UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form 10-K/A
Amendment No. 2

(Mark One) ☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**
For the fiscal year ended December 31, 2013

☐ **TRANSITION REPORTS PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**
For the transition period from to

Commission File Number: 333-178082
XENETIC BIOSCIENCES, INC.
(Exact name of registrant as specified in its charter)

Nevada	**45-2952962**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

99 Hayden Ave, Suite 230
Lexington, Massachusetts 02421
(Address of principal executive offices and zip code)

781-778-7720
(Registrant's telephone number, including area code)

Title of Each Class	**Name of Each Exchange on Which Registered**
None	**None**

Securities registered pursuant to Section 12(b) of the Act:
None
Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well known seasoned issuer, as defined in Rule 405 of the Securities Act: Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act: Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days): Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files): Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K: Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer (Do not check if a smaller reporting company)	☐	Smaller reporting company	☒

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2): Yes ☐¨ No ☒

The approximate aggregate market value of voting common stock held by non-affiliates of the registrant, based upon the last sale price of the registrant's common stock on the last business day of the registrant's most recently completed second fiscal quarter June 30, 2013 (based upon the shares of common stock at the closing sale price of the registrant's common stock listed as reported on the OTC Bulletin Board), was approximately $700,000. Note, however, that this was prior to the Acquisition described herein.
As of April 15, 2015 the number of outstanding shares of the registrant's common stock was 146,740,692.

DOCUMENTS INCORPORATED BY REFERENCE

The registrant intends to file a proxy statement pursuant to Regulation 14A or a Form 10-K/A, not later than 120 days after the close of the fiscal year ended December 31, 2013. Portions of such proxy statement or Form 10-K/A are incorporated by reference into Part III of this

Annual Report on Form 10-K.

EXPLANATORY NOTE

The Registrant is filing this Amendment No. 2 on Form 10-K/A ("Form 10-K/A") to its Annual Report on Form 10-K for the fiscal year ended December 31, 2013 ("Form 10-K" as further amended in Amendment No. 1 on Form 10-K/A ("Amendment No. 1") to adjust the redactions previously included on Exhibits 10.1 through 10.4, Exhibits 10.08 through 10.21, and Exhibit 10.23 .

Except as described above, there have been no other changes to the Annual Report filed on Form 10-K filed with the SEC on April 15, 2014 and Amendment No. 1 filed with the SEC on April 30, 2014. This Form 10-K/A does not purport to reflect any information or events subsequent to the filing thereof. As such, this Form 10-K/A speaks only as of the date the Form 10-K was filed, and the Registrant has not undertaken herein to amend, supplement or update any information contained in the Form 10-K to give effect to any subsequent events. Accordingly, this Form 10-K/A should be read in conjunction with the Form 10-K.

Unless otherwise noted, all historical information presented in this Form 10-K/A reflects the operations of Xenetic Biosciences plc ("Xenetic UK"), the accounting acquirer of Xenetic Biosciences, Inc. (the "Company") in a reverse acquisition transaction that was completed on January 23, 2014 (the "Acquisition").

PART IV

ITEM 15 – EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(b) **Exhibits:** The attached list of exhibits in the "Exhibit Index" immediately preceding the exhibits to this Annual Report on Form 10-K is incorporated herein by reference in response to this item.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

XENETIC BIOSCIENCES, INC.

February 18, 2015

By: /s/ Michael Scott Maguire
Michael Scott Maguire
Chief Executive Officer and President

POWER OF ATTORNEY AND SIGNATURES

We, the undersigned officers and directors of Xenetic Biosciences, Inc., hereby severally constitute and appoint Michael Scott Maguire and Colin William Hill, and each of them singly, our true and lawful attorneys, with full power to them and each of them singly, to sign for us in our names in the capacities indicated below, all amendments to this report, and generally to do all things in our names and on our behalf in such capacities to enable Xenetic Biosciences, Inc. to comply with the provisions of the Securities Exchange Act of 1934, as amended, and all requirements of the Securities and Exchange Commission.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated below on the 18th day of February, 2015.

Signature	Title(s)
/s/ Michael Scott Maguire Michael Scott Maguire	President, Chief Executive Officer and Director (Principal Executive Officer)
/s/ Colin William Hill Colin William Hill	Chief Financial Officer (Principal Financial and Accounting Officer)
/s/ Firdaus Jal Dastoor FCS Firdaus Jal Dastoor FCS	Director
/s/ Artur Isaev Artur Isaev	Director
/s/ Dr. Timothy R. Coté Dr. Timothy R. Coté	Director
/s/ Darlene Deptula-Hicks Darlene Deptula-Hicks	Director
/s/ Mark Leuchtenberger Mark Leuchtenberger	Director
/s/ Roman Knyazev Roman Knyazev	Director

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
3.1	Articles of Incorporation (1)
3.2	Certificate of Amendment to Articles of Incorporation (2)
3.3	Certificate of Amendment to Articles of Incorporation (3)
3.4	Bylaws (1)
9.1	Scheme of Arrangement (including the Equivalent Document) (4)
9.2	Announcement of Recommended Offer for shares of Xenetic Biosciences plc (5)
9.3	Agreement of Conveyance, Transfer and Assignment of Subsidiaries and Assumption of Obligations (6)
10.1 *	Employment Agreement, dated November 3, 2009, between Lipoxen plc and Michael Scott Maguire **
10.2 *	Employment Agreement, dated July 2, 2007, between Lipoxen plc and Colin W. Hill **
10.3 *	Form of Lease for Ledgemont Research Center, Lexington, Massachusetts dated August 1, 2013 between One Ledgemont LLC and Xenetic Bioscience, Incorporated
10.4 *	Form of Lease relating to 3rd Floor Rear, Greener House, 68 Haymarket, London SW1 dated March 20, 2012 between Her Majesty the Queen, The Crown Estate Commissioners and Xenetic Biosciences plc
10.5	Form of Rules of the Lipoxen plc Unapproved Share Option Plan dated July 18, 2000 (as amended by a resolution of the board of directors of Lipoxen plc passed on March 14, 2006) (7)
10.6	Form of Xenetic Biosciences plc 2007 Share Option Scheme and US Addendum (as established in 2007 and by resolution of shareholders in 2010 and awarded by board resolution in 2012) (7)
10.7	Form of Xenetic Biosciences, Inc. Equity Incentive Plan, effective January 23, 2014 (7)
10.8 *	Stock Purchase Agreement, dated January 29, 2014, between Xenetic Biosciences, Inc. and Baxter Healthcare SA
10.9 *	Stock Purchase Agreement Amendment, dated February 14, 2014, between Xenetic Biosciences, Inc. and Baxter Healthcare SA
10.10 *	Exclusive Research, Development and License Agreement, dated August 15, 2005, between Lipoxen Technologies Ltd and Baxter Healthcare SA and Baxter Healthcare Corporation
10.11 *	Letter Agreement, dated December 11, 2006, between Lipoxen Technologies Ltd, Baxter Healthcare SA and Baxter Healthcare Corporation and Serum Institute of India Limited
10.12 *	Amendment to the Exclusive Research, Development and License Agreement, dated December 13, 2006, between Lipoxen Technologies Ltd and Baxter Healthcare SA and Baxter Healthcare Corporation
10.13 *	Second Amendment to the Exclusive Research, Development and License Agreement, dated May 28, 2009, between Lipoxen Technologies Ltd and Baxter Healthcare SA and Baxter Healthcare Corporation
10.14 *	Amendment Number Four to the Exclusive Research, Development and License Agreement, dated August 10, 2010, between Lipoxen Technologies Ltd and Baxter Healthcare SA and Baxter Healthcare Corporation
10.15 *	Amendment Number Five to the Exclusive Research, Development and License Agreement, dated September 15, 2010, between Lipoxen Technologies Ltd and Baxter Healthcare SA and Baxter Healthcare Corporation
10.16 *	Form of Sixth Amendment to the Exclusive Research, Development and License Agreement, dated January 29, 2014, between Lipoxen Technologies Ltd and Baxter Healthcare SA and Baxter Healthcare Corporation
10.17	Novotech Master Clinical Research Services Agreement, dated February 6, 2013 (7)
10.18 *	Agreement on Co-Development and the Terms of Exclusive License dated August 4, 2011 between Lipoxen plc and SynBio LLC
10.19 *	Subscription Agreement in respect of ordinary shares in the capital of Lipoxen plc dated August 4, 2011 between SynBio LLC and Lipoxen plc
10.20 *	Collaboration, License and Development Agreement, dated November 11, 2009, between OJSC Pharmsynthez and Lipoxen Technologies Ltd
10.21 *	Exclusive Patent and Know How License and Manufacturing Agreement, dated August 4, 2011, between Lipoxen plc, Lipoxen Technologies Ltd and Serum Institute of India Limited
10.22	Director Appointment Agreement, dated January 23, 2014, between SynBio LLC and Xenetic Biosciences, Inc. (7)
10.23 *	Form of Employment Agreement, dated April 30, 2012, between Xenetic Bioscience, Incorporated and Dr. Henry Hoppe IV.
31.1 *	Certification of Michael Scott Maguire, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2 *	Certification of Colin W. Hill, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1 *	Certifications of Michael Scott Maguire, Chief Executive Officer, and Colin William Hill, Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(1) Incorporated by reference to Registration Statement on Form S-1 filed November 21, 2011
(2) Incorporated by reference to Current Report on Form 8-K filed February 12, 2013
(3) Incorporated by reference to Current Report on Form 8-K filed February 27, 2013
(4) Incorporated by reference to Current Report on Form 8-K filed November 25, 2013
(5) Incorporated by reference to Current Report on Form 8-K filed November 13, 2013
(6) Incorporated by reference to Annual Report on Form 10-K filed November 27, 2013
(7) Incorporated by reference to Annual Report on Form 10-K filed April 15, 2014
* Exhibit filed with this report
** Management contract or compensatory plan

Exhibit 10.1

Portions of this exhibit, indicated by the mark "[***]," have been redacted pursuant to a confidential treatment request.

DATED: 3 November 2009

(1) LIPOXEN PLC

- and -

(2) MICHAEL SCOTT MAGUIRE

SERVICE AGREEMENT

THIS AGREEMENT is made the 3rd day of Nov 2009

BETWEEN:

(1) **LIPOXEN PLC** a company registered under the laws of England whose registered office is at London Bioscience Innovation Centre, 2 Royal College Street, London, NW1 2NH ("the Company")

(2) **MICHAEL SCOTT MAGUIRE** of [***] (the "Executive)

IT IS HEREBY AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 In this Agreement the following words and expressions shall, except where the context requires otherwise, have the following meanings:

"**Admission Date**" means the date of the Listing;

"**AIM**" means the Alternative Investment Market of London Stock Exchange plc (or a successor thereof);

"**Associated Company**" means in relation to the Company, another company which is a subsidiary or subsidiary undertaking of, or a holding company or parent undertaking of, or another subsidiary or subsidiary undertaking of a holding company or parent undertaking of, the Company. "**subsidiary**" "**subsidiary undertaking**" "**holding company**" and "**parent undertaking**" means the meanings respectively ascribed thereto by sections 736 and 7i6A of the Companies Act 1985 (as amended);

"**Board**" means the Board of Directors from time to time of the Company and any duly appointed committee of the Board;

"**Business**" means the carrying on of the business of biotechnology research, development and marketing of polysialylation drug delivery products and any and all other business or management services in which the Company or any Associated Company shall be engaged, concerned or interested from time to time and ip which the Executive was involved or had contact and dealings during the course of this Agreement;

"**Business Day**" means any day other than a Saturday or Sunday when banks are ordinarily open for business in the United Kingdom;

"**Confidential Business Information**" means any information of a confidential or secret nature (including without limitation customer accounts, global and regional operations, investment strategies and projects, trade secrets, inventions, designs, formulae, financial information, technical information, marketing information, and lists of customers) whether or not recorded in documentary form or on computer disc or tape;

"**Customer**" means any person, firm, company or other organisation whatsoever to whom the Company or any Associated Company has supplied Business;

"**employment**" means the Executive's employment under this Agreement or, as the context requires, its duration;

"**ERA 1996**" means Employment Rights Act 1996;

"**External Advisor**" means any consultant or other advisor engaged by the Company to assist in the identification and negotiation of Fundraising but which for the avoidance of doubt shall not include the Company's solicitors and auditors from time to time;

"**Group**" means the Company and each Associated Company (if any);

"**Incapacity**" means any illness, accident or other like cause which prevents the Executive from performing his duties hereunder;

"**Intellectual Property**" means, without limitation, copyright material, inventions, designs (whether registrable or not), processes, products, formulae, notations, improvements, know-how, goodwill, reputation, moulds, get-up, logos, devices, plans, models, literary material, computer codes, studies, data, charts, specifications, computer firmware and software, any work consisting of a computer programme or work generated by a computer, pre-contractual and contractual documents and all drafts of the above works and materials and materials and working papers relating to such works and materials;

"**Intellectual Property Rights**" means patents, registered and unregistered design rights, trademarks, service marks, trade names, goodwill, copyrights, moral rights, database rights and all other intellectual property rights (in each case in any part of the world and whether or not registered or registrable and to the fullest extent thereof and for the full period thereof and all extensions and renewals thereof) and all applications for registration thereof;

"**Listing**" means the admission to trading of the entire issued share capital of the Company on AIM;

"**Production**" means (and consonant expressions) used in relation to Relevant Intellectual Property includes the invention, creation, conception, improvement, discovery, design. research, development and manufacture thereof,

"**the Regulations**" means Working Time Regulations 1998:

"**Relevant Intellectual Property**" means all Intellectual Property produced invented, created, conceived or discovered by the Executive either alone or with any other person at any time now or hereafter during the continuance in force of this Agreement (whether or not in the course of his employment) which is Intellectual Property of the kind produced at any

such time by the Company or any Associated Company, or relates directly or indirectly to the Business or which may in the reasonable opinion of the Company be capable of being used or adapted for use therein or in connection therewith;

"**Restricted Territory**" means any area or country in which the Company or Associated Company shall carry on Business;

"**Termination Date**" means the date on which this Agreement ends.

1.2 References in this Agreement and in any schedules to statutes shall include any statute modifying, re-enacting, extending or made pursuant to the same or which is modified, reenacted, or extended by the same.

1.3 Headings are for ease of reference only and shall not be taken into account in the construction of this Agreement.

1.4 Any reference to the Executive shall, if appropriate, include his personal representatives.

1.5 Any reference in this Agreement to a clause or sub-clause is to the relevant clause or sub-clause of this Agreement.

1.6 Any schedules to this Agreement form an integral part thereof and any reference to this Agreement includes a reference to such schedules.

1.7 Nothing in this Agreement shall prohibit the Executive from making a protected disclosure under the Public Interest Disclosure Act 1998.

2 STATUTORY PARTICULARS OF EMPLOYMENT

This Agreement contains the statutory particulars of employment required by section I of the ERA 1996. There are no collective agreements in force which directly affect the terms and conditions of the Executive's employment.

3 APPOINTMENT

The Company appoints the Executive as Chief Executive Officer (or in such other capacity as the parties may agree) pursuant to Clause 6, subject to the completion of the acquisition of the entire issued share capital of Lipoxen Technologies Limited and Listing, such appointment will be deemed to take effect on the Admission Date.

4 PLACE OF WORK

The Executive shall perform his duties at the Company's corporate HQ office in London or such other place as the Executive and the Company may agree, including at a location operated by an Associated Company (provided that such location is at a reasonable proximity to London). The Executive may be required to travel within and outside the United Kingdom for the purpose of carrying out his duties under this Agreement.

5 TERM

5.1 The Executive's employment shall be deemed to commence on the Admission Date ("the Commencement Date") and shall continue thereafter unless and until terminated by either party giving to the other not less than twelve months' prior notice in writing.

5.2 The Executive's continuous employment with the Company began on 19 March 2004.

6 POWERS, DUTIES AND WORKING HOURS

6.1 During the continuance of the Executive's employment the Executive shall:

(a) be flexible in his approach to work because of the nature of the Company's business demands. The Executive shall carry out such duties and exercise such powers to manage and promote the interests of the Business of the Company or Group as may from time to time be vested, authorised, and delegated to him and at such place as determined by the Company in accordance with Clause 4;

(b) take all responsibility for the overall commercial development of the Company including in the areas of licensing and strategic transactions. The Executive will also take responsibility of fundraising activities for the Company;

(c) subject to clause 16 (including for the avoidance of doubt the Executive's other business interests referred to in Schedule A to the extent they are permitted by clause 16) devote 35 hours per week, plus such additional time as is necessary for the proper performance of his duties as Chief Executive Officer, to carrying out his duties hereunder and give the full benefit of his knowledge and skill to the Company and any Associated Company;

(d) carry out his duties in a proper, diligent, faithful and efficient manner and use his best endeavours to promote and maintain the interests and reputation of the Group;

(e) report directly to the Board and comply with all reasonable directions given to him by the Board and, acting reasonably, keep the Board promptly and fully informed (in writing if requested) of the conduct of the Business or affairs of the Group and provide such explanations and information as the Board may require in connection with such Business or affairs;

(f) at all times comply with all rules and regulations of the Company which are consistent with this Agreement;

(g) refrain from making statements about the Group which he knows to be false or misleading;

(h) work such hours as may be necessary or appropriate from time to time in order for the Executive properly and effectively to carry out his duties. Both parties agree that the Executive is regarded as a "managing executive" for the purposes of the Regulations. In any event, the Executive accepts that by signing this Agreement, he has agreed that regulation 4 (i) of the Regulations shall not apply. The Executive accepts that such opt-out will be for an indefinite period but may be terminated by the Executive giving three months' written notice of termination of the opt-out to the Company at any time.

(i) The Company may from time to time appoint any other person to act on the Executive's behalf in the event that the Executive cannot perform his duties under this Agreement due to Incapacity.

7 REMUNERATION

7.1 The Executive shall be paid a basic salary at the rate of £300,000 per annum, effective 1 January 2009, (inclusive of any director's fees payable as director of the Company or any Associated Company).

7.2 The Executive's salary and compensation shall be reviewed from time to time by the Remuneration Committee (such that the Executive's salary and remuneration package shall be adjusted so as to be competitive with remuneration packages for Chief Executive Officers of comparable companies in the pharmaceutical/biotechnology sector listed on AIM) without any obligation to increase. For the avoidance of doubt, remuneration shall not be reduced without the prior written consent of the Executive.

7.3 Subject to clause 7.4, such salary referred to in clause 7.1 (or as adjusted pursuant to review referred to in clause 7.2) shall accrue from day to day and will be paid each month in arrears on or about the last day of the month. The Executive will be provided with a payslip each month.

7.4 The Executive will, with effect from the Date of Admission, be granted an option over 6.75% of the enlarged issued share capital of the Company, which options shall be exercisable in accordance with the rules of the terms the deed attached at Schedule B under which they are granted. These terms will confirm that the Executive will bear all PAYE and Employee's National Insurance Contributions arising from the exercise of those options and that he will keep the Company fully and effectively indemnified in respect of any such liability.

7.5 The Executive will be eligible to participate in the Company's bonus and share option schemes, from time to time in force.

8 EXPENSES

8.1 The Company shall reimburse to the Executive all reasonable travelling, hotel, entertainment, telephone/mobile phone and other out-of-pocket expenses properly incurred by him in the proper performance of his duties

subject to the prior approval of the Financial Controller and the production of monthly statements of such expenses including, where relevant, the appropriate VAT invoices and such other evidence as the Company may require. The Executive shall be repaid within 5 Business Days from the submission of his request for reimbursement of any expenses.

9 DEDUCTIONS

The Company reserves the right to deduct from the Executive's salary, bonus or any payments due to the Executive on the termination of this Agreement or any other sums due to the Executive any sums which the Executive owes the Company including any overpayments or loans made to the Executive by the Company.

10 PENSION AND OTHER BENEFITS

10.1 Subject to (a) the provisions of section 638 of the Income and Corporation Taxes Act 1988 and (b) the payment by the Executive of a sum equal to four per cent of the Executive's then current salary in each year of his employment into the same, the Company shall pay a sum equal to eight per cent of the Executive's then current salary in each year of his employment (with a pro rata payment in respect of part of the year) to a personal pension scheme which has been established by the Company for his benefit or into such other personal pension scheme as the Executive may direct. There is no contracting out certificate in force in respect of the Executive's employment

10.2 The payments referred to in clause 10.1 will be made monthly.

10.3 During the continuance of the Executive's employment the Company shall effect insurance policies and shall pay all premiums due hereon in respect of the life of the Executive which shall be insured in the sum equivalent to four times the Executive's salary from time to time, to enure for the benefit of the Executive's estate and successors.

10.4 The Executive and the members of his household will be eligible for inclusion in the Company's private medical scheme. If the Executive elects to join it the Company will pay the subscription for the Executive personally at the normal level selected for directors of the Company. The Executive may elect to have cover provided for members of his household. The Executive will be required to pay all additional subscriptions, which the Company will recover by monthly deductions from the Executive's salary.

10.5 The Executive will be covered by the Company's permanent health insurance scheme.

10.6 The Executive shall be entitled to be reimbursed for all reasonable expenses incurred in the preparation and filing of his annual tax return with the United States Internal Revenue Service, provided that any amount over £3,500 (plus VAT) per annum must first be approved in writing by the Company's financial controller or chief financial officer from time to time. For the avoidance of doubt, nothing in this clause shall oblige the

Company to reimburse to the Executive any sum in respect of taxation actually paid or payable to the Unites States Internal Revenue Service or other taxation authority in the United States.

10.7 All of the benefits referred to in this clause 10 shall commence with effect from, and shall not be payable until, the earlier of a Listing, Business Sale or Private Round.

11 HOLIDAYS

11.1 The Company's holiday year runs from 1st January to 31st December ("Holiday Year"). In addition to statutory holidays the Executive shall be entitled in every Holiday Year from the Commencement Date until the earlier of a Listing, Business Sale or Private Round to 25 working days' paid holiday (which shall accrue pro rata). The Executive shall not be entitled to carry forward any unused part of his holiday to the next Holiday Year which holiday entitlement shall be paid in full.

11.2 For the Holiday Year during which the Executive's employment commences or terminates the Executive's holiday entitlement shall accrue on a pro rata basis proportional to the number of days worked during that Holiday Year. On the termination of the Executive's employment, the Executive shall be entitled to pay in lieu of outstanding holiday.

11.3 Holiday pay shall be calculated in accordance with the Executive's basic salary as specified in Clause 7.1 (or any subsequent amendment to that clause).

11.4 Regulations 15(1) to 15(4) (dates on which leave is taken) of the Regulations shall not apply to the Executive's employment.

12 INCAPACITY

12.1 If the Executive is absent from work due to Incapacity he shall notify the Financial Controller as soon as possible about the nature of his illness and how long he is likely to be absent. If the Incapacity continues for seven or more consecutive days the Executive shall provide a medical practitioner's statement on the eighth day and weekly thereafter. Immediately following the Executive's return to work after a period of absence the Executive shall complete a self-certification form which shall be made available by the Company.

12.2 If the Executive is absent from work due to Incapacity duly notified and certified in accordance with Clause 12.1 the Company shall pay the Executive his full remuneration for up to an aggregate of 30 working days absence in any period of 12 months and thereafter such remuneration (if any) as the Board shall in its absolute discretion approve.

12.3 If the Incapacity shall be occasioned by a third party in respect of which damages are recoverable the Executive shall immediately notify the Board of that fact and of any settlement or judgment made in connection with it and shall give to the Board such particulars and all payments made to the

Executive by the Company by way of salary (including any bonus or commission) or sick pay shall to the extent that damages for loss of earnings are recoverable from that third party constitute loans from the Company to the Executive (notwithstanding that as an interim measure income tax and national insurance has been deducted from payments as if they were emoluments of employment) and shall be repaid to the Company when and to the extent that the Executive recovers damages for loss of earnings.

12.4 The remuneration paid under Clause 12.2 shall include any statutory sick pay payable and when this is exhausted shall be reduced by the amount of any state benefits (including state sickness benefit and invalidity benefit) and other benefits recoverable by the Executive (whether or not recovered).

12.5 The Company reserves the right to terminate the Executive’s employment if he is absent from work by reason of Incapacity for a total of 31 working days in an aggregate period of 12 months or becomes of unsound mind or become a patient under the Mental Health Act 1983.

13 CONFIDENTIAL INFORMATION

13.1 The Executive acknowledges that:

(a) the Company and any Associated Company possesses a valuable body of Confidential Business Information;

(b) the Company and any Associated Company will give the Executive access to Confidential Business Information in order that the Executive may carry out his duties;

(c) either during the course of the Executive’s employment or on leaving the employment of the Company, if the Executive were to disclose any Confidential Business Information to an actual or potential competitor of the Company or any Associated Company or any third party, it would cause a serious competitive disadvantage and immeasurable financial and other damage to the Company or any Associated Company.

13.2 The Executive shall during the continuance of his employment and at all times thereafter keep with inviolable secrecy and shall not reveal, make use of, disclose or publish to any person other than the Board or persons nominated by them, or otherwise utilise other than for the proper performance of the Executive’s duties,

(a) any Confidential Business Information of the Company or of any Associated Company; or

(b) any Confidential Business Information of any third party (including suppliers, agents. distributors or Customers) which the Company is obliged to maintain as confidential

of which the Executive may now know or have learned or which the Executive may hereafter know or learn while in the Company’s employment.

14 INTELLECTUAL PROPERTY

14.1 All Relevant Intellectual Property and all Intellectual Property Rights therein shall to the fullest extent permitted by law and statute belong to, vest in and be the absolute, sole and unencumbered property of the Company or an Associated Company immediately on its coming into existence and the Company or any Associated Company shall be entitled, free of charge, to the exclusive use thereof.

14.2 The Executive hereby:

(a) acknowledges for the purposes of Section 39, Patents Act 1977 that because of the nature of his duties and the particular responsibilities arising from the nature of his duties he has and at all times during his employment will have a special obligation to further the interests of the Business (for the avoidance of doubt limited to the scope of his duties set out in clause 6) and undertakings of the Company and of any Associated Company;

(b) undertakes to notify and disclose to the Company in writing all Relevant Intellectual Property forthwith upon the Production of the same and to keep secret and confidential (before or after termination of the Executive's employment) such Relevant Intellectual Property, and promptly whenever requested by the Company and in any event upon the termination of his employment deliver up to the Company all correspondence and other documents, papers and records, and all copies thereof in his possession, custody and power relating to any Relevant Intellectual Property and the Executive shall sign a declaration of compliance with the terms of this Clause 15.2.2;

(c) undertakes to hold upon trust for the benefit of the Company or any Associated Company any Relevant Intellectual Property and the Intellectual Property Rights therein to the extent the same may not be and until the same are vested absolutely in the Company or any Associated Company;

(d) assigns by way of future assignment all copyright, design rights and other propriety rights (if any) in all Relevant Intellectual Property;

(e) pursuant to Section 77 and the provisions of Chapter IV of Part 1 of the Copyright, Designs and Patents Act 1988, unconditionally and irrevocably waives his rights to be identified as the author of any of the Relevant Intellectual Property in which copyright subsists ("the Work") including any moral rights to the Work and not to have the Work subjected to derogatory treatment; and this waiver is made expressly in favour of the Company and shall extend to licensees and successors in title to the copyright in the Work;

(f) acknowledges that, save as provided by law, no further remuneration or compensation other than that provided for herein is or may become dice to him in respect of the performance of his obligations under this Clause 15;

(g) undertakes at the expense of the Company to execute all such documents and give such assistance as may reasonably be necessary or desirable to vest in and register or obtain letters or patents in the name of the Company or any Associated Company and otherwise to protect and maintain the Relevant Intellectual Property and the Intellectual Property Rights therein; and

(h) agrees that the Company may, on his behalf, do all such things to vest full right and title to any Relevant Intellectual Property in the Company or as it shall direct and, as regards any third party, the Executive agrees that any such document or act shall be conclusive and binding upon the third party.

14.3 The Executive agrees and understands that rights and obligations under this Clause 15 apply both during the Executive's employment with the Company and after its termination for whatever reason and shall be binding upon the Executive's representatives.

14.4 To the extent that by law any Relevant Intellectual Property or the Intellectual Property Rights therein do not, or are not permitted to, vest in or belong to the Company or any Associated Company the Executive agrees upon the same coming into existence promptly to offer to the Company or any Associated Company in writing a right of first refusal to acquire the same on arm's length terms to be negotiated and agreed between the parties in good faith.

15 RESTRICTIONS DURING EMPLOYMENT

15.1 The Executive shall not during the continuance of his employment without the prior consent in writing of the Board either alone or jointly with or on behalf of others and whether directly or indirectly and whether as principal, partner, agent, shareholder, director, employee, investor or otherwise howsoever engage in, carry on or be interested or concerned in any business other than the Business of the Company or any Associated Company PROVIDED THAT nothing in this Clause 16 shall preclude the Executive from maintaining the Executive's outside business interests and investments set out in Schedule A hereto PROVIDED ALWAYS that:

(a) such business is not at any time in competition with the drug and vaccine delivery business of the Company or any Associated Company; and

(b) such outside interests shall not unduly interfere with the due and proper performance of the Executive's duties hereunder; and

(c) to the extent the execution of the specific projects referred to in Schedule A (other than "Healthcare Capital Partners" and "Proprietary investments on a passive basis for non-competing entities") has not completed by the date which is 12 months following a Listing, then the Executive may continue to pursue the execution of more than three projects only with the prior written consent of the Board which consent shall not be unreasonably withheld or delayed; and

(d) the Executive will disclose forthwith to the Board any involvement or interest by the Executive in the field of biotechnology drug delivery (excluding for the avoidance of doubt medical device drug delivery), or any involvement in any activity which causes or may cause a conflict of interest between the Executive's personal interests and the interests of the Company.

16 SHARE DEALINGS

The Executive shall comply where relevant with every rule of law, every regulation of the UK Listing Authority and/or London Stock Exchange plc and/or AIM or any other market on which the Executive deals and every regulation of the Company in force in relation to dealings in shares, debentures or other securities of the Company or any Associated Company and unpublished price sensitive information affecting the shares, debentures or other securities of any other company, provided always that in relation to overseas dealings the Executive shall also comply with all laws of the state and all regulations of the stock exchange, market or dealing system in which such dealings take place.

17 TERMINATION

17.1 If the Executive;

(a) shall knowingly commit any act of dishonesty relating to the Company, or any Associated Company; or

(b) commits any serious breach or repeats or continues (after warning) any breach of any of his obligations hereunder; or

(c) is guilty of any conduct which in the reasonable opinion of the Company brings the Company or any Associated Company into disrepute; or

(d) shall be prohibited or disqualified by law from holding the office which the Executive holds in the Company or any Associated Company or shall resign from any such office without the prior written consent of the Board; or

(e) is declared bankrupt or enters into any composition or arrangement with or for the benefit of his creditors including a voluntary arrangement under the Insolvency Act 1986; or

(f) is convicted of any arrestable criminal offence (other than an offence under road traffic, health and safety, trade descriptions or environmental legislation for which the Executive is not sentenced to any term of imprisonment whether immediate or suspended)

THEN the Company shall be entitled at its absolute discretion to terminate the Executive’s employment immediately without notice or payment in lieu of notice whereupon the Executive shall have no claim against the Company for damages or otherwise by reason only of such termination.

17.2 Upon the termination of the Executive's employment for whatever reason the Executive agrees that:

(a) during any period of notice, the Board may in its absolute discretion require the Executive to perform only such duties as it may allocate to him which are within the scope of his duties in Clause 6 or not to perform any of his duties or to exclude him from any premises of the Group (without providing any reason therefore) and that the Board may require the Executive to stay away from and have no contact with any employees, officers, customers, clients, agents, trade connections or suppliers of the Group provided always that the Executive's entitlement to salary, Success Fees (if any) and all other sums payable to him pursuant to this Agreement shall continue to be paid and provided to the Executive until his employment is terminated; and

(b) at the request of the Company, immediately resign from all directorships and other offices which he may hold in the Company or in any Associated Company (without claim for compensation only in respect of such resigned directorships or offices); and

(c) at the request of the Company and if applicable, transfer without payment any nominee shares held by the Executive on behalf of the Company and/or any Associated Company to the Company and/or any Associated Company; and in the event of the Executive's failure to do so within seven days of such request the Company may effect such transfers on the Executive's behalf; and

(d) at the request of the Company, immediately deliver to the Company all Relevant Intellectual Property, Confidential Business Information, documents (including copies), keys, credit cards and other property of the Company or any Associated Company in the Executive's possession, save for any confidentiality agreements signed by the Executive which the Executive may retain for a period of 12 months from the Termination Date.

17.3 If notice under Clause 18.2(b) is not received by the Company within seven days of a request by the Company the Executive hereby irrevocably authorises the Company to appoint a person to execute any documents and to do everything necessary to effect such resignation on the Executive's behalf.

17.4 The termination of the Executive's employment for whatever reason shall not affect those provisions of this Agreement which are expressed to or are otherwise intended to have effect thereafter.

17.5 The Company may suspend the Executive for the purpose of investigating any misconduct alleged against the Executive, which if substantiated would give the Company a right to terminate this Agreement pursuant to Clause 18.1

and, during any such period the Executive shall not. Except with the prior consent in writing of the Board, attend at any premises of the Company or any Associated Company or contact any employee, customer or supplier of the Company or any Associated Company. The Company shall be under no obligation to provide any work for the Executive during such period and the Executive shall, at the request of the Company, immediately deliver to the Company all or any of its property.

17.6 Notwithstanding the termination of this Agreement for whatever reason, the Executive will continue to be entitled to all share options which have been granted to him or to which the Executive is or may become entitled notwithstanding any termination of his employment, subject to the terms of any Share Option Agreement(s) entered into or to be entered into between the Executive and the Company (or any Associated Company) pursuant to this Agreement, and the rules of the relevant share option scheme.

17.7 Upon the termination of the Executive's employment, howsoever arising, the Executive shall have no rights as a result of this Agreement or any alleged breach of this Agreement to any compensation under or in respect of any share option or bonus scheme in which he may participate or have received grants or allocations out of before the Termination Date save as expressly provided otherwise in the relevant deed of grant. Any rights which he may have in relation to any share option or bonus shall be exclusively governed by the rules of the relevant scheme or deed of grant.

18 DIRECTORSHIPS

The removal of or failure to re-elect the Executive from or to the office of director of the Company and/or any Associated Company or if under the Articles of Association for the time being of the Company or of any Associated Company the Executive shall be obliged to retire by rotation or by a cessation other than stated under Clause 18.2(b) above shall not be deemed to be a termination by the Company of this Agreement and the terms hereunder shall continue to apply to his term of employment.

19 POST-TERMINATION OBLIGATIONS

19.1 The Executive undertakes to and covenants with the Company that:

(a) the Executive shall not for a period of 6 months after termination of this Agreement directly or indirectly and in any capacity deal with or engage in business with or be in any way interested in or connected with any person, concern, undertaking, firm or body corporate which engages in or carries on any business within any part of the Restricted Territory in competition with the drug and vaccine delivery business as carried on at the date of termination by the Company or any Associated Company and where the Executive would be involved in such competing business in the Restricted Territory; and

(b) the Executive shall not for a period of 6 months after the termination of this Agreement directly or indirectly and in any capacity in competition with the Company or any Associated Company:

(i) solicit the custom of, deal with, or provide goods or services of a like description to any person firm or company who is or was at any time during the period of 12 months prior to the termination of this Agreement a Customer or client of the Company or any Associated Company (whether or not introduced by the Executive) and with whom the Executive had contact or dealings or other involvement on behalf of the Company or any Associated Company during such 12 month period;

(ii) canvas, solicit or approach or cause to be canvassed, solicited or approached any person, firm or company who was negotiating with the Company or any Associated Company with a view to becoming a client, supplier or trade connection of the Company in connection with the drug and vaccine delivery business of the Company during the period of 12 months prior to termination of this Agreement and where the Executive was involved in such negotiations or had knowledge of the same during such 12 month period;

(iii) solicit, interfere with or endeavour to entice away from the Company or any Associated Company any person who is or was employed in a senior capacity or as key personnel or in a sales capacity or director of the Company or any Associated Company (whether or not such person would commit a breach of the terms of his contract of employment by leaving the service of the company concerned) and with whom the Executive had contact or dealings with at any time during the period of 12 months prior to termination of this Agreement or knowingly employ, contract with or assist in or procure the employment or services by any other person, firm or company of any such person; and

(c) the Executive shall not at any time before or after termination of this Agreement interfere with the relations between the Company or any Associated Company and any of its trade connections or suppliers or entice away such trade connections or suppliers; and

(d) the Executive shall not at anytime before or after the termination of this Agreement, induce or seek to induce by any means involving the disclosure or use of Confidential Business Information any customer or client, trade connection or supplier to cease dealing with the Company or any Associated Company or to restrict or vary the terms upon which it deals with the Company or any Associated Company; and

(e) the Executive shall not without the prior authority of the Company remove from the Company's premises copy the contents of any document, computer disc, tape or other tangible item which contains any Confidential Business Information or which belongs to the Company.

19.2 Each of the obligations on the Executive contained in Clause 20.1 constitutes a separate and independent restriction on the Executive notwithstanding that it may be contained in the same sub-clause, paragraph, sentence or phrase.

19.3 If the Company shall exercise its rights in accordance with Clause 18.2(a) the period restrictions under Clause 20.1 shall be reduced by any period of the Executive's exclusion pursuant to Clause 18.2(a).

19.4 If any obligation set out in Clause 20.1 or any part thereof shall be held invalid or unenforceable or void but would not be if some part of it were deleted or modified or varied then such provision shall apply with such deletion, modification or variation as may be necessary to make it valid and effective.

19.5 The Executive agrees that the restrictions at Clause 20.1 are fair and reasonable to protect the legitimate business interests of the Group and agrees that he shall draw the provisions of this Clause 20 to the attention of any third party who may at any time before or after the termination of the Agreement offer to engage the Executive in any capacity and for whom or with whom the Executive intends to work during the period the covenants in this Clause 20 are in force.

20 GRIEVANCE AND DISCIPLINARY PROCEDURE

20.1 The Executive is referred to the disciplinary and appeals procedure normally operated by the Company from time to time which is available from the [Company Secretary].

20.2 There are no special disciplinary rules applicable to the Executive although regard will be had to any Company or Group Company's procedures in place from time to time which will be made available by the Board but which for the avoidance of doubt shall not be incorporated into the Executive's contract of employment by this reference.

20.3 The provisions of the Company's disciplinary and appeals procedure are not contracted upon the Executive or the Company. They are intended merely as guidelines which may be helpful in particular circumstances.

20.4 The Company reserves the right to leave out all or any stages of the disciplinary and appeals procedure where it considers this appropriate.

20.5 The Company reserves the right to change any of the provisions of the disciplinary/appeals procedure (or substituted procedure) where it is considered appropriate.

20.6 If the Executive is dissatisfied with any disciplinary procedure relating to him he should apply in writing to the Board of Directors of the Company within five working days on the date on which he is notified of the disciplinary decision with which he disagrees.

20.7 If the Executive has a grievance relating to his employment he should, in the first instance, speak to one of the executive directors on the Board. If the grievance is not then resolved to his satisfaction, he should refer to the grievance procedure which is available from the [Company Secretary].

20.8 The Company may change any of the provisions of the grievance procedure or of a substituted procedure by amendment, additional deletion or by substitution of the new rules or procedures from time to time at its discretion.

20.9 The provisions of the grievance procedure are not contractually binding upon the Executive or on the Company. They are merely intended as guidelines which may be helpful in particular circumstances.

20.10 The Company reserves the right to suspend the Executive for the purposes of investigating any allegation of misconduct or breach of this Agreement. The period of such suspension shall not normally exceed one month and whilst suspended the Executive shall continue to be entitled to his salary and all other contractual benefits. During any period of suspension pursuant to this clause the Executive shall not, except with the prior written consent of the Chairman of the Board attend any premises of the Company or any Group Company, conduct any business on behalf of the Company or any Group Company or contact any employee or customer of the Company or any Group Company.

21 E-MAIL/INTERNET POLICY

21.1 The Executive shall not send any e-mails of a-defamatory, discriminatory or an abusive nature and shall be prohibited from knowingly accessing or downloading any pornographic or other offensive material and the Executive will indemnify the Company during and after his employment against all liability resulting from the Executive's breach of this Clause 23.

21.2 The Company reserves the right to monitor all e-mail/Internet activity by the Executive and the Executive acknowledges that such a right falls within the exception set out in Article 8(2) of the European Convention on Human Rights.

21.3 A breach of this Clause is misconduct and may result in the termination of the Executive's employment pursuant to Clause 18.1(a).

22 GENERAL

22.1 This Agreement supersedes all other agreements (with the exception of the side letter which details with the agreement reached in relation to the grant and subsequent exercise of the options set out in clause 7.6 above) whether written or oral between the Company or any Associated Company and the Executive relating to the employment of the Executive

including entitlements to equity, share options, shares and bonuses and the Executive agrees that he is not entering into this Agreement in reliance on any representation not expressly set out herein.

22.2 The Executive warrants that by virtue of entering into this Agreement he will not be in breach of any express or implied terms of any contract with, or of any other obligation to, any third party binding upon the Executive and the Company warrants that prior to executing this Agreement all necessary consents and approvals were obtained and all statutory requirements complied with by it.

22.3 If the employment of the Executive under this Agreement is terminated by reason of the liquidation of the Company for the purpose of reconstruction or amalgamation and the Executive is offered employment with any concern or undertaking resulting from the reconstruction or amalgamation on terms and conditions not less favourable than the terms of this Agreement then the Executive shall have the right in his absolute discretion to accept such offer save for any statutory rights the Executive may have, and whether or not the Executive accepts such an offer he shall have no claim against the Company in respect of the termination of his employment.

22.4 This Agreement may be amended only by written agreement between the parties.

22.5 If any provision of this Agreement shall be unenforceable for any reason but would be enforceable if part of it were deleted, then it shall apply with such deletions as may be necessary to make it enforceable.

23 NOTICES

23.1 Any notice or other communication given or made under this Agreement shall be in writing and delivered to the relevant party or sent by first class post to the address of that party specified in this Agreement or such other address in England as may be notified by that party from time to time for this purpose, and shall be effectual notwithstanding any change of address not so notified.

23.2 Unless the contrary shall be proved each such notice or communication shall be deemed to have been given or made, if by first class prepaid post, 48 hours after posting and, if by delivery, at the time of delivery.

24 CHANGES TO TERMS OF EMPLOYMENT

24.1 The Company reserves the right to make reasonable changes to any of the Executive’s terms and conditions of employment with the Executive’s prior written consent.

24.2 The Executive shall be notified in writing about any changes proposed under Clause 26.1.

25 TERMINATION OF OPTION AGREEMENT

The parties hereby acknowledge and confirm that, save for any accrued rights or claims as at the date hereof, the service agreement and option agreement between the Executive and the Company dated 14 April 2004 are hereby terminated with immediate effect.

26 GOVERNING LAW

This Agreement shall be governed by and construed in all respects in accordance with English law and the parties agree to submit to the exclusive jurisdiction of the English Courts or English Employment Tribunals as regards any claim or dispute arising in respect of this Agreement.

27 EXECUTION

This Agreement may be executed in two or more counterparts and the counterparts shall together constitute one agreement provided that each party has executed one or more counterparts.

IN WITNESS WHEREOF this Agreement has been executed as a deed on the date set out above.

EXECUTED as a deed (but not delivered until dated) by **LIPOXEN PLC**)
)
)

acting by: (Director)

(Director)

SIGNED as a deed (but not delivered until dated) by)
MICHAEL SCOTT MAGUIRE
in the presence of:

/s/ Michael Scott Maguire

Signature of Witness: /s/ Veronika Oswald

Name of Witness: Veronika Oswald

Address of Witness: [***]

SCHEDULE A - EXECUTIVE BUSINESS INTERESTS

Healthcare Capital Partners
Project Cape-dialysis
Project Rainbow-diagnostic
Project Fluidity-interventional cardiovascular
Project Alpha-orthopedic implants
Project Nagor-cosmetic surgical applications
Project Crown-pharmaceutical distributor
Proprietary investments on a passive basis for non-competing entities
Renal Services Group (UK).

SCHEDULE B

[***]

November 2005

To: The Directors of Greenchip Investments PLC ("Greenchip")
22 Melton Street
London
NW1 2BW

Dear Sirs

Options over fully-paid ordinary shares in the capital of Greenchip

1. In consideration of your agreement, subject to Admission (as defined in the Deed of Warranty and Undertaking dated [ ] 2005 and made between FDS Associates LP and Greenchip ("Deed of Warranty [***] grant an option to me over [***] immediately following Admission ("the option"), I hereby:

   1.1 agree and undertake not to exercise the Option in whole or in part during the term of the Working Capital Report (as defined in the Deed of Warranty and Undertaking) without the prior written consent of a majority of the directors (other than myself) of Greenchip; and

   1.2 agree and acknowledge that such consent shall be at the absolute discretion (acting reasonably) of a majority of the directors of Greenchip (other than myself) and may be provided only if they are satisfied, in their reasonable opinion and having taken an independent opinion from Greenchip's auditors as to the impact on Greenchip and its subsidiaries' working capital requirements were the Option to be exercised, that Greenchip and its subsidiaries' working capital position for the 12 months following the proposed date of exercise will not be prejudiced thereby.

2. You agree that the consent referred to in paragraph 1.1 above shall not be required to be obtained after 24 months following Admission.

3. In addition, although the Option will be granted under the Rules of the Greenchip Investments PLC Unapproved Share Option Plan dated 18 July 2000 ("the Plan"), you agree that;

   3.1 the price per ordinary share in Greenchip payable on the exercise of the Option shall be 1p;

3.2 subject to paragraphs 1 and 2 above, the Option will only be exercisable 12 months following Admission and thereafter;

3.3 rules 1.2 (from "or, subject" onwards) (continuity as employee), 3.4.4 (date of exercise), 3.4.5 (performance conditions), 4.4 (loss of office), 6 (exercise price), 7 (performance conditions on exercise), 8.6 (good leaving provisions) and 8.7 (other leaving provisions) of the Plan will not apply to me;

3.4 rule 8.2 (timing of exercise of options) will not apply to me but the provisos will still apply to me (other than rule 8.6); and

3.5 rule 14.1 will apply to me save that Greenchip will not require me to:

3.5.1 assume any employer's national insurance liability arising on the exercise of the Option, (in whole or in part); or

3.5.2 make a joint election with it such that I am legally liable for all or part of the employer's national insurance liability arising on the exercise of the Option (in whole or in part)

and for the avoidance of doubt, the interpretation of the definition of Option Tax Liability for the purposes of this deed only shall not include employer's national insurance liability.

4 You agree that the associated Option Certificate and Notice of Exercise will reflect the provisions of paragraphs 1, 2 and 3 above.

Please confirm your acceptance of the terms of this letter by signing the attached copy and returning it to me.

Yours faithfully

SIGNED and delivered as a Deed by)
MICHAEL SCOTT MAGUIRE)
in the presence of:)

Witness Signature:

____

Witness Name:

____

Address:

____

Occupation:

____

Exhibit 10.2

Portions of this exhibit, indicated by the mark "[***]," have been redacted pursuant to a confidential treatment request.

2 July 2007

(1) LIPOXEN PLC

- and -

(2) COLIN HILL

SERVICE AGREEMENT

THIS AGREEMENT is made the 2nd day of July 2007

BETWEEN:

(1) **LIPOXEN PLC** a company registered under the laws of England whose registered office is at 22 Melton Street, London NW1 2BW ("the Company")

(2) **COLIN HILL** of [***] (the "Executive").

IT IS HEREBY AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 In this Agreement the following words and expressions shall, except where the context requires otherwise, have the following meanings:

"**AIM**" means the Alternative Investment Market of London Stock Exchange plc (or a successor thereof);

"**Associated Company**" means in relation to the Company, another company which is a subsidiary or subsidiary undertaking of, or a holding company or parent undertaking of, or another subsidiary or subsidiary undertaking of a holding company or parent undertaking of, the Company. "**subsidiary**" "**subsidiary undertaking**" "**holding company**" and "**parent undertaking**" means the meanings respectively ascribed thereto by sections 736 and 7i6A of the Companies Act 1985 (as amended);

"**Board**" means the Board of Directors from time to time of the Company and any duly appointed committee of the Board;

"**Business**" means the carrying on of the business of biotechnology research, development and marketing of polysialylation drug delivery products and any and all other business or management services in which the Company or any Associated Company shall be engaged, concerned or interested from time to time and ip which the Executive was involved or had contact and dealings during the course of this Agreement;

"**Business Day**" means any day other than a Saturday or Sunday when banks are ordinarily open for business in the United Kingdom;

"**Confidential Business Information**" means any information of a confidential or secret nature (including without limitation customer accounts, global and regional operations, investment strategies and projects, trade secrets, inventions, designs, formulae, financial information, technical information, marketing information, and lists of customers) whether or not recorded in documentary form or on computer disc or tape;

"**Customer**" means any person, firm, company or other organisation whatsoever to whom the Company or any Associated Company has supplied Business;

"**employment**" means the Executive's employment under this Agreement or, as the context requires, its duration;

"**ERA 1996**" means Employment Rights Act 1996;

"**External Advisor**" means any consultant or other advisor engaged by the Company to assist in the identification and negotiation of Fundraising but which for the avoidance of doubt shall not include the Company's solicitors and auditors from time to time;

"**Group**" means the Company and each Associated Company (if any);

"**Incapacity**" means any illness, accident or other like cause which prevents the Executive from performing his duties hereunder;

"**Intellectual Property**" means, without limitation, copyright material, inventions, designs (whether registrable or not), processes, products, formulae, notations, improvements, know-how, goodwill, reputation, moulds, get-up, logos, devices, plans, models, literary material, computer codes, studies, data, charts, specifications, computer firmware and software, any work consisting of a computer programme or work generated by a computer, pre-contractual and contractual documents and all drafts of the above works and materials and materials and working papers relating to such works and materials;

"**Intellectual Property Rights**" means patents, registered and unregistered design rights, trademarks, service marks, trade names, goodwill, copyrights, moral rights, database rights and all other intellectual property rights (in each case in any part of the world and whether or not registered or registrable and to the fullest extent thereof and for the full period thereof and all extensions and renewals thereof) and all applications for registration thereof;

"**Production**" means (and consonant expressions) used in relation to Relevant Intellectual Property includes the invention, creation, conception, improvement, discovery, design, research, development and manufacture thereof,

"**the Regulations**" means Working Time Regulations 1998:

"**Relevant Intellectual Property**" means all Intellectual Property produced invented, created, conceived or discovered by the Executive either alone or with any other person at any time now or hereafter during the continuance in force of this Agreement (whether or not in the course of his employment) which is Intellectual Property of the kind produced at any such time by the Company or any Associated Company, or relates directly or indirectly to the Business or which may in the reasonable opinion of the Company be capable of being used or adapted for use therein or in connection therewith;

"**Termination Date**" means the date on which this Agreement ends.

1.2 References in this Agreement and in any schedules to statutes shall include any statute modifying, re-enacting, extending or made pursuant to the same or which is modified, reenacted, or extended by the same.

1.3 Headings are for ease of reference only and shall not be taken into account in the construction of this Agreement.

1.4 Any reference to the Executive shall, if appropriate, include his personal representatives.

1.5 Any reference in this Agreement to a clause or sub-clause is to the relevant clause or sub-clause of this Agreement.

1.6 Any schedules to this Agreement form an integral part thereof and any reference to this Agreement includes a reference to such schedules.

1.7 Nothing in this Agreement shall prohibit the Executive from making a protected disclosure under the Public Interest Disclosure Act 1998.

2 STATUTORY PARTICULARS OF EMPLOYMENT

This Agreement contains the statutory particulars of employment required by section I of the ERA 1996. There are no collective agreements in force which directly affect the terms and conditions of the Executive's employment.

3 APPOINTMENT

The Company appoints the Executive as Finance Director for the Company pursuant to Clause 6 below.

4 PLACE OF WORK

The Executive shall perform his duties from his home address and, as may be required from time to time, from the Company's office at 2 Royal College Street, London, NW1, or such other place as the Executive and the Company may agree, including at a location operated by an Associated Company (provided that such location is at a reasonable proximity to London). The Executive may be required to travel within and outside the United Kingdom for the purpose of carrying out his duties under this Agreement.

5 TERM

5.1 The Executive's employment commenced on 11 June 2007.

5.2 The Executive's employment shall be for an indefinite period terminable by either party giving to the other not less than 12 months' notice in writing.

5.3 The Executive represents and warrants that he is not bound by or subject to any contract, court order, agreement, arrangement or undertaking which in any way restricts or prohibits him from entering into this Agreement or performing his duties under it.

6 POWERS, DUTIES AND WORKING HOURS

6.1 The Executive is required to work **not less than** 2.5 full time equivalent days per week to be determined by the Executive in a manner consistent with the fulfillment of his duties to the Company and the Board.

6.2 During the continuance of the Executive's employment the Executive shall:

(a) be flexible in his approach to work because of the nature of the Company's business demands. The Executive shall carry out such duties and exercise such powers to manage and promote the interests of the Business of the Company or Group as may from time to time be assigned to him and at such place as determined by the Company in accordance with Clause 4;

(b) carry out his duties in a proper, diligent, faithful and efficient manner and use his best endeavours to promote and maintain the interests and reputation of the Group;

(c) report directly to the Board and comply with all reasonable directions given to him by the Board and, acting reasonably, keep the Board promptly and fully informed (in writing if requested) of the conduct of the Business or affairs of the Group and provide such explanations and information as the Board may require in connection with such Business or affairs;

(d) do all in his power to promote, develop and protect the business of the Company or Group and at all times comply with all rules and regulations of the Company which are consistent with this Agreement;

(e) refrain from making statements about the Group which he knows to be false or misleading;

(f) work such hours as may be necessary or appropriate from time to time in order for the Executive properly and effectively to carry out his duties. In any event, the Executive accepts that by signing this Agreement, he has agreed that regulation 4 (i) of the Regulations shall not apply. The Executive accepts that such opt-out will be for an indefinite period but may be terminated by the Executive giving three months' written notice of termination of the opt-out to the Company at any time.

7 REMUNERATION

7.1 The Executive shall be paid a basic salary at the rate of £75,000 per annum based on a full-time salary of £150,000 per annum.

7.2 The Executive's salary and compensation shall be reviewed annually by the Company without any obligation to increase.

7.3 The salary referred to in clause 7.1 (or as adjusted pursuant to review referred to in clause 7.2) shall accrue from day to day and will be paid each month in arrears on or about 25th day of each month.

7.4 The Executive will be eligible to participate in the Company's share option scheme, from time to time in force.

8 EXPENSES

8.1 The Company shall reimburse to the Executive all reasonable travelling, hotel, entertainment, telephone/mobile phone and other out-of-pocket expenses properly incurred by him in the proper performance of his duties subject to the production of monthly statements of such expenses including, where relevant, the appropriate VAT invoices and such other evidence as the Company may require. The Executive shall be repaid within 5 Business Days from the submission of his request for reimbursement of any expenses.

9 DEDUCTIONS

The Company reserves the right to deduct from the Executive's salary, bonus or any payments due to the Executive on the termination of this Agreement or any other sums due to the Executive any sums which the Executive owes the Company including any overpayments or loans made to the Executive by the Company.

10 PENSION AND OTHER BENEFITS

10.1 The Company shall pay a sum equal to 8%? per cent of the Executive's then current salary in each year of his employment (with a pro rata payment in respect of part of the year) to a personal pension scheme which has been established by the Company for his benefit or into such other personal pension scheme as the Executive may direct. There is no contracting out certificate in force in respect of the Executive's employment.

10.2 The payments referred to in clause 10.1 will be made monthly.

10.3 The Executive and the members of his household will be eligible for inclusion in the Company's private medical scheme. The Executive may elect to have cover provided for members of his household.

10.4 The Executive will be covered by the Company's permanent health insurance scheme.

11 HOLIDAYS

11.1 The Company's holiday year runs from 1st January to 31st December ("Holiday Year"). In addition to statutory holidays the Executive shall be entitled in every Holiday Year to 12 working days' paid holiday (based on a full-time entitlement of 20 days' per annum). The Executive shall not be entitled to carry forward any unused part of his holiday to the next Holiday Year which holiday entitlement shall be paid in full.

11.2 For the Holiday Year during which the Executive's employment commences or terminates the Executive's holiday entitlement shall accrue pro rata monthly in advance and proportional to the number of days worked during that Holiday Year. Where this calculation results in fractions of days the amount of leave which can be taken is rounded up to the next half day. Any rounded up element is deducted from the leave remaining.

11.3 Save as provided for in clause 11.2 above, the Executive's entitlement to holiday accrues pro rate throughout each holiday year (disregarding fractions of days). The Executive will be deemed to have taken statutory holiday first.

11.4 On the termination of the Executive's employment, the Executive shall be entitled to pay in lieu of accrued but untaken holiday, and will calculate a day's pay on a 1/260th basis.

11.5 If the Executive has taken holiday in excess of his entitlement on termination of employment he will be required to give account for it and the Company will make a deduction from his final salary payment accordingly.

12 INCAPACITY

12.1 If the Executive is absent from work due to Incapacity he shall notify the Company as soon as possible about the nature of his illness and how long he is likely to be absent. If the Incapacity continues for seven or more consecutive days the Executive shall provide a medical practitioner's statement on the eighth day and weekly thereafter. Immediately following the Executive's return to work after a period of absence the Executive shall complete a self-certification form which shall be made available by the Company.

12.2 If the Executive is absent from work due to Incapacity duly notified and certified in accordance with Clause 12.1 the Company shall pay the Executive at his basic rate of salary for the first 3 months of any period of sickness absence, after which the Executive will be paid at 75% of his basic rate of salary for sickness absence up to 6 months, and then 25% of his basic salary for sickness absences up to 12 months. After 12 months sickness absence, the Company will not pay any enhanced sickness pay and the Executive will only be entitled to SSP.

12.3 If the Incapacity shall be occasioned by a third party in respect of which damages are recoverable the Executive shall immediately notify the Board of that fact and of any settlement or judgment made in connection with it and shall give to the Board such particulars and all payments made to the Executive by the Company by way of salary (including any bonus or commission) or sick pay shall to the extent that damages for loss of earnings are recoverable from that third party constitute loans from the Company to the Executive (notwithstanding that as an interim measure income tax and national insurance has been deducted from payments as if they were emoluments of employment) and shall be repaid to the Company when and to the extent that the Executive recovers damages for loss of earnings.

12.4 The remuneration paid under Clause 12.2 shall include any statutory sick pay payable and when this is exhausted shall be reduced by the amount of any state benefits (including state sickness benefit and invalidity benefit) and other benefits recoverable by the Executive (whether or not recovered).

13 CONFIDENTIAL INFORMATION

13.1 The Executive shall not (except in the proper performance of his duties) during or after his employment has ended divulge to any person or otherwise make use of (and shall use his best endeavours to prevent the publication or disclosure of) any trade secret or any confidential information concerning the business or finances of the Company or any Associated Company or any of their dealings transactions or affairs or any trade secret or any such confidential information concerning any of their suppliers, agents, distributors or clients.

13.2 Confidential information includes, but is not limited to: information (whether or not recorded in documentary form, or stored on any magnetic or optical disk or memory) which is not in the public domain relating to the business, products, affairs and finances of the Company or any Group Company for the time being confidential to the Company or any Group Company and trade secrets including, without limitation, technical data and know-how relating to the business of the Company or any Group Company or any of its or their business contacts.

13.3 The restrictions in clauses 13.1 and 13.2 shall not apply to information which:

13.3.1 comes into the public domain otherwise than by a breach by the Executive of his obligations under this Agreement; or

13.3.2 is disclosed to the Executive by a third party who has not received it directly or indirectly from the Company or any Associated Company; or

13.3.3 must be disclosed by any applicable law, to the extent of such required disclosure.

14 DATA PROTECTION

14.1 The Executive acknowledges that the Company will hold personal data relating to the Executive such data will include the Executive’s employment application, address, references, bank details, performance appraisals, work, holiday and sickness records, next of kin, salary reviews, remuneration details and other records (which may, where necessary, include sensitive personal data relating to the Executive’s health, and data held for equal opportunities purposes). The Company will hold such personal data for personnel administration and management purposes and to comply with the obligations regarding the retention of Executive/worker records. The Executive’s right of access to such data is as prescribed by law.

14.2 The Executive hereby undertakes and agrees that the Company may process personal data relating to personnel administration and management purposes, and may, when necessary for those purposes,

make such data available to its advisers, to third parties providing products and/or services to the Company, (such as IT systems suppliers, pensions, benefits and payroll administrators) and as required by law. Further, the Executive hereby agrees that the Company may transfer such data to and from any Associated Company. By signing this Agreement, the Executive expressly consents to the collection, transfer and use of such data in accordance with this Clause 14.

15 INTELLECTUAL PROPERTY

15.1 All Relevant Intellectual Property and all Intellectual Property Rights therein shall to the fullest extent permitted by law and statute belong to, vest in and be the absolute, sole and unencumbered property of the Company or an Associated Company immediately on its coming into existence and the Company or any Associated Company shall be entitled, free of charge, to the exclusive use thereof.

15.2 The Executive hereby:

(a) acknowledges for the purposes of Section 39, Patents Act 1977 that because of the nature of his duties and the particular responsibilities arising from the nature of his duties he has and at all times during his employment will have a special obligation to further the interests of the Business (for the avoidance of doubt limited to the scope of his duties set out in clause 6) and undertakings of the Company and of any Associated Company;

(b) undertakes to notify and disclose to the Company in writing all Relevant Intellectual Property forthwith upon the Production of the same and to keep secret and confidential (before or after termination of the Executive’s employment) such Relevant Intellectual Property, and promptly whenever requested by the Company and in any event upon the termination of his employment deliver up to the Company all correspondence and other documents, papers and records, and all copies thereof in his possession, custody and power relating to any Relevant Intellectual Property and the Executive shall sign a declaration of compliance with the terms of this Clause 15.2.2;

(c) undertakes to hold upon trust for the benefit of the Company or any Associated Company any Relevant Intellectual Property and the Intellectual Property Rights therein to the extent the same may not be and until the same are vested absolutely in the Company or any Associated Company;

(d) assigns by way of future assignment all copyright, design rights and other propriety rights (if any) in all Relevant Intellectual Property;

(e) pursuant to Section 77 and the provisions of Chapter IV of Part 1 of the Copyright, Designs and Patents Act 1988, unconditionally and irrevocably waives his rights to be identified as the author of any of the Relevant Intellectual Property in which copyright subsists (“the Work”) including any moral rights to the Work and not to have the

Work subjected to derogatory treatment; and this waiver is made expressly in favour of the Company and shall extend to licensees and successors in title to the copyright in the Work;

(f) acknowledges that, save as provided by law, no further remuneration or compensation other than that provided for herein is or may become dice to him in respect of the performance of his obligations under this Clause 15;

(g) undertakes at the expense of the Company to execute all such documents and give such assistance as may reasonably be necessary or desirable to vest in and register or obtain letters or patents in the name of the Company or any Associated Company and otherwise to protect and maintain the Relevant Intellectual Property and the Intellectual Property Rights therein; and

(h) agrees that the Company may, on his behalf, do all such things to vest full right and title to any Relevant Intellectual Property in the Company or as it shall direct and, as regards any third party, the Executive agrees that any such document or act shall be conclusive and binding upon the third party.

15.3 The Executive agrees and understands that rights and obligations under this Clause 15 apply both during the Executive’s employment with the Company and after its termination for whatever reason and shall be binding upon the Executive’s representatives.

15.4 To the extent that by law any Relevant Intellectual Property or the Intellectual Property Rights therein do not, or are not permitted to, vest in or belong to the Company or any Associated Company the Executive agrees upon the same coming into existence promptly to offer to the Company or any Associated Company in writing a right of first refusal to acquire the same on arm’s length terms to be negotiated and agreed between the parties in good faith.

16 RESTRICTIONS DURING EMPLOYMENT

16.1 Definitions

In this clause the following words shall have the following meanings:

“Termination Date”

the date on which the employment terminates;

“Relevant Date”

the earlier of the date on which the employment terminates or the date on which notice of termination is given (whether by the Executive or the Company) whichever is the earlier.]

“Person”

includes any company, firm, organisation or other entity;

"Area"

within England, Scotland, Wales, Northern Ireland, the Channel Islands, Isle of Man

"Client"

any Person to whom the Company or an Associated Company supplied goods or services during the 12 months preceding the Relevant Date and with whom at any time during such period the Executive was actively involved in the course of his employment;

"Prospective Client"

any Person with whom the Company or any Associated Company had negotiations or discussions regarding the possible supply of goods or services during the 12 months immediately preceding the Relevant Date and with whom at any time during such period the Executive was actively involved in the course of his employment.

