

COMPANY NUMBER: 10023177

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

of

OXFORD NANOIMAGING LIMITED

(Adopted by special resolution passed on 21 December 2021)

1. DEFINITIONS AND INTERPRETATION

The definitions and interpretation provisions set out in Article 20 apply in these Articles.

2. MODEL ARTICLES

The Model Articles apply to the Company, except to the extent they are modified or excluded by or are inconsistent with these Articles,

3. SHARE CAPITAL

3.1 **Class of shares.** The Company has four classes of shares: Ordinary Shares of £0.00001 each, Series A shares of £0.00001 each and Series B shares of £0.00001 each. Except as otherwise provided in these Articles, the Series B Shares, the Series A Shares and the Ordinary Shares shall rank pari passu in all respects but shall constitute separate classes of shares.

3.2 **Directors' authority to issue new shares.** The directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company, up to a maximum aggregate nominal amount of £4,718.8224, as follows: (i) the issue of up to an aggregate nominal amount of £2,614.1513 Series B Shares; and (ii) the grant and exercise of options over ordinary shares up to an aggregate nominal amount of £2,104.6711 each in the capital of the Company. This authority will expire five years from the date of adoption of these Articles. This authority is in substitution to all previous authorities conferred on the directors in accordance with section 551 of the Act. The Company may make any offer or agreement before the expiry of this authority which would or might require shares to be allotted or the rights to be granted after this authority has expired and the directors may allot shares or grant the rights in pursuance of any such offer or agreement. This authority may at any time, subject to section 551 of the Act, be renewed, revoked or varied by an ordinary resolution of the

Company, The directors may not exercise any power to allot shares or to grant rights to subscribe for or to convert any security into shares pursuant to section 550 of the Act.

- 3.3 **No maximum number of shares.** Subject to the necessary directors' authority to allot, there will be no maximum number of shares which may be allotted by the Company, or over which rights may be granted.
- 3.4 **Pre-emption rights.** The directors' authority under Article 3.2 is subject to the pre-emption rights in favour of shareholders contained in Article 4.
- 3.5 **Disapplication of statutory pre-emption rights.** The statutory pre-emption rights contained in sections 561 and 562 of the Act will not apply to an issue of equity securities (as defined in section 560(1) of the Act) made by the directors. The pre-emption rights set out in Article 4 will apply instead.
- 3.6 **Lien.** The Company shall have a first and paramount lien on every share, whether or not a fully paid share, for all moneys, whether presently payable or not, payable or otherwise owing by the holder of such share, or any Associate of such holder, to the Company or any other member of the Group. The directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article 3.6. The Company's lien on a share shall extend generally as described above as well as to any amount payable in respect of it.
- 3.7 **Share rights.** The Ordinary Shares, the Series A Shares and the Series B Shares have the following rights and are subject to the following restrictions:

Income

- 3.7.1 The Available Profits of the Company which the Company may determine to distribute in respect of a financial period will be distributed among the holders of the Ordinary Shares, Series A Shares and Series B Shares (pari passu as if they constituted one class of shares) pro rata according to the nominal amounts paid up or credited as paid up on such Shares (excluding any premium at which such Shares were issued) held by them respectively

Capital

- 3.7.2 On a return of assets on a liquidation or otherwise (except on a redemption in accordance with the terms of Issue of any share, or purchase by the Company of any share or on a capitalisation issue) the surplus assets of the Company remaining after payment of its debts and liabilities will be applied as follows:
- 3.7.2.1 first in paying to each of the Preferred Shareholders, in priority to the Ordinary Shares, an amount in respect of each Preferred Share held by such Preferred Shareholder equal to the greater of: (i) the Issue Price of such Preferred Share; and (ii) the amount (if any) payable per Ordinary Share pursuant to Article 3.7.2.2 (provided that if there are insufficient surplus assets to pay in full the amounts so due in respect of all Preferred Shares, then the surplus assets shall be distributed to the Preferred Shareholders pro rata to the Issue Price in respect of each Preferred Share); and
- 3.7.2.2 the balance of the surplus assets (if any) shall be distributed among the holders of Ordinary Shares pro rata to the number of Ordinary Shares (other than Treasury Shares) held.

- 3.7.3 In the event that any distributions under Article 3.7.2 are made on more than one occasion:
- 3.7.3.1 each distribution shall be made in accordance with Article 3.7.2 as if it were the only amount to be distributed and without regard to the expected amount of any distributions expected to be made on any further occasions; and
 - 3.7.3.2 a distribution on any further occasion shall be made in accordance with Article 3.7.2 after taking into account any previous distributions made under Article 3.7.2.
- 3.7.4 If any distribution under Article 3.7.2 includes any non-cash assets, proceeds or other amounts ("**Non-Cash Consideration**") the cash equivalent value of any such Non-Cash Consideration shall be determined in such manner as the Board (acting reasonably and in good faith and with Investor Majority Consent) may determine.
- 3.7.5 On a Share Sale, the Proceeds Of Sale shall be distributed to those Shareholders selling (or otherwise transferring) Shares pursuant to such Share Sale in the order of priority set out above in Article 3.7.2. No Shareholder shall sell (or otherwise transfer) any Shares as part of a Share Sale unless (and the Directors shall not register any transfer of Shares unless the Directors are reasonably satisfied that) the terms of such Share Sale provide that the Proceeds Of Sale are distributed in accordance with Article 3.7.2, provided always that if the Proceeds Of Sale are not settled in their entirety upon completion of the Share Sale:
- 3.7.5.1 the Directors shall not be prohibited from registering the transfer of the relevant Shares so long as the Proceeds Of Sale that are settled have been (or will, under the terms of the Share Sale, be) distributed in the order of priority set out in Article 3.7.2; and
 - 3.7.5.2 the Shareholders shall take any action required by the Board to ensure that the Proceeds Of Sale in their entirety are distributed in the order of priority set out in Article 3.7.2.

Voting

- 3.7.6 Subject to Article 3.7.10, the Ordinary Shares will entitle the holders of such shares to receive notice of and to attend (either in person or by proxy) at any general meeting of the Company and every such holder who is present at a meeting in person or by proxy will, upon a show of hands, have one vote and, upon a poll, every shareholder who is present in person or by proxy will have one vote for every Ordinary Share held by him.
- 3.7.7 The Series A Shares will entitle the holders of such shares to receive notice of and to attend (either in person or by proxy) at any general meeting of the Company and every such holder who is present at a meeting in person or by proxy will, upon a show of hands, have one vote and, upon a poll, every shareholder who is present in person or by proxy will have one vote for every Series A Share held by him.
- 3.7.8 The Series B Shares will entitle the holders of such shares to receive notice of and to attend (either in person or by proxy) at any general meeting of the Company and every such holder who is present at a meeting in person or by proxy will, upon a show of hands, have one vote and, upon a poll, every shareholder who is present in person or by proxy will have one vote for every Series B Share held by him.

Other matters

- 3.7.9 The Company will procure that each of its subsidiaries, if any, which has profits available for distribution shall from time to time will declare and pay to the Company such dividends to the extent possible having regard to the working capital needs.
- 3.7.10 Prior or immediately upon a Converting Option Holder acquiring Ordinary Shares upon the exercise of their option, the Company shall be appointed under an irrevocable power of attorney, as attorney for such Converting Option Holder in order that the Company shall be entitled to exercise the voting rights set out in article 3.7.6 on behalf of the Converting Option Holder and, for the avoidance of doubt, the Converting Option Holder shall not be entitled to exercise such voting rights.
- 3.8 **Partly paid shares.** Model Article 21(1) shall not apply to the Company and shares may be issued other than fully paid. If the Issue Price of any share is partly paid, the rights attaching to any dividend or distribution or return on capital in respect of such share shall be abated in the same proportion as the unpaid amount bears to the total Issue Price.
- 3.9 **Conversion of Preferred Shares**
- 3.9.1 Any holder of Preferred Shares shall be entitled, by notice in writing to the Company, to require conversion into Ordinary Shares of all of the fully paid Preferred Shares held by them at any time and those Preferred Shares shall convert automatically on the date of such notice (the “**Conversion Date**”), provided that the holder may in such notice, state that conversion of its Preferred Shares into Ordinary Shares is conditional upon the occurrence of one or more events (the “**Conditions**”).
- 3.9.2 All of the fully paid Preferred Shares shall automatically convert into Ordinary Shares immediately upon the occurrence of a Qualifying IPO.
- 3.9.3 In the case of (i) Article 3.9.1, not more than five Business Days after the Conversion Date or (ii) in the case of Article 3.9.2 at least five Business Days prior to the occurrence of the Qualifying IPO, each holder of the relevant Preferred Shares shall deliver the certificate (or an indemnity for lost certificate in a form acceptable to the Board) in respect of the Preferred Shares being converted to the Company at its registered office for the time being.
- 3.9.4 Where conversion is mandatory on the occurrence of a Qualifying IPO, that conversion will be effective only immediately prior to and conditional upon such Qualifying IPO (and “**Conversion Date**” shall be construed accordingly) and, if such Qualifying IPO does not become effective or does not take place, such conversion shall be deemed not to have occurred. In the event of a conversion under Article 3.9.1, if the Conditions have not been satisfied or waived by the relevant holder by the Conversion Date such conversion shall be deemed not to have occurred.
- 3.9.5 On the Conversion Date, the relevant Preferred Shares shall without further authority than is contained in these Articles stand converted into Ordinary Shares on the basis of one Ordinary Share for each Preferred Share held (the “**Conversion Ratio**”), and the Ordinary Shares resulting from that conversion shall in all other respects rank pari passu with the existing issued Ordinary Shares.
- 3.9.6 The Company shall on the Conversion Date enter the holder of the converted Preferred Shares on the register of members of the Company as the holder of the appropriate number of Ordinary Shares and, subject to the relevant holder delivering its certificate(s)

(or an indemnity for lost certificate in a form acceptable to the Board) in respect of the Preferred Shares in accordance with this Article, the Company shall within 10 Business Days of the Conversion Date forward to such holder of Preferred Shares by post to his address shown in the register of members, free of charge, a definitive certificate for the appropriate number of fully paid Ordinary Shares.

- 3.9.7 On the Conversion Date (or as soon afterwards as it is possible to calculate the amount payable), the Company will, if it has sufficient Available Profits, pay to holders of the Preferred Shares falling to be converted a dividend equal to all Arrears and accruals of dividends in relation to those Preferred Shares to be calculated on a daily basis down to and including the day immediately preceding the Conversion Date. If the Company has insufficient Available Profits to pay all such Arrears and accruals of dividends in full then it will pay the same to the extent that it is lawfully able to do so and any Arrears and accruals of dividends that remain outstanding shall continue to be a debt due from and immediately payable by the Company.
- 3.9.8 The Conversion Ratio shall from time to time be adjusted in accordance with the provisions of this Article:
- 3.9.8.1 if Preferred Shares remain capable of being converted into new Ordinary Shares and there is a consolidation and/or sub-division of Ordinary Shares, the Conversion Ratio shall be adjusted by an amount, which in the opinion of the Board is fair and reasonable, to maintain the right to convert so as to ensure that each Preferred Shareholder is in no better or worse position as a result of such consolidation or sub-division, such adjustment to become effective immediately after such consolidation or sub-division;
- 3.9.8.2 if Preferred Shares remain capable of being converted into Ordinary Shares, on an allotment of fully-paid Ordinary Shares pursuant to a capitalisation of profits or reserves to holders of Ordinary Shares the Conversion Ratio shall be adjusted by an amount, which in the opinion of the Board is fair and reasonable, to maintain the right to convert so as to ensure that each Preferred Shareholder is in no better or worse position as a result of such capitalisation of profits or reserves, such adjustment to become effective as at the record date for such issue.
- 3.9.9 If any Preferred Shareholder becomes entitled to fractions of an Ordinary Share as a result of conversion ("**Fractional Holders**"), the Directors may (in their absolute discretion) deal with these fractions as they think fit on behalf of the Fractional Holders, in particular, the Directors may aggregate and sell the fractions to a person for the best price reasonably obtainable and distribute the net proceeds of sale in due proportions among the Fractional Holders or may ignore fractions or accrue the benefit of such fractions to the Company rather than the Fractional Holder. For the purposes of completing any such sale of fractions, the chairman of the Company or, failing him, the secretary will be deemed to have been appointed the Fractional Holder's agent for the purpose of the sale.
- 3.9.10 If a doubt or dispute arises concerning an adjustment of the Conversion Ratio in accordance with Article 3.9.8, or if so requested by an Investor Majority, the Board shall refer the matter to the Auditors for determination who shall make available to all Shareholders their report and whose certificate as to the amount of the adjustment is,

in the absence of manifest error, conclusive and binding on all concerned and their costs shall be met by the Company.

