee, nominee or custodian, managed or advised by the same manager or adviser as any such fund,
 - (iv) to any other Investment Fund which is a successor to the transferor pursuant to a bona fide scheme of reconstruction, or
- (e) to a trustee, nominee, custodian or to a Member of the same Group of any of the persons referred to in sub-paragraphs (i) (ii), (iii) or (iv) of paragraph (d) above of this Article 5 1,
- (f) by any member being a nominee or trustee to the person or entity who is the beneficial owner or to another nominee or trustee for the beneficial owner or to a person to whom the beneficial owner, if he or it were registered as the holder, would have been entitled to transfer his shares in accordance with this Article 5 1, provided that the provisions of this Article 5 1(f) shall not apply in circumstances where the beneficial ownership of the share in question became vested in the beneficial owner in contravention of any of the provisions of these Articles,
- (g) by any member to the trustees of an Employee Benefit Trust provided that the maximum number of shares held by the trustees of an Employee Benefit Trust shall not exceed in the aggregate 50% of the equity share capital of the Company in issue at any one time,
- (h) by the trustees of an Employee Benefit Trust
 - (i) to the other of them or to the new trustees on the occasion of any change in the identity of the trustees of such trust, or
 - (ii) to any beneficiary of such trust,
- (i) by Wellcome to any successor trustee or trustees of the Wellcome Trust from time to time and to any company whose shares are all held directly or indirectly by the Wellcome Trust, and
- (j) by the Chancellor, Masters and Scholars of the University of Oxford to any company whose shares are all beneficially owned by the Chancellor, Masters and Scholars of the University of Oxford

5 2 If a Transferee Company ceases to be a Member of the same Group as the Transferor Company from which (whether directly or by a series of transfers under Articles 5 1(b), 5 1(e), 5 1 (i) or 5 1 (j)) any shares held by the Transferee Company are derived ("the **Relevant Shares**"), it shall be the duty of the Transferee Company to notify the Directors in writing that such event has occurred and (unless the Relevant Shares are thereupon transferred to the Transferor Company or a Member of the same Group as the Transferor Company, any such transfer being deemed to be authorised under the foregoing provisions of this Article) the Transferee Company shall be bound, if and when required in writing by the Directors so to do, to give a Transfer Notice in respect of the Relevant Shares

5 3 For the avoidance of doubt, any change in the partners, participants, shareholders, unitholders (or any other interests) in any member which is an Investment Fund shall not be regarded as a transfer of shares or any interest in shares for the purposes of these Articles

6. **Pre-emption on Transfer**

6 1 Except in the case of a Permitted Transfer or a transfer pursuant to Article 16, or a transfer pursuant to Article 8 (where the provisions contained in such Article shall apply), the right to transfer shares or any interest in shares in the Company shall be subject to the following restrictions and provisions. References in this Article 6 to transferring shares or Sale Shares shall include any interest in and grant of contractual rights or options over or in respect of shares

6 2 Any person (the "**Proposing Transferor**") proposing to transfer any Shares (the "**Sale Shares**") shall be required before effecting, or purporting to effect the transfer, to give a notice in writing to the Company (a "**Transfer Notice**") that he desires to transfer the Sale Shares and shall state in the Transfer Notice the identity of the person (if known) to whom the Proposing Transferor desires to transfer the beneficial interest in the Sale Shares. The Transfer Notice given under this Article 6 2, or given or deemed to have been given pursuant to Article 8, shall constitute the Company as agent of the Proposing Transferor for the sale of the Sale Shares (together with all rights then attached thereto) at the Prescribed Price (determined in accordance with Articles 6 3 and/or 6 4) during the Prescribed Period (as defined in Article 6 5) to any member and in the order of priority set out in Article 6 7 or (if members are not willing to purchase any or all of the Shares) to any other person selected or approved by the Board on the basis set out in the following provisions of these Articles and shall include such other details of the proposed transfer as the Directors may in their absolute discretion determine and shall not be revocable except with the consent of the Board