16.2 In order to protect the goodwill, confidential information, trade secrets and business connections of the Company or any Associated Company the Executive covenants with the Company that:

16.2.1 **Non-competition**

the Executive shall not for a period of 6 months from the Relevant Date directly or indirectly be interested or concerned in any business which is carried on in the Area and which:

16.2.1.1 concerns the drug and vaccine delivery business with which the Executive was actively involved at any time during 12 months ending on the Relevant Date; or

16.2.1.2 is competitive or likely to be competitive with the business of the Company or any Associated Company being carried on at the Relevant Date and with which the Executive was actively involved during the 12 months ending on the Relevant Date.

For this purpose, the Executive is concerned in a business if:

16.2.1.3 he carries it on as principal or agent; or

16.2.1.4 he is a partner, director, employee, secondee, consultant or agent in, of or to any Person who carries on the business; or

16.2.1.5 he has any direct or indirect financial interest (as shareholder or otherwise) in any Person who carries on the business.

16.2.2 **Non-solicitation**

the Executive shall not for a period of 12 months from the Relevant Date in the Area directly or indirectly:

16.2.2.1 canvass or solicit business or approach any Clients or Prospective Clients in respect of goods or services similar to those being provided by the Company or any Associated Company as at the Relevant Date;

16.2.2.2 seek to do business or deal with any Clients or Prospective Clients in respect of goods or services similar to those being provided by the Company or any Associated Company as at the Relevant Date; or

16.2.2.3 canvass or solicit business from or make an approach to any supplier of the Company or any Associated Company with whom the Executive was actively involved during the 12 months ending on the Relevant Date to cease to supply, or to restrict or vary the terms of supply to the Company or any Associated Company or otherwise interfere with the relationship between such a supplier and the Company or any Associated Company.

16.2.2.4 accept employment with or act as consultant for any Client.

16.2.3 **Non-poaching**

the Executive shall not for a period of 12 months after the Relevant Date directly or indirectly:

16.2.3.1 induce or attempt to induce any employee of the Company or any Associated Company who is engaged in any business activity carried on by the Company or any Associated Company at the Relevant Date and with whom the Executive during the 12 months ending on the Relevant Date had material dealings in the course of his employment, to leave the employment of the Company or any Associated Company (whether or not this would be a breach of contract by that employee) for the purposes of being involved in or engaged in the types of business referred to in sub-clauses 16.2.1.1 and 16.2.1.2 above; or

16.2.3.2 engage, attempt to engage, employ, attempt to employ or offer employment or work (and in each case whether directly or indirectly, including through an employment agency or other intermediary) to any employee of the Company or any Associated Company who is engaged in any business activity carried on by the Company or any Associated Company at the Relevant Date and with whom the Executive during the 12 months ending on the Relevant Date had material dealings in the course of his employment, for the purposes of being involved in or engaged in the types of business referred to in sub-clauses 16.2.1.1 and 16.2.1.2 above.

16.3 The restrictions in this clause are considered by the parties to be reasonable and the validity of each sub-clause shall not be affected if any of the others is invalid. If any of the restrictions is void but would be valid if some part of the restriction were deleted, the restriction in question shall apply with such modification as may be necessary to make it valid.

16.4 The Executive acknowledges that the provisions of this clause are no more extensive than is reasonable to protect the Company or any Associated Company.

17 SHARE DEALINGS

The Executive shall comply where relevant with every rule of law, every regulation of the UK Listing Authority and/or London Stock Exchange plc and/or AIM or any other market on which the Executive deals and every regulation of the Company in force in relation to dealings in shares, debentures or other securities of the Company or any Associated Company and unpublished price sensitive information affecting the shares, debentures or other securities of any other company, provided always that in relation to overseas dealings the Executive shall also comply with all laws of the state and all regulations of the stock exchange, market or dealing system in which such dealings take place.

18 TERMINATION

18.1 If the Executive:

(a) shall knowingly commit any act of dishonesty relating to the Company, or any Associated Company; or

(b) commits any serious breach or repeats or continues (after warning) any breach of any of his obligations hereunder; or

(c) is guilty of any serious misconduct or any other conduct which in the reasonable opinion of the Company brings the Company or any Associated Company into disrepute or which is likely to affect prejudicially the interests of the Company or any Associated Company; or

(d) shall be prohibited or disqualified by law from holding the office which the Executive holds in the Company or any Associated Company or shall resign from any such office without the prior written consent of the Board; or

(e) is declared bankrupt or enters into any composition or arrangement with or for the benefit of his creditors including a voluntary arrangement under the Insolvency Act 1986; or

(f) is convicted of any arrestable criminal offence (other than an offence under road traffic, health and safety, trade descriptions or environmental legislation for which the Executive is not sentenced to any term of imprisonment whether immediate or suspended)

THEN the Company shall be entitled at its absolute discretion to terminate the Executive’s employment immediately without notice or payment in lieu of notice whereupon the Executive shall have no claim against the Company for damages or otherwise by reason only of such termination.

18.2 Upon the termination of the Executive's employment for whatever reason the Executive agrees that:

(a) during any period of notice, the Company may in its absolute discretion require the Executive to perform only such duties as it may allocate to him which are within the scope of his duties in Clause 6 or not to perform any of his duties or to exclude him from any premises of the Group (without providing any reason therefore) and that the Company may require the Executive to stay away from and have no contact with any employees, officers, customers, clients, agents, trade connections or suppliers of the Group provided always that the Executive's entitlement to salary, Success Fees (if any) and all other sums payable to him pursuant to this Agreement shall continue to be paid and provided to the Executive until his employment is terminated; and

(b) at the request of the Company and if applicable, transfer without payment any nominee shares held by the Executive on behalf of the Company and/or any Associated Company to the Company and/or any Associated Company; and in the event of the Executive's failure to do so within seven days of such request the Company may effect such transfers on the Executive's behalf; and

(c) at the request of the Company, immediately deliver to the Company all Relevant Intellectual Property, Confidential Business Information, documents (including copies), keys, credit cards and other property of the Company or any Associated Company in the Executive's possession.

18.3 The termination of the Executive's employment for whatever reason shall not affect those provisions of this Agreement which are expressed to or are otherwise intended to have effect thereafter.

18.4 The Company may suspend the Executive for the purpose of investigating any misconduct alleged against the Executive, which if substantiated would give the Company a right to terminate this Agreement pursuant to Clause 18.1 and, during any such period the Executive shall not. Except with the prior consent in writing of the Board, attend at any premises of the Company or any Associated Company or contact any employee, customer or supplier of the Company or any Associated Company. The Company shall be under no obligation to provide any work for the Executive during such period and the Executive shall, at the request of the Company, immediately deliver to the Company all or any of its property.

18.5 Notwithstanding the termination of this Agreement for whatever reason, the Executive will continue to be entitled to all share options which have been granted to him or to which the Executive is or may become entitled notwithstanding any termination of his employment, subject to the terms of any Share Option Agreement(s) entered into or to be entered into between the Executive and the Company (or any Associated Company) pursuant to this Agreement, and the rules of the relevant share option scheme.

18.6 Upon the termination of the Executive's employment, howsoever arising, the Executive shall have no rights as a result of this Agreement or any alleged breach of this Agreement to any compensation under or in respect of any share option or bonus scheme in which he may participate or have received grants or allocations out of before the Termination Date. Any rights which he may have under such schemes, shall be exclusively governed by the rules of these schemes.

19 GRIEVANCE AND DISCIPLINARY PROCEDURE

19.1 The Executive is referred to the disciplinary and appeals procedure normally operated by the Company from time to time which is available from the Company Secretary.

19.2 The provisions of the Company's disciplinary and appeals procedure are not contractual. The Company may change any of the provisions of the grievance procedure or of a substituted procedure by amendment, additional deletion or by substitution of the new rules or procedures from time to time at its discretion.

19.3 If the Executive is dissatisfied with any disciplinary procedure relating to him he should apply in writing to the Company's Chairman within five working days on the date on which he is notified of the disciplinary decision with which he disagrees.

19.4 If the Executive has a grievance relating to his employment he should, in the first instance, speak to the Company's Chief Executive Officer. If the grievance is not then resolved to his satisfaction, he should refer to the grievance procedure which is available from the Company Secretary.

19.5 The Company reserves the right to suspend the Executive on full pay for the purposes of investigating any allegation of misconduct or breach of this Agreement. During any period of suspension pursuant to this clause the Executive shall not, except with the prior written consent of the Company attend any premises of the Company or any Associated Company, conduct any business on behalf of the Company or any Associated Company or contact any employee or customer of the Company or any Group Company.

20 E-MAIL/INTERNET POLICY

20.1 The Executive shall not send any e-mails of a defamatory, discriminatory or an abusive nature and shall be prohibited from knowingly accessing or downloading any pornographic or other offensive material and the Executive will indemnify the Company during and after his employment against all liability resulting from the Executive's breach of this Clause 23.

20.2 The Company reserves the right to monitor all e-mail/Internet activity by the Executive and the Executive acknowledges that such a right falls within the exception set out in Article 8(2) of the European Convention on Human Rights.

20.3 A breach of this Clause is misconduct and may result in the termination of the Executive's employment pursuant to Clause 18.1 (a).

21 GENERAL

21.1 This Agreement supersedes all other agreements whether written or oral between the Company or any Associated Company and the Executive relating to the employment of the Executive including entitlements to equity, share options, shares and bonuses and the Executive agrees that he is not entering into this Agreement in reliance on any representation not expressly set out herein.

21.2 The Executive warrants that by virtue of entering into this Agreement he will not be in breach of any express or implied terms of any contract with, or of any other obligation to, any third party binding upon the Executive and the Company warrants that prior to executing this Agreement all necessary consents and approvals were obtained and all statutory requirements complied with by it.

21.3 If the employment of the Executive under this Agreement is terminated by reason of the liquidation of the Company for the purpose of reconstruction or amalgamation and the Executive is offered employment with any concern or undertaking resulting from the reconstruction or amalgamation on terms and conditions not less favourable than the terms of this Agreement then the Executive shall have the right in his absolute discretion to accept such offer save for any statutory rights the Executive may have, and whether or not the Executive accepts such an offer he shall have no claim against the Company in respect of the termination of his employment.

21.4 This Agreement may be amended only by written agreement between the parties.

21.5 If any provision of this Agreement shall be unenforceable for any reason but would be enforceable if part of it were deleted, then it shall apply with such deletions as may be necessary to make it enforceable.

22 NOTICES

22.1 Any notice or other communication given or made under this Agreement shall be in writing and delivered to the relevant party or sent by first class post to the address of that party specified in this Agreement or such other address in England as may be notified by that party from time to time for this purpose, and shall be effectual notwithstanding any change of address not so notified.

22.2 Unless the contrary shall be proved each such notice or communication shall be deemed to have been given or made, if by first class prepaid post, 48 hours after posting and, if by delivery, at the time of delivery.

23 CHANGES TO TERMS OF EMPLOYMENT

23.1 The Company reserves the right to make reasonable changes to any of the Executive's terms and conditions of employment with the Executive's prior written consent.

23.2 The Executive shall be notified in writing about any changes proposed under Clause 23.1.

24 GOVERNING LAW

This Agreement shall be governed by and construed in all respects in accordance with English law and the parties agree to submit to the exclusive jurisdiction of the English Courts or English Employment Tribunals as regards any claim or dispute arising in respect of this Agreement.

25 EXECUTION

This Agreement may be executed in two or more counterparts and the counterparts shall together constitute one agreement provided that each party has executed one or more counterparts.

IN WITNESS WHEREOF this Agreement has been executed as a deed on the date set out above.

EXECUTED as a deed (but not delivered)
until dated) by)
LIPOXEN PLC) /s/ M.S. Maguire
acting by:) M.S. Maguire
Director/~~Secretary~~

SIGNED as a deed (but not delivered until)
dated) by)
COLIN HILL /s/ **COLIN HILL**
in the presence of:)

Schedule One

Statement Of Particulars Pursuant To The Employment Rights Act 1996

The Executive's period of continued employment commenced on 8 November 2001. A period of employment with a previous employer does not count as part of the Executive's continuous employment with the Company.

The Company's disciplinary and grievance procedures will be supplied to you separately. For the avoidance of doubt any disciplinary or grievance procedure do not form part of the Service Agreement.

The Executive is under no obligation to work overseas for periods exceeding 1 month.

The Company is not a party to any collective agreement which affects the Executive's employment.

Signed as a Deed by **LIPOXEN PLC**
acting by:

Director

Signed as a Deed by **COLIN HILL**	/s/ **COLIN HILL**
in the presence of:	______________________
Witness signature:	______________________
Name:	______________________
Address:	______________________
	______________________
Occupation:	______________________

Exhibit 10.3

XENETIC BIOSCIENCE, INCORPORATED

LEDGEMONT RESEARCH CENTER
LEXINGTON, MA

ARTICLE 1: BASIC TERMS

The following terms used in this Lease shall have the meanings set forth below.

Date of Lease:	August 1, 2013
Landlord:	One Ledgemont LLC, a Delaware limited liability company
Tenant:	Xenetic Bioscience, Incorporated [a Delaware corporation]
Building and Property:	The building complex known as Ledgemont Research Center and consisting of the "Richards House," "Building B," "B Annex," "Building C," the "East Wing," the parking garage and other appurtenances thereto located at 128 Spring Street, Lexington, Massachusetts (the "Building" and such parcel of land hereinafter being collectively referred to as the "Property").
Premises:	Portions of the Building consisting of approximately 3,959 rentable square feet located on portion(s) of the 200 Level of Building C, as described in Exhibit A.
Initial Term:	Sixty-One (61) months (plus the partial month, if any, following the Term Commencement Date, defined below).
Extension Term:	One (1) additional term of five (5) Lease Years.
Lease Year:	Each successive 12-month period included in whole or in part in the Term of this Lease; the first Lease Year beginning on the Term Commencement Date and ending at midnight on the first (1st) anniversary of the last day of the Free Rent Period (provided that if the Term Commencement Date is not the first day of a calendar month, the first Lease Year shall end at midnight on the last day of the calendar month which includes the first (1st) anniversary of the last day of the Free Rent Period). If the first (1st) Lease Year of the Term shall be greater than one full calendar year, the Base Rent for such Lease Year shall be increased proportionately to the greater length of such Lease Year.
Term Commencement Date:	The day immediately following the date the Initial Tenant Improvements are Substantially Complete (as defined in Section 11.01). If the Premises are not ready for such occupancy but if, pursuant to permission therefor duly given by Landlord, Tenant takes possession of the whole or any part of the Premises for the conduct of its business, the "Term

	Commencement Date" shall be the date on which Tenant takes such possession. In no event shall the Term Commencement Date occur prior to September 1, 2013.
Target Term Commencement Date:	The date that is sixteen (16) weeks following the Date of Lease.
Rent Commencement Date:	One (1) month after the Term Commencement Date.
Permitted Uses:	General office and laboratory (including research) use to the extent permitted by applicable zoning ordinances and for no other purpose.
Tenant's Pro Rata Share:	2.27% subject to Section 4.06.
Broker[s]:	Cassidy Turley FHO and Newmark Knight Grubb Frank by separate letter agreement between Landlord and Brokers.
Landlord's Managing Agent:	Beal and Company, Inc.
Letter of Credit Amount:	$ 66.000.00
Parking:	As set forth in Section 2.01(d) of the Lease.

Base Rent: Initial Term:

Lease Year	Base Rent	Base Rent Monthly Installment
1	$ 91,057.00*	$ 7,588.08*
2	$ 95,016.00	$ 7,918.00
3	$ 98,975.00	$ 8,247.92
4	$102,934.00	$ 8,577.83
5	$106,893.00	$ 8,907.75

* Notwithstanding the Base Rent for the first Lease Year set forth above, so long as Tenant is not in default of this Lease beyond any applicable notice and cure period(s), Tenant shall be entitled to an abatement of the monthly installment of Base Rent (but not Operating Expenses, Taxes or other amounts due hereunder, to the extent same are payable pursuant hereto), or so-called "free rent" period, for the first full month of the Lease Term ("Free Rent Period").

Extension Term: As provided in Section 3.03(b).

Additional Rent: All amounts payable by Tenant under this Lease other than Base Rent, including, without limitation, Tenant's Pro Rata Share of Taxes (Article 5); Utilities (Article 6); Insurance premiums (Article 7); and Operating Expenses (Article 8) (See Section 4.02). Tenant's Pro Rata Share is defined in Section 4.06 hereof.

Original Address of Landlord for Notices:

c/o The Beal Companies, LLP
177 Milk Street
Boston, Massachusetts 02109
Attention: Peter A. Spellios, Senior Vice President

with copies to:

c/o The Beal Companies, LLP
177 Milk Street
Boston, Massachusetts 02109
Attention: Stephen N. Faber, Senior Vice President

- and -

Sherin and Lodgen LLP
101 Federal Street
Boston, Massachusetts 02110
Attention: Robert M. Carney, Esquire

Original Address of Tenant for Notices:

Before Term Commencement Date:	c/o Dr. Henry Hoppe 12303 Main Campus Drive Lexington, Massachusetts, 02421 with copies to: Xenetic Biosciences plc Greener House 66-68 Haymarket London. SW1Y 4RF United Kingdom - and - Saul Ewing LLP 131 Dartmouth Street Boston, Massachusetts 02116 Attention: Dana C. Lanzillo, Esquire
After Term Commencement Date:	Ledgemont Research Center 128 Spring Street Lexington, Massachusetts 02421 with a copy to: Saul Ewing LLP 131 Dartmouth Street Boston, Massachusetts 02116 Attention: Dana C. Lanzillo, Esquire

Exhibits:

Exhibit A:	Floor Plan of the Premises
Exhibit B:	Rules and Regulations
Exhibit C:	Rules and Regulations for Tenant Work
Exhibit D:	Tenant Work Insurance Schedule
Exhibit E:	ROFO Space
Exhibit F:	Construction Documents
Exhibit G:	Environmental Substances
Exhibit H:	Plans and Specifications for Initial Tenant Improvements
Exhibit I:	Intentionally Omitted
Exhibit J:	Intentionally Omitted
Exhibit K:	Form of Term Commencement Date Agreement
Exhibit L:	Form of Letter of Credit

ARTICLE 2: PREMISES AND APPURTENANT RIGHTS

2.1 Lease of Premises; Appurtenant Rights. Landlord hereby leases the Premises to Tenant, and Tenant hereby leases the Premises from Landlord, for the Term, subject to all matters of record and matters referred to below. Subject to Landlord's rules and regulations attached hereto as Exhibit B and such other reasonable rules and regulations as Landlord may from time to time adopt, which are applicable to all office and laboratory tenants of the Building, and of which Tenant is given notice (collectively, "Landlord's Rules") and to Force Majeure (as hereinafter defined), Tenant shall have access to the Premises twenty-four (24) hours a day, seven (7) days a week.

(a) Exclusions. The Premises exclude common areas and facilities of the Property, including, without limitation, exterior faces of exterior walls, the common stairways and stairwells (subject to Tenant's rights to use the stairways for access between portions of the Premises pursuant to Section 2.01(b)), entranceways and the main lobby, elevators and elevator wells, fan rooms, electric and telephone closets, janitor closets, freight elevator vestibules, and pipes, ducts, conduits, wires and appurtenant fixtures serving other parts of the Property (exclusively or in common) and other common areas and facilities from time to time designated as such by Landlord. If the Premises include less than the entire rentable area of any floor, then the Premises also exclude the common corridors, elevator lobby and toilets located on such floor.

(b) Appurtenant Rights. Tenant shall have, as appurtenant to the Premises, the non- exclusive right to use in common with others (subject to Landlord's Rules and Force Majeure) the common areas and facilities of the Property necessary for Tenant's use and occupancy of the Premises, including, without limitation, the loading dock servicing the Premises. Subject to Landlord's Rules and to Force Majeure, Tenant shall have access to the seating area of the common café in the building twenty-four (24) hours a day, seven (7) days a week.

(c) Reservations. In addition to other rights reserved herein or by law, Landlord reserves the right from time to time, provided that Landlord shall use commercially reasonable efforts to avoid unreasonable (except in emergency) interference of Tenant's use of the Premises: (i) to make additions to or reconstructions of the Building and to install, use, maintain, repair, replace and relocate for service to the Premises and other parts of the Building, or either, pipes, ducts, conduits, wires and appurtenant fixtures, wherever located in the Premises, the Building, or elsewhere in the Property; (ii) to alter, eliminate or relocate any other common area or facility, including the drives, lobbies and entrances; and (iii) to grant easements and other rights with respect to the Property. Installations, replacements and relocations within the Premises referred to in clause (i) shall be located as far as practicable in the core areas of the Building, above ceiling surfaces, below floor surfaces or within perimeter walls of the Premises. The Building may be subdivided or combined into separate or unified lots, submitted to or removed from a condominium regime or divided or combined into separate leasehold lots by ground leases to facilitate financing, ownership or operation of all or portions of the Property and Building, provided that Tenant's rights and obligations under this Lease shall not be affected in any material respect. Tenant agrees to enter into any instruments reasonably requested by Landlord in connection with the foregoing so long as the same are not inconsistent with the rights of Tenant under this Lease and are otherwise reasonably acceptable to Tenant.

(d) Parking.

(i) Commencing on the Term Commencement Date, Tenant shall have the appurtenant right to use up to 3.2 unreserved parking spaces for standard size automobiles and small utility vehicles per 1,000 rentable square feet of the Premises, at no additional cost to Tenant. The parking spaces shall be used by Tenant and Tenant's employees and business invitees and may be located on the Property and/or within the Building, and the location of said parking spaces, and the layout and location of the parking facilities, are subject to change from time to time. Tenant's right to use such parking spaces shall be non-exclusive.

(ii) None of Tenant's parking rights hereunder shall be assigned or sublicensed except in connection with a Transfer permitted under Article 13. Landlord shall have the right to make such parking available pursuant to a pass system or on any other reasonable basis determined by Landlord, and such parking rights shall be subject to Landlord's reasonable rules and regulations of which Tenant is provided written notice, from time to time, and the right of Landlord to limit the number of parking spaces available to Tenant, its employees and invitees, where the use of the same exceeds the above-stated ratio. Tenant acknowledges that Landlord has informed Tenant that Landlord intends to allocate in its tenant leases more than the actual parking spaces servicing the Property. It is further acknowledged and agreed that as a consequence of such over-allocation of parking spaces, there may occasionally occur instances in which the number of parking spaces actually available to Tenant shall be less than the Parking Spaces to which Tenant is entitled under this Lease. Landlord shall incur no liability to Tenant as a consequence of such over-allocation of parking spaces. Landlord shall have the right to alter the parking areas or their operation from time to time, and to temporarily close portions thereof for maintenance as necessary. Tenant's parking privileges constitute a license only, and no bailment is intended or shall be created. Neither Landlord nor any parking operator of the parking areas will have any responsibility for loss or damage due to fire or theft or otherwise to any automobile parked in the parking areas or to any personal property therein.

2.2 Right of First Offer.

Provided this Lease is in full force and effect and there is no Event of Default, Tenant shall have the one-time right of first offer to lease the entirety of the space on the 200 level (1st) floor of Building C that is immediately adjacent to the Premises that is shown on Exhibit E as the "ROFO Space" ,subject to and in accordance with the terms and conditions set forth in this Section 2.02. If at any time from and after the Term Commencement Date the ROFO Space shall become available, Landlord shall notify Tenant thereof in writing ("Landlord's ROFO Space Notice"), which notice shall include the anticipated estimated date upon which such ROFO Space shall become available for occupancy by Tenant , the proposed term for the ROFO Space and the economic terms upon which Landlord would be willing to lease the ROFO Space to Tenant. Tenant shall have the right to lease all such ROFO Space described in Landlord's ROFO Space Notice only by giving written notice to Landlord within ten (10) days after Tenant receives Landlord's ROFO Space Notice, time being of the essence. If Tenant so elects to lease the ROFO Space, such ROFO Space shall be leased upon the terms and conditions contained in the Landlord's ROFO Space Notice. To confirm Tenant's election to lease the ROFO Space as set forth above, Landlord shall prepare, and Tenant and Landlord shall promptly execute and deliver, an amendment to this Lease reflecting the terms as set forth in Landlord's ROFO Space Notice. For the purposes hereof, space shall be deemed "available for occupancy" when any lease or occupancy agreement (including extension periods) has expired or is due to expire within not

less than six (6) months, or Landlord has elected not to renew the lease of the present tenant, and any prior options, rights or rights to lease with respect to such ROFO Space have expired or been waived and Landlord is free to lease such space to third parties without restriction.

(b) If Tenant fails to timely exercise any of its rights hereunder, or if Landlord and Tenant are unable to agree upon an amendment to reflect the lease of the ROFO Space, the right(s) granted hereunder as to the ROFO Space shall be deemed waived for all purposes, and Landlord may lease the ROFO Space to any party and upon any terms free of any rights of Tenant. Tenant, following such waiver and within seven (7) days of Landlord's request therefor, shall execute and deliver to Landlord a certification, in recordable form, confirming the waiver of such right, and Tenant's failure to so execute and deliver such certification shall (without limiting Landlord's remedies on account thereof) entitle Landlord to execute and deliver to any third party, and record, an affidavit confirming the waiver, which affidavit shall be binding on Tenant and may be conclusively relied on by third parties.

(c) The foregoing Right of First Offer under this Section 2.02 is personal to and may only be exercised by Xenetic Bioscience, Incorporated, the original named tenant under this Lease, or a transferee resulting from a Related Party Transfer (as defined below) while Xenetic Bioscience, Incorporated or a transferee resulting from a Related Party Transfer occupies the Premises. The foregoing Right of First Offer under this Section 2.02 shall not be exercisable by an assignee under this Lease or sublessee of all or a portion of the Premises except in connection with a Related Transfer.

(d) Tenant understands that its rights under this Section are and shall be subject and subordinate to any extension rights, expansion rights, options to lease or any rights of first negotiation, first offer or first refusal to lease granted to other tenants of the Building prior to the date of execution and delivery of this Lease, or to the terms of any leases, including extension and expansion rights, and the right of Landlord to extend the term of the lease with the tenant of the ROFO Space even if its lease has no such extension right.

ARTICLE 3: LEASE TERM

3.1 Lease Term. Subject to the terms and conditions of this Lease, the Initial Term of this Lease is set forth in Article 1, unless sooner terminated as provided herein. Landlord and Tenant agree to execute a Term Commencement Date Agreement substantially in the form attached hereto as Exhibit K, or as otherwise reasonably requested by Landlord confirming the actual Term Commencement Date and expiration date of the Term, once same are determined.

3.2 Hold Over. If Tenant (or anyone claiming through Tenant) shall remain in occupancy of the Premises or any part thereof after the expiration or early termination of the Term without a written agreement therefor executed and delivered by Landlord, then without limiting Landlord's other rights and remedies the person remaining in possession shall be deemed a tenant at sufferance, and Tenant shall thereafter pay monthly rent (pro rated for such portion of any partial month as Tenant shall remain in possession) at a rate equal to the greater of (a) one and one-quarter times the market rent then being quoted by Landlord for the Premises or reasonably comparable space in the Building, or (b) one and one-half (1 1/2) times the amount payable as Base Rent for the twelve (12) month period immediately preceding such expiration or termination, and in either case with all Additional Rent also payable as provided in this Lease. After Landlord's acceptance of the full amount of such

rent for the first month of such holding over, the person remaining in possession shall be deemed a tenant at will at such rent and otherwise subject to all of the provisions of this Lease. Notwithstanding the foregoing, if Landlord desires to regain possession of the Premises promptly after the termination or expiration hereof and prior to acceptance of rent for any period thereafter, Landlord may, at its option, forthwith re-enter and take possession of the Premises or any part thereof without process or by any legal process in force in the state where the Property is located. In any case, Tenant shall be liable to Landlord for all damages resulting from any failure by Tenant to vacate the Premises or any portion thereof when required hereunder.

3.3 Right to Extend.

(a) Extension Term. The Term of this Lease of all of the Premises may be extended for the Extension Term by unconditional written notice from Tenant to Landlord at least nine (9) (but not more than twelve (12)) months before the end of the Initial Term, time being of the essence. If Tenant does not timely exercise this option, or if on the date of such notice or at the beginning of the Extension Term (i) a default by Tenant exists, or (ii) Tenant is not leasing one hundred percent (100%) of the Premises, or (iii) Tenant has made any Transfer under Article 13 (other than a Related Party Transfer), at Landlord's option upon written notice to Tenant, Tenant's right to extend the Term of this Lease shall irrevocably lapse and be void and of no further force and effect, Tenant shall have no further right to extend, and this Lease shall expire at the end of the Initial Term. If Tenant fails to timely exercise its rights hereunder, then within seven (7) days of Landlord's request therefor, Tenant shall execute and deliver to Landlord a certification, in recordable form, confirming the Tenant's failure to exercise (or waiver of) such right, and Tenant's failure to so execute and deliver such certification shall (without limiting Landlord's remedies on account thereof) entitle Landlord to execute and deliver to any third party, and record, an affidavit confirming the failure or waiver, which affidavit shall be binding on Tenant and may be conclusively relied on by third parties. All references to the Term shall mean the [Initial] Term as it may be extended by the Extension Term. The Extension Term shall be on all the same terms and conditions except that the Base Rent for the Extension Term shall be as set forth below.

(b) Extension Term Base Rent. Base Rent for each year of the Extension Term shall be established as the higher of (x) one hundred percent (100%) of the Market Rent (as defined in Section 3.03(c)) or (y) the Base Rent last in effect for the last Lease Year prior to the Extension Term. If Tenant gives Landlord timely notice of its exercise of the Extension Term option, then Landlord shall give Tenant written notice of Landlord's determination of Market Rent for the Premises for the Extension Term no later than ninety (90) days prior to the expiration of the Initial Term. Within ten (10) business days after Tenant receives such notice, Tenant shall notify Landlord of its agreement with or objection to Landlord's determination of the Market Rent, whereupon in the case of Tenant's objection, Market Rent shall be determined by arbitration conducted in the manner set forth below. If Tenant does not notify Landlord within such ten (10) business day period of Tenant's agreement with or objection to Landlord's determination of the Market Rent, then the Market Rent for the Extension Term shall be conclusively deemed to be Landlord's determination of the Market Rent as set forth in Landlord's notice to Tenant.

(c) Arbitration of Market Rent. If Tenant timely notifies Landlord of Tenant's objection to Landlord's determination of Market Rent under the preceding subsection with respect to the Extension Term, such notice shall also set forth a request for arbitration and Tenant's appointment of a commercial real estate appraiser (an "Arbitrator"). Within five (5) business days thereafter,

Landlord shall by notice to Tenant appoint a second Arbitrator. Each Arbitrator shall determine the Market Rent for the Extension Term within thirty (30) days after Landlord's appointment of the second Arbitrator. On or before the expiration of such thirty (30) day period, the two Arbitrators shall confer to compare their respective determinations of the Market Rent. If the difference between the amounts so determined by the two (2) Arbitrators is less than or equal to ten percent (10%) of the lower of said amounts then the final determination of the Market Rent shall be equal to the arithmetical average of said amounts. If such difference between said amounts is greater than ten percent (10%), then the two arbitrators shall within ten (10) days thereafter to appoint a similarly qualified third Arbitrator ("Third Arbitrator"), who shall determine the Market Rent for the Extension Term within ten (10) days after his or her appointment by selecting one or the other of the amounts determined by the other two (2) Arbitrators. Each party shall bear the cost of the Arbitrator selected by such party. The cost for the Third Arbitrator, if any, shall be shared equally by Landlord and Tenant. All Arbitrators appointed hereunder shall be MAI appraisers, so-called, knowledgeable in the field of commercial real estate and experienced in the market in which the Building is located. The foregoing determination shall be conclusive, final and binding on the parties and enforceable in any court having jurisdiction over the parties.

(d) "Market Rent" shall be the fair market rent that willing parties would pay and receive as the Base Rent to lease similar space in the Building and similar space in similar buildings in the same geographic area, during the Extension Term and under the applicable terms and conditions of this Lease (and other relevant market factors).

(e) Rent Continuation. For any part of the Extension Term during which the Base Rent is in dispute or has otherwise not finally been determined, Tenant shall make payment on account of Base Rent at the Market Rent estimated by Landlord, and the parties shall adjust for any overpayments or underpayments upon the final determination of Base Rent. The failure by the parties to complete the process contemplated under this Section prior to commencement of the Extension Term shall not affect the continuation of the Term or the parties' obligation to make any adjustments for any overpayments or underpayments for the Base Rent due for the Extension Term promptly after the determination thereof is made.

ARTICLE 4: RENT

4.1 Base Rent. On the Rent Commencement Date and thereafter on the first day of each month during the Term, Tenant shall pay Landlord the monthly installment of Base Rent and the monthly installments of Tenant's Pro Rata Share of Total Operating Costs and Tenant's Pro Rata Share of Taxes required by Section 4.02, in each case in advance. Rent shall be payable at Landlord's address or otherwise as Landlord may designate in writing from time to time.

4.2 Additional Rent.

(a) General. "Rent" means Base Rent and Additional Rent. Landlord shall estimate in advance (i) all Taxes under Article 5, (ii) all utility costs (unless separately metered to or separately contracted for by Tenant) under Article 6, (iii) all insurance premiums to be paid by Landlord under Article 7 and (iv) all Operating Expenses under Section 8.04 (individually, all such items in clauses (i) through (iv) being "Operating Costs" and collectively, being "Total Operating Costs") and Tenant shall pay one-twelfth (1/12th) of Tenant's Pro Rata Share of such estimated Total Operating Costs monthly in advance together with Base Rent. Landlord may adjust its estimates of Total Operating

Costs at any time based upon its experience and reasonable anticipation of costs. Such adjustments shall be effective as of the next Rent payment date after notice to Tenant. Within one hundred twenty (120) days after the end of each fiscal year of the Property during the Term, Landlord shall deliver to Tenant a reasonably detailed statement of the Total Operating Costs paid or incurred by Landlord during the preceding fiscal year and Tenant's Pro Rata Share of such expenses (the "Total Operating Costs Statement"). Within the next thirty (30) days, Tenant shall pay Landlord any underpayment, or Landlord shall credit Tenant with any overpayment, of Tenant's Pro Rata Share of such Total Operating Costs. If the Term expires or the Lease is terminated as of a date other than the last day of a fiscal year, Tenant's payment of Additional Rent pursuant to this Section for such partial fiscal year shall be based on Landlord's reasonable estimate of the items otherwise includable in Total Operating Costs and shall be made on or before the later of (x) ten (10) days after Landlord delivers such estimate to Tenant or (y) the last day of the Term, with an appropriate payment or refund to be made upon Tenant's receipt of Landlord's statement of Total Operating Costs for such fiscal year. This Section shall survive the expiration or earlier termination of the Term.

(b) Audit. Provided no Event of Default then exists and subject to the following provisions, Tenant shall have the right to inspect, at reasonable times and in a reasonable manner, provided Landlord receives Tenant's written request therefor within the thirty (30) day period following the delivery of the Total Operating Costs Statement (the "Audit Notice"), such of Landlord's books of account and records as pertain to and contain information concerning such Operating Costs in order to verify the amounts thereof. Tenant agrees that any information obtained during an inspection by Tenant of Landlord's books of account and records shall be kept in confidence by Tenant and its agents and employees and shall not be disclosed to any other parties, except to Tenant's attorneys, accountants and other consultants. If Tenant shall not deliver an Audit Notice within thirty (30) days after the Total Operating Costs Statement for such year was delivered to Tenant, Tenant shall be deemed to have approved such Statement. Tenant's inspection shall be conducted within thirty (30) days after Landlord's receipt of the Audit Notice where Landlord maintains its books and records, and it shall take place only during Landlord's normal business hours. Landlord agrees to provide such access to its books and records reasonably promptly following Landlord's receipt of an Audit Notice. Tenant may conduct only one such inspection for each fiscal year of the Property during the Term. No subtenant shall have any right to conduct a review, and no assignee shall conduct a review for any period during which such assignee was not in possession of the Premises. Within thirty (30) days after such inspection Tenant shall provide written notice to Landlord of the results of such inspection. If as a result of such inspection it is mutually agreed, or if it is ultimately determined, that an error was made in Tenant's Pro Rata Share of Total Operating Costs paid by Tenant, then Tenant shall pay Landlord any underpayment within thirty (30) days of such determination, or Landlord shall credit Tenant with any overpayment, of Tenant's Pro Rata Share of such Total Operating Costs, within thirty (30) days after notification thereof. For the purpose of conducting such inspection, Tenant shall retain an independent firm of certified public accountants or a qualified real estate professional having at least 10 years of relevant audit experience, which is mutually acceptable to Tenant and Landlord, and which shall not be compensated on a contingency fee basis or in any other manner which is dependent upon the results of such inspection. The cost of such audit shall be paid by Tenant unless the final result of such audit shall indicate an overstatement of more than 10%, in which case the cost of such audit, up to a maximum amount of $1,000, shall be paid for by Landlord within thirty (30) days after its receipt of paid invoices therefor from Tenant.

(c) Allocation of Certain Operating Costs; Gross Up. If at any time during the Term Landlord provides services only with respect to particular portions of the Building that include the Premises or incurs other Operating Costs allocable to particular portions of the Building that include the Premises alone, then such Operating Costs shall be charged entirely to those tenants, including Tenant, if applicable, of such portions, notwithstanding the provisions hereof referring to Tenant's Pro Rata Share. If, during any period for which Landlord's Operating Costs are being computed, less than all of the Building is occupied by tenants, or if Landlord is not supplying all tenants with the services being supplied hereunder, Operating Costs that vary with occupancy shall be reasonably estimated and extrapolated by Landlord to determine the Operating Costs that would have been incurred if the Building were fully occupied for such year and such services were being supplied to all tenants, and such estimated and extrapolated amount shall be deemed to be the Operating Costs for such period. Landlord shall make a reasonable allocation of any Operating Costs incurred jointly for the Property and any other property.

(d) This Lease requires Tenant to pay directly to suppliers, vendors, carriers, contractors, etc., certain insurance premiums, utility costs, personal property taxes, maintenance and repair costs and other expenses. If Landlord pays any of these amounts in accordance with this Lease, Tenant shall reimburse such costs in full with the next monthly Rent payment. Unless this Lease provides otherwise, Tenant shall pay all Additional Rent then due on or before the date for the next monthly Rent payment.

4.3 Late Charge. Tenant acknowledges that if it pays Rent late, Landlord shall incur unanticipated costs, which shall be extremely difficult to ascertain exactly. Such costs include processing and accounting charges, and late charges that may be imposed on Landlord by any mortgage on the Property. Accordingly, if Landlord does not receive any Rent payment within five (5) days following its due date more than once in any consecutive twelve (12) month period, then upon the second (2nd) later payment received by Landlord more than five (5) days following its due date within such twelve (12) month consecutive period, Tenant shall pay Landlord a late charge equal to ten percent (10%) of the overdue amount. The parties agree that this late charge represents a fair and reasonable estimate of the costs Landlord shall incur by reason of Tenant's payment default. Payment of the late charge shall not cure Tenant's payment default or prevent Landlord from exercising other rights and remedies.

4.4 Interest. Any late Rent shall bear interest from the date due until paid at the rate equal to the Prime Rate plus four percent (4%) per annum except to the extent such interest would cause the total interest to be in excess of that legally permitted. The "Prime Rate" shall mean the prime lending rate per annum published in the Wall Street Journal from time to time. Payment of interest shall not cure Tenant's payment default or prevent Landlord from exercising other rights and remedies.

4.5 Method of Payment. Tenant shall pay the Base Rent to Landlord in advance in equal monthly installments by the first of each calendar month during the Term. Tenant shall make a pro rata payment of Base Rent and Additional Rent for any period of less than a month at the beginning or end of the Term. All payments of Base Rent, Additional Rent and other sums due shall be paid in current U.S. exchange by check drawn on a clearinghouse bank at the Original Address of Landlord or such other place as Landlord may from time to time direct (or if requested by Landlord in the case of Base Rent, by electronic fund transfer), without demand, set-off or other deduction. Without limiting the foregoing, Tenant's obligation to pay Rent shall be absolute, unconditional, and independent and shall not be discharged or otherwise affected by any law or regulation now or

hereafter applicable to the Premises, or any other restriction on Tenant's use, or, except as expressly provided in herein, any casualty or taking, or any failure by Landlord to perform or other occurrence; and Tenant assumes the risk of the foregoing and waives all rights now or hereafter existing to quit or surrender this Lease or the Premises or any part thereof, or to assert any defense in the nature of constructive eviction to any action seeking to recover Rent unless such failure or occurrence (a) shall have been occasioned by the negligence of the Landlord, its agents, servants or employees and (b) shall not, after notice to Landlord of the condition claimed to constitute negligence, have been cured or corrected within a reasonable time after such notice has been received by Landlord; and in case of a claim of eviction unless such damage or defective condition shall have rendered the Premises untenantable and they shall not have been made tenantable by Landlord within a reasonable time. It is intended that Base Rent payable hereunder shall be a net return to Landlord throughout the Term, free of expense, charge, offset, diminution or other deduction whatsoever on account of the Premises (excepting Landlord's financing expenses, federal and state income taxes of general application, and those expenses that this Lease expressly makes the responsibility of Landlord), and all provisions hereof shall be construed in terms of such intent.

4.6 Tenant's Pro Rata Share.

(a) Tenant's Pro Rata Share of Taxes is equal to the product of the rentable square footage of the Premises multiplied by Landlord's PSF Taxes (hereafter defined) for each fiscal year, or ratable portion thereof, included in the Term. "Landlord's PSF Taxes" shall mean the Taxes (as defined in Section 5.02) divided by the rentable square footage of the Building, as same may be adjusted by Landlord from time to time for a remeasurement of or changes in the physical size of the Premises, the Building and/or the Project (as defined below), whether such changes in size are due to an addition to or a sale or conveyance of a portion of the Building, the Project or otherwise. As of the date hereof, the rentable floor area of the Building is conclusively deemed to be 174,614 rentable square feet.

(b) Tenant's Pro Rata Share of Operating Expenses, utilities and insurance is equal to the product of the rentable square footage of the Premises multiplied by Landlord's PSF Operating Expenses (hereafter defined) for each calendar year, or ratable portion thereof, included in the Term. "Landlord's PSF Operating Expenses" shall mean Operating Expenses (as defined in Section 8.01), utilities and insurance costs divided by the rentable square footage of the Building or the portion thereof with respect to which such Operating Expenses, utilities and insurance costs are determined.

(c) Tenant's Pro Rata Share shall be the percentage set forth in Article 1, which percentage has been determined by dividing the total number of rentable square feet in the Premises by the total number of rentable square feet in the Building, and multiplying the resulting quotient by one hundred (100). As of the date hereof, the rentable floor area of the Premises is as set forth in Article 1 and the Building is conclusively deemed to be 174,614 rentable square feet. The rentable square footage of the Building may be adjusted by Landlord from time to time for a remeasurement of or changes in the physical size of the Premises, the Building and/or the Project (as defined below), whether such changes in size are due to an addition to or a sale or conveyance of a portion of the Building, the Project or otherwise. Without limiting the generality of the foregoing, Landlord may equitably adjust Tenant's Pro Rata Share upon Tenant's use of the Utility Services as reasonably estimated and equitably determined by Landlord based upon factors such as the intensity of use of such Utility Services by Tenant such that Tenant shall pay the portion of such charges reasonably consistent with Tenant's use thereof. Landlord shall provide to Tenant evidence reasonably substantiating Landlord's equitable determination of any adjustment to Tenant's Pro Rata Share of Utility Services.

ARTICLE 5: TAXES

5.1 Taxes. Tenant covenants and agrees to pay to Landlord as Additional Rent Tenant's Pro Rata Share of the Taxes for each fiscal tax period, or ratable portion thereof, included in the Lease Term. If Landlord receives a refund of any such Taxes, Landlord shall pay Tenant Tenant's Pro Rata Share of the refund after deducting Landlord's costs and expenses incurred in obtaining the refund. Tenant shall make estimated payments on account of Taxes in monthly installments on the first day of each month, in amounts reasonably estimated from time to time by Landlord pursuant to Section 4.02(a).

5.2 Definition of "Taxes." "Taxes" means all taxes, assessments, betterments, excises, user fees and all other governmental charges and fees of any kind or nature, or impositions or agreed payments in lieu thereof or voluntary payments made in connection with the provision of governmental services or improvements of benefit to the Building or the Property (including any so-called linkage, impact, or voluntary betterment payments), and all penalties and interest thereon (if due to Tenant's failure to make timely payments), assessed or imposed against the Premises or the property of which the Premises are a part (including, without limitation, any personal property taxes levied on such property or on fixtures or equipment used in connection therewith), other than a federal or state income tax of general application. If during the Term the present system of ad valorem taxation of property shall be changed so that, in lieu of or in addition to the whole or any part of such ad valorem tax there shall be assessed, levied or imposed on such property or Premises or on Landlord any kind or nature of federal, state, county, municipal or other governmental capital levy, income, sales, franchise, excise or similar tax, assessment, levy, charge or fee (as distinct from the federal and state income tax in effect on the Date of Lease) measured by or based in whole or in part upon Building valuation, mortgage valuation, rents, services or any other incidents, benefits or measures of real property or real property operations, then any and all of such taxes, assessments, levies, charges and fees shall be included within the term of Taxes. Taxes shall also include expenses, including fees of attorneys, appraisers and other consultants, incurred in connection with any efforts to obtain abatements or reduction or to assure maintenance of Taxes for any year wholly or partially included in the Term, whether or not successful and whether or not such efforts involved filing of actual abatement applications or initiation of formal proceedings.

5.3 Personal Property Taxes. Tenant shall pay directly all taxes charged against Tenant Property (as defined in Section 10.06). Tenant shall use its best efforts to have personal property taxed separately from the Property. Landlord shall notify Tenant if any of Tenant's personal property is taxed with the Property, and Tenant shall pay such taxes to Landlord within fifteen (15) days of such notice.

ARTICLE 6: UTILITIES AND LANDLORD SERVICES

6.1 Utility Services. Tenant shall provide and pay all charges and deposits for gas, water, sewer, electricity, and other energy, utilities and services used or consumed on the Premises ("Utility Services") during the Term which now or hereafter separately serve the Premises, or are not expressly to be provided by Landlord elsewhere hereunder. If such Utility Services are not separately metered, Tenant shall pay the cost of the same as part of the Operating Costs payable

hereunder. It is understood and agreed that except as may be expressly provided hereunder, Landlord shall be under no obligation whatsoever to furnish any such services to the Premises, and shall not be liable for (nor suffer any reduction in any rent on account of) any interruption or failure in the supply of the same except as expressly set forth in Section 6.04 below. If the Premises are not separately metered, Landlord reserves the right, at any time during the Term, to install a monitor or check meter to measure Tenant's consumption of any Utility Services, in which event Landlord shall calculate the applicable Utility Services based on Tenant's actual usage thereof, rather than as otherwise provided herein. To the extent permitted by law, Landlord shall have the right at any time and from time to time during the Term to contract for or purchase one or more Utility Services from any company or third-party providing Utility Services ("Utility Service Provider"). Tenant agrees reasonably to cooperate with Landlord and the Utility Service Providers and at all times as reasonably necessary, and on reasonable advance notice, shall allow Landlord and the Utility Service Providers reasonable access to any utility lines, equipment, feeders, risers, fixtures, wiring and any other such machinery or personal property within the Premises and associated with the delivery of Utility Services.

6.2 Landlord Services. Landlord agrees to furnish reasonable heat and air conditioning (HVAC) to the Premises and to common hallways and lavatories, if any, during normal business hours on regular business days during the heating or air conditioning season, as applicable, to light common passageways twenty-four (24) hours a day, to provide hot water to common lavatories, and to clean common areas, common area glass, common lavatories and glass main entry doorways to the Premises Mondays through Fridays, in substantially the same fashion as is typical for comparable first class office and laboratory projects in the Lexington area, subject to interruption due to accident, to the making of repairs, alterations or improvements, to labor difficulties, to trouble in obtaining fuel, electricity, service or supplies from the sources from which they are usually obtained for such Building, governmental restraints, or to any cause beyond the Landlord's control. In no event shall Landlord be liable for any interruption or delay in any of the above services for any of such causes. For the purposes of this clause, reasonable heating of common areas shall be provided between the hours of 8:00 a.m. to 6:00 p.m. Monday through Friday and 8:00 a.m. to 1:00 p.m. on Saturday during the months from November through April (holidays excepted). Reasonable cooling of common areas shall be provided between the hours of 8:00 a.m. and 6:00 p.m. Monday through Friday and 8:00 a.m. to 12:00 p.m. on Saturday during the cooling season (holidays excepted). If Tenant requests Landlord to provide additional heat or air conditioning outside of such hours, Tenant shall pay therefor (within fifteen (15) days after billing) at commercially reasonable rates established by Landlord from time to time comparable to those charged in comparable office and laboratory projects in the Lexington area.

6.3 Excess Usage by Tenant. Tenant shall not introduce to the Premises personnel, fixtures or equipment which (individually or in the aggregate) exceed those used by the average Building tenant or overload the capacity of the electrical, heating, ventilating and air conditioning, mechanical, plumbing or other utility systems serving the Premises or generate above average heat, noise or vibration at the Premises. If Tenant uses the Premises or installs fixtures or equipment in such a manner as would so overload said systems, as reasonably determined by Landlord, then, in addition to any other remedies Landlord may have, Tenant shall pay, as additional rent, within ten (10) days of billing therefor, the cost of providing and installing any additional equipment, facilities or services that may be required as a result thereof, and for any repairs or damage resulting therefrom.

6.4 Interruption of Services. Notwithstanding anything contained in this Lease to the contrary, Tenant shall be entitled to a proportionate abatement of Base Rent in the event of a Landlord Service Interruption (as defined below). For the purposes hereof, a “Landlord Service Interruption” shall occur in the event (i) the Premises shall lack any service which Landlord is required to provide hereunder thereby rendering the Premises or a material portion thereof untenantable for the entirety of the Landlord Service Interruption Cure Period (as defined below), (ii) such lack of service was not caused by Tenant, its employees, contractors, invitees or agents; (iii) Tenant in fact ceases to use the entire or affected portion of the Premises for the entirety of the Landlord Service Interruption Cure Period; and (iii) such interruption of service was the result of causes, events or circumstances within the Landlord’s reasonable control and the cure of such interruption is within Landlord’s reasonable control. For the purposes hereof, the “Landlord Service Interruption Cure Period” shall be defined as ten (10) consecutive calendar days after Landlord’s receipt of written notice from Tenant of the Landlord Service Interruption.

ARTICLE 7: INSURANCE

7.1 Coverages. Tenant shall, at its own expense, maintain and keep in force, or cause to be maintained and kept in force by any general contractors, sub-contractors or third party entities where required by contract, throughout the term of this Lease and/or alteration or construction period and for such longer period, if any, Tenant remains in occupancy of the Premises, the following insurance coverages:

(a) Property Insurance. “All-Risk” or “Special” Form property insurance, and/or Builders Risk coverage for renovation projects, including, without limitation, coverage for fire, earthquake and flood; boiler and machinery (if applicable); sprinkler damage; vandalism; malicious mischief coverage on all equipment, furniture, fixtures, fittings, Initial Tenant Improvements, Tenant Work, Tenant Property or other improvements and betterments, business income, extra expense, merchandise, inventory/stock, contents, and personal property located on or in the Premises. Such insurance shall be in an amount equal to the full replacement cost of the aggregate of the foregoing and shall provide coverage comparable to the coverage in the standard ISO “All-Risk” or “Special” Form, when such coverage is supplemented with the coverages required above. Property policy shall also include coverage for plate glass, where required by written contract.

(b) Liability Insurance. Commercial General Liability insurance against any and all claims for personal injury, death or property damage occurring in, or about the Premises and arising out of Tenant’s operations on the Premises, or Tenant’s agents’, invitees’, sublessees’ use or occupancy of the Premises. Such insurance shall have a limit of not less than One Million Dollars ($1,000,000) per occurrence with a Two Million Dollar ($2,000,000) aggregate limit. Such insurance shall contain an extended (broad form) liability endorsement, including contractual liability coverage (including this Lease, and Tenant’s indemnity obligations hereunder). Such liability insurance shall be primary and not contributing to any insurance available to Landlord, and Landlord’s insurance (if any) shall be in excess thereto. Tenant’s commercial general liability insurance policy shall include Landlord, Landlord’s Management Agent, Landlord’s mortgagees and Landlord’s designees as additional insureds, provided that Tenant has been given notice and sufficient information regarding such mortgagees and designees as necessary to name them as additional insureds, and shall provide that such parties may, although additional insureds, recover for any loss suffered by Tenant’s negligence.

(c) Umbrella/Excess Liability Insurance. The foregoing liability limits shall be adequate as long as Tenant maintains an Umbrella policy limit of not less than Three Million Dollars ($3,000,000) per occurrence. Should Tenant not maintain an Umbrella policy with such limits, then the limits of the underlying Commercial General Liability policy shall be increased to Two Million Dollars ($2,000,000) per occurrence and Four Million Dollars ($4,000,000) aggregate.

(d) Other. Such other insurance as Landlord may reasonably require, from time to time, and as may be required by law, including, without limitation (i) workers' compensation insurance with a limit of liability as required by law to be maintained; (ii) employer's liability insurance with a minimum limit of coverage of Two Million Dollars ($2,000,000); and (iii) business interruption and extra expense insurance coverage(s) satisfactory to Landlord.

(e) Form of the Policies. Tenant shall have the right to provide insurance coverage which it is obligated to carry pursuant to the terms hereof in a blanket policy, provided such policy expressly affords coverage to the Premises and to Landlord as required by this Lease.

(f) Failure by Tenant to Obtain Insurance. If Tenant does not procure the insurance required pursuant to this Section, or keep the same in full force and effect, Landlord may, but shall not be obligated to, take out the necessary insurance and pay the premium therefor after notice thereof to Tenant, and Tenant shall repay to Landlord, as additional rent, the amount so paid promptly upon demand. In addition, Landlord may recover from Tenant, as additional rent, any and all reasonable expenses (including attorneys' fees) and damages which Landlord may sustain by reason of the failure by Tenant to obtain and maintain such insurance, it being expressly declared that the expenses and damages of Landlord shall not be limited to the amount of the premiums thereon.

(g) Contractor Insurance. Tenant shall cause all contractors and subcontractors to maintain during any period of Tenant Work (including the Initial Tenant Improvements) the insurance described on Exhibit D attached hereto.

(h) Deductibles. Tenant's insurance policies shall not include deductibles in excess of Five Thousand Dollars ($5,000) without Landlord's prior written consent. If any of the above insurances have deductibles or self insured retentions, the Tenant and/or contractor (policy Named Insured) shall be responsible for the deductible amount.

(i) General Requirements. All of the insurance policies required in this Section ("Insurance Requirements") shall be written by insurance companies which are licensed to do business in the state where the Property is located, or obtained through a duly authorized surplus lines insurance agent or otherwise in conformity with the laws of such state, with an A.M. Best rating of at least "A" and a financial size category of not less than "VII". The liability policy(ies) shall name, as additional insureds, Landlord, Landlord's Management Agent, Landlord's mortgagees and Landlord's designees, provided that Tenant has been given notice and sufficient information regarding such mortgagees and designees as necessary to name them as additional insureds, and provide thirty (30) days notice of cancellation, non-renewal, or material change in the terms and conditions of coverage to the extent the requirement to provide such notice is obtainable from the insurance companies. Tenant shall provide Landlord with certificates of insurance upon request, prior to move-in date, prior to commencement of the Tenant/contractor work, or within thirty (30) days of coverage inception and subsequent renewals or rewrites/replacements of any cancelled/non-renewed policies.

7.2 Avoid Action Increasing Rates. Tenant shall comply with Sections 9.01, 9.02, 9.03 and 9.04 and in addition shall not, directly or indirectly, use the Premises in any way that is prohibited by law or dangerous to people or property or that may jeopardize or increase the cost of any insurance coverage or require additional insurance. Tenant shall cure any breach of this Section within ten (10) days after notice from Landlord (or Tenant's independent knowledge of such breach) by (i) stopping any use that jeopardizes any insurance coverage or increases its cost and (ii) paying the increased cost of insurance. Tenant shall have no further notice or cure right under Article 14 for any such breach. Tenant shall reimburse Landlord for all of Landlord's costs incurred in providing any insurance that is attributable to any special endorsement or increase in premium resulting from the business or operations of Tenant, and any special or extraordinary risks or hazards resulting therefrom, including, without limitation, any risks or hazards associated with the generation, storage and disposal of Environmental Substances.

7.3 Waiver of Subrogation. Landlord and Tenant each waive any and every claim for recovery from the other for any and all loss of or damage to the Property or any part of it, or to any of its contents, which loss or damage is covered by valid and collectible property insurance. Landlord waives any and every such claim against Tenant that would have been covered had the insurance policies required to be maintained by Landlord by this Lease been in force, to the extent that such loss or damage would have been recoverable under such policies. Tenant waives any and every such claim against Landlord that would have been covered had the insurance policies required to be maintained by Tenant under this Lease been in force, to the extent that such loss or damage would have been recoverable under such policies. This mutual waiver precludes the assignment of any such claim by subrogation (or otherwise) to an insurance company (or any other person), and Landlord and Tenant each agree to give written notice of this waiver to each insurance company that has issued or shall issue any property insurance policy to it, and to have the policy properly endorsed, if necessary, to prevent invalidation of the insurance coverage because of this waiver.

7.4 Landlord's Insurance. Landlord shall purchase and maintain during the Term with insurance companies qualified to do business in the state where the Property is located insurance that shall include the following: (i) commercial general liability insurance for incidents occurring in the common areas, with coverage for premises/operations, personal and advertising injury, products/completed operations and contractual liability for bodily injury and property damage per occurrence, together with such other coverages and risks as Landlord shall reasonably decide or a mortgagee may require; (ii) property insurance covering property damage to the Building, excluding the Initial Tenant Improvements and any other Tenant Work, and loss of rental income, for full replacement cost value of the Building with co-insurance waived by inclusion of an agreed amount endorsement; and (iii) such other coverage(s) as may be required by Landlord's mortgagee or otherwise be deemed commercially reasonable by Landlord. As set forth in Section 4.02, the cost thereof shall be borne by Tenant and other tenants.

ARTICLE 8: OPERATING EXPENSES

8.1 Operating Expenses.

(a) "Operating Expenses" shall mean all costs and expenses associated with the ownership, operation, management, maintenance and repair of the Building and Property and of all heating, ventilating, air conditioning, plumbing, electrical, utility and safety systems for the Building. "Common Elements" shall mean all areas in the Building available for the common use of tenants of the Building and not leased or held for the exclusive use of Tenant or other tenants, including, but not limited to, the common café and common parking areas, driveways, sidewalks, access roads, plazas, landscaping and planted areas located in the Building or on the Property. Operating Expenses include, without limitation, the costs and expenses incurred in connection with the following: compliance with Landlord's obligations under Section 10.03; planting and landscaping; snow plowing and removal; utility, water and sewage services; maintenance of signs; supplies, materials and equipment purchased or rented, total wage and salary costs paid to all persons at or below the grade of building manager who are employed on a fulltime basis, and an appropriate portion of same with respect to employees on a part-time basis, and all contract payments made on account of, all persons engaged in the operation, maintenance, security, cleaning and repair of the Property and Common Elements, including Social Security, old age and unemployment taxes and so-called "fringe benefits"; services generally furnished to tenants of the Building; maintenance, repair and replacement of Building and Common Elements equipment and components; utilities consumed and expenses incurred in the operation, maintenance and repair of the Property and Common Elements; costs incurred under any reciprocal easement agreements benefiting the Property; costs incurred by Landlord to comply with the terms and conditions of any governmental approvals affecting operations of the Property; the amortized portion, properly attributable to the year in question, of the cost, with interest thereon at a rate reasonably determined by Landlord, of any capital repairs, improvements or replacements made to the Property, by Landlord; workers' compensation insurance and property, liability and other insurance premiums; personal property taxes; rental or lease payments paid by Landlord for rented or leased personal property used in the operation or maintenance of the Property and Common Elements; fees for required licenses and permits; losses or subsidies paid or incurred by Landlord in operating the common café; routine maintenance and repair of parking areas and paving (including sweeping, striping, repairing, resurfacing, and repaving); refuse removal; security; reasonable reserves, including for roof replacement and exterior painting; and property management fees at a commercially reasonably market rate not to exceed five percent (5%) of gross revenue derived from the Property. Operating Expenses shall also include the Building's share (as reasonably determined and allocated by Landlord) of: (i) the costs incurred by Landlord in operating, maintaining, repairing, insuring and paying real estate taxes upon any common facilities of the office park or development (including, without limitation, the common facilities from time to time serving the Building in common with other buildings or parcels of land) of which the Property may be a part, from time to time, such as any so-called "loop" access roads, retention ponds, sewer and other utility lines, amenities and the like; (ii) shuttle bus service (if and so long as Landlord shall provide the same); (iii) the actual or imputed cost of the space occupied by on-the-grounds building attendant(s) and related personnel and the cost of administrative and or service personnel whose duties are not limited solely to the Building, as allocated to the Building by Landlord; and (iv) payments made by Landlord under any easement, license, operating agreement, declaration, restrictive covenant, or instrument pertaining to the payment or sharing of costs among park or development property owners. Landlord may use third parties or affiliates to perform any of the foregoing services, provided that any such services performed by affiliates shall be at competitive rates (it being agreed that the management fee described above is deemed competitive), and the cost thereof shall be included in Operating Expenses. Costs referred to in this Section shall be ascertained in accordance with generally accepted accounting principles, including allowances for appropriate reserves, and allocated to appropriate fiscal periods on the accrual method of accounting.

(b) Operating Expenses shall not include: (i) the cost of casualty repairs to the extent covered by insurance (except for reasonable deductibles paid by Landlord under insurance policies maintained by Landlord); (ii) costs associated with the operation of the business of Landlord and/or the sale and/or financing of the Building, as distinguished from the cost of Building operations, maintenance and repair; (iii) costs of disputes between Landlord and its employees, tenants or contractors; (iv) principal or interest payments on any mortgages or other financing arrangements, (v) leasing commissions, advertising expenses and other costs incurred in leasing or procuring new tenants; (vi) depreciation for the Property; (vii) the cost of any capital repairs, improvements or replacements made to the Property (other than the amortized portion to be included in Operating Expenses as described above); (viii) ground rent under ground leases; (ix) utility charges payable by Tenant directly to the applicable provider, (x) any costs, fines or penalties incurred due to violations by Landlord of any legal requirements provided that such violation is not caused, directly or indirectly, by any act or omission of Tenant or any employee, agent, contractor, subcontractor, customer or business invitee of Tenant; (xi) costs covered by a guarantee or warranty; (xii) marketing costs; (xiii) the cost of any capital addition to the Property (or reserves therefor); (xiv) expenses for which the Landlord is reimbursed by another source (excluding tenant reimbursements for Operating Expenses; (xv) costs incurred to benefit (or as a result of) a specific tenant or items and services selectively supplied to any specific tenant; (xvi) expenses for the defense of the Landlord's title to the Property; (xvii) charitable or political contributions; (xviii) costs of improving or renovating space for a tenant or space vacated by a tenant; (xix) any costs incurred to comply with Legal Requirements or any court order, decree or judgment which are applicable to the Building or the Property and in effect or exist on the date of this Lease including, without limitation, the Americans with Disabilities Act and Environmental Laws (except if such non-compliance is due to acts or negligence of Tenant); (xx) costs to correct original or latent defects in the design, construction or equipment of the Building or the Property; (xxi) expenses paid directly by any tenant for any reason (such as excessive utility use); (xxii) attorneys' fees, accounting fees and expenditures incurred in connection with tax contests or negotiations, disputes and claims of other tenants or occupants of the Property or with other third parties; and (xxiii) amounts which are duplicative or do not represent costs incurred for actual services.

(c) Tenant shall pay Tenant's Pro Rata Share of Operating Expenses in accordance with Section 4.02.

ARTICLE 9: USE OF PREMISES

9.1 Permitted Uses. Tenant may use the Premises only for the Permitted Uses described in Article 1, and for no other purpose(s). Tenant shall keep the Premises equipped with appropriate safety appliances to the extent required by applicable laws or insurance requirements.