4. PRE-EMPTION RIGHTS IN RESPECT OF NEW ISSUES

- 4.1 **Pre-emption rights.** If the directors wish to issue any share or shares in the Company after the date of adoption of these Articles they must first offer them to all holders of Shares in accordance with this Article 4 and any person entitled to receive the offer as envisaged in Article 4.8. However, the offer shall not be made to any shareholder who has served, or is deemed to have served, a Transfer Notice which is then in its Active Period and any Associate of that shareholder or to any shareholder who is a Compulsory Seller under Article 7 or whose shares carry no rights as provided in Article 8 (each an “**Excluded Shareholder**”).
- 4.2 **Terms of the offer.** The new shares must be offered to all holders of Shares (other than the Excluded Shareholders) (the “**Offerees**”) in proportion (as nearly as possible) to the number of Shares already held by them. The offer must be at the same price and on the same terms for each Offeree. An Offeree may accept all or part of his proportionate entitlement.
- 4.3 **Notice of the offer.** The offer must be made to each Offeree by notice specifying the price per share, the number and class of the shares offered and the proportionate entitlement of the Offeree. The notice shall stipulate that any Offeree who wishes to subscribe for a number of shares in excess of his proportionate entitlement shall, in his acceptance, state the number of excess shares for which he wishes to subscribe. The notice must also set a period of not less than 21 days within which the offer must be accepted (the “**Acceptance Period**”).
- 4.4 **Issue of the shares.** After the end of the Acceptance Period the directors shall promptly issue the new shares to those Offerees who have accepted them, subject to payment of the price.
- 4.5 **Shares not taken up.** Any new shares not accepted pursuant to the offer shall be used for satisfying any requests for excess shares made pursuant to Article 4.3. If there are insufficient excess shares to satisfy such requests, excess shares shall be allotted to the applicants pro rata to the number of Shares held by the applicant immediately before the offer was made to Offerees under Article 4.2. After that allotment, any unissued shares still remaining may be issued to any person at the discretion of the directors. However, such new shares shall not be issued to any person on terms more favourable than the terms on which they were offered to the Offerees.
- 4.6 **No assignment or renunciation.** No new shares shall be issued on terms that the right to take up the shares can be assigned to or renounced in favour of another person except that any holder of Shares that is a Fund, a Member of the University Group, or a Member of the OTIF Group may assign or renounce its rights to take up new shares in favour of any of its Permitted Transferees. No person entitled to the issue of any new shares may direct that such shares be issued to any other person except that a Fund, a Member of the University Group, or a Member of the OTIF Group may direct that its shares be issued to a Permitted Transferee of that holder of Shares (subject to service of notice by the entitled holder of Shares on the Company specifying the relevant Permitted Transferee of that Shareholder who is to accept such offer in its place).
- 4.7 **New subscription and conversion rights are also covered by this Article.** A reference to the issue of shares in the above provisions of this Article 4 includes the grant by the directors of a right to subscribe for, or convert any securities into, shares in the Company. However, such a reference does not include the subsequent issue of any shares pursuant to such a right. This Article 4 will apply accordingly.

- 4.8 **Rights of holders of existing subscription and conversion rights.** If under the terms of any right to subscribe for, or convert securities into, shares in the Company, a person is entitled to receive any offer made pursuant to this Article 4 as if that person had exercised his right in full prior to the making of the offer then the offer shall be extended to that person accordingly. This will only apply to a right which was granted lawfully and not made in contravention of any agreement binding on the Company.
- 4.9 **Forfeited and surrendered shares.** The provisions of this Article 4 will apply to any share which the directors decide to forfeit (or accept a surrender of) and re-allot under any of the powers contained in the Model Articles.
- 4.10 **Exceptions.** The provisions Articles 4.1 to 4.9 (inclusive) shall not apply to:
- 4.10.1 options to subscribe for Ordinary Shares under the Share Option Plans;
 - 4.10.2 New Securities issued or granted in order for the Company to comply with its obligations under these Articles including, but not limited to the Anti-Dilution Shares; and
 - 4.10.3 Shares or options for Shares issued or granted to the Investors in accordance with the terms of the Investment Agreement.
- 4.11 **Waiver.** The provisions of this Article 4 may be waived, disapplied, modified, suspended or relaxed in whole or in part in any particular case by a Shareholders' Special Consent.
- 5. RESTRICTIONS ON DISPOSING OF SHARES OR INTERESTS IN THEM**
- 5.1 **General restriction.** A shareholder must not sell, transfer or dispose of any of his shares, or any interest in them, or create or permit to exist any charge, lien or encumbrance over any of his shares or any interest in them, or agree to do any of the above whether conditionally or unconditionally. This is subject to the exceptions set out in Article 5.2.
- 5.2 **Exceptions.** The exceptions are:
- 5.2.1 a transfer of shares which is required or permitted by Article 6 (*pre-emption rights on transfers of shares*);
 - 5.2.2 a transfer of shares which is required by Article 7 (*compulsory sale of shares*);
 - 5.2.3 a transfer of shares which is required or permitted by Article 9 (*drag along right*), Article 10 (*tag along right*) or Article 20 (*co-sale right*); or
 - 5.2.4 a transfer which is permitted by Article 11 (*permitted transfers of shares*); or
 - 5.2.5 a sale of shares to the Company itself pursuant to, and in accordance with, sections 690 to 723 (inclusive) of the Act.
- 5.3 **No transfer by a Founder or Converting Option Holder without Investor Majority Consent.** Notwithstanding any other provision of these Articles, a Founder and/or a Converting Option Holder may not sell, transfer or dispose of any of his shares, or any interest in them, or create or permit to exist any charge, lien or encumbrance over any of his shares or any interest in them, or agree to do any of the above whether conditionally or unconditionally without first obtaining Investor Majority Consent.
- 5.4 **Obligation to transfer whole legal and beneficial interest.** An obligation or right to transfer or dispose of any share pursuant to any provision of these Articles is an obligation to transfer the whole of the legal and beneficial title to such share free from all charges, liens and encumbrances and other third party rights and together with all rights, title and interest in such share in existence

at the date of transfer and which may arise afterwards. A shareholder must not do anything which would be inconsistent with or which would prevent the shareholder from complying with this obligation.

5.5 **Entitlement of directors to refuse to register transfers.** The directors may refuse to register the transfer of any share:

- 5.5.1 if the share is not fully paid, or the transfer is in respect of more than one class of share or the transfer is to more than four transferees or the transfer is not accompanied by the certificate for the shares to which it relates, or such other evidence as the directors may reasonably require to show the transferor's right to make the transfer or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf;
 - 5.5.2 to a person who is, or whom the directors reasonably believe to be, under 18 years of age or who does not have, or whom the directors reasonably believe does not have, the legal capacity freely to dispose of any share without restriction or court approval;
 - 5.5.3 if they have reasonable grounds for believing that such share will or may be transferred to or become beneficially owned by a person, or an Associate of a person, carrying on business in competition with any business at the relevant time being carried on by a member of the Group;
 - 5.5.4 if the transferee fails to execute a deed of adherence in connection with that transfer as required by Article 12;
 - 5.5.5 if the transferor fails to comply with any information request under Article 5.6 in connection with the transfer;
 - 5.5.6 If the transfer is to an Employee, Director or prospective Employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, and such person has not entered into a joint section 431 ITEPA election with the Company;
 - 5.5.7 these Articles otherwise provide that such transfer shall not be registered;
- and any right to transfer or dispose of a share or an entitlement thereto under these Articles shall be subject to this Article 5.5.

5.6 **Information.** For the purpose of ensuring compliance with any provision of these Articles in connection with a transfer or proposed transfer of a share or an interest in a share, the directors may from time to time require any shareholder and any proposed transferee to provide to the Company such information and evidence as the directors may reasonably think fit regarding any matter which they may deem relevant for such purposes.

5.7 **Directors to register transfers.** Except as provided in Article 5.5 or as required by law, the directors must register the transfer of a share which is required or permitted by any provision of these Articles.

6. **PRE-EMPTION RIGHTS ON TRANSFERS OF SHARES**

6.1 **Pre-emption rights.** A shareholder (other than an Investor) may only transfer all (and not some only) of their shareholding unless the transfer is to a Permitted Transferee. An Investor, subject to first complying with the remaining provisions of this sub-clause, may transfer its shareholding in whole or in part. A shareholder (including, for the avoidance of doubt, an investor) who

proposes to transfer all or any of the shares in the Company held by him (the “**Proposing Transferor**”) may only do so in accordance with Article 5.1 and then must first offer such shares (the “**Transfer Shares**”) for sale to the other shareholders in accordance with this Article 6. To the extent that the Transfer Shares are not taken up by the eligible shareholders, they may be dealt with in accordance with the remaining provisions of this Article 6.

- 6.2 **Exempt transfers.** An offer under Article 6.1 is not required in respect of a proposed transfer or sale of shares of a type described in Article 5.2.3, Article 5.2.4, Article 5.2.5, Article 7.2 or in Article 20.
- 6.3 **Transfer Notice and share certificates.** The Proposing Transferor must give notice in writing (a “**Transfer Notice**”) to the Company that he wishes to transfer the Transfer Shares. The Company (acting by the directors) will be the Proposing Transferor’s agent for the sale of the Transfer Shares in accordance with this Article 6. A Transfer Notice shall set out, where applicable, the details of any offer received for the shares of the Proposing Transferor by a third party including the price offered and any conditions attaching thereto. Once given, subject to Article 6.9, a Transfer Notice cannot be revoked. The Proposing Transferor must deliver to the Company the share certificate(s) in respect of the Transfer Shares (or a customary indemnity in respect of any lost certificate(s)) at the same time as giving a Transfer Notice in order for the Transfer Notice to be valid.
- 6.4 **Notice to shareholders.** Within 7 days after the receipt of a Transfer Notice, the directors must serve notice on all the shareholders, except (i) the Proposing Transferor, (ii) any other Proposing Transferor whose Transfer Notice is then in its Active Period, (iii) any Compulsory Seller, (iv) any Associate of any person referred to within (i), (ii) and (iii), and (v) any person whose shares carry no rights pursuant to Article 8, notifying them that the Transfer Notice has been given. In the case of a Transfer Notice deemed to be given under Article 7, or deemed to be given under any Shareholders’ Agreement that is binding on the Proposing Transferor, the directors must within 7 days after they become aware of the deemed giving of the Transfer Notice serve notice on all the shareholders, including the Proposing Transferor, notifying them that the Transfer Notice has been deemed to have been given. For the purposes of this Article 6, a Proposing Transferor includes a shareholder who is deemed to have given a Transfer Notice.
- 6.5 **Offer Price.** The Transfer Shares will be offered at the “**Offer Price**”. Save as otherwise provided in these Articles, this means such sum per Transfer Share as may be agreed between the Proposing Transferor and the directors as representing the fair market value of the Transfer Shares. However, if the Proposing Transferor and the directors cannot reach agreement for any reason within 14 days after the service of the notice under Article 6.4, the Offer Price will be decided by the Experts appointed under Article 6.6. Either the Proposing Transferor or the directors may request an appointment under Article 6.6.
- 6.6 **Experts.** “**Experts**” means an independent firm or other entity capable of acting as the Company’s auditors, but not being the Company’s auditors, The Experts will be appointed by agreement between the Proposing Transferor and the directors. However, if they fail to agree on an appointment within 14 days after a particular appointment is proposed by either the Proposing Transferor or the directors, the Experts will be selected by the President (or, if he is unavailable for any reason, the next most senior available officer) from time to time of the Institute of Chartered Accountants in England and Wales. If he shall be unable or unwilling to make a selection, then the selection will be made by the High Court of Justice in England. Either the Proposing Transferor or the directors may apply for such a selection to be made.