6 3 The Prescribed Price (subject to the deduction therefrom, where the Prescribed Price has been agreed with the Directors, of any dividend or other distribution declared or made after such agreement and prior to the date on which the Transfer Notice was given (or deemed to have been given) (the "**Notice Date**")) shall be whichever is applicable of

(a) the price per Sale Share agreed not more than one month before the Notice Date between the Proposing Transferor and the Directors as representing the market value thereof, or

(b) if no such agreement has been reached by the Notice Date, the price contained in a bona fide offer received from a third party by the Proposing Transferor (which the Proposing Transferor wishes to accept) not more than one month before the Notice Date and which remains open for acceptance in respect of the Sale Shares until at least seven days after the last date for compliance with the pre-emption provisions contained in this Article 6 (but

subject to the right of the Directors to satisfy themselves that such offer is bona fide, for the consideration stated in the offer without any deduction, rebate or allowance whatsoever to the purchaser or other arrangement or agreement and so open for acceptance)

- 6 4 If, prior to the Notice Date, the Prescribed Price shall not have been agreed or determined in accordance with Article 6 3 or if the Transfer Notice has been given (or deemed to have been given) because of a requirement to do so by virtue of any provision of these Articles other than this Article 6, upon the giving of the Transfer Notice the Directors shall refer the matter to the Auditors (or if the Auditors decline to act, the Accountants) and the Auditors (or the Accountants, as the case may be) shall determine and certify the sum per share considered in their opinion to be the fair value thereof as at the Notice Date on a going concern basis as between a willing seller and a willing buyer and the sum per share so determined and certified shall be the Prescribed Price. The Auditors (or the Accountants, as the case may be) shall act hereunder at the cost and expense of the Company as experts and not as arbitrators and their determination shall be final and binding on all persons concerned and, in the absence of fraud, they shall be under no liability to any such person by reason of their determination or certificate or by anything done or omitted to be done by them for the purpose thereof or in connection therewith
- 6 5 If the Prescribed Price was agreed as provided in Article 6 3, the Prescribed Period (as defined below) shall commence on the Notice Date and expire 12 weeks thereafter. If the Prescribed Price is to be determined in accordance with Article 6 4, the Prescribed Period shall commence on the Notice Date and shall expire two months after the date on which the Auditors (or the Accountants, as the case may be) shall have notified the Directors of their determination of the Prescribed Price (the "**Prescribed Period**") Pending such determination the Directors shall defer the making of the offer mentioned in Article 6 6
- 6 6 All shares included in any Transfer Notice shall by notice in writing be offered by the Company forthwith on receipt (subject to Article 6 5) of the relevant Transfer Notice to the Company and to all members (other than the holder of the Sale Shares) in order of priority set out in Article 6 7 for purchase at the Prescribed Price on the terms that in case of competition the Sale Shares shall be sold to the acceptors to whom the Sale Shares are offered in proportion (as nearly as may be without involving fractions or increasing the number sold to any member beyond that applied for by him) to their existing holdings of Shares (on an as converted basis, in the case of the Preference Shares). Such offer
- (a) shall stipulate a time of 30 days within which it must be accepted or in default will lapse, and
 - (b) may stipulate that any holders of Series C Shares who desire to purchase a number of Sale Shares in excess of the proportion to which each is entitled shall in their acceptance state how many excess Sale Shares they wish to purchase and any shares not accepted by other members shall be used for satisfying such requests for excess Sale Shares

6 7 *Priority for offer of Sale Shares*

The Sale Shares (of whatever class) shall be offered in the following priority

- (a) first, to the Company,
- (b) secondly, to the holders of Series A Shares, Series B Shares, Series C Shares and Ordinary Shares although the same constituted one class, pro rata to the

number of Series A Shares, Series B Shares, Series C Shares and Ordinary Shares held by them, and