9.2 Indemnification. Tenant shall assume exclusive control of all areas of the Premises, including all improvements, utilities, equipment, and facilities therein. Tenant is responsible for the Premises and any Tenant's improvements, equipment, facilities and installations, wherever located on the Property and all liabilities, including, without limitation, tort liabilities, incident thereto. To the maximum extent this agreement may be made effective according to law, Tenant shall indemnify, save harmless and defend Landlord and Landlord's members, managers, officers,

mortgagees, agents, employees, independent contractors, invitees, Landlord's Managing Agent and other persons acting under them (collectively, "Indemnitees") from and against all liability, claim, damage or cost (including reasonable attorneys' fees) to the extent arising in whole or in part out of (i) any injury, loss, theft or damage to any person or property while on or about the Premises, and, to the extent arising out of the use or occupancy of the Building or Property by Tenant, or on account of the act or omission or negligence by Tenant or by any person claiming, by, through, or under Tenant, while on or about the Property or the Building; (ii) any condition within the Premises or, to the extent arising from the acts or omissions of Tenant, the Property or the Building; (iii) failure to comply with any Lease covenant by Tenant; or (iv) the use of the Premises (or, to the extent arising from the acts or omissions of Tenant, the Property or the Building) by, or any act or omission of, Tenant or persons claiming by, through or under Tenant, or any of its agents, employees, independent contractors, suppliers or invitees, except to the extent that any of the foregoing arise from any act or omission of Landlord or persons claiming by, through or under Landlord, or any of its agents, employees, independent contractors, suppliers or invitees, in each case paying any cost to Landlord on demand as Additional Rent. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

9.3 Compliance With Legal Requirements. Tenant shall not cause or permit the Premises, the Property or the Building to be used in any way that violates any law, code, ordinance, restrictive covenant, encumbrance, governmental regulation, order, permit, approval, variance, covenants or restrictions of record or any provision of the Lease (each a "Legal Requirement"), annoys or interferes with the rights of tenants of the Building, or constitutes a nuisance or waste. Tenant shall obtain, maintain and pay for all permits and approvals and shall promptly take all actions necessary to comply with all Legal Requirements, including, without limitation, the Occupational Safety and Health Act, applicable to Tenant's use of the Premises, the Property or the Building. Tenant shall maintain in full force and effect all certifications or permissions to provide its services required by any authority having jurisdiction to authorize, franchise or regulate such services. Tenant shall be solely responsible for procuring and complying at all times with any and all necessary permits and approvals directly or indirectly relating or incident to: the conduct of its activities on the Premises; its scientific experimentation, transportation, storage, handling, use and disposal of any chemical or radioactive or bacteriological or pathological substances or organisms or other hazardous wastes or environmentally dangerous substances or materials or medical waste or animals or laboratory specimens. Within ten (10) days of a request by Landlord, which request shall be made not more than once during each period of twelve (12) consecutive months during the Term hereof, unless otherwise requested by any mortgagee of Landlord, Tenant shall furnish Landlord with copies of all such permits and approvals that Tenant possesses or has obtained together with a certificate certifying that such permits are all of the permits that Tenant possesses or has obtained with respect to the Premises. Tenant shall promptly give written notice to Landlord of any warnings or violations relative to the above received from any federal, state or municipal agency or by any court of law and shall promptly cure the conditions causing any such violations. Tenant shall not be deemed to be in default of its obligations under the preceding sentence to promptly cure any condition causing any such violation in the event that, in lieu of such cure, Tenant shall contest the validity of such violation by appellate or other proceedings permitted under applicable law, provided that: (i) any such contest is made reasonably and in good faith, (ii) Tenant makes provisions, including, without limitation, posting bond(s) or giving other security, acceptable to Landlord to protect Landlord, the Building and the Property from any liability, costs, damages or expenses arising in connection with such violation and failure to cure, (iii) Tenant shall agree to indemnify, defend (with counsel

reasonably acceptable to Landlord) and hold Landlord harmless from and against any and all liability, costs, damages, or expenses arising in connection with such condition and/or violation, (iv) Tenant shall promptly cure any violation in the event that its appeal of such violation is overruled or rejected, and (v) Tenant's decision to delay such cure shall not, in Landlord's good faith determination, be likely to result in any actual or threatened bodily injury, property damage, or any civil or criminal liability to Landlord, any tenant or occupant of the Building or the Property, or any other person or entity. Landlord hereby represents and warrants that, as of the date of this Lease, to the best of Landlord's knowledge, the Premises comply with applicable Legal Requirements.

9.4 Environmental Substances. "Environmental Law(s)" means all statutes, laws, rules, regulations, codes, ordinances, standards, guidelines, authorizations and orders of federal, state and local public authorities pertaining to any of the Environmental Substances or to environmental compliance, contamination, cleanup or disclosures of any release or threat of release to the environment, of any hazardous, biological, chemical, radioactive or toxic substances, wastes or materials, any pollutants or contaminants that are included under or regulated by any municipal, county, state or federal statutes, laws, rules, regulations, codes, ordinances, standards, guidelines, authorizations or orders, including, without limitation, the Toxic Substances Control Act, 15 U.S.C. § 2601, etseq.; the Clean Water Act, 33 U.S.C. § 1251, etseq.; the Clean Air Act, 42 U.S.C. § 7401, etseq.; the Safe Drinking Water Act, 42 U.S.C. § 300f-300j, etseq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1321, etseq.; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601 etseq.; the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq.; the Massachusetts Hazardous Waste Management Act, as amended, M.G.L. Chapter 21C, and the Massachusetts Oil and Hazardous Material Release Prevention Act, as amended, M.G.L., Chapter 21E, as any of the same are from time to time amended, and the rules and regulations promulgated thereunder, and any judicial or administrative interpretation thereof, including any judicial or administrative orders or judgments, and all other federal, state and local statutes, laws, rules, regulations, codes, ordinances, standards, guidelines, authorizations and orders regulating the generation, storage, containment or disposal of any Environmental Substances, including, but not limited to, those relating to lead paint, radon gas, asbestos, storage and disposal of oil, biological, chemical, radioactive and hazardous wastes, substances and materials, and underground and above ground oil storage tanks; and any amendments, modifications or supplements of any of the foregoing.

"Environmental Substances" means, but shall not be limited to, any hazardous substances, hazardous waste, environmental, biological, chemical, radioactive substances, oil, petroleum products and any waste or substance, which because of its quantitative concentration, chemical, biological, radioactive, flammable, explosive, infectious or other characteristics, constitutes or may reasonably be expected to constitute or contribute to a danger or hazard to public health, safety or welfare or to the environment, or that would trigger any employee or community "right-to-know" requirements adopted by any federal, state or local governing or regulatory body, or for which any such body has adopted any requirements for the preparation or distribution of a materials safety data sheet ("MSDS"), including, without limitation, any asbestos (whether or not friable) and any asbestos-containing materials, lead paint, waste oils, solvents and chlorinated oils, polychlorinated biphenyls (PCBs), toxic metals, etchants, pickling and plating wastes, explosives, reactive metals and compounds, pesticides, herbicides, radon gas, urea formaldehyde foam insulation and chemical, biological and radioactive wastes, or any other similar materials that are mentioned under or regulated by any Environmental Law; and the regulations adopted under these acts, and including any other products or materials subsequently found by an authority of competent jurisdiction to have adverse effects on the environment or the health and safety of persons.

Tenant shall neither cause or permit any Environmental Substances to be generated, produced, brought upon, used, stored, treated or disposed of in or about or on the Building by Tenant, nor permit or suffer persons acting under Tenant, to do the same, whether with or without negligence, without (i) Landlord's prior written consent and (ii) complying with all applicable Environmental Laws and Legal Requirements pertaining to the transportation, storage, use or disposal of such Environmental Substances, including obtaining proper permits and approvals and providing Landlord the applicable MSDS for each Environmental Substance. Landlord may take into account any factors or facts that Landlord reasonably believes relevant in determining whether to grant its consent. Landlord consents to Tenant's use of the Environmental Substances listed in Exhibit G. From time to time at Landlord's request, Tenant shall execute affidavits, representations and the like concerning Tenant's best knowledge and belief, after due inquiry, regarding the presence or absence of Environmental Substances on the Premises, the Property or the Building. Tenant agrees to pay the cost of any environmental inspection or assessment requested by any lender that holds a security interest in the Property or this Lease, or by any insurance carrier, to the extent that such inspection or assessment pertains to any release, threat of release, contamination, claim of contamination, loss or damage or determination of condition in the Premises. In addition, at Landlord's request, Tenant shall promptly provide to Landlord all MSDSs for products used within the Premises.

If any transportation, storage, use or disposal of Environmental Substances on or about the Property or Building by Tenant, its agents, employees, independent contractors, or invitees results in any escape to, release to, threat of release to or contamination of the soil, surface or ground water, sewage system or ambient air or any loss or damage to person or property, Tenant agrees to: (a) notify Landlord immediately of the occurrence; (b) after consultation with Landlord, clean up the occurrence in full compliance with all applicable statutes, regulations and standards; and (c) indemnify, defend and hold Landlord, and the Indemnitees harmless from and against any claims, suits, causes of action, costs and fees, including attorneys' fees and costs, arising from or connected with any such occurrence. In the event of such occurrence, Tenant agrees to cooperate fully with Landlord and provide such documents, affidavits, information and actions as may be requested by Landlord (1) to comply with any Environmental Law or Legal Requirement, (2) to comply with any request of any mortgagee or tenant and/or (3) for any other reason deemed necessary by Landlord in its sole discretion. In the event of any such occurrence that is required to be reported to a governmental authority under any Environmental Law or Legal Requirement, Tenant shall simultaneously deliver to Landlord copies of any notices given or received by Tenant and shall promptly pay when due any fine or assessment against Landlord, Tenant or the Premises or Property relating to such occurrence.

9.5 Signs and Auctions. No sign, antenna or other structure or thing, shall be erected or placed on the Premises or any part of the exterior of the Building or erected so as to be visible from the exterior of the Building without first securing the written consent of the Landlord. Tenant shall not conduct or permit any auctions or sheriff's sales at the Property. Landlord, at Landlord's cost, shall provide Tenant identification on existing multi-tenant signs or directories at the entrance to Building C, in the parking garage and any other existing multi-tenant signage that identifies tenants in the Building, as appropriate. Such signs will be consistent with standard Building signage and will conform to local regulations.

9.6 Landlord's Access. Landlord or its agents may enter the Premises at all reasonable times to show the Premises to potential buyers, investors or tenants or other parties; to inspect and conduct tests in order to monitor Tenant's compliance with Legal Requirements governing Environmental Substances; for purposes described in Sections 2.01, 9.04, 10.03 and/or 10.04(b) or for any other purpose Landlord reasonably deems necessary. Landlord shall give Tenant reasonable prior notice (which may be oral) of such entry and, at Tenant's election, during such entry Landlord shall be accompanied by a representative of Tenant. However, in case of emergency, Landlord may enter any part of the Premises without prior notice to Tenant's representative and shall make reasonable efforts to notify Tenant.

ARTICLE 10: CONDITION AND MAINTENANCE OF PREMISES AND PROPERTY

10.1 Existing Conditions. Subject to the completion by Landlord of the Initial Tenant Improvements in accordance with the requirements of Article 11 of this Lease, Tenant shall accept the Premises and Property in their condition as of the Term Commencement Date "as is" and subject to all Legal Requirements. Tenant acknowledges that except for any express representations in this Lease, neither Landlord nor any person acting under Landlord has made any representation as to the condition of the Property or the suitability of the Property for Tenant's intended use. Tenant represents and warrants that Tenant has made its own inspection and inquiry regarding the Property and is not relying on any representations of Landlord or any Broker or persons acting under either of them.

10.2 Exemption and Limitation of Landlord's Liability.

(a) Exemption of Landlord from Liability. Tenant shall insure its personal property under an all risk full replacement cost property insurance policy. Landlord shall not be liable for any damage or injury to the person, property or business (including loss of revenue, profits or data) of Tenant, Tenant's employees, agents, contractors, or invitees, or any other person on or about the Property or the Building; provided, however, that this Section 10.02(a) shall not exempt Landlord from liability for Landlord's negligence or willful misconduct solely to the extent that such liability cannot be waived by Landlord pursuant to applicable law. This exemption shall apply whether such damage or injury is caused by (among other things): (i) fire, steam, electricity, water, gas, sewage, sewer gas or odors, snow, ice, frost or rain; (ii) the breakage, leakage, obstruction or other defects of pipes, faucets, sprinklers, wires, appliances, plumbing, windows, air conditioning or lighting fixtures or any other cause; (iii) any other casualty or any Taking; (iv) theft; (v) conditions in or about Property or the Building or from other sources or places; or (vi) any act or omission of any other tenant.

(b) Limitation On Landlord's Liability. Tenant agrees that Landlord shall be liable only for breaches of its covenants occurring while it is owner of the Property (provided, however, that if Landlord from time to time is lessee of the ground or improvements constituting the Building, then Landlord's period of ownership of the Property shall be deemed to mean only that period while Landlord holds such leasehold interest). Upon any sale or transfer of the Building, the transferor Landlord (including any mortgagee) shall be freed of any liability or obligation thereafter arising and, subject to Section 9.1, Tenant shall look solely to the transferee Landlord as aforesaid for

satisfaction of such liability or obligation. Tenant and each person acting under Tenant agrees to look solely to Landlord's interest from time to time in the Property for satisfaction of any claim against Landlord. No owner, trustee, beneficiary, partner, member, manager, agent, or employee of Landlord (or of any mortgagee or any lender or ground or improvements lessor) nor any person acting under any of them shall ever be personally or individually liable to Tenant or any person claiming under or through Tenant for or on account of any default by Landlord or failure by Landlord to perform any of its obligations hereunder, or for or on account of any amount or obligations that may be or become due under or in connection with this Lease or the Premises; nor shall it or they ever be answerable or liable in any judicial proceeding or order beyond the extent of their interest in the Property. No deficit capital account of any member or partner of Landlord shall be deemed to be a liability of such member or partner or an asset of Landlord. Any lien obtained to enforce any judgment against Landlord shall be subject and subordinate to any mortgage encumbering the Property. In no event shall Landlord (or any such persons) ever be liable to Tenant for indirect or consequential damages.

10.3 Landlord's Obligations.

(a) Repair and Maintenance. Subject to the provisions of Article 12, and except for damage caused by any act or omission of Tenant or persons acting under Tenant, Landlord shall keep the common areas of the Building (including, without limitation, common elevators and common parking areas) and the foundation, roof, Building systems (to the extent not serving the Premises or another tenant's premises exclusively), structural supports, exterior windows and exterior walls of the Building in good order, condition and repair reasonable wear and tear excepted. Landlord shall not be obligated to maintain or repair any interior windows, doors, plate glass, the surfaces of walls or other fixtures, components or equipment within the Premises, but the same shall be Tenant's obligation. Tenant shall promptly report in writing to Landlord any defective condition known to it that Landlord is required to repair. Tenant waives the benefit of any present or future law that provides Tenant the right to repair the Premises or Property at Landlord's expense or to terminate this Lease because of the condition of the Property or Premises, but subject to the provisions of Section 4.05 herein. Notwithstanding the fact that Landlord may provide security services at the Property or Building at any time during the Term of this Lease, (i) Tenant hereby releases Landlord from any claim for injury to person or damage to property asserted by Tenant or any personnel, employee, guest, invitee or agent of Tenant that is suffered or occurs in or about the Premises or in or about the Building or Property or the common areas appurtenant thereto by reason of the act of any intruder or any other person in or about the Premises, Building or Property, and (ii) Landlord shall not be deemed to owe Tenant, or any person claiming by, through or under Tenant, any duty or standard of care as a result of Landlord's provision of such security services.

10.4 Tenant's Obligations.

(a) Repair and Maintenance. Except for work that Section 10.03 or Article 12 requires Landlord to do, Tenant at its sole cost and expense shall keep the Premises including, without limitation, all Initial Tenant Improvements, other Tenant Work, Tenant Property, fixtures, systems and equipment now or hereafter on the Premises, or elsewhere exclusively serving the Premises, in good order, condition and repair, reasonable wear and tear excepted; shall keep in a safe, secure and sanitary condition all trash and rubbish temporarily stored at the Premises; and shall make all repairs and replacements and to do all other work necessary for the foregoing purposes whether the same may be ordinary or extraordinary, foreseen or unforeseen. The foregoing shall include, without

limitation, Tenant's obligation to maintain floors and floor coverings, to repair walls and doors, to replace and repair all interior glass and windows, ceiling tiles, lights and light fixtures, pipes, drains and the like in and exclusively serving the Premises. Tenant shall hire its own cleaning contractor for the Premises and shall provide first-class janitorial service in the Premises on each business day during the Term (including daily disposal of trash from trash bins in the Premises). Tenant shall arrange for its own appropriately sized dumpster, and shall locate the same in the vicinity of Tenant's loading bay in a manner reasonably approved by Landlord. If applicable, Tenant shall arrange for disposal of its own lab-related refuse by a licensed vendor in accordance with all applicable Legal Requirements. No storage shall be permitted outside of the Premises. Storage inside the Premises shall be provided in a manner not visible from outside the Premises. (For purposes of this Section, the term "reasonable wear and tear" constitutes that normal, gradual deterioration that occurs due to aging and ordinary use despite reasonable and timely maintenance and repairs or repairs and restoration, as the case may be; in no event shall "reasonable wear and tear" excuse Tenant from its obligations duty to maintain and/or repair as may be required hereunder.)

(b) Landlord's Right to Cure. If Tenant does not perform any of its obligations under Section 10.04(a), and such failure to perform continues after the written notice from Landlord and the expiration of the thirty (30) day cure period set forth in Section 14.01(b) hereof (except in the case of emergency), Landlord upon ten (10) days' prior notice to Tenant (or without prior notice in the case of an emergency) may perform such maintenance, repair or replacement on Tenant's behalf, and Tenant shall reimburse Landlord for all costs reasonably incurred together with an Administrative Charge (as defined in Section 14.02(f)), immediately upon demand.

10.5 Tenant Work.

(a) General. "Tenant Work" shall mean all work including demolition, improvements, additions and alterations in or to the Premises. Without limitation, Tenant Work includes any penetrations in the walls, partitions, ceilings or floors and all attached carpeting, all signs visible from the exterior of the Premises, and any change in the exterior appearance of the windows in the Premises (including shades, curtains and the like). All Tenant Work shall be subject to Landlord's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed, and shall be arranged and paid for by Tenant all as provided herein; provided that any interior, non-structural Tenant Work (including any series of related Tenant Work projects) that (a) costs less than the "Tenant Work Threshold Amount" (which shall be $10,000.00), (b) does not affect any fire-safety, telecommunications, electrical, mechanical, ventilation or plumbing systems of the Building ("Core Building Systems"), and (c) does not affect any penetrations in or otherwise affect any walls, floors, roofs, or other structural elements of the Building or any signs visible from the exterior of the Premises or any change in the exterior appearance of the windows in the Premises (including shades, curtains and the like) shall not require Landlord's prior approval if Tenant delivers the Construction Documents (as defined in Section 10.05(b)) for such work to Landlord at least five (5) business days' prior to commencing such work. Whether or not Landlord's approval is required, Tenant shall neither propose nor effect any Tenant Work that in Landlord's reasonable judgment (i) adversely affects any structural component of the Building, (ii) would be incompatible with the Core Building Systems, (iii) affects the exterior or the exterior appearance of the Building or common areas within or around the Building or other property than the Premises, (iv) diminishes the value of the Premises, or (v) requires any unusual expense to readapt the Premises. Prior to commencing any Tenant Work affecting air disbursement from ventilation systems serving Tenant or the Building, including, without limitation, the installation of Tenant's exhaust systems, Tenant shall provide Landlord with a

third party report from a consultant, and in a form, reasonably acceptable to Landlord, showing that such work will not adversely affect the ventilation systems of the Building (or of any other tenant in the Building) and shall, upon completion of such work, provide Landlord with a certification reasonably satisfactory to Landlord from such consultant confirming that no such adverse effects have resulted from such work. If, as a result of any Tenant Work, Landlord is obligated to comply with any Legal Requirement, including, but not limited to, the Americans With Disabilities Act, and such compliance requires Landlord to make any improvement or alteration to any portion of the Property, as a condition to Landlord's consent, Landlord shall have the right to require Tenant to pay to Landlord prior to the construction of any improvement or alteration by Tenant, the entire cost of any improvement or alteration Landlord is obligated to complete by such law or regulation.

(b) Construction Documents. No Tenant Work shall be effected except in accordance with complete, coordinated construction drawings and specifications ("Construction Documents") prepared in accordance with Exhibit F. Before commencing any Tenant Work requiring Landlord's approval hereunder, Tenant shall obtain Landlord's prior written approval of the Construction Documents for such work, which approval shall not be unreasonably withheld or delayed. The Construction Documents shall be prepared by an architect ("Tenant's Architect") registered in the Commonwealth of Massachusetts experienced in the construction of tenant space improvements in comparable buildings in the area where the Premises are located and, if the value of such Tenant Work will equal or exceed the Tenant Work Threshold Amount or will affect any Core Building Systems or structural components of the Building, the identity of such Architect shall be approved by Landlord in advance, such approval not to be unreasonably withheld in the case of interior, non- structural Tenant Work. Tenant shall be solely responsible for the liabilities associated with and expenses of all architectural and engineering services relating to Tenant Work and for the adequacy, accuracy, and completeness of the Construction Documents even if approved by Landlord (and even if Tenant's Architect has been otherwise engaged by Landlord in connection with the Building). The Construction Documents shall set forth in detail the requirements for construction of the Tenant Work and shall show all work necessary to complete the Tenant Work including all cutting, fitting, and patching and all connections to the mechanical, electrical, and plumbing systems and components of the Building. Submission of the Construction Documents to Landlord for approval shall be deemed a warranty by Tenant that all Tenant Work described in the Construction Documents (i) complies with all applicable laws, regulations, building codes, and highest design standards, (ii) does not adversely affect any structural component of the Building, (iii) is compatible with and does not adversely affect the Core Building Systems, (iv) does not affect any property other than the Premises, (v) conforms to floor loading limits specified by Landlord, and (vi) with respect to all materials, equipment and special designs, processes or products, does not infringe on any patent or other proprietary rights of others. The Construction Documents shall comply with Landlord's requirements for the uniform exterior appearance of the Building, including, without limitation, the use of Building standard window blinds and Building standard light fixtures within fifteen (15) feet of each exterior window. Landlord's approval of Construction Documents shall signify only Landlord's consent to the Tenant Work shown and shall not result in any responsibility or warranty of Landlord concerning compliance of the Tenant Work with laws, regulations, or codes, or coordination or compatibility with any component or system of the Building, or the feasibility of constructing the Tenant Work without damage or harm to the Building, all of which shall be the sole responsibility of Tenant.

(c) Performance. The identity of any person or entity (including any employee or agent of Tenant) performing or designing any Tenant Work ("Tenant Contractor") shall, if the cost of such

work in any instance is in excess of the Tenant Work Threshold Amount or will affect any Core Building Systems or structural components of the Building or involves any work other than interior, nonstructural alterations, be approved in advance by Landlord, such approval not to be unreasonably withheld. Once any Tenant Contractor has been approved, then the same Tenant Contractor may thereafter be used by Tenant for the same type of work until Landlord notifies Tenant that such Tenant Contractor is no longer approved. Tenant shall procure at Tenant's expense all necessary permits and licenses before undertaking any Tenant Work but shall not take any plans for Tenant Work to the municipal inspection services or fire departments, without on each occasion obtaining Landlord's prior written consent. Tenant shall perform all Tenant Work at Tenant's risk in compliance with all applicable laws and the rules and regulations attached hereto as Exhibit C as the same may be amended by Landlord from time to time and in a good and workmanlike manner employing new materials of good quality and producing a result at least equal in quality to the other parts of the Premises. When any Tenant Work is in progress, Tenant shall cause to be maintained insurance as described in the Tenant Work Insurance Schedule attached as Exhibit D and such other insurance as may be required under this Lease or reasonably required by Landlord covering any additional hazards due to such Tenant Work, and, if the cost of such Tenant Work exceeds the Tenant Work Threshold Amount also such bonds or other assurances of satisfactory completion and payment as Landlord may reasonably require, in each case for the benefit of Landlord. If the Tenant Work in any instance requires Landlord's approval hereunder, Tenant shall reimburse Landlord for its reasonable costs of reviewing the proposed Tenant Work and inspecting installation of the same. At all times while performing Tenant Work, Tenant shall require any Tenant Contractor to comply with all applicable laws, regulations, permits and Landlord's rules and regulations relating to such work, including, without limitation, use of loading areas, elevators and lobbies. Landlord shall have the right to stop any work not being performed in conformance with this Lease, and, at its option, may repair or remove non-conforming work at the expense of Tenant. Each Tenant Contractor working on the roof of the Building shall coordinate with Landlord's roofing contractor, shall comply with its requirements and shall not violate existing roof warranties. Each Tenant Contractor shall work on the Premises without causing labor disharmony, coordination difficulties, or delay to or impairing of any guaranties, warranties or the work of any other contractor. Tenant shall obtain from each Tenant Contractor, prior to entry into the Building, an agreement to indemnify and hold the Indemnitees harmless from any claim, loss or expense arising in whole or in part out of any act or neglect committed by or under such person while on or about the Premises or Building to the same extent as Tenant has so agreed in this Lease, the indemnities of Tenant and Tenant Contractor being joint and several.

(d) Payment. Tenant shall pay the entire cost of all Tenant Work so that the Premises, including Tenant's leasehold, shall always be free of liens for labor or materials. If any such lien is filed that is claimed to be attributable to Tenant or persons acting under Tenant, then Tenant shall promptly (and always within thirty (30) days of Tenant's notice of filing thereof) discharge the same.

(e) Other. (i) Tenant must schedule and coordinate all aspects of work with the Building manager and Building engineer and shall make prior arrangements for elevator use with the Building manager. If an operating engineer is required by any union regulations, Tenant shall pay for such engineer. If shutdown of risers and mains for electrical, mechanical and plumbing work is required, such work shall be supervised by Landlord's representative at Tenant's cost. If special security arrangements must be made (e.g., in connection with work outside normal business hours), Tenant Contractor shall pay the actual cost of such security. No work shall be performed in Building mechanical or electrical equipment rooms without Landlord's approval, which approval shall not be

unreasonably withheld or delayed, and all such work shall be performed under Landlord's supervision. Except in case of emergency, at least forty-eight (48) hours' prior notice must be given to the Building management office prior to the shutdown of fire, sprinkler and other alarm systems, and in case of emergency, prompt notice shall be given. In the event that such work unintentionally alerts the Fire or Police Department or any private alarm monitoring company through an alarm signal, Tenant shall be liable for any fees or charges levied in connection with such alarm. Tenant shall pay to Landlord such charges as may from time to time be in effect with respect to any such shutdown. All demolition, installations, removals or other work that is reasonably likely to inconvenience other tenants or disturb Building operations must be scheduled with the Building manager at least twenty-four (24) hours in advance.

(ii) Tenant shall take all necessary and appropriate steps to ensure that any work carried out by or on behalf of Tenant is done in a manner so as to not interfere with any other tenants or occupants of the Building. Installations within the Premises (and elsewhere where Tenant is permitted to make installations) shall not interfere with existing services and shall be installed so as not to unreasonably interfere with subsequent installation of ceilings or services for other tenants. Redundant electrical, control and alarm systems and mechanical equipment and sheet metal used or placed on the Property during construction and not maintained as part of Tenant's use of the Premises must be removed as part of the work.

(iii) Each Tenant Contractor shall take all reasonable steps to assure that any work is carried out without disruption from labor disputes arising from whatever cause, including disputes concerning union jurisdiction and the affiliation of workers employed by said Tenant Contractor or its subcontractors. Tenant shall be responsible for, and shall reimburse Landlord for, all actual costs and expenses, including reasonable attorneys' fees incurred by Landlord in connection with the breach by any Tenant Contractor of such obligations. If Tenant does not promptly resolve any labor dispute caused by or relating to any Tenant Contractor, Landlord may in its sole discretion request that Tenant remove such Tenant Contractor from the Property, and if such Tenant Contractor is not promptly removed, Landlord may prohibit such Tenant Contractor from entering the Property.

(iv) Tenant shall diligently pursue and complete all Tenant Work and upon completion thereof, Tenant shall give to Landlord (x) a permanent certificate of occupancy (if one is legally required) and any other final governmental approvals required for such work, (y) copies of "as built" plans and all construction contracts and (z) proof of payment for all labor and materials.

10.6 Condition upon Termination. At the expiration or earlier termination of the Term, Tenant (and all persons claiming through Tenant) shall without the necessity of notice, deliver the Premises (including all Initial Tenant Improvements and Tenant Work, and all replacements thereof, except such additions, alterations, Initial Tenant Improvements and other Tenant Work as the Landlord may direct to be removed at the time the Landlord approves the plans thereof, or, in the case of Tenant Work not subject to Landlord approval, at the time of expiration or earlier termination of the Term) broom-clean, in compliance with the requirements of Section 10.07 and in good and tenantable condition, reasonable wear and tear, and damage by casualty or taking (to the extent provided in Article 12 only) excepted. (For purposes of the foregoing sentence, the term "reasonable wear and tear" constitutes that normal, gradual deterioration that occurs due to aging and ordinary use despite reasonable and timely maintenance and repairs; in no event shall "reasonable wear and tear" excuse Tenant from its duty to maintain same in good condition and repair and otherwise serviceable.) The

Premises shall be surrendered to Landlord free and clear of any mechanic's liens (or any similar lien related to labor or materials) filed against any part of the Premises and free and clear of any financing or other encumbrance on any equipment and/or Initial Tenant Improvements or Tenant Work to be surrendered with the Premises. As part of such delivery, Tenant shall also provide all keys (or lock combinations, codes or electronic passes) to the Premises to Landlord; remove all signs wherever located; and, except as provided in this Section 10.06, remove all Tenant Property whether or not bolted or otherwise attached. As used herein, "Tenant Property" shall mean all trade fixtures, furnishings, equipment inventory, cabling and other personal property owned by Tenant or any person acting under Tenant at the Premises. Tenant shall repair all damage that results from such removal and restore the Premises substantially to a fully functional and tenantable condition (including the filling of all floor and wall holes, the removal of all disconnected wiring back to junction boxes and the replacement of all damaged ceiling tiles). Any property not so removed shall be deemed abandoned, shall at once become the property of Landlord, and may be disposed of in such manner as Landlord shall see fit; and Tenant shall pay the cost of removal and disposal to Landlord upon demand. If this Lease shall be terminated by reason of Tenant's breach or Event of Default, then, notwithstanding anything to the contrary in this Section 10.06 or otherwise in this Lease contained, Landlord shall have, and Tenant hereby grants, a security interest and lien against all Tenant Property in the premises or elsewhere in the Building to secure Landlord's rights under Article 14 hereof. Tenant acknowledges and agrees that Landlord may prepared and file, and Tenant shall, within ten (10) days of Landlord's written request, from time to time, execute and deliver to Landlord, such documentation (e.g., UCC statements) as may be necessary to enable Landlord to perfect and enforce such security interest and lien. The covenants of this Section shall survive the expiration or earlier termination of the Term. Landlord agrees that so long as Tenant is not in default of any of its obligations under this Lease (beyond any Grace Period), the security interest granted pursuant to Section 10.06 hereof shall be subordinated to any security interests in the foregoing collateral or any portion thereof granted by Tenant to any bank, savings and loan association or finance company which security interests are duly perfected prior to the date Landlord's are perfected. Landlord shall execute such agreement confirming this subordination which is mutually acceptable to Landlord and the secured party.

10.7 Decommissioning of the Premises. Prior to the expiration of this Lease (or within thirty (30) days after any earlier termination), Tenant shall clean and otherwise decommission all interior surfaces (including floors, walls, ceilings, and counters), piping, supply lines, waste lines and plumbing in and/or exclusively serving the Premises, and all exhaust or other ductwork in and/or exclusively serving the Premises, in each case which has carried or released or been exposed to any Environmental Substances, and shall otherwise clean the Premises so as to permit the report hereinafter called for by this Section 10.07 to be issued. Prior to the expiration of this Lease (or within thirty (30) days after any earlier termination), Tenant, at Tenant's expense, shall obtain for Landlord a report addressed to Landlord and Landlord's designees (and, at Tenant's election, Tenant) by a reputable licensed environmental engineer that is designated by Tenant and acceptable to Landlord in Landlord's reasonable discretion, which report shall be based on the environmental engineer's inspection of the Premises and shall show: that the Environmental Substances, to the extent, if any, existing prior to such decommissioning, have been removed as necessary so that the interior surfaces of the Premises (including floors, walls, ceilings, and counters), piping, supply lines, waste lines and plumbing, and all such exhaust or other ductwork in and/or exclusively serving the Premises, may be reused by a subsequent tenant or disposed of in compliance with applicable Environmental Laws (as defined in Section 9.04 hereof) without taking any special precautions for

Environmental Substances, without incurring special costs or undertaking special procedures for demolition, disposal, investigation, assessment, cleaning or removal of Environmental Substances and without incurring regulatory compliance requirements or giving notice in connection with Environmental Substances; and that the Premises may be reoccupied for office or laboratory use, demolished or renovated without taking any special precautions for Environmental Substances, without incurring special costs or undertaking special procedures for disposal, investigation, assessment, cleaning or removal of Environmental Substances and without incurring regulatory requirements or giving notice in connection with Environmental Substances. Further, for purposes of this Section: "special costs" or "special procedures" shall mean costs or procedures, as the case may be, that would not be incurred but for the nature of the Environmental Substances as Environmental Substances instead of non-hazardous materials. The report shall include reasonable detail concerning the clean-up location, the tests run and the analytic results. If Tenant fails to perform its obligations under this Section, without limiting any other right or remedy, Landlord may, on five (5) business days' prior written notice to Tenant perform such obligations at Tenant's expense, and Tenant shall promptly reimburse Landlord upon demand for all actual out-of-pocket costs and expenses reasonably incurred together with an Administrative Charge, as defined in Section 14.02(f). Tenant's obligations under this Section shall survive the expiration or earlier termination of this Lease.

ARTICLE 11: INITIAL TENANT IMPROVEMENTS

11.1 Tenant has provided Landlord with all necessary information regarding Tenant's space planning needs in connection with its use of the Premises. Based upon such information supplied by Tenant, space plans and specifications have been prepared (the "Plans and Specifications") for the layout of Tenant's leasehold improvements to the Premises ("Initial Tenant Improvements"). The Initial Tenant Improvements shall not include Tenant's furniture, trade fixtures, equipment and personal property and are limited to the fit-up construction, as generally laid out and specified on the Plans and Specifications. Tenant acknowledges that the Initial Tenant Improvements, except as expressly provided in the Plans and Specifications, will be designed and constructed to the general quality of the design and construction of the Building and in accordance with Landlord's building standards for the Building. Tenant has approved and agreed to the Plans and Specifications. The Plans and Specifications are attached hereto as Exhibit H.

11.2 Tenant agrees that Landlord shall have no obligation to make any changes to the Plans and Specifications requested by Tenant, provided, however, to the extent Landlord agrees to any such changes, Tenant agrees that any additional cost resulting from such approved changes shall be the responsibility of Tenant and shall be paid in full by Tenant to Landlord within ten (10) business days of billing therefor by Landlord; and Tenant agrees that if any such changes do result in delay in Substantial Completion, same shall be deemed a Tenant Delay (as defined below).

11.3 Landlord shall proceed, using reasonable efforts, to obtain all necessary permits and approvals for the construction of the Initial Tenant Improvements, to engage a contractor or construction manager to perform or supervise the construction and to proceed to construct the Initial Tenant Improvements in substantial conformance with the Plans and Specifications. Landlord reserves the right to make changes and substitutions to the Plans and Specifications in connection with the construction of the Initial Tenant Improvements, provided same do not materially adversely modify the Plans and Specifications. Subject to matters of Force Majeure, Landlord agrees to use commercially reasonable efforts to deliver the Premises to Tenant by the Target Term Commencement Date.

11.4 The Initial Tenant Improvements shall be deemed "Substantially Complete" on the date (the "Substantial Completion Date") Tenant receives notice from Landlord that Landlord has received a certificate of occupancy (temporary or permanent) or a fully-signed off building permit for the Premises issued by the Town of Lexington (the "Certificate of Occupancy"). Any of the Initial Tenant Improvements not fully completed (of which Tenant shall give Landlord notice as provided below) on the Term Commencement Date shall thereafter be so completed with reasonable diligence by Landlord, but in any event within thirty (30) days after the Term Commencement Date until such items cannot reasonably be completed within such time frame. Notwithstanding the foregoing, if any delay in the Substantial Completion of the Initial Tenant Improvements by Landlord is due to Tenant Delays, then the Substantial Completion Date shall be deemed to be the date (as set forth in a written notice from Landlord to Tenant) the Initial Tenant Improvements would have been Substantially Complete, if not for such Tenant Delays, as reasonably determined by Landlord. "Tenant Delays" shall mean delays caused by: (i) changes to the Plans and Specifications requested by Tenant that do not conform to Landlord's building standards for office build-out, or which contain long lead-time or non-standard items requested by Tenant; (ii) any material change in the Plans and Specifications requested by Tenant and agreed to by Landlord; (iii) any request by Tenant for a delay in the commencement or completion of the Initial Tenant Improvements for any reason; or (iv) any other act or omission of Tenant or its employees, agents or contractors which reasonably inhibits the Landlord from timely completing the Initial Tenant Improvements. The Premises shall not be deemed to be unavailable if only minor or insubstantial details of construction, decoration or mechanical adjustments remain to be done. If as a result of Tenant Delays the Premises are deemed ready for Tenant's occupancy, pursuant to the foregoing (and the term shall have commenced by reason thereof), but the Premises are not in fact actually ready for Tenant's occupancy, Tenant shall not (except with Landlord's consent not to be unreasonably withheld, conditioned or delayed) be entitled to take possession of the Premises for the Permitted Use until the Premises are in fact actually ready for such occupancy.

11.5 Within seven (7) business days after the Term Commencement Date, Landlord and Tenant shall confer and create a specific list of any defects or incomplete remaining items of work with respect to the Initial Tenant Improvements including any manner in which the Premises is not in the condition required to be delivered pursuant to Article 11 (a "Punch list"). Tenant shall notify Landlord within thirty (30) days after the Term Commencement Date of any portion of the Initial Tenant Improvements, including Punch list items, that remains incomplete or any manner in which the Premises is not in the condition required to be delivered pursuant to this Article 11. Except as identified in any such notice from Tenant to Landlord, Tenant shall be deemed satisfied with the Initial Tenant Improvements, Landlord shall be deemed to have completed all of its obligations under this Article 11 and Tenant shall have no claim that Landlord has failed to perform in full its obligations hereunder. Landlord warrants and represents that: (i) the certificate of occupancy for the Premises will permit the use and occupancy of the Premises for the Permitted Uses; and (ii) it will not permit any change in the certificate of occupancy which would adversely affect Tenant's use of the Premises for the Permitted Uses.

11.6 This Lease is subject to the Landlord obtaining all permits, licenses and approvals necessary to allow Landlord to construct the Initial Tenant Improvements and obtain a Certificate of Occupancy with respect thereto; and if despite Landlord's good faith efforts Landlord shall be unable

to obtain such permits, license, approvals, or Certificate of Occupancy, and is therefore unable to commence or complete the Initial Tenant Improvements, then this Lease may be terminated by Landlord by written notice to Tenant.

11.7 If Tenant occupies the Premises prior to the Term Commencement Date (which shall only be allowed upon the prior written consent of the Landlord), such occupancy shall be subject to all provisions of this Lease, such occupancy shall not change the Termination Date, and Tenant shall pay rent and all other charges provided for in this Lease during the period of such occupancy. Tenant shall be liable for any damages or delays caused by Tenant's activities at the Premises. Prior to entering the Premises, Tenant shall obtain all insurance it is required to obtain by the Lease and shall provide certificates of said insurance to Landlord. Tenant shall coordinate such entry with Landlord's building manager, and such entry shall be made in compliance with all terms and conditions of this Lease and the rules and regulations in effect from time to time.

11.8 Landlord shall pay the costs and expenses incurred by Landlord in connection with the performance and completion of the Initial Tenant Improvements in an amount not to exceed $257,335.00 ($65.00 per Rentable Square Foot of the Premises) (the "Improvement Allowance") and, subject to the Additional Improvement Allowance (defined below), this shall be Landlord's maximum contribution to the cost of constructing and installing the Initial Tenant Improvements. If the cost of the Initial Tenant Improvements exceeds the Improvement Allowance, then Landlord shall pay up to an additional $89,077.50 ($22.50 per square foot of Rentable Square Foot of the Premises) (the "Additional Improvement Allowance") towards the cost of the Initial Tenant Improvements. If Landlord pays the Additional Improvement Allowance, then Base Rent shall be increased in an amount equal to the actual amount expended from the Additional Improvement Allowance, amortized, on a straight line basis, over the Initial Term of the Lease with an implied interest rate of 6% per annum. Tenant shall be responsible for and promptly (but in no event longer than ten (10) days after request therefor) pay directly or pay to Landlord for, as appropriate, and indemnify and reimburse Landlord from and against, any actual costs of the Initial Tenant Improvements that are in excess of the Improvement Allowance and Additional Improvement Allowance including, without limitation, such costs over and above the Improvement Allowance and Additional Improvement Allowance necessary to complete the Initial Tenant Improvements as set forth in the Plans and Specifications, costs resulting from the Tenant's upgrades from building standard construction materials or Tenant's upgrades or changes to the Initial Tenant Improvements or the Plans and Specifications. Landlord shall have the same rights and remedies which Landlord has upon the nonpayment of Base Rent and other charges due under this Lease for nonpayment of any amounts which Tenant is required to pay to Landlord or Landlord's contractor in connection with the Initial Tenant Improvements or in connection with any construction in the Premises performed for Tenant by Landlord, Landlord's contractor or any other person, firm or entity after the Term Commencement Date. Except for the Initial Tenant Improvements and any repairs expressly required to be made by Landlord under this Lease, Landlord shall have no obligation to perform any work or construction to make the Premises fit for use and occupation or for Tenant's particular purpose or to make them acceptable to Tenant. All components of the Initial Tenant Improvements shall be part of the Building, except only for such items as Landlord shall designate in writing to be removed by Tenant on the termination of this Lease.

11.9 If Landlord fails to Substantially Complete the Initial Tenant Improvements by the date that is forty-five (45) days after the Target Term Commencement Date (the "Outside Date") and to the extent such failure to deliver is not due to Tenant Delays or matters beyond the control of Landlord, the Rent Commencement Date shall be extended by one (1) day for each day after the Outside Date until the Term Commencement Date occurs.

ARTICLE 12: DAMAGE OR DESTRUCTION; CONDEMNATION

12.1 Damage or Destruction of Premises.

(a) If the Premises or any part thereof shall be damaged by fire or other insured casualty, then, subject to the last paragraph of this Section, Landlord shall proceed with diligence, subject to then applicable statutes, building codes, zoning ordinances and regulations of any governmental authority, and at the expense of Landlord (but only to the extent of insurance proceeds made available to Landlord by any mortgagee of the Building and any ground lessor) to repair or cause to be repaired such damage (other than any Initial Tenant Improvements not deemed to be fixtures covered by Landlord's property insurance and Tenant Work, which Tenant shall promptly commence, and proceed with diligence, to restore). All such repairs made necessary by any act or omission of Tenant shall be made at the Tenant's expense to the extent that the cost of such repairs are less than the deductible amount in Landlord's insurance policy. All repairs to and replacements of Tenant Property not deemed to be fixtures covered by Landlord's property insurance and any Initial Tenant Improvements and Tenant Work shall be made by and at the expense of Tenant. The cost of any repairs performed under this Section by Landlord at Tenant's request and at Tenant's expense (including costs of design fees, financing, and charges for administration, overhead and construction management services by Landlord and Landlord's contractor) shall constitute Additional Rent hereunder. If the Premises or any part thereof shall have been rendered unfit for use and occupation hereunder by reason of such damage, the Base Rent or a just and proportionate part thereof, according to the nature and extent to which the Premises shall have been so rendered unfit, shall be abated until the Premises (except as to Tenant Property, Initial Tenant Improvements not deemed to be fixtures covered by Landlord's property insurance and any Tenant Work) shall have been restored as nearly as practicable to the condition in which they were immediately prior to such fire or other casualty; and that if and to the extent Landlord shall be unable to collect the insurance proceeds (including rent insurance proceeds) applicable to such damage because of some action or inaction on the part of Tenant, or the employees, licensees or invitees of Tenant, the cost of repairing such damage shall be paid by Tenant and there shall be no abatement of rent. Landlord shall not be liable for delays in the making of any such repairs that are due to government regulation, casualties, and strikes, unavailability of labor and materials, delays in obtaining insurance proceeds, and other causes beyond the reasonable control of Landlord, nor shall Landlord be liable for any inconvenience or annoyance to Tenant or injury to the business of Tenant resulting from delays in repairing such damage. If the Premises or the Building are substantially damaged so as to prevent Tenant from using the Premises for the Permitted Use and the Premises have not been restored to the condition required pursuant to the terms of this Lease within two hundred and seventy (270) days following said casualty (or if such casualty occurs during the last 18 months of the term, within ninety (90) days after the date of such casualty), then Tenant may terminate this Lease upon thirty (30) days written notice to Landlord unless Landlord shall substantially complete such repair and restoration within such thirty (30) day period in which event Tenant's termination shall be void and of no further force or effect.

(b) If (i) the Premises are so damaged by fire or other casualty (whether or not insured) at any time during the last thirty (30) months of the Term that the cost to repair such damage is reasonably estimated to exceed one-third (1/3) of the total Base Rent payable hereunder for the

period from the estimated completion date of repair until the end of the Term, (ii) at any time the Building (or any portion thereof, whether or not including any portion of the Premises) is so damaged by fire or other casualty (whether or not insured) that substantial alteration or reconstruction or demolition of the Building (or a portion thereof) shall in Landlord's judgment be required, or (iii) at any time damage to the Building occurs by fire or other insured casualty and any mortgagee or ground lessor shall refuse to permit insurance proceeds to be utilized for the repair or replacement of such property and Landlord determines not to repair such damage, then and in any of such events, this Lease and the term hereof may be terminated at the election of Landlord by a notice from Landlord to Tenant within four (4) months, or such longer period as is required to complete arrangements with any mortgagee or ground lessor regarding such situation, as reasonably substantiated by Landlord, following such fire or other casualty; the effective termination date pursuant to such notice shall be not less than thirty (30) days after the day on which such termination notice is received by Tenant. If any mortgagee refuses without fault by Tenant to permit insurance proceeds to be applied to replacement of the Premises, and neither Landlord nor such mortgagee has commenced such replacement within four (4) months following adjustment of such casualty loss with the insurer, then Tenant may, until any such replacement commences, terminate this Lease by giving at least thirty (30) days prior written notice thereof to Landlord and such termination shall be effective on the date specified if such replacement has not then commenced. In the event of any termination, the Term shall expire as though such effective termination date were the date originally stipulated in Article 1 for the end of the Term and the Base Rent and Additional Rent for Total Operating Costs (to the extent not abated as set forth above) shall be apportioned as of such date. Notwithstanding anything to the contrary contained in this Lease, Landlord shall not have the right to terminate this Lease in the event of a fire or other casualty unless Landlord shall simultaneously terminate all other leases and tenancies similarly affected by the fire or casualty.

12.2 Eminent Domain. In the event that all or any substantial part of the Premises or the Building or its common areas is taken (other than for temporary use, hereafter described) by public authority under power of eminent domain (or by conveyance in lieu thereof), then by notice given within three (3) months following the recording of such taking (or conveyance) in the appropriate registry of deeds, this Lease may be terminated at Landlord's election thirty (30) days after such notice, and Base Rent and Tenant's share of Total Operating Costs and Taxes shall be apportioned as of the date of termination. In the event there is a taking that results in the loss of reasonable access to the Premises; results in the loss of more than twenty-five percent (25%) of the rentable floor area of the Premises; or results in loss of parking facilities for the Building and Landlord reasonably determines it is not practical to relocate such parking or relocate and reconnect such facilities within the remaining Building or Property then Tenant shall have the right, upon written notice to Landlord given within thirty (30) days after notice of the taking, to terminate the Lease. If this Lease is not terminated as aforesaid, subject to the rights of mortgagees Landlord shall within a reasonable time thereafter, diligently restore what may remain of the Premises (excluding any Tenant Property or other items installed or paid for by Tenant that Tenant is permitted or may be required to remove upon expiration and any Initial Tenant Improvements and Tenant Work) to a tenantable condition. In the event some portion of rentable floor area of the Premises is taken (other than for temporary use) and this Lease is not terminated, Base Rent shall be proportionally abated for the remainder of the Term. In the event of any taking of the Premises or any part thereof for temporary use, (i) this Lease shall be and remain unaffected thereby and rent shall not abate, and (ii) Tenant shall be entitled to receive for itself such portion or portions of any award made for such use with respect to the period of the taking that is within the Term, provided that if such taking shall remain in force at

the expiration or earlier termination of this Lease, then Tenant shall pay to Landlord a sum equal to the reasonable cost of performing Tenant's obligations hereunder with respect to surrender of the Premises and upon such payment shall be excused from such obligations.

So long as Tenant is not then in breach of any covenant or condition of this Lease, any specific damages that are expressly awarded to Tenant on account of its relocation expenses, and specifically so designated, shall belong to Tenant. Except as provided in the preceding sentence of this paragraph, Landlord reserves to itself, and Tenant releases and assigns to Landlord, all rights to damages accruing on account of any taking or by reason of any act of any public authority for which damages are payable. Tenant agrees to execute such further instruments of assignment as may be reasonably requested by Landlord, and to turn over to Landlord any damages that may be recovered in any proceeding or otherwise; and Tenant irrevocably appoints Landlord as its attorney-in-fact with full power of substitution so to execute and deliver in Tenant's name, place and stead all such further instruments if Tenant shall fail to do so after ten (10) days' notice.

ARTICLE 13: ASSIGNMENT AND SUBLETTING

13.1 Landlord's Consent Required. Except as set forth in this Article, Tenant shall not directly or indirectly assign this Lease, or sublet or license the Premises or any portion thereof, or advertise the Premises for assignment or subletting or permit the occupancy of all or any portion of the Premises by any person other than Tenant (each of the foregoing actions are collectively referred to as a "Transfer") without obtaining, on each occasion, the prior written consent of Landlord, which consent shall not be unreasonably withheld provided that Tenant complies with the provisions of this Article. Subject to Section 13.04 herein, a Transfer shall include, without limitation, any transfer of Tenant's interest in this Lease by operation of law, merger or consolidation of Tenant into any other firm or corporation, and the transfer or sale of a controlling interest in Tenant, whether by sale of its capital stock or otherwise or any sale of all or a substantial part of Tenant's assets. Any Transfer shall be subject to this Lease, all of the provisions of which shall be conditions to such Transfer and be binding on any transferee. No transferee shall have any right further to transfer its interest in the Premises, and nothing herein shall impose any obligation on Landlord with respect to a further Transfer. The foregoing restrictions shall be binding on any assignee or sublessee to which Landlord has consented, provided, notwithstanding anything else contained in this Lease, Landlord's consent to any further assignment, subleasing or any sub-subleasing by any approved assignee or sublessee may be withheld by Landlord at Landlord's sole discretion. If Tenant does Transfer with (or without) Landlord's consent, any option or other right that Tenant may have relating to the Premises, including any right to extend the Term or lease other premises, shall automatically be terminated except in the case of a Related Party Transfer. Landlord's Managing Agent, Beal and Company, Inc. (or such other manager of the Building appointed from time to time by Landlord) shall be Tenant's exclusive broker for a period of six (6) months with respect to any proposed transfer so long as such Managing Agent uses its good faith best efforts to market in accordance with Tenant's directions; and after such period Tenant may appoint a co-exclusive broker to serve along with Landlord's Managing Agent. Such Managing Agent shall be paid a brokerage fee for any transfer in accordance with such Managing Agent's commission schedule then in effect so long as such schedule is competitive with similar schedules of major Greater Boston brokerage firms.

13.2 Terms. Without limitation, it shall not be unreasonable for Landlord to withhold such consent for any Transfer where, in Landlord's opinion: (i) the proposed transferee does not have a financial standing and credit rating reasonably acceptable to Landlord; (ii) the proposed transferee

does not have a good reputation in the community; (iii) the business in which the proposed transferee is engaged could detract from, or be inappropriate for, the Building, its value or the costs of ownership thereof; (iv) the rent to be paid by any proposed transferee is less than the then current fair market rent; (v) the proposed transferee is a current tenant or a prospective tenant (or any affiliate of such tenant or prospective tenant), meaning such tenant has been shown space or has been presented with or has made an offer to lease space, of the Building or the Project; (vi) the use of the Premises by any transferee (even though a Permitted Use) violates any use restriction granted by Landlord in any other lease or would otherwise cause Landlord to be in violation of its obligations under another lease or agreement to which Landlord is a party; (vii) if such Transfer is not approved of by the holder of any mortgage on the Property (if such approval is required); (viii) a proposed transferee's business will impose a burden on the Property's parking facilities, elevators, common areas, facilities, or utilities that is greater than the burden imposed by Tenant, in Landlord's reasonable judgment; (ix) any guarantor of this Lease refuses to consent to the proposed transfer or to execute a written agreement reaffirming the guaranty; (x) Tenant is in default of any of its obligations under the Lease at the time of the request or at the time of the proposed Transfer; (xi) if requested by Landlord, the transferee refuses to sign a non-disturbance and attornment agreement in favor of Landlord's lender; (xii) Landlord has sued or been sued by the proposed transferee or has otherwise been involved in a legal dispute with the proposed transferee; (xiii) the transferee is involved in a business which is not in keeping with the then current standards of the Property; (xiv) the Transfer will result in there being more than one subtenant of the Premises; or (xv) the transferee is a governmental or quasi-governmental entity or an agency, department or instrumentality of a governmental or quasi-governmental agency. Landlord may condition its consent upon such transferee depositing with Landlord such additional security as Landlord may reasonably require to assure the performance and observance of the obligations of such party to Landlord. In no event, however, shall Tenant assign this Lease or sublet the whole or any part of the Premises to a proposed transferee which has been judicially declared bankrupt or insolvent according to law, or with respect to which an assignment has been made of property for the benefit of creditors, or with respect to which a receiver, guardian, conservator, trustee in involuntary bankruptcy or similar officer has been appointed to take charge of all or any substantial part of the proposed transferee's property by a court of competent jurisdiction, or with respect to which a petition has been filed for reorganization under any provisions of the Bankruptcy Code now or hereafter enacted, or if a proposed transferee has filed a petition for such reorganization, or for arrangements under any provisions of the Bankruptcy Code now or hereafter enacted and providing a plan for a debtor to settle, satisfy or extend the time for the payment of debts.

13.3 Right of Termination or Recapture. If Tenant requests Landlord's consent to a Transfer (excepting a Related Party Transfer) of all or a portion of the Premises, Landlord shall have the option, exercisable by written notice to Tenant given within thirty (30) days after Landlord's receipt of Tenant's completed request, to terminate this Lease as of the date specified in such notice, which shall not be less than thirty (30) nor more than one hundred twenty (120) days after the date of such notice, as to the entire Premises in the case of a proposed Transfer of the whole Premises, and as to the portion of the Premises to be transferred in the case of a partial Transfer. In the event of termination in respect of a portion of the Premises, the portion so eliminated shall be delivered to Landlord on the date specified in good order and condition in the manner required under this Lease at the end of the Term and thereafter, to the extent necessary in Landlord's judgment, Landlord, at Tenant's cost and expense, may have access to and may make modification to the Premises (or portion thereof) so as to make such portion a self-contained rental unit with access to common areas, elevators and the like. Base Rent and the Tenant's share shall be adjusted according to the extent of the rentable square footage of the Premises for which the Lease is terminated.

13.4 Procedures. At least thirty (30) days prior to the effective date of any Transfer, Tenant shall give Landlord in writing the details of the proposed Transfer, including, but not limited to: (i) the name, business, and financial condition of the prospective transferee, (ii) a true and complete copy of the proposed instrument containing all of the terms and conditions of such Transfer, (iii) a written agreement of the assignee, subtenant or licensee agreeing with Landlord to perform and observe all of the terms, covenants, and conditions of this Lease undertaken by such transferee and such other matters as are contained in Landlord's standard form of consent to a Transfer, and (iv) any other information Landlord reasonably deems relevant. Tenant shall pay to Landlord, as Additional Rent, Landlord's actual reasonable attorneys' fees in reviewing any Transfer up to a maximum of $3,000 per Transfer request. Tenant may make a Related Party Transfer (as defined below) without the consent of Landlord provided that Tenant gives Landlord at least ten (10) days' prior notice thereof together with evidence reasonably satisfactory to Landlord that the proposed Transfer is a Related Party Transfer and such Related Party Transfer is subject to all of the other terms and conditions for this Article. A "Related Party Transfer" transactions with an entity (i) into or with which Tenant is merged or consolidated, (ii) to which substantially all of Tenant's assets are transferred as a going concern, or (iii) which controls or is controlled by Tenant or is under common control with Tenant, shall not be deemed to be a Transfer within the meaning of this Section, provided that in any of such events (1) Landlord receives prior written notice of any such transactions, (2) the assignee or subtenant agrees directly with Landlord, by written instrument in form satisfactory to Landlord, to be bound by all the obligations of Tenant hereunder including, without limitation, the covenant against further assignment and subletting, (3) in no event shall Tenant be released from its obligations under this Lease, (4) any such transfer or transaction is for a legitimate, regular business purpose of Tenant other than a transfer of Tenant's interest in this Lease, and (5) the involvement by Tenant or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, refinancing, transfer, leveraged buy-out or otherwise) whether or not a formal assignment or hypothecation of this Lease or Tenant's assets occurs, will not result in a reduction of the Net Worth of Tenant (as defined below), from the Net Worth of Tenant as it is represented to Landlord at the time of the execution by Landlord of this Lease, or as it exists immediately prior to said transaction or transactions constituting such reduction, at whichever time said Net Worth of Tenant was or is greater. "NetWorth" of Tenant for purposes of this Section shall be the tangible net worth of Tenant (excluding any guarantors) established under generally accepted accounting principles consistently applied.

13.5 Excess Rents. If the consideration, rent, or other amounts payable to Tenant under any other Transfer exceed the Rent and Tenant's Transfer Expenses ((a) pro rated based on floor area in the case of a subletting, license or other occupancy of less than the entire area of the Premises and (b) amortized on a straight line basis over the remaining Term), then Tenant shall pay to Landlord, as Additional Rent, fifty percent (50%) of the amount of such excess when and as received. Tenant's "Transfer Expenses" shall mean Tenant's actual reasonable and necessary payments to third parties in connection with such a Transfer on account of brokerage, legal and market-based fit-up costs. Without limiting the generality of the first sentence of this Section, any lump-sum payment or series of payments (including, without limitation, for the purchase or use of so-called leasehold improvements or Tenant Property and any separate charges for services) on account of any Transfer shall be deemed to be in excess of Rent and other charges in its or their entirety.

13.6 No Release. Notwithstanding any Transfer and whether or not the same is a Related Party Transfer or is consented to, the liability of Tenant to Landlord shall remain direct and primary. Any transferee of all or substantially all of Tenant's interest in the Premises (including any such transferee under a Related Party Transfer) shall be jointly and severally liable with Tenant to Landlord for the performance of all of Tenant's covenants under this Lease; and such assignee shall upon request execute and deliver such instruments as Landlord reasonably requests in confirmation thereof (and agrees that its failure to do so shall be a default). Tenant hereby irrevocably authorizes Landlord to collect Rent from any transferee (and upon notice any transferee shall pay directly to Landlord) and apply the net amount collected to the rent and other charges reserved under this Lease. No Transfer shall be deemed a waiver of the provisions of this Section, or the acceptance of the transferee as a tenant, or a release of Tenant from direct and primary liability for the performance of all of the covenants of this Lease. Notwithstanding anything to the contrary in the documents effecting the Transfer, no Transfer shall alter in any manner whatsoever the terms of this Lease, to which any Transfer at all times shall be subject and subordinate. The breach by Tenant or any transferee of any covenant in this Article shall be a default for which there is no cure period.

Anything contained in the foregoing provisions of this section to the contrary notwithstanding, neither Tenant nor any transferee nor any other person having an interest in the possession, use, occupancy or utilization of the Premises shall enter into any lease, sublease, assignment, license, concession or other agreement for use, occupancy or utilization of space in the Premises that provides for rental or other payment for such use, occupancy or utilization based, in whole or in part, on the net income or profits derived by any person from the Premises leased, used, occupied or utilized (other than an amount based on a fixed percentage or percentages of receipts or sales), and any such purported lease, sublease, assignment, license, concession or other agreement shall be absolutely void and ineffective as a conveyance of any right or interest in the possession, use, occupancy or utilization of any part of the Premises.

13.7 Certain Additional Rights. If the Premises or any part thereof are Transferred by Tenant, following the occurrence of a default which has continued beyond any applicable cure period, Landlord, in addition to any other remedies provided hereunder or at law, may at its option collect directly from any such transferee(s) all rents becoming due to the Tenant under any such Transfer and apply such rent against any amounts due Landlord by Tenant under this Lease, and Tenant hereby irrevocably authorizes and directs such transferee(s) to so make all such rent payments, if so directed by Landlord; and it is understood that no such election or collection or payment shall be construed to constitute a novation of this Lease or a release of Tenant hereunder, or to create any lease or occupancy agreement between the Landlord and such subtenant or impose any obligations on Landlord, or otherwise constitute the recognition of such sublease by Landlord for any purpose whatsoever. Tenant hereby absolutely and unconditionally assigns and transfers to Landlord all of Tenant's interest in all rentals and income arising from any Transfer entered into by Tenant, and Landlord may collect such rent and income and apply same toward Tenant's obligations under this Lease; provided, however, that until a default occurs in the performance of Tenant's obligations under this Lease, Tenant may receive, collect and enjoy the rents accruing under such Transfer. Landlord shall not, by reason of this or any other assignment of such rents to Landlord nor by reason of the collection of the rents from a transferee, be deemed to have assumed or recognized any Transfer or to be liable to the transferee for any failure of Tenant to perform and comply with any of Tenant's obligations to such transferee under such Transfer, including, but not limited to, Tenant's obligation to return any security deposit. Tenant hereby irrevocably authorizes and directs any such

transferee, upon receipt of a written notice from Landlord stating that a default exists in the performance of Tenant's obligations under this Lease, to pay to Landlord the rents due as they become due under the Transfer. Tenant agrees that such transferee shall have the right to rely upon any such statement and request from Landlord, and that such transferee shall pay such rents to Landlord without any obligation or right to inquire as to whether such default exists and notwithstanding any notice from or claim from Tenant to the contrary. In the event Tenant shall default in the performance of its obligations under this Lease or Landlord terminates this Lease by reason of a default of Tenant, Landlord at its option and without any obligation to do so, may require any transferee to attorn to Landlord.