- 6.7 **Referral to Experts.** The Company must refer the valuation of the Transfer Shares to the Experts promptly after the selection of the Experts. The Company and the Proposing Transferor will use all reasonable endeavours to ensure that the Experts reach their decision as soon as possible after such referral. The Experts will act as experts and not as arbitrators and their decision which will be given in writing will, in the absence of manifest error, be final and binding.
- 6.8 **Costs of the Experts.** The costs and expenses of the Experts, and of their appointment, will be borne by the Company unless the Offer Price decided by the Experts is the same as, or within three per cent of, that (if any) which the directors had notified to the Proposing Transferor in writing prior to the request to appoint the Expert as being in their opinion the appropriate Offer Price they would approve, in which event such costs and expenses will be borne by the Proposing Transferor.
- 6.9 **Basis of valuation by the Experts.** The Experts will decide and formally communicate in writing the fair market value of the Transfer Shares as at the date of the Transfer Notice as between a willing buyer and a willing seller and having regard to the fair value of the business of the Company and its subsidiaries (if any) as a going concern. The value of such Transfer Shares will not be enhanced or discounted because they carry or do not carry any degree of control over the Company and each issued Transfer Share shall have the same value. However, a different basis of valuation of the Transfer Shares may be used if the Proposing Transferor and the directors agree in writing to this. Within 7 days of the Offer Price being determined by the Experts the Proposing Transferor can withdraw the Transfer Notice by notice in writing to the Company.
- 6.10 **Offer to shareholders.** Within 7 days after the Offer Price has been agreed or decided, the Company will offer the Transfer Shares at the Offer Price to those holders entitled to be offered same (as referred to in Article 6.4) in proportion (as nearly as possible) to the numbers of Shares held by them ("**Proportionate Entitlement**"). The offer must not be made to any other person. The offer must be made in writing specifying the number of shares offered. It must be accompanied by a form of application for use by the Shareholder in applying for his Proportionate Entitlement and for any Transfer Shares in excess of his Proportionate Entitlement which he is willing to purchase. The offer must be open for acceptance for not less than 21 days from the date of its despatch (the "**Offer Period**").
- 6.11 **Allocation and excess entitlements.** At the end of the Offer Period, the directors will allocate the Transfer Shares as follows:
- 6.11.1 to each eligible Shareholder who has agreed to purchase Transfer Shares (a "**Purchasing Shareholder**"), there shall be allocated his Proportionate Entitlement or such lesser number of Transfer Shares for which he may have applied;
- 6.11.2 to the extent that any eligible Shareholder has applied for less than his Proportionate Entitlement, the excess will be allocated (as nearly as possible) in proportion to the numbers of Shares held by the eligible Shareholders who have applied for any part of such excess, but the allocation must not result in any Shareholder being allocated more Transfer Shares than he has applied for (any remaining excess being apportioned by applying this Article 6.11.2 without taking account of such Shareholder).
- 6.12 **Right for the directors to nominate a preferred purchaser (including the Company) for shares not taken up by Shareholders.** If all the Transfer Shares are not accepted by a Purchasing Shareholder or Purchasing Shareholders, the directors may, within 14 days after the expiry of the Offer Period (the "**Nomination Period**"), nominate any person or persons, which may include the Company, to purchase some or all of the Transfer Shares which have not been

allocated to a Purchasing Shareholder. However, no such person will be entitled to be nominated unless:

- 6.12.1 he shall be obliged to purchase the Transfer Shares in respect of which he is so nominated no later than if he had been a Purchasing Shareholder and at the Offer Price; or
- 6.12.2 in the case of the Company being nominated, the conditions set out in Article 6.13 have been satisfied.

6.13 **Conditions for the Company to be nominated.** The conditions referred to in Article 6.12.2 are that:

- 6.13.1 a special resolution must have been passed, or a shareholders' written resolution must have been signed pursuant to Chapter 2 of Part 13 of the Act, in either case approving in accordance with the Act the terms of a proposed share purchase agreement for the purchase by the Company of the Transfer Shares in respect of which it is so nominated from the Proposing Transferor;
- 6.13.2 under the terms of the proposed share purchase agreement, the Company would be obliged to purchase the Transfer Shares in respect of which it is so nominated no later than if it had been a Purchasing Shareholder and at the Offer Price;
- 6.13.3 the proposed share purchase agreement when executed would impose no obligations on the Proposing Transferor other than to sell the relevant Transfer Shares to the Company and to the effect that they will be so sold with full title guarantee and free from any encumbrances and third party rights and with all rights attaching to them at the time the agreement is executed;
- 6.13.4 the proposed share purchase agreement and the financing by the Company of the purchase of its shares complies with and its terms are consistent with the requirements of sections 690 to 723 (inclusive) of the Act, and
- 6.13.5 the directors must have resolved that the share purchase agreement be executed by the Company.

Subject to, and immediately following, the Company being nominated and satisfaction of all the conditions set out in this Article 6.13, the Company and the Proposing Transferor must execute the proposed share purchase agreement (the "**Buy Back Agreement**").

6.14 **Notice of allocation of shares.** Within 7 days after the expiry of the Offer Period or, if all the Transfer Shares are not accepted by a Purchasing Shareholder or Purchasing Shareholders, the expiry of the Nomination Period, the directors will notify the Proposing Transferor and all Purchasing Shareholders of the details of the applications which have been made, of the allocations made as between Purchasing Shareholders and of the person or persons nominated under Article 6.12 (each a "**Nominated Person**") and those Transfer Shares which each such person is obliged to purchase.

6.15 **Sale at Offer Price.** Any sale of shares made pursuant to this Article 6 to a Purchasing Shareholder or a Nominated Person shall be at the Offer Price. If, in determining the Offer Price, there was taken into account any entitlement to any dividend which has been paid prior to the date on which the transfer is registered then the Proposing Transferor shall be liable to account to the transferee for the amount of the dividend and the transferee, when making payment for such shares, may set-off such amount against the Offer Price payable.

6.16 **Completion of the sale.** The Proposing Transferor must, upon payment of the Offer Price, transfer to each Purchasing Shareholder and to each Nominated Person those Transfer Shares which such person is obliged to purchase and to deliver, if he has not already done so, the relative share certificates (or a customary indemnity in respect of any lost certificate). Such payment shall be deemed to be made validly if it is made to the Company to be held in trust for the Proposing Transferor against delivery of such transfers and share certificates (or indemnity). In the case where some or all of the Transfer Shares are not accepted by a Purchasing Shareholder or Purchasing Shareholders or Nominated Persons, completion will be solely conditional upon the Proposing Transferor finding one or more persons to acquire the Transfer Shares in accordance with Article 6.17 below such that completion of the sale of the Transfer Shares occurs immediately upon transfer of shares in accordance with Article 6.17 below. In the case of Transfer Shares the subject of a Buy Back Agreement, completion of the sale and purchase of such Transfer Shares will take place in accordance with the terms of the Buy Back Agreement which will also contain a condition that the sale and purchase of such Transfer Shares will not occur until completion of the transfer of shares in accordance with Article 6.17 below. Should completion of the sale and purchase of such Transfer Shares in accordance with Article 6.17 below not occur then the sale of Transfer Shares in accordance with this Article 6.16 shall not occur. Each transfer of shares made pursuant to this Article 6 shall be on terms that the transferor shall warrant that it is the legal and (save in respect of nominee shareholdings) beneficial owner of such shares free from all encumbrances.

6.17 **Right for Proposing Transferor to sell to a third party any shares not taken up.**

6.17.1 If all the Transfer Shares are not accepted by a Purchasing Shareholder or Purchasing Shareholders or by a Nominated Person or Nominated Persons, the Proposing Transferor may, within 60 days after the date on which he received notice under Article 6.14, transfer all, but not some only, of the Transfer Shares which have not been accepted to one or more persons, other than a shareholder or any Associate of a shareholder, on a bona fide sale at a price per Transfer Share not less than the Offer Price (after deduction, where appropriate, of any dividend or other distribution to be retained by the Proposing Transferor). This is subject to Article 6.17.2. Article 5.4 (*directors' right to refuse to register transfers*) and Article 10 (*tag along right*).

6.17.2 The provisions of Article 6.17.1 shall not apply to Transfer Shares the subject of a Transfer Notice deemed to be served under Article 7. In such event, the holder of such Transfer Shares shall not be permitted to transfer all or any of such Transfer Shares as provided in Article 6.17.1 and the same restriction shall apply if such holder subsequently proposes to transfer all or any of such Transfer Shares.

6.18 **Failure of the Proposing Transferor to complete the sale.** The following will apply if the Proposing Transferor fails to comply with his obligation to complete the transfer of any Transfer Shares:

6.18.1 the directors may authorise some person (an "**Attorney**") to execute the necessary instrument of transfer of such Transfer Shares, who may deliver such instrument of transfer on the Proposing Transferor's behalf;

6.18.2 the Attorney is, as security for the performance of the Proposing Transferor's obligations, irrevocably and unconditionally appointed as the attorney of the Proposing Transferor for that purpose;

- 6.18.3 the Company will receive the purchase money and will hold it in trust for the Proposing Transferor;
 - 6.18.4 upon receipt of the purchase money the Company will ensure that the transferee is registered as the holder of such Transfer Shares, subject to such instrument of transfer being stamped with any required stamp duty,
 - 6.18.5 the Company will not be obliged to earn or pay interest on the purchase money and will not pay the purchase money to the Proposing Transferor until the Proposing Transferor has delivered his share certificates (or a customary indemnity in respect of any lost certificates) to the Company; and
 - 6.18.6 the receipt of the Company for the purchase money will be a good discharge to the transferee who will not be obliged to see to the application of the purchase money and, after the name of the transferee has been entered in the register of members in exercise of the above power, the validity of the procedure will not be capable of challenge.
- 6.19 **Failure of the Proposing Transferor to comply with a Buy Back Agreement.** The following shall apply if the Proposing Transferor, having become obliged to execute or complete a Buy Back Agreement, fails to do so:
- 6.19.1 the directors may authorise some person (an “**Attorney**”) to execute or complete the Buy Back Agreement and receive the purchase money due in respect of it on the Proposing Transferor's behalf;
 - 6.19.2 the Attorney is, as security for the performance of the Proposing Transferor's obligations, irrevocably and unconditionally appointed as the attorney of the Proposing Transferor for the purpose;
 - 6.19.3 the receipt of the Attorney for the purchase money shall be a good discharge to the Company and the Company shall be entitled to treat the Buy Back Agreement as completed against such receipt;
 - 6.19.4 the Attorney will hold the purchase money in trust for the Proposing Transferor; and
 - 6.19.5 the Attorney will not be bound to earn or pay interest on the purchase money and shall not pay the purchase money to the Proposing Transferor until the Proposing Transferor delivers to the Company his share certificates (or a customary indemnity in respect of any lost certificates) relating to the Transfer Shares the subject of the Buy Back Agreement.
- 6.20 **Lien, forfeiture and surrender.** The provisions of this Article 6 will apply to any share which the directors decide to sell or otherwise dispose of.
- 6.21 **Waiver.** The provisions of this Article 6 may be waived, disapplied, modified, suspended or relaxed in whole or in part in any particular case by a Shareholders' Special Consent.
- 7. COMPULSORY SALE OF SHARES**
- 7.1 **Bankruptcy or insolvency or death of a shareholder.** A person entitled to a share in consequence of the bankruptcy or insolvency or death or long term/permanent mental incapacity of a shareholder shall be deemed to have given a Transfer Notice in respect of such share at a time determined by the directors and the Offer Price for such share shall be determined under Article 6.5. This is subject to Article 7.2.