- (c) thirdly, to the holders of Series C Shares pro rata to the number of Series C Shares held by them,

in each case, on the basis set out in Article 6 6

- 6 8 Any shares not accepted by any of the members pursuant to the foregoing provisions of these Articles by the end of the relevant period under Article 6 6 may be offered by the Board to such persons as they may think fit for purchase at the Prescribed Price, provided that no shares in the Company may be sold to a person who is not then already a member, in the circumstances described in Article 6 11(b) and in Article 6 11(c), except in accordance with the provisions of those Articles
- 6 9 If the Company shall within the Prescribed Period find members or such other persons as aforesaid (each such person being hereinafter called a "**Purchaser**") to purchase the Sale Shares or any of them and give notice in writing thereof to the Proposing Transferor he shall be bound, upon payment to him of the Prescribed Price, to transfer such shares to the respective Purchaser(s) Every notice given by the Company under this Article 6 9 shall state the name and address of each Purchaser and the number of Sale Shares agreed to be purchased by him and the purchase shall be completed at a place and time to be appointed by the Directors not being less than three days nor more than ten days after the date of the notice
- 6 10 If a Proposing Transferor shall fail or refuse to transfer any Sale Shares to a Purchaser(s) hereunder the Directors may authorise some person to execute and deliver on his behalf the necessary transfer and the Company may receive the purchase money in trust for the Proposing Transferor and cause the Purchaser(s) to be registered as the holder of such shares The receipt of the Company for the purchase money shall constitute a good discharge to the Purchaser(s) (who shall not be bound to see to the application thereof) and after the Purchaser(s) has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person The Company shall not pay the purchase money to the Proposing Transferor until he shall have delivered his share certificate(s) or a suitable indemnity and the necessary transfers to the Company
- 6 11 If the Company shall not within the Prescribed Period find Purchasers willing to purchase any of the Sale Shares and gives notice in writing thereof to the Proposing Transferor, or if the Company shall within the Prescribed Period give to the Proposing Transferor notice in writing that the Company has no prospect of finding Purchasers, the Proposing Transferor at any time during a period of (a) 45 days after the end of the Prescribed Period, where the Sale Shares are Ordinary Shares and (b) 180 days after the end of the Prescribed Period where the sale shares are Preference Shares, shall be at liberty (subject only to the provisions of Regulation 24 and any relevant restrictions in the Subscription Agreement) to transfer those Sale Shares for which the Company has not within the Prescribed Period given notice that it has found (or has given notice that it has no prospect of finding) Purchasers (i) subject to Article 6 11(c), to any person who has been approved by the Board in the case of Sale Shares that are Ordinary Shares or (ii) to any person in the case of Sale Shares that are Preference Shares, by way of a bona fide sale at any price not being less than the Prescribed Price (after deducting, where appropriate, any dividend or other distribution declared or made after the date of the Transfer Notice and to be retained by the Proposing Transferor) save that where the Sale Shares are Preference Shares the bona fide sale price can be within 10% of the Prescribed Price provided that

- (a) the Directors may require to be satisfied that the Sale Shares are being transferred under this Article pursuant to a bona fide sale for the consideration stated in the Transfer Notice without any deduction, rebate or allowance whatsoever to the purchaser and if not so satisfied may refuse to register the instrument of transfer, and
 - (b) in the case of any transfer (not being a Permitted Transfer) of Sale Shares which are Ordinary Shares as a result of which the proposed purchaser(s) would, either alone or acting in concert (as such term is defined in the UK City Code on Takeovers and Mergers as in force at the Date of Adoption) obtain control of the Company, the Proposing Transferor will not sell any such Sale Shares unless the proposed purchaser(s) of such shares in relation to each other holder of Shares
 - (i) shall have offered to purchase from each such other holders all of the Shares held by them at the Prescribed Price (without prejudice to the provisions of Article 2 2(b)(ii)), and
 - (ii) shall, in respect of any holder of Shares which wishes to take up the offer referred to in paragraph (i) above, acquire from such holder the Shares in question (or, as the case may be, any arising from conversion of the Shares in question) at the relevant price simultaneously with the acquisition from the Proposing Transferor of the Sale Shares to be sold, and
 - (c) subject to Article 6 11(b)), in the case of any transfer (not being a Permitted Transfer) of Sale Shares which are Ordinary Shares the Proposing Transferor will not sell any such Sale Shares under this Article unless the proposed purchaser(s) of such Sale Shares in relation to each holder of Preference Shares
 - (i) shall have offered to purchase from each such holder of Preference Shares at the Prescribed Price (without prejudice to the provisions of Article 2 2(b)(ii)) such proportion of each class of Shares held by each such other holder as is equal to the proportion which the Shares being sold by the Proposing Transferor under this Article bears to the total holding of Shares (including the Shares to be sold) held by the Proposing Transferor, and
 - (ii) shall, in respect of any holder of Preference Shares which wishes to take up the offer referred to in paragraph (i) above, acquire from such holder the Shares in question at the relevant price simultaneously with the acquisition from the Proposing Transferor of the Sale Shares to be sold
- 6 12 For the avoidance of doubt any transfer effected pursuant to this Article 6 or Article 8 shall (if relevant) be subject to the provisions of Article 2 2(b)(ii) For the avoidance of doubt, transfers effected pursuant to Article 16 and Article 17 shall not be subject to the provisions of this Article 6
- 7. Bare Nominees**
- 7 1 For the avoidance of doubt and without limitation, no share (other than any share so held on the Date of Adoption) shall be held by any member as a bare nominee for, and no interest in any share shall be sold to, any person unless a transfer of such share to such person would rank as a Permitted Transfer If the foregoing provision shall be