ARTICLE 14: EVENTS OF DEFAULT AND REMEDIES

14.1 Events of Default. Landlord and Tenant hereby agree that the occurrence of any one or more of the following events is a material default (sometimes referred to as an "Event of Default") by Tenant under this Lease:

(a) Tenant's failure to make any payment of Base Rent, Additional Rent, Rent, Tenant's share of Operating Expenses, Tenant's share of Taxes, late charges, or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of five (5) days after written notice thereof from Landlord to Tenant; provided if Landlord has given two (2) prior notices of any such failure (under subsection (a) or (b) hereunder) in any twelve (12) month period, then Tenant shall be in default if any such payment is not made on or before the due date without notice;

(b) Tenant's failure to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant (other than those referenced in Section 14.01(a), above) where such failure shall continue for a period of thirty (30) days after written notice thereof from Landlord to Tenant, or such longer period if such default cannot be reasonably cured within such thirty (30) day period, provided that Tenant diligently commences the cure within the thirty (30) day period and diligently prosecutes such cure to completion and further provided that in no event shall such cure period exceed ninety (90) days;

(c) Tenant's abandonment of the Premises;

(d) Tenant's (or any transferee of Tenant's) attempt to make any Transfer of the Premises in violation of this Lease;

(e) (i) The making by Tenant or any guarantor of Tenant's obligations hereunder of any general arrangement or general assignment for the benefit of creditors; (ii) Tenant or any guarantor becoming a "debtor" as defined in 11 U.S.C. 101 or any successor statute thereto (unless, in the case of a petition filed against Tenant or guarantor, the same is dismissed within sixty (60) days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within forty-five (45) days; (iv) the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within forty-five (45) days; or (v) the insolvency of Tenant. In the event that any provision of this Section 14.04(e) is unenforceable under applicable law, such provision shall be of no force or effect;

(f) The discovery by Landlord that any financial statement, representation or warranty given to Landlord by Tenant, or by any guarantor of Tenant's obligations hereunder, was materially false at the time given, Tenant acknowledging that Landlord has entered into this Lease in material reliance on such information;

(g) The failure of Tenant to comply with any of its obligations within the applicable specified timeframes under (i) Article 7 with respect to maintaining and evidencing the required insurance coverages; (ii) Article 15; (iii) Section 16.03; and (iv) Section 16.04.

then, and in any such case, Landlord and its agents lawfully may, in addition to any remedies for any preceding breach, immediately or at any time thereafter without demand or notice and with or without process of law, enter upon any part of the Premises in the name of the whole or mail or deliver a notice of termination of the Term of this Lease addressed to Tenant at the Premises or any other address herein, and thereby terminate the Term and repossess the Premises as of Landlord's former estate. At Landlord's election such notice of termination may be included in any notice of default. Upon such entry or mailing the Term shall terminate, all executory rights of Tenant and all obligations of Landlord will immediately cease, and Landlord may expel Tenant and all persons claiming under Tenant and remove their effects without any trespass and without prejudice to any remedies for arrears of Rent or prior breach; and Tenant waives all statutory and equitable rights to its leasehold (including rights in the nature of further cure or redemption, if any). If Landlord engages attorneys in connection with any failure to perform by Tenant hereunder, Tenant shall promptly reimburse Landlord for the fees of such attorneys on demand as Additional Rent. Without implying that other provisions do not survive, the provisions of this Article shall survive the Term or earlier termination of this Lease.

Rent forgiveness, allowances for (and/or Landlord expenses in designing and constructing) leasehold improvements to ready the Premises for Tenant's occupancy and the like, if any, have been agreed to by Landlord as inducements for Tenant faithfully to perform all of its obligations. For all purposes, upon the occurrence of any Event of Default and the lapse of the applicable cure period, if any, any such inducements shall be deemed void as of the date hereof as though such had never been included, and the aggregate amounts (or value) thereof will be deemed to be Additional Rent then immediately due. The foregoing will occur automatically without any further notice by Landlord, whether or not the Term is then or thereafter terminated and whether or not Tenant thereafter corrects such Event of Default.

14.2 Remedies for Default.

(a) Reletting Expenses Damages. If the Term of this Lease is terminated for an Event of Default, Tenant covenants, as an additional cumulative obligation after such termination, to pay all of Landlord's reasonable costs, including reasonable attorneys fees, related to Tenant's Event of Default and in collecting amounts due and all reasonable expenses in connection with reletting, including tenant inducements to new tenants, brokerage commissions, fees for legal services, expenses of preparing the Premises for reletting and the like together with an administrative charge of fifteen percent (15%) of all the foregoing costs ("Reletting Expenses"). It is agreed that Landlord may (i) relet the Premises or part or parts thereof for a term or terms that may be equal to, less than or exceed the period that would otherwise have constituted the balance of the Term, and may grant such tenant inducements, including free rent, as Landlord in its sole discretion considers advisable, and (ii) make such alterations to the Premises as Landlord in its sole discretion considers advisable,

and no failure to relet or to collect rent under any reletting shall operate to reduce Tenant's liability. Any obligation to relet imposed by law will be subject to Landlord's reasonable objectives of developing its property in a harmonious manner with appropriate mixes of tenants, uses, floor areas, terms and the like. Landlord's Reletting Expenses together with all other sums provided for whether incurred prior to or after such termination will be due upon demand.

(b) Termination Damages. If the Term of this Lease is terminated for default, unless and until Landlord elects lump sum liquidated damages described in the next paragraph, Tenant covenants, as an additional, cumulative obligation after any such termination, to pay punctually to Landlord all the sums and perform all of its obligations in the same manner as if the Term had not been terminated. In calculating such amounts Tenant will be credited with the net proceeds of any rent then actually received by Landlord from a reletting of the Premises after deducting all Rent that has not then been paid by Tenant, provided that Tenant shall never be entitled to receive any portion of the re-letting proceeds, even if the same exceed the Rent originally due hereunder.

(c) Lump Sum Liquidated Damages. If this Lease is terminated for default, Tenant covenants, as an additional, cumulative obligation after any such termination, to pay forthwith to Landlord at Landlord's election made by written notice at any time after termination, as liquidated damages a single lump sum payment equal to the sum of (i) all sums to be paid by Tenant and not then paid at the time of such election, plus either, as Landlord elects, (ii) the excess of the present value of all of the Rent reserved for the residue of the Term (with Additional Rent deemed to increase ten percent (10%) in each year on a compounding basis) over the present value of the aggregate fair market rent and Additional Rent payable (if less than the Rent payable hereunder) on account of the Premises during such period, which fair market rent shall be reduced by reasonable projections of vacancies and by Landlord's Reletting Expenses described above to the extent not theretofore paid to Landlord), or (iii) an amount equal to the sum of all of the Rent and other sums due under the Lease with respect to the twelve (12) month period next following the date of termination. (The Federal Reserve discount rate (or equivalent) shall be used in calculating such present values under clause (ii), and in the event the parties are unable to agree on such fair market rent, the matter shall be submitted, upon the demand of either party, to the office of the American Arbitration Association (or successor) closest to the Property, with a request for arbitration in accordance with the rules of the Association by a single arbitrator who shall be a licensed real estate broker with at least ten (10) years experience in the leasing of 1,000,000 or more square feet of floor area of buildings similar in character and location to the Premises, whose decision shall be conclusive and binding on the parties.)

(a) Remedies Cumulative; Late Performance. The remedies to which Landlord may resort under this Lease, and all other rights and remedies of Landlord are cumulative, and any two or more may be exercised at the same time. Nothing in this Lease shall limit the right of Landlord to prove and obtain in proceedings for bankruptcy or insolvency an amount equal to the maximum allowed by any statute or rule of law in effect at the time; and Tenant agrees that the fair value for occupancy of all or any part of the Premises at all times shall never be less than the Base Rent and all Additional Rent payable from time to time. Tenant shall also indemnify and hold Landlord harmless in the manner provided elsewhere herein if Landlord shall become or be made a party to any claim or action (a) instituted by Tenant against any third party, or by any third party against Tenant, or by or against any person claiming Tenant; (b) for foreclosure of any lien for labor or material furnished to or for Tenant or such other person; (c) otherwise arising out of or resulting from any act or transaction of Tenant or such other person; or (d) necessary to protect Landlord's interest under this

Lease in a bankruptcy proceeding, or other proceeding under Title 11 of the United States Code, as amended. Except for damages incurred by Landlord as a result of Tenant's holdover after the expiration of the Term or in connection with a breach of Tenant's obligations under Sections 9.04 and 10.07, Landlord hereby waives its right to recover punitive, special or consequential damages arising out of any act, omission or default by Tenant (or any party for whom Tenant is responsible).

(b) Waivers; Accord and Satisfaction. No consent by Landlord or Tenant to any act or omission that otherwise would be a default shall be construed to permit other similar acts or omissions. Neither party's failure to seek redress for violation or to insist upon the strict performance of any covenant, nor the receipt by Landlord of Rent with knowledge of any breach of covenant, shall be deemed a consent to or waiver of such breach. No breach of covenant shall be implied to have been waived unless such is in writing, signed by the party benefiting from such covenant and delivered to the other party; and no acceptance by Landlord of a lesser sum than the Rent due shall be deemed to be other than on account of the earliest installment of such Rent. Nor shall any endorsement or statement on any check or in any letter accompanying any check or payment be deemed an accord and satisfaction; and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such installment or pursue any other right or remedy. The acceptance by Landlord of any Rent following the giving of any default and/or termination notice shall not be deemed a waiver of such notice. If Landlord commences any summary proceeding for possession of the Premises or in any action based on non-payment of Rent by Tenant hereunder, Tenant hereby waives the right to interpose any non-compulsory claim or counterclaim of whatever nature or description in any such proceeding**.**

(c) Landlord's Curing. If Tenant fails to perform any covenant within any applicable cure period, then Landlord at its option may (without waiving any right or remedy for Tenant's non-performance) at any time thereafter perform the covenant for the account of Tenant. Tenant shall upon demand reimburse Landlord's cost (including reasonable attorneys' fees) of so performing, together with an administrative charge equal to fifteen percent (15%) of such cost ("Administrative Charge") on demand as Additional Rent. Notwithstanding any other provision concerning cure periods, Landlord may cure any non-performance for the account of Tenant after such notice to Tenant, if any, as is reasonable under the circumstances if curing prior to the expiration of the applicable cure period is reasonably necessary to prevent likely damage to the Premises or possible injury to persons, or to protect Landlord's interest in the Premises.

ARTICLE 15: LETTER OF CREDIT

15.01 Simultaneously with the execution and delivery of this Lease, Tenant shall deliver to Landlord a clean, irrevocable letter of credit in the Letter of Credit Amount (as defined in Article 1) in the form attached hereto as Exhibit L or otherwise satisfactory in form and content to Landlord and issued by an FDIC insured bank located in Boston reasonably satisfactory to Landlord in favor of Landlord. During the Term hereof, including any extensions thereof, or for any period that Tenant remains in possession of the premises following the expiration of the term, or for any period Tenant has obligations hereunder to Landlord that remain unsatisfied following the expiration of the term (as may be extended), and for ninety (90) days after the latest to occur of the foregoing (i.e., the expiration of the term (as may be extended), the date on which Tenant vacates and yields up the premises, etc.), the letter of credit shall be held to ensure the full and timely performance of Tenant's obligations under this Lease; which letter of credit may be drawn upon by Landlord and applied from time to time against outstanding obligations of Tenant hereunder without notice or demand. Tenant

shall have no right to require Landlord to so draw and apply the letter of credit, nor shall Tenant be entitled to credit the same against rents or other sums payable hereunder. During the entire Term hereof, including any extension thereof, Tenant shall cause said letter of credit to be renewed, in identical form to that delivered herewith, no later than thirty (30) days prior to the date of expiration of same. Without limiting any other remedies of Landlord, in the event that Tenant fails to renew any letter of credit given hereunder at least thirty (30) days prior to the date of expiration thereof, then Landlord shall have the right to draw down the entire amount of said letter of credit and hold such sums as a cash deposit. If and to the extent that Landlord makes such use of the letter of credit, or any part thereof, the sum so applied by Landlord (from cash or from a drawing on the letter of credit) shall be restored to the letter of credit (or by a new letter of credit equal to the difference) by Tenant forthwith upon notice from Landlord, and failure to so restore (within the grace period applicable to Base Rent hereunder) shall be a default hereunder giving rise to all of Landlord's rights and remedies applicable to a default in the payment of rent. In the event of a change of circumstance relating to the bank issuing the letter of credit, or Landlord otherwise believes the financial conditions of the issuing bank has been degraded, Landlord reserves the right to require Tenant to replace the letter of credit from time to time with a substitute similar letter of credit issued by another bank satisfactory to Landlord. In addition, in the event of a termination based upon the default of Tenant under the Lease, or a rejection of the Lease pursuant to the provisions of the Federal Bankruptcy Code, Landlord shall have the right to draw upon the Letter of Credit (from time to time, if necessary) to cover the full amount of damages and other amounts due from Tenant to Landlord under the Lease. Any amounts so drawn shall, at Landlord's election, be applied first to any unpaid rent and other charges which were due prior to the filing of the petition for protection under the Federal Bankruptcy Code. Tenant hereby covenants and agrees not to oppose, contest or otherwise interfere with any attempt by Landlord to draw down from said Letter of Credit including, without limitation, by commencing an action seeking to enjoin or restrain Landlord from drawing upon said Letter of Credit. Tenant also hereby expressly waives any right or claim it may have to seek such equitable relief. In addition to whatever other rights and remedies it may have against Tenant if Tenant breaches its obligations under this paragraph, Tenant hereby acknowledges that it shall be liable for any and all damages which Landlord may suffer as a result of any such breach. Upon request of Landlord or any (prospective) purchaser or mortgagee of the Building, Tenant shall, at its expense, cooperate with Landlord in obtaining an amendment to or replacement of any Letter of Credit which Landlord is then holding so that the amended or new Letter of Credit reflects the name of the new owner of the Building or mortgagee, as the case may be.

ARTICLE 16: PROTECTION OF LENDERS

16.1 Subordination and Superiority of Lease. Tenant agrees that this Lease and the rights of Tenant hereunder will be subject and subordinate to any lien of the holder of any existing or future mortgage, and to the rights of any lessor under any ground or improvements lease of the Building (all mortgages and ground or improvements leases of any priority are collectively referred to in this Lease as "mortgage," and the holder or lessor thereof from time to time as a "mortgagee"), and to all advances and interest thereunder and all modifications, renewals, extensions and consolidations thereof. With respect to future liens of any mortgage hereafter granted, Landlord will request that the mortgagee execute and deliver to Tenant an agreement (in such form as such mortgagee may request) in which the mortgagee agrees that such mortgagee shall not disturb Tenant in its possession of the Premises upon Tenant's execution thereof and attornment to such mortgagee as Landlord and performance of its Lease covenants (which conditions Tenant agrees with all mortgagees to

perform). Upon such attornment, this Lease shall continue in full force and effect as a direct lease between the mortgagee and Tenant upon all of the terms, conditions and covenants as are set forth in this Lease, except that the mortgagee shall not be (i) liable in any way to Tenant for any act or omission, neglect or default on the part of Landlord under this Lease, (ii) responsible for any monies owing by or on deposit with Landlord to the credit of Tenant, (iii) subject to any counterclaim or setoff which theretofore accrued to Tenant against Landlord, (iv) bound by any amendment or modification of this Lease subsequent to such mortgage, or by any previous prepayment of Rent for more than one (1) month, which was not approved in writing by the mortgagee, (v) liable beyond mortgagee's interest in the Property, (vi) responsible for the performance of any work to be done by the Landlord under this Lease to render the Premises ready for occupancy by the Tenant, or (vii) required to remove any person occupying the Premises or any part thereof, except if such person claims under the mortgagee. Tenant agrees that any present or future mortgagee may at its option unilaterally elect to subordinate, in whole or in part and by instrument in form and substance satisfactory to such mortgagee alone, the lien of its mortgagee (or the priority of its ground lease) to some or all provisions of this Lease.

Tenant agrees that this Lease shall survive the merger of estates of ground (or improvements) lessor and lessee. Until a mortgagee (either superior or subordinate to this Lease) forecloses Landlord's equity of redemption (or terminates or succeeds to a new lease in the case of a ground or improvements lease) no mortgagee shall be liable for failure to perform any of Landlord's obligations (and such mortgagee shall thereafter be liable only after it succeeds to and holds Landlord's interest and then only as limited herein). Tenant shall, if requested by Landlord or any mortgagee, give notice of any alleged non-performance on the part of Landlord to any such mortgagee provided that an address for such mortgagee has been designated to Tenant in writing, and Tenant agrees that such mortgagee shall have a separate, consecutive reasonable cure period of no less than thirty (30) days (to be reasonably extended in the same manner Landlord's cure period is to be extended and for such additional periods as is necessary to allow such Mortgagee to take possession of the Property) following Landlord's cure period during which such mortgagee may, but need not, cure any non-performance by Landlord. The agreements in this Lease with respect to the rights and powers of a mortgagee constitute a continuing offer to any person that may be accepted by taking a mortgage (or entering into a ground or improvements lease) of the Premises. This Section shall be self-operative, but in confirmation thereof, Tenant shall execute and deliver the subordination agreement in such form as any mortgagee may request.

16.2 Rent Assignment. If from time to time Landlord assigns this Lease or the rents payable hereunder to any person, whether such assignment is conditional in nature or otherwise, such assignment shall not be deemed an assumption by the assignee of any obligations of Landlord; but, subject to the limitations herein including Sections 16.01 and 10.02(b), the assignee shall be responsible only for non-performance of Landlord's obligations that occur after it succeeds to, and only during the period it holds possession of, Landlord's interest in the Premises after foreclosure or voluntary deed in lieu of foreclosure.

16.3 Other Instruments. The provisions of this Article shall be self-operative; nevertheless, Tenant agrees to execute, acknowledge and deliver any subordination, attornment or priority agreements or other instruments conforming to the provisions of this Lease (and being otherwise commercially reasonable) from time to time requested by Landlord or any mortgagee, and further agrees that its failure to do so within twenty (20) days after written request shall be a default for

which this Lease may be terminated without further notice. Without limitation, where Tenant in this Lease indemnifies or otherwise covenants for the benefit of mortgagees, such agreements are for the benefit of mortgagees as third-party beneficiaries; and at the request of Landlord, Tenant from time to time will confirm such matters directly with such mortgagee.

16.4 Estoppel Certificates. Within fifteen (15) days after Landlord's request, Tenant shall execute, acknowledge and deliver to Landlord a written statement certifying: (i) that none of the terms or provisions of this Lease have been changed (or if they have been changed, stating how); (ii) that this Lease has not been canceled or terminated; (iii) the last date of payment of Base Rent and other charges and the time period covered; (iv) that Landlord is not in default under this Lease (or if Tenant states that Landlord is in default, describing it in reasonable detail); and (v) such other information with respect to Tenant or this Lease as Landlord may reasonably request or which any prospective purchaser or encumbrancer of the Property may require. Landlord may deliver any such statement by Tenant to any such prospective purchaser or encumbrancer, which may rely conclusively upon such statement as true and correct. If Tenant does not deliver such statement to Landlord within such fifteen (15) day period, Landlord, and any such prospective purchaser or encumbrancer, may conclusively presume and rely upon the following facts: (i) that the terms and provisions of this Lease have not been changed except as represented by Landlord; (ii) that this Lease has not been canceled or terminated except as otherwise represented by Landlord; (iii) that not more than one (1) month's Base Rent or other charges have been paid in advance; and (iv) that Landlord is not in default under this Lease. In such event, Tenant shall be estopped from denying the truth of such facts.

16.5 Tenant's Financial Condition. So long as Tenant is a company whose stock is traded on a public exchange, Tenant shall not be required to furnish Landlord with financial statements. Tenant's statement of net worth, as reported in its annual report to its shareholders or in any forms required to be submitted to the Securities and Exchange Commission, shall be acceptable in lieu of any financial statements otherwise required hereunder and shall be conclusive with respect to the items reported therein. In the event that Tenant's stock is not traded on a public exchange, Tenant, within twenty (20) days after request from Landlord from time to time, shall deliver to Landlord Tenant's annual financial statements for the latest available two (2) fiscal years, certified in writing by Tenant's chief financial officer; provided, however, that Tenant shall not be obligated to provide such financial statements more than once in any consecutive twelve month period except if there is an Event of Default. Landlord may deliver such financial statements to its investors, mortgagees, lenders and prospective mortgagees, lenders, investors and purchasers. Tenant represents and warrants to Landlord that each such financial statement shall be true and accurate as of its date. Except for publicly available information, Landlord shall use commercially reasonable efforts to maintain such financial statements on a confidential basis for the purposes set forth in this Section 16.05.

ARTICLE 17: MISCELLANEOUS PROVISIONS

17.1 Landlord's Consent Fees. In addition to fees and expenses in connection with Tenant Work, as described in Section 10.05, Tenant shall pay Landlord's reasonable, actual, out-of-pocket fees and expenses, including legal, engineering and other consultants' fees and expenses, incurred in connection with Tenant's request for Landlord's consent under Article 13 (Assignment and Subletting but up to a maximum of $3,000 pursuant to Article 13) or in connection with any other act by Tenant that requires Landlord's consent or approval under this Lease.

17.2 Notice of Landlord's Default. Landlord shall in no event be in default in the performance of any of Landlord's obligations under this Lease unless and until Landlord shall have failed to perform such obligations within thirty (30) days, or such additional time as is reasonably required to correct any such default, after notice by Tenant to Landlord properly specifying wherein Landlord has failed to perform any such obligation. It is the express understanding and agreement of the parties and a condition of Landlord's agreement to execute this Lease that in no event shall Tenant have the right to terminate this Lease or seek an abatement to or offset from Base Rent, Additional Rent or Rent as a result of Landlord's default, but Tenant shall be entitled to seek all other remedies, at law or equity, as a result of such default, subject to the terms and conditions of this Lease. Tenant hereby waives its right to recover punitive, special or consequential damages arising out any act, omission or default by Landlord (or any party for whom Landlord is responsible). This Lease and the obligations of Tenant hereunder shall not be affected or impaired because Landlord is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of Force Majeure, and the time for Landlord's performance shall be extended for the period of any such delay. Any claim, demand, right or defense by Tenant that arises out of this Lease or the negotiations which preceded this Lease shall be barred unless Tenant commences an action thereon, or interposes a defense by reason thereof, within six (6) months after the date of the inaction, omission, event or action that gave rise to such claim, demand, right or defense.

17.3 Quiet Enjoyment. Landlord agrees that, so long as (i) Tenant is not in default under the terms of this Lease and (ii) this Lease is in full force and effect, Tenant shall lawfully and quietly hold, occupy and enjoy the Premises during the Term of this Lease without disturbance by Landlord or by any person claiming through or under Landlord, subject to the terms of this Lease and any encumbrances of record. The foregoing covenant of quiet enjoyment is in lieu of any other covenant, expressed or implied.

17.4 Interpretation. In any provision relating to the conduct, acts or omissions of Tenant, the term "Tenant" includes Tenant's agents, employees, contractors, invitees, successors, assigns or others using the Premises with Tenant's expressed or implied permission.

17.5 Notices. All notices, requests and other communications required under this Lease shall be in writing, addressed as specified in Article 1, and shall be (i) personally delivered, (ii) sent by certified mail, return receipt requested, postage prepaid, (iii) delivered by a national overnight delivery service that maintains delivery records or (iv) sent by telecopier or facsimile machine ("fax") that automatically generates a transmission report, with a copy also sent as described in clause (i), (ii) or (iii). All notices shall be effective upon delivery (or refusal to accept delivery); provided, however, that notice by fax or telecopy shall be effective when transmitted. Either party may change its notice address upon written notice to the other party.

17.6 No Recordation. Tenant shall not record this Lease but, if required by applicable law in order to protect Tenant's interest in the Premises, each party hereto agrees, on the request of the other, to execute a so-called memorandum of lease or short form lease in recordable form and complying with applicable law and reasonably satisfactory to Landlord's attorneys. The party requesting or requiring such recording shall pay all expenses, transfer taxes and recording fees. In no event shall such document set forth the rent or other charges payable by Tenant under this Lease; and any such document shall expressly state that it is executed pursuant to the provisions contained in this Lease and is not intended to vary the terms and conditions of this Lease.

17.7 Security Measures. Tenant acknowledges that except as otherwise provided herein, Landlord shall have no obligation to provide guard service or other security measures for the benefit of the Premises or the Property, and Landlord shall have no liability to Tenant due to its failure to provide such services. Tenant assumes all responsibility for the protection of Tenant, its agents, employees, contractors and invitees and the property of Tenant and of Tenant's agents, employees, contractors and invitees from acts of third parties. Landlord currently provides periodic patrolled security of the Building common areas and grounds from time to time throughout the day and night, the cost of which shall be included in Operating Expenses. Landlord reserves the right at any time or from time to time, in its sole discretion, to implement additional, modify or alter security measures for the Building, Property or any part thereof, in which event Tenant shall participate in such security measures and the cost thereof shall, as and to the extent provided in Section 8.01, be included within the definition of Operating Expenses, and to the maximum extent permissible by law, Landlord shall have no liability to Tenant and its agents, employees, contractors and invitees arising out of Landlord's provision of security measures. Landlord shall have the right, but not the obligation, to require all persons entering or leaving the Building to identify themselves to a security guard and to reasonably establish that such person should be permitted access to the Building.

17.8 Corporate Authority. If Tenant is a business entity, then the person or persons executing this Lease on behalf of Tenant jointly and severally warrant and represent in their individual capacities that (a) Tenant is duly organized, validly existing and in good standing under the laws of the jurisdiction in which such entity was organized; (b) Tenant has the authority to own its property and to carry on its business as contemplated under this Lease; (c) Tenant is in compliance with all laws and orders of public authorities applicable to Tenant; (d) Tenant has duly executed and delivered this Lease; (e) the execution, delivery and performance by Tenant of this Lease (i) are within the powers of Tenant, (ii) have been duly authorized by all requisite action, (iii) will not violate any provision of law or any order of any court or agency of government, or any agreement or other instrument to which Tenant is a party or by which it or any of its property is bound, and (iv) will not result in the imposition of any lien or charge on any of Tenant's property, except by the provisions of this Lease; and (f) the Lease is a valid and binding obligation of Tenant in accordance with its terms. Tenant, if a business entity, agrees that breach of the foregoing warranty and representation shall at Landlord's election be a default under this Lease for which there shall be no cure. Tenant shall from time to time, within ten (10) days after request by Landlord, deliver to Landlord any certification or other evidence requested from time to time by Landlord in its reasonable discretion, confirming Tenant's compliance with these provisions. This warranty and representation shall survive the termination of the Term. Upon execution of this Lease, Tenant shall provide a board resolution or other entity vote authorizing the execution of this Lease on behalf of Tenant and identifying the person authorized to execute this Lease on behalf of Tenant together with a clerk's or secretary's certificate indicating that such authorized person has in fact executed this Lease. If Tenant shall fail to provide such resolution or vote, then the person executing this Lease on behalf of Tenant shall be deemed to have represented and warranted to Landlord that such person is duly authorized to execute and deliver this Lease on behalf of Tenant.

17.9 Relocation. Landlord shall have the right at any time to relocate Tenant to any other leasable space in the Property (or Project) provided that said space shall be approximately the same size as the Premises and that Landlord shall pay the cost of moving Tenant's furniture and equipment to the new space. The new space shall include tenant improvements that are substantially equivalent to the tenant improvements contained in the Premises, and the cost of any required tenant

improvements shall be paid by Landlord. Landlord shall deliver substitute space to Tenant not more than one hundred eighty (180) days after Tenant approves plans for the construction of required tenant improvements at the new space, if any. Tenant shall not unreasonably withhold or delay its approval of any plans for the construction of tenant improvements. Landlord shall give Tenant not less than thirty (30) days advance notice of the estimated move in date. Prior to the date that Tenant is moved to the new space, Tenant shall remain in the Premises and shall continue to perform all of its obligations under this Lease. After Tenant moves into the new space, this Lease shall remain in full force and effect and be deemed applicable to such new space, except as to Base Rent, Tenant's share of Operating Expenses and Taxes, all of which shall be adjusted based on the relationship between the number of rentable square feet in the original Premises and the number of rentable square feet in the new space. Upon Tenant's election to be relocated, Landlord and Tenant shall amend this Lease to provide for the relocation of the Premises.

17.10 Joint and Several Liability; Right to Lease. If more than one (1) party signs this Lease as Tenant, they shall be jointly and severally liable for all obligations of Tenant. Landlord reserves the absolute right to effect such other tenancies in the Property as Landlord in its sole discretion shall determine, and Tenant is not relying on any representation that any specific tenant or number of tenants will occupy the Property.

17.11 Force Majeure. If Landlord cannot perform any of its obligations under this Lease due to an event(s) of Force Majeure, the time provided for performing such obligations shall be extended by a period of time equal to the duration of the events. In case Tenant is prevented or delayed from performing any covenant or duty to be performed on Tenant's part by reason of an event(s) of Force Majeure, Tenant shall not be deemed in default hereunder while such cause continues. The preceding sentence shall not apply to Tenant's covenants and obligations to pay rent, additional charges and/or other charges or sums due Landlord hereunder or required to be paid to third parties hereunder. The preceding sentence shall not be interpreted to diminish Landlord's rights hereunder to cure a breach of this Lease by Tenant or to recover the expense of such cure. As used in this Lease, an event or events of "Force Majeure" shall include strike or labor troubles, lockout, breakdown, accident, order, preemption or regulation of or by any governmental authority or failure to supply or inability by the exercise of reasonable diligence to obtain supplies, parts or employees necessary to furnish such services or because of war, civil commotion, or other emergency, or other extraordinary conditions of supply and demand, extraordinary weather conditions, so-called acts of God, or for any other cause beyond the party's reasonable control.

17.12 Limitation of Warranties. Landlord and Tenant expressly agree that there are and shall be no implied warranties of merchantability, habitability, suitability, fitness for a particular purpose or of any other kind arising out of this Lease, and there are no warranties that extend beyond those expressly set forth in this Lease.

17.13 No Other Brokers. Landlord and Tenant represent and warrant to each other that the Broker(s) named in Article 1 and Landlord's Managing Agent are the only agents, Broker(s), finders or other parties with whom such party has dealt who may be entitled to any commission or fee with respect to this Lease or the Premises or the Property. Landlord and Tenant agree to indemnify and hold the other harmless from any claim, demand, cost or liability, including attorneys' fees and expenses, asserted by any party other than the Broker(s) named in Article 1 and Landlord's Managing Agent based upon dealings of that party with the indemnifying party. Landlord shall be responsible for the payment of any brokerage fees to the Broker(s) named in Article 1 and Landlord's Managing Agent. The provisions of this Section shall survive the Term or early termination of this Lease.

17.14 Applicable Law and Construction. This Lease may be executed in counterparts, shall be construed as a sealed instrument, and shall be governed exclusively by the provisions hereof and by the laws of the state where the Property is located without regard to principles of choice of law or conflicts of law. A facsimile signature to this Lease shall be sufficient to prove the execution by a party. The covenants of Landlord and Tenant are independent, and such covenants shall be construed as such in accordance with the laws of the state where the Property is located. If any provisions shall to any extent be invalid, the remainder shall not be affected. Other than contemporaneous instruments executed and delivered of even date, if any, this Lease contains all of the agreements between Landlord and Tenant relating in any way to the Premises and supersedes all prior agreements and dealings between them. There are no oral agreements between Landlord and Tenant relating to this Lease or the Premises. This Lease may be amended only by instrument in writing executed and delivered by both Landlord and Tenant. The provisions of this Lease shall bind Landlord and Tenant and their respective successors and assigns, and shall inure to the benefit of Landlord and its successors and assigns and of Tenant and its permitted successors and assigns, subject to Article 13. The titles are for convenience only and shall not be considered a part of the Lease. This Lease shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared primarily by counsel for one of the parties, it being recognized that both Landlord and Tenant have contributed substantially and materially to the preparation of this Lease. If Tenant is granted any extension or other option, to be effective the exercise (and notice thereof) shall be unconditional; and if Tenant purports to condition the exercise of any option or to vary its terms in any manner, then the option granted shall be void and the purported exercise shall be ineffective. The enumeration of specific examples of a general provisions shall not be construed as a limitation of the general provision. Unless a party's approval or consent is required by the express terms of this Lease not to be unreasonably withheld, such approval or consent may be withheld in the party's sole discretion. The submission of a form of this Lease or any summary of its terms shall not constitute an offer by Landlord to Tenant; but a leasehold shall only be created and the parties bound when this Lease is executed and delivered by both Landlord and Tenant and approved by the holder of any mortgagee of the Premises having the right to approve this Lease. Nothing herein shall be construed as creating the relationship between Landlord and Tenant of principal and agent, or of partners or joint venturers or any relationship other than landlord and tenant. This Lease and all consents, notices, approvals and all other related documents may be reproduced by any party by any electronic means or by facsimile, photographic, microfilm, microfiche or other reproduction process and the originals may be destroyed; and each party agrees that any reproductions shall be as admissible in evidence in any judicial or administrative proceeding as the original itself (whether or not the original is in existence and whether or not reproduction was made in the regular course of business), and that any further reproduction of such reproduction shall likewise be admissible. If any payment in the nature of interest provided for in this Lease shall exceed the maximum interest permitted under controlling law, as established by final judgment of a court, then such interest shall instead be at the maximum permitted interest rate as established by such judgment. The term "Term" includes the Initial Term as it may be extended pursuant to Section 3.03.

17.15 Construction on the Property or Adjacent Property. Tenant acknowledges that Landlord is undertaking, or may undertake in the future, certain renovations in the Building or on or about the

Property (the "Project") including the right to make changes to the size, shape, location, number and extent of the improvements comprising the Property. In connection therewith, Landlord may, among other things, erect scaffolding or other necessary structures at the Property, limit or eliminate access to portions of the Property, including portions of the common areas, or perform work in or about the Building, which work may create noise, dust or leave debris in the Building. Landlord and its agents, employees, licensees and contractors shall also have the right to enter on the Property or Building to undertake work pursuant to any easement granted pursuant to the above paragraph; to shore up the foundations and/or walls of the Building; to erect scaffolding and protective barricades around, within or adjacent to the Building; and to do any other act necessary for the safety of the Building or the expeditious completion of such work. Tenant hereby agrees that such work and Landlord's actions in connection therewith shall in no way constitute a constructive eviction of Tenant or entitle Tenant to any abatement of rent. Although Landlord shall use commercially reasonable efforts to minimize any material interference of Tenant's use or occupancy of or access to the Premises, Landlord shall have no responsibility or for any reason be liable to Tenant for any direct or indirect injury to or interference with Tenant's business arising from the foregoing work, nor shall Tenant be entitled to any compensation or damages from Landlord for any inconvenience or annoyance occasioned by such work or Landlord's actions in connection therewith. Landlord shall have the right, in connection with the development, redevelopment, alteration, improvement, operation, maintenance, or repair of the Building, the Property or the Project, to subject the Property to easements for the construction, reconstruction, alteration, improvement, operation, repair or maintenance of elements thereof, for access and egress for parking, for the installation, maintenance, repair, replacement or relocation of utilities serving the Building, the Property or the Project and to subject the Property to such other rights, agreements, and covenants for such purposes as Landlord may determine. Tenant hereby agrees that this Lease shall be subject and subordinate to any such matters that do not unreasonably interfere with or interrupt Tenant's use of the Premises. The foregoing sentence shall be self-operative, but Tenant hereby irrevocably appoints Landlord as Tenant's attorney-in-fact to execute, acknowledge and deliver any documents appropriate to accomplish or confirm the same if Tenant fails to do so within ten (10) days after request therefor. Neither Tenant nor any persons acting under Tenant shall take any action to oppose the Project, nor shall the Tenant knowingly permit any persons acting under Tenant to take any action in opposition to the Project.

17.16 Vacancy at End of Term. If Tenant vacates substantially all of the Premises (or substantially all of a major portion of the Premises, including a floor of the Building) at any time within the last six (6) months of the Term, Landlord may enter the vacated Premises (or such portions) and commence demolition work or construction of leasehold improvements for future tenants, provided that such entry does not materially interfere with any continuing operations of Tenant in any other portions of the Premises. The exercise of such right by Landlord will not affect Tenant's obligations to pay Base Rent or Additional Rent with respect to the Premises vacated (or such portions), which obligations shall continue without abatement until the end of the Term.

17.17 Confidentiality. Tenant acknowledges and agrees that the terms of this Lease are confidential. Disclosure of the terms hereof could adversely affect the ability of Landlord to negotiate other leases with respect to the Building and may impair Landlord's relationship with other tenants of the Building. Tenant agrees that it and its partners, officers, directors, employees, brokers, and attorneys, if any, shall not disclose the terms and conditions of this Lease to any other person or entity without the prior written consent of Landlord which may be given or withheld by Landlord, in

Landlord's sole discretion, except as required for financial disclosures or securities filings. It is understood and agreed that damages alone would be an inadequate remedy for the breach of this provision by Tenant, and Landlord shall also have the right to seek specific performance of this provision and to seek injunctive relief to prevent its breach or continued breach.

17.18 OFAC CERTIFICATION AND INDEMNITY. Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "Executive Order"), and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 10756, the "Patriot Act") prohibit certain property transfers. Tenant hereby represents and warrants to Landlord (which representations and warranties shall be deemed to be continuing and re-made at all times during the Term) that neither Tenant nor any Ultimate Parent Entity (as that term is defined in The Hart-Scott-Rodino Act), manager, beneficiary, partner, or principal of Tenant is subject to the Executive Order, that none of them is listed on the United States Department of the Treasury Office of Foreign Assets Control ("OFAC") list of "Specially Designated Nationals and Blocked Persons" as modified from time to time, and that none of them is otherwise subject to the provisions of the Executive Order or the Patriot Act. The most current list of "Specially Designated Nationals and Blocked Persons" can be found at http://www.treas.gov/offices/eotffc/ofac/sdn/index.html. Tenant shall from time to time, within ten days after request by Landlord, deliver to Landlord any certification or other evidence requested from time to time by Landlord in its reasonable discretion, confirming Tenant's compliance with these provisions. No assignment or subletting shall be effective unless and until the assignee or subtenant thereunder delivers to Landlord written confirmation of such party's compliance with the provisions of this subsection, in form and content satisfactory to Landlord. If for any reason the representations and warranties set forth in this subsection, or any certificate or other evidence of compliance delivered to Landlord hereunder, is untrue in any respect when made or delivered, or thereafter becomes untrue in any respect, then an event of default hereunder shall be deemed to occur immediately, and there shall be no opportunity to cure. Tenant shall indemnify, defend with counsel reasonably acceptable to Landlord, and hold Landlord harmless from and against, any and all liabilities, losses claims, damages, penalties, fines, and costs (including attorneys' fees and costs) arising from or related to the breach of any of the foregoing representations, warranties, and duties of Tenant. The provisions of this subsection shall survive the expiration or earlier termination of this Lease for the longest period permitted by law.

17.19 WAIVER OF JURY TRIAL. LANDLORD AND TENANT HEREBY WAIVE THEIR RESPECTIVE RIGHT TO TRIAL BY JURY OF ANY CAUSE OF ACTION, CLAIM, COUNTERCLAIM OR CROSS-COMPLAINT IN ANY ACTION, PROCEEDING AND/OR HEARING BROUGHT BY EITHER LANDLORD AGAINST TENANT OR TENANT AGAINST LANDLORD ON ANY MATTER WHATSOEVER ARISING OUT OF, OR IN ANY WAY CONNECTED WITH, THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, OR ANY CLAIM OF INJURY OR DAMAGE, OR THE ENFORCEMENT OF ANY REMEDY UNDER ANY LAW, STATUTE, OR REGULATION, EMERGENCY OR OTHERWISE, NOW OR HEREAFTER IN EFFECT.

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Executed to take effect as a sealed instrument on the Date of Lease first set forth above.

LANDLORD:

ONE LEDGEMONT LLC

By: /s/ Robert L. Beal
Name: Robert L. Beal
Title: Authorized Signatory

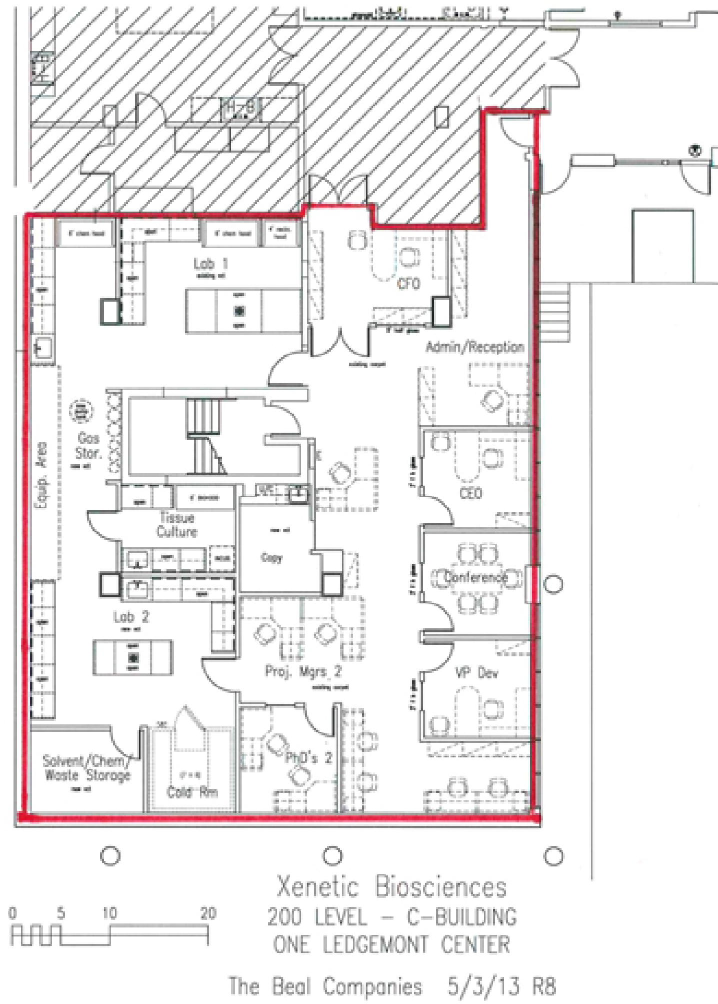
TENANT:

XENETIC BIOSCIENCE, INCORPORATED

By: /s/ Colin Hill
Name: Colin Hill
Title: Chief Financial Officer
Duly Authorized

Exhibit A

Plan of Leased Premises



3959 RSF

Exhibit B

Rules and Regulations

1. If Tenant requires telephone, data, burglar alarm or similar service, the cost of purchasing, installing and maintaining such service shall be borne solely by Tenant. No boring or cutting for wires will be allowed without the prior written consent of Landlord. Landlord shall direct electricians as to where and how telephone, data, and electrical wires are to be introduced or installed. The location of burglar alarms, telephones, call boxes or other office equipment affixed to the Premises shall be subject to the prior written approval of Landlord

2. Tenant shall not place a load upon any floor of its Premises, including mezzanine area, if any, which exceeds the load per square foot that such floor was designed to carry and that is allowed by law. Heavy objects shall stand on such platforms as determined by Landlord to be necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such equipment or other property from any cause, and all damage done to the Building by maintaining or moving such equipment or other property shall be repaired at the expense of Tenant.

3. Tenant shall not install any radio or television antenna, satellite dish, loudspeaker or other device on the roof or exterior walls of the Building without Landlord’s prior written consent which consent shall be in Landlord’s sole discretion.

4. Tenant shall not mark, drive nails, screw or drill into the partitions, woodwork, plaster or drywall (except for pictures and general office uses) or in any way deface the Premises or any part thereof. Tenant shall not affix any floor covering to the floor of the Premises or paint or seal any floors in any manner except as approved by Landlord. Tenant shall repair any damage resulting from noncompliance with this rule.

5. No cooking shall be done or permitted on the Premises, except that Underwriters’ Laboratory approved microwave ovens or equipment for brewing coffee, tea, hot chocolate and similar beverages shall be permitted, provided that such equipment and use is in accordance with all applicable federal, state and city laws, codes, ordinances, rules and regulations.

6. All trash and refuse shall be contained in suitable receptacles at locations approved by Landlord. Tenant shall not place in the trash receptacles any personal trash or material that cannot be disposed of in the ordinary and customary manner of removing such trash without violation of any law or ordinance governing such disposal.

7. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governing authority.

8. Tenant assumes all responsibility for securing and protecting its Premises and its contents including keeping doors locked and other means of entry to the Premises closed.

9. Tenant shall not use any method of heating or air conditioning other than that supplied by Landlord without Landlord’s prior written consent.

10. No person shall go on the roof without Landlord’s permission.

11. Canvassing, soliciting, distribution of handbills or any other written material in the Building or Project Area is prohibited and each tenant shall cooperate to prevent the same. No tenant shall solicit business from other tenants or permit the sale of any goods or merchandise in the Building or Project Area without the written consent of Landlord.

12. Any equipment belonging to Tenant which causes noise or vibration that may be transmitted to the structure of the Building or to any space therein to such a degree as to be objectionable to Landlord or to any tenants in the Building shall be placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to eliminate the noise or vibration.

13. Driveways, sidewalks, halls, passages, exits, entrances and stairways ("Access Areas") shall not be obstructed by tenants or used by tenants for any purpose other than for ingress to and egress from their respective premises. Access areas are not for the use of the general public and Landlord shall in all cases retain the right to control and prevent access thereto by all persons whose presence, in the judgment of Landlord, shall be prejudicial to the safety, character, reputation and interests of the Building or its tenants.

14. Landlord reserves the right to designate the use of parking areas and spaces. Tenant shall not park in visitor, reserved, or unauthorized parking areas. Tenant and Tenant's guests shall park between designated parking lines only and shall not park motor vehicles in those areas designated by Landlord for loading and unloading. Vehicles in violation of the above shall be subject to being towed at the vehicle owner's expense. Vehicles parked overnight without prior written consent of the Landlord shall be deemed abandoned and shall be subject to being towed at vehicle owner's expense. Tenant will from time to time, upon the request of Landlord, supply Landlord with a list of license plate numbers of vehicles owned or operated by its employees or agents.

15. No trucks, tractors or similar vehicles can be parked anywhere other than in Tenant's own truck dock area. Tractor-trailers which must be unhooked or parked with dolly wheels beyond the concrete loading areas must use steel plates or wood blocks under the dolly wheels to prevent damage to the paving surfaces. No parking or storing of such trailers will be permitted in the parking areas or on streets adjacent thereto.

16. No sign, placard, picture, advertisement, name or notice (collectively referred to as "Signs") shall be installed or displayed on any part of the outside of the Building without the prior written consent of the Landlord which consent shall be in Landlord's sole discretion. All approved Signs shall be printed, painted, affixed or inscribed at Tenant's expense by a person or vendor approved by Landlord and shall be removed by Tenant at Tenant's expense upon vacating the Premises. Landlord shall have the right to remove any Sign installed or displayed in violation of this rule at Tenant's expense and without notice. Subject to approval by Landlord and by the Town of Lexington, Tenant will have the right to signage similar to that of other tenants of the Building. All such signage will be installed, maintained, and, at the end of the Term, removed by Tenant at its sole expense, with Tenant repairing any damage caused by same.

17. During periods of loading and unloading, Tenant shall not unreasonably interfere with traffic flow and loading and unloading areas of other tenants. All products, materials or goods must be stored within the Tenant's Premises and not in any exterior areas, including, but not limited to, exterior dock platforms, against the exterior of the Building, parking areas and driveway areas. Tenant agrees to keep the exterior of the Premises clean and free of nails, wood, pallets, packing materials, barrels and any other debris produced from their operation.

18. Tenant shall not permit any motor vehicles to be washed or mechanical work or maintenance of motor vehicles to be performed on any portion of the Premises or parking lot.

19. Tenant shall not permit smoking or carrying of lighted cigarettes or cigars in areas reasonably designated by Landlord or any applicable governmental agencies as non-smoking areas.

20. Canvassing, soliciting, distribution of handbills or any other written material in the Building or Project Area is prohibited and each tenant shall cooperate to prevent the same. No tenant shall solicit business from other tenants or permit the sale of any goods or merchandise in the Building or Project Area without the written consent of Landlord.

21. Tenant shall not permit any animals, other than seeing-eye dogs, to be brought or kept in or about the Premises or any common area of the property.

22. Tenant shall not alter any lock or other access device or install a new or additional lock or access device or bolt on any door of its Premises without the prior written consent of Landlord. Tenant, upon the termination of its tenancy, shall deliver to Landlord the keys or other means of access to all doors.

23. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of any lease of any premises in the Building. Landlord may waive any one or more of these Rules and Regulations for the benefit of any tenant or tenants, and any such waiver by Landlord shall not be construed as a waiver of such Rules and Regulations for any or all tenants.

24. Landlord reserves the right to make such other and reasonable rules and regulations as in its judgment may from time to time be needed for safety and security, for care and cleanliness of the Building and for the preservation of good order in and about the Building. Tenant agrees to abide by all such rules and regulations herein stated and any additional rules and regulations which are adopted. Tenant shall be responsible for the observance of all of the foregoing rules by Tenant's employees, agents, clients, customers, invitees and guests.

Exhibit C

Rules and Regulations for Design and Construction of Tenant Work

1. **DEFINITIONS**

1.1 Building:	128 Spring Street, Ledgemont I.
1.2 Property Manager:	Beal and Company, Inc., or such other individual/entity as landlord may designate, from time to time.
1.3 Consultant:	Any architectural, engineering or design consultant engaged by a Tenant in connection with Tenant Work.
1.4 Contractor:	Any Contractor engaged by Tenant of the Building for the performance of any Tenant Work, and any Subcontractor employed by any such Contractor.
1.5 Plans:	All architectural, electrical and mechanical construction drawings and specifications required for the proper construction of the Tenant Work.
1.6 Regular Business Hours:	Monday through Friday, 8:00 a.m. through 6:00 p.m., holidays and weekends excluded.
1.7 Tenant:	Any occupant of the Building.
1.8 Tenant Work:	Any alterations, improvements, additions, repairs or installations on the building performed by or on behalf of any Tenant.
1.9 Tradeperson:	Any employee (including, without limitation, any mechanic laborer, or Tradeperson) employed by a Contractor performing Tenant Work.

2. **GENERAL**

2.1 All Tenant Work shall be performed in accordance with these Rules and Regulations and the applicable provisions of the Lease and to current local and state code.

2.2 The provisions of these Rules and Regulations shall be incorporated in all agreements governing the performance of all Tenant Work, including, without limitation, any agreements governing services to be rendered by each Contractor and Consultant.

2.3 Except as otherwise provided in these Rules and Regulations, all inquires, submissions and approvals in connection with any Tenant Work shall be processed through the Property Manager.

3. INTENTIONALLY OMITTED.

4. RECONSTRUCTION NOTIFICATION AND APPROVALS

4.1 Approval to Commence Work:

A) Tenant shall submit to Property Manager, for the approval of the Landlord, the names of all prospective Contractors and Certificates of Insurance, prior to issuing any bid packages to such Contractors.

B) No Tenant Work shall be undertaken by any Contractor or Tradeperson unless and until all the matters set forth in Section 4.2 below have been received for the Tenant Work in question and unless the Property Manager has approved the matters set forth in Section 4.2 below.

4.2 No Tenant Work shall be performed unless, at least two (2) weeks before any Tenant Work is to begin, all of the following have been provided to the Property Manager and approved. In the event that Tenant proposes to change any of the following, the Property Manager shall be immediately notified of such change and such change shall be subject to the approval of the Property Manager:

A) Schedule for the work, indication start and completion dates, any phasing and special working hours, and also a list of anticipated shutdowns of building systems.

B) List of all Contractors and Subcontractors, including addresses, telephone numbers, emergency (after hours) telephone numbers, trades employed, and the union affiliation, if any, of each Contractor and Subcontractor.

C) Names and telephone numbers of the supervisors of the work.

D) Copies of all necessary governmental permits, licenses and approvals.

E) Proof of current insurance, to the limits set out in Exhibit D to the Lease and Regulations, naming Landlord (One Ledgemont LLC) and Landlord’s designees as additional insured parties.

F) Notice of the involvement of any Contractor in any ongoing threatened labor dispute.

G) Payment, Performance and Lien Bonds from sureties acceptable to Landlord, in form acceptable to Landlord, naming Landlord as an additional obligee.

H) Evidence that Tenant has made provision for either written waivers of lien from all Contractors and suppliers of material, or other appropriate protective measures approved by Landlord.

I) A pre-existing condition survey as specified in Section 7.2(C).

4.3 Reporting Incidents: All accidents, disturbances, labor disputes or threats thereof, and other noteworthy events pertaining to the Building or the Tenant's property shall be reported immediately to the Property Manager. A written report must follow within twenty-four (24) hours.

5. **CONSTRUCTION SCHEDULE**

5.1 Coordination:

A) All Tenant Work shall be carried out expeditiously and with minimum disturbance and disruption to the operation of the Building and without causing discomfort, inconvenience, or annoyance to any of the other tenants or occupants of the Building or the public at large.

B) All schedules for the performance of construction, including materials deliveries, must be coordinated through the Property Manager. The Property Manager shall have the right, without incurring any liability to any Tenant, to stop activities and/or to require rescheduling of Tenant Work based upon adverse impact on the tenants or occupants of the Building or on the maintenance or operation of the Building.

C) If any Tenant Work requires the shutdown of risers and mains for electrical, mechanical, sprinkler, and plumbing work, such work shall be supervised by a representative of Landlord, the cost of which shall be charged directly to the tenant at the prevailing building rate. No Tenant Work will be performed in the Building's mechanical or electrical equipment rooms without both Landlord's prior approval and the supervision of a representative of Landlord, the cost of which shall be reimbursed by the Tenant to the Landlord. Tenant shall provide the Property Manager with at least one week to schedule such work.

5.2 Time Restrictions:

A) Subject to Section 5.1 of these Rules and Regulations, general construction work will generally be permitted at all times, unless such work affects other tenants or occupants of the building or poses a safety concern at which time it will need be scheduled during non-business hours.

B) Tenant shall provide the Property Manager with at least forty eight (48) hours notice before proceeding with Special Work, as hereinafter defined, and such Special Work will be permitted only at times agreed to by the Property Manager during periods outside of Regular Business Hours. "<u>Special Work</u>" shall be defined as the following operations:

1. All utility disruptions, shutoffs and turnovers.

2. Activities involving high levels of noise, including demolition, coring, drilling and ramsetting.

3. Activities resulting in excessive dust or odors, including demolition, staining and spray painting.

4. All construction work which will require access to multi-tenant areas or other tenant areas.

C) The delivery of construction materials to the Building, their distribution within the Building, and the removal of waste materials shall also be confined to periods outside Regular Business Hours, unless otherwise specifically permitted in writing by the Property Manager. Costs for use of the freight elevator after Regular Business Hours shall be billed directly to such tenant at the then prevailing rate.

D) If coordination, labor disputes or other circumstances require, the Property Manager may change the hours during which regular construction work can be scheduled and/or restrict or refuse entry to and exit from the Building by any Contractor.

6. **CONTRACTOR PERSONNEL**

6.1 Work in History:

A) All Contractors shall be responsible for employing skilled and competent personnel and suppliers who shall abide by the rules and regulations herein set forth as amended from time to time by Landlord.

B) No Tenant shall at any time, either directly or indirectly, employ, permit the employment, or continue the employment of any contractor if such employment or continued employment will or does interfere or cause any labor disharmony, coordination difficulty, delay or conflict with any other contractors engaged in construction work in or about the Building or the complex in which the Building is located.

C) Should a work stoppage or other action occur anywhere in or about the Building as a result of the presence, anywhere in the Building, or a Contractor engaged directly or indirectly by a Tenant, or should such Contractor be deemed by Landlord to have violated any applicable rules or regulations, then upon twelve hours written notice, Landlord may, without incurring any liability to Tenant or said contractor, require any such Contractor to vacate the premises demised by such Tenant and the Building, and to cease all further construction work therein.

6.2 Conduct:

A) While in or about the Building, all Tradepersons shall perform in a dignified, quiet, courteous, and professional manner at all times. Tradepersons shall wear clothing suitable for their work and shall remain full attired at all times. All Contractors will be responsible for their Tradepersons' proper behavior and conduct.

B) The Property Manager reserves the right to remove any one who, or any contractor which; is causing a disturbance to any tenant or occupant of the Building or any other person using or servicing the Building; is interfering with the work of others; or is in any other way displaying conduct or performance not compatible with the Landlord's standards.

6.3 Access:

A) All Contractors and Tradepersons shall contact the Property Manager prior to commencing work, to confirm work location and Building access, including elevator usage and times of operation. Access to the Building before and after Regular Business Hours or any other hours designated from time to time by the Property Manager and all day on weekends and holidays will only be provided when forty-eight (48) hours advanced notice is given to the Property Manager.

B) No Contractor or Tradepersons will be permitted to enter any private or public space in the Building, other than the common areas of the Building necessary to give direct access to the premises of Tenant for which he has been employed, without the prior approval of the Property Manager.

C) All Contractors and Tradepersons must obtain permission from the Property Manager prior to undertaking work in any space outside of the Tenant's premises. This requirement specifically includes ceiling spaces below the premises where any work required must be undertaken at the convenience of the affected Tenant and outside of Regular Business Hours. Contractors undertaking such work shall ensure that all work, including work required to reinstate removed items and cleaning, be completed prior to opening of the next business day. Any cleaning or repairs costs incurred by Landlord, as a result of work outside the construction area shall be charged to the Tenant.

D) Contractors shall ensure that all furniture, equipment and accessories in areas potentially affected by any Tenant Work shall be adequately protected by means of drop cloths or other appropriate measures. In addition, all Contractors shall be responsible for maintaining security to the extent required by the Property Manager.

E) Temporary access doors for tenant construction areas connecting with a public corridor will be building standards, i.e., door, frame, hardware and lockset. A copy of the key will be furnished to the Property Manager.

6.4 Safety:

A) All Contractors shall police ongoing construction operations and activities at all times, keeping the premises orderly, maintaining cleanliness in and about the premises, and ensuring safety and protection of all areas, including truck docks, elevators, lobbies, and all other public areas which are used for access to the premises.

B) All Contractors shall appoint a supervisor who shall be responsible for all safety measures, as well as for compliance with all applicable government laws, ordinances, rules and regulations such as, for example, “OSHA” and “Right-to-Know” legislation.

C) Any damage caused by Tradepersons or other Contractor employees shall be the responsibility of the Tenant employing the Contractor. Costs for repairing such damage shall be charged directly to such Tenant.

6.5 Parking:

A) No parking of contractor or sub-contractor vehicles will be provided in the truck dock, handicapped or fire access lanes, or any private ways in or surrounding the property. Vehicles so parked will be towed at the expense of the Tenant who has engaged the Contractor for whom the owner of such vehicle is employed.

B) Garage parking is available on-site.

7. **BUILDING MATERIALS**

7.1 Delivery:

A) All deliveries of construction materials shall be made at the predetermined times approved by the Property Manager and shall be effected safely and expeditiously only at the location determined by the Property Manager.

7.2 Transportation in Building:

A) Distribution of materials from delivery point to the work area in the Building shall be accomplished with the least disruption to the operation of the Building possible. Elevators will be assigned for material delivery and will be controlled by the Building Management.

B) Contractors shall provide adequate protection to all carpets, wall surfaces, doors and trim in all public areas through which materials are transported. Contractors shall continuously clean all such areas. Protective measures shall include runners over carpet, padding in elevators and any other measures determined by the Property Manager.

C) Any damage caused to the Building through the movement of construction materials or otherwise shall be the responsibility of Tenant who has engaged the Contractor involved. Charges for such damage will be submitted by the Landlord directly to the Tenant. Prior to the commencement of tenant work, a pre-existing condition survey shall be submitted to the Property Manager. Such survey shall be used at the completion of the project to determine, if any, the extent of damage to the building systems or finishes.

7.3 Storage and Placement:

A) All construction materials shall be stored only in the premises where they are to be installed. No storage of materials will be permitted in any public areas, loading docks or corridors leading to the premises.

B) No flammable, toxic, or otherwise hazardous materials may be brought in or about the Building unless all of the following are met: (i) authorized by the Property Manager, (ii) all applicable laws, ordinances, rules and regulations are complied with, and (iii) all necessary permits have been obtained. All necessary precautions shall be taken by the contractor handling such materials against damage or injury caused by such materials.

C) All materials required for the construction of the premises must comply with Building Standards, must conform with the plans and specifications approved by Landlord, and must be installed in the locations shown on the drawings approved by the Landlord.

D) All work shall be subject to supervision and inspection by Landlord's Representative.

E) No alterations to approved plans will be made without prior knowledge and approval of the Property Manager. Such changes shall be documented on the as-build drawings required to be delivered to Landlord pursuant to Paragraph 10 of the rules and regulations.

F) All protective devices (e.g., temporary enclosures and partitions) and materials, as well as their placement, must be approved by the Property Manager.

G) It is the responsibility of Contractors to ensure that the temporary placement of materials does not impose a hazard to the Building or its occupants, either through overloading, or interference with Building systems, access, egress or in any other manner whatsoever.

H) All existing and/or new openings made through the floor slab for piping, cabling, etc. must be sealed per code. All holes in the floor slab at abandoned floor outlets, etc. need to be filled with solid concrete.

7.4 Salvage and Waste Removal:

A) All rubbish, waste and debris shall be neatly and cleanly removed from the Building by Contractors daily unless otherwise approved by the Property Manager. The Building's trash compactor shall not be used for construction or other debris. For any demolition and debris, each Contractor must make arrangements with the Property Manager for the scheduling and location of an additional dumpster to be supplied at

the cost of the Tenant engaging such Contractor. Where, in the opinion of the Property Manager, such arrangements are not practical, such Contractors will make alternative arrangements for removal at the cost of the Tenant engaging such Contractors.

B) Toxic or flammable materials are to be properly removed daily and disposed of in full accordance with all applicable laws, ordinances, rules and regulations.

C) Contractors shall, prior to removing any item (including, without limitation, building standard doors, frames and hardware, light fixtures, ceiling diffusers, ceiling exhaust fans, sprinkler heads, fire horns, ceiling speakers and smoke detectors) from the Building, notify the Property Manager that it intends to remove such item. At the election of Property Manager, Contractors shall deliver any such items to the Property Manager. Such items will be delivered, without cost, to an area designated by the Property Manager which area shall be within the Building or the complex in which the Building is located.

8. **PAYMENT OF CONTRACTORS**

Tenant shall promptly pay the cost of all Tenant Work so that Tenant’s premises and the Building shall be free of liens for labor or materials. If any mechanic’s lien is filed against the Building or any part thereof which is claimed to be attributable to the Tenant, its agents, employees or contractors, Tenant shall give immediate notice of such lien to the Landlord and shall promptly discharge the same by payment or filing any necessary bond within 10 days after Tenant has first notice of such mechanic’s lien.

9. **CONFLICT BETWEEN RULES AND REGULATIONS AND LEASE**

In the event of any conflict between the Lease and these Rules and Regulations, the terms of the Lease shall control.

10. **GENERAL**

10.1. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of any lease of any premises in the Building. Landlord may waive any one or more of these Rules and Regulations for the benefit of any tenant or tenants, and any such waiver by Landlord shall not be construed as a waiver of such Rules and Regulations for any or all tenants.

10.2. Landlord reserves the right to make such other and reasonable rules and regulations as in its judgment may from time to time be needed for safety and security, for care and cleanliness of the Building and for the preservation of good order in and about the Building. Tenant agrees to abide by all such rules and regulations herein stated and any additional rules and regulations which are adopted. Tenant shall be responsible for the observance of all of the foregoing rules by Tenant’s employees, agents, clients, customers, invitees and guests.

SCHEDULE A OF EXHIBIT C

RULES AND REGULATIONS

FOR DESIGN AND CONSTRUCTION OF TENANT WORK

Ledgemont Center

BASE BUILDING CHARGES

Contractors desiring to work on the Building Systems must coordinate all work with the Management Office at 781-861-7786.

All work must be scheduled a minimum of one week prior to the start of work. A work order will be issued listing the system affected and the time of shutdown. No work will commence until the work order has been signed by an authorized representative of the construction company.

Contractors must obtain credit approval from the Management Office prior to any work authorization.

	Fire Alarm Shutdown		Reconnect Shutdown	
8:00 a.m. to 5:00 p.m.	$	125.00		N/C
5:00 p.m. to 8:00 a.m.	$	175.00	$	175.00
Saturday	$	225.00	$	225.00
Sunday	$	250.00	$	250.00

Labor charge (per person) for Fire Alarm Watch or Sprinkler System Shutdown (required when servicing or testing any life safety device):

8:00 a.m. to 5:00 p.m.	$40.00 per hour
5:00 p.m. to 8:00 a.m.	$60.00 per hour
Saturday	$60.00 per hour
Sunday	$80.00 per hour

Contractor may not proceed with any work until authorization to begin work has been obtained from the Management Office. A separate request is to be issued for each day in which the Life Safety work is being performed.

Contractor will be fined $1,500.00 for each and every false alarm caused by contractors employees or their actions. Contractor will be fined $500.00 for every smoke detector covered by the contractor or their subcontractors.

$30.00 Per Hr (3 Hr Min) Contractors must pay a minimum of $1,500.00 to repair the elevator cabs if damaged.

SCHEDULE B OF EXHIBIT C

RULES AND REGULATIONS
FOR DESIGN AND CONSTRUCTION OF TENANT WORK

INSTALLATION OF CABLES

1.1 Computer and Telephone Cables

1.1.1 Layout

A layout of cables must be submitted to the Property Manager for approval prior to installation.

1.1.2 Installation

A) Cables installed above the ceiling must be Teflon coated or encased in metal conduit.

B) Cables must be tagged every 15’ and color coded.

C) Cables must be properly affixed to the framing above the duct work so that they are self-supporting. Do not fasten to light fixtures.

D) Cables must not sag and will be installed in the shortest possible runs.