7.2 **Cessation of Employment.** When any person (other than an Investor or the University or any director appointed pursuant to Articles 14.3 and 14.4) who is an employee or consultant or director of a Group Company or is seconded to a Group Company who holds shares and/or whose Permitted Transferee is a holder of shares leaves a Group Company such that he is not continuing as an employee, consultant or director of, or seconded to, a Group Company (a “**Leaver**”) then at any time within twelve (12) months after the date of cessation of the Leaver’s employment, consultancy, office with or secondment to the Group Company the directors shall be entitled to serve notice (a “**Compulsory Sale Notice**”) pursuant to which the Leaver (or his personal representatives in the case of his death) and/or his Permitted Transferees and/or his Leaver Associates who hold shares (the “**Compulsory Sellers**”) shall be deemed to have served a valid Transfer Notice in respect of all or such number of the shares held by them as is specified in the Compulsory Sale Notice (the “**Leaver’s Shares**”) and the provisions of Article 6 shall apply accordingly save to the extent the same are inconsistent or conflict with this Article 7. Notwithstanding the above, at the discretion of the directors and with Shareholders’ Special Consent, the Company may on behalf of the Compulsory Sellers offer some or all of the Leaver’s Shares to any one or more of the following:

- 7.2.1 a person or persons intended to take the Leaver’s place within the Group; and/or
- 7.2.2 any of the existing employees of a Group Company, and/or
- 7.2.3 other participants or potential participants in, or trustees of an employees’ share scheme of a Group Company; and/or
- 7.2.4 any other person or persons approved by the directors (other than the Leaver); and/or
- 7.2.5 the Company (subject always to the provisions of the Act).

The persons to whom Leaver Shares are offered pursuant to this Article 7.2 and by reference Article 6 are the “**Leaver Offerees**”.

7.3 **Service of a Compulsory Sale Notice.** The Compulsory Sale Notice shall state:

- 7.3.1 the names and addresses of the Leaver Offerees and the number of Leaver’s Shares to be offered to them;
- 7.3.2 the price per share which the Company proposes;
- 7.3.3 a date (being no more than 30 business days following service of the Compulsory Sale Notice), on which it is proposed that the sale and purchase of the Leaver’s Shares is to be completed provided always that (a) such completion will not occur before the price per share is agreed or determined and (b) where the Leaver Offeree is the Company such time period shall be extended to such reasonable period as is necessary to permit the Company to comply with the relevant provisions of the Act (the “**Leaver Completion Date**”).

7.4 **Price of Leaver’s Shares.** The price per share of the Leaver’s Shares shall, where the Leaver is a Good Leaver, be determined in accordance with Article 6.5. Where the Leaver is a Bad Leaver, the price per share of the Leaver’s Shares shall be the lower of the fair market value (determined in accordance with Article 6.5) and the Issue Price of each share.

7.5 **Completion of the sale of a Leaver’s Shares.** By the Leaver Completion Date the Compulsory Sellers shall deliver duly executed stock transfer forms for the Leaver’s Shares, with the relevant share certificates (or a customary indemnity in respect of any lost certificate), to the Company. On the date upon which the sale and purchase is to be completed (the “**Completion Date**”) the

Company shall pay the Compulsory Sellers, on behalf of each of the Leaver Offerees who have applied for Leaver Shares, the price for the Leaver's Shares to the extent the Leaver Offerees have put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the relevant Leaver Offerees. The Company shall hold the price in trust for the Compulsory Sellers without any obligation to pay interest,

- 7.6 **Failure to deliver stock transfer forms.** If a Compulsory Seller fails to deliver stock transfer forms for the Leaver's Shares to the Company by the Completion Date (or any Postponed Completion Date), the directors may authorise any director to transfer the Leaver's Shares on the Compulsory Seller's behalf to each relevant Leaver Offeree to the extent the Leaver Offeree has, by the Leaver Completion Date, put the Company in funds to pay the price for the Leaver's Shares has applied for him. The directors shall then authorise registration of the transfer once appropriate stamp duty has been paid.
- 7.7 **Postponed completion date.** In the event that a Leaver Offeree fails to put the Company in the requisite funds by the Completion Date, the directors shall be entitled to postpone completion of transfer of the relevant Leaver's Shares to such date, being no later than seven days following the Completion Date as the directors shall notify to the Compulsory Sellers (the "**Postponed Leaver Completion Date**"). In the event that the Leaver Offeree fails to put the Company into the requisite funds by the Postponed Leaver Completion Date, the directors may, within 30 days of the Postponed Leaver Completion Date, serve a further Compulsory Sale Notice on the Compulsory Sellers requiring them to offer for sale the relevant Leaver's Shares to any one or more of the persons listed in Article 7.2.1 to 7.2.5 and the provisions of Articles 7.3 to 7.6 shall apply in respect of any such notice (save that in the event that such a Leaver Offeree fails to put the Company in the requisite funds by the Postponed Leaver Completion Date, the Compulsory Sellers shall not be under any further obligation to sell pursuant to Article 7 the relevant Leaver's Shares which are not acquired and the Company shall return the relevant stock transfer forms to the Compulsory Sellers promptly upon request).
- 7.8 **Relationship with Article 6.** A Compulsory Sale Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the same Leaver Shares. The provisions of Article 6 shall apply to any Transfer Notice deemed to have been given pursuant to this Article 7 save to the extent either expressly provided or that the provisions of Article 6 are inconsistent with the provisions or intent of this Article 7.
- 7.9 **Waiver.** The provisions of this Article 7 may be waived, disapplied, modified (but not made more onerous), suspended or relaxed in whole or in part, in any particular case, by a Shareholders' Special Consent.
- 7.10 **Failure of Compulsory Seller to complete the sale.** The following will apply if a Compulsory Seller fails to comply with his obligations to complete the transfer of any Leaver Shares:
- 7.10.1 the directors may authorise some person (an "**Attorney**") to execute the necessary instrument of transfer of such Leaver Shares, who may deliver such instrument of transfer on the Compulsory Seller's behalf;
 - 7.10.2 the Attorney is, as security for the performance of the Compulsory Seller's obligations, irrevocably and unconditionally appointed as the attorney of the Compulsory Lever for that purpose;
 - 7.10.3 the Company will receive the purchase money and will hold it in trust for the Compulsory Seller;

- 7.10.4 upon receipt of this purchase money the Company will ensure that the transferee is registered as the holder of such Leaver Shares, subject to such instrument of transfer being stamped with any required stamp duty;
- 7.10.5 the Company will not be obliged to earn or pay interest on the purchase money and will not pay the purchase money to the Compulsory Seller until the Compulsory Seller has delivered his share certificates (or a customary indemnity in respect of any lost certificates) to the Company; and
- 7.10.6 the receipt of the Company for the purchase money will be a good discharge to the transferee who will not be obliged to see to the application of the purchase money and, after the name of the transferee has been entered in the register of members in exercise of the above power, the validity of the procedure will not be capable of challenge.

8. DISENFRANCHISEMENT

- 8.1 **Breach of Article 5.** If a shareholder commits any breach of Article 5, the shares registered in his name will not carry any rights whatever (whether as to voting, dividend or otherwise) until the breach is remedied or the shares are transferred without a breach of Article 5..
- 8.2 **Deemed Transfer Notices.** If any share is the subject of a Transfer Notice deemed to be served or of a Compulsory Sale Notice, both as mentioned in Article 7, that share shall carry no rights whatever (whether as to voting, dividend or otherwise) while that Transfer Notice or Compulsory Sale Notice is in its Active Period.
- 8.3 **Leavers.** If any shares held by a Leaver are not subject to the Compulsory Sale Notice, then upon that person becoming a Leaver all shares held by the Leaver or by his Permitted Transferees shall cease to carry any voting rights whatsoever and they shall cease to have the right to appoint a director pursuant to Article 14.5 and if so requested by the Company the Leaver and his Permitted Transferees shall procure that any director appointed by them shall resign immediately on terms that he has no claims against any member of the Group by reason of his so ceasing to hold office.

9. DRAG ALONG RIGHT

- 9.1 **Right to require minority shareholders to sell their shares to a third party.** The following rights to require minority shareholders to join in a sale of the entire issued share capital of the Company to a third party will apply.
- 9.2 **Calling Shareholders.** Subject to Article 11.1, If the holders of a majority of the issued Shares of the Company and an Investor Majority (together, the “**Calling Shareholders**”) wish to transfer all their interest in Shares to any person (the “**Purchaser**”), the Calling Shareholders, with the consent of the Board, will have the right set out in Article 9.3.
- 9.3 **Call Notice.** The Calling Shareholders will be entitled within 28 days of the Calling Shareholders agreeing to transfer their Shares to the Purchaser to require all the other holders of shares in the Company (the “**Recipient Shareholders**”) by giving notice in writing to the Company (a “**Call Notice**”) that it requires all such other Shareholders to sell all of the shares held by the Recipient Shareholders to the Purchaser. This is subject to the conditions set out in Article 9.4 being met. The proposed sale will be deemed to be permitted for the purposes of Article 5. Upon receipt of such notice from the Calling Shareholders, the Company will send the Call Notice to the Recipient Shareholders on behalf of the Calling Shareholders.

9.4 **Conditions.** The conditions referred to in Article 9.3 are that:

- 9.4.1 the terms and conditions of the sale agreement (the “**Sale Agreement**”) applying to the sale of the shares of the Calling Shareholders and the Recipient Shareholders are set out in detail in, or in one or more attachments to, the Call Notice;
- 9.4.2 except as provided in Article 9.4.3, the terms and conditions applying to the sale of the shares held by each of the Recipient Shareholders shall be no less favourable to the Recipient Shareholders than the terms and conditions which will apply or applied to the sale of the shares held by the Calling Shareholders to the Purchaser (and shareholders shall be deemed to be treated as favourably as each other in respect of a liability or obligation which they assume if they assume it in proportion to their shareholdings in the Company);
- 9.4.3 the purchase consideration will be apportioned between the holders of Shares in the same manner and order of priority as if it were a return of assets under Article 3.7.2;
- 9.4.4 the Purchaser is a bona fide arm's length purchaser who is not a Calling Shareholder or an Associate of a Calling Shareholder; and
- 9.4.5 In respect of a transaction that is the subject of a Call Notice and with respect to any Drag Document, no Recipient Shareholder shall be bound by the Call Notice unless:
 - 9.4.5.1 any representations and/or warranties to be made by such Recipient Shareholder in connection therewith are limited to representations and/or warranties that (i) such Recipient Shareholder holds all right, title and interest in and to the Shares such Recipient Shareholder purports to hold, free and clear of all liens and encumbrances and shall sell the same with full title guarantee, (ii) the obligations/undertakings of the Recipient Shareholder in connection with the proposed sale have been duly authorised, if applicable and (iii) the documents to be entered into by such Recipient Shareholder have been duly executed by such Recipient Shareholder and delivered to the acquirer and are enforceable against the Recipient Shareholder in accordance with their respective terms and (iv) neither the execution and delivery of documents to be entered into in connection with the proposed sale, nor the performance of the Recipient Shareholder's obligations thereunder, will cause a breach or violation of the terms of any agreement, law, or judgment, order or decree of any court or governmental agency;
 - 9.4.5.2 such Recipient Shareholder is not be liable for the inaccuracy of any representation or warranty made by any other person (except to the extent that funds may be paid out of an escrow or holdback established to cover breach of representations, warranties and covenants of the persons giving such representations, warranties and covenants under the Sale Agreement);
 - 9.4.5.3 the liability of such Recipient Shareholder is several and not joint with any other person (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any Shareholder of any of identical representations, warranties and covenants provided by all Shareholders), and is pro rata in proportion to, and does not exceed, the amount of consideration received by such Recipient Shareholder in connection with such proposed transaction (except with respect to claims related to fraud, the liability for which

need not be limited as to such individual Shareholder), taking into consideration the distributions under the liquidation preferences in these Articles or otherwise that exist with respect to any Shares (a "Distribution Preference"); and

9.4.5.4 liability is limited to such Recipient Shareholder's applicable share (determined based on the respective proceeds payable to each Shareholder in connection with such proposed transaction) of a negotiated aggregate indemnification amount that applies equally to all Shareholders but that in no event exceeds the amount of consideration otherwise received by such Recipient Shareholder in connection with such proposed transaction, except with respect to claims related to fraud by such Recipient Shareholder, the liability for which need not be limited as to such Recipient Shareholder.