infringed the holder of such share shall be bound to give a Transfer Notice in respect thereof

8 Compulsory Transfers - General

- 8 1 A person entitled to a share in consequence of the bankruptcy of a member shall be bound at any time, if and when required in writing by the Directors so to do, to give a Transfer Notice in respect of such share
- 8 2 If a share remains registered in the name of a deceased member for longer than one year after the date of his death the Directors may require the legal personal representatives of such deceased member either to effect a transfer of such shares (including for such purpose an election to be registered in respect thereof) being a Permitted Transfer or to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased member or (failing compliance with either of the foregoing within one month or such longer period as the Directors may allow for the purpose) to give a Transfer Notice in respect of such share
- 8 3 If a director or employee of any company in the Group at completion of a Share Sale ("**Completion**") acquires shares in pursuance of a right or interest obtained by such a director or employee, or former director or former employee (including but not limited to his right or interest as a beneficiary under a trust and any option granted under any share option scheme established by the Company), he shall, upon being registered as the holder of such shares, be deemed to have given an irrevocable Transfer Notice in respect of all of the shares registered in his name
- 8 4 If a consultant, to any company in the Group at Completion acquires shares in pursuance of a right or interest obtained by such a consultant (including but not limited to his right or interest as a beneficiary under a trust and any option granted under any share option scheme established by the Company), he shall, upon being registered as the holder of such shares, be deemed to have given an irrevocable Transfer Notice in respect of all of the shares registered in his name
- 8 5 In the event that an individual member who is employed or engaged as a consultant by or who is a director of any company in the Group has his/her employment, engagement or directorship terminated for Cause by any member of the Group, the member in question (the "**Leaver**") shall be deemed to have given, forthwith upon the cessation of his employment, the cessation of his engagement or the cessation of his directorship (as the case may be) an irrevocable Transfer Notice in respect of all the shares in the capital of the Company then registered in the name of such member (the "**Leaver Shares**") The provisions of Article 6 shall then apply to the Leaver Shares, save that, in the event that the fair value of such Leaver Shares is determined in accordance with Article 6 4 to be greater than the Subscription Price paid for such Leaver Shares, the Prescribed Price of the Leaver Shares shall be the Subscription Price of such Leaver Shares

9. Information concerning shareholdings and transfers

- 9 1 For the purpose of ensuring that a transfer of shares is a Permitted Transfer or that no circumstances have arisen whereby a Transfer Notice is or may be required to be given hereunder or to be satisfied that any proposed sale is bona fide and on the terms stated in the Transfer Notice with no rebate or allowance, the Directors may from time to time require any member or the legal personal representatives of any deceased member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the Directors may think fit regarding any matter which they may deem relevant for such purpose Failing such

information or evidence being furnished to the satisfaction of the Directors within a reasonable time after such requirement being made, the Directors shall be entitled to refuse to register the transfer in question or (if no transfer is in question) to require by notice in writing that a Transfer Notice be given in accordance with Article 6 in respect of the shares concerned