E) Connections (connectors, splices, etc.) must be securely installed so that they will not pull apart if cable is accidentally touched or pulled.

1.2 Electrical Floor Outlet Cables

1.2.1 Layout

A layout of cables must be submitted to the Property Manager for approval prior to installation.

1.2.2 Installation

A) Cables must be tagged every 15’ and color coded.

B) Runs will be as short and as free of slack as possible secured per code requirements.

C) Cables are to be installed in tenant’s own ceiling then down partitions into the ceiling of the tenant below.

D) Cables must be properly secured so that they are self supporting.

E) All connections (connectors, splices, etc.) must be located in the tenant's own space to avoid damage from below.

F) Cables must be secured with clamps where they pass through the floor to prevent connections from separating.

G) Where feasible, install cables above duct work and other materials in the ceiling.

1.1 Electrical Work

1.3.1 All power wiring in Mechanical Rooms, Electric Rooms and Telephone rooms must be in EMT.

1.4 Security System

1.4.1 Layout

A layout of the security system wiring must be submitted to the Property Manager for approval prior to installation.

1.4.2 Installation

A) All wiring for the security system will be tagged every 15'.

SCHEDULE C OF EXHIBIT C

RULES AND REGULATIONS

FOR DESIGN AND CONSTRUCTION OF TENANT WORK

1. WELDING AND HEAT CUTTING WORK

1.1 Definition

Welding and heat cutting activities as well as soldering and brazing shall be included in "Special Work" category as defines in Section 5.2(B). They require the tenant to provide the Property Manager with at least forty eight (48) hours notice before proceeding and must be performed during periods outside of regular business hours.

1.2 Permitting

The Contractor must obtain a permit from the Lexington Fire Department before commencing work.

1.3 Precautions

Because welding and other hot work is a fire hazard, the Contractor must observe the following precautions and procedures (when possible, work should be done in a non-combustible area):

A) No sprinkler impairments are allowed during "Special Work" and while the fire watch is in place. The sprinkler impairment restriction is for the floor the "Special Work" is taking place on and the floor above and the floor below.

B) Smoke Detectors in the work area should be de-activated by the Building Manager for the duration of the work. The Property Manager will re-activate smoke detectors when the work is complete.

C) Combustible materials shall be located at least fifty (50) feet from hot work operations and shall be covered with non-combustible materials.

D) All flammable liquids and other hazards must be removed.

E) All floor and wall openings must be covered with non-combustible material.

F) Containers, tanks, ducts, etc. must be cleaned and purged of flammable vapors, liquids, dusts etc.

G) A minimum of one multipurpose ABC rated portable fire extinguisher must be provided within ten (10) feet of the work area. The extinguisher should

be fully charged and have been properly serviced within the last year. It is the responsibility of the contractor to provide fire extinguishers. Building extinguishers should not be used. A standpipe hose should also be readily available.

H) A fire watch should be maintained on the floor levels where the work was conducted plus the next two floors below for at least one hour after welding or burning has ceased. The fire watch shall consist of a member of the Lexington Fire Department. If there is a chance that slag could enter into a utility or elevator shaft, then the fire watch should cover the base of the shaft as well as the intermediate floors.

I) If determined, a member of the Lexington Fire Department shall be on site, at Tenant cost, for any “Special Work”.

Exhibit D

Tenant Work Insurance Schedule

Tenant shall, at its own expense, maintain and keep in force, or cause to be maintained and kept in force by any general contractors, sub-contractors or other third party entities where required by contract, throughout any period of alterations to the Premises or the Building by Tenant, the following insurance coverages:

(1) Property Insurance. "All-Risk" or "Special" Form property insurance, and/or Builders Risk coverage for major renovation projects, including, without limitation, coverage for fire, earthquake and flood; boiler and machinery (if applicable); sprinkler damage; vandalism; malicious mischief coverage on all equipment, furniture, fixtures, fittings, tenants work, improvements and betterments, business income, extra expense, merchandise, inventory/stock, contents, and personal property located on or in the Premises. Such insurance shall be in an amount equal to the full replacement cost of the aggregate of the foregoing and shall provide coverage comparable to the coverage in the standard ISO "All-Risk" or "Special" form, when such coverage is supplemented with the coverages required above. Property policy shall also include coverage for Plate Glass, where required by written contract.

Builders Risk insurance coverage may be provided by the general contractor on a blanket builders risk policy with limits adequate for the project, and evidencing the additional insureds as required in the Lease.

(2) Liability Insurance. General Liability, Umbrella/Excess Liability, Workers Compensation and Auto Liability coverage as follows:

(a) General Liability	$1,000,000 per occurrence
	$1,000,000 personal & advertising injury
	$2,000,000 products/completed operations aggregate
	$2,000,000 general aggregate

The General Contractor is required to maintain, during the construction period and up to 3 years after project completion, a General Liability insurance policy, covering bodily injury, personal injury, property damage, completed operations, with limits to include a $1,000,000 limit for blanket contractual liability coverage and adding Landlord as additional insured as respects the project during construction and for completed operations up to 3 years after the end of the project. Landlord requires a copy of the ISO 20 10 11 85 Additional Insured endorsement, showing Landlord as an additional insured to the GC's policy.

(b) Auto Liability $1,000,000 combined single limit (Any Auto) for bodily injury and property damage, hired and non-owned cover.

(c) Workers Compensation	Statutory Limits
Employers Liability	$1,000,000 each accident
	$1,000,000 each employee
	$1,000,000 policy limit

General Contractor shall ensure that any and all sub-contractors shall maintain equal limits of coverage for Workers Compensation/EL and collect insurance certificates verifying same.

(d) Umbrella/Excess Liability $3,000,000 per occurrence
$3,000,000 aggregate

(e) Environmental Insurance – To the extent required by Landlord Contractors' commercial general liability/umbrella insurance policy(ies) shall include Landlord and Landlord's designees as additional insureds', and shall include a primary non-contributory provision. Liability policy shall contain a clause that the insurer may not cancel or materially change coverage without first giving Landlord thirty (30) days prior written notice, except cancellation for non-payment of premium, in which ten (10) days prior written notice shall be required.

(3) Deductibles. If any of the above insurances have deductibles or self insured retentions, the Tenant and/or contractor (policy Named Insured) shall be responsible for the deductible amount.

All of the insurance policies required in this Exhibit D shall be written by insurance companies which are licensed to do business in the State where the property is located, or obtained through a duly authorized surplus lines insurance agent or otherwise in conformity with the laws of such state, with an A.M. Best rating of at least A and a financial size category of not less than VII. Tenant shall provide Landlord with certificates of insurance upon request, prior to commencement of the Tenant/contractor work, or within thirty (30) days of coverage inception and subsequent renewals or rewrites/replacements of any cancelled/non-renewed policies.

Exhibit E

Exhibit F

Construction Documents

1. Preparation of Construction Documents. The Construction Documents shall include all architectural, mechanical, electrical and structural drawings and detailed specifications for the Tenant Work and shall show all work necessary to complete the Tenant Work including all cutting, fitting, and patching and all connections to the mechanical and electrical systems and components of the Building. Tenants leasing partial floors shall design entrances, doors and any other elements which visually integrate with the elevator lobbies and common areas in a manner and with materials and finishes which are compatible with the common area finishes for such floor. Landlord reserves the right to reject Construction Documents which in its reasonable opinion fail to comply with this provision. The Construction Documents shall include:

(a) Major Work Information: A list of any items or matters which might require structural modifications to the Building, including the following:

- (i) Location and details of special floor areas exceeding 150 pounds of live load per square foot;
- (ii) Location and weights of storage files, batteries, HVAC units and technical areas;
- (iii) Location of any special soundproofing requirements;
- (iv) Existence of any extraordinary HVAC requirements necessitating perforation of structural members; and
- (v) Existence of any requirements for heavy loads, dunnage or other items affecting the structure.

(b) Plans Submission: Two (2) blackline drawings and one (1) CAD disk showing all architectural, mechanical and electrical systems, including cutsheets, specifications and the following:

CONSTRUCTION PLANS:

- (1) All partitions shall be shown; indicate ratings of all partitions; indicate all non-standard construction and details referenced;
- (2) Dimensions for partition shall be shown to face of stud; critical tolerances and ± dimensions shall be clearly noted;
- (3) All doors shall be shown on and shall be numbered and scheduled on door schedule; indicate ratings of all doors;
- (4) All non-standard construction, non-standard materials and/or installation shall be explicitly noted; equipment and finishes shall be shown and details referenced; and
- (5) All plumbing fixtures or other equipment requirements and any equipment requiring connection to Building plumbing systems shall be noted.

REFLECTED CEILING PLAN:

(1) Layout suspended ceiling grid pattern in each room, describing the intent of the ceiling working point, origin and/or centering; and

(2) Locate all ceiling-mounted lighting fixtures and air handling devices including air dampers, fan boxes, etc., lighting fixtures, supply air diffusers, wall switches, down lights, special lighting fixtures, special return air registers, special supply air diffusers, and special wall switches.

TELECOMMUNICATIONS AND ELECTRICAL EQUIPMENT PLAN:

(1) All telephone outlets required;

(2) All electrical outlets required; note non-standard power devices and/or related equipment;

(3) All electrical requirements associated with plumbing fixtures or equipment; append product data for all equipment requiring special power, temperature control or plumbing considerations;

(4) Location of telecommunications equipment and conduits; and

(5) Components and design of the Antennas (including associated equipment) as installed, in sufficient detail to evaluate weight, bearing requirements, wind-load characteristics, power requirements and the effects on Building structure, moisture resistance of the roof membrane and operations of pre-existing telecommunications equipment.

DOOR SCHEDULE:

(1) Provide a schedule of doors, sizes, finishes, hardware sets and ratings; and

(2) Non-standard materials and/or installation shall be explicitly noted.

HVAC:

(1) Areas requiring special temperature and/or humidity control requirements;

(2) Heat emission of equipment (including catalogue cuts), such as CRTs, copy machines, etc.;

(3) Special exhaust requirements – conference rooms, pantry, toilets, etc.; and

(4) Any extension of system beyond demised space.

ELECTRICAL:

(1) Special lighting requirements;

(2) Power requirements and special outlet requirements of equipment;

(3) Security requirements;

(4) Supplied telephone equipment and the necessary space allocation for same; and

(5) Any extensions of tenant equipment beyond demised space.

PLUMBING:

(1) Remote toilets;

(2) Pantry equipment requirements;

(3) Remote water and/or drain requirements such as for sinks, ice makers, etc.; and

(4) Special drainage requirements, such as those requiring holding or dilution tanks.

ROOF:

Detailed plan of any existing and proposed roof equipment showing location and elevations of all equipment.

SITE:

Detailed plan, including fencing, pads, conduits, landscaping and elevations of equipment.

SPECIAL SERVICES:

Equipment cuts, power requirements, heat emissions, raised floor requirements, fire protection requirements, security requirements, and emergency power.

2. Plan Requirements. The Construction Documents shall be fully detailed and fully coordinated with each other and with existing field conditions, shall show complete dimensions, and shall have designated thereon all points of location and other matters, including special construction details and finish schedules. All drawings shall be uniform size and shall incorporate the standard electrical and plumbing symbols and be at a scale of 1/8” = 1’0” or larger. Materials and/or installation shall be explicitly noted and adequately specified to allow for Landlord review, building permit application, and construction. All equipment and installations shall be made in accordance with standard materials and procedures unless a deviation outside of industry standards is shown on the Construction Documents and approved by Landlord. To the extent practicable, a concise description of products, acceptable substitutes, and installation procedures and standards shall be provided. Product cuts must be provided and special mechanical or electrical loads noted. Landlord’s approval of the plans, drawings, specifications or other submissions in respect of any work, addition, alteration or improvement to be undertaken by or on behalf of Tenant shall create no liability or responsibility on the part of Landlord for their completeness, design sufficiency or compliance with requirements of any applicable laws, rules or regulations of any governmental or quasi-governmental agency, board or authority.

3. Drawing and Document Production. Landlord shall provide Tenant with two (2) blackline drawings and one (1) CAD disk showing the Building and site outline, core walls and columns, together with corridor and demising wall location plans.

4. Change Orders. The Construction Documents shall not be materially changed or modified by Tenant after approval by Landlord without the further approval in writing by Landlord, which approval shall not be unreasonably withheld or delayed. Landlord shall not be obligated to approve any change or modification of the Construction Documents which in Landlord's sole opinion shall cause any additional cost or expense to Landlord for which Tenant has not agreed to reimburse Landlord.

Exhibit G

List of Environmental Substances

Chemicals	Quantity
Sodium cyanoborohydride	1 kg
Sodium azide	250 g
Sodium dodecyl sulphate	5 kg
Polyacrylamide gels + sodium azide (preservative)	2.5 kg
Crosslinkers: Aminooxy,adipic dihyrazide, others	0.5-5 g
Thiomersal	0.1 kg

Solvents	Quantity	Units	Flammable Class
Absolute ethanol	2.64	gallons	1B
Strong acids (HCl, AA)/alkalis (NaOH)	<1.32	gallons	n/a
Methanol	<1.32	gallons	1B
Dye- Instant/Collidal blue	<1.32	gallons	n/a
Triethylamine	0.13	gallons	1A
Acetonitrile	<1.32	gallons	1B
Triethanolamine	<1.32	gallons	3B

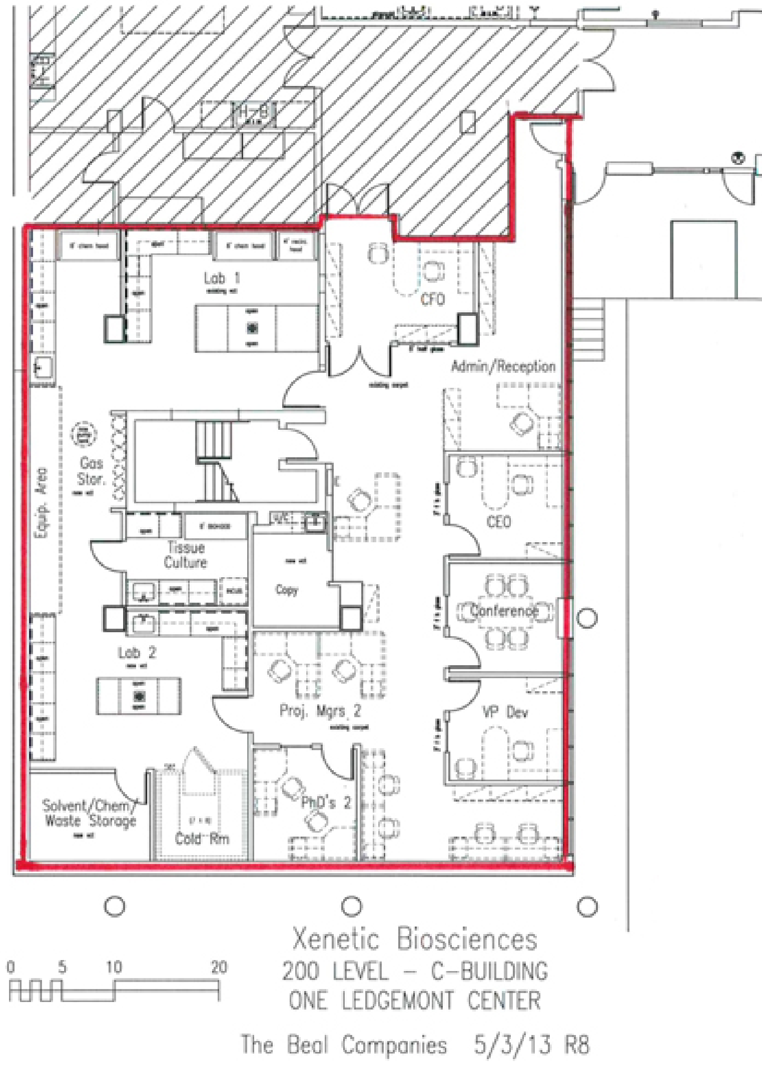
Non-Flammable Gases
Compressed Air
Carbon Dioxide
Nitrogen

Biologicals
Cell culture waste
Bovine serum albumin

In no event shall Tenant be permitted to store more than 12.53 gallons (including the waste stream) of Total/Combined Class 1 solvents

Exhibit H

Plans and Specifications for Initial Tenant Improvements



Dezine

Specialties, LLC

Job Description

Revised June 6, 2013
June 3, 2013
May 13, 2013
May 9, 2013
May 8, 2013
May 7, 2013

Ms. Jeanna Doherty
Beal and Company, Inc.
128 Spring Street
Lexington, MA 02420

RE: One Ledgemont Center, Lexington, MA-Xenetic Biosciences Renovation

DEMO

Partial carpet demo for new lab. Demo partial acoustical for new drywall layout. Demo drywall for new door location. Demo existing closet.

PARTITION DRYWALL

Furnish and install new 3 5/8" metal studs and 5/8" drywall at all offices and lab walls.

CEILING

Patch and match existing ceilings for new layout.

HVAC

- Connect new 14" round galvanized exhaust ductwork just inside Mechanical room to existing EF-53 and run new 14" round exhaust duct down corridor into Lab **1** and connect to (2) New lab hoods and provide (2) **1**0" round blast gates. Carry cost to re-sheave fan and change motor if required.

PLUMBING

- Provide new acid neutralization tank Orion model NT-50, with monitoring system, with all associated acid waste and vent piping.
- Provide new sink in copy area with associated HW, CW, sanitary and vent. Tie into nearest available existing lines.
- Provide new chemical lab sinks, (1) in Lab 1 area, (1) in Tissue Culture area and (1) in Lab 2 area, each with non-potable HW, CW, acid waste and vent piping. Drain lines must run below slab to new recessed acid neutralization tank located in front of gas storage area behind stairs. Waste out of tank shall be tied into existing sanitary piping serving existing toilets below slab. All acid vent piping shall be tied into nearest available acid vent piping in area.

ELECTRICAL

Lab# 1 (All voltages shall be considered single-phase unless noted otherwise)

- Furnish and install wiremold at counter top approximately 30'.
- Furnish and install double quad pedestal at island top.
- Provide five (5) 208 Volt 20 Amp circuits and outlets for centrifuge equipment at bench level.
- Provide two (2) 120 Volt 20 Amp circuits and outlets for the Malvern Zetasizer at bench level.
- A frequency converter to allow the change of frequency will be provided by the Tenant for the following circuits and equipment:

1. Two (2) 20 Amp 220 Volt circuits and outlets for the freeze dryer at bench level.
2. Six (6) 20 Amp 120 Volt circuits and outlets for the HPLC (Gilson) at bench level.
3. One **(1)** 20 Amp 220 Volt circuit and outlet for the Constant Cell Disruption System through the floor (assume a poke-through device).
4. One **(1)** 20 Amp 220 Volt circuit and outlet for the UV Spectrophotometer at bench level.
5. One **(1)** 20 Amp 220 Volt circuit and outlet for the Sonicator at bench level.
6. One **(1)** 20 Amp 220 Volt circuit and outlet for the vacuum pump through the floor (assume a poke-through device).
7. One **(1)** 20 Amp 220 Volt circuit and outlet for the mini oven at bench level.

Lab# 2 (All voltages shall be considered single-phase unless noted otherwise)

- Furnish and install wiremold at counter top approximately 30'.
- Furnish and install double quad pedestal at island top.
- Provide three (3) 20 Amp 120 Volt circuits and outlets for the AKTA Prim Plus at bench level.
- Provide one **(1)** circuit and two (2) outlets (20 Amp 120 Volt) for the plate reader at bench level.
- Provide one **(1)** 20 Amp 120 Volt circuit and outlet for the AKTA Purifier at bench level.
- Provide one **(1)** 20 Amp 120 Volt circuit and outlet for the GPC Max at bench level.
- Provide one **(1)** 20 Amp 120 Volt circuit and outlet for the Fluostar Omega.
- A frequency converter to allow the change of frequency will be provided by the Tenant for the following circuits and equipment:

1. Provide one (1) 20 Amp 220 Volt circuit with two (2) outlets for the freezer dryer (one outlet at bench, one outlet in floor – assume pokethrough device) .
2. Provide three (3) 20 Amp 120 Volt circuits and six (6) outlets for the HPLC System Agilent at bench level.
3. Provide two (2) 20 Amp 120 Volt circuits and four (4) outlets for the HPLC with fluorescent detector at bench level.
4. Provide one (1) 20 Amp 120 Volt circuit and outlet for the Gilson Pump at bench level.
5. Provide one (1) 20 Amp 220 Volt circuit and outlet for the vacuum pump at floor level (assume poke-through device) .
6. Provide one (1) 20 Amp 220 Volt circuit and outlet for the shaker and heater at bench *level.*
7. Provide one (1) 20 Amp 220 Volt circuit and outlet for the Visidoc-ITEmag ing System at bench level.
8. Provide one (1) 20 Amp 220 Volt circuit and outlet for the Karl Fisher Titrator at bench level.
9. Provide one (1) 20 Amp 220 Volt circuit and outlet for the Karl Fisher oven/pump assembly at bench level.

Equipment Area

All equipment in this area shall be supplied *via* a Tenant provided frequency converter.

- Provide two (2) 20 Amp 220 Volt circuit and four (4) floor-mounted outlets for freezers (assume poke-through devices).
- Provide one **(1)** 20 Amp 220 Volt circuit and outlet for the icemaker.
- Provide one **(1)** 20 Amp 220 Volt 3-Phase circuit and outlet for the Ultra Centrifuge at floor level (assume poke-through device).

P.O. Box 591
Wakefield, MA 01880

dezinespecialties @ earthlink.net

Tel 781246 9015
Fax 781246 9045

Cell Culture Area

- Provide one (1) 20 Amp 220 Volt circuit and outlet for the digital water bath at bench level.
- Provide one **(1)** 20 Amp 220 Volt circuit and outlet for the C02 incubator at bench level.
- Provide one **(1)** 20 Amp 220 Volt circuit and floor outlet for the incubator (assume poke through device).
- Provide one **(1)** 20 Amp 220 Volt circuit and outlet for ALC Refrigerated Centrifuge at bench level.

General Space

- Provide two (2) receptacles for every enclosed office space. Provide one **(1)** circuit for every three (3) enclosed offices.
- Provide one (1) circuit and three (3) receptacles for the Conference Room.
- Provide three (3) circuits and furniture whip connections to the open office furniture.
- Provide general convenience circuit and four (4) receptacles in the space.
- Provide relocation of existing and new to match existing light fixtures in the space. Provide new switching and extend existing circuits as required.
- Provide “ring and string” provisions for tel/data outlets.
- Provide branch circuits to mechanical equipment (including cold room equipment) as required.
- Provide relocation of existing and addition of new to match existing fire alarm devices to accommodate the new layout. Extend existing wiring.
- Relocate and provide new to match existing exit signs.

FLOORING

Prep Lab 2 area to receive new VCT flooring to match existing Lab 1. New VCT flooring at copy/breakroom. New vinyl base at new walls to match existing. Existing carpet to stay at office area.

DOORS, JAMS & HARDWARE

Furnish and install eight 3’ x 7’ birch doors and KD frames; cylindrical locks. Furnish and install one 6’ x 7’ birch door and KD frames ; cylindrical locks. Furnish and install two door closers. Furnish and install nine door stops.

GLASS/GLAZING

Furnish and install one 5’ x 4’ 3/8” glass panel with aluminum track.

PAINTING

Paint all new drywall to get two coats of low Sherwin Williams VOC paint. Patch painting all affected areas.

SAWCUTTING

Existing slab for new waste lines and acid neutralization tank. lnfill with concrete after pipe installation.

MILLWORK

Furnish and install thirteen 36” x 24” steel cabinets; four 24” x 24” steel cabinets; four 48” x 24” steel cabinets;86 If x 25” phenolic countertops; one 5’ x 12’ phenolic countertop ; one 8’ x 4’ phenolic countertop . 152’ of phenolic shelving ;three phenolic sinks 16” x 14”; one 7’ x 25” plam countertop with 12” plam cabinet ; one ADA stainless steel sink with faucet ; three lab faucets.

HOODS

Two 6’ chemical hoods: one 4’ recirculating hood; one 6’ Barker tissue culture hood. All hoods to be reconditioned and certified.

ROUGH CARPENTRY

Blocking in walls as needed.

FIRE PROTECTION/FIRE ALARM

- Provide new heads or relocate existing heads as required to accommodate new architectural layout and to meet code.
- Provide new heads in clean room as required to meet code.

NOTE:

- Two 6’ chemical hoods are approximately four weeks after order has been placed.
- Steel cabinets are approximately four weeks after order has been placed.

ADD/ALTERNATES:

- If frequency converter is required by tenant, tenant is responsible for costs associated with equipment and installation. Additionally if code requires the electrical equipment to be enclosed in a electrical room tenant and landlord shall agree upon location within the premises and costs associated with the room will be a cost to the tenant.

Exhibit I

Intentionally
Omitted

Exhibit J

Intentionally Omitted

Exhibit K

Form of Term Commencement Date Agreement

COMMENCEMENT DATE AGREEMENT

("Tenant") hereby certifies that it has entered into a lease with **One Ledgemont LLC** ("Landlord") dated as of 20 and verifies the following information as of the day of , 20 :

Address of Building: 128 Spring Street, Lexington, Massachusetts
Number of Rentable Square Feet in Premises: ______
Commencement Date: ______
Rent Commencement Date: ______
Lease Termination Date: ______
Tenant's Pro Rata Share: ______

Billing Address for Tenant: ______

Attention: ______
Telephone Number: (__) ______
Federal Tax I.D. No.: ______

Tenant acknowledges and agrees that the Initial Tenant Improvements have been completed to Tenant's satisfaction, that Tenant has accepted possession of the Premises, and that as of the date hereof, there exist no offsets or defenses to the obligations of Tenant under the Lease.

TENANT:

______

By: ______
Name: ______
Title: ______
Hereunto duly authorized

LANDLORD:

One Ledgemont LLC

By: ______
Name: ______
Title: ______
Hereunto duly authorized

Exhibit L

Form of Letter of Credit

IRREVOCABLE STANDBY LETTER OF CREDIT NO.

DATE:

BENEFICIARY:
ONE LEDGEMONT LLC
c/o The Beal Companies, LLP
177 Milk Street
Boston, Massachusetts 02109

AS "LANDLORD"

APPLICANT:

____

____

____

AS "TENANT"

AMOUNT: US $ (AND 00/100 U.S. DOLLARS)

EXPIRATION DATE:

LOCATION: AT OUR COUNTERS IN BOSTON, MASSACHUSETTS

DEAR SIR/MADAM:

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. IN YOUR FAVOR AVAILABLE BY YOUR DRAFT DRAWN ON US AT SIGHT IN THE FORM OF EXHIBIT "B" ATTACHED AND ACCOMPANIED BY THE FOLLOWING DOCUMENTS:

1. THE ORIGINAL OF THIS LETTER OF CREDIT AND ALL AMENDMENT(S), IF ANY.

2. A DATED CERTIFICATION FROM THE BENEFICIARY SIGNED BY AN AUTHORIZED OFFICER OR AGENT, FOLLOWED BY ITS DESIGNATED TITLE, STATING THE FOLLOWING:

(A) "THE AMOUNT REPRESENTS FUNDS DUE AND OWING TO US FROM APPLICANT PURSUANT TO THAT CERTAIN LEASE BY AND BETWEEN BENEFICIARY, AS LANDLORD, AND APPLICANT, AS TENANT."

OR

(B) "WE HEREBY CERTIFY THAT WE HAVE RECEIVED NOTICE FROM BANK THAT LETTER OF CREDIT NO. WILL NOT BE RENEWED, AND THAT WE HAVE NOT RECEIVED A REPLACEMENT OF THIS LETTER OF CREDIT FROM APPLICANT SATISFACTORY TO US AT LEAST THIRTY (30) DAYS PRIOR TO THE EXPIRATION DATE OF THIS LETTER OF CREDIT."

THE LEASE AGREEMENT MENTIONED ABOVE IS FOR IDENTIFICATION PURPOSES ONLY AND IT IS NOT INTENDED THAT SAID LEASE AGREEMENT BE INCORPORATED HEREIN OR FORM PART OF THIS LETTER OF CREDIT.

OUR OBLIGATION UNDER THIS CREDIT SHALL NOT BE AFFECTED BY ANY CIRCUMSTANCES, CLAIM OR DEFENSE, REAL OR PERSONAL, OF ANY PARTY AS TO THE ENFORCEABILITY OF THE LEASE BETWEEN YOU AND TENANT, IT BEING UNDERSTOOD THAT OUR OBLIGATION SHALL BE THAT OF A PRIMARY OBLIGOR AND NOT THAT OF A SURETY, GUARANTOR OR ACCOMMODATION MAKER. IF YOU DELIVER THE WRITTEN CERTIFICATE REFERENCED ABOVE TO US, (I) WE SHALL HAVE NO OBLIGATION TO DETERMINE WHETHER ANY OF THE STATEMENTS THEREIN ARE TRUE, (II) OUR OBLIGATIONS HEREUNDER SHALL NOT BE AFFECTED IN ANY MANNER WHATSOEVER IF THE STATEMENTS MADE IN SUCH CERTIFICATE ARE UNTRUE IN WHOLE OR IN PART, AND (III) OUR OBLIGATIONS HEREUNDER SHALL NOT BE AFFECTED IN ANY MANNER WHATSOEVER IF TENANT DELIVERS INSTRUCTIONS OR CORRESPONDENCE TO WHICH EITHER (A) DENIES THE TRUTH OF THE STATEMENT SET FORTH IN THE CERTIFICATE REFERRED TO ABOVE, OR (B) INSTRUCTS US NOT TO PAY BENEFICIARY ON THIS CREDIT FOR ANY REASON WHATSOEVER.

PARTIAL AND MULTIPLE DRAWS ARE ALLOWED. EXCEPT AS EXPRESSLY SET FORTH HEREIN, THIS LETTER OF CREDIT MUST ACCOMPANY ANY DRAWINGS HEREUNDER FOR ENDORSEMENT OF THE DRAWING AMOUNT AND WILL BE RETURNED TO THE BENEFICIARY UNLESS IT IS FULLY UTILIZED.

DRAFT(S) AND DOCUMENTS MUST INDICATE THE NUMBER AND DATE OF THIS LETTER OF CREDIT.

THIS LETTER OF CREDIT SHALL BE AUTOMATICALLY EXTENDED FOR AN ADDITIONAL PERIOD OF ONE YEAR, WITHOUT AMENDMENT, FROM THE PRESENT OR EACH FUTURE EXPIRATION DATE UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO THE THEN CURRENT EXPIRATION DATE WE NOTIFY YOU BY REGISTERED MAIL/OVERNIGHT COURIER SERVICE AT THE ABOVE ADDRESSES THAT THIS LETTER OF CREDIT WILL NOT BE EXTENDED BEYOND THE CURRENT EXPIRATION DATE. IN NO EVENT SHALL THIS LETTER OF CREDIT BE AUTOMATICALLY EXTENDED BEYOND SIX (6) MONTHS BEYOND LEASE EXPIRATION.

THIS LETTER OF CREDIT MAY BE TRANSFERRED WITHOUT COST TO THE BENEFICIARY, ONE OR MORE TIMES BUT IN EACH INSTANCE TO A SINGLE BENEFICIARY AND ONLY IN THE FULL AMOUNT AVAILABLE TO BE DRAWN UNDER

THE LETTER OF CREDIT AT THE TIME OF THE TRANSFER AND ONLY BY THE ISSUING BANK UPON OUR RECEIPT OF THE ATTACHED "EXHIBIT A" DULY COMPLETED AND EXECUTED BY THE BENEFICIARY AND ACCOMPANIED BY THE ORIGINAL LETTER OF CREDIT AND ALL AMENDMENTS, IF ANY.

ALL DEMANDS FOR PAYMENT SHALL BE MADE BY PRESENTATION OF THE ORIGINAL APPROPRIATE DOCUMENTS PRIOR TO 10:00 A.M. E.S.T. TIME, ON A BUSINESS DAY AT OUR OFFICE (THE "BANK'S OFFICE") AT: , BOSTON, MASSACHUSETTS , ATTENTION: OR BY FACSIMILE TRANSMISSION AT: (617) - ; AND SIMULTANEOUSLY UNDER TELEPHONE ADVICE TO: (617) - , ATTENTION: WITH ORIGINALS TO FOLLOW BY OVERNIGHT COURIER SERVICE.

PAYMENT AGAINST CONFORMING PRESENTATIONS HEREUNDER SHALL BE MADE BY BANK DURING NORMAL BUSINESS HOURS OF THE BANK'S OFFICE WITHIN ONE (1) BUSINESS DAY AFTER PRESENTATION.

WE HEREBY AGREE WITH THE DRAWERS, ENDORSERS AND BONAFIDE HOLDERS THAT THE DRAFTS DRAWN UNDER AND IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT SHALL BE DULY HONORED UPON PRESENTATION TO THE DRAWEE, IF NEGOTIATED ON OR BEFORE THE EXPIRATION DATE OF THIS CREDIT.

THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (2007 REVISION), INTERNATIONAL CHAMBER OF COMMERCE, PUBLICATION NO. 600.

AUTHORIZED SIGNATURE	AUTHORIZED SIGNATURE

EXHIBIT "A"

DATE:

TO:

RE: STANDBY LETTER OF CREDIT
NO. ISSUED BY

ATTN: L/C AMOUNT:

LADIES AND GENTLEMEN:

FOR VALUE RECEIVED, THE UNDERSIGNED BENEFICIARY HEREBY IRREVOCABLY TRANSFERS TO:

(NAME OF TRANSFEREE)
(ADDRESS)

ALL RIGHTS OF THE UNDERSIGNED BENEFICIARY TO DRAW UNDER THE ABOVE LETTER OF CREDIT UP TO ITS AVAILABLE AMOUNT AS SHOWN ABOVE AS OF THE DATE OF THIS TRANSFER.

BY THIS TRANSFER, ALL RIGHTS OF THE UNDERSIGNED BENEFICIARY IN SUCH LETTER OF CREDIT ARE TRANSFERRED TO THE TRANSFEREE. TRANSFEREE SHALL HAVE THE SOLE RIGHTS AS BENEFICIARY THEREOF, INCLUDING SOLE RIGHTS RELATING TO ANY AMENDMENTS, WHETHER INCREASES OR EXTENSIONS OR OTHER AMENDMENTS, AND WHETHER NOW EXISTING OR HEREAFTER MADE. ALL AMENDMENTS ARE TO BE ADVISED DIRECT TO THE TRANSFEREE WITHOUT NECESSITY OF ANY CONSENT OF OR NOTICE TO THE UNDERSIGNED BENEFICIARY.

THE ORIGINAL OF SUCH LETTER OF CREDIT IS RETURNED HEREWITH, AND WE ASK YOU TO ENDORSE THE TRANSFER ON THE REVERSE THEREOF, AND FORWARD IT DIRECTLY TO THE TRANSFEREE WITH YOUR CUSTOMARY NOTICE OF TRANSFER.

SINCERELY,

____
(BENEFICIARY'S NAME)

____
SIGNATURE OF BENEFICIARY

SIGNATURE AUTHENTICATED

____
(NAME OF BANK)

____
AUTHORIZED SIGNATURE

EXHIBIT "B"

DATE: ____________________ REF. NO. ____________________

AT SIGHT OF THIS DRAFT

PAY TO THE ORDER OF ____________________ US$ __________

USDOLLARS ____

____

DRAWN UNDER BANK, BOSTON, MASSACHUSETTS, STANDBY LETTER OF CREDIT NUMBER NO. DATED

TO: ______________________________ BANK

____

______________________________ , MA ____

____
(BENEFICIARY'S NAME)

____
Authorized Signature

COMMENCEMENT DATE AGREEMENT

Xenetic Bioscience Incorporated. ("Tenant") hereby certifies that it has entered into a lease with ONE LEDGEMONT LLC ("Landlord") dated August 1st, 2013 (the "Lease") and verifies the following information as of the 16th day of January. Capitalized terms used, but not herein defined, shall have the meaning ascribed in the Lease:

Address of Building:	128 Spring Street, Lexington, MA 02421
Number of Rentable Square Feet in Premises:	3,959 r.s.f.
Term Commencement Date:	January 1st, 2014
Rent Commencement Date:	February 1st, 2014
Lease Termination Date:	January 31st, 2019
Tenant's Pro Rata Share:	2.27%
Initial Annual Rent:	$91,057.00
Option to Extend:	One (1) additional term of five (5) Lease Years, with nine (9) months (but not more than twelve (12) months) by unconditional written notice
Initial Letter of Credit:	$ 66,000.00

* Free Rent Period – from the Term Commencement Date through the first full month of the lease term

Tenant acknowledges and agrees that all improvements Landlord is obligated to make to the Premises, if any, have been completed to Tenant's satisfaction, that Tenant has accepted possession of the Premises, and that as of the date hereof, there exist no offsets or defenses to the obligations of Tenant under the Lease.

TENANT:

XENETIC BIOSCIENCE, INC.

By: /s/ Colin Hill
Name: Colin Hill
Title: CFO
Hereunto duly authorized

LANDLORD:

ONE LEDGEMONT LLC

By: ______________________
Name: Robert L. Beal
Title: Authorized Signatory
Hereunto duly authorized

Exhibit 10.4

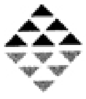
THE CROWN
ESTATE

Counterpart Lease

**relating to 3rd Floor Rear,
Greener House, 68
Haymarket, London SW1**

Dated 20 March 2012

Her Majesty the Queen (1)
The Crown Estate Commissioners (2)
Xenetic Biosciences plc (3)



BURGES
SALMON

The Crown Estate
16 New Burlington Place London
W1S 2HX

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DATE 20 March 2012

PARTIES

(1) HER MAJESTY THE QUEEN;

(2) THE CROWN ESTATE COMMISSIONERS on behalf of Her Majesty acting in exercise of the powers conferred by the Crown Estate Act 1961 (the "Commissioners"); and

(3) XENETIC BIOSCIENCES PLC (company number 03213174) whose registered office is at London Bioscience Innovation Centre, 2 Royal College Street, London, NW1 ONH (the "Tenant")

OPERATIVE PROVISIONS

PART ONE: DEFINITIONS AND INTERPRETATION

1 DEFINITIONS

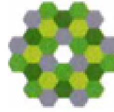
In this Lease the following expressions have the following meanings:

1954 Act	the Landlord and Tenant Act 1954
1986 Act	the Insolvency Act 1986
1995 Act	the Landlord and Tenant (Covenants) Act 1995
Adjoining Property	the rest of the Building (excluding the Property) and any land or property nearby or adjoining the Building whether or not owned by the Landlord
Authority	a statutory, public, local or other competent authority or a court or tribunal of competent jurisdiction or any agency or body owned or sponsored by the government
Break Date	20 March 2015
Building	Greener House, 66-68 Haymarket, London SW1 registered at the date of this lease at the Land Registry under Title Number NGL879297 and shown for identification purposes only edged red on the annexed plan marked plan 1 and all additions to it, but excluding tenant's fixtures and fittings whenever fixed
Business Hours	Sam to 6pm every day except Saturday, Sunday or a bank or public holiday and any extra hours first authorised in writing by the Landlord
COM Regulations	the Construction (Design and Management) Regulations 2007
Commissioners	this includes any other person who takes over managing The Crown Estate
Conduit	a conduit, pipe, drain, gully, sewer, channel, culvert, gutter, flue, duct, wire, cable, main, optic fibre or other medium for the passage or transmission of water, soil, gas, air, smoke, electricity, light, information or other matter and all related structures and equipment

DEC	a display energy certificate as defined in the Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulations 2007 and any recommendation report prepared in connection with that certificate
Deliberate Damage	damage caused deliberately with the intention of causing damage by the Tenant or anyone deriving title through the Tenant or anyone at the Building with the express or implied authority of either of them
End of the Tenancy	the end of the Tenancy by expiry, re-entry, notice, surrender or otherwise
Environmental Certificate	an EPC, DEC or any other assessment, certificate or report from time to time required by law or produced as generally accepted market practice or standards of building management that provides a measurement of or opinion on the use or consumption of energy or resources or the production or management of waste or harmful substances or any effect on the environment at or related to the Property or the Building or their use and occupation
EPC	an energy performance certificate as defined in the Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulations 2007 and any recommendation report prepared in connection with that certificate
Facilities	facilities and systems provided at any time for the amenity of the Building and tenants, occupiers or visitors, including those of the following that are provided: lift(s) and lift shaft(s); security and surveillance systems; fire-prevention and fire-alarm equipment; sprinklers and fire-fighting equipment; heating, cooling, ventilating and air-conditioning plant and equipment; onsite or near-site heat or electricity generation facilities; onsite or near-site ground source heat pumps and other equipment designed to provide electricity, heating, cooling or ventilation; rainwater harvesting equipment; waste compactors and other waste management systems; public address and other communication facilities
Fire Safety Order	the Regulatory Reform (Fire Safety) Order 2005
Group Company	a company that is: (a) a subsidiary of the Tenant; or (b) the Tenant's holding company; or (c) a subsidiary of the Tenant's holding company the terms "subsidiary" and "holding company" having the meanings set out in section 1159 Companies Act 2006
Guarantor	this includes any person deemed to covenant in this Lease as Guarantor in the terms of Part Eight
Insolvent	(a) if a party is a company or a limited liability partnership or other corporation, it is insolvent if any of the following apply:

Land Registry
Official copy of title plan

Title number NGI879297
Ordnance Survey map reference TQ2980NE
Scale 1:1250
Administrative area CITY OF WESTMINSTER



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111is official copy is incomplete without the preceding notes page.

(i) it is deemed unable to pay its debts as defined in section 123 1986 Act;

(ii) a proposal is made for a voluntary arrangement under part I 1986 Act;

(iii) it enters into any arrangement, scheme, compromise, moratorium or composition with any of its creditors under the 1986 Act or otherwise;

(iv) it is the subject of an administration order (whether an interim order or otherwise) made under part II 1986 Act; or is subject to a resolution passed by the directors or shareholders, members, managers or other officers (or a determination of a limited liability partnership) for the presentation of an application for such an order; or has an application for such an order presented against it; or if a notice of intention to appoint an administrator or a notice of appointment of an administrator is filed with the court; or if a resolution is passed by the directors, shareholders, members, managers or other officers (or a determination of a limited liability partnership) for the filing of either such notice;

(v) a receiver (including an administrative receiver) or manager is appointed whether under part II 1986 Act or otherwise;

(vi) a provisional liquidator is appointed under section 135 1986 Act;

(vii) it goes into liquidation as defined in section 247(2) 1986 Act (except a voluntary winding-up solely for the purpose of amalgamation or reconstruction while solvent); or

(viii) it makes or resolves to make an application to the court under section 1159 Companies Act 2006;

(b) if a party is an individual, it is insolvent if any of the following apply:

(i) an application is made for an interim order or a proposal is made for a voluntary arrangement under part VIII 1986 Act;

(ii) a bankruptcy petition is presented to the court or his circumstances would enable a bankruptcy petition to be presented under part IX 1986 Act;

(iii) he enters into a deed of arrangement; or

(iv) a receiver or manager is appointed over any of his assets

Insurance Rent	all sums payable by the Tenant under clause 26
Interest	interest (both before and after any judgment) calculated on a daily basis from and including the date that interest becomes chargeable on any payment under this Lease to and including the day before the date that such payment is made
Interest Rate	3% a year above Barclays Bank Pic's base lending rate from time to time (or of another bank nominated by the Landlord at any time) or, if those base rates are not available at any time, another comparable rate of interest specified by the Landlord having regard to interest rates at that time
Landlord	for so long as the Reversion forms part of The Crown Estate, the Commissioners, and afterwards the person for the time being entitled to the Reversion
this Lease	this Lease and any document that is supplemental or collateral to it whether or not it is expressly stated to be so
Legal Obligation	an obligation imposed by or under any present or future law including present or future statute, statutory instrument, statutory guidance or byelaw or common law or any present or future judgment, injunction, regulation, order, direction, requirement, notice or code of practice of any Authority as far as it relates to the Property or to its occupation or use no matter on whom the obligation is imposed
Non-Structural Alteration	(a) an alteration to the inside of the Property which does not affect any loadbearing or structural part of the Building; or (b) the installation of or an alteration to a Conduit or Facility that forms part of the Property; which does not: (c) adversely affect the Building's appearance; or (d) impair the efficiency of or otherwise adversely affect the operation or means of access to any of the Conduits or Facilities; or (e) adversely affect the efficiency of the use of energy or water or the sustainability characteristics at or of the Building or the Property,

	and conforms to any guidelines or directive in force and issued by the Landlord that are provided to the Tenant from time to time concerning work to the Landlord's property in the area in which the Building is situated
Part	a part of this Lease
Permitted Underlease	an underlease which: (a) is granted without a fine or premium; (b) reserves a rent: (i) at least equal to the open market rent at the time of its grant; and (ii) payable not more than one quarter in advance; (c) is (as far as is consistent with an underlease) in a form consistent with this Lease except that further underletting will be prohibited and the Landlord's consent (as well as the Tenant's) will be required for a proposed assignment of the whole of the interest created by that underlease (assignment of part being prohibited); and (d) is excluded from the operation of sections 24-28 Landlord and Tenant Act 1954, and the requirements in section 38(A)(3) 1954 Act are met before the earlier of the underlease being granted and the undertenant becoming contractually bound to enter into the underlease
Permitted Use	the use of the Property as offices within Class 81 of the Schedule to the Town and Country Planning (Use Classes) Order 1987 (as enacted at the date of this Lease)
Planning Acts	the acts for the time being in force relating to town and country planning
Policy Principles	the Landlord's policy (having regard to the principles of good estate management) in relation to the management, tenant-mix improvement, development and stewardship of the area in which the Property is situated as part of the Landlord's overall property holdings in the Regent Street area as published at any time by the Landlord and made available to the Tenant (in written or electronic format)
Principal Rent	THIRTY TWO THOUSAND SEVEN HUNDRED AND SIXTY THREE pounds (£32,763) a year starting on the Rent Start Date

Prohibited Uses	a betting shop or office, casino or for any other form of gambling, amusement arcade, night club, sex shop, shop selling or hiring videos or DVDs, mobile phone shop, electrical goods shop, car showroom, post office, hairdressing salon, airline shop, ticket agency, travel agency, bureau de change, shop selling made-to-measure suits (unless ancillary to another use), shop selling unfinished cloth, shop selling tourist and/or novelty goods or a shop selling wines, beers or spirits

Property

the part of the Third Floor Rear of the Building shown edged in red on the annexed plan marked plan 2 including:

(a) the inner half measured to the mid-point of the non-structural and non-loadbearing walls and ceilings that divide the Property from the other Units;

(b) the whole of all other non-structural or non-loadbearing walls and columns;

(c) the internal plaster surfaces and finishes of loadbearing walls and columns;

(d) the ceiling finishes and the whole of any false ceilings and the voids between the ceilings and false ceilings;

(e) all window frames and fitments and all glass in the windows and all doors, door furniture and door frames;

(f) the Conduits within and exclusively serving the Property except those belonging to utility companies;

(g) the floor finishes and all carpets;

(h) any existing or future Landlord’s fixtures, fittings, plant, machinery, apparatus and equipment within and exclusively serving the Property; and

(i) any additions, alterations or improvements,

but excluding:

(j) any Conduit not exclusively serving the Property; and

(k) any structural parts, loadbearing walls, roofs, foundations, external walls or joists

Regulations

the regulations:

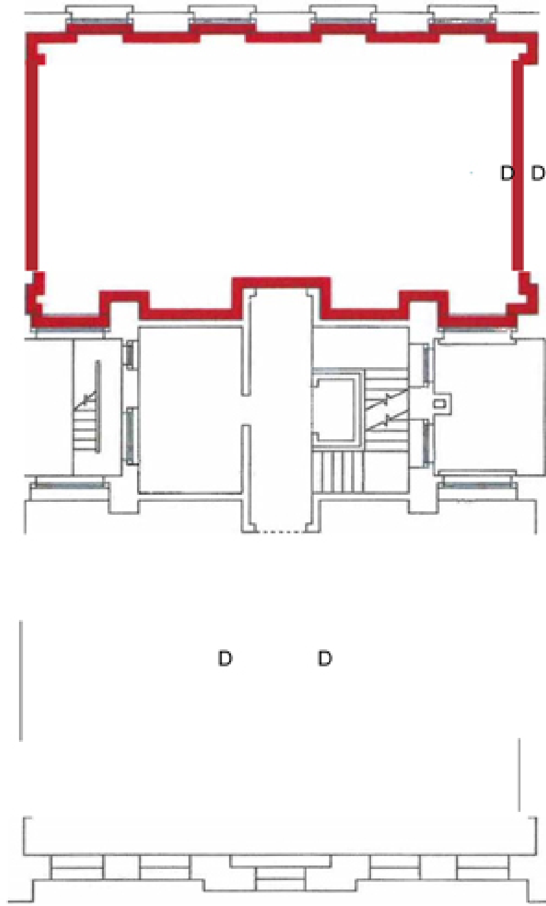
(a) set out in Schedule 3;

(b) set out in any occupier’s handbook given to the Tenant from time to time; and

(c) published from time to time by the Landlord in addition to or in substitution for those regulations in the interests of :

Haymarket Estate
Third Floor, Greener House, 66-68 Haymarket, London SW1

THE CROWN ESTATE



Third Floor Rear

Scale, 1:100 at A4

16 New Burlington Place
London W1S 2HX
Tel: 020 7851 5000

Plan 2

(i) good estate management; or

(ii) environmentally responsible estate management.

Rent Start Date	the date six months after the Term Start Date and being 20 September 2012
Rents	the rents reserved in clause 4
Rent Payment Dates	25 March, 24 June, 29 September and 25 December
Retained Property	all parts of the Building (except the Units) including any structural parts, loadbearing walls, roofs, foundations, external walls or joists which are not included in the Property and would not be included in the Units if they were let on the same terms as the Property
Reversion	the immediate reversionary interest in the Property
Service Charge	all sums payable by the Tenant under clause 31
Shared Areas	forecourts, entrances, halls, circulation areas, passages, staircases, escalators, lifts, lift shafts, toilets, storage areas, service roads, service yards, loading bays, ramps, refuse areas, recycling facilities, cycle storage, car parks, shower and changing facilities and other areas or ways provided at any time for tenants, occupiers or visitors to share
Tenancy	the tenancy created by this Lease
Tenant	this includes the Tenant's successors in title and, in the case of an individual, his personal representatives
Term	the term of five (5) years beginning on the Term Start Date and ending on 19 March 2017
Term Start Date	the date of this Lease
Uninsured Damage	damage which is not covered (whether fully or at all) by the Insurance taken out by the Landlord (other than as a result of Deliberate Damage)
Unit	an individual shop, office suite or other unit of accommodation in the Building let or exclusively occupied or designed or intended to be let or exclusively occupied except in connection with the provision of Services
VAT	value added tax or a similar tax that replaces it or is charged in addition to it

2 INTERPRETING THIS LEASE

2.1 The headings in this Lease are for reference only. They are not to be used to interpret the text beneath.

2.2 The Schedules to this Lease are part of this Lease. References to the parties, Schedules and clauses mean those in this Lease.

2.3 References to persons include bodies corporate, unincorporated associations and partnerships, in each case whether or not they have a separate legal identity.

2.4 Unless the context specifically requires otherwise:

(a) words relating to one gender are treated as meaning any gender;

(b) words relating to individuals are treated as also meaning corporations and vice versa;

(c) words in the singular are treated as also meaning the plural and vice versa; and

(d) words relating to the whole are treated as including any part of the whole.

2.5 All agreements and obligations by a party in this Lease (whether or not expressed as covenants) are to be read as covenants by that party. Subject to the 1995 Act, the Tenant will comply with its agreements and obligations throughout the Tenancy.

2.6 If a condition or covenant in this Lease requires a party not to do something, it is a breach of the condition or covenant to allow somebody else to do it.

2.7 References to statutory provisions, acts or EC Directives include (except where expressly stated to the contrary) references to:

(a) any changes to them, including any extension, consolidation, replacement or re-enactment (before or after the date of this Lease); and

(b) any regulation, instrument or order or other subordinate legislation made under them.

2.8 If a party consists of more than one person, the covenants and obligations which that party undertakes can be enforced against them all jointly or against each individually.

2.9 For so long as the Reversion forms part of The Crown Estate, a covenant by (or implied by) the Landlord is made (or implied) by the Commissioners acting in exercise of the powers conferred by the Crown Estate Act 1961. No covenants, agreements or obligations are given by Her Majesty or anyone who reigns after Her. No liability is imposed on Her Majesty or anyone who reigns after Her or on the Commissioners in any personal or private capacity. With effect from the date that the Reversion ceases to form part of The Crown Estate, those covenants are deemed to be made by the person subsequently entitled to the Reversion. All liability of the Commissioners for those covenants will stop from that date.

2.10 If any provision of this Lease is held to be invalid or unenforceable by any court or other competent authority, all its other provisions will remain in full force.

2.11 This Lease does not confer on any person or party (except the parties to it) rights under the Contracts (Rights of Third Parties) Act 1999.

2.12 References to rights of access or entry to the Property by the Landlord are extended to anybody authorised by the Landlord.

2.13 The word “assignment” includes a legally binding contract for assignment.

2.14 The words “include” and “including” are deemed to be followed by the words “but not limited to”.

2.15 Any consent or approval to be given by the Landlord is not effective unless it is given as a formal licence executed as a deed.

PART TWO: GRANT

3 **GRANT**

3.1 The Landlord lets the Property to the Tenant with no title guarantee to the Term.

3.2 The Landlord grants to the Tenant the rights set out in Schedule 1.

3.3 The rights set out in Schedule 2 are excepted from this lease and reserved in favour of the Landlord and anybody authorised by the Landlord.

3.4 The Property is let subject to:

(a) all unregistered interests that override registered dispositions under Schedule 3 Land Registration Act 2002; and

(b) rights, easements, quasi-easements, restrictions, covenants and liabilities that affect the Property.

3.5 Subject to the Tenant paying the Rents and complying with its obligations in this Lease and without limiting the operation by the Government of the United Kingdom of its powers, the Tenant will have quiet enjoyment of the Property without interruption by the Landlord or any person claiming under rights granted by the Landlord.

4 RENTS

The rents payable under this Lease are:

(a) the Principal Rent;

(b) the Insurance Rent;

(c) the Service Charge;

(d) any VAT on any sums due under this Lease; and

(e) any other sums payable under this Lease.

PART THREE: TENANT'S COVENANTS WITH THE LANDLORD

5 PAYMENT OF THE RENTS

5.1 The Tenant will pay the Principal Rent (plus VAT if it applies) without deduction or set-off (whether legal or equitable) by equal quarterly payments in advance on the Rent Payment Dates. Payment is to be made by standing order (from a bank in the United Kingdom) or by any other method reasonably required by the Landlord. The first payment of the Principal Rent (for the period beginning on the Rent Start Date and ending on the day before the next Rent Payment Date) is due on the Rent Start Date.

5.2 The Tenant will pay the Insurance Rent in accordance with clause 26.

5.3 The Tenant will pay the Service Charge in accordance with clause 31.

5.4 The Tenant will pay the Rents (except the Principal Rent, the Insurance Rent and the Service Charge) on demand.

6 OUTGOINGS

6.1 The Tenant will pay and indemnify the Landlord against all rates, taxes, assessments, impositions, duties, charges and outgoings payable at any time during the Tenancy by the owner or occupier of (or otherwise due in respect of) the Property. The Tenant will not be responsible for any taxes (except VAT) payable by the Landlord on the Principal Rent and any taxes on any dealing by the Landlord with its interest in the Reversion.

6.2 The Tenant will pay and indemnify the Landlord against any rating relief for empty premises that the Landlord is unable to claim after the Tenancy has ended as a result of any such claim made by the Tenant during the Tenancy.

6.3 The Tenant will pay and indemnify the Landlord against all VAT charged on:

(a) the Rents; or

(b) any other taxable supply received by the Tenant under this Lease.

6.4 The Tenant will pay and indemnify the Landlord against all charges for gas, electricity, phone, water, heating, cooling, ventilation and other services at the Property including charges for connecting the services, fitting and (where appropriate) updating meters and sub-meters and standing charges.

7 REPAIR AND DECORATION

7.1 The Tenant will keep the Property (and any tenant's or trade fixtures and fittings) in good and substantial repair and condition.

7.2 The Tenant will not be liable to repair the Property where damaged by an Insured Risk or by Uninsured Damage and the Landlord has served a Rebuilding Notice or Landlord's Termination Notice unless:

(a) payment of the insurance money is refused (in whole or part) due to something the Tenant (or any other person in the Property expressly or impliedly with the Tenant's authority) has done or failed to do; and

(b) the Tenant has failed to pay the amount so refused to the Landlord in accordance with clause 26.5.

7.3 The Tenant will keep the Property at all times clean and tidy, free from pollution or contamination and in a condition that poses no threat to human health or the environment.

7.4 The Tenant will clean the inside of all windows at the Property as often as reasonably required.

7.5 The Tenant will fit a new carpet in the Property as agreed between the Landlord and the Tenant.

7.6 The Tenant will decorate the inside of the Property to a high standard and to the Landlord's reasonable specification in the last six months of the Tenancy.

7.7 The Tenant will do the work mentioned in clauses 7.6 and 7.6:

(a) in a good and workmanlike way;

(b) using good-quality materials that are fit for the purpose for which they will be used;

(c) using only contractors with a good reputation;

(d) in accordance with current codes of building practice;

(e) to the Landlord's reasonable satisfaction; and

(f) with such colours and materials as the Landlord reasonably requires.

7.8 Within three months (or as soon as is reasonably possible in an emergency) of receiving notice from the Landlord of any breach of this clause, the Tenant will do the work needed to put it right. If the Tenant fails to comply with the notice in that time, it will allow the Landlord to do the necessary work. The Tenant will pay the Landlord on demand as a debt all costs so incurred by the Landlord.

7.9 The Tenant will notify the Landlord of any defect in the Property or the Shared Areas for which the Landlord may have a liability or duty of care under this Lease or the Defective Premises Act 1972 or otherwise, immediately it becomes aware of the defect.

7.10 The Tenant will display in the Property all notices that the Landlord reasonably requires to be displayed in relation to the Defective Premises Act 1972.

8 ALTERATIONS

8.1 The Tenant will not:

(a) alter or interfere with any part of the Building which is not part of the Property unless expressly authorised by Schedule 1;

(b) make any addition or alteration to the Property except a Non-Structural Alteration.

8.2 The Tenant may install, alter or remove demountable non-structural partitions which:

(a) do not impair the efficiency of or otherwise adversely affect the operation or means of access to any of the Conduits or Facilities;

(b) do not adversely affect the efficiency of the use of energy or water or the sustainability characteristics at or of the Building or the Property;

(c) do not affect the external appearance of the Building; and

(d) conform to any guidelines or directive in force issued by the Landlord from time to time that are provided to the Tenant covering works to the Landlord's property in the same area as the Building,

without consent from the Landlord. Before starting the work, the Tenant must give the Landlord three sets of drawings and specifications and one disk in DXF format (or such other generally accepted format as the Landlord may reasonably require) showing the work the Tenant wants to do.

8.3 The Tenant will not make a Non-Structural Alteration unless the Tenant has first:

(a) given the Landlord:

(i) three sets of drawings and specifications and one disk in DXF format (or such other generally accepted format as the Landlord may reasonably require) showing the proposed Non-Structural Alteration; and

(ii) drawings of and specifications and any other information relating to any plant, machinery and materials comprised in the Non-Structural Alteration in sufficient detail for an accurate assessment to be made of its effect on the efficiency of the use of energy or water or the sustainability characteristics at or of the Building or the Property;

(b) obtained the Landlord's consent (such consent not to be unreasonably withheld); and

(c) entered into a licence to make the Non-Structural Alteration in such form as the Landlord reasonably requires.

8.4 All Non-Structural Alterations must be made:

(a) in accordance with the Regulations and this Lease;

(b) in a good and workmanlike way;

(c) using good-quality materials that:

(i) are fit for the purpose for which they will be used;

(ii) where practicable are sustainably sourced and procured; and

(iii) where practicable meet relevant sustainability standards (where such standards exist);

(d) using only contractors with a good reputation;

(e) in accordance with current codes of building practice;

(f) to the Landlord's reasonable satisfaction;

(g) in accordance with any requirements of the insurers of the Property of which the Tenant is aware or ought reasonably to have been aware; and

(h) in a way that does not cause annoyance, inconvenience, nuisance or disturbance to the Landlord or to any of the owners or occupiers of the Building and any adjoining or neighbouring property or to members of the public or infringe any of their rights.

8.5 On completion of a Non-Structural Alteration, the Tenant will:

(a) give the Landlord a written independent current insurance valuation (VAT exclusive) of and any other details reasonably requested by either the Landlord or the insurers of the Property relating to the Non-Structural Alteration (excluding any tenant's fixtures and fittings) for reinstatement purposes;

(b) remove all debris and equipment from the Property and the Building;

(c) make good to the Landlord's reasonable satisfaction any damage caused to the Property and/or the Building and any adjoining or neighbouring property by doing the Non-Structural Alteration;

(d) give the Landlord three sets and one disk in DXF format (or such other generally accepted format as the Landlord may reasonably require) of:

(i) "as built" plans and specifications of the Non-Structural Alteration; and

(ii) drawings of and specifications and other information relating to any plant, machinery and materials comprised in the Non-Structural Alteration in sufficient detail for an accurate assessment to be made of its effect on the efficiency of the use of energy or water or the sustainability characteristics at or of the Building or the Property;

(e) give the Landlord three copies of any Environmental Certificate required, provided or produced in relation to the Non-Structural Alteration together with the drawings, specifications and data on which it is based.

8.6 The Landlord will not be obliged to supervise the Non-Structural Alteration. No warranty or representation is given or implied as to the adequacy, suitability, effectiveness or otherwise of the Property for the Non-Structural Alteration. All parts of the Non-Structural Alteration are at the Tenant's sole risk until they are finished to the Landlord's reasonable satisfaction and in accordance with this Lease and any licence entered into at the Landlord's request.

8.7 If the Tenant does any work in breach of this clause 8, it will do all work needed to put it right as soon as is reasonably practicable after receiving notice of the breach from the Landlord. If the Tenant fails to do so, it will allow the Landlord to do the necessary work. The Tenant will pay to the Landlord on demand as a debt all costs so incurred by the Landlord.

9 SIGNS ETC

9.1 The Tenant will not fix or put up anything outside the Property nor on the inside or outside of any doors or windows unless permitted by this clause.

9.2 The Tenant will not display:

(a) any flashing or moving sign that can be seen from outside the Property;

(b) any sign, notice, placard, poster or advertisement that can be seen from outside the Property except for signs on the Ground Floor tenant board and Third Floor in house style showing the Tenant's name, and any other sign approved by the Landlord showing the Tenant's name and business.

9.3 If the Property is materially damaged or destroyed or needs major repairs, alterations or refurbishment, the Tenant will put up, decorate and maintain hoarding around the Property as soon as reasonably practicable. The hoarding must be put up and decorated in accordance with the Landlord's reasonable specifications. These may include a requirement to display the Landlord's corporate logo where reasonably required.

10 USER

10.1 The Tenant will use the Property for the Permitted Use only.

10.2 The Tenant will not use the Property in a way that is or may cause a nuisance, disturbance or damage to the Landlord or any other person. If a nuisance occurs, the Tenant will immediately take all necessary action to stop it.

10.3 The Tenant will not use the Property in a way that causes pollution or harm to human health or the environment.

10.4 The Tenant will not use the Property:

(a) for residential purposes nor allow any person to sleep on the Property;

(b) to hold an auction;

(c) for anything that is dangerous, noisy or offensive;

(d) for anything illegal or immoral; or

(e) for any of the Prohibited Uses.

10.5 As long as the Reversion forms part of The Crown Estate, the Tenant will comply with the Policy Principles.

10.6 The Tenant will not overload the structure of the Building.

10.7 The Tenant will not use Conduits or Facilities beyond their capacity or in a way that may block or damage them. It will not stop up or obstruct any drain or sewer or allow any oil, grease, waste or anything else which is poisonous, polluting, harmful or dangerous (to humans, property or the environment) to enter any Conduit. If this happens, the Tenant will notify the Landlord immediately upon becoming aware and make good any damage in accordance with the requirements of the Landlord or the Authority.