9.4.6 In the event that the Calling Shareholders, in connection with the proposed sale, appoint a third party independent shareholder representative (a "**Shareholder Representative**") with respect to the establishment and management of any escrow or holdback fund in connection with any indemnification or breach of warranty under the Sale Agreement following completion of such proposed sale (the "**Escrow**"), each Recipient Shareholder shall be deemed to consent to (i) the appointment of such Shareholder Representative, (ii) the establishment of the Escrow and (iii) the payment of such Recipient Shareholder's applicable portion (from the Escrow) of any reasonable and properly incurred fees and expenses of such Shareholder Representative, in each case in connection with such Shareholder Representative's services and duties in connection with the establishment and management of such Escrow.

9.5 **Obligation to sell.** If a Call Notice is served and the conditions in Article 9.4 are met, all the shareholders must proceed with the sale of all their shares on the terms and conditions notified in the Call Notice.

9.6 **Simultaneous purchase.** A shareholder must not complete any sale of shares to the Purchaser unless the Purchaser completes the purchase of all the shares required to be sold at the same time including, where such purchase has not already completed, the purchase by the Purchaser of the shares held by the Calling Shareholders.

9.7 **Failure to complete.** The following will apply if any shareholder (a "Defaulter") fails to agree to sell, or to complete the sale of, or to make any required election in respect of any sale of, any shares as he is obliged to do in accordance with this Article 9:

9.7.1 the Calling Shareholders or the directors may authorise some person (an "**Attorney**") to execute all necessary agreements, deeds and other documents necessary to give effect to the sale on the terms and conditions notified in the Call Notice;

9.7.2 the Attorney is, as security for the performance of the Defaulter's obligations, irrevocably and unconditionally appointed as the attorney of the Defaulter for that purpose;

9.7.3 the Attorney may make any such election on the Defaulter's behalf (in such manner as the Attorney in his absolute discretion shall think fit) and execute the necessary instrument of transfer of the Defaulter's shares and may deliver such transfer on the Defaulter's behalf,

- 9.7.4 the Company will receive the purchase consideration and will hold it in trust for the Defaulter;
- 9.7.5 upon receipt of the purchase consideration the Company will ensure that the Purchaser is registered as the holder of the Defaulter's shares, subject to the instrument of transfer of the shares being stamped with any required stamp duty,
- 9.7.6 the Company will not be obliged to earn or pay interest on the purchase consideration and will not deliver the purchase consideration to the Defaulter until the Defaulter has delivered his share certificates (or a customary indemnity in respect of any lost certificates) to the Company; and
- 9.7.7 the receipt of the Company for the purchase consideration will be a good discharge to the Purchaser who will not be bound to see to the application of the purchase consideration and, after the name of the transferee has been entered in the register of members in exercise of the above power, the validity of the procedure will not be capable of challenge.
- 9.8 **Existing subscription and conversion rights.** At the same time as any Calling Shareholder(s) give a Call Notice they will also be entitled to require the Company to give the Call Notice to any person who has the right to subscribe for, or convert securities or indebtedness into, shares in the Company which is capable of being exercised on or prior to or within 24 months after completion of the sale of shares pursuant to this Article 9. The effect of a Call Notice on such a person will be that if he exercises such right and becomes a registered holder of shares in the capital of the Company on or prior to or within 24 months after such completion then that person will, for all the purposes of this Article 9, be treated as a Recipient Shareholder in respect of all such shares and shall be obliged to sell such shares in accordance with this Article 9. If the registration of such shares occurs after such completion, then the sale of such after-acquired shares must be completed within 7 days of such registration.
- 9.9 **Lapse of Call Notice.** A Call Notice shall lapse and be of no further effect if the sale of the Shares by the Shareholders to the Purchaser resulting in the Purchaser acquiring a holding of more than 75 per cent or more in nominal value of the issued Shares of the Company has not completed within six months of the date of the Call Notice other than by reason of the failure of any Recipient Shareholder to comply with the Call Notice.
- 9.10 **Nil consideration.** If the effect of the apportionment of the purchase consideration under Article 9.4.4 is that any shareholder will receive a nil consideration, that shareholder will nevertheless be bound by the provisions of this Article 9 and obliged to transfer his shares for that nil consideration and references to "sale", 'sell', 'purchase' and 'purchaser' will be construed accordingly.
- 10. TAG ALONG RIGHT**
- 10.1 **Transfer of a Controlling Interest.** A Proposing Transferor must not transfer any shares pursuant to Article 6.17 if it is prohibited by Article 10.2 For the purposes of this Article 10 "transfer" shall include the sale or other disposition of any interest in any share including the renunciation of a renounceable letter.
- 10.2 **Restriction.** The transfer referred to in Article 10.1 must not be made if it would result in any person or persons, and any person or persons acting in concert with him or them within the meaning of the City Code on Takeovers and Mergers in force from time to time, who was or were not a shareholder or shareholders of the Company on the date of adoption of these Articles

obtaining direct or indirect control of a Controlling Interest, unless the condition specified in Article 10.3 is met.

- 10.3 **Tag along.** The condition referred to in Article 10.2 is that, before the transfer is made, either a valid Call Notice has been served pursuant to Article 9 or the proposed transferee (the “**Buyer**”) makes a written offer to all the shareholders to purchase all the shares in the capital of the Company then in issue at a price per share of not less than the Offer Price (as defined in Article 6.5) (provided always that, in the event of a Share Sale, the actual Sale Proceeds shall be paid in accordance with Article 3.7.2). The offer must be made at the same time and otherwise on the same terms and conditions for each shareholder and must be open for acceptance in England for a period of at least 21 days from its delivery, which shall be made by registered post, personal delivery or courier to each of the shareholders at his registered address. A shareholder (including the Proposing Transferor) must not complete any transfer of shares to the Buyer unless the Buyer completes the purchase of all the shares agreed to be sold at the same time. At the request of the Buyer, the Company will send the offer to the shareholders on behalf of the Buyer.

11. PERMITTED TRANSFERS OF SHARES

- 11.1 **Permitted Transfers.** Subject to Article 11.3 a shareholder will be permitted to transfer the legal title to and/or the beneficial ownership of their shares:

11.1.1 in the case of a shareholder who is an individual, to a Family Member of that shareholder or to trustees to be held on Family Trusts of that shareholder;

11.1.2 in the case of a shareholder (not being in relation to the shares concerned a holder of them as a trustee of any Family Trusts) being a company, to an Associated Company of that shareholder;

11.1.3 in the case of a shareholder who is a Fund to:

11.1.3.1 any participant or partner in or member of any such Fund or the holders of any unit trust which is a participant or partner in or member of any Fund (but only in connection with the dissolution of the Fund or any distribution of assets of the Fund pursuant to the operation of the Fund in the ordinary course of business);

11.1.3.2 any Fund now or hereafter existing that is Controlled by one or more general partners, managing members or investment advisors of, or shares the same management company or Fund Manager with such Shareholder, together with all of the partners and/or members of any such Fund;

11.1.3.3 any Associated Company of that Shareholder’s Fund Manager; or

11.1.3.4 any trustee, nominee or custodian of such Fund and vice versa;

provided that if any such transferee ceases to be connected to the Fund, the shares shall be transferred back to the original shareholder or any Permitted Transferee thereof;

11.1.4 to any person with a Shareholders’ Special Consent;

11.1.5 in the case of a Member of the University Group, to any other Member of the University Group or to Oxford Science Enterprises plc provided that in the case that any person was a Member of the University Group ceases to be such a Member then the relevant

shares shall be transferred to the original shareholder or any Permitted Transferee thereof; or

- 11.1.6 in the case of a Member of the OTIF Group, to any other Member of the OTIF Group provided that in the case that any person was a Member of the OTIF Group ceases to be such a Member then the relevant shares shall be transferred to the original shareholder or any Permitted Transferee thereof.

11.2 **Family Trusts.** Where Shares have been transferred under Article 11.1.1 or this Article 11.2 to trustees of Family Trusts, the trustees and their successors may transfer all or any of the Relevant Shares (subject as provided in Article 11.3) as follows;

- 11.2.1 on any change of trustee, the Relevant Shares may be transferred to the trustees from time to time of the Family Trusts concerned;
- 11.2.2 pursuant to the terms of such Family Trusts or in consequence of the exercise of any power or discretion vested in the trustees or any other person, all or any of the Relevant Shares may be transferred to the trustees from time to time of any other Family Trusts of the same individual shareholder or of any Family Member of the relevant shareholder; or
- 11.2.3 back to the original individual shareholder.

11.3 **Restrictions on Permitted Transfers.**

- 11.3.1 No transfer of any share which would otherwise be permitted by this Article 11 shall be made or registered:
 - 11.3.1.1 during the Active Period of any Transfer Notice under Article 6 or any Call Notice under Article 9 relating to that share;
 - 11.3.1.2 during the Active Period of any Compulsory Sale Notice under Article 7 relating to that share;
 - 11.3.1.3 if that share has previously been the subject of a Transfer Notice deemed to be given under Article 7 and that share has not been validly transferred subsequently pursuant to any provision of these Articles (other than this Article 11); or
 - 11.3.1.4 if the share is disenfranchised pursuant to Article 8.
- 11.3.2 Any transfer of a share which would otherwise be permitted by this Article 11 is subject to the restrictions set out in Article 5.5 (*directors' right to refuse to register transfers*).

12. **ANTI-DILUTION PROTECTION**

- 12.1 If New Securities are issued by the Company at a price per New Security which equates to less than the Starting Price (a "**Qualifying Issue**") (which in the event that the New Security is not issued for cash shall be a price certified by the Auditors acting as experts and not as arbitrators as being in their opinion the current cash value of the new consideration for the allotment of the New Securities) then the Company shall, unless and to the extent that any of the holders of Series B Shares shall have specifically waived their rights under this Article in writing, issue to each holder of Series B Shares (the "**Exercising Investor**") a number of new Series B Shares determined by applying the following formula (and rounding the product, N, down to the nearest whole share), subject to adjustment as certified in accordance with Article 12.3 (the "**Anti-Dilution Shares**");

$$N = \left(\left(\frac{SIP}{WA} \right) \times Z \right) - Z$$

Where:

N= Number of Anti-Dilution Shares to be issued to the Exercising Investor

$$WA = \frac{(SIP \times ESC) + (QISP \times NS)}{(ESC + NS)}$$

SIP = Starting Price

ESC = the number of Shares in issue plus the aggregate number of shares in respect of which options to subscribe have been granted, or which are subject to convertible securities (including but not limited to warrants) in each case immediately prior to the Qualifying Issue

QISP = the lowest per share price of the New Securities issued pursuant to the Qualifying Issue (which in the event that that New Security is not issued for cash shall be the sum certified by the Auditors acting as experts and not arbitrators as being in their opinion the current cash value of the non cash consideration for the allotment of the New Security)

NS = the number of New Securities issued pursuant to the Qualifying Issue

Z = the number of Series B Shares held by the Exercising Investor prior to the Qualifying Issue.