9 2 In a case where the Directors have duly required a Transfer Notice to be given in respect of any shares and such Transfer Notice is not duly given within a period of one month, or such longer period as the Directors may allow for the purpose, such Transfer Notice shall (except and to the extent that a Permitted Transfer of any of such shares shall have been made) be deemed to have been given on such date after the expiration of the said period as the Directors may by resolution determine and the foregoing provisions of these Articles shall take effect accordingly

9 3 From (and including) the date on which the Directors have duly required a Transfer Notice(s) or on which a Transfer Notice(s) is deemed, in accordance with these Articles, to have been given, all holders of shares the subject of such Transfer Notice(s) shall not transfer or encumber any of their shares or any interest in their shares (other than pursuant to such Transfer Notice(s)) until all proceedings pursuant to such Transfer Notice(s) have been finalised in accordance with these Articles

10. Proceedings at General Meetings

A poll may be demanded at any general meeting by the chairman or by any member present in person or by proxy and entitled to vote Regulation 46 shall be modified accordingly

11. Alternate Directors

11 1 Any Director (other than an alternate Director) may at any time by writing under his hand and served on the Company at its registered office, or delivered at a meeting of the Directors, appoint any other Director, or any other person approved by resolution of the Directors and willing to act, to be an alternate Director and may remove from office an alternate Director so appointed by him The same person may be appointed as the alternate Director of more than one Director

11 2 An alternate Director shall be entitled

- (a) to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member, save that it shall not be necessary to give notice of such meeting to an alternate Director who is absent from the United Kingdom,
- (b) to attend, be counted in the quorum for and vote at any such meeting at which the Director appointing him is not personally present, and
- (c) generally at such meeting to perform all the functions of his appointor as a Director in his absence

If an alternate Director is himself a Director or attends any such meeting as an alternate Director for more than one Director, then his voting rights shall be cumulative

11 3 An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director, but, if a Director retires but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately prior to his retirement shall continue after his reappointment

- 11 4 Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors
- 11 5 An alternate Director shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him, except in relation to matters in which he acted (or failed to act) on the direction or at the request of his appointor
- 11 6 Save as otherwise provided in these Articles, an alternate Director shall not have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles. However, such an alternate Director shall owe the Company the same fiduciary duties and duty of care and skill in the performance of his office as are owed by a Director
- 11 7 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct
- 11 8 Regulations 65 to 69 shall not apply

12. Directors

- 12 1 The number of Directors shall initially be seven which shall include the MPM Director, the SVLS Director, the Novartis Director, the CEO and three independent non-executive directors
- 12 2 Without prejudice to the first sentence of Regulation 89, 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 where each is able (directly or by telephonic 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
- 12 3 A resolution in writing signed, or approved by email or 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 or approved by one or more Directors, but a resolution signed or approved by an alternate Director need not also be signed or approved by his appointor and, if it is signed or approved by a Director who has appointed an alternate Director, it need not be signed or approved by the alternate Director in that capacity. Regulation 93 shall not apply
- 12 4 In the case of an equality of votes at a meeting of the Directors, the chairman of the Company shall not have a second or casting vote. Regulation 88 shall be modified accordingly
- 12 5 To be quorate, any meeting of the Board must include at least (i) the MPM Director, (ii) one other Investor Director and (iii) one Director who is not an Investor Director provided that if a quorum is not present within 30 minutes of the time appointed for the commencement of the relevant Board meeting, it shall be adjourned to the same time and day in the following week (or the next following Business Day if such day is not a Business Day) and such meeting shall be deemed to be quorate provided that at least two Directors are present