10.8 The Tenant will not store any dangerous or inflammable materials at the Property. However, if and for so long only as the fire officer and the insurers of the Property do not object, the Tenant may store dangerous or inflammable materials at the Property which are:

(a) kept by the Tenant only in reasonable amounts in connection with the Permitted Use; and

(b) safely stored in accordance with any lawful requirements and recommendations of the fire officer, the insurers of the Property and the manufacturer of the materials and in compliance with all Legal Obligations.

10.9 The Tenant will comply with the Regulations.

10.10 If the Property will be continuously unoccupied for more than one month, the Tenant will:

(a) notify the Landlord; and

(b) provide any caretaking and security arrangements reasonably required by the Landlord to protect the Property from vandalism, theft or unlawful occupation.

11 ALIENATION

11.1 Unless permitted to do so by the rest of this clause, the Tenant will not:

(a) hold the Property expressly or impliedly on trust for another person;

(b) part with or share possession or occupation of the Property;

(c) allow anyone except the Tenant, any lawful undertenant or their respective officers and employees to occupy the Property; nor

(d) underlet the whole or a part of the Property.

Assignment

11.2 The Tenant will not assign part only of the Property.

11.3 The Tenant will not assign the whole of the Property:

(a) unless the conditions specified (for the purposes of section 19(1A) Landlord and Tenant Act 1927) in clause 11.4 and 11.5 are met; and

(b) unless the circumstance specified (for the purposes of section 19(1A) Landlord and Tenant Act 1927) in clause 11.6 does not apply; and

(c) unless the Tenant obtains the prior written consent of the Landlord (such consent not to be unreasonably withheld or delayed).

11.4 Where at the date of the assignment, either:

(a) the assignee is:

(i) in the case of an individual, domiciled overseas; or

(ii) in the case of a company or a limited liability partnership or other corporation, not incorporated in the United Kingdom; or

(b) in the Landlord's reasonable opinion, the assignee, when assessed together with any proposed guarantor, is of a lower financial standing than the Tenant and its guarantor (if any)

then the Landlord is not required to consent to any assignment unless on or before the date of the assignment the Tenant enters into an authorised guarantee agreement within the meaning of section 16 1995 Act in such form as the Landlord reasonably requires.

11.5 The Landlord may give its consent to an assignment subject to a condition that on or before the date of the assignment the Tenant has procured (if the Landlord reasonably so requires) either:

(a) a covenant by deed with the Landlord from a guarantor or guarantors acceptable to the Landlord (such acceptance not to be unreasonably withheld or delayed) in the terms of Part Eight (with any variations the Landlord reasonably requires); or

(b) a rent deposit of such amount as the Landlord reasonably requires to be held on such terms and for such period as the Landlord reasonably requires.

11.6 If the assignee is a Group Company, the Landlord is not required to consent to any assignment if, in the Landlord's reasonable opinion, the assignee, when assessed together with any proposed guarantor, is of a lower financial standing than the Tenant and its guarantor (if any).

11.7 Even if the Tenant meets all the conditions in clause 11.3, the Landlord may withhold consent in any other circumstances if it is reasonable to do so or impose other reasonable conditions upon the grant of consent.

Charges

11.8 The Tenant will not charge a part only of the Property.

11.9 The Tenant will not charge the whole of the Property except for the purpose of the Tenant's business on the Property.

Underlettings

11.10 The Tenant will not underlet part of the Property.

11.11 The Tenant will not underlet the whole of the Property:

(a) unless the proposed undertenant has covenanted by deed with the Landlord in such form as the Landlord reasonably requires that the undertenant will, during the period it is bound by the tenant covenants of the underlease and any additional period during which the undertenant is liable under an authorised guarantee agreement, observe and perform all the covenants and provisions of the underlease that apply to the undertenant;

(b) without procuring (if the Landlord reasonably so requires) a covenant by deed with the Landlord from a guarantor or guarantors acceptable to the Landlord (such acceptance not to be unreasonably withheld or delayed) in the terms of Part Eight (with any variations the Landlord reasonably requires);

(c) except by way of a Permitted Underlease; nor

(d) without the Landlord's consent (such consent not to be unreasonably withheld or delayed)

11.12 The Tenant will enforce and will not waive or vary any underlease without the consent of the Landlord (such consent not to be unreasonably withheld or delayed).

Group Companies

11.13 The Tenant may share occupation of the Property with a Group Company on condition that:

(a) no tenancy is created;

(b) within 21 days of the start of sharing occupation, the Landlord receives:

(i) notice of the Group Company's name, its registered office and its relationship to the Tenant; and

(ii) its irrevocable written acknowledgement that as long as it occupies the Property the Landlord has the same right to distrain against its assets on the Property as against the Tenant's assets; and

(c) the Tenant ensures that such sharing stops six months before the End of the Tenancy or (if sooner) on the date on which the company stops being a Group Company.

Information

11.14 The Tenant will give to the Landlord on request throughout the Tenancy:

(a) within one month, all information referred to in section 40(2) Landlord and Tenant Act 1954 required by the Landlord;

(b) without delay, such information as the Landlord may require as to the VAT status of:

(i) the Tenant and anybody else occupying or trading from any part of the Property; and

(ii) the supplies for which the Property is being used.

Registration

11.15 The Tenant will give the Landlord:

(a) a certified copy of the document that brings about or evidences a dealing or devolution;

(b) a copy of any Environmental Certificate obtained, used or relied on in connection with the dealing or devolution (unless it was provided by the Landlord); and

(c) copies of the drawings, specifications and data on which the Environmental Certificate is based (unless they were provided by the Landlord) within 28 days of completion of the dealing or devolution.

12 LEGAL OBLIGATIONS

12.1 The Tenant will observe and comply with all Legal Obligations at its own expense. It will not do or fail to do anything in relation to the Property or its occupation or use which would make the Landlord incur any liability under a Legal Obligation whether for penalties, damages, compensation, costs or otherwise.

12.2 If the Tenant receives from an Authority or third party notice of a Legal Obligation or a potential Legal Obligation, it will give a copy to the Landlord as soon as it reasonably can together with any further details reasonably required by the Landlord. If the Legal Obligation is in the Landlord's reasonable opinion against the Landlord's interests, the Tenant will make such objection, representation or appeal against it as the Landlord requires at the Landlord's cost. This will not limit the Tenant's responsibility to comply with clause 12.1.

12.3 If a Legal Obligation requires work to be done, the Tenant will do it as soon as reasonably practicable. In any event, the Tenant will notify the Landlord of any steps it has taken in connection with a Legal Obligation and give the Landlord copies of all relevant documents.

12.4 Without limiting the obligations in this clause, the Tenant will in particular observe and comply with all Legal Obligations relating to health and safety, fire-escapes and protecting and preserving life, the environment and property. It will do such work to modify and improve the Property as may from time to time be required by those Legal Obligations. However, the Landlord will have the right (but no obligation) to do such work if the Legal Obligations affect both the Property and other premises or the Tenant fails to do any work required by this clause. If this occurs, the Tenant will repay the Landlord within 7 days of written demand all costs and expenses reasonably incurred by the Landlord that are attributable to the Property.

12.5 The Tenant will do any work required by this clause:

(a) in accordance with all Legal Obligations;

(b) in compliance with this Lease;

(c) with good-quality materials and in a good and workmanlike way; and

(d) to the Landlord's reasonable satisfaction.

12.6 The Tenant will give the Landlord on request:

(a) a copy of any fire-risk assessment carried out by or on behalf of the Tenant;

(b) details of all measures taken by or on behalf of the Tenant to meet its obligations under the Fire Safety Order (including the names of all competent persons appointed by the Tenant under Article 18 of the Fire Safety Order); and

(c) any other information requested by the Landlord to help it meet its own obligations under the Fire Safety Order in relation to the Building.

12.7 Without limiting the obligations in this clause, the Tenant will:

(a) comply with its obligations under the CDM Regulations, including all requirements in relation to the provision and maintenance of a health and safety file; and

(b) give the Landlord on request any information requested by the Landlord to help it meet its own obligations under the CDM Regulations; and

(c) give the Landlord as soon as possible following inspection of it any information relating to the performance, specification and state and condition of the Tenant's plant, equipment and fixtures and fittings at the Property (including copies of reports and assessments relating to it).

13 PLANNING

13.1 This clause supplements the general obligations under clause 12.

13.2 The Tenant will comply with the Planning Acts in relation to the Property and any planning permission that affects the Property.

13.3 The Tenant will not apply for planning permission or anything else under the Planning Acts or enter into any planning obligation (within the meaning of the Planning Acts) in relation to the Property or the Building unless work or other development permitted by this Lease or to which the Landlord has consented requires planning permission. In that case, the Tenant will make that application or enter into that obligation in a form approved by the Landlord.

13.4 The Tenant will promptly give the Landlord copies of all applications, notices, decisions and other formal communications under the Planning Acts relating to the Property. If the communications relate only to the Property or to an application by the Tenant, the Tenant will take such action to protect the Landlord's interests as the Landlord requires at its own expense.

13.5 The Tenant will not implement any planning permission until:

(a) the Landlord has given consent; and

(b) the Tenant has given such security for compliance with any conditions attached to the planning permission as the Landlord reasonably requests.

13.6 Unless the Landlord directs otherwise in writing, the Tenant will carry out before the End of the Tenancy all work required as a condition of any planning permission granted during the Tenancy and implemented by the Tenant. This condition applies whether or not the date by which the planning permission requires such work to be done is within the Tenancy.

13.7 If on the Tenant's application a planning permission is refused or granted subject to conditions and the Landlord produces Counsel's opinion that this significantly prejudices the Landlord's interests and that a planning appeal is justified, then the Tenant will at its own expense make such an appeal.

14 ENCROACHMENTS

14.1 The Tenant will not:

(a) obstruct (or permit anybody else to obstruct) any window, light or ventilator belonging to the Property; or

(b) do anything else that may lead to any rights benefiting the Property or the Building being lost.

14.2 The Tenant will not permit and will take all reasonable measures (whether required by the Landlord or not) to prevent any new window, light, opening, doorway, pathway, Conduit or other encroachment or easement being made or acquired in, on or against the Property. If anybody else tries to make or acquire any encroachment or easement, the Tenant will notify the Landlord immediately on becoming aware of it.

15 EXERCISE OF THE LANDLORD'S RIGHTS

The Tenant will permit the Landlord (and anybody authorised by the Landlord) to · exercise any of the rights specified in Schedule 2 at all times during the Tenancy without interruption or interference. The Tenant will not make any claim against the Landlord (or authorised persons) for exercising or potentially exercising such rights.

16 COSTS

The Tenant will pay the Landlord on demand and on a full indemnity basis all costs, charges and expenses properly incurred by the Landlord relating to:

(a) an application for the Landlord's consent (whether or not the consent is given or the application is withdrawn unless a court rules either that the consent is unlawfully refused or that it is granted subject to unlawful conditions);

(b) preparing (or in contemplation of the preparation of) a schedule of dilapidations to be served during the Tenancy or within six months after the End of the Tenancy;

(c) preparing (or in contemplation of the preparation of) a notice under a provision of this Lease or under section 146 or 147 Law of Property Act 1925 and proceedings under those sections even if forfeiture is avoided except by relief granted by the court;

(d) recovering (or the attempted recovery of) arrears of Rents or other sums payable under this Lease;

(e) enforcing any Tenant's covenant under this Lease;

(f) the service of any notice under section 17 1995 Act; or

(g) stopping a nuisance that the Tenant fails to stop.

17 INTEREST

The Tenant will pay the Landlord Interest at the Interest Rate:

(a) on any Principal Rent and VAT (if applicable) that is not paid to the Landlord on the date it is due (whether payment is formally demanded or not) and on any other sum that is not paid to the Landlord by the later of:

  (i) the date it is due; and

  (ii) the date 14 days after a written demand for payment is made;

(b) on any Principal Rent, VAT or other sum that the Landlord properly refuses to accept because of an existing breach of covenant.

18 INDEMNITY

The Tenant is responsible for and will indemnify and keep the Landlord indemnified against all actions, proceedings, claims and demands brought or made and all losses, damages, costs, expenses and liabilities incurred, suffered or arising, directly or indirectly, from or otherwise connected with:

(a) the occupation and use of the Property;

(b) the state of repair and condition of the Property (except to the extent caused by any default of the Landlord);

(c) any act, neglect or default of the Tenant or anyone deriving title through the Tenant or anyone acting with the express or implied authority of either of them;

(d) any breach of any covenant or other provision of this Lease to be observed and performed by the Tenant.

19 LAND REGISTRATION

19.1 If it is necessary to register the grant (or any transfer) of this Lease or any right relating to it under the Land Registration Act 2002, the Tenant will (subject to clause 19.2) comply with the relevant registration requirements. In doing so, the Tenant will ensure that any requisitions raised by the Land Registry are dealt with promptly and properly. The Tenant will provide the Landlord's solicitors with an official copy of the relevant register showing compliance with these requirements as soon as practicable.

19.2 The Tenant will not apply to note this Lease against the Landlord's title except by way of a unilateral notice (as referred to in section 34(2)(b) Land Registration Act 2002).

20 YIELDING UP

At the End of the Tenancy, the Tenant will:

(a)

  (i) remove all signs and tenant's fixtures, fittings, furniture and belongings;

  (ii) if and to the extent the Landlord reasonably requires (and, where the Tenancy ends by effluxion of time, the Landlord gives the Tenant at least six months' written notice of its requirement) remove all additions and alterations made to the Property during the Tenant's occupation of the Property except that the Landlord will not require the Tenant to do so where the additions and alterations in question have improved the efficiency of the use of energy or water at or the sustainability characteristics of the Property or the Building unless the Landlord considers it reasonable to do so having regard to the Landlord's intentions in respect of the use or re-letting of the Property or the Building after the End of the Tenancy or the Landlord's ability to use or re-let the Property or the Building after the End of the Tenancy;

  (iii) make good and reinstate any part of the Property damaged or affected by the removal of the items referred to in clauses 20(a)(i) and 20(a)(ii) to the Landlord's reasonable satisfaction; and

(b) return the Property to the Landlord:

  (i) with vacant possession (except to the extent that any permitted undertenant has the right to the statutory continuation of its underlease under the Landlord and Tenant Act 1954);

  (ii) in the state and condition it should be in if the Tenant complies with its covenants and obligations under this Lease;

  (iii) remove any building, structure or any other work for which planning permission or any other consent has been granted for a limited time or on terms making it personal to the Tenant; and

(c) deliver to the Landlord the then current:

  (i) health and safety files, Environmental Certificates and operation and maintenance manuals; and

  (ii) guarantees, test certificates, reports, assessments, inspection results and service records

held by or on behalf of the Tenant in respect of the Property and any Conduits, Facilities, fixtures, fittings, plant and equipment as will remain at the Property;

(d) at the Landlord’s option, either:

  (i) apply to the Land Registry:

    (A) to close the title of this Lease (if it is registered) and any expired underleases; and

    (B) to remove any notice of this Lease or any expired underleases, arid the rights granted or reserved by them from any registered title of the Landlord

  and ensure that any requisitions raised by the Land Registry in connection with that application are dealt with promptly and properly and keep the Landlord informed of the progress and completion of its application; or

  (ii) deliver to the Landlord this Lease and any counterpart underleases .and all other title documents relating to the Property and use all reasonable endeavours to help the Landlord to close the title of this Lease (if registered) or any expired underleases and to remove any notice of them and the rights granted or reserved by them from any registered title of the Landlord.

PART FOUR: INSURANCE

21 DEFINITIONS

In this Part the following expressions have the following meanings:

Insurance	insurance arranged with a reputable insurance company or underwriters and through an agency decided by the Landlord and subject to any excesses, exclusions, limitations and conditions required by the insurer or properly negotiated by the Landlord and covering: (a) the Building (except plate glass within the Units) against the Insured Risks for a sum sufficient to cover the cost of reinstatement assuming total loss including all applicable VAT and ancillary costs (such as demolition, shoring up, site clearance and professional fees) and appropriate allowance for inflation; (b) Loss of Rent; (c) third party and public liability for the Building for a sum considered appropriate by the Landlord; and (d) any matters relating to the Building considered appropriate by the Landlord having regard to the principles of good estate management and not mentioned in this Part or arranged under Part Five. The Landlord will have the right to retain any commissions paid to it or discount received by it
Insured Risks	(to the extent that insurance against the following risks can be arranged with a reputable insurance office at reasonable cost representing value for money and on reasonable terms but excluding any risks for which insurance is not available at any time in the London insurance market at a reasonable premium) risks of loss or damage by fire, storm, flood, lightning, explosion, aircraft (except hostile aircraft) and other aerial devices, articles dropped from aircraft, riot, civil commotion, malicious damage, impact, bursting and overflowing of water tanks, apparatus and pipes and by any other risks insured by the Landlord
Loss of Rent	the loss of the Principal Rent and Service Charge and applicable VAT for such period (being at least three years) reasonably considered by the Landlord to be enough to complete reinstatement of the Building after total loss and taking into account any likely rent review during that period
Terrorism	an act of terrorism as defined in the Terrorism Act 2000 or such other definition of terrorism as the Landlord’s insurers apply at the time of the relevant act of terrorism

22 INTERPRETATION

Any obligation by the Landlord to reinstate under this Lease does not include an obligation to reinstate tenant’s fixtures and fittings. The Property is not to be treated as unfit for occupation and use under this Lease just because the tenant’s fixtures and fittings have not been reinstated.

23 LANDLORD'S INSURANCE COVENANTS

23.1 The Landlord will take out and keep in force Insurance as far as it is not vitiated by any act, neglect or default of the Tenant or anyone deriving title through the Tenant or anyone at the Property with the express or implied authority of either of them.

23.2 The Landlord will obtain a disapplication of any exclusion for Terrorism activity if and as far as it is able to do so on reasonable commercial terms.

23.3 The Landlord will use reasonable endeavours to make sure that:

(a) the Tenant's interest is noted on the Insurance policies for the Building either specifically or generically;

(b) the insurers agree to waive all rights of subrogation against the Tenant on standard insurers' terms.

23.4 At the Tenant's written request (but not more than once in any year), the Landlord will give the Tenant a copy or adequate details of the Insurance policies and evidence that they are in force and details of any commission paid to the Landlord by the insurers.

23.5 The Landlord will give the Tenant adequate details in writing of any material change in the risks covered by the Insurance policies from time to time.

23.6 If the Property (or access to the Property) is destroyed or damaged by any of the Insured Risks then:

(a) unless:

(i) payment of the insurance money is refused in whole or in part due to an act or omission of the Tenant or anybody in the Property expressly or impliedly with the Tenant's authority; and

(ii) the Tenant fails to pay the amount refused to the Landlord under clause 26.5; and

(b) subject to the Landlord obtaining any required planning permission or other necessary consents and the necessary labour and materials being and remaining available which the Landlord shall use reasonable endeavours to obtain

the Landlord will apply the net proceeds of such insurance (except sums received for Loss of Rent) in carrying out any necessary works of reinstatement as soon as reasonably practicable. The Landlord may reinstate with any changes required to comply with any planning consents or to reflect modern building practice (including any enhanced environmental standards) or otherwise reasonably required by it so long as the accommodation and facilities provided for the Tenant are reasonably equivalent to those granted by this Lease.

24 RENT SUSPENSION

24.1 If:

(a) the Building is destroyed or so damaged by an Insured Risk that the Property is wholly or partially unfit for occupation and use or inaccessible; and

(b) the Insurance has not been vitiated or any payment refused due to some act, neglect or default of the Tenant or anyone deriving title through the Tenant or anyone at the Property with the express or implied authority of either of them

then the Principal Rent and Service Charge or a fair proportion of them according to the nature and extent of the damage will be suspended until the Property is reinstated and accessible to the extent only that such loss of Principal Rent and Service Charge is recoverable under Insurance against Loss of Rent (or would be so recoverable if the Landlord had fully complied with its insurance obligations at Clause 23)

24.2 Any dispute as to the amount or duration of such suspension of Principal Rent and Service Charge will be referred to arbitration under the Arbitration Act in force at that time. The arbitrator is to be appointed (failing agreement between the parties) by or on behalf of the then President of the Royal Institution of Chartered Surveyors on the application of either party.

25 OPTIONS TO END THE TENANCY

25.1 If the Building is destroyed or damaged by an Insured Risk and the Property has not been reinstated and made accessible by the date seven months before the end of the period for which the Landlord has taken out Insurance against Loss of Rent, then the Tenancy may be ended by the Landlord or the Tenant giving to the other (but only before completion of such reinstatement) at least six months' written notice. This notice must end on or after the expiry of the period for which the Landlord has taken out Insurance against Loss of Rent.

25.2 If the Property is reinstated and made accessible by the date any notice served by the Tenant under clause 25.1 expires, the Tenancy will not end.

25.3 If the Tenant still owes any money due to the Landlord under clause 26 by the date any notice served by the Tenant under clause 25.1 expires, then (unless the Landlord waives the operation of this clause 25.3 by giving written notice to the Tenant before that date) the Tenancy will not end.

25.4 If the Tenancy is ended under this clause:

(a) it will be without prejudice to any outstanding liabilities of any party to any other party;

(b) the Landlord will be entitled to keep all unspent insurance money received or receivable under the Insurance policies for its own benefit.

26 TENANT'S INSURANCE COVENANTS

26.1 The Tenant will pay the Landlord on demand:

(a) all premiums (at reasonably competitive rates) and other expenses reasonably incurred by the Landlord in placing and keeping in force Insurance against Loss of Rent attributable to the Property;

(b) a fair share of all premiums (at reasonably competitive rates) and other expenses (including valuation fees) reasonably incurred by the Landlord in placing and keeping in force other Insurance, such share to be decided by the Landlord and as far as practicable (subject to any special weightings applicable to the Property) to represent the proportion that the floor area of the Property bears to the total floor area from time to time of all Units;

(c) a fair and reasonable proportion of any tax charged on the Insurance premiums;

(d) a fair and reasonable proportion of the costs the Landlord reasonably incurs in preparing and settling any insurance claim.

26.2 The Tenant will:

(a) disclose all material information from time to time;

(b) comply with the insurer's requirements and recommendations relating to the Property of which the Tenant is or should reasonable be aware;

(c) not do or omit to do anything that may make any Insurance policy void or voidable in whole or in part or increase the premium for any policy but if, due to a breach of this condition, a premium is increased, then the Tenant will immediately on demand pay the Landlord the whole of the increase.

26.3 The Tenant will provide and maintain any fire-alarm and equipment to prevent and fight fires on the Property required by the insurer or an Authority.

26.4 The Tenant will immediately notify the Landlord of any loss or damage relating to the Property and of any other event that may affect or give rise to a claim under an Insurance policy.

26.5 The Tenant will immediately on demand pay the Landlord an amount equal to all money that cannot be recovered under an Insurance policy due to the act or omission of the Tenant or any person in the Property expressly or impliedly with the Tenant's authority. The Tenant will also pay a fair share (decided as set out in clause 26.1) of all money that cannot be recovered under an Insurance policy due to:

(a) a condition of the policy; or

(b) the imposition by the insurer or the reasonable acceptance by the Landlord of an obligation to bear part of an insured loss (commonly called an excess).

26.6 The Tenant will not take out any insurance equivalent to the Insurance. If it does so in breach of this covenant, it will pay the Landlord all money received under that insurance.

26.7 If the Landlord has served a Rebuilding Notice under clause 27.2, the Tenant will immediately on demand pay the Landlord a fair share (decided as set out in clause 26.1) of an amount equal to what would have been deducted or disallowed by the insurer under an excess provision in the Insurance policy had it covered the Uninsured Damage.

27 UNINSURED DAMAGE

27.1 If the Property or the Building suffers Uninsured Damage so that the Property is wholly or partially unfit for occupation and use or inaccessible, the Landlord may give the Tenant notice under clause 27.2 unless either:

(a) the Tenant has given a notice in accordance with clause 27.6; or

(b) the Uninsured Damage has been made good.

27.2 The notice referred to in clause 27.1 is either:

(a) that the Landlord intends to reinstate the Property and means of access at its own cost (a "Rebuilding Notice"); or

(b) to end the Tenancy (a "Landlord's Termination Notice").

27.3 If the Landlord gives a Rebuilding Notice:

(a) the Landlord will (subject to obtaining all necessary planning and other consents, licences and approvals) do any necessary work of reinstatement to the premises referred to in the Rebuilding Notice at its own cost as soon as reasonably practicable;

(b) the Landlord may reinstate with any changes required to comply with any planning consents or to reflect modern building practice or otherwise reasonably required by it, so long as the accommodation and facilities provided for the Tenant are reasonably equivalent to those granted by this Lease.

27.4 With effect from the date of the damage or destruction by the Uninsured Damage so that the Property is wholly or partially unfit for occupation and use or inaccessible, clause 24 will apply to the relevant Uninsured Damage as if the words "to the extent only that such loss of Principal Rent and Service Charge is recoverable under Insurance against Loss of Rent" were deleted.

27.5 The Landlord may give the Tenant notice to end the Tenancy (a "Landlord's Frustration Notice") if, at any time after giving a Rebuilding Notice, reinstatement of the Uninsured Damage to the premises referred to in the Rebuilding Notice or any other part or parts of the Building is made impossible by causes beyond the Landlord's control.

27.6 At any time during the period starting 12 months after the date the Property suffers Uninsured Damage so that the Property is wholly or partially unfit for occupation and use or inaccessible and ending 18 months after the date the Property suffers such Uninsured Damage, the Tenant may give the Landlord notice to end the Tenancy (a "Tenant's Termination Notice") unless either:

(a) the Landlord has given a notice in accordance with clause 27.1; or

(b) the Uninsured Damage has been made good.

27.7 On giving a Landlord's Termination Notice, a Landlord's Frustration Notice or a Tenant's Termination Notice, the Tenancy will end. This will not affect any outstanding liabilities of any party to any other party but the Tenant will not be liable to repair the Property as a result of the damage by the Uninsured Damage.

27.8 If the Landlord gives a Rebuilding Notice but the Property is not fit for occupation and use and accessible within three years of the date of the Rebuilding Notice, the Tenant may give the Landlord at least three months' notice to end the Tenancy.

27.9 On expiry of the notice referred to in clause 27.8, the Tenancy will end. This will not affect any outstanding liabilities of any party to any other party unless the Property has been made fit for occupation and use and accessible before the expiry of the notice. In this case, the notice will have no effect.

27.10 If the Tenancy ends under this clause 27, the Landlord will be entitled to keep all insurance money received or receivable under any Insurance policies for its own benefit.

27.11 Any dispute as to whether damage is Uninsured Damage will be referred to arbitration under the Arbitration Act then in force. The arbitrator will be appointed (failing agreement between the parties) by or on behalf of the then President of the Royal Institution of Chartered Surveyors on the application of either party.

PART FIVE: SERVICE CHARGE

28 **SERVICES**

In this Part "Services" are those services appropriate to the management, full maintenance and enjoyment of the Building including:

(a) the inspection, testing, servicing, repair and maintenance of the Retained Property (including replacement where appropriate);

(b) the cleaning and lighting of the Retained Property and the external surface of the windows of the Property;

(c) refuse disposal and/or waste management services and/or recycling initiatives;

(d) the decoration of the outside of the Building and the decoration and furnishing of the Retained Property;

(e) provision and maintenance of decorative features (such as flowers and seasonal decorations;

(f) the operation of all Facilities required by an Authority or by a Legal Obligation and any other Facilities provided by the Landlord;

(g) the provision of any further and improved Facilities:

(i) required by an Authority or by a Legal Obligation; or

(ii) for the greater benefit of people using the Building; or

(iii) for the more efficient management of the Building; or

(iv) for the more efficient environmental performance of the Building;

(h) the carrying out of such work and the taking of any other appropriate action to comply with the lawful requirements or recommendations of an insurer or an Authority or to comply with a Legal Obligation;

(i) the control of access and security;

(j) the preparation of Regulations;

(k) the insurance of plant and equipment and of the furnishings and contents of the Retained Property and any other insurance relating to the management of the Building as the Landlord considers appropriate;

(l) advertising and promotion;

(m) the illumination of the Building;

(n) the provision of any other services, facilities or works properly deemed desirable or necessary by the Landlord in its reasonable discretion:

(i) for the benefit of the Building; or

(ii) for the benefit of the tenants or occupiers of or of visitors to the Building; or

(iii) for securing or enhancing any amenity of or within the Building; or

(iv) in the interests of good estate management; or

(v) in the interests of environmentally responsible estate management.

The generality of this paragraph will not be restricted by any other provision in this Part.

29 SERVICE COSTS

In this Part "Service Costs" means the total cost of:

(a) all rates, taxes, charges, assessments and outgoings due for all or any part of the Retained Property or for the whole Building (as distinct from any Units);

(b) gas, electricity, oil and other fuel or energy supplies for providing the Services or otherwise used in the Retained Property;

(c) a fair and reasonable proportion of the Energy Levy as reasonably determined by the Landlord;

(d) employing or arranging for the employment of a facilities team for the Building and other staff to provide the Services, including all related costs such as:

(i) insurance, pension and welfare contributions;

(ii) the provision of clothing, tools and equipment; and

(iii) a fair and reasonable proportion of a notional rent for any residential or other accommodation occupied by staff for the provision of the Services (whether or not belonging to the Landlord);

(e) providing, inspecting, testing, servicing, repairing, maintaining and renewing any equipment, materials and supplies required to provide the Services (including replacement where appropriate);

(f) all maintenance and other contracts entered into relating to the provision of the Services;

(g) all contributions to the cost of providing, maintaining, repairing, testing, servicing, operating and renewing roads, walls, structures, Conduits, Facilities and other things common to or used in common between the Building and other property (including replacement where appropriate);

(h) complying with or contesting any Authority's requirements or proposals relating to the whole Building (as distinct from any Units);

(i) obtaining environmental audits for the Building (but no more frequently than once in any three year period);

(j) commitment fees, interest and any other cost of borrowing money where necessary to finance the Service Costs;

(k) the reasonable fees of managing agents used by the Landlord in relation to:

(i) the management of the Building;

(ii) the provision of the Services; and

(iii) the collection and administration of service charge due from tenants and occupiers of the Building (or, where this is carried out by the Landlord, a reasonable charge by the Landlord for doing so);

(l) preparing and auditing accounts for the Service Charge (whether carried out by the Landlord or by its agents or accountants);

(m) obtaining any professional advice required in relation to the management of the Building and the provision of the Services;

(n) VAT (or other tax) where chargeable on any of the Service Costs;

(o) all other costs, charges, expenses and outgoings relating to the provision of the Services so as to recover their total cost; and

(p) any provision for anticipated future expenditure relating to the Services as is appropriate in the Landlord's reasonable opinion having regard to the principles of good estate management.

30 PROVISION OF SERVICES

30.1 The Landlord will provide the Services but will have no liability to the Tenant:

(a) for the interruption of a Service due to inspection, testing, servicing, repair, maintenance, renewal, replacement, alteration or other work (in which event the Landlord will provide the Service again as soon as reasonably practicable);

(b) for failure to provide a Service due to damage, breakdown, bad weather, fuel or water shortage or any other cause of whatever nature beyond the Landlord’s reasonable control (although the Landlord will then do all it reasonably can to provide the Service again or provide an alternative Service as soon as reasonably practicable);

(c) for withdrawing or failing to provide any Services (except those relating to the repair, maintenance and decoration of the Building and the Conduits or the supply of water, gas and electricity in it) which the Landlord reasonably considers at the time to be inappropriate.

30.2 The Landlord will administer the Services and the Service Charge in good faith. Unless there are sound reasons for following alternative procedures, the Landlord will have regard to the provisions and recommendations of the Service Charge Code.

30.3 The Landlord will:

(a) ensure that the Services are provided in a commercial and professional manner;

(b) ensure that the quality and cost of the Services are appropriate to the Building and are regularly reviewed to ensure that value for money is being achieved;

(c) promptly advise the Tenant in writing of:

(i) its policies and procedures relating to the procurement, administration and management of the Services;

(ii) proposals and other factors of which the Landlord becomes aware that will substantially increase or are likely to result in a significant variation in the actual Service Costs for any Account Period; and

(iii) a summary of its tender process for any substantial works at the Tenant’s request;

(d) respond promptly to the Tenant’s reasonable queries and have regard to the Tenant’s reasonable representations about the Services and the Service Costs; and

(e) ensure that any interest earned on all sums paid on account of the Service Charge (after deduction of bank charges, tax and other appropriate deductions) is credited to the relevant account.

30.4 In providing the Services, the Landlord will be entitled to have regard to environmental impact, the efficiency of the use of energy and water and sustainability issues.

31 SERVICE CHARGE

31.1 In this Part the following expressions have the following meanings:

Account Date	31 March in each year or any other date in each year reasonably decided by the Landlord
Account Period	the period from and excluding one Account Date up to and including the next Account Date

Account Statement	a statement which is properly certified by a chartered surveyor or chartered accountant (and, if free of obvious error, to be accepted by the Tenant as conclusive subject to the Tenant's right to reasonably challenge the Total Charge by referring the matter to alternative dispute resolution in which event each party will bear its own costs) showing: (a) the Total Charge for the relevant Account Period; (b) the Due Proportion; (c) the Service Charge; (d) all sums received on account of the Service Charge for the relevant Account Period; and (e) any balance of the Service Charge due from the Tenant or refund due to the Tenant and which will: (f) be in a form reasonably consistent from year to year; (g) provide adequate details of and reasons for any material variations against the anticipated Service Costs; (h) be accompanied by a summary providing any other relevant information required by the Service Charge Code
Due Proportion	a fair and reasonable share as conclusively decided by a chartered surveyor or chartered accountant on the Landlord's behalf
Energy Levy	any taxes levies charges or assessments paid or payable by the Landlord or by a Group Company of the Landlord and/or any credits allowances or permits purchased by the Landlord or by a Group Company of the Landlord in each case relating to the consumption of energy or emission of greenhouse gases by or from the business of the Landlord and/or any Group Company of the Landlord from time to time
Relevant Date	the date of this Lease or (if earlier) the date the Tenant occupied the Property or the date of the End of the Tenancy
Service Charge	the Due Proportion of the Total Charge
Service Charge Code	the RICS Code of Practice "Service Charges in Commercial Property" which came into effect on 1 April 2007

Total Charge	the total of all Service Costs during an Account Period (net of any receipts from insurers, the Tenant or other occupiers of the Building or third parties (except by way of a service charge)) which are properly applicable towards payment of such Service Costs, *even* though the benefit of any of the Services may be enjoyed substantially after the End of the Tenancy if the Services are provided in good faith by the Landlord and generally benefit the tenants or a section of the tenants in the Building but excluding:

(i) costs in connection with the initial provision of items reasonably considered to be part of the original design and construction of the fabric, plant and equipment of the Building;

(j) costs of improvements to the fabric, plant and equipment of the Building unless this is the most reasonable course of action for the benefit of tenants and occupiers of the Building (and in assessing that the Landlord is entitled to take account of the environmental impact of, efficiency of the use of energy and water at and sustainability characteristics of the Building);

(k) costs relating to the future redevelopment of the Building;

(l) costs arising directly from any failure of the Landlord or its managing agent to use reasonable skill and care in the management of the Services and of the Service Costs;

(m) costs relating to any Unit which is unlet or any shortfall in the costs of providing the Services to a Unit for which the Landlord has agreed a special concession (which is not a properly constituted weighting formula); and

(n) costs relating to matters between the Landlord and an individual occupier of the Building including enforcement of covenants against that occupier, letting of a Unit, consents required under the relevant lease or rent reviews under the relevant lease

31.2 On and with effect from the date of this Lease (or with effect from the date the Tenant occupied the Property if earlier) and on each Rent Payment Date during the Tenancy, the Tenant will pay the Landlord such sum on account of the Service Charge as the Landlord reasonably demands having regard to actual and anticipated Service Costs.

31.3 At least one month before the start of each Account Period, the Landlord will give the Tenant:

(a) a statement of the anticipated Service Costs for that Account Period;

(b) an explanatory commentary where appropriate; and

(c) a statement of the estimated Service Charge for that Account Period.

31.4 Approximately six months after the start of each Account Period, the Landlord will review and, if necessary, revise the statement of the anticipated Service Costs for that Account Period. The Landlord will inform the Tenant if the revised figure exceeds the original estimate by more than 5%.

31.5 As soon as practicable after an Account Date (and no later than four months after the Account Date unless for reasons beyond the Landlord's control), the Landlord will give the Tenant an Account Statement for the Account Period ending on that Account Date and:

(a) if the Account Statement shows that a balance of the Service Charge is due from the Tenant, the Tenant will pay the balance to the Landlord within 14 days of receiving the Account Statement;

(b) if the Account Statement shows that a refund is due to the Tenant, the refund will:

(i) during the Tenancy be offset against future payments for the Service Charge; and

(ii) after the End of the Tenancy be offset against any other money due from the Tenant to the Landlord and any balance paid to the Tenant.

31.6 If any element of the Service Costs relates to any Energy Levy and if the Landlord or any group undertaking (as defined in section 1161(5) Companies Act 2006) of the Landlord receives any rebate or repayment that relates to any Energy Levy (a "Rebate") during the Tenancy, the Landlord will offset a fair and reasonable proportion (as reasonably determined by the Landlord) of the Rebate against the Service Costs for the Account Period current at the time the Rebate is received. If the Landlord or any group undertaking (as defined in section 1161(5) Companies Act 2006) of the Landlord receives a Rebate after the End of the Tenancy, the Landlord will offset a fair and reasonable proportion (as reasonably determined by the Landlord) of the Rebate against any other money due from the Tenant to the Landlord and any balance will be paid to the Tenant.

31.7 If the Relevant Date does not coincide with the start or end of an Account Period, then the Service Charge for the initial or final partial Account Period will be that proportion of the Service Charge which relates to the period starting on the Relevant Date apportioned on a daily basis according to the number of days in the whole of the relevant Account Period.

31.8 The Landlord will:

(a) allow the Tenant a reasonable period (being no more than four months) from the date of issue of the Account Statement in which to raise enquiries in respect of the Account Statement;

(b) respond promptly and efficiently to any reasonable enquiries raised by the Tenant; and

(c) make all supporting documents available for inspection upon request.

31.9 The Tenant will:

(a) co-operate fully with the Landlord and its managing agents to allow the Landlord to administer the Service Charge in accordance with this Part Five;

(b) respond promptly and efficiently to any reasonable enquiries raised by the Landlord; and

(c) follow all procedures reasonably required by the Landlord to maintain and promote the quality, economic effectiveness, environmental impact and energy and water efficiency of the Services.

31.10 This clause will still apply after the End of the Tenancy.

31.11 The Tenant's Service Charge liability shall be capped for each Account Period as follows:-

(a) for the period from and including the Term Start Date to and including the 31 March 2013 (the "First Account Period") to a maximum of £11,736 (Eleven Thousand Seven Hundred and Thirty Six Pounds) per annum (the "Base Figure") exclusive of VAT to be apportioned on a pro rata daily basis;

(b) for each of the following Account Periods the maximum liability (exclusive of VAT) shall be calculated in accordance with the following formula:

$$\frac{\text{Base Figure} \times A}{B}$$

where "A" = the Index figure last published before the date of each respective anniversary of the Term Start Date

and "B" =the Index figure last published before the Term Start Date EXCEPT where A is less than B then the maximum liability shall be the higher of (i) the Base Figure and (ii) the maximum liability for the preceding Account Period

31.12 For the purposes of clause 31.11 the "Index" shall mean the general index of retail prices (all items) maintained by the Central Statistical Office (or by any government department or other body upon which the duties in connection with such index shall have devolved) Provided that in the event of:-

(a) Any change after the date hereof in the reference base used to compile the Index the figure taken to be shown is the figure which would have been shown in the Index if the reference base current at the date hereof had been retained; or

(b) It becomes impossible by reason of any change after the date hereof in the method used to compile the Index or the Index being abolished or for any other reason whatsoever to apply the Index for the purposes herein contemplated and the parties are unable to agree an alternative index then the matter in dispute will be referred to arbitration under the Arbitration Act in forct;J at that time. The arbitrator is to be appointed (failing agreement between the parties) by or on behalf of the then President of the Royal Institution of Chartered Surveyors on the application of either party.

31.13 For the avoidance of doubt VAT is payable by the Tenant on and in addition to the Service Charge (including without limitation on the maximum liability calculated in accordance with clause 31.11).

31.14 It is agreed and declared by the Landlord and the Tenant that the service charge cap referred to at clause 31.11 is only intended to apply during the Term and as such shall not apply to, or be taken account of, in relation to any period of holding over or renewal of this Lease, whether such renewal or holding over occurs under the provisions of statute or otherwise.

32 **CO-OPERATION- EPCS**

Tenant to co-operate with Landlord

32.1 The Tenant will co-operate with the Landlord if the Landlord wishes to obtain an EPC or DEC for the Building. This will include allowing the Landlord’s energy assessor, at reasonable times and on reasonable notice, to inspect, measure and test the Property and the materials, Conduits, Facilities, plant, equipment and fixtures and fittings there.

Landlord to co-operate with Tenant

32.2 The Tenant will give the Landlord at least five working days’ notice before commissioning an EPC or DEC for the Property.

32.3 If the Landlord gives the Tenant an EPC or DEC sufficient for the Tenant to fulfil a Legal Obligation that requires an EPC or DEC by the end of the notice period in clause 32.2 the Tenant will not commission an EPC or DEC without the Landlord’s prior written consent.

32.4 The Landlord will, at the Tenant’s cost, co-operate with the Tenant if the Tenant commissions an EPC or DEC with the Landlord’s consent in accordance with 32.3. This will include allowing the Tenant’s energy assessor to enter appropriate parts of the Shared Areas if it complies with the conditions of paragraph (b) of Schedule 1.

32.5 If the Tenant commissions an EPC or DEC, the Tenant will promptly, but in any event before the EPC or DEC is produced, give its energy assessor any drawings, specifications or other information provided by the Landlord for that purpose.

33 **MUTUAL CO-OPERATION AS TO ENVIRONMENTAL MATTERS**

33.1 The Landlord will:

(a) as soon as reasonably practicable provide copies of any relevant drawings, specifications and other information held by the Landlord that the Tenant reasonably asks for relating to the efficiency of the use of energy or water, sustainability characteristics and waste management statistics at and of the Shared Areas; and

(b) at the Tenant’s cost co-operate in a reasonable way with any reasonable and cost effective request by the Tenant to implement any energy-saving or carbon- reduction initiative relating to the Tenant’s use of the Property. This does not apply if the initiative would result in a breach of the Tenant’s covenants in this Lease.

33.2 The Tenant will:

(a) as soon as reasonably practicable provide copies of any relevant drawings, specifications and other information held by the Tenant that the Landlord reasonably asks for relating to the efficiency of the use of energy or water, sustainability characteristics and waste management statistics at or of the Property; and

(b) co-operate in a reasonable way with any reasonable and cost effective energy saving or carbon reduction initiative relating to the Building that the Landlord decides to implement.

33.3 If either the Landlord or the Tenant commissions an EPC or DEC relating to the Building or the Property (as the case may be) they will within 14 days of receiving the completed EPC or DEC give the other a copy of it and the drawings, specifications and other information on which it is based. This does not apply if, in the case of an EPC or DEC commissioned by the Tenant, the drawings, specifications and other information in question were provided by the Landlord.

PART SEVEN: FORFEITURE

34 **RE-ENTRY**

At any time after any of the following events, the Landlord may re-enter the Property. The Tenancy will then end (but without affecting the Landlord's rights and remedies for any prior claim or breach of covenant). The events are:

(a) if any Rent remains unpaid 21 days after it is due (whether formally demanded or not);

(b) if the Tenant or Guarantor does not comply with any of the material covenants and conditions in this Lease;

(c) if any execution or distress is levied on any goods on the Property; or

(d) if the Tenant or the Guarantor:

(i) is a company and makes a return or reduction of capital or is struck off the register of companies or dissolved or ceases to exist for any other reason; or

(ii) becomes Insolvent; or

(iii) suffers equivalent proceedings or events to those set out in this clause outside England and Wales; or

(iv) has an order made or proceedings raised against it that constitute main proceedings in any member state of the European Union.

PART EIGHT: GUARANTEE

35 **GUARANTOR'S COVENANT**

35.1 In consideration of this Lease having been granted at its request, the Guarantor covenants with the Landlord as a primary obligation (for the benefit of the Landlord and of the persons entitled from time to time to the Reversion without the need for any express assignment) that:

(a) the Tenant will:

(i) pay the Rents as and when specified in this Lease; and

(ii) duly observe and perform all the Tenant's covenants of this Lease

in both cases until the End of the Tenancy or (if sooner) completion of an assignment of this Lease (except an excluded assignment within the meaning of section 11(1) 1995 Act);

(b) the Tenant will duly observe and perform all the Tenant's covenants under any authorised guarantee agreement within the meaning of section 16 1995 Act entered into by the Tenant;

(c) if the Tenant fails to comply with any of the obligations referred to in clauses 35.1(a) or (b), the Guarantor will:

(i) comply with those obligations; and

(ii) pay and make good to the Landlord on demand on a full indemnity basis all losses, damages, costs and expenses arising from such default or incurred by the Landlord.

35.2 The Guarantor's liability under this Lease will not be affected in any way by:

(a) any neglect or forbearance of the Landlord in enforcing payment of the Rents or observance or performance of the covenants and provisions of this Lease or any authorised guarantee agreement entered into by the Tenant;

(b) any extra time or other concession given by the Landlord to the Tenant;

(c) any refusal by the Landlord to accept the Principal Rent from the Tenant following a breach of covenant by the Tenant;

(d) this Lease being disclaimed;

(e) the Tenant (being a corporation) being dissolved or ceasing to exist or suffering any legal limitation and/or immunity or incapacity;

(f) a surrender of part of the Property (except that the Guarantor will have no liability in relation to the surrendered part for any period after the date of surrender);

(g) any variation of this Lease or any authorised guarantee agreement entered into by the Tenant (but subject to section 18 1995 Act);

(h) any change in the constitution or powers of the Tenant, the Guarantor or the Landlord;

(i) the Tenant or the Guarantor being Insolvent;

(j) anything else by which, but for this provision, the Guarantor would be released.

35.3 The Guarantor waives any right to require the Landlord to proceed against the Tenant or to pursue any other remedy that may be available to the Landlord before proceeding against the Guarantor.

35.4 The Guarantor covenants with the Landlord that:

(a) it will not claim in any insolvency of the Tenant incompetition with the Landlord;

(b) it will hold all security and rights that it may have over the Tenant's assets for the benefit of the Landlord as security for the Tenant's liabilities.

35.5 The Guarantor will not be entitled to participate in or be subrogated to any security held by the Landlord for the Tenant's obligations or otherwise to stand in the place of the Landlord in respect of such security.

35.6 If:

(a) the Tenancy is ended under clause 34; or

(b) a liquidator or trustee in bankruptcy disclaims or surrenders this Lease; or

(c) the Tenant (being a company or limited liability partnership or other corporation) is struck off the relevant register or ceases to exist for any other reason

then the Guarantor will, if so required upon written notice from the Landlord given within six months of the Landlord becoming aware of the relevant event, accept from, execute and deliver to the Landlord at the Guarantor's cost a new lease of the Property. The new lease will be for a term equal to the then unexpired portion of the Term at the Principal Rent then payable under this Lease. The new lease will contain the same covenants and terms (with changes where appropriate) including any rent reviews as in this Lease (without, however, requiring any other person to act as guarantor). It will take effect from the date of the relevant event.

36 GUARANTEE ON ASSIGNMENT OR UNDERLETTING

36.1 If a guarantor for an assignee is required, the guarantor will covenant with the Landlord as if it were the Guarantor except that:

(a) the guarantee will take effect only from the date of the assignment; and

(b) the word "Assignee" is substituted for "Tenant".

36.2 If a guarantor for an undertenant is required, the guarantor will covenant with the Landlord as if it were the Guarantor (with changes where appropriate) but the provisions relating to disclaimer of this Lease will not apply.

37 NEW GUARANTOR

If any person who enters into covenants with the Landlord in accordance with this Part Eight dies or makes a return or reduction of capital or is dissolved or becomes Insolvent, the Tenant will give notice of the event to the Landlord within 14 days of it happening. If required by the Landlord, the Tenant will arrange within 28 days of such requirement for some other person acceptable to the Landlord (acting reasonably) to covenant by deed with the Landlord in the terms (with changes where appropriate) of clause 35.

38 FURTHER LEASES

The Guarantor will enter into any further lease of the Property granted by the Landlord to the Tenant under the 1954 Act or otherwise in order to guarantee the Tenant's obligations under that lease. The guarantee will be on terms identical to the terms of the guarantee in this Lease or on such other terms as the Landlord may reasonably require.

PART NINE: MISCELLANEOUS PROVISIONS

39 NO PLANNING ASSURANCE

39.1 The Landlord gives no assurance that the Property may lawfully be used for any purpose permitted by this Lease.

39.2 If the use permitted by this Lease is not authorised under the Planning Acts, the Tenant will remain bound by the restrictions on use contained in this Lease without being entitled to any compensation or relief.

40 EASEMENTS

Section 62 Law of Property Act 1925 does not apply to this Lease. Nothing contained or implied in this Lease operates expressly or implicitly to confer on or grant to the Tenant any easement, right, privilege, liberty or advantage except those expressly granted by this Lease.

41 COVENANTS

41.1 This Lease does not give the Tenant the benefit of or the right to enforce or prevent the release or modification of any covenant, agreement or condition relating to other property.

41.2 Each covenant in this Lease by the Tenant remains in full force at law and in equity despite any waiver or release, temporary or permanent, revocable or irrevocable, of any other covenants in this Lease or of any covenant affecting other property.

42 LIABILITY

The Landlord is not responsible (as far as it is lawful to exclude such responsibility) for any accident, injury, loss or damage:

(a) to the Tenant or to anyone in the Building with the Tenant's express or implied authority or to its or their property;

(b) due to any act, neglect or default of any other tenant of the Landlord or any officer, employee or agent of the Landlord or of any other person in the Building.

43 COMPENSATION

Any statutory right of the Tenant to claim compensation from the Landlord on vacating the Property or otherwise is excluded to the extent that the law allows.

44 DATA PROTECTION ACT 1998

For the purposes of the Data Protection Act 1998 or otherwise, the Tenant and the Guarantor (if any):

(a) acknowledge that information relating to this Lease will be held on computer and other filing systems by the Landlord or the Landlord's managing agent (if any) for general administration and/or enforcement of this Lease;

(b) agree to such information being used for such purposes and being disclosed to third parties so far only as is necessary in connection with:

  (i) the management of the Landlord's interest in the insurance and/or maintenance of the Property;

  (ii) checking the creditworthiness of the Tenant and the Guarantor; or

  (iii) the disposal or sub-letting of the Property.

45 NOTICES

Section 196 Law of Property Act 1925 applies to any notices required or authorised to be given under this Lease. While the Property forms part of The Crown Estate, any notice to be given to the Landlord under this Lease must be addressed so as to be delivered to the Commissioners at their office at the time of giving the notice.

46 JURISDICTION

46.1 This Lease is governed by and is to be construed in all respects in accordance with English law.

47 LIMITATION OF LIABILITY

The Landlord will not be liable to the Tenant for the consequences of any failure by the Tenant to register or note at the Land Registry:

(a) this Lease where required by the Land Registration Act 2002;

(b) any of the rights granted or reserved by this Lease at the Land Registry either by notice or by way of caution against first registration, whichever is appropriate.

48 EXCLUSION OF SECURITY OF TENURE

48.1 The Landlord and the Tenant agree that sections 24 to 28 Landlord and Tenant Act 1954 do not apply to this Lease.

48.2 Before the Tenant entered into this Lease or (if earlier) became contractually bound to do so, a notice in the form or substantially in the form set out in Schedule 1 Regulatory Reform (Business Tenancies) (England and Wales) Order 2003 was duly served on the Tenant.

48.3 Before the Tenant entered into this Lease or (if earlier) became contractually bound to do so, either the Tenant or a person duly authorised by the Tenant to do so made a statutory declaration in the form or substantially in the form set out in Schedule 2 Regulatory Reform (Business Tenancies) (England and Wales) Order 2003.

48.4 The Landlord and the Tenant agree that sections 24 to 28 Landlord and Tenant Act 1954 do not apply to the lease (the "AGA Lease") which the Tenant may be obliged to take under an authorised guarantee agreement entered into under clause 11.4 of this Lease.

48.5 Before the Tenant became contractually bound to enter into the AGA Lease, a notice in the form or substantially in the form set out in Schedule 1 Regulatory Reform (Business Tenancies) (England and Wales) Order 2003 was duly served on the Tenant.

48.6 Before the Tenant became contractually bound to enter into the AGA Lease, either the Tenant or a person duly authorised by the Tenant to do so made a statutory declaration in the form or substantially in the form set out in Schedule 2 Regulatory Reform (Business Tenancies) (England and Wales) Order 2003.

48.7 There is no agreement for lease to which this Lease gives effect.

49 BREAK CLAUSE

49.1 If the Tenant wishes to end the Tenancy on the Break Date and gives the Landlord at least six months' written notice ending on the Break Date then, subject to the pre- conditions in clause 49.2, when the notice expires, the Tenancy will end although this will not affect the Landlord's rights and remedies for any prior claim or breach of covenant.

49.2 The pre-conditions are that:

(a) the Tenant has paid all of the Principal Rent and any VAT in respect of it which was due to have been paid;

(b) the Tenant gives up occupation of the whole of the Property on the Break Date; and

(c) there are no continuing underleases or other rights of occupation affecting the Property on the Break Date.

49.3 The Landlord may waive any of the pre-conditions set out in clause 49.2 at any time on or before the Break Date by written notice to the Tenant.

49.4 Within 14 days of the Tenancy ending in accordance with this Clause 49 the Landlord shall refund to the Tenant any Principal Rent that the Landlord has received from the Tenant that relates to any period following the Break Date.

This Lease is executed as a deed by the parties and is delivered and takes effect on the date at the beginning of this Lease.

Schedule 1

Rights

The Tenant and those deriving title through or otherwise authorised by the Tenant will have the following rights in common with others during the Tenancy (subject always to complying with the Regulations):

(a) the right of access to and from the Property on foot through the Shared Areas and the right otherwise to use the Shared Areas for the purposes for which they are intended;

(b) the right to enter those parts of the Shared Areas as are necessary to enable the Tenant to produce an Environmental Certificate relating to the Property if the Tenant complies or procures compliance with the following conditions:

(i) the Tenant will give the Landlord at least two days' written notice of an intention to exercise this right;

(ii) the Tenant will comply with any reasonable conditions notified to it by the Landlord including an obligation to make good and reinstate any part of the Building damaged or affected by the exercise of this right to the Landlord's reasonable satisfaction;

(iii) the Tenant must cause as little interference and disturbance as reasonably possible and leave the relevant area as quickly as reasonably practicable and make good any damage caused;

(c) The Tenant's access to or from the Property outside the Business Hours is subject to the following conditions:

(i) the Tenant will use only those parts of the Shared Areas as the Landlord reasonably designates from time to time;

(ii) the right applies only to the Tenant's staff and to visitors accompanied at all times by the Tenant's staff;

(iii) the Tenant will make sure that the doors to the Building are locked when its staff or visitors enter or leave;

(iv) the Landlord does not have to provide all of the Services (as defined in Part Five) normally provided during Business Hours including central heating, air conditioning, a lift service or security staff; and

(v) the Tenant will pay the Landlord within 14 days of receiving of a written demand the whole or, if appropriate, a fair proportion of any Service Costs (as defined in Part Five) arising from making use of the right and any additional security requirements such as additional key fobs relating to the access outside the Business Hours shall be at the Tenant's cost;

(d) the right (subject to the regulations of any appropriate Authority) to connect into and use Conduits for the supply of services and for drainage which are made available by the Landlord for connection to the Property and the Units if the Tenant complies or procures compliance with the following conditions:

(i) the Tenant will allow the Landlord to fit such metering or sub-metering equipment reasonably required by the Landlord as part of the Tenant's connection works;

(ii) where possible and if requested to do so by the Landlord the Tenant will enter into a direct supply agreement with the utility provider relating to the supply in question;

(e) the right to display the Tenant’s name on the Ground Floor tenant board and Third Floor in house style.

Schedule 2

Reservations

The following rights are reserved to the Landlord and persons authorised by the Landlord:

(a) the right to the free and uninterrupted passage and running of water, drainage, gas, electricity, communication and other services by any Conduit or Facility now or after the date of this Lease on, under or through the Property;

(b) the right to upon reasonable prior notice (save in emergency):

(i) inspect the Property to find out whether the Tenant is complying with this Lease or to view its state and condition or to make surveys, schedules or inventories or to show the Property to possible tenants or purchasers;

(ii) inspect and carry out cleaning, decoration, maintenance, repair, renewal, construction, alteration, improvement and demolition and ancillary works to any Adjoining Property or in connection with the provision of Services;

(iii) connect into, inspect, clean, maintain, test, repair, renew, alter, divert or remove any Conduit or Facility or install any new Conduit or Facility;

(iv) fit and (where appropriate) update such metering or sub-metering equipment reasonably necessary to enable the supply of water, gas, electricity, phone, heating, cooling, ventilation and other services to or from the Property to be calculated separately;

(c) the right to enter the Property at all reasonable times after at least two days' notice (or immediately in an emergency) with tools and equipment (if appropriate):

(i) for any of the purposes listed in (b) above; or

(ii) to prepare Environmental Certificates relating to the Building or any part of it; or

(iii) to gain access to the roof or any balconies or terraces or other outside features at the Building; or

(iv) for any other reasonable purpose

the person entering causing as little damage and disturbance as reasonably practicable and making good as soon as practicable any damage to the Property so caused;

(d) the right to enter the Property at any time without notice with tools and equipment (if appropriate) to carry out works after the Tenant's failure to comply with a notice served under clause 7.8 or 8.7 (without affecting any other remedy available to the Landlord) and also under clause 12;

(e) the right to do work of cleaning, decoration, maintenance, repair, renewal, construction, alteration, improvement, demolition and redevelopment and ancillary work to any Adjoining Property and otherwise to use in any way any Adjoining Property despite interference with or obstruction of the access of light and air to the Property or temporary interference with or obstruction of any other right granted with or otherwise enjoyed by the Property. So far as practicable, pedestrian access to the Property and water, drainage, gas and electricity services (where applicable) will be maintained at all times during the Business Hours;

(f) the right to put up reletting notices on suitable parts of the Property during the six months before the End of the Tenancy and notices relating to the disposal or acquisition of any reversionary interest at any time;

(g) the right to provide fire escape routes through the Property for the benefit of any Adjoining Property but in so doing to cause as little inconvenience as possible to the Tenant;

(h) the rights of light, air, support, shelter and all other easements and rights now or after the date of this Lease belonging to or enjoyed by any Adjoining Property;

(i) the right:

 (i) to build. on or into any boundary or party wall of the Property or the Building and to place or lay footings for any intended party structure with such foundations as the Landlord may consider necessary and to keep and maintain such footings and foundations even if it affects the passage of light or air to the Property;

 (ii) to put up scaffolding for repairing, maintaining, cleaning or altering any building now or after the date of this Lease on any Adjoining Property or to exercise any of the rights in this Schedule even though the scaffolding temporarily restricts access to or use and enjoyment of the Property provided that such scaffolding is taken down as soon as is reasonably practicable.

Schedule 3

Regulations

Waste may not be kept at the Property except temporary storage of waste in reasonable quantities in containers specifically approved by the Landlord acting reasonably. Waste will be made available for collection as and when specified from time to time by the Landlord. Waste disposal from the Property will comply with any recycling initiatives specified by the Landlord or any Authority.

2 No sound-amplification equipment may be used so as to be heard outside the Property.

3 Appropriate measures must be taken to prevent water freezing in Conduits within the Property.

4 Fire-escape doors and corridors must not be blocked or used except in emergency or for emergency drills (provided prior notification of the drill is given to the Landlord).

5 Vehicles must be loaded and unloaded only in service areas and at times allowed by the Landlord. Parking in or blocking service areas is not permitted. The Landlord reserves the right to remove or immobilise vehicles that do not comply with this Regulation.

6 The Property must be secured against intrusion when not in use.

7 The Shared Areas must not be blocked.

8 If the Tenant is permitted to use the Shared Areas for moving goods or materials, it must only use soft-wheeled trolleys or trucks that leave no blemish or mark.

SIGNED as a DEED by XENETIC BIOSCIENCES PLC
acting by the authorised director

Director

In the presence of:	***/s/ Veronika Oswald***
Witness Signature:	/s/ Oswald
Witness Name:	*/s/ Veronika Oswald*
Witness Address:	*93 Platts Lane* *London, NW3 YNH*
Witness Occupation:	*Executive PA*

Exhibit 10.8

STOCK PURCHASE AGREEMENT

This STOCK PURCHASE AGREEMENT (this "Agreement"), dated as of January 29, 2014, is by and among Xenetic Biosciences, Inc., a Nevada corporation (the "Company"), and Baxter Healthcare SA (the "Investor").

WHEREAS, the Investor desires to purchase from the Company and the Company desires to sell to the Investor 10,695,187 shares of voting common stock, par value $0.01 per share, of the Company (the "Initial Shares"), for an aggregate price in cash of US$10,000,000.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Purchase and Sale of Initial Shares.

(a) Upon execution of this Agreement, the Investor will purchase, and the Company will sell, the Initial Shares for the aggregate consideration of US$10,000,000 in cash (the "Purchase Price"). The Investor will deliver to the Company by wire transfer of immediately available funds the aggregate amount of the Purchase Price, and the Company will record the purchase of the Initial Shares that the Investor is purchasing pursuant to the terms and conditions of this Agreement on its books and records.

2. Representations and Warranties.

(a) In connection with each purchase and sale of the Shares (as defined below) hereunder, the Investor represents and warrants to the Company that:

(i) It has such knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the Shares, and such Investor is able to bear the economic risk of the investment in the Shares for an indefinite period of time because the Shares are subject to the transfer restrictions contained herein and have not been registered under the Securities Act of 1933 (as amended from time to time, the "Securities Act") or the securities laws of any state or other jurisdiction;

(ii) This Agreement constitutes the legal, valid and binding obligation of the Investor, enforceable in accordance with its terms (except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity (whether considered in a proceeding at law or equity)), and the execution, delivery, and performance of this Agreement by the Investor does not and will not conflict with, violate, or cause a breach of any agreement, contract, or instrument to which the Investor is a party or any judgment, order, or decree to which the Investor is subject.

(iii) The Investor is an "accredited investor" within the meaning of Rule 501(a) of Regulation D promulgated under the Securities Act, and the Shares to be acquired by it pursuant to this Agreement are being acquired for its own account and not with a view to any distribution thereof or with any present intention of offering or selling any of the Shares in a transaction that would violate the Securities Act or the securities laws of any state of the United States of America or any other applicable jurisdiction.

(b) In connection with each purchase and sale of the Shares hereunder, the Company represents and warrants to the Investor that:

(i) The Company is a corporation validly organized, existing and in good standing under the laws of the state of Nevada, is duly qualified to do business and is in good standing as a foreign entity in each jurisdiction where the nature of its business requires such qualification.

(ii) The Company has full power and authority and holds all requisite governmental licenses, permits and other approvals to enter into and perform its obligations under or with respect to this Agreement, to issue the Shares to the Investor in accordance with the terms hereof and thereof, to own, and hold under lease, its properties and to conduct its business substantially as currently conducted by it.

(iii) The execution, delivery and performance by the Company and the issuance of the Shares to the Investor in accordance with the terms hereof are within its organizational powers and have been duly authorized by all necessary organizational action on the part of the Company's Board of Directors.

(iv) This Agreement has been duly executed and delivered by the Company, and each of the Shares will be duly authorized and, when issued to the Investor in accordance with the terms hereof, will be validly issued, fully paid and nonassessable. This Agreement constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms (except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity (whether considered in a proceeding at law or equity)).

(v) Assuming the accuracy of the representations and warranties of the Investor set forth in Section 2(a) hereof, the Shares may be issued to the Investor pursuant to this Agreement without registration under the Securities Act by reason of Section 4(a)(2) thereof and Regulation D thereunder and similar provisions under applicable state securities laws.

(vi) None of the Company, its affiliates (as such term is defined in Rule 501 under the Securities Act, each an "Affiliate"), or any person acting on its or any of their behalf has, directly or indirectly, solicited any offer to buy or offered to sell, or will, directly or indirectly, solicit any offer to buy or offer to sell, in the United States or to any United States citizen or resident, any security which is or would be integrated with the issuance of the Shares in a manner that would require any Shares to be registered under the Securities Act. None of the Company, its Affiliates or any person acting on its or any of their behalf has engaged or will engage, in connection with the sale of the Shares, in any form of general solicitation or general advertising within the meaning of Rule 502 under the Securities Act or in any directed selling efforts within the meaning of Regulation S under the Securities Act. The Company has not engaged any placement agent or financial advisor in connection with the sale of the Shares.