12.2 The Anti-Dilution Shares shall:

12.2.1 be paid up by the automatic capitalisation of available reserves of the Company, unless and to the extent that the same shall be impossible or unlawful or a majority of the Exercising Investors shall agree otherwise, in which event the Exercising Investors shall be entitled to subscribe for the Anti-Dilution Shares in cash at par (being the par value approved in advance by the consent of at least one of the Series B Directors) and the entitlement of such Exercising Investors to Anti-Dilution Shares shall be increased by adjustment to the formula set out in Article 12.1 so that the Exercising Investors shall be in no worse position than if they had not so subscribed at par. In the event of any dispute between the Company and any Exercising Investor as to the effect of Article 12.1 or this Article 12.2, the matter shall be referred (at the cost of the Company) to the Auditors for certification of the number of Anti-Dilution Shares to be issued. The Auditor's certification of the matter shall in the absence of manifest error be final and binding on the Company and the Exercising Investor; and

12.2.2 subject to the payment of any cash payable pursuant to Article 12.2.1 (if applicable), be issued, credited fully paid up in cash and shall rank *pari passu* in all respects with the existing Series B Shares, within five Business Days of the expiry of the offer being made by the Company to the Exercising Investor and pursuant to Article 12.2.1.

12.3 In the event of any Bonus Issue or Reorganisation, the Starting Price shall also be subject to adjustment on such basis as may be agreed by the Company with at least one of the Series B Directors within 10 Business Days after any Bonus Issue or Reorganisation. If the Company and the Series B Directors cannot agree such adjustment it shall be referred to the Auditors whose determination shall, in the absence of manifest error, be final and binding on the Company and each of the Shareholders. The costs of the Auditors shall be borne by the Company.

13. DEED OF ADHERENCE TO SHAREHOLDERS' AGREEMENT

- 13.1 At the same time as any person who is not already a shareholder is to be registered as the holder of any share in the Company such person will, and the relevant transferor and Company will procure that such person will, execute a deed of adherence in the form required by any Shareholders' Agreement in force from time to time. Any right to transfer or issue shares or to receive a transfer or issue of shares under these Articles will take effect subject to this obligation.
- 13.2 If any person fails to comply with Article 13.1, the directors may authorise some other person, who is (as security for the performance of the defaulter's obligations) irrevocably and unconditionally appointed as the attorney of the defaulter for the purpose, to execute the necessary deed of adherence on the defaulter's behalf.

14. DIRECTORS

- 14.1 **No retirement by rotation.** The directors will not be required to retire by rotation.
- 14.2 **Maximum number of directors.** The maximum number of directors will be 6.
- 14.3 **Adanac Director.** For so long as Adanac and its Permitted Transferees hold at least 5 per cent of the Shares in issue and up to and until an Independent Director is first appointed pursuant to Article 14.8(i), it shall have the right to appoint and maintain in office such natural person as Adanac may from time to time nominate as a director of the Company from time to time (the "**Adanac Director**"). The other shareholders shall not vote their shares so as to remove any director appointed pursuant to this Article 14.3 from office. Adanac shall be entitled, at its own expense, during such time to remove its nominated director from office and appoint another person to act in his place.
- 14.4 **OxSciences Director.** For so long as OxSciences and its Permitted Transferees hold at least 5 per cent of the Shares in issue it shall have the right to appoint and maintain in office such natural person as OxSciences may from time to time nominate as a director of the Company from time to time (the "**OxSciences Director**"). The other shareholders shall not vote their shares so as to remove any director appointed pursuant to this Article 14.4 from office. OxSciences shall be entitled, at its own expense, during such time to remove its nominated director from office and appoint another person to act in his place.
- 14.5 **Founder Director.** For so long as the Founder and his Permitted Transferees together hold at least 5 per cent of the Shares in issue they shall have the right to appoint and maintain in office such natural person as the Founder may from time to time nominate as a director of the Company from time to time (the "**Founder Director**"). The other shareholders shall not vote their shares so as to remove any director appointed pursuant to this Article 14.5 from office. The Founder shall be entitled, at their own expense, during such time to remove their nominated director from office and appoint another person to act in his place.
- 14.6 **Casdin Director.** For so long as Casdin and his Permitted Transferees together hold at least 50% of Series B Shares they held as at the date of adoption of these Articles they shall have the right to appoint and maintain in office such natural person as they may from time to time nominate as a director of the Company from time to time (the "**Casdin Director**"). The other shareholders shall not vote their shares so as to remove any director appointed pursuant to this Article 14.6 from office. Casdin shall be entitled, at their own expense, during such time to remove its nominated director from office and appoint another person to act in his place.
- 14.7 **ARCH Director.** For so long as ARCH and his Permitted Transferees together hold at least 50% of Series B Shares they held as at the date of adoption of these Articles they shall have the right

to appoint and maintain in office such natural person as they may from time to time nominate as a director of the Company from time to time (the “**ARCH Director**” and together with the Casdin Director, the “**Series B Directors**”). The other shareholders shall not vote their shares so as to remove any director appointed pursuant to this Article 14.7 from office. ARCH shall be entitled, at their own expense, during such time to remove its nominated director from office and appoint another person to act in his place.

- 14.8 **Independent Directors.** The Board, acting by majority, shall be entitled to nominate (i) one person not otherwise an affiliate of the Company or of any Investor to act as a director; and (ii) from the date on which Adanac no longer has the right to appoint the Adanac Director pursuant to Article 14.3, an additional person not otherwise an affiliate of the Company or of any Investor to act as a director (each an “**Independent Director**”, together the “**Independent Directors**”). The other shareholders shall not vote their shares so as to remove any director appointed pursuant to this Article 14.8 from office. The Board shall be entitled during such time to remove its nominated director from office and appoint another person to act in his place.
- 14.9 **Appointment of director.** Any appointment or removal of a director under Articles 14.3, 14.4, 14.5, 14.6, 14.7 and 14.8 shall take effect at the time that a notice of appointment or removal signed by or on behalf of the appointing shareholder is received at the Company’s registered office or produced to a meeting of the directors.
- 14.10 **Observer.** For so long as they are entitled to nominate a person to act as a director of the Company and provided their nominated director is not in office, the Founder and Adanac shall be entitled to appoint one person to act as an observer who shall be entitled to attend and speak at all meetings of the directors and to receive copies of all board papers as if he were a director but shall not be entitled to vote on any resolutions proposed at a meeting of the directors.
- 14.11 **Model Articles modified.** Model Article 18 shall be modified by the addition of the following events upon the occurrence of which a person shall cease to be a director:
- 14.11.1 he is convicted of a criminal offence (other than a minor motoring offence) and a majority of the other directors resolve that he cease to be a director;
- 14.11.2 save in the case of the Investor Directors or Founder Director, a majority of the other directors resolve that he cease to be a director; or
- 14.11.3 in the case of an executive director only, he shall cease to be employed by the Company or other Group Company (as appropriate) or, if applicable, ceases to provide consultancy services to the Company or other Group Company and does not continue as an employee of or consultant to any other Group Company.
- 14.12 **Subsidiary and committee appointments.** The Investor Directors shall be entitled at his request to be appointed to any committee of the directors from time to time and as a director of any subsidiary of the Company and the Company shall promptly procure any such requested appointment.

15. PROCEEDINGS OF DIRECTORS

- 15.1 Subject to the provisions of these Articles, the directors may regulate their proceedings as they think fit. Any director may call a meeting of the directors. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall not have a second or casting vote. A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.

- 15.2 Notice of every meeting of the directors shall be given to every director and to his alternate (if any) and the non-receipt of notice by any director or alternate director as provided in these Articles shall invalidate the proceedings of the directors, Unless all the directors indicate their willingness to accept shorter notice of a meeting of directors at least 14 days' notice shall be given of the time place and purpose of the meeting. Every notice of a meeting of the directors required to be given under these Articles shall be in writing and may be served personally or sent by prepaid letter post or facsimile to the address for the time being notified for the purpose and shall be accompanied by an agenda specifying the business to be transacted unless otherwise agreed by the directors. No fewer than 12 fixed meetings of the directors shall take place in each financial year of the Company on such dates as the directors shall agree prior to the start of each financial year of the Company.
- 15.3 Any director resident outside or for the time being absent from the United Kingdom shall be entitled to be given reasonable notice of meetings of the directors to such address if any (whether inside or outside the United Kingdom) as the director may from time to time notify to the Company. Every notice of meeting referred to in Article 15.2 shall be sent to the director resident outside the United Kingdom by pre-paid letter by post or facsimile to the address or number for the time being supplied for the purpose to the Company.
- 15.4 The quorum necessary for the transaction of the business of the directors shall be five directors present in person or represented by an alternate which must include the Founder Director, the OxSciences Director, one of the Series B Directors, and the Chairman (if appointed). To the extent one of the aforementioned directors is not appointed, the quorum for a Board meeting shall be reduced accordingly. Where, and only to the extent that, the matter under consideration relates to a conflict of interest or potential conflict of interest as referred to in Article 17 when, subject to Article 17.9, the quorum shall be two directors present in person or represented in person excluding the director concerned. An alternate director who is not himself a director may, if his appointor is not present, be counted towards the quorum. If a notice of meeting has been given and a quorum is not present within 30 minutes following the time of the meeting, such meeting shall be adjourned for the same day in the next week at the same time and in the same place or as near to the same time and in the same place as is practicable. If within 30 minutes following the time at which such meeting has been reconvened, a quorum is not present, the directors present at the expiry of such 30 minute period shall constitute a valid quorum of the directors on that occasion. The agenda for the adjourned meeting shall be exactly the same as for the original meeting,
- 15.5 The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, they or he may act only for the purpose of calling a general meeting,
- 15.6 All or any of the directors or any committee of the directors may participate in a meeting of the directors or that committee by means of a telephonic conference or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is not such group, where the chairman of the meeting then is.
- 15.7 All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had

vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.

15.8 A resolution in writing signed or approved by letter, facsimile or e-mail by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the same terms each signed by one or more directors; but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.

15.9 In relation to a sale of the Company, all or any of the directors or any committee of the directors may authorise any person to execute (in the case of deeds, in the presence of a witness or together, if he thinks fit, with a director or the secretary) any documents on behalf of the Company whereby the execution of such documents shall give effect to the sale of the Company.

16. ALTERNATE DIRECTORS

16.1 Each director shall be entitled to nominate another director or some other person who is willing to act as his alternate director. A nomination shall be subject to the approval of all other directors. A director may at his discretion remove an alternate director nominated by him. The nomination and removal of an alternate director shall be by notice in writing given to the Company by the director wishing to appoint or remove an alternate director. An alternate director shall have the same entitlement as his appointor to receive notices of meetings of the directors and to attend, vote and be counted for the purpose of a quorum at any meeting at which his appointor is not personally present, and generally in the absence of his appointor at such meeting to exercise and discharge all the functions, powers and duties of his appointor.

16.2 Save as otherwise provided in these Articles an alternate director shall during his appointment be deemed to be a director for the purposes of these Articles, shall not be deemed to be an agent of his appointor, shall at once be responsible to the Company for his own acts or defaults and shall be entitled to be indemnified by the Company to the same extent as if he were a director.

16.3 An alternate director shall not in respect of his office of alternate director be entitled to receive any remuneration from the Company or to appoint another person as his alternate. The appointment of an alternate director shall immediately and automatically determine if his appointor ceases for any reason to be a director or on the happening of an event which, if he were a director, would cause him to vacate the office of director, or if by written notice to the Company he shall resign such appointment.

17. DIRECTORS' CONFLICTS OF INTEREST

17.1 **Authorising situational conflicts of interest.** The directors may authorise, to the fullest extent permitted by law, any matter which would otherwise result in a director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties). The directors may do so subject to such terms and conditions, if any, as they may think fit from time to time to impose and subject always to their right to vary or terminate such authorisation.