- 12 6 The Directors shall establish a remuneration committee, including at least the MPM Director and the Novartis Director and the Chairman. The remuneration committee shall make recommendations to the Board on all matters concerning directors and senior management including, without limitation, salary reviews, the setting of bonus levels and performance targets and such directors or senior manager's participation in the Company's equity incentive schemes. The powers and authorities of such committee may be varied or revoked by the majority of the full board of Directors.
- 12 7 The Directors shall establish an audit committee, including at least the MPM Director and the SVLS Director. The audit committee shall make recommendations to the Board concerning the review and approval of the annual accounts of the Company. The powers and authorities of such committee may be varied or revoked by the majority of the full board of Directors.
- 12 8 Without prejudice to the provisions of Articles 12 6 and 12 7, the Board may delegate any of its powers (subject to the second sentence of this Article 12 8) to any committee provided that, at any time during the existence of such committee, at least two Investor Directors are appointed to such committee. Any decisions of such committee shall be conditional upon receiving ratification from the Board in accordance with the provisions of these Articles.
- 12 9 The Board shall meet at least six times in each calendar year unless otherwise agreed by a majority of the Directors.
- 13. Directors Interests**
- 13 1 Subject to Article 13 2, if a director is in any way directly or indirectly interested in a proposed transaction or arrangement with the Company or a transaction or arrangement that has been entered into by the Company, he must declare the nature and extent of that interest to the directors in accordance with sections 177(2) and 182(2) of the Act. As long as the director does this, he may vote at the meeting and may be counted in determining that a quorum is present at the meeting. A disclosure that complies with sections 177(2) or 182(2), as applicable, of the Act will be sufficient disclosure for the purposes of Regulations 85 and 86.
- 13 2 A director need not declare an interest under Article 13 1
- (a) if it cannot reasonably be regarded as likely to give rise to a conflict of interest,
 - (b) if, or to the extent that, the other directors are already aware of it (and for this purpose the other directors are treated as being aware of anything which they ought reasonably to be aware), or
 - (c) if, or to the extent that, it concerns terms of his service contract that have been or are to be considered by a meeting of the directors or a committee of the directors appointed for the purpose under the Company's constitution.
- 13 3 The Board may, subject to Article 13 5, authorise any matter which relates to a situation in which a director (the "**Relevant Director**") has, or can have, a direct or indirect interest which conflicts or possibly may conflict, with the interests of the Company and which would, if not so authorised, result in a breach of duty by the Relevant Director under section 175 of the Act (a "**Relevant Situation**")
- 13 4 The Relevant Director seeking authorisation in respect of a Relevant Situation must declare to the Board the nature and extent of his interest in that Relevant Situation as soon as is reasonably practicable. The Relevant Director must provide the Board with such details as are necessary for the Board to decide whether or not to authorise the

Relevant Situation The Relevant Director must also provide such additional information as may be requested by the Board

13 5 Any director (including the Relevant Director) may propose that a Relevant Situation be authorised by the Board. Such proposal and any authorisation given by the Board shall be effected in the same way that any other matter may be proposed to and resolved upon by the Board in accordance with the provisions in these Articles save that

- (a) the Relevant Director and any other director with an interest in the Relevant Situation shall not count towards the quorum nor vote on any resolution giving such authorisation, and
- (b) a Relevant Director may, if the other directors so decide, be excluded from any meeting of the Board or any committee of directors while the Relevant Situation is under consideration

13 6 Where the Board authorises a Relevant Situation

- (a) the Board may (whether at the time of giving the authorisation or subsequently)
 - (i) require that a Relevant Director is excluded from the receipt of information, the participation in discussion and/or the making of decisions (whether at meetings of the Board or otherwise) related to the Relevant Situation, and
 - (ii) impose upon a Relevant Director such other terms for the purpose of dealing with the Relevant Situation as it may determine,
- (b) the Relevant Director will be obliged to conduct himself in accordance with any terms imposed by the Board in relation to the Relevant Situation,
- (c) the Board may provide that where the Relevant Director obtains or has obtained (through his involvement in the Relevant Situation and otherwise than through his position as a director of the Company) information that is confidential to a third party, the director will not be obliged to disclose that information to the Company, or to use or apply the information in relation to the Company's affairs,
- (d) the terms of the authorisation must be recorded in writing (but the authority will be effective whether or not the terms are so recorded), and
- (e) the Board may revoke or vary such authorisation at any time but this will not affect anything done by the Relevant Director prior to such revocation or variation in accordance with the terms of such authorisation