(vii) The Company represents and agrees that the offer and issuance of the Shares is not made unavailable for an exemption under Rule 506 of Regulation D by the occurrence or issuance of any conviction, order, judgment, decree, suspension, injunction, expulsion or bar described in Rule 506(d) (each, a "Company Bad Actor Event"). Set forth on Exhibit B hereto is a description of each matter that would have been a Company Bad Actor Event had it not occurred before September 23, 2013.

(c) The Investor understands that the Shares are being issued only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Shares have not been registered under the Securities Act or any other applicable securities law, that the Shares will be "restricted securities" within the meaning of Rule 144 under the Securities Act and that (i) prior to the expiration of the holding period applicable to sales of restricted securities pursuant to Rule 144 under the Securities Act, the Shares may be offered, resold, pledged or otherwise transferred only in accordance with any applicable securities laws of any state of the United States or any other applicable jurisdiction (A) (1) in a transaction meeting the requirements of Rule 144 under the Securities Act, (2) outside the U.S. to a foreign purchaser in a transaction meeting the requirements of Regulation S or (3) pursuant to a transaction that is otherwise exempt from the registration requirements of the Securities Act and state securities laws, (B) to the Company or (C) pursuant to an effective registration statement under the Securities Act and (ii) the Investor will notify any subsequent purchaser from it of the resale restrictions set forth in (i) above, if then applicable. Until the earlier of the (i) date the Investor ceases to hold any Shares and (ii) first anniversary of the date hereof, the Company shall use reasonable best efforts to file all reports required to be filed by it under the Securities Act and the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and shall take such further action as the Investor may reasonably request, all to the extent required to enable the Investor to sell Shares pursuant to Rule 144 under the Securities Act, subject to Sections 4(a) and (b) below. The Investor agrees that the certificates representing the Shares shall bear a restrictive legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE WERE ACQUIRED IN A TRANSACTION THAT WAS NOT REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE, AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT OR AN APPLICABLE EXEMPTION THEREFROM TO THE REGISTRATION REQUIREMENTS OF SUCH ACT."

3 . Notices. Any notice provided for in this Agreement must be in writing and must be either personally delivered, sent by facsimile if confirmation is available or sent by reputable overnight courier service (charges prepaid) to the recipient at the address indicated in the Company's records. Any notice under this Agreement will be deemed to have been given when so delivered or sent.

4. Covenants.

(a) Lock-Up. Until the earlier to occur of (i) three months after the effective date of the listing of the Company's common stock on the Nasdaq stock market or (ii) the first anniversary of the date hereof (such earlier date, the "Lock-Up Expiration Date"), the Investor shall not assign, transfer, sell or dispose of the Shares to any party other than a wholly owned subsidiary.

(b) Orderly Market Provision. Until the twelve-month anniversary of the Lock-Up Expiration Date, the Investor shall not sell or offer to sell any shares of common stock of the Company in an amount that would exceed fifteen (15%) of the daily trading volume of the Company's common stock on the principal market or exchange on which the Company's shares of common stock are traded, and in no event shall the Investor sell or offer to sell more than fifteen (15%) of the Shares in any one (1) month period.

(c) Nasdaq Listing. The Company will use its best efforts to apply for and obtain listing of its common stock on any of Nasdaq's three U.S. markets on or before the 9-month anniversary of the date hereof.

(d) Top-Up Option. The Company hereby grants to the Investor an option to purchase, for a per share price equal to the par value of the Company's common stock (the "Option"), that number of additional shares of the Company's common stock (the "Additional Shares" and, together with the Initial Shares, the "Shares") as equals the product of the Applicable Percentage and the number of Initial Shares. The "Applicable Percentage" is equal to the absolute value of (i) one minus (ii) the quotient equal to (A) US$130,000,000 divided by (B) the Updated Valuation. The "Updated Valuation" is equal to the average of the closing prices of the Company common stock on the applicable Nasdaq stock market (or, on any trading day on which the Company common stock is not listed for trading on Nasdaq, on the over-the-counter bulletin board quotation system) on all trading days during the Measurement Period multiplied by total number of shares of common stock of the Company outstanding at the close of business on the date hereof; *provided* that in no event shall the Current Market Capitalization ever be less than US$67,000,000. The "Measurement Period" is the period from the date hereof to the thirtieth day following the date hereof. The Investor may exercise the Option at any time during the thirty days following the expiration of the Measurement Period by delivering to the Company, at the address identified in Section 2 hereof, a completed Notice of Option Exercise, the form of which is attached hereto as Exhibit A, together with payment of the aggregate exercise price. The Company shall issue the Additional Shares within five (5) trading days after the date of its receipt of the Notice of Option Exercise.

(e) At any time prior to the issuance of the Additional Shares, the Company will notify the Investor promptly of the occurrence or issuance of any Company Bad Actor Event of which the Company hereafter becomes aware.

(f) The Company will file a Form D with respect to the Shares as required under Regulation D and shall provide a copy thereof to the Investor promptly after such filing. The Company shall take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for or to qualify the Shares for sale to the Investor pursuant to this Agreement under applicable securities or "Blue Sky" laws of the states of the United States (or to obtain an exemption from such qualification), and shall provide evidence of any such action so taken to the Investor.

5. General Provisions.

(a) Counterparts; Electronic Delivery. This Agreement may be executed in multiple counterparts (including by means of telecopied signature pages or signature pages in ".pdf", ".tif" or similar format sent as an attachment to an electronic mail message), each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, to the extent delivered by means of electronic mail in ".pdf", ".tif" or similar format (any such delivery, an "Electronic Delivery"), shall be treated in all manners and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them (by means other than Electronic Delivery) to all other parties. No party hereto or to any such agreement or instrument shall raise (i) the use of Electronic Delivery to deliver a signature or (ii) the fact that any signature or agreement or instrument was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract, and each such party forever waives any such defense, except to the extent such defense relates to lack of authenticity.

(b) Successors and Assigns. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by the Investor, the Company and their respective successors and assigns (including subsequent holders of the Shares).

(c) Choice of Law. The construction, validity and interpretation of this Agreement will be governed by and construed in accordance with the internal laws of the State of New York, without giving effect to principles of conflicts of laws or choice of law of the State of New York or any other jurisdiction which would result in the application of the law of any jurisdiction other than the State of New York.

(d) Consent to Jurisdiction. Each party hereto, by its execution hereof, (i) hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the State of New York for the purpose of any action, claim, cause of action or suit (in contract, tort or otherwise), inquiry, proceeding or investigation arising out of or based upon this Agreement or relating to the subject matter hereof, (ii) hereby waives to the extent not prohibited by applicable law, and agrees not to assert and not to allow any of its affiliates to assert, by way of motion, as a defense or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that any such proceeding brought in one of the above-named courts is improper, or that this Agreement or the subject matter hereof or thereof may not be enforced in or by such court and (iii) hereby agrees not to commence or maintain any action, claim, cause of action or suit (in contract, tort or otherwise), inquiry, proceeding or investigation arising out of or based upon this Agreement or relating to the subject matter hereof or thereof other than before one of the above-named courts nor to make any motion or take any other action seeking or intending to cause the transfer or removal of any such action, claim, cause of action or suit (in contract, tort or otherwise), inquiry, proceeding or investigation to any court other than one of the above-named courts whether on the grounds of inconvenient forum or otherwise.

(e) WAIVER OF JURY TRIAL. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, EACH PARTY HERETO HEREBY WAIVES AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE OR ACTION, CLAIM, CAUSE OF ACTION OR SUIT (IN CONTRACT, TORT OR OTHERWISE), INQUIRY, PROCEEDING OR INVESTIGATION ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE SUBJECT MATTER HEREOF OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE TRANSACTIONS CONTEMPLATED HEREBY, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING. EACH PARTY HERETO ACKNOWLEDGES THAT IT HAS BEEN INFORMED BY THE OTHER PARTIES HERETO THAT THIS SECTION 3(e) CONSTITUTES A MATERIAL INDUCEMENT UPON WHICH THEY ARE RELYING AND WILL RELY IN ENTERING INTO THIS AGREEMENT. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 3(e) WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

(f) Time is of the Essence. The parties hereto hereby expressly acknowledge and agree that time is of the essence for each and every provision of this Agreement.

(g) Specific Performance. The parties hereto acknowledge and agree that each would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached. Accordingly, the parties hereto agree that each party shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any action instituted in any court of the United States or any state thereof having jurisdiction over the parties hereto and the matter, in addition to any other remedy to which they may be entitled, at law or in equity.

(h) Entire Agreement. This Agreement contains the complete agreement among the parties hereto and supersedes any prior understanding, agreement or representation by or among the parties hereto, written or oral, that may have related to the subject matter hereof in any way.

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

THE COMPANY:

XENETIC BIOSCIENCES, INC.

By: /s/ M. SCOTT MAGUIRE
Name: M. SCOTT MAGUIRE
Title: CHIEF EXECUTIVE OFFICER

INVESTOR:

BAXTER HEALTHCARE SA

By: /s/ Benedikt Kubik
Name: Benedikt Kubik
Title: Finance Director

By: /s/ Yvo Aebli
Name: Yvo Aebli
Title: Finance Director

[Signature Page to Stock Purchase Agreement]

EXHIBIT A

NOTICE OF OPTION EXERCISE

____
Date

Xenetic Biosciences, Inc.
16445 North 91st St., Suite 103
Scottsdale, AZ 85260

Attention: ___________

Baxter Healthcare SA hereby elects to exercise the Option to acquire _____________ Additional Shares of the Company's common stock pursuant to Section 4(d) of the Stock Purchase Agreement, dated as of January 29, 2014 (the "Stock Purchase Agreement"). All capitalized terms not otherwise defined herein shall have the meanings as provided in the Stock Purchase Agreement.

Please issue [a certificate][book entry interests] for the Additional Shares in the following name:

Name
Address
Address

Very truly yours,

BAXTER HEALTHCARE SA

By:
Name:
Title:

EXHIBIT B

COMPANY BAD ACTOR EVENT

None.

Exhibit 10.9

AMENDMENT NO. 1 TO
STOCK PURCHASE AGREEMENT

This AMENDMENT NO. 1 (this "Amendment"), dated as of February 14, 2014, amends that certain Stock Purchase Agreement, dated as of January 29, 2014 (the "Agreement"), by and between Xenetic Biosciences, Inc., a Nevada corporation (the "Company"), and Baxter Healthcare SA (the "Investor").

WHEREAS, the Company and the and the Investor desire to modify the definition of "Measurement Period" in the Agreement in order to ensure that the number of Additional shares subject to the Option is properly measured; and

WHEREAS, capitalized terms used but not otherwise defined in this Amendment shall have the meanings assigned to them in the Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definition of Measurement Period.

The definition of "Measurement Period" in Section 4(d) of the Agreement is hereby amended to mean the period from (i) the date on which the Company has physically certified all of the shares of the Company's common stock outstanding on the date of the Agreement to (ii) the thirtieth day following the date thereof.

2. General Provisions.

(a) Counterparts. This Amendment may be executed in multiple counterparts (including by means of telecopied signature pages or signature pages in ".pdf", ".tif" or similar format sent as an attachment to an electronic mail message), each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

(b) Choice of Law. The construction, validity and interpretation of this Amendment will be governed by and construed in accordance with the internal laws of the State of New York, without giving effect to principles of conflicts of laws or choice of law of of the State of New York or any other jurisdiction which would result in the application of the law of any jurisdiction other than the State of New York.

(c) Entire Agreement. The Agreement, as amended by this Amendment, contains the complete agreement among the parties hereto and supersedes any prior understanding, agreement or representation by or among the parties hereto, written or oral, that may have related to the subject matter hereof in any way. Other than as specifically amended by the terms hereof, the Agreement remains in full force and effect.

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the date first written above.

THE COMPANY:

XENETIC BIOSCIENCES, INC.

By: /s/ M. Scott Maguire
Name: M. Scott Maguire
Title: CEO

INVESTOR:

BAXTER HEALTHCARE SA

By: /s/ Piero Novello
Name: Piero Novello
Title: General Manager Renal Polland CSE Russia & CIS

By: /s/ Yvo Abeli
Name: Yvo Abeli
Title: Finance Director

Portions of this exhibit, indicated by the mark "[***]," have been redacted pursuant to a confidential treatment request.

EXCLUSIVE RESEARCH, DEVELOPMENT AND LICENSE AGREEMENT

This Agreement ("AGREEMENT") is made and entered into August 15, 2005 (the "EFFECTIVE DATE") by and between Lipoxen Technologies Limited, a company registered in England and Wales with company number 03401495 and having its registered office at Suite 303, Hamilton House, Mabledon Place, London WC1H 9BB ("LIPOXEN"); Baxter Healthcare SA ("BHSA"), a corporation organized and existing under the laws of Switzerland, and Baxter Healthcare Corporation ("BHC") having its principal place of business at One Baxter Parkway, Deerfield, Illinois 60015 (BHSA and BHC collectively referred to as "BAXTER"). LIPOXEN and BAXTER may be referred to herein individually as a "PARTY" and collectively as the "PARTIES."

RECITALS

WHEREAS, BAXTER is in the business of developing, making, marketing and selling biopharmaceutical products for the treatment of blood and bleeding disorders and has developed [***] :

WHEREAS, BAXTER has developed proprietary technology concerning [***]

WHEREAS, LIPOXEN has developed a proprietary [***] based on a [***]

WHEREAS, BAXTER and LIPOXEN desire to enter into collaborative technology project(s) to [***] of proteins and molecules in the FIELD, including [***] directly to [***] or by the application of [***] to [***] as a [***]

WHEREAS, BAXTER desires to [***] with LIPOXEN in developing such CONJUGATES and DELIVERY AGENTS in the FIELD and to provide BAXTER with an exclusive license to certain products in the FIELD developed in the course of this AGREEMENT; and

WHEREAS, BAXTER shall bear all costs associated with the research and development of POTENTIAL PRODUCTS, and shall have ultimate control over all product development decisions;

NOW, THEREFORE, in consideration of the foregoing and the covenants and promises contained in this AGREEMENT, in accordance with and subject to the terms and conditions specified below, the PARTIES agree as follows:

AGREEMENT

1. **Definitions**

1.1 "ACCEPTANCE DATE" means the date upon which BAXTER accepts or is deemed to accept the FINAL REPORT or the REVISED FINAL REPORT which shall be determined in accordance with Section 2.2.

1.2 "AFFILIATE" means, with respect to any person or entity, any other person or entity that directly or indirectly controls, is controlled by, or is under common control with, such person or entity.

1.3 "BANKRUPTCY EVENT has the meaning set forth in Section 15.5.

1.4 "BAXTER CORE TECHNOLOGY" means the following methods, compositions and/or technology which has been developed by BAXTER as of the Effective Date:

(i) [***] a THERAPEUTIC AGENT, including the [***]

(ii) [***] including the identification of [***] or [***] which [***] is bound and the resulting conjugate;

(iii) methods of [***] a THERAPEUTIC AGENT and the COMMERCIAL PRODUCT(s);

(iv) methods of [***] THERAPEUTIC AGENTS, including all methods of: (a) [***] AGENT is expressed, (b) [***] the THERAPEUTIC AGENT from the [***] and (c) [***] the THERAPEUTIC AGENT;

(v) methods of [***] the COMMERCIAL PRODUCTS including [***] of such COMMERCIAL PRODUCTS into a pharmaceutical compound; and/or

(vi) [***] disclosed in the BAXTER [***]

1.5 “BAXTER CORE TECHNOLOGY INVENTIONS” has the meaning set forth in Section 13.5.

1.6 “BAXTER INDEMNITEE” has the meaning set forth in Section 12.1.1.

1.7 “BAXTER KNOW-HOW” means all KNOW-HOW CONTROLLED by BAXTER that is reasonably necessary for LIPOXEN in connection with LIPOXEN’S performance of its obligations under this AGREEMENT. BAXTER PATENT RIGHTS are excluded from the definition of BAXTER KNOW-HOW.

1.8 “BAXTER PATENT RIGHTS” means all PATENTS and PATENT APPLICATIONS CONTROLLED by BAXTER that are necessary for LIPOXEN in connection with LIPOXEN’S performance of its obligations under this AGREEMENT.

1.9 “BAXTER [***] means the PATENT APPLICATION which has been disclosed to LIPOXEN [***].

1.10 “BLA” means a Biologics License Application filed with the FDA pursuant to 21 C.F.R. § 601.2 et seq., or any foreign equivalent filed with the regulatory authorities in a country or territory to obtain MARKETING AUTHORIZATION for COMMERCIAL PRODUCT(S) in such country or territory.

1.11 “CLAIMS” has the meaning set forth in Section 12.1.1.

1.12 “COMMERCIAL PRODUCT(S)” means one or more POTENTIAL PRODUCTS that have successfully completed PHASE 3 CLINICAL TRIALS and have

received MARKETING AUTHORIZATION in any territory in the world, which BAXTER, its SUBLICENSEES and/or their respective AFFILIATES market and/or sell.

1.13 "COMPETITIVE BUSINESS" means participating in the research, development, marketing, selling or distributing of any product in the FIELD.

1.14 "CONFIDENTIAL INFORMATION" has the meaning set forth in Section 10.2.

1.15 "CONJUGATE(S)" means [***] of a DELIVERY AGENT to a therapeutic agent (including a THERAPEUTIC AGENT).

1.16 "CONTINUATION NOTICE" has the meaning set forth in Section 2.3

1.17 "CONTROL(LED)" means the ability to grant a license or sublicense as provided for herein without violating the terms of any agreement with any THIRD PARTY, and for the purpose of defining "KNOW-HOW" means that which falls within any of the exclusions from confidentiality set forth in Section 10.2(i) and (ii).

1.18 "DELIVERY AGENT" means [***] and/or a [***] including the SELECTED DELIVERY AGENTS.

1.19 "DISCLOSING PARTY" means the PARTY disclosing CONFIDENTIAL INFORMATION to the other PARTY hereunder.

1.20 "DOLLAR(S)" means United States dollars.

1.21 "EMEA" means the European Medicines Agency, and any successor agency thereto, having the administrative authority to regulate the marketing of human pharmaceutical products, biological therapeutic products and delivery systems in the European Union.

1.22 [***] means a [***] including the full-length [***] protein, [***] and any recombinantly produced equivalents thereof, and any derivatives, mutations, deletions or substitutions thereto.

1.23 "FDA" means the United States Food and Drug Administration, or any successor entity that may be established hereafter which has substantially the same authority or responsibility currently vested in the United States Food and Drug Administration.

1.24 "FIELD" means any biologic or pharmaceutical agent used to [***] including the [***] disorders such as [***] disease, but excluding, for the avoidance of doubt, any biologic or pharmaceutical agent used to [***]

1.25 "FINAL REPORT" has the meaning set forth in Section 2.2.

1.26 "FIRST COMMERCIAL SALE" means, with respect to each COMMERCIAL PRODUCT, the first sale by BAXTER, its SUBLICENSEE or their respective AFFILIATES to a THIRD PARTY following receipt of MARKETING AUTHORIZATION in the country of sale.

1.27 "FTE" means the equivalent of an employee working one thousand six hundred and eighty seven (1687) labor hours per year.

1.28 "FTE Rate" means [***] per year.

1.29 "INVENTIONS" means any and all ideas, concepts, methods, procedures, processes, improvements, inventions and discoveries, whether or not patentable, that are conceived or made in the course of the performance of activities conducted in connection with this AGREEMENT including the development or manufacture of a POTENTIAL PRODUCTS or COMMERCIAL PRODUCT(S).

1.30 "JOINT INVENTION" has the meaning set forth in Section 13.3.

1.31 "JOINT PATENT APPLICATIONS" has the meaning set forth in Section 13.7.

1.32 "KNOW-HOW" means all technical, scientific and other know-how, data, materials, information, trade secrets, ideas, formulae, inventions, discoveries, processes, machines, compositions of matter, improvements, protocols,

techniques, works of authorship, and results of experimentation and testing (whether or not patentable) in written, electronic, oral or any other form that does not fall within any of the exclusions from confidentiality set forth in Section 10.2(i) and (ii).

1.33 "LAW(S)" means any local, state or federal rule, regulation, statute or law in any jurisdiction relevant to the activities undertaken pursuant to this AGREEMENT or applicable to either of the PARTIES with respect to any matters set forth herein.

1.34 "LICENSE COMMENCEMENT DATE" means the date upon which Lipoxen receives [***] milestone payment due in accordance with Section 2.3.

1.35 "LIPOXEN CORE TECHNOLOGY" means the following methods, compositions or technology which has been developed by LIPOXEN as of the EFFECTIVE DATE: (i) [***] (including a SELECTED DELIVERY AGENT); (ii) [***] (including a SELECTED DELIVERY AGENT) by themselves or in combination, including the [***] (including a SELECTED DELIVERY AGENT) to [***] (iii) [***] DELIVERY AGENTS (including SELECTED DELIVERY AGENTS); (iv) [***] DELIVERY AGENTS (including SELECTED DELIVERY AGENTS) to or [***] DELIVERY AGENTS (including SELECTED DELIVERY AGENTS) [***] (v) [***] or [***] or more DELIVERY AGENTS (including SELECTED DELIVERY AGENTS) to or [***] DELIVERY AGENTS (including SELECTED DELIVERY AGENTS) [***] (vi) [***] (2) or more DELIVERY AGENTS (including SELECTED DELIVERY AGENTS) in [***] and (vii) the technology described in the LIPOXEN PATENT RIGHTS. For purposes of clarification, the LIPOXEN CORE TECHNOLOGY [***] DELIVERY AGENTS with [***]

1.36 “LIPOXEN CORE TECHNOLOGY INVENTIONS” has the meaning set forth in Section 13.4.

1.37 “LIPOXEN INDEMNITEE” has the meaning set forth in Section 12.1.2.

1.38 “LIPOXEN KNOW-HOW” means all KNOW-HOW CONTROLLED by LIPOXEN that pertains to DELIVERY AGENTS [***] POTENTIAL PRODUCTS or COMMERCIAL PRODUCT(S) or or that is necessary or useful for BAXTER in connection with the performance its obligations or the exercise of its rights under this AGREEMENT. LIPOXEN PATENT RIGHTS are excluded from the definition of LIPOXEN KNOW-HOW.

1.39 “LIPOXEN PATENT RIGHTS” means all of the PATENTS and PATENT APPLICATIONS CONTROLLED by LIPOXEN which (i) pertain to [***] composition, manufacture, sale, or import of POTENTIAL PRODUCTS or COMMERCIAL PRODUCTS, and (ii) [***] make, have made, use, sell, have sold and import POTENTIAL PRODUCTS or COMMERCIAL PRODUCT(S) pursuant to the license set forth in Section 3.1; including those contained in Schedule V of this AGREEMENT.

1.40 “LIPOXEN LICENSED TECHNOLOGY” means, collectively, the LIPOXEN PATENT RIGHTS and LIPOXEN KNOW-HOW.

1.41 “MANUFACTURING TECHNOLOGY” means the PATENTS and KNOW HOW CONTROLLED by LIPOXEN at the date of any technology transfer pursuant to Section 4.3 [***].

1.42 “MARKETING AUTHORIZATION” means the requisite governmental approval for the marketing and sale of each COMMERCIAL PRODUCT in a given country.

1.43 “MILESTONE PAYMENTS” and “MILESTONE EVENTS” means the milestone payments and milestone events, all as set forth in Section 2.3 and Schedule III.

1.44 “NET SALES” means the amount invoiced by BAXTER, its SUBLICENSEES or their respective AFFILIATES for the sale of each COMMERCIAL PRODUCT to THIRD PARTIES. NET SALES shall be reduced by the following provided that the reductions can be supported by written evidence (which evidence is not required to be shown on any invoice):

(i) customary trade and quantity discounts actually allowed and taken;

(ii) allowances actually given for returned COMMERCIAL PRODUCT(S);

(iii) shipping, freight and insurance;

(iv) allowances or rebates actually given pursuant to Federal, State and/or government-mandated programs which require a manufacture/distributor rebate, including Medicare and Medicaid; and

(v) value added or import/export tax, sales, use or turnover taxes, excise taxes and customs duties.

1.45 “NON-DISCLOSURE AGREEMENT” means that agreement entered into between the PARTIES on December 28, 2004 providing for confidential treatment of the PARTIES’ information.

1.46 “OPTION EXERCISE DATE” has the meaning set forth in Section 2.3.

1.47 “PATENT” means any patent including any extension, substitution, registration, confirmation, reissue, supplemental protection certificate, re-examination or renewal thereof (and in each case any foreign counterpart thereto).

1.48 “PATENT APPLICATION” means an application for letters patent, including a provisional application, converted provisional application, continuation application, a continued prosecution application, a continuation-in-part application, a divisional application, a re-examination application, and a reissue application (and in each case any foreign counterpart thereto).

1.49 “PHASE 1 CLINICAL TRIAL” means a study in humans, conducted in accordance with 21 C.F.R. § 312.21(a) (or the equivalent LAWS and regulations in jurisdictions outside the United States).

1.50 “PHASE 2 CLINICAL TRIAL” means a controlled clinical trial, conducted in accordance with 21 C.F.R. § 312.21(b) (or the equivalent LAWS and regulations in jurisdictions outside the United States).

1.51 “PHASE 3 CLINICAL TRIAL,” means a controlled or uncontrolled clinical trial, conducted in accordance with § 21 C.F.R. 312.21(c) (or the equivalent LAWS and regulations in jurisdictions outside the United States).

1.52 “POLYSIALIC ACID” means any substance containing one or more sialic acid residue including: (a) linear polymers or oligomers; (b) branched polymers or oligomers; (c) the alpha-2,8-linked homopolymer of sialic acid that comprises the capsular polysaccharide of (i) E. coli strain K1, and (ii) the group-B meningococci; and (d) the alternating alpha-2,8/alpha-2-9 linked polymer of E. coli strain K92.

1.53 “POTENTIAL PRODUCT” means the chemical entity resulting from the covalent or non-covalent attachment of any DELIVERY AGENT to any THERAPEUTIC AGENT.

1.54 “QUALITY AGREEMENT” means the quality agreement which shall be agreed to by the PARTIES in good faith no later than the commencement of the first PHASE 1 CLINICAL TRIAL relating to a POTENTIAL PRODUCT.

1.55 “QUARTER” means the calendar quarterly periods ending March 31, June 30, September 30 and December 31.

1.56 “RECIPIENT means the PARTY receiving CONFIDENTIAL INFORMATION hereunder.

1.57 “RESEARCH COMMITTEE” means the committee described in Section 2.6.

1.58 “RESEARCH MIDPOINT” means the date upon which BAXTER receives the [***] samples pursuant to the RESEARCH PLAN, as specified in Section fourteen (14) of the Research Plan.

1.59 “RESEARCH PLAN” means the PARTIES’ respective activities and responsibilities as set forth in the RESEARCH PLAN attached hereto as Schedule I.

1.60 “RESPONSIBLE PARTY” has the meaning set forth in Section 13.7.

1.61 “ROYALTY RATE” means, for each calendar year:

[***] on NET SALES which range from [***]

[***] on NET SALES which range from [***]

[***] on NET SALES which range from [***]; and

[***] on NET SALES which range from [***]

1.62 “SELECTED DELIVERY AGENT” means a DELIVERY AGENT that is attached to a THERAPEUTIC AGENT for a POTENTIAL PRODUCT, in accordance with a selection made by the RESEARCH COMMITTEE.

1.63 “SOLE INVENTION” has the meaning set forth in Section 13.3.

1.64 “SPECIFICATIONS” means the specifications for a DELIVERY AGENT to be used in POTENTIAL PRODUCTS or COMMERCIAL PRODUCT(S), that are agreed in writing by the RESEARCH COMMITTEE and which will be set forth in the QUALITY AGREEMENT.

1.65 “STAGE I” means the period of implementing the initial RESEARCH PLAN, commencing upon the EFFECTIVE DATE and ending upon the ACCEPTANCE DATE.

1.66 “SUBLICENSE AGREEMENT” means any agreement between BAXTER and a SUBLICENSEE relating to this AGREEMENT.

1.67 “SUBLICENSEE” means any person or entity, including AFFILIATES, to which BAXTER grants a sublicense (i) to research and/or develop POTENTIAL

PRODUCTS or COMMERCIAL PRODUCT(S), or (ii) to make, have made, use, sell, have sold and/or import POTENTIAL PRODUCTS or COMMERCIAL PRODUCT(S) (which for the purposes hereof will include the right to distribute, market or promote).

1.68 "SUPPLY AGREEMENT" means the supply agreement to be entered into by the PARTIES in accordance with Section 4.1 and the other terms of this AGREEMENT.

1.69 [***]

1.70 "TERM" has the meaning set forth in Section 15.1.

1.71 "THERAPEUTIC AGENT" means [***] or [***] for use within the FIELD, including [***] having substantially equivalent biological activity to [***]

1.72 THIRD PARTY" means any entity other than LIPOXEN, BAXTER, a SUBLICENSEE of BAXTER or their respective AFFILIATES.

1.73 "VALID PATENT CLAIM" means either: (a) a claim of an issued and unexpired PATENT which is owned or CONTROLLED by LIPOXEN or jointly by the PARTIES and has not (i) expired or been canceled, (ii) been declared invalid by an unreversed and unappealable decision of a court or other appropriate body of competent jurisdiction, (iii) been admitted to be invalid or unenforceable through reissue, disclaimer, or otherwise, or (iv) been abandoned; or (b) a claim filed and kept pending in good faith that is included in a PATENT APPLICATION which is owned or CONTROLLED by LIPOXEN or jointly by the PARTIES.

1.74 [***] means the naturally occurring or recombinantly produced [***] also referred to as [***] and including any derivatives, mutations, deletions or substitutions thereto having the same functionality as [***] or the capability of [***] includes any fraction of [***] or peptide portion thereof having all or some of the functionality as naturally occurring in [***] and in particular the [***]

2. **<u>Research and Development Activities</u>**

2.1 In General. BAXTER shall provide LIPOXEN with [***] and [***] molecules to use in developing DELIVERY AGENTS and POTENTIAL PRODUCTS to be utilized by BAXTER in its research and development activities to [***]. BAXTER shall as soon as possible after the EFFECTIVE DATE provide all of the BAXTER KNOW-HOW to LIPOXEN. At BAXTER's sole discretion, BAXTER may or may not provide to LIPOXEN data compiled by BAXTER in relation to the [***] data relating to [***] of [***] (and protocols on the various techniques used), [***] protocols, [***] protocols, [***] (including [***]) and publications (patent and research papers).

2.2 STAGE I. During STAGE I of the research and development phase of this AGREEMENT, LIPOXEN will conduct the research and development activities as set forth in the RESEARCH PLAN, on a cost recovery basis. BAXTER shall pay LIPOXEN for all reasonable FTE costs directly incurred and solely associated with carrying out the RESEARCH PLAN. For clarity, BAXTER shall pay LIPOXEN the FTE RATE for actual FTE hours worked, which shall be calculated by multiplying (i) actual hours worked pursuant to this AGREEMENT by (ii) the FTE RATE divided by 1687. Baxter shall also reimburse LIPOXEN for any expenditures for consumables and dedicated equipment directly and solely incurred in carrying out the RESEARCH PLAN. At BAXTER'S request, LIPOXEN shall report all FTE hours to BAXTER, together with any expenses incurred, on a quarterly basis, which BAXTER may audit, pursuant to Section 9.2. The estimated costs for such expenditures are set forth in Schedule II of this AGREEMENT. LIPOXEN's expenditures will not exceed such estimates without BAXTER'S prior written consent. The PARTIES agree that BAXTER shall pay LIPOXEN for its work on the RESEARCH PLAN strictly in accordance with the payment schedule set forth in Schedule I of this AGREMEENT.

Provided that neither PARTY has terminated this AGREEMENT in accordance with Section 15, on completion of the RESEARCH PLAN, LIPOXEN shall deliver CONFIDENTIAL to BAXTER a FINAL REPORT that describes the work conducted by LIPOXEN pursuant to the RESEARCH PLAN and provides data related to production, scale-up (methods for producing up to 20mg of POTENTIAL PRODUCTS) and characterization of candidate preparations of any POTENTIAL PRODUCTS, in accordance with the RESEARCH PLAN. LIPOXEN shall also deliver test samples of POTENTIAL PRODUCTS in sufficient quantities as described in the RESEARCH PLAN to perform further in vitro and in vivo characterization at BAXTER in appropriate animal models. The PARTIES shall own the FINAL REPORT, in accordance with the provisions set out in Section 13. BAXTER'S acceptance of the FINAL REPORT shall not be unreasonably withheld or delayed. BAXTER shall notify LIPOXEN in writing of any objections ("OBJECTIONS") it has to the FINAL REPORT in response to which LIPOXEN shall be entitled to submit a revised FINAL REPORT (the "REVISED FINAL REPORT) to BAXTER. BAXTER shall be deemed to accept the FINAL REPORT or the REVISED FINAL REPORT (as the case may be) unless LIPOXEN receives OBJECTIONS from BAXTER within ten (10) days of delivery of the FINAL REPORT or the REVISED FINAL REPORT (as the case may be) to BAXTER. Either PARTY shall be entitled to terminate this AGREEMENT on immediate written notice to the other PARTY if BAXTER has not accepted the FINAL REPORT or the REVISED FINAL REPORT within three (3) calendar months of the date upon which the FINAL REPORT was first delivered to BAXTER.

SSubject to the restrictions on the RESEARCH COMMITTEE set out in Section 2.6, the RESEARCH COMMITTEE may make reasonable modifications to the RESEARCH PLAN and the content required in the FINAL REPORT provided that:- (a) any modification does not materially increase the commitment required by LIPOXEN pursuant to this AGREEMENT; and (b) BAXTER will agree in writing to meet the increased costs reasonably incurred by LIPOXEN to implement any such modifications.

In no event is BAXTER committed or obligated to make any MILESTONE PAYMENTS during STAGE I.

2.3 Option. After the ACCEPTANCE DATE, this AGREEMENT shall terminate unless BAXTER exercises its option (at its sole discretion) to continue the collaboration pursuant to the terms of this AGREEMENT. BAXTER must notify LIPOXEN in writing of its election to continue with this collaboration (referred to below as the "CONTINUATION NOTICE") within ninety (90) days of the ACCEPTANCE DATE or this AGREEMENT shall be deemed automatically terminated.

If Baxter exercises its option to continue the collaboration after completion of STAGE I, then the PARTIES shall, subject to the terms set out in the paragraph below, agree on a revised RESEARCH PLAN which shall be recorded in writing and signed by the authorized representatives of the PARTIES within thirty (30) days of such OPTION EXERCISE DATE. LIPOXEN shall be entitled to compensation for any work carried out pursuant to the revised RESEARCH PLAN on a cost recovery basis and on the same terms as are set out in Section 2.2. Upon the exercise of its option (OPTION EXERCISE DATE), BAXTER shall pay to LIPOXEN a one-time upfront MILESTONE PAYMENT of [***] , due within thirty (30) days of signing the revised RESEARCH PLAN. Following the EXERCISE OPTION DATE, BAXTER shall be committed to make the additional MILESTONE PAYMENTS referenced in Schedule III upon the occurrence of the events set forth therein (subject to any deductions for the prepayment of such MILESTONE PAYMENTS in accordance with Schedule IV). If the PARTIES cannot agree a revised RESEARCH PLAN within thirty (30) days of receipt by LIPOXEN of the CONTINUATION NOTICE this AGREEMENT shall be deemed automatically terminated.

If a government approval, under the Hart-Scott-Rodino Act of 1976 is legally required before the license set out in Section 3.1 may commence, then:

(a) BAXTER shall be responsible [***] for applying for any such approval;

(b) the PARTIES shall make commercially reasonable efforts to obtain any such approval;

(c) the commencement of the license shall be conditional upon the obtaining of such approval and the Exercise Option Date shall be deemed to be the date upon which any such approval is obtained;

(d) the PARTIES shall be bound by the obligation to agree, record in writing and sign the revised RESEARCH PLAN within the 30 day period set out above but, once agreed and signed, implementation of the revised RESEARCH PLAN shall be conditional upon the obtaining of such approval; and

(e) the 30 day period for payment of the [***] MILESTONE PAYMENT payable pursuant to this Section 2.3 shall commence on the date upon which such approval is obtained.

LIPOXEN shall use commercially reasonable efforts to collaborate and cooperate with BAXTER in researching and developing POTENTIAL PRODUCTS and DELIVERY AGENTS to be utilized in developing POTENTIAL PRODUCTS, pursuant to the RESEARCH PLAN and as directed by the RESEARCH COMMITTEE. Initially, LIPOXEN [***] DELIVERY AGENTS to THERAPEUTIC AGENTS, and shall provide BAXTER with the resulting POTENTIAL PRODUCTS. After the RESEARCH COMMITTEE selects one or more POTENTIAL PRODUCTS to develop, LIPOXEN shall from the OPTION EXERCISE DATE begin transfer of the technology to enable BAXTER to [***] such POTENTIAL PRODUCTS in accordance with Section 2.5 of this AGREEMENT (which transfer will be completed after the LICENSE COMMENCEMENT DATE), and thereafter provide BAXTER with the specific SELECTED DELIVERY AGENTS [***] POTENTIAL PRODUCTS in accordance with the terms of the SUPPLY AGREEMENT.

BAXTER [***] of POTENTIAL PRODUCTS after receipt of the POTENTIAL PRODUCTS and DELIVERY AGENTS, in accordance with the RESEARCH PLAN, and for all costs associated therewith.

For clarity, BAXTER may within the FIELD simultaneously develop one or more POTENTIAL PRODUCTS; take more than one POTENTIAL PRODUCT into

clinical trials; and commercialize more than one POTENTIAL PRODUCT without payment of multiple MILESTONE PAYMENTS except as specifically set forth in Section 8.1.1. During such clinical trials, or in the event of the cancellation or failure of any such clinical trials, LIPOXEN shall continue to provide SELECTED DELIVERY AGENTS throughout the TERM of this AGREEMENT, at BAXTER'S request, in accordance with the terms of the SUPPLY AGREEMENT.

2.4 Marketing Authorization. As between the PARTIES, BAXTER shall be responsible for all development activities under the RESEARCH PLAN, and for the preparation, filing and maintenance of applications for any BLA or MARKETING AUTHORIZATIONS for each COMMERCIAL PRODUCT. BAXTER shall have the sole responsibility for determining which indications and in which countries within the TERRITORY such MARKETING AUTHORIZATIONS will be pursued.

2.5 Selection of POTENTIAL PRODUCTS and Technology Transfer. The RESEARCH COMMITTEE shall select POTENTIAL PRODUCT(S) and, following such selection, LIPOXEN shall from the OPTION EXERCISE DATE transfer to BAXTER (which transfer will be completed after the LICENSE COMMENCEMENT DATE) technology for the purposes of enabling BAXTER to form the POTENTIAL PRODUCTS [***] SELECTED DELIVERY AGENTS to THERAPEUTIC AGENTS [***] In connection with this technology transfer, LIPOXEN will provide BAXTER with a description of the[***] POTENTIAL PRODUCTS, and will assist in the technical transfer of [***] at the [***] used in the RESEARCH PLAN. Such technical transfer will be deemed successfully completed when LIPOXEN's [***] BAXTER, to BAXTER'S satisfaction. The technical transfer will take place at LIPOXEN'S premises. LIPOXEN shall provide BAXTER with one scientist for twenty (20) working days free of charge to effect the technical transfer but thereafter BAXTER shall pay LIPOXEN for all reasonable out-of-pocket costs and expenses LIPOXEN incurs as a result of the technical transfer on the same terms as are set out in Section 2.2.

2.6 RESEARCH COMMITTEE. To facilitate communication between the PARTIES and the implementation of the RESEARCH PLAN during this AGREEMENT, the PARTIES shall appoint a RESEARCH COMMITTEE consisting of two representatives nominated by LIPOXEN and two representatives nominated by BAXTER. The initial representatives shall be set forth in writing within 30 days after the EFFECTIVE DATE. Each PARTY may replace its representatives by prior written notice to the other PARTY. Employees of each PARTY who are not on the RESEARCH COMMITTEE may attend meetings of the RESEARCH COMMITTEE, as required to further the research, development and commercialization of POTENTIAL PRODUCTS and COMMERCIAL PRODUCTS.

The RESEARCH COMMITTEE shall have the authority to: make decisions relating to the modification to, and implementation of, the RESEARCH PLAN; and monitor the day-to-day research and development activities. The RESEARCH COMMITTEE shall have such other responsibilities as set forth herein and as the PARTIES may agree from time to time.

The RESEARCH COMMITTEE shall meet at such times and places, in person or by telephone conferencing, web-conferencing, video conferencing or other electronic communication, as it shall determine to carry out its responsibilities; provided, that an initial meeting of the RESEARCH COMMITTEE by telephone conference call shall take place no later than thirty (30) days after the EFFECTIVE DATE and thereafter LIPOXEN shall update BAXTER on its progress with the RESEARCH PLAN via meetings of the RESEARCH COMMITTEE to be held no less than once every two weeks in a manner to be mutually agreed by parties. Decisions of the RESEARCH COMMITTEE must be unanimous with representatives of LIPOXEN having one collective vote and representatives of BAXTER having one collective vote. If a dispute arises regarding matters within the scope of responsibilities of the RESEARCH COMMITTEE, and the RESEARCH COMMITTEE fails to reach a unanimous decision on its resolution within thirty (30) days of when the dispute was presented to the RESEARCH COMMITTEE, then BAXTER shall have the deciding vote.

For purposes of clarification, the RESEARCH COMMITTEE shall have no authority to: (a) amend the terms of this AGREEMENT or waive any rights that Lipoxen may otherwise have pursuant to the AGREEMENT or otherwise; (b) allocate the ownership of any intellectual property rights or the PARTIES' rights to apply for patents pursuant to Section 13; or (c) require LIPOXEN to deliver or supply a DELIVERY AGENT or comply with a SPECIFICATION which LIPOXEN has not previously agreed in writing.

3. **Licenses to LIPOXEN LICENSED TECHNOLOGY and BAXTER Technology**

3.1 License to BAXTER. Subject to the terms and conditions of this AGREEMENT, from the OPTION EXERCISE DATE, LIPOXEN shall grant to BAXTER and its AFFILIATES a worldwide, exclusive, royalty-bearing license, with the right to grant sublicenses, under the LIPOXEN LICENSED TECHNOLOGY to develop, make, have made, import, export, use sell and have sold POTENTIAL PRODUCTS and COMMERCIAL PRODUCT(S) in the FIELD.

3.2 Terms of Sublicense. The terms of each sublicense under the license granted to BAXTER inSection 3.1 of this AGREEMENT shall be recorded in writing. The SUBLICENSE AGREEMENT shall provide that: (a) any SUBLICENSEE shall be subject to the terms and conditions of this AGREEMENT, (b) the SUBLICENSE AGREEMENT shall terminate automatically on the termination of this AGREEMENT for any reason, (c) further sub-licensing and sub-contracting by the SUBLICENSEE without the prior written consent of LIPOXEN is not permitted. BAXTER shall ensure that each SUBLICENSEE complies fully at all times with the provisions of its SUBLICENSE AGREEMENT and shall be responsible for any breach of the SUBLICENSE AGREEMENT by the SUBLICENSEE, as if the breach had been that of BAXTER under this AGREEMENT. To the extent permitted, BAXTER shall promptly provide LIPOXEN in writing with the identity of any SUBLICENSEE and details of the scope of the SUBLICENSE AGREEMENT.

3.3 No Implied Rights or Licenses. Neither PARTY grants to the other any rights or licenses, including to any BAXTER CORE TECHNOLOGY or LIPOXEN CORE TECHNOLOGY or other intellectual property rights, whether by implication,

estoppel or otherwise, except to the extent expressly provided for under this AGREEMENT. Other than as expressly provided for herein, BAXTER may not develop, make, have made, use, sell, offer or sale or import SELECTED DELIVERY AGENTS, nor may BAXTER copy, distribute, reverse engineer (by way of example but not limitation,by performing tests such as HPLC, gas chromatography or x-ray crystallography), sell, lease, license or otherwise transfer, modify, adapt or create derivatives of SELECTED DELIVERY AGENTS.

3.4 License to LIPOXEN.BAXTER hereby grants to LiPOXEN a non-exclusive, non-sublicensable, non-assignable, non-transferable, worldwide, royalty-free license, under BAXTER KNOW-HOW and BAXTER PATENT RIGHTS for the sole purpose of performing LIPOXEN's obligations under this AGREEMENT, including the RESEARCH PLAN.

3.5 Mutual Covenant. Each PARTY covenants and agrees that it and its AFFILIATES shall not use or practice the intellectual property rights licensed under this AGREEMENT except as expressly permitted by this AGREEMENT. Any use or practice of the intellectual property rights licensed under this AGREEMENT except as expressly permitted by this AGREEMENT that results in material harm to the other PARTY shall contitute a material breach of this AGREEMENT. Each PARTY covenants and agrees to cease any non-permitted use and to take all actions necessary to assign to the other PARTY any inventions made through use or practice of such PARTY'S intellectual property rights outside the scope of the license rights granted hereunder.

3.6 BAXTER warrants [***] are the only PATENT or PATENT APPLICATIONS filed by or granted to BAXTER as at the EFFECTIVE DATE that relates [***].

4. **Manufacture and Supply of SELECTED DELIVERY AGENTS**

4.1 After successful completion of STAGE I and BAXTER'S decision to exercise its option to continue the collaboration pursuant to the terms of this AGREEMENT, the PARTIES shall enter into a separate, written supply agreement pursuant to which LIPOXEN shall supply SELECTED DELIVERY AGENTS in accordance with a QUALITY AGREEMENT also to be agreed, on a cost pass-through basis

as set forth in Section 4.2. LIPOXEN shall not be obliged to supply to BAXTER pursuant to this AGREEMENT, the SUPPLY AGREEMENT or otherwise any SELECTED DELIVERY AGENT other than [***] that comprises the [***] DELIVERY AGENT"); provided that if BAXTER has a scientific and commercially reasonable need for using a SELECTED DELIVERY AGENT other than [***] DELIVERY AGENT and LIPOXEN cannot supply the SELECTED DELIVERY AGENT, BAXTER may invoke its MANUFACTURING RIGHTS. The SUPPLY AGREEMENT will terminate on termination or expiration of this AGREEMENT and will have standard terms and conditions for a medical or pharmaceutical products contract manufacturing agreement. The SUPPLY AGREEMENT will provide that LIPOXEN will be entitled to sub-contract its obligations under any such supply agreement; provided that (a) such sub-contract shall include compliance with the terms of the QUALITY AGREEMENT and (b) if LIPOXEN utilizes more than one manufacturer for the SELECTED DELIVERY AGENTS, BAXTER shall have the right in its sole discretion to (i) select the manufacturer from LIPOXEN's approved list of suppliers and (ii) inspect such manufacturer's facilities solely for the purposes of ensuring quality control in accordance with the QUALITY AGREEMENT including the fulfillment of any FDA, EMEA or other regulatory requirements (and LIPOXEN shall ensure that BAXTER shall have such inspection rights in the agreement with its supplier). ..

4.2 The SUPPLY The SUPPLY AGREEMENT will provide that for so long as LIPOXEN is supplying BAXTER with SELECTED DELIVERY AGENTS, BAXTER shall pay LIPOXEN its costs for each SELECTED DELIVERY AGENT. Such costs shall be either all of the cost paid by LIPOXEN and associated with procuring the SELECTED DELIVERY AGENT (in the event LIPOXEN uses a THIRD PARTY contract manufacturer), including the cost of the freight, insurance and any taxes payable thereon, or its MANUFACTURING COSTS (in the event LIPOXEN manufactures the reagent itself). The PARTIES shall use their reasonable efforts to mutually agree to terms in the SUPPLY AGREEMENT relating to of the DELIVERY AGENTS provided that BAXTER shall control the terms for transfer of title with respect to such DELIVERY AGENTS (as between BAXTER and LIPOXEN); and LIPOXEN shall use reasonable

efforts to require all suppliers to consent to such terms. “MANUFACTURING COST” means all direct manufacturing costs incurred in the manufacture of SELECTED DELIVERY AGENT plus an overhead allocation which shall be [***] of direct manufacturing costs. Direct manufacturing costs shall include:

A. Direct material costs:

1. The cost of raw materials, process consumables (i.e., resins, membranes, etc.), containers, container components, packaging, labels and other printed materials used in production;

2. Scrap of raw materials, work in progress and finished goods (exclusive of losses in excess of a reasonable allowance for normal wastage limits);

B. Direct labor costs include salaries and fringe benefits for personnel directly involved in the manufacturing process; and

C. Direct service costs include costs of services provided by THIRD PARTIES for the manufacture of SELECTED DELIVERY AGENT or any component thereof (e.g., sterilization and specialized testing, manufacturing of raw materials).

D. Costs of freight and insurance; and

E. Any value added tax, sales or turnover taxes, excise taxes and customs duties.

MANUFACTURING COST will be calculated in accordance with generally accepted accounting principles (“GAAP”) applied on a consistent basis in the country of manufacture. The “cost” for purchased materials or services will include the actual amount paid including the benefit of any price reductions, payment or terms discounts, or other reimbursements, such as volume discounts, that may be applicable to such purchases.

In addition to the foregoing, the SUPPLY AGREEMENT will provide that LIPOXEN will notify BAXTER of its estimate of its MANUFACTURING COST {"Estimated Cost") two months before the start of BAXTER'S calendar year and such Estimated Cost shall then apply throughout the following calendar year of supply of SELECTED DELIVERY AGENT, At the end of each year, LIPOXEN will perform a true-up, such that if the actual MANUFACTURING COST is higher or lower than the Estimated Cost, then BAXTER will reimburse to LIPOXEN, or LIPOXEN will reimburse BAXTER (as the case may be), the difference between the Estimated Cost and the actual MANUFACTURING COST for all SELECTED DELIVERY AGENT supplied in the applicable calendar year.

BAXTER shall be entitled to audit such MANUFACTURING COSTS pursuant to Section 9.2.

4.3 At any time after completion of the first PHASE 2 CLINICAL TRIAL in relation to a POTENTIAL PRODUCT or pursuant to Section 4.1, if BAXTER notifies LIPOXEN in writing that it elects to manufacture the SELECTED DELIVERY AGENTS (either directly or indirectly by having them manufactured on its behalf by a THIRD PARTY contract manufacturer), LIPOXEN shall transfer to BAXTER or to BAXTER'S designated contract manufacturer, the MANUFACTURING TECHNOLOGY on a cost recovery basis for LIPOXEN equivalent to that set out in Section 2.2 for Stage I, for the purposes of enabling BAXTER or BAXTER'S contract manufacturer, as the case may be, to manufacture the SELECTED DELIVERY AGENT and shall, for the TERM of this AGREEMENT, grant BAXTER or BAXTER'S contract manufacturer a non-exclusive license to use the MANUFACTURING TECHNOLOGY for the purposes of manufacturing SELECTED DELIVERY AGENTS for use only in the manufacture of POTENTIAL PRODUCTS and COMMERCIAL PRODUCTS in the FIELD. For the avoidance of doubt, the license granted pursuant to this Section 4.3 shall not entitle BAXTER or its contract manufacturer to sell or supply SELECTED DELIVERY AGENTS to THIRD PARTIES or to use SELECTED DELIVERY AGENTS for any use other than is expressly set out in this Section 4.3. This technology transfer will include transferring any specifications and a description of [***] the SELECTED DELIVERY AGENT. LIPOXEN will assist in the technical transfer of [***] and the technical transfer will be deemed successfully completed when

LIPOXEN's results are successfully reproduced by BAXTER or BAXTER'S contract manufacturer, as the case may be. BAXTER'S only remedy if it is unable to successfully reproduce LIPOXEN'S results is to require LIPOXEN to continue to supply [***] until such time as the technology transfer is successful. LIPOXEN shall notify BAXTER of, and provide BAXTER with access to, any and all improvements or developments to the MANUFACTURING TECHNOLOGY (if any) developed after the date of such technology transfer.

5. **SPECIFICATIONS and Manufacturing Warranty for SELECTED DELIVERY AGENTS**

5.1 Specifications. The SUPPLY AGREEMENT will provide that for so long as LIPOXEN is supplying DELIVERY AGENTS, the SPECIFICATIONS for DELIVERY AGENT CANDIDATES and SELECTED DELIVERY AGENTS to be supplied by LIPOXEN will be agreed to by the PARTIES and set forth in the QUALITY AGREEMENT. Any modifications of the SPECIFICATIONS shall require prior written approval of BAXTER and LIPOXEN, not to be unreasonably withheld or delayed. BAXTER shall reimburse LIPOXEN for its reasonable costs associated with implementing any agreed upon modifications to the SPECIFICATIONS (equivalent to the cost recovery basis set out in Section 2.2 for STAGE I), including any increases in MANUFACTURING COSTS. Notwithstanding the foregoing, LIPOXEN shall be responsible for all costs associated with implementing any modifications to the SPECIFICATIONS initiated by LIPOXEN that do not directly relate to the development or improvement of SELECTED DELIVERY AGENTS, including any increases in MANUFACTURING COSTS.

5.2 Compliance Audits. The SUPPLY AGREEMENT will provide that for so long as LIPOXEN is supplying DELIVERY AGENTS, BAXTER will have the right to perform compliance/quality audits, as set forth in the QUALITY AGREEMENT.

5.3 Warranty. LIPOXEN will warrant in the SUPPLY AGREEMENT that: (a) each SELECTED DELIVERY AGENT shall be manufactured in compliance with the agreed-upon standard operating procedures (SOP), manufacturing protocols,

quality standards and testing methods for such SELECTED DELIVERY AGENT; (b) each SELECTED DELIVERY AGENT; (b) each SELECTED DELIVERY AGENT shall meet the chemical and biochemical composition and stability criteria as defined in the RESEARCH PLAN and/or QUALITY AGREEMENT, (c) to the knowledge of LIPOXEN, the SELECTED DELIVERY AGENT or the use thereof to make POTENTIAL PRODUCTS or COMMERCIAL PRODUCT(S) will not infringe the PATENT RIGHTS of a THIRD PARTY, and (d) each shipment of SELECTED DELIVERY AGENT shall, upon delivery, be in conformity with the applicable SPECIFICATIONS.

In addition, LIPOXEN warrants that to the knowledge of LIPOXEN, the use of the DELIVERY AGENT provided to BAXTER by LIPOXEN under this AGREEMENT to make POTENTIAL PRODUCTS or COMMERCIAL PRODUCTS for use in the FIELD will not infringe the PATENT RIGHTS of any THIRD PARTY and LIPOXEN shall promptly notify BAXTER in the event it becomes aware that the DELIVERY AGENT provided to BAXTER by LIPOXEN under this AGREEMENT to make POTENTIAL PRODUCTS or COMMERCIAL PRODUCT(S) for use in the FIELD, infringes the PATENT RIGHTS of a THIRD PARTY

6. **Exclusivity; Covenant Not to Compete**

6.1 LIPOXEN.In consideration of the MILESTONE PAYMENTS, ROYALTY RATES and other consideration set forth herein, LIPOXEN agrees during the TERM of this AGREEMENT to partner exclusively with BAXTER in the FIELD. During the TERM of this AGREEMENT, LIPOXEN will not directly or indirectly (whether as principal, agent, independent contractor, partner or otherwise) own, manage, operate, control, participate in, perform services for, grant licenses to, or otherwise carry on, a COMPETITIVE BUSINESS anywhere in the TERRITORY. The Territory shall include any place inside or outside the United States (it being understood by the PARTIES hereto that the prohibited activities are not limited to any particular region because such business has been conducted by LIPOXEN inside and outside the United States and the prohibited activities may be engaged in effectively from any location inside or outside of the United States).

The PARTIES specifically acknowledge and agree that the remedy at law for any breach of the foregoing shall be inadequate and that BAXTER, in addition to any other relief available to it, shall be entitled to temporary and permanent injunctive relief without the necessity of providing actual damage. In the event that the provisions of this Section 6.1 should ever be deemed to exceed the limitation provided by applicable law, then the PARTIES agree that such provisions shall be reformed to set forth the maximum limitations permitted.

Nothing set forth in this Section 6.1 shall prohibit LIPOXEN from owing up to 5% in the aggregate of any class of capital stock of any corporation if such stock is publicly traded and listed on any national or regional stock exchange or on the NASDAQ national market system or the NASDAQ Small Cap Market.

6.2 BAXTER. Nothing in this AGREEMENT shall be deemed to limit BAXTER'S operations in or outside the FIELD. LIPOXEN hereby acknowledges that BAXTER is pursuing other methods and technologies (alone and in conjunction with others) to [***]

7. Quality and Complaints

7.1 Analysis. The SUPPLY AGREEMENT will provide that after BAXTER's designation of one or more POTENTIAL PRODUCT or one or more [***] DELIVERY AGENTS, the PARTIES shall establish written evaluation procedures and evaluation time lines in which to analyze shipments of SELECTED DELIVERY AGENTS and verify DELIVERY AGENT quality using methods consistent with test procedures set forth in the QUALITY AGREEMENT to be mutually agreed by the PARTIES.

7.2 Complaints Procedure. Complaints shall be handled as set forth in, and in accordance with, the QUALITY AGREEMENT.

8. Milestone Events and Payments; Royalty Payments; Royalty Reports

8.1 Milestone Payments. Provided BAXTER has exercised the option set forth in Section 2.3 above, BAXTER shall make the MILESTONE PAYMENTS to LIPOXEN in accordance with the occurrence of the MILSTONE EVENTS provided in Schedule III hereto for POTENTIAL PRODUCTS and COMMERCIAL PRODUCTS, as the case may be (subject to the deductions set out in Section 8.2).

The MILESTONE PAYMENTS shall be in addition to any royalty or other payments due under this AGREEMENT. Once a MILESTONE EVENT has been reached LIPOXEN shall submit an invoice to BAXTER for the relevant MILESTONE PAYMENT (unless previously been paid under Schedule IV).

8.1.1 There shall be no multiple MILESTONE PAYMENTS for multiple products or multiple indications except that BAXTER shall be required to make an additional [***] MILESTONE PAYMENT in the event:

(i) BAXTER has entered into clinical trials for the development of a POTENTIAL PRODUCT for a specific label indication, and

(ii) BAXTER terminates such clinical trials and elects to pursue the development of this or a different POTENTIAL PRODUCT with a different label indication within the FIELD, and

(iii) the termination of the development of the POTENTIAL PRODUCT in clinical trials is not due to the failure to meet satisfactory clinical endpoints (a "CLINICAL FAILURE").

In such event, the [***] on the selection of one or more lead candidates to be developed for the new label indication. Any label indication in the same disease area shall be considered the same label indication. For example, an indication for the [***] and an indication for [***] shall be considered the same label indication.

For clarity, in the event BAXTER develops multiple POTENTIAL PRODUCTS with the same label indication, whether simultaneously or sequentially, whether in preclinical or clinical trials or launches multiple COMMERCIAL PRODUCTS with the same label indication, then no additional MILESTONE PAYMENTS are due. In the event Baxter launches multiple POTENTIAL PRODUCTS with different label

indications, whether simultaneously or sequentially, whether in preclinical or clinical trials or launches multiple COMMERCIAL PRODUCTS with different label indications, then then no additional MILESTONE PAYMENTS are due. In the event Baxter cancels the development of a POTENTIAL PRODUCT due to a CLINICAL FAILURE and develops another POTENTIAL PRODUCT, whether in the same or different label indication(s), then no additional MILESTONE PAYMENTS are due.

For example, if BAXTER terminates the development of a POTENTIAL PRODUCT with a targeted indication [***] prior to initiating clinical trials and elects to develop a different POTENTIAL PRODUCT with a targeted indication [***] then no additional MILESTONE PAYMENT shall be due.

For example, if BAXTER terminates the development of a POTENTIAL PRODUCT with a targeted indication [***] after initiating clinical trials, and there has been no CLINICAL FAILURE, and elects to develop a different POTENTIAL PRODUCT with a targeted indication of [***] then an additional [***] MILESTONE PAYMENT shall be due upon the selection of the lead candidate.

8.2 BAXTER may extend the date of the due diligence milestone event set out in Schedule IV once only by paying LIPOXEN the corresponding due diligence milestone payment in advance, as set out in Schedule IV. The due diligence milestone payment must be received by LIPOXEN on or prior to the relevant due diligence milestone date in which case the relevant due diligence milestone date shall be extended by the number of corresponding months set out in Schedule IV. BAXTER shall be entitled to deduct any due diligence milestone payments paid to LIPOXEN from the MILESTONE PAYMENT that becomes due and payable to LIPOXEN following the due diligence milestone date.

8.3 Royalties. BAXTER shall pay LIPOXEN royalties in an amount equal to the product of the ROYALTY RATE times the annual aggregate NET SALES of all COMMERCIAL PRODUCTS with the same label indication sold or supplied in all countries where the manufacture, import, use or sale of COMMERCIAL

PRODUCT(S) is covered by a VALID PATENT CLAIM. The ROYALTY RATE shall be [***] in respect of COMMERCIAL PRODUCTS sold or supplied in a country where there is no VALID PATENT CLAIM covering the manufacture, use, import or sale of COMMERCIAL PRODUCT(S). BAXTER shall not pay any royalty for the POTENTIAL or COMMERCIAL PRODUCT used or sold for clinical trial purposes.

For purposes of calculating the applicable royalty rate the NET SALES of all COMMERCIAL PRODUCTS with the same label indication shall be combined in order to determine BAXTER'S applicable royalty rate tier. In addition and by way of example, if BAXTER were to have NET SALES of [***] in a given calendar year, the royalty payable by Baxter pursuant to Section 8.2 would be [***] (a ROYALTY RATE of[***] applied to the [***] plus (a ROYALTY RATE of [***] applied to the next [***] for such year).

8.4 Royalty Term. The obligation of BAXTER to pay royalties to LIPOXEN pursuant to Section 8.2 above shall expire [***] after the FIRST COMMERCIAL SALE of a COMMERCIAL PRODUCT in a particular country or [***] whichever is longer.

8.4 SEPARATE COMPONENTS. If components of a COMMERCIAL PRODUCT are sold separately, the NET SALES of such COMMERCIAL PRODUCT shall be calculated as if the components of the COMMERCIAL PRODUCT were not sold separately; provided that no provision of this Agreement shall be construed as requiring the payment of more than a single royalty per single COMMERCIAL PRODUCT. For example, if a COMMERCIAL PRODUCT [***] which is intended to be used with and to improve the [***] the NET SALES of such COMMERCIAL PRODUCT shall be deemed to include the amount invoiced (less the reductions set out in the definition of NET SALES) by BAXTER, its SUBLICENSEES and/or their respective AFFILIATES[***] with which such COMMERCIAL PRODUCT is intended to be used.

8.5 Reports, Exchange Rates. BAXTER shall keep LIPOXEN fully informed about the progress of its development of any and all POTENTIAL PRODUCTS and COMMERCIAL PRODUCTS and BAXTER shall immediately notify LIPOXEN in writing as soon as any of the MILESTONE EVENTS have been reached. BAXTER shall notify LIPOXEN in writing promptly upon the FIRST COMMERCIAL SALE of each COMMERCIAL PRODUCT in each country in which BAXTER elects to pursue commercialization. Commencing upon the FIRST COMMERCIAL SALE of a COMMERCIAL PRODUCT, BAXTER shall furnish to LIPOXEN a quarterly written report (per QUARTER) showing, on a country-by-country basis, according to the volume of units of such COMMERCIAL PRODUCT sold in each such country (by SKU) during the reporting period: (a) the gross invoiced sales of the COMMERCIAL PRODUCT sold in each country during the reporting period, and the amounts deducted there from to determine NET SALES from such gross invoiced sales; (b) the royalties payable in DOLLARS, if any, which shall have accrued hereunder based upon the NET SALES of the COMMERCIAL PRODUCT; (c) the withholding taxes, if any, required by LAW to be deducted in respect of such sales; and (d) the date of the FIRST COMMERCIAL SALE of the COMMERCIAL PRODUCT in each country during the reporting period. With respect to sales of COMMERCIAL PRODUCT invoiced in DOLLARS, the gross invoiced sales, NET SALES, and royalties payable shall be expressed in the report in DOLLARS. With respect to sales of COMMERCIAL PRODUCT invoiced in a currency other than DOLLARS, the gross invoiced sales, NET SALES and royalties payable shall be expressed in the report provided hereunder in the domestic currency of the PARTY making the sale as well as in the DOLLAR equivalent of the royalty payable and the exchange rate used in determining the amount of DOLLARS. The DOLLAR equivalent shall be calculated using the average exchange rate (local currency per DOLLAR) published in The Wall Street Journal, Western Edition, under the heading "Currency Trading," on the last business day of each month during the applicable calendar quarter. Reports shall be due hereunder forty-five (45) days following the close of each QUARTER and shall be the CONFIDENTIAL INFORMATION of BAXTER.