- 17.2 **Conditions for the authorisation to be effective.** However, the authorisation referred to in Article 17.1 is only effective if:
- 17.2.1 any requirement as to the quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director; and
 - 17.2.2 the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.
- 17.3 **Effect of authorisation.** If a matter has been authorised by the directors in accordance with Article 17.1 (an “**approved matter**”) then (subject to such terms and conditions, if any, as the directors may think fit from time to time to impose, and subject always to their right to vary or terminate such authorisation or the provisions set out below), the relevant director:
- 17.3.1 shall not be required to disclose any confidential information relating to the approved matter to the Company if to make such a disclosure would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that approved matter;
 - 17.3.2 may be required by the Company to maintain in the strictest confidence any confidential information relating to the approved matter which also relates to the Company;
 - 17.3.3 may be required by the Company not to attend any part of a meeting of the directors at which anything relevant to the approved matter is to be discussed and any related board papers may be withheld from that director;
 - 17.3.4 may absent himself from discussions, whether in meetings of the directors or otherwise, and exclude himself from information, which may be relevant to the approved matter;
 - 17.3.5 shall not, by reason of his office as a director, be accountable to the Company for any benefit which he derives from the approved matter.
- 17.4 **Interests in other Group Companies.** A director may, notwithstanding his office or the existence of an actual or potential conflict between the interests of the Company and those of another Group Company which would be caught by section 175(1) of the Act, be a director or other officer of, or employed by or otherwise interested in, whether directly or indirectly, any other company in the Group (a “**group company interest**”) and the director in question,
- 17.4.1 shall be entitled to be counted in the quorum and to attend any meeting or part of a meeting of the directors or a committee of the board of directors at which any matter which is or may be relevant to the group company interest may be discussed, and to vote on any resolution of the directors or a committee of the board of directors relating to such matter or to take any unanimous decision of the directors, and any board or committee papers relating to such matter shall be provided to the director in question at the same time as the other directors;
 - 17.4.2 shall not be obliged to account to the Company for any benefit which he derives from a group company interest;
 - 17.4.3 shall not be obliged to disclose to the Company or use for the benefit of the Company, any confidential information received by him by virtue of his group company interest and otherwise than by virtue of his position as a director, if to do so would result in a breach of a duty or obligation of confidence owed by him to any Group Company or third party.
- 17.5 **Interests in transactions or arrangements with the Company.** The provisions of Articles 17.1 to 17.4 (inclusive) shall not apply to a conflict of interest which arises in relation to an existing or

proposed transaction or arrangement with the Company but the following provisions of this Article 17.5 and Articles 17.6 and 17.7 shall apply. Any director may be interested in an existing or proposed transaction or arrangement with the Company provided that he complies with the Act, For the purposes of this Article 17, an interest of which a director is not aware and of which it is not reasonable to expect him to be aware shall not be treated as an interest of his. Subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the directors in accordance with these Articles the nature and extent of his interest, a director may (save as otherwise provided in these Articles) notwithstanding his office, have an interest of the following kind:

- 17.5.1 where a director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested;
- 17.5.2 where a director (or a person connected with him) is a director, employee, or other office of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested;
- 17.5.3 where a director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a parent undertaking of, or a subsidiary undertaking of a parent undertaking of, the Company,
- 17.5.4 where a director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested;
- 17.5.5 where a director is given a guarantee, or is to be given a guarantee, in respect of any obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested;
- 17.5.6 where a director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer acts) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he is remunerated for this;
- 17.5.7 an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- 17.5.8 any other interest authorised by ordinary resolution with the consent of the Investor Majority,

17.6 **Interests of the Investor Directors.** In addition to the provisions of Article 17.5, and provided (if these Articles so require) that he has declared his interest to the directors in accordance with these Articles, the nature and extent of his interest, an Investor Director, may (save 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, member, partner, officer or representative of, or a consultant to, or direct or indirect investor (including without

limitation by virtue of any carried interest, remuneration or incentive arrangement or the holding of securities) in:

- 17.6.1 a Fund Manager;
- 17.6.2 any Fund advised or managed by a Fund Manager from time to time; or
- 17.6.3 another body corporate or person in which the Fund Manager or any Fund advised by such Fund Manager has directly or indirectly invested, including without limitation any portfolio companies.

17.7 **Effect of declaring an interest in a transaction or arrangement with the Company.** Without prejudice to the obligation of each director to declare an interest in accordance with sections 177 and 182 of the Act and save as otherwise specified by these Articles, a director may vote at a meeting of the directors or of a committee of the directors on any resolution concerning a matter in which he has an interest, whether direct or indirect, which relates to a transaction or arrangement with the Company, or in relation to which he has a duty. Having so declared any such interest or duty he may have, the director shall be counted in the quorum present when any such resolution is under consideration and if he votes on such resolution his vote shall be counted. He may also retain for his own absolute use and benefit all profits and advantages directly or indirectly accruing to him under or in consequence of such transaction or arrangement Article 14 of the Model Articles shall not apply.

17.8 **Interests under Articles 6 and 7.** Despite the above provisions of this Article 17, a director shall be regarded as having an interest which is material and which conflicts with the interests of the Company in (and accordingly shall not be entitled to vote in relation to) any matter which requires to be determined or decided by the directors under Article 6 or Article 7 to the extent the matter relates to any share held by that director or any Associate of that director or in which that director is otherwise interested.

17.9 **Quorum in the event of conflicts of interest.** If at any meeting of directors there is only one director entitled to vote on the business of the meeting, or any item of business at the meeting because of a conflict of interest of the other directors, then the quorum for that meeting or that item of business shall be one.

17.10 **Duty of confidentiality.** Subject as provided in this Article 17.10 (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 17), if a director, otherwise than by virtue of his position as a director of the Company, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:

17.10.1 to disclose such information to the Company or to any director or to any officer or employee of the Company; or

17.10.2 otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a director of the Company.

Where such a 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, this Article 17.10 shall apply only if the conflict arises out of a matter which falls within Articles 17.5 or 17.6 or has been authorised under section 175(S)(a) of the Act.

18. TRANSMITTEES

These Articles shall be binding upon and shall apply for the benefit of each assignee or transmittee of a shareholder.

19. DATA PROTECTION

19.1 Each of the shareholders and directors (from time to time) consent to the processing of their personal data by the Company, its shareholders and directors (each a "Recipient") for due diligence exercises, compliances with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually.

19.2 The personal data that may be processed for such purpose under this Article 19 shall include any information which may have a bearing on the prudence or commercial merits of investing or disposing of any shares (or other investment or security) in the Company, Other than as required by law, court order or any regulated authority, that personal data shall not be disclosed by a Recipient or any other person, except to:

19.2.1 a member of the same group as the Recipient ("Recipient Group Companies");

19.2.2 to employees, directors and professional advisers of that Recipient or the Recipient Group Companies, and

19.2.3 to Funds managed by any of the Recipient Group Companies.

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

20. CO-SALE RIGHT

20.1 No transfer (other than a Permitted Transfer) of any of the Shares held to a Founder or an Employee may be made or validly registered if it is in respect of more than one per cent of the Shares (excluding Treasury Shares) unless the relevant Founder or Employee and any Permitted Transferee of that Founder or Employee (each a "**Selling Founder/Employee**") shall have observed the following procedures of this Article unless the Investor Majority has determined that this Article 20 shall not apply to such transfer.

20.2 After the Selling Founder/Employee has gone through the pre-emption process set out in Article 6, the Selling Founder/Employee shall give to each holder of Preferred Shares who has not taken up their pre-emptive rights under Article 6 (an "**Equity Holder**") not less than 15 Business Days' notice in advance of the proposed sale (a "**Co-Sale Notice**"). The Co-Sale Notice shall specify:

20.2.1 the identity of the proposed purchaser (the "**Buyer**");

20.2.2 the price per share which the Buyer is proposing to pay;

20.2.3 the manner in which the consideration is to be paid;

20.2.4 the number of Equity Shares which the Selling Founder/[Employee] proposes to sell;
and

20.2.5 the address where the counter-notice should be sent.

20.3 For the purposes of this Article 20, it is acknowledged that Shares of different classes will be transferable at different prices, such price per class of Share being a sum equal to that to which they would be entitled if the consideration payable by the Buyer to the Selling Founder/Employee were used to determine the valuation of the entire issued share capital of the Company and such valuation was then allocated as between the Shares in accordance with Articles 3.7.2.

20.4 Each Equity Holder shall be entitled within five Business Days after receipt of the Co-Sale Notice, to notify the Selling Founder/Employee that they wish to sell a certain number of Equity Shares held by them at the proposed sale price, by sending a counter-notice which shall specify the number of Equity Shares which such Equity Holder wishes to sell. The maximum number of shares which an Equity Holder can sell under this procedure shall be:

$$\left(\frac{X}{Y} \right) \times Z$$

where:

X is the number of Preferred Shares held by the Equity Holder;

Y is the total number of Preferred Shares (excluding Treasury Shares);

Z is the number of Equity Shares the Selling Founder/Employee proposes to sell.

Any Equity Holder who does not send a counter-notice within such five Business Day period shall be deemed to have specified that they wish to sell no shares.

20.5 Following the expiry of five Business Days from the date the Equity Holders receive the Co-Sale Notice, the Selling Founder /Employee shall be entitled to sell to the Buyer on the terms notified to the Equity Holders a number of shares not exceeding the number specified in the Co-Sale Notice less any shares which Equity Holders have indicated they wish to sell, provided that at the same time the Buyer (or another person) purchases from the Equity Holders the number of shares they have respectively indicated they wish to sell on terms no less favourable than those obtained by the Selling Founder/[Employee] from the Buyer.

20.6 No sale by the Selling Founder/Employee shall be made pursuant to any Co-Sale Notice more than three months after service of that Co-Sale Notice.

20.7 Sales made in accordance with this Article 20 shall not be subject to Article 6.

21. DEFINITIONS AND INTERPRETATION

21.1 **Definitions.** The following definitions apply in these Articles:

“**Act**” means the Companies Act 2006;

“**Acceptance Period**” has the meaning set out in Article 15.3;

“**Active Period**” means, in respect of a specified notice, the period from the time of its service or deemed service until the time when none of the shareholders, the directors or the Company has any further rights or duties, directly or indirectly, to that notice;

“**Adanac**” means Adanac Separate Limited Partnership, registered in Jersey with registration number LP60 and registered office at 44 Esplanade, St Helier, Jersey, JE4 9WG;

“**Adanac Director**” means a director appointed by Adanac from time to time in accordance with Article 14.3;

“**Anti-Dilution Shares**” shall have the meaning given in Article 12.1;

“Approved Matter” has the meaning set out in Article 17.3;

“ARCH” means ARCH Venture Fund XI, L.P.;

“ARCH Director” means a director appointed by ARCH from time to time in accordance with Article 14.7;

“Arrears” in relation to any Share, all arrears of any dividend or other sums payable in respect of that Share, whether or not earned or declared and irrespective of whether or not the Company has had at any time sufficient Available Profits to pay such dividend or sums, together with all interest and other amounts payable on that Share;

“Articles” means these articles of association;

“Associate” has the meaning given to it in section 435 of the Insolvency Act 1986 and in the case of a shareholder any person to whom the relevant shareholder has transferred shares pursuant to Article 11.1;

“Associated Company” means, in relation to a company, any company which is a holding company of that company or a subsidiary of that company or of such holding company having the respective meanings set out in sections 1159 and 1162 of the Act;

“Attorney” has the meaning set out in Articles 6.18.1, 6.19.1 or 9.7.1 as appropriate;

“Auditors” means the auditors of the Company from time to time;

“Available Profits” profits available for distribution within the meaning of part 23 of the Act;

“Bad Leaver” means any person (other than an Investor and the University):