13 7 For the purposes of Articles 13 3 to 13 6, a conflict of interest includes a conflict of interest and duty and a conflict of duties

13 8 Regulations 94 to 97 shall not apply to the Company

14. Interests of an Investor Director

14 1 Without prejudice to the provisions of Article 13, 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 Investor 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

14 2 In any situation permitted by this Article 14, (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

14 3 Notwithstanding the other provisions of this Article 14, it shall not (save with the consent in writing of an Investor Director) be made a condition of any authorisation of a matter arising out of the circumstances described in Article 14 1 in relation to that Investor 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 14 4

14 4 Subject to Article 14 5, (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 14), 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

14 5 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 14 4 shall apply only if the conflict arises out of a matter which falls within Article 14 1 or has been authorised under section 175(5)(a) of the Act

15. Appointment of Directors

15 1 For so long as the MPM Investors hold in aggregate 10 per cent or more of the Series C Shares in issue, they shall be entitled to appoint one Director. The MPM Investors shall be entitled to appoint any such Director by notice in writing addressed to the Company from time to time and the other holders of shares shall not vote their shares so as to remove any such Director from office. The MPM Investors shall be entitled to remove their nominated Director so appointed at any time by notice in writing to the Company served at its registered office and appoint another person to act in his place. Where the MPM Investors lose their entitlement to appoint an MPM Director, the MPM

Investors shall remove such Director as a Director and all references in these Articles to consents, approvals or other requirements relating to the MPM Director shall cease to have effect and be disregarded

- 15 2 For as long as the SVLS Investors hold in aggregate not less than 5 per cent of the Series C Shares in issue, the SVLS Investors shall be entitled to nominate one person to act as a Director of the Company by notice in writing addressed to the Company from time to time and the other holders of shares shall not vote their shares so as to remove that Director from office. The SVLS Investors shall be entitled to remove their Director so appointed at any time by notice in writing to the Company served at its registered office and appoint another person to act in his place. Where the SVLS Investors lose their entitlement to appoint a SVLS Director, the SVLS Investors shall remove such Director as a Director and all references in these Articles to consents, approvals or other requirements relating to the SVLS Director shall cease to have effect and be disregarded
- 15 3 For so long as the Novartis Investor holds not less than 10 per cent of the Series C Shares in issue, the Novartis Investor shall be entitled to nominate one person to act as a Director of the Company by notice in writing addressed to the Company from time to time and the other holders of shares shall not vote these shares so as to remove that Director from office. The Novartis Investor shall be entitled to remove its director so appointed at any time by notice in writing to the Company served at its registered office and appoint another person to act in its place. Where the Novartis Investor loses its entitlement to appoint a Novartis Director, the Novartis Investor shall remove such Director as a Director and all references in these Articles to consents, approvals or other requirements relating to the Novartis Director shall cease to have effect and be disregarded
- 15 4 A majority of the Board may request an executive session of the Board which may exclude, as determined by such majority, members of management that are not also Directors and/or members of management that are also Directors

16 Drag Along Rights

- 16 1 Company Sale If members constituting an Investor Majority (the “**Approving Investors**”) approve a Share Sale (an “**Approved Sale**”), the Approving Investors shall provide all other Shareholders who are not Approving Investors (collectively, the “**Remaining Shareholders**”) at least ten (10) days advance notice of such Approved Sale, which notice (a “**Drag Along Notice**”) shall include a reasonably detailed description of the Approved Sale, including the proposed time and place of completion, the consideration to be received by the Remaining Shareholders, and any other material terms. The Remaining Shareholders shall consent to, (if required) vote for and raise no objections to the Approved Sale, and the Remaining Shareholders shall agree to sell all of their Shares on the terms and conditions approved by the Approving Investors, provided
- (a) such terms do not provide that the Remaining Shareholders would receive less than the amount that would be distributed to such Remaining Shareholders in the event the proceeds of the sale of the Company were distributed in accordance with the applicable provisions of Article 2 2(b), and
 - (b) such terms do not expose any Remaining Shareholder to any liability or potential liability greater than the amount such Remaining Shareholder actually receives for his Shares pursuant to the Approved Sale