9. **Records; Audits; Shipment Terms; Payment Terms**

9.1 Records. During the TERM of this AGREEMENT, the PARTIES shall, and shall procure that their respective AFFILIATES and SUBLICENSEES shall, keep complete and accurate records in sufficient detail to make the reports required hereunder, to confirm their respective compliance with the provisions of this AGREEMENT, to properly reflect all amounts billed, owed or reported and to verify the determination of all amounts payable hereunder for a period of two (2) years after such payments are made.

9.2 Audits. Upon the written request of a PARTY, the other PARTY shall permit, and shall procure that its AFFILIATES and SUBLICENSEES shall permit, an independent certified public accounting firm of recognized national standing in the United States or Europe, selected by the requesting PARTY and reasonably acceptable to the other PARTY, at the requesting PARTY'S expense, to have access to such PARTY'S {or their AFFILIATES or SUBLICENSEES) records as may be reasonably necessary to verify (i) the accuracy of any amounts reported, actually paid or payable under this AGREEMENT for any year ending not more than twenty-four (24) months prior to the date of such request. Such audits may be made no more than once each calendar year, during normal business hours at reasonable times mutually agreed by the PARTIES. If such accounting firm concludes that additional amounts were owed to the requesting PARTY during such period, or if the requesting PARTY overpaid for any rates or fees for products or services, the other PARTY shall pay such additional amounts or refund such overpayment (including interest on such additional sums in accordance with Section 9.4) within thirty (30) days of the date the requesting PARTY delivers to the other PARTY such accounting firm's written report so concluding. The fees charged by such accounting firm shall be paid by the requesting PARTY; provided however, that if the audit discloses that the amounts payable by such PARTY for the audited period are more than one hundred ten percent (110%) of the amounts actually paid for such period, or if the audit discloses that such PARTY has overcharged the requesting PARTY for rates or fees for products or services by over ten percent (10%), then the requesting PARTY shall pay the reasonable fees and expenses charged by such accounting firm. Upon the expiration of twenty-four (24) months following the end of any calendar year, the calculation of any amounts payable with respect to such calendar year, rates or fees charged for such year shall be binding and conclusive upon the PARTIES.

9.3 Invoicing; Payment Terms. The SUPPLY AGREEMENT will provide that LIPOXEN shall send invoices to BAXTER for any SELECTED DELIVERY AGENT shipped to BAXTER no earlier than the date of shipment. All invoices issued under this AGREEMENT or the SUPPLY AGREEMENT shall be in DOLLARS. Except for the first RESEARCH PLAN payment set forth in Schedule II, all payments due under this AGREEMENT shall be due and payable sixty (60) days from date of invoice. Royalties payable to LIPOXEN pursuant to section 8.2 shall be due and payable on the date the royalty report relating to them is due. All sums due under this Agreement shall be made by the due date, failing which the payee may charge interest on any outstanding amount calculated on an annual basis and at a rate equivalent to the [***] on the date such outstanding amount became due.

9.4 Payment Method. All payments by BAXTER under this AGREEMENT shall be paid in DOLLARS, and all such payments shall be made in electronic funds to such account as LIPOXEN shall designate before such payment is due. If at any time legal restrictions prevent the prompt remittance or part or all royalties due with respect to sales of any COMMERCIAL PRODUCT in any country where such COMMERCIAL PRODUCT is sold, BAXTER shall use its reasonable efforts to ensure that such payments shall be made promptly through such lawful means or methods as BAXTER and LIPOXEN shall reasonably determine.

9.5 Taxes. All amounts due hereunder: (a) are exclusive of Value Added Tax or any other sales tax or duties provided that LIPOXEN shall cooperate with BAXTER to minimize any tax liability; and (b) shall be paid net of any deduction for withholding of any taxes or similar governmental charges imposed by any governmental jurisdiction. BAXTER shall provide LIPOXEN with evidence of its payment of any such withholdings that may be required and will use its reasonable endeavors to assist LIPOXEN to obtain appropriate relief for the double taxation of the payment in question.

10. **Confidentiality**

10.1 Termination of NON-DISCLOSURE AGREEMENT. All provisions of, rights granted and covenants made in the NON-DISCLOSURE AGREEMENT are hereby terminated and of no further force and effect and are superseded in their entirety by the provisions of, rights granted and covenants made in this AGREEMENT. The PARTIES acknowledge and agree that any disclosure made pursuant to the NON-DISCLOSURE AGREEMENT shall be governed by the terms and conditions of this Article 10.

10.2 In General. For the TERM and for a period of [***] thereafter, each PARTY shall maintain in confidence all information and materials of the other PARTY (including KNOW-HOW, samples of THERAPEUTIC AGENT, CONJUGATES, DELIVERY AGENT, SELECTED DELIVERY AGENT, POTENTIAL PRODUCTS and COMMERCIAL PRODUCTS) disclosed or provided to it by the other PARTY (either pursuant to this AGREEMENT or the NON-DISCLOSURE AGREEMENT) including the terms and conditions (but not the existence) of this AGREEMENT. CONFIDENTIAL INFORMATION shall be identified as confidential in writing or, if disclosed verbally or by observation, summarized in writing and submitted to RECIPIENT within thirty (30) days of the oral or visual disclosure thereof (together with all embodiments thereof, the "CONFIDENTIAL INFORMATION"). CONFIDENTIAL INFORMATION shall include both BAXTER materials and LIPOXEN materials. It may also include information regarding intellectual property and confidential or proprietary information of AFFILIATES and THIRD PARTIES. The terms and conditions of this AGREEMENT and the NON-DISCLOSURE AGREEMENT, also shall be deemed CONFIDENTIAL INFORMATION of both PARTIES.

Notwithstanding the foregoing, CONFIDENTIAL INFORMATION shall not include that portion of information or materials that the RECIPIENT can demonstrate by contemporaneous written records was:

(i) known to the general public at the time of its disclosure to the RECIPIENT, or thereafter became generally known to the general public, other than as a result of actions or omissions of the RECIPIENT in violation of this AGREEMENT or the NONDISCLOSURE AGREEMENT;

(ii) disclosed to the RECIPIENT on an unrestricted basis from a source unrelated to the DISCLOSING PARTY and not known to be under a duty of confidentiality to the DISCLOSING PARTY; or

(iii) independently developed by the RECIPIENT, or known by the RECIPIENT prior the date of disclosure by the RECIPIENT, without the use of CONFIDENTIAL INFORMATION of the DISCLOSING PARTY.

Any combination of features or disclosures shall not be deemed to fall within the foregoing exclusions merely because individual features are published or known to the general public or in the rightful possession of the RECIPIENT unless the combination itself and principle of operation thereof are published or known to the general public or are in the rightful possession of the RECIPIENT.

10.3 Additional Protections. Each PARTY shall take reasonable steps to maintain the confidentiality of the CONFIDENTIAL INFORMATION of the other PARTY, which steps shall be no less protective than those that such PARTY takes to protect its own information and materials of a similar nature, but in no event less than a reasonable degree of care. Neither PARTY shall use or permit the use of any CONFIDENTIAL INFORMATION of the other PARTY except for the purposes of carrying out its obligations or exercising its rights under this AGREEMENT. All CONFIDENTIAL INFORMATION of a PARTY, including all copies and derivations thereof, is and shall remain the sole and exclusive property of the DISCLOSING PARTY and subject to the restrictions provided for herein. Neither PARTY shall disclose any CONFIDENTIAL INFORMATION of the other PARTY other than to those of its directors, officers, AFFILIATES, employees, licensors, independent contractors, SUBLICENSEES, assignees, agents and external advisors directly concerned with the carrying out of this AGREEMENT, on a strictly applied “need to know” basis. Other than as expressly permitted herein, RECIPIENT may not use CONFIDENTIAL INFORMATION of the other PARTY in applying for PATENTS or securing other intellectual property rights.

10.4 Permitted Disclosures. The obligations of Sections 10.1 and 10.2 shall not apply to the extent that RECIPIENT is required to disclose information by LAW, judicial

order by a court of competent jurisdiction, or rules of a securities exchange or requirement of a governmental agency for purposes of obtaining approval to test or market POTENTIAL PRODUCTS or COMMERCIAL PRODUCT(S), or discloses information to a patent office for the purposes of filing a PATENT as permitted in this AGREEMENT; provided that the RECIPIENT shall provide prior written notice thereof to the DISCLOSING PARTY and sufficient opportunity for the DISCLOSING PARTY to review and comment on such required disclosure and request confidential treatment thereof or a protective order therefore.

10.5 Irreparable Injury. The PARTIES acknowledge that either PARTY'S breach of this Article 10 may cause the other PARTY irreparable injury for which it may not have an adequate remedy at LAW. In the event of a breach, the nonbreaching PARTY shall be entitled to seek injunctive relief in addition to any other remedies it may have at LAW or in equity.

11. **Representations & Warranties; Limitation of Liability**

11.1 Representations. Each PARTY represents and warrants to the other that as of the EFFECTIVE DATE to the best of its knowledge and belief: (a) it has the full corporate power to enter into and perform this AGREEMENT; (b) this AGREEMENT constitutes its legal, valid and binding obligation; (c) it has sufficient legal and/or beneficial title or other rights under its intellectual property rights to grant the licenses contained in this AGREEMENT and has no knowledge of any CLAIMS challenging the ownership of such intellectual property rights; (d) each PARTY'S professional employees, officers, contractors and consultants that will be involved with this AGREEMENT and the RESEARCH PLAN, has executed an agreement that requires such employee, officer, contractor or consultant, to the extent permitted by LAW, to assign all INVENTIONS, PATENTS, and KNOW-HOW made during the course of and as a result of the performance of such PARTY'S obligations under this AGREEMENT, to such PARTY; and (e) each of such PARTY'S employees, officers, contractors and consultants are subject to confidentiality obligations.

11.2 EXCEPT FOR EITHER PARTY'S INDEMNIFICATION OBLIGATIONS, IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY SPECIAL,

CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR INDIRECT DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT ON ANY THEORY OF LIABILITY, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGES.

11.3 Exclusions. All statements, representations (other than fraudulent misrepresentations), warranties, terms and conditions (whether express or implied) as to the suitability and/or usefulness of the LIPOXEN LICENSED TECHNOLOGY for any particular purpose including, without limitation, the development of POTENTIAL PRODUCTS and COMMERCIAL PRODUCTS are hereby excluded to the maximum extent permissible by law. For purposes of clarification, nothing herein shall limit LIPOXEN's indemnification obligations.

12. **Indemnification; Insurance**

12.1 Indemnity.

12.1.1 By LIPOXEN. LIPOXEN shall defend, indemnify and hold BAXTER, BAXTER'S SUBLICENSEES and AFFILIATES and their respective shareholders, directors, officers, employees and agents (each, a "BAXTER INDEMNITEE") harmless from and against all losses, liabilities, damages, costs and expenses (including reasonable attorney's fees and costs of investigation and litigation, regardless of outcome) resulting from all claims, demands, actions and other proceedings by or on behalf of any THIRD PARTY (including any governmental authority) (collectively, "CLAIMS") to the extent arising from: (a) the breach of any representation, warranty, covenant or material obligation of LIPOXEN under this AGREEMENT; (b) the manufacturing, testing, storage, handling, transportation, disposal (including any recalls, field corrections or market withdrawals) of DELIVERY AGENTS by LIPOXEN (including as a result of any illness, injury or death to persons (including employees, agents or contractors of BAXTER or its SUBLICENSEES) or damage to property); or (c) the gross negligence, recklessness or willful misconduct of LIPOXEN or

any THIRD PARTY agents or subcontractors in the performance of its obligations under this AGREEMENT, except in each case to the extent such CLAIM arises from BAXTER'S material breach of this AGREEMENT or the gross negligence, recklessness or willful misconduct of a BAXTER INDEMNITEE.

12.1.2 By BAXTER. BAXTER shall defend, indemnify and hold LIPOXEN, LIPOXEN AFFILIATES, and their respective shareholders, directors, officers, employees and agents (each, a "LIPOXEN INDEMNITEE") harmless from and against all CLAIMS to the extent arising from: (a) the breach of any representation, warranty, covenant or material obligation of BAXTER under this AGREEMENT; (b) the development (including the conduct of clinical trials in humans), manufacturing, testing, storage, handling, transportation, disposal, commercialization (including any recalls, field corrections or market withdrawals), marketing, distribution, promotion, sale or use of POTENTIAL PRODUCTS or COMMERCIAL PRODUCT(S) (including as a result of any illness, injury or death to persons (including employees, agents or contractors of BAXTER or its SUBLICENSEES) or damage to property); or (c) the gross negligence, recklessness or misconduct of BAXTER or its SUBLICENSEES or any of their respective THIRD PARTY agents or subcontractors in the performance of its or their obligations under this AGREEMENT, except in each case to the extent such claim, demand, action or proceeding arises from LIPOXEN'S material breach of this AGREEMENT or the gross negligence, recklessness or willful misconduct of a LIPOXEN INDEMNITEE.

12.2 Insurance. From the commencement of the first PHASE I CLINICAL TRIAL, each PARTY shall, at its own expense, maintain comprehensive general liability insurance, including product liability insurance, in the minimum amount of one million DOLLARS ($1,000,000) per occurrence, and three million DOLLARS ($3,000,000) in the aggregate. BAXTER has the right to self-insure. Any independent insurance carriers must be rated A-, VII or better by A.M. Best Company or the equivalent European standard. The PARTIES shall maintain such insurance for the TERM of this AGREEMENT, and shall from time to time

provide copies of certificates of such insurance to each other upon request. If the insurance policy is written on a claims-made basis than the coverage must be kept in place for at least seven (7) years after the termination of this AGREEMENT.

12.3 Procedures. If any CLAIM covered by Section 12.1 is brought, the indemnifying PARTY'S obligations are conditional upon the following:

(i) the indemnified PARTY shall promptly notify the indemnifying PARTY in writing of such CLAIM, provided, however, the failure to provide such notice within a reasonable period of time shall not relieve the indemnifying PARTY of any of its obligations hereunder except to the extent the indemnifying PARTY is prejudiced by such failure or delay.

(ii) the indemnifying PARTY shall assume, at its cost and expense, the sole defense of such CLAIM through counsel selected by the indemnifying PARTY and reasonably acceptable to the other PARTY, except that those indemnified may at their option and expense select and be represented by separate counsel;

(iii) the indemnifying PARTY shall maintain control of such defense and/or the settlement of such CLAIM; (iv) those indemnified may, at their option and expense, participate in such defense, and if they so participate, the indemnifying PARTY and those indemnified shall cooperate with one another in such defense;

(v) the indemnifying PARTY will have authority to consent to the entry of any monetary judgment, to enter into any settlement or otherwise to dispose of such CLAIM (provided and only to the extent that an indemnified PARTY does not have to admit liability and such judgment does not involve equitable relief), and an indemnified PARTY may not consent to the entry of any judgment, enter into any settlement or otherwise to dispose of such CLAIM without the prior written consent of the indemnifying PARTY (not to be unreasonably withheld or delayed); and

(vi) the indemnifying PARTY shall pay the full amount of any judgment, award or settlement with respect to such CLAIM and all other costs, fees and expenses

related to the resolution thereof; provided that such other costs, fees and expenses have been incurred or agreed, as the case may be, by the indemnifying PARTY in its defense or settlement of the CLAIM.

13. INVENTIONS, KNOW-HOW and PATENTS

13.1 Existing Intellectual Property. Other than as expressly provided in this AGREEMENT, neither PARTY grants nor shall be deemed to grant any right, title or interest to the other PARTY in any PATENT, PATENT APPLICATION, KNOW-HOW or other intellectual property right CONTROLLED by such PARTY as of the EFFECTIVE DATE.

13.2 Disclosure. Each PARTY shall promptly disclose In writing to the other all INVENTIONS arising from the joint or separate activities (including any INVENTIONS first made, conceived or first reduced to practice as a result of such activities) of the PARTIES or their agents or independent contractors in connection with the performance of their obligations or activities under this AGREEMENT (including in carrying out its activities under the RESEARCH PLAN and the development or manufacture of POTENTIAL PRODUCTS or COMMERCIAL PRODUCT(S)); provided, however, that LIPOXEN shall not be obligated to disclose a SOLE INVENTION to the extent such SOLE INVENTION falls within the scope of LIPOXEN CORE TECHNOLOGY and that BAXTER shall not be obligated to disclose a SOLE INVENTION to the extent such SOLE INVENTION falls within the scope of BAXTER CORE TECHNOLOGY.

13.3 Ownership of INVENTIONS. Except as otherwise set forth in Sections 13.4 or 13.5, all INVENTIONS made solely by employees, agents or independent contractors of a PARTY during the course or performance of this AGREEMENT (including in carrying out its activities under the RESEARCH PLAN and the development or manufacture of POTENTIAL PRODUCTS or COMMERCIAL PRODUCTS) (each, a “SOLE INVENTION”) shall be the exclusive property of such PARTY. Except as otherwise set forth in Sections 13.4 or 13.5, if employees, agents or independent contractors of each of LIPOXEN and BAXTER jointly develop any INVENTION during the course and in the performance of activities conducted in connection with this AGREEMENT

(including in carrying out its activities under the RESEARCH PLAN and the development or manufacture of POTENTIAL PRODUCTS or COMMERCIAL PRODUCTS) (each, a "JOINT INVENTION"), BAXTER and LIPOXEN shall each own an undivided one-half (y2) interest in and to such JOINT INVENTION, and, subject to the covenant not to compete in Section 6.1, shall have the right to freely exploit and grant licenses under any such JOINT INVENTION and any PATENT claiming such JOINT INVENTION without consent of or a duty of accounting to the other PARTY.

For the avoidance of doubt, the determination as to whether an INVENTION has been “solely” or “jointly” made shall be based upon whether employees, agents or independent contractors of a PARTY would be or are properly named as an inventor on a corresponding PATENT APPLICATION under United States patent LAWS.

13.4 LIPOXEN CORE TECHNOLOGY INVENTIONS. Any and all rights, title and interest in and to all SOLE INVENTIONS and JOINT INVENTIONS which fall within the scope of LIPOXEN CORE TECHNOLOGY shall belong solely to LIPOXEN (“LIPOXEN CORE TECHNOLOGY INVENTIONS”). BAXTER hereby agrees to and hereby does, and shall, without additional consideration transfer and assign to LIPOXEN all of its right, title and interest in and to such LIPOXEN CORE TECHNOLOGY INVENTIONS and all intellectual property rights therein including enforcement rights, and shall require its employees, agents and independent contractors to so assign their right, title and interest therein to LIPOXEN. LIPOXEN shall be responsible, at its sole expense and discretion, and with the cooperation of BAXTER, for the filing, prosecution and maintenance of foreign and domestic PATENT APPLICATIONS and PATENTS covering such LIPOXEN CORE TECHNOLOGY INVENTIONS.

13.5 BAXTER CORE TECHNOLOGY INVENTIONS. Any and all rights, title and interest in and to all SOLE INVENTIONS and JOINT INVENTIONS which fall within the scope of BAXTER CORE TECHNOLOGY shall belong solely to BAXTER (“BAXTER CORE TECHNOLOGY INVENTIONS”). LIPOXEN hereby agrees to and hereby does, and shall, without additional consideration assign to BAXTER all of its right, title and interest in and to any BAXTER CORE

TECHNOLOGY INVENTIONS and all intellectual property rights therein including enforcement rights, and shall require its employees, agents or independent contractors to so assign their right, title and interest therein to BAXTER. BAXTER shall be responsible, at its sole expense and discretion, and with the cooperation of LIPOXEN if requested by BAXTER, for the filing, prosecution and maintenance of foreign and domestic PATENT APPLICATIONS and PATENTS covering such BAXTER CORE TECHNOLOGY INVENTIONS.

13.6 Individual PATENT Filings. Each PARTY shall have sole discretion and right to prepare, file, prosecute, maintain and defend PATENT APPLICATIONS or PATENTS for INVENTIONS it solely owns under this AGREEMENT, and shall be responsible for related interference proceedings. Each PARTY shall confer with the other PARTY, and make every reasonable effort to adopt the other PARTY'S suggestions regarding the prosecution of such PATENT APPLICATIONS, and shall copy the other PARTY on any official actions and submissions in such PATENT APPLICATIONS. Costs incurred with respect to PATENT APPLICATIONS shall be borne by the PARTY with the right to prosecute each such PATENT APPLICATION.

13.7 Joint PATENT Filings. With respect to all PATENT APPLICATIONS on JOINT INVENTIONS that are jointly owned by the PARTIES (i.e., JOINT INVENTIONS that have not been assigned nor are assignable to the other PARTY pursuant to Sections 13.4 and 13.5) (the "JOINT PATENT APPLICATIONS"), the PARTIES shall determine which PARTY shall be responsible for filing, prosecuting and maintaining PATENT APPLICATIONS and PATENTS on behalf of both PARTIES (the "RESPONSIBLE PARTY") based on a good faith determination of the relative contributions of the PARTIES to the INVENTION and the relative interests of the PARTIES in the INVENTION. At least twenty (20) days prior to the contemplated filing of such PATENT APPLICATION, the RESPONSIBLE PARTY shall submit a substantially completed draft of the JOINT PATENT APPLICATION to the other PARTY for its approval, which shall not be unreasonably withheld or delayed. Except as set forth below, the PARTIES shall share equally the costs of the preparation, filing, prosecution and maintenance of all JOINT PATENT APPLICATIONS. If either PARTY elects not to pay its portion of any shared costs for a JOINT PATENT APPLICATION or PATENT

issuing there from, the other PARTY may proceed with such JOINT PATENT APPLICATION in its own name and at its sole expense, in which case the PARTY electing not to pay its share of costs hereby agrees to transfer and assign and shall transfer and assign its entire right, title and interest in and to such JOINT PATENT APPLICATION to the other PARTY and such INVENTION shall be treated as a SOLE INVENTION of the assignee for the purposes of Sections 13.3 and 13.6.

13.8 Further Actions. Each PARTY shall cooperate with the other PARTY to execute all documents and take all reasonable actions to effect the intent of this Article 13.

13.9 Patent Marking and POTENTIAL PRODUCT & COMMERCIAL PRODUCT Marking.

(a) To the extent practical (as determined by BAXTER), BAXTER shall place appropriate LIPOXEN patent and/or patent pending markings on each POTENTIAL PRODUCT and COMMERCIAL PRODUCT or the packaging therefor. The content, form, size, location and language of such markings shall be in accordance with the LAWS and practices of the country in which the applicable units of each POTENTIAL PRODUCT or COMMERCIAL PRODUCT are distributed.

(b) BAXTER shall be responsible for all packaging (non-commercial and commercial) and labeling of POTENTIAL PRODUCTS or COMMERCIAL PRODUCT(S).

14. **Infringement**

14.1 Infringement of THIRD PARTY Rights.

14.1.1 Notice. If the development, manufacture, use, import or sale of POTENTIAL PRODUCTS or COMMERCIAL PRODUCT(S) results in a claim for PATENT infringement by a THIRD PARTY, the PARTY to this AGREEMENT first having notice shall promptly notify the other PARTY in writing. The notice shall set forth the facts of the claim in reasonable detail.

14.1.2 Litigation Unrelated to LIPOXEN Licensed Technology. Except to the limited extent provided for in Section 14.1.3, BAXTER shall defend, indemnify and hold harmless each LIPOXEN INDEMNITEE from and against all losses, liabilities, damages, costs and expenses (including reasonable attorney's fees and costs of investigation and litigation, regardless of outcome) resulting from any CLAIM that the development, manufacture, use, import or sale of POTENTIAL PRODUCTS or COMMERCIAL PRODUCT(S) infringes a THIRD PARTY patent or misappropriates THIRD PARTY know-how.

14.1.3 BAXTER'S obligations under Section 14.1.2 shall not apply to any claim to the extent that any infringement of a THIRD PARTY patent or misappropriation of THIRD PARTY know-how results from (a) use of the LIPOXEN LICENSED RIGHTS, or (b) the SELECTED DELIVERY AGENT or DELIVERY AGENT in the POTENTIAL PRODUCTS or COMMERCIAL PRODUCT(S).

14.1.4 LIPOXEN shall defend, indemnify and hold harmless each BAXTER INDEMNITEE from and against all losses, liabilities, damages, costs and expenses (including reasonable attorney's fees and costs of investigation and litigation, regardless of outcome) resulting from any claim that use of the SELECTED DELIVERY AGENT or DELIVERY AGENT provided by LIPOXEN to BAXTER under this AGREEMENT to make POTENTIAL PRODUCTS or COMMERCIAL PRODUCTS for use in the FIELD infringes a THIRD PARTY patent or misappropriates THIRD PARTY know-how; unless BAXTER was made aware of such potential infringement or misappropriation by LIPOXEN but elected to proceed with the use of such SELECTED DELIVERY AGENT or DELIVERY AGENT in which case this indemnity will not apply. Such indemnification obligations shall be subject to the provisions of Section 12.3.

14.2 Infringement By THIRD PARTIES.

14.2.1 Notice of Infringement. If any VALID PATENT CLAIM is infringed by a THIRD PARTY, or any KNOW HOW utilized in the manufacture, use, import or sale of SELECTED DELIVERY AGENT or POTENTIAL PRODUCTS or COMMERCIAL PRODUCT(S) is misappropriated by a THIRD PARTY, the PARTY first having knowledge of such infringement or misappropriation shall promptly notify the other PARTY in writing. The notice shall set forth the facts of such infringement or misappropriation in reasonable detail.

14.2.2 Prosecution of Actions Related to the FIELD.

(a) BAXTER shall have the primary right, but not the obligation, to carry out actions against THIRD PARTIES arising from such THIRD PARTIES' infringement or misappropriation of LiPOXEN LICENSED TECHNOLOGY in the FIELD, including the manufacture, use, import or sale of a POTENTIAL PRODUCT or COMMERCIAL PRODUCT(S).

(b) If BAXTER fails to bring an action or proceeding within a period of sixty (60) days after receiving written notice from LIPOXEN of the possibility of a claim, LIPOXEN shall have the right, but not the obligation, to bring and control any such action using counsel of its own choice, at its own expense. If LIPOXEN determines that BAXTER is an indispensable PARTY to the action, BAXTER hereby consents to be joined. In such event, BAXTER shall have the right to be represented in such action using counsel of its own choice, at its own expense. No settlement, consent judgment or other voluntary final disposition of a suit under this Section 14.2.2(b) may be entered into without the joint consent of LIPOXEN and BAXTER (which consent shall not be withheld unreasonably).

(c) Awards. If either PARTY brings an action for infringement or misappropriation by a THIRD PARTY under this Section 14.2.2 any damages or other monetary awards or payments in settlement recovered by such PARTY shall be applied first to

defray the costs arid expenses incurred by both PARTIES in the action (including attorneys fees and expert fees). Any remainder shall be shared by the PARTIES as follows: seventy-five percent (75%) of such remainder shall be retained by BAXTER and twenty-five percent (25%) of such remainder shall be retained by LIPOXEN.

15. **Term and Termination**

15.1 Expiration. The term of this AGREEMENT (the "TERM") shall commence on the EFFECTIVE DATE and shall continue until terminated or until it expires as set forth herein. Once a POTENTIAL PRODUCT has been commercialized, this AGREEMENT shall expire on a country-by-country basis upon the expiration of all royalty obligations in the applicable country, unless earlier terminated as provided herein. Upon the expiration of royalty obligations in any applicable country, provided that this AGREEMENT has not been or is not in the future terminated by either PARTY in accordance with its terms, LIPOXEN hereby grants BAXTER and its AFFILIATES a paid-up, exclusive, royalty-free, perpetual, non-cancelable, license, with rights to sublicense, in the FIELD under the LIPOXEN LICENSED TECHNOLOGY to develop, make, have made, import, export, use, sell and have sold POTENTIAL PRODUCTS and COMMERCIAL PRODUCT(S) in the FIELD.

15.2 Termination without Cause.

15.2.1 BAXTER shall be entitled to terminate this AGREEMENT by serving written notice on LIPOXEN at any time during the period commencing on the RESEARCH MIDPOINT and expiring sixty (60) days after the RESEARCH MIDPOINT.

15.2.2 After the OPTION EXERCISE DATE, BAXTER may terminate this AGREEMENT, without liability, upon ninety (90) days written notice to LIPOXEN.

15.3 Termination for Cause. Each PARTY shall have the right to terminate this AGREEMENT by written notice to the other PARTY for a material failure to comply with the material terms of this AGREEMENT by the other PARTY,

provided such failure to comply is not corrected by the failing PARTY within: (i) thirty (30) days of written notice of any failure to make timely payment of royalties or any other amount that is not in dispute, when due hereunder, or (ii) 90 days of receipt of written notice of any other failure from the non-failing PARTY.

15.4 Termination on Challenge. LIPOXEN may terminate this AGREEMENT by giving written notice to BAXTER if BAXTER, its AFFILIATES or a SUBLICENSEE initiates a claim against LIPOXEN challenging the validity of any of the LIPOXEN PATENT RIGHTS or to challenge the secrecy or substantiality of any of the LIPOXEN KNOW-HOW; provided that LIPOXEN may not exercise its termination rights under this Section if BAXTER, its AFFILIATES or a SUBLICENSEE brings such a claim in response to LIPOXEN's termination of this Agreement (except under this Section) or initiates any other claim or action (whether under contract, intellectual property or other legal theory) against BAXTER, its AFFILIATES or a SUBLICENSEE.

15.5. Termination for Insolvency. Either party may terminate this Agreement immediately by written notice in the event: (i) the other party voluntarily enters into bankruptcy proceedings; (ii) the other party makes an assignment for the benefit of creditors; (iii) a petition is filed against the other party under a bankruptcy law, a corporate reorganization law, or any other law for relief of debtors or similar law analogous in purpose or effect, which petition is not stayed or dismissed within thirty (30) days of filing thereof; or (iv) the other party enters into liquidation or dissolution proceedings or a receiver is appointed with respect to any assets of the other party, which appointment is not vacated within one hundred and twenty (120) days (herein a BANKRUPTCY PROCEEDING).

15.6 Termination for Lack of Due Diligence. LIPOXEN may terminate this AGREEMENT on giving thirty (30) days written notice to BAXTER if BAXTER fails to meet the due diligence milestones set forth in Schedule IV by the corresponding date provided that: (a) BAXTER has not extended such date by making the corresponding due diligence milestone payment in accordance with Section 8.2; or (b) such failure is not due a force majeure event, or (c) such failure is not due to a material breach or delay by LIPOXEN of the terms of this AGREEMENT which materially affects BAXTER'S ability to meet the date; or (d)

such failure is not due to a safety, toxicity, efficacy or pharmacokinetics issue or a new regulatory requirement that results in termination of the development of a POTENTIAL PRODUCT (so long as BAXTER commences the development of a different POTENTIAL PRODUCT within a reasonable time frame).

For purposes of clarification, none of the due diligence milestone payments are meant to be additive or cumulative to the MILESTONE PAYMENT obligations. For example, if BAXTER has not achieved the first due diligence milestone entitled "IND Filing" by BAXTER may extend the due diligence milestone date by paying and another after the expiration of such period; in which case (a) such due diligence milestone is no longer applicable and (b) BAXTER shall be relieved of its obligation to make the MILESTONE PAYMENT entitled "IND acceptance (or European equivalent)."

15.7 Effect of Termination or Expiration.

15.7.1 The provisions of Sections 1, 9, 10, 11, 12.1 (to the extent such claim arises prior to the expiration or termination of this AGREEMENT), 12.2, 12.3, 13, 14.1 (to the extent such claim arises prior to the expiration or termination of this AGREEMENT), 14.2 (only to infringement during the term of this AGREEMENT), 15.7, 16, 17 and 18, in each case together with any defined terms applicable to such provisions shall survive expiration or termination of this AGREEMENT for any reason whatsoever.

15.7.2 If this AGREEMENT is terminated by LIPOXEN pursuant to Section 15.3 or by BAXTER pursuant to Section 15.2, then:

(a) BAXTER shall be responsible for all unavoidable costs and expenses, including all costs incurred by LIPOXEN under the RESEARCH PLAN and all necessary expenses associated with personnel and THIRD PARTY subcontractors, non-cancelable commitments, and cash outlays incurred by LIPOXEN in relation to the RESEARCH PLAN and those activities that would reasonably have been required by LIPOXEN in order to meet BAXTER'S forecasted requirements of SELECTED REAGENT;

(b) BAXTER shall pay LIPOXEN all accrued MILESTONE PAYMENTS and accrued royalties in accordance with the terms of this AGREEMENT; and

(c) BAXTER shall be entitled to sell out all remaining stocks of COMMERCIAL PRODUCT(S) under the terms and conditions set forth in this AGREEMENT.

15.7.4 Subject to the foregoing, if this AGREEMENT expires or is terminated for any reason whatsoever, any licenses and sublicenses granted under this AGREEMENT shall automatically terminate and all licensed rights shall revert in their entirety to the respective licensor.

15.7.5 Termination of this AGREEMENT by a PARTY shall not be an exclusive remedy and all other remedies will be available to the terminating PARTY, in equity and at LAW.

15.7.6 In the event that there is an attempt to terminate this AGREEMENT as part of a BANKRUPTCY PROCEEDING, LIPOXEN hereby agrees to grant and hereby grants BAXTER and its AFFILIATES an exclusive, perpetual, non-cancelable, license, with rights to sublicense, in the FIELD under the LIPOXEN LICENSED TECHNOLOGY to develop, make, have made, import, export, use, sell and have sold POTENTIAL PRODUCTS and COMMERCIAL PRODUCT(S) in the FIELD; provided that BAXTER shall continue to fulfill its royalty obligations under this AGREEMENT. Baxter agrees to pay LIPOXEN, or any trustee in such BANKRUPTCY PROCEEDING a royalty for such a license equivalent to the license royalty provision provided in this AGREEMENT. In addition to the surviving Sections in Section 15.7.1, Sections 3.1, 3.2 and 4.3 shall survive termination or expiration of this Agreement.

16. **Assignment**

Unless otherwise expressly permitted hereunder, neither PARTY may assign any of its rights or delegate any of its duties under this AGREEMENT without the prior written consent of the other PARTY, except that either PARTY may assign any or all of its rights and/or responsibilities hereunder without the other PARTY'S consent as part of: (i) the sale of all or substantially all of the assets or the entire business to which this AGREEMENT relates, (ii) a merger, consolidation, reorganization or other combination with or into another person or entity; or (iii) the transfer or assignment to an AFFILIATE, in each case, pursuant to which the surviving entity or assignee assumes the assigning or merging PARTY'S obligations hereunder. Any assignment made in violation of this Article 16 shall be null and void.

17. **Notices**

Wherever notice is required or permitted hereunder, it shall be by personal delivery, first class mail, overnight delivery service, or sent by facsimile transmission, with electronic confirmation, properly directed to the PARTY at its address and contact information listed below. Said address and contact information may be changed from time to time by similar written notice.

If to BAXTER, addressed to:

Baxter Healthcare Corporation
One Baxter Parkway
Deerfield, Illinois 60015
Attention: General Counsel
Telephone: 847.948.3225
Facsimile: 847.948.2450

Baxter Healthcare SA
CH-8304 Wallisellen
Zurich, Switzerland
Attention: Counsel
Telephone: 41 1 878 6199
Facsimile: 41 1 878 6352

With copies to:

Baxter Healthcare Corporation

One Baxter Parkway
Deerfield, Illinois 60015
Attention: President, Venture Management
Telephone: 847.940.6255
Facsimile: 847.940.6273

Baxter Healthcare SA
CH-8304 Wallisellen
Zurich, Switzerland
Attention:
Telephone: 41 1 878 6199
Facsimile: 41 1 878 6352

If to LIPOXEN, addressed to:

Lipoxen Technologies Limited
Suite 303, Hamilton House
Mabledon Place
London WC1H9BB
Telephone: +44 (0) 20 7727 7940
Facsimile: +44 (0) 20 7504 3500

18. **Miscellaneous**

18.1 Force Majeure. Except for each PARTY'S confidentiality and indemnity obligations, the obligations of either PARTY under this AGREEMENT shall be excused during each period of delay caused by matters such as acts of God, strikes, supplier delays, shortages of raw materials, government orders, sufferance of or voluntary compliance with acts of government or governmental regulation, or acts of war or terrorism, which are reasonably beyond the control of the PARTY obligated to perform. Force majeure shall not include a lack of funds, bankruptcy or other financial cause or disadvantage. Nothing contained in this AGREEMENT shall affect either PARTY'S ability or discretion regarding any strike or other employee dispute or disturbance and all such strikes, disputes or disturbances shall be deemed to be beyond the control of such PARTY. A condition of force majeure shall be deemed to continue only so long as the affected PARTY shall be taking all reasonable actions necessary to overcome such condition. If either PARTY shall be affected by a condition of force majeure, such PARTY shall give the other PARTY prompt notice thereof, which notice shall contain the affected PARTY'S estimate of the duration of such condition and a description of the steps being taken or proposed to be taken to overcome such condition of force majeure. Any delay occasioned by any such cause shall not constitute a default under this AGREEMENT, and the obligations of the PARTIES shall be suspended during the period of delay so occasioned. During any period of force majeure, the PARTY that is not directly affected by such condition of force majeure may take any reasonable action necessary to mitigate the effects of such condition of force majeure.

18.2 Severability. All the terms and provisions of this AGREEMENT are distinct and severable, and if any term or provision is held unenforceable, illegal or void in whole or in part by any court, regulatory authority or other competent authority it shall to that extent be deemed not to form part of this AGREEMENT, and the enforceability, legality and validity of the remainder of this AGREEMENT shall not be affected thereby.

18.3 Variation. This AGREEMENT may not be amended, varied or modified in any manner except by an instrument in writing signed by a duly authorized officer or representative of each PARTY hereto.

18.4 Forbearance and Waiver. No waiver by a PARTY in respect of any breach shall operate as a waiver in respect of any subsequent breach. No forbearance, failure or delay by a PARTY in exercising any right or remedy shall operate as a waiver thereof, nor shall any single or partial forbearance, exercise or waiver of any right or remedy prejudice its further exercise of any right or remedy under this AGREEMENT or at LAW.

18.5 Counterparts; Facsimile. This AGREEMENT may be executed in more than one counterpart, each of which constitutes an original and all of which together shall constitute one enforceable agreement. For purposes of this AGREEMENT and any other document required to be delivered pursuant to this AGREEMENT, facsimiles of signatures shall be deemed to be original signatures. In addition, if any of the Parties sign facsimile copies of this AGREEMENT, such copies shall be deemed originals

18.6 No Partnership. The relationship of the PARTIES is that of independent contractors and this AGREEMENT shall not operate so as to create a partnership or joint venture of any kind between the PARTIES.

18.7 Construction. The PARTIES have participated jointly in the negotiation and drafting of this AGREEMENT. In the event that an ambiguity or question of intent or interpretation arises, this AGREEMENT shall be construed as if drafted jointly by the PARTIES and no presumption or burden of proof shall arise favoring or

disfavoring any PARTY by virtue of the authorship of any of the provisions of this AGREEMENT. Except where the context otherwise requires, where used, the singular shall include the plural, the plural the singular, the use of any gender shall be applicable to all genders and the word "or" is used in the inclusive sense (and/or). The captions of this AGREEMENT are for convenience of reference only and in no way define, describe, extend or limit the scope or intent of this AGREEMENT or the intent of any provision contained in this AGREEMENT. The term "includes" and "including" as used herein means including but not limited to.

18.8 Entire Agreement. This AGREEMENT and the Schedules attached hereto constitute the entire understanding between the PARTIES and supersedes any prior or contemporaneous written or oral understanding, negotiations or agreements between and among them respecting the subject matter hereof. This AGREEMENT shall be binding upon, and inure to the benefit of, the PARTIES and their respective successors and assigns. The PARTIES acknowledge that they are not relying on any representation, agreement, term or condition which is not expressly set out in this AGREEMENT.

18.9 Governing LAW. This AGREEMENT shall be governed by and construed in accordance with the LAWS of the State of Illinois, U.S.A. without regard to its or any other jurisdiction's choice of law rules. Any disputes under this AGREEMENT shall be brought in the state or federal courts located in Illinois. The PARTIES submit to the personal jurisdiction of such courts for any such action, agree that such courts provide a convenient forum for any such action, and waive any objections or challenges to venue with respect to such courts.

18.10 Publicity. Neither PARTY shall make any public announcement concerning this AGREEMENT without the prior written consent of the other PARTY, except that (a) either PARTY is entitled to issue a press release on or soon after the EFFECTIVE DATE provided it obtains the prior approval of the other PARTY and, in the case of BAXTER, is also approved by BAXTER's corporate and communications department(which the parties acknowledge usually takes at least 5 business days) which shall not be unreasonably withheld, (b) either PARTY is entitled to refer to the existence of this AGREEMENT and any terms which have been disclosed in any BAXTER-approved document or other

document disclosed under Subsection (c) during the course of financing, or (c) either PARTY may make a statement or announcement concerning this AGREEMENT if counsel to such PARTY advises that such announcement or statement is be required by LAW (including applicable stock exchange rule). In the case of an announcement required by LAW, the other PARTY shall be advised in advance and both parties shall use good faith efforts to cause a mutually agreeable announcement to be issued in a timely basis.

18.11 Compliance with LAWS. Each PARTY will comply with all LAWS in performing its obligations and exercising its rights hereunder. Nothing in this AGREEMENT shall be deemed to permit BAXTER or its SUBLICENSEES to export, re-export or otherwise transfer any information or materials (including [***] DELIVERY AGENT) transferred hereunder or to deal in any way with POTENTIAL PRODUCTS or COMMERCIAL PRODUCT(S) without complying with LAWS.

IN WITNESS WHEREOF, the PARTIES hereto have caused their authorized representatives to execute this AGREEMENT by signing below:

Signed:

For and on behalf of:
Lipoxen

Signature /s/ M. Scott Mcguire
Name: M. Scott Mcguire
Title: CEO

For and on behalf of:
Baxter Healthcare Corporation

Signature
Name:
Title:

Signed:

For and on behalf of:
BAXTER HEALTHCARE SA

Signature /s/ B. Lenzlinger
Name: B. Lenzlinger
Title: Finance Director
Baxter Healthcare SA

/s/ M. Lukas
M. Lukas
Dir. Biolife Europe
Plasma Contract Manufacturing

IN WITNESS WHEREOF, the PARTIES hereto have caused their authorized representatives to execute this AGREEMENT by signing below:

Signed:
For and on behalf of:
Lipoxen

Signature ____________________
Name:
Title:

For and on behalf of
Baxter Healthcare Corporation

Signature /s/ Joy A. Amundson
Name: Joy A. Amundson
Title: President, BioScience

Signed:
For and on behalf of:
BAXTER HEALTHCARE SA

Signature ____________________
Name:
Title:

SCHEDULE I

PAYMENT SCHEDULE

The total estimated cost for the RESEARCH PLAN is [***] (excluding VAT if applicable) and shall be payable as follows: [***] payable within [***] days after the EFFECTIVE DATE, payable within days after the RESEARCH MIDPOINT, provided BAXTER does not elect to terminate the RESEARCH PROGRAM within [***] days of such RESEARCH MIDPOINT as set out in Section 15.2, and payable within [***] of the ACCEPTANCE DATE of the RESEARCH PLAN. LIPOXEN shall provide BAXTER with a reconciliation of actual expenses within[***] days after the ACCEPTANCE DATE of the RESEARCH PLAN. In the event that the actual cost of the RESEARCH PLAN differs from the estimate, the amounts shall be reconciled on the last payment; provided that any increase in the estimate were pre-approved by BAXTER in writing.

SCHEDULE II

RESEARCH PLAN

SCHEDULE III

MILESTONE EVENTS AND PAYMENTS

Assuming BAXTER has exercised the option as set forth in Section 2.3, then, pursuant to Section 8.1, the following MILESTONE PAYMENTS shall be payble by BAXTER to LIPOXEN upon occurrence of the following MILESTONE EVENTS with respect to all POTENTIAL PRODUCTS and COMMERCIAL PRODUCTS (as the case may be) (unless paid under Schedule IV):

MILESTONE EVENTS	MILESTONE PAYMENTS
[***]	

SCHEDULE IV

DUE DILIGENCE MILESTONE EVENTS

BAXTER agrees to meet the due diligence milestone events set forth below by the corresponding date. BAXTER may extend such date once only by paying LIPOXEN the due diligence milestone payments set out below, to be received by LIPOXEN on or prior to the relevant due diligence milestone event date, to extend the date by the number of corresponding months set out below. BAXTER shall be entitled to deduct any due diligence milestone payments from the subsequent MILESTONE PAYMENT that becomes due and payable to LIPOXEN.

Due Diligence Milestone	[***]
1	[***]
2	[***]
3	[***]

[1] Corresponds to MILESTONE EVENT entitled “IND Filing”
[2] Corresponds to MILESTONE EVENT entitled “Completion of a Phase II clinical trial anywhere in the world.”
[3] Corresponds to MILESTONE EVENT entitled “Regulatory Approval: US.”

SCHEDULE V

LIPOXEN PATENTS

Reference	Country of Filing	Application No.	Grant. Serial or Regn.No.	Application Date	Grant Date
*****					

ID	Task Name	May '0	Jul '05	Sep '0	Nov '0	Jan '0	Mar '0	May '0	Jul '06	Sep '0	Nov '0
1											
2											
3											
4											
5											
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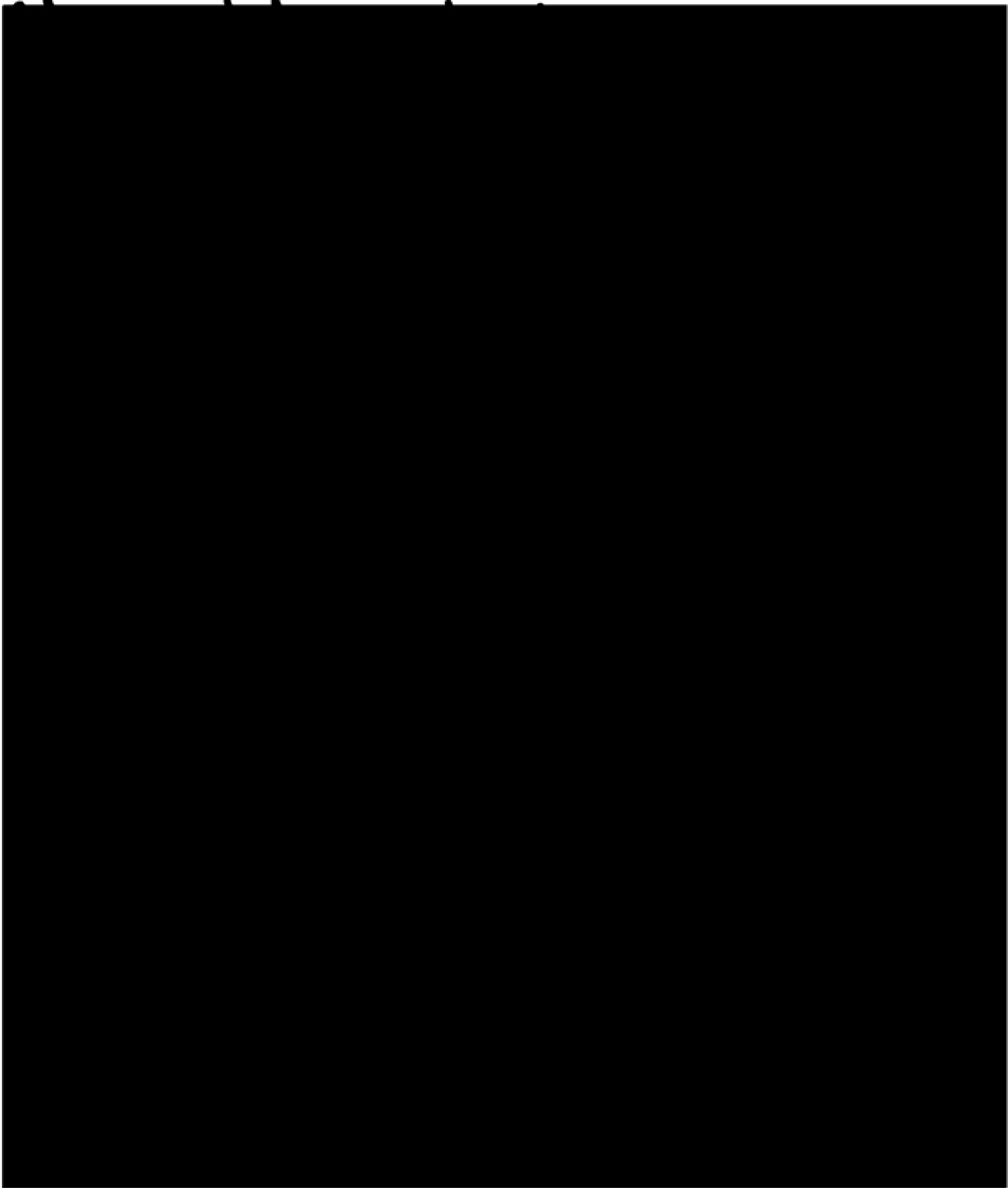
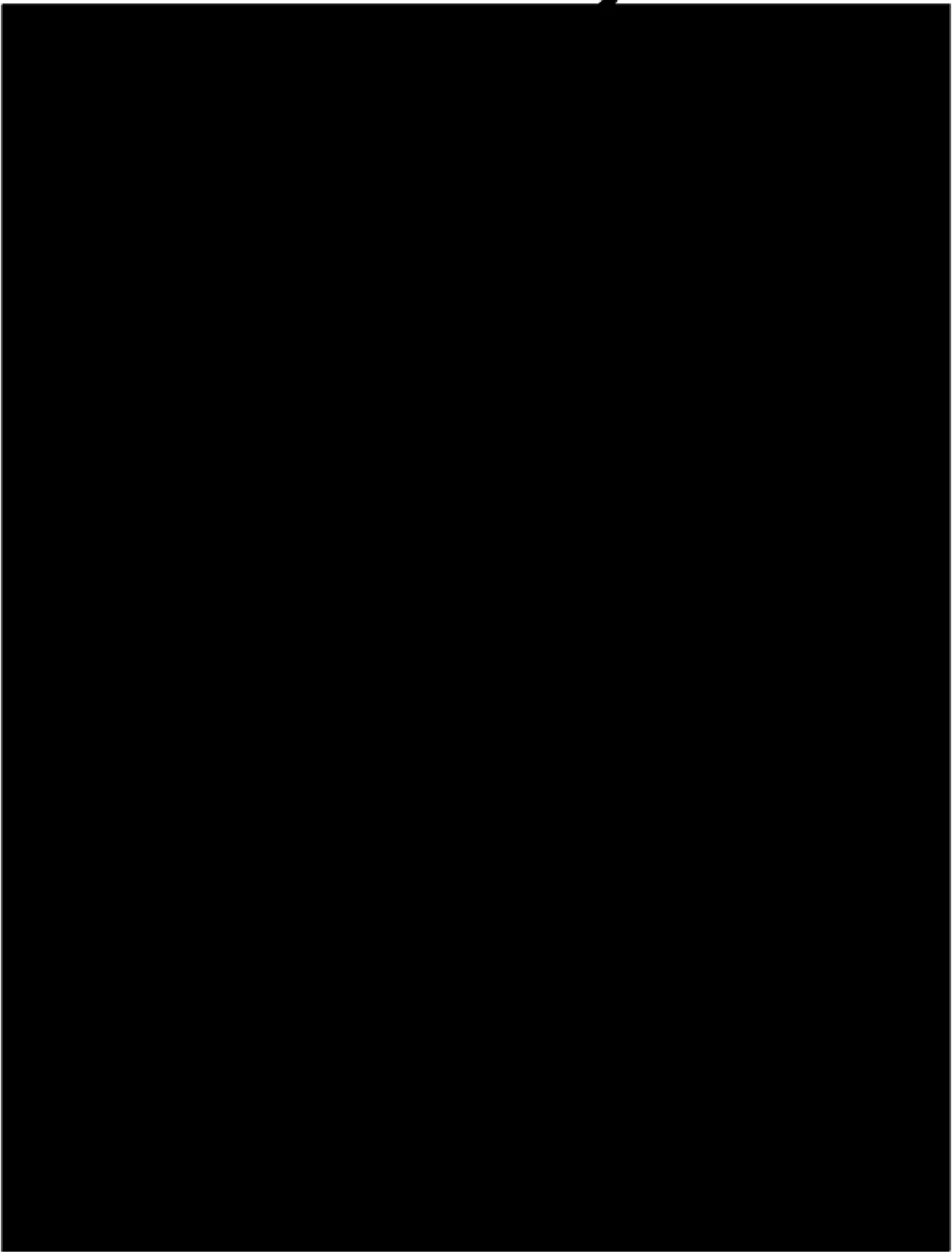
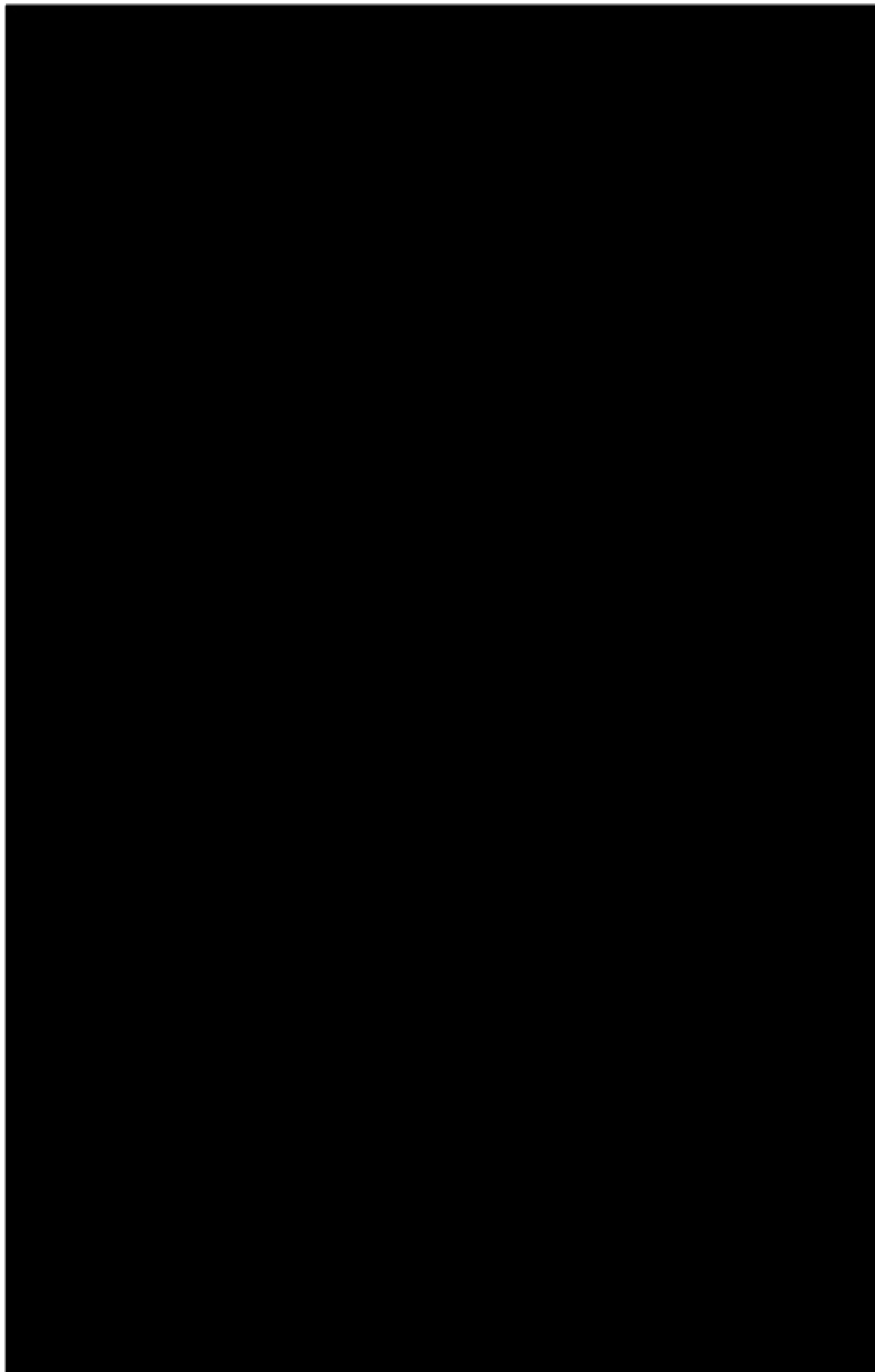
28											
29											
30											

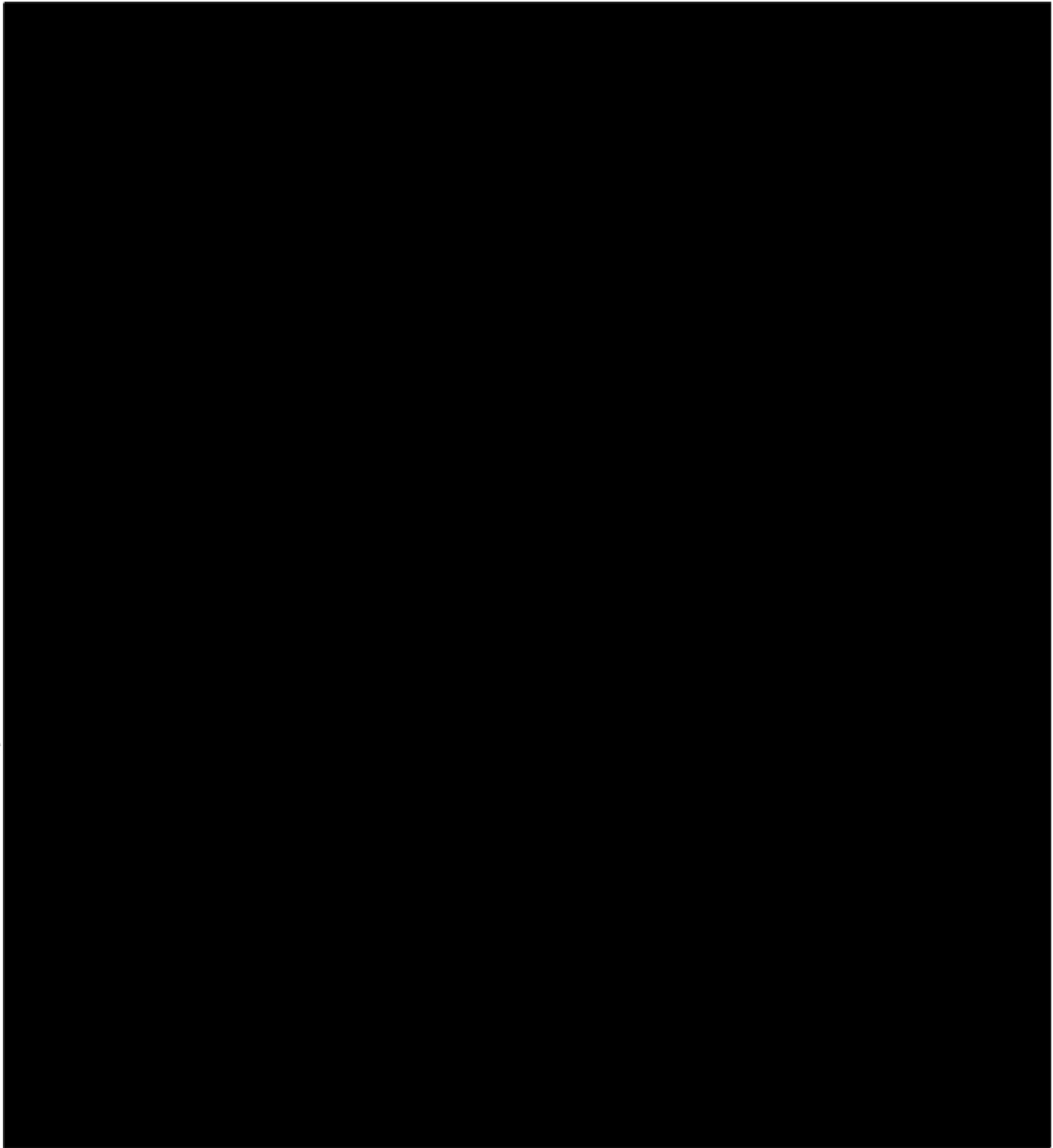
Project: [redacted]
Date: [redacted]

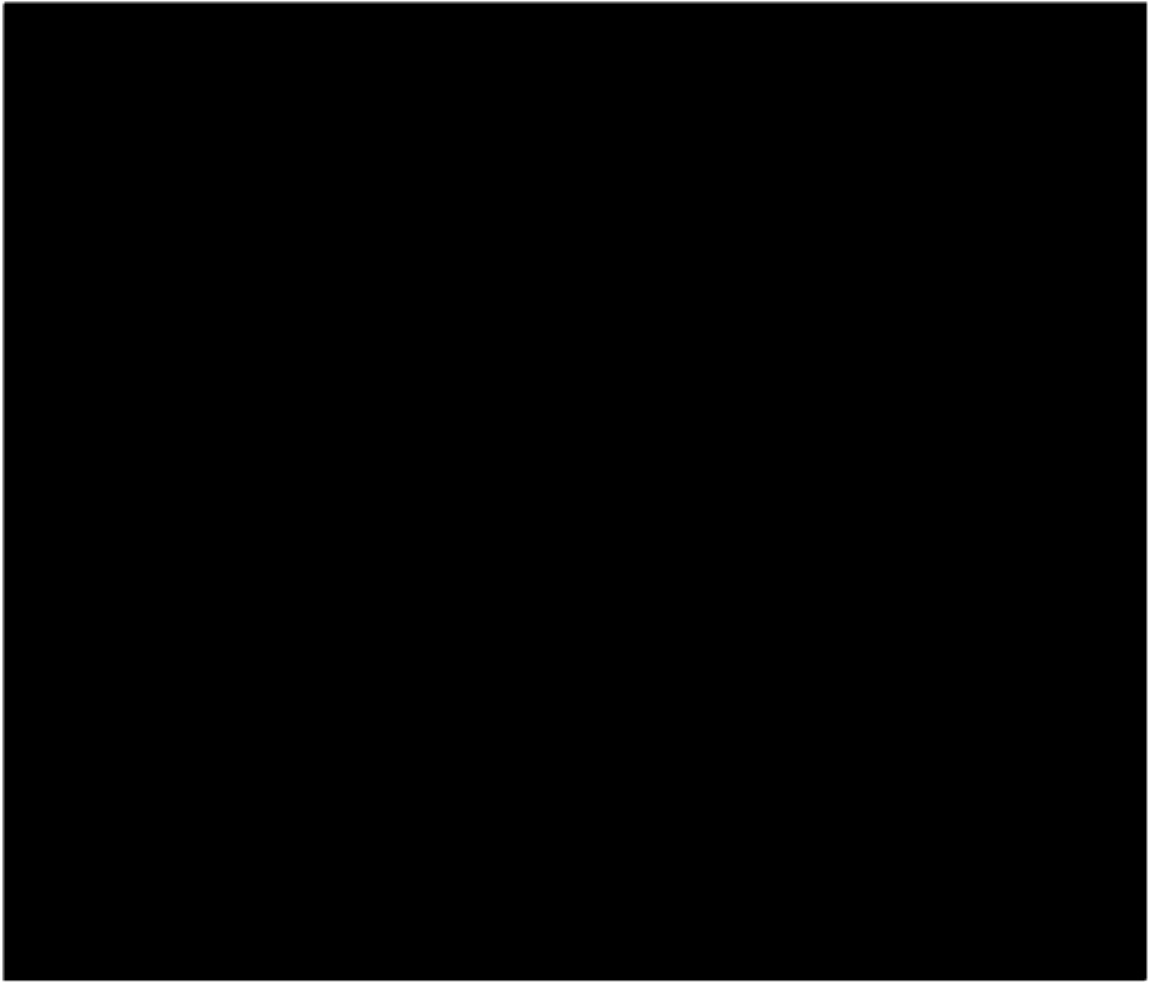
Task | Milestone | External Tasks
Split | Summary | External Milestone
Progress | Project Summary | Deadline