- (a) whose employment, secondment, consultancy or office with a Group Company has terminated as a result of (i) his fraud, dishonesty or serious or persistent misconduct, (ii) his breach of any restrictive covenant in favour of any Group Company to which he is subject, (iii) his repeated failure to comply with any applicable policies of the Company about which he has been notified but which has not been remedied or (iv) his having committed any crime punishable by imprisonment; or
- (b) who is in material breach of the Shareholders’ Agreement if that breach arises and remains unremedied for (if capable of remedy) a period of 7 days from the date that the Company notifies the person of the nature of the breach in writing and before the Company exercises its right to serve a Compulsory Sale Notice on him; or
- (c) who has resigned voluntarily from his employment, office as director or voluntarily terminated his consultancy or secondment with a Group Company in circumstances where a Group Company would have been entitled to terminate the employment, office, consultancy or secondment for any reason set out in (a) above; or

save to the extent the directors agree otherwise with Investor Majority Consent;

“Bonus Issue” or **“Reorganisation”** means any return of capital, bonus issue of shares or other securities of the Company by way of capitalisation of profits or reserves (other than a capitalisation issue in substitution for or as an alternative to a cash dividend which is made available to the holders of Series B Shares) or any consolidation or sub-division or any repurchase or redemption of shares (other than Series B Shares) or any variation in the subscription price or conversion rate applicable to any other outstanding shares of the Company in each case other than shares issued as a result of the events set out in Article 4.10;

“Buy Back Agreement” has the meaning set out in Article 6.13,

“Buyer” has the meaning set out in Article 10.3;

“Casdin” means Casdin Partners Master Fund, L.P. and Casdin Private Growth Equity Fund II, L.P.;

“Chairman” means the chairman, if any, of the directors from time to time;

“Calling Shareholders” has the meaning set out in Article 9.2,

“Call Notice” has the meaning set out in Article 9.3;

“Company” means Oxford Nanolmaging Limited, a company incorporated in England and Wales with registration number 10023177;

“Completion Date” has the meaning set out in Article 7.5;

“Compulsory Sale Notice” has the meaning set out in Article 7.2;

“Compulsory Sellers” has the meaning set out in Article 7.2;

“Controlling Interest” means an interest (within the meaning of Part 22 of the Act) in more than 50 per cent (by number) of the shares in the Company from time to time in issue and, save as otherwise provided in these Articles, conferring the right to vote at all general meetings of the Company,

“Conversion Date” has the meaning given in Article 3.9.1;

“Conversion Ratio” has the meaning given in Article 3.9.5;

“Converting Option Holder” means any Person that has been granted an option over any of the Company’s Shares that has exercised such option thereby converting from an option holder to a Shareholder;

“Defaulter” has the meaning set out in Article 9.7;

“Excluded Shareholder” has the meaning set out in Article 4.1;

“Exercising Investor” means any Investor who exercises its rights to acquire Anti-Dilution Shares in accordance with Article 12.1;

“Experts” has the meaning set out in Article 6.6;

“Family Member” means, in relation to any person, the spouse, parent and every child of that person (including stepchildren and adopted children);

“Family Trusts” means, as regards any particular individual shareholder, a trust or trusts under which no immediate beneficial interest in any of the shares in question is from time to time vested in any person other than that individual and/or Family Members of that individual (and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income from it is or may become liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching to such share are or may become liable to be exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred by the relevant trusts on any person or persons);

“Founder” means Bo Jing;

“Founder Director” means a director appointed by the Founder from time to time in accordance with Article 14.5,

“Fund” means OxSciences, ARCH, Section 32 and any fund, partnership, company, syndicate or other entity whose principal business is to make investments and whose business is managed by a Fund Manager;

“Fund Manager” means a person whose principal business is to make, manage or advise upon investments;

“Good Leaver” means any Leaver who is not a Bad Leaver;

“Group” means the Company and any subsidiary or subsidiaries (if any) of the Company from time to time and **“Group Company”** shall be construed accordingly;

“Group Company Interest” has the meaning set out in Article 17.4;

“Independent Directors” means the directors appointed by the Board from time to time in accordance with Article 14.8;

“Investor” has the same meaning as in the Investment Agreement;

“Investor Director” the Adanac Director, the OxSciences Director and the Series B Directors, in each case, if appointed;

“Investor Majority” means the holders of at least a majority of the Preferred Shares from time to time;

“Investor Majority Consent” means the consent of the Investor Majority;

“Investment Agreement” the investment agreement entered into on or around the date of adoption of these Articles between (1) the Company, (2) the Founder and (3) the Investors (as defined therein);

“IPO” the admission of all or any of the Shares or securities representing those shares (including without limitation depositary interests, American depositary receipts, American depositary shares and/or other instruments) on NASDAQ or on the Official List of the United Kingdom Listing Authority or on the AIM Market operated by the London Stock Exchange Pic or any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000);

“Issue Price” means the price at which the relevant Share is issued, including any premium, provided that the Issue Price of any Anti-Dilution Shares shall be deemed to be nominal value;

“Leaver Associates” means: any person holding shares acquired directly or indirectly from a Leaver pursuant to Article 11;

“Leaver” has the meaning set out in Article 7.2;

“Leaver Completion Date” has the meaning set out in Article 7.3.3;

“Leaver Offerees” has the meaning set out in Article 7.2;

“Leaver’s Shares” has the meaning set out in Article 7.2;

“Member of the University Group” means the University, its subsidiaries, any colleges of the University and any Fund in respect of which the University or any of its subsidiaries or any of the colleges of the University acts as a partner, investor, shareholder, adviser, manager, trustee or unit holder but, for the avoidance of doubt, excluding OxSciences;

“Member of the OTIF Group” means (a) OTIF, OIC and their successors or assigns; (b) any person or entity advised or managed or introduced by OIC in respect of an investment in the Company; and (c) any Permitted Transferee, as defined in the Articles, of the aforementioned;

“Model Articles” means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (*SI 2008/3229*) as amended prior to the date of adoption of these Articles;

“New Securities” means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the date of adoption of these Articles (other than shares or securities issued as a result of the events set out in Article 4.10);

“Nominated Person” has the meaning set out in Article 6.14;

“Nomination Period” has the meaning set out in Article 6.12;

“Offerees” has the meaning set out in Article 4.2;

“Offer Period” has the meaning set out in Article 6.10;

“Offer Price” has the meaning set out in Article 6.5;

“OIC” means Oxford Investment Consultants LLP, a limited liability partnership registered in England and Wales with a registration number OC396783 whose registered office is at 6 Grosvenor Street, London, England, W1K 4PZ, and any successor to any material part of the business of such entity;

“Ordinary Shares” means the ordinary shares of £0.00001 each in the capital of the Company;

“OTIF” means Oxford Technology and Innovations EIS Fund, acting by its Investment Manager Oxford Investment Consultants LLP or any successor in such capacity;

“OxSciences” Oxford Science Enterprises Plc registered in England and Wales with registration number 09093331;

“OxSciences Director” means a director appointed by OxSciences from time to time in accordance with Article 14.4;

“Permitted Transferee” means, in respect of any person, a person to whom the first person is permitted to transfer shares pursuant to Article 11;

“Person” is construed as including (inter alia) any individual, firm, company, trust, partnership or any other entity, and includes its successors, permitted assignees and transferees and, where a person ceases to exist, any other person to whom some or all of its duties, liabilities, obligations or responsibilities are transferred;

“Preferred Shares” means the Series A Shares and the Series B Shares;

“Preferred Shareholder” means the holders of the Preferred Shares;

“Proceeds Of Sale” means the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those Shareholders selling (or otherwise transferring) Shares under a Share Sale;

“Proportionate Entitlement” has the meaning set out in Article 6.10;

“Proposing Transferor” has the meaning set out in Articles 6.1 and 6.4;

“Purchaser” has the meaning set out in Article 9.2;

“Purchasing Shareholder” has the meaning set out in Article 6.11.1;

“Qualifying IPO” means an a firm commitment underwritten IPO in which the net aggregate subscription amount in respect of new Ordinary Shares issued at the time of the IPO is not less than €50,000,000 (net of underwriting discounts and commissions) at an issue price per Ordinary Share of at least \$1.4486 (subject to appropriate adjustment following any Bonus Issue or Reorganisation);

“Recipient Shareholders” has the meaning set out in Article 9.3;

“Relevant Shares” means (so far as they remain held by the Permitted Transferee) the shares originally transferred to a Permitted Transferee pursuant to Article 11 and any additional shares either issued to such Permitted Transferee by way of capitalisation of reserves or acquired by such Permitted Transferee in exercise of any right or option granted or arising by virtue of the holding of such shares or additional shares or any of them or the membership conferred by them;

“Section 32” means Section 32 GP 4, LLC;

“Series A Shares” means the series A shares of £0.00001 each in the capital of the Company;

“Series B Director” means a director appointed from time to time in accordance with Articles 14.6 and 14.7;

“Series B Shares” means the series B shares of £0.00001 each in the capital of the Company;

“Share Option Plan(s)” means the share option plan(s) of the Company in place from time to time;

“Share Sale” means the sale or transfer of any Shares (in one transaction or as a series of transactions) which will result in the acquirer of those shares and persons acting in concert (within the meaning of the City Code on Takeovers and Mergers in force from time to time) with him together acquiring a direct or indirect Controlling Interest in the Company;

“Shares” means the Ordinary Shares, the Series A Shares and the Series B Shares from time to time;

“Shareholder” means any holder of any Shares (and includes joint holders);

“Shareholders’ Agreement” means any agreement, by whatever name called, in effect from time to time between the Company and any shareholders holding a Controlling Interest that relates in whole or in part to the conduct of the Company’s affairs;

“Shareholders’ Special Consent” means the written consent, direction or agreement (which may be given by several instruments in the like form and may be subject to terms and conditions) of shareholders holding not less than 75 per cent by number in nominal value of the issued ordinary share capital of the Company at the time the consent is given or the agreement made;

“Starting Price” means \$0.2869 (if applicable, adjusted as referred to in Article 12.3);

“Transferee Company” means a company from time to time holding shares in consequence of a transfer or series of transfers of shares between Associated Companies (the relevant Transferor Company in the case of a series of transfers being the first transferor in that series);

“Transfer Notice” has the meaning set out in Article 6.3;

“Transferor Company” means a company (other than a Transferee Company) that has transferred shares to an Associated Company;

“Transfer Shares” has the meaning set out in Article 6.1;

“Transmittee” means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law, and

“University” means The Chancellor, Masters and Scholars of the University of Oxford.

21.2 **Interpretation.** In these Articles, where the context admits and unless specified to the contrary:

21.2.1 words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles;

21.2.2 the provisions of section 252 of the Act shall determine whether a person is connected with a director;

21.2.3 a reference to an **“Article”** is a reference to the relevant article of these Articles unless expressly provided otherwise;

21.2.4 words and expressions defined in any part of these Articles have the same meanings throughout these Articles;

21.2.5 a reference to the issue of a share includes the allotment of a share;

21.2.6 use of the singular is deemed to include the plural, use of any gender is deemed to include every gender and any reference to a person is deemed to include a corporation, a partnership and other body or entity; and (in each case) vice versa;

21.2.7 references to the **“directors”** means, unless the context otherwise requires, the directors of the Company acting as a board or the directors of the Company present or deemed to be present at a duly convened board meeting at which a quorum is present;

21.2.8 a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of (i) any subordinate legislation from time to time made under it and (ii) any amendment or re-enactment, and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts;

21.2.9 in relation to any shareholder, references to any English legal term for any action, remedy, method of judicial proceeding, insolvency proceeding, event of incapacity, legal status, court, governmental or administrative authority or agency, official or any legal concept, practice or principle or thing shall in respect of any jurisdiction other than England where that shareholder is domiciled, resident, incorporated or carries on business be deemed to include what most approximates in that jurisdiction to the English legal term concerned; and

21.2.10 the headings shall not affect the interpretation of these Articles.