16 2 **Further Assurances** The Remaining Shareholders shall take all reasonably necessary and desirable actions requested by the Approving Investors, in connection with the consummation of the Approved Sale, including the execution of such agreements and such instruments and other actions reasonably necessary to (i) effect the Approved Sale, including making such customary representations, warranties, indemnities, covenants, conditions, escrow agreements and other customary provisions and agreements relating to such Approved Sale provided that nothing in this Article shall require any Remaining Shareholder to assume any liability or potential liability in relation to the Approved Sale which is greater than the amount such Remaining Shareholder actually received for his Shares pursuant to the Approved Sale and (ii) effect the agreed-upon allocation and distribution of the aggregate consideration upon the Approved Sale

16 3 **Defaulting Members** If any of the Remaining Shareholders ("**Defaulting Members**") fails to comply with the provisions of this Article 16, the Company shall be constituted the agent of each Defaulting Member for the sale of his Shares in accordance with the terms of the Share Sale and the Directors may authorise an officer or member to execute and deliver on behalf of each Defaulting Member the necessary transfer(s) and the Company may receive the purchase money in trust for each of the Defaulting Members and cause the purchaser contemplated by the Share Sale (the "**Proposed Purchaser**") to be registered as the holder of such Shares. The receipt of the Company for the purchase money, pursuant to such transfers, shall constitute a good and valid discharge to the Proposed Purchaser (who shall not be bound to see to the application thereof) and after the Proposed Purchaser has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person. The Company shall not pay the purchase money due to the Defaulting Member(s) until he shall, in respect of his Shares sold in the Share Sale, have delivered his share certificates or a suitable indemnity and the necessary transfers to the Company

17. **Unlocking Provisions**

17 1 If any person (a "**Proposed Acquiror**") makes a bona fide offer (an "**Acquisition Offer**") to acquire assets which would constitute an Asset Sale (a "**Desired Acquisition**"), and members constituting an Investor Majority (the "**Accepting Investors**") provide notice (an "**Acquisition Notice**") to the Company that the Accepting Investors want the Company to accept the Acquisition Offer, the Company shall within 10 days of receiving the Acquisition Notice accept the Acquisition Offer (and so notify the Accepting Investors) and the proceeds of such Asset Sale shall be distributed in accordance with the applicable provisions of Article 2 2(b)

17 2 If the Company accepts the Acquisition Offer, all Shareholders shall consent to, vote for, raise no objections to and waive any applicable rights in connection with the Desired Acquisition. The Shareholders shall be required to take all applicable actions with respect to the Desired Acquisition that Remaining Shareholders would be required by Article 16 2 to take with respect to an Approved Sale

17 3 If any Shareholders fail to comply with the provisions of this Article 17, the Company shall be constituted the agent of each defaulting Shareholder for taking such actions as are necessary to effect the Desired Acquisition and the Directors may authorise an officer or member to execute and deliver on behalf of such defaulting Shareholder the necessary documents and the Company may receive any purchase money due to the defaulting Shareholder in trust for each of the defaulting Shareholders

18. Notices

Notices shall be given to a member whose registered address is outside the United Kingdom. Regulation 112 shall be modified accordingly.

19. Indemnity

- 19.1 To the extent permitted by law, every director or other officer (excluding the auditors) of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities ("**Liabilities**") which he may incur in the performance or purported performance of his duties or the exercise, or the purported exercise, of his powers, or otherwise in connection with such actual or purported performance or exercise, including any Liabilities incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as a Director, an officer or an employee of the Company in each case, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a director or officer of the Company, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs. The Company may provide any director or officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in this Article 19.1 and otherwise may take any action to enable such relevant officer to avoid incurring such expenditure. Regulation 118 of Table A shall not apply.
- 19.2 The Company may purchase and maintain for any Director, Secretary or other officer of the Company insurance against any Liabilities 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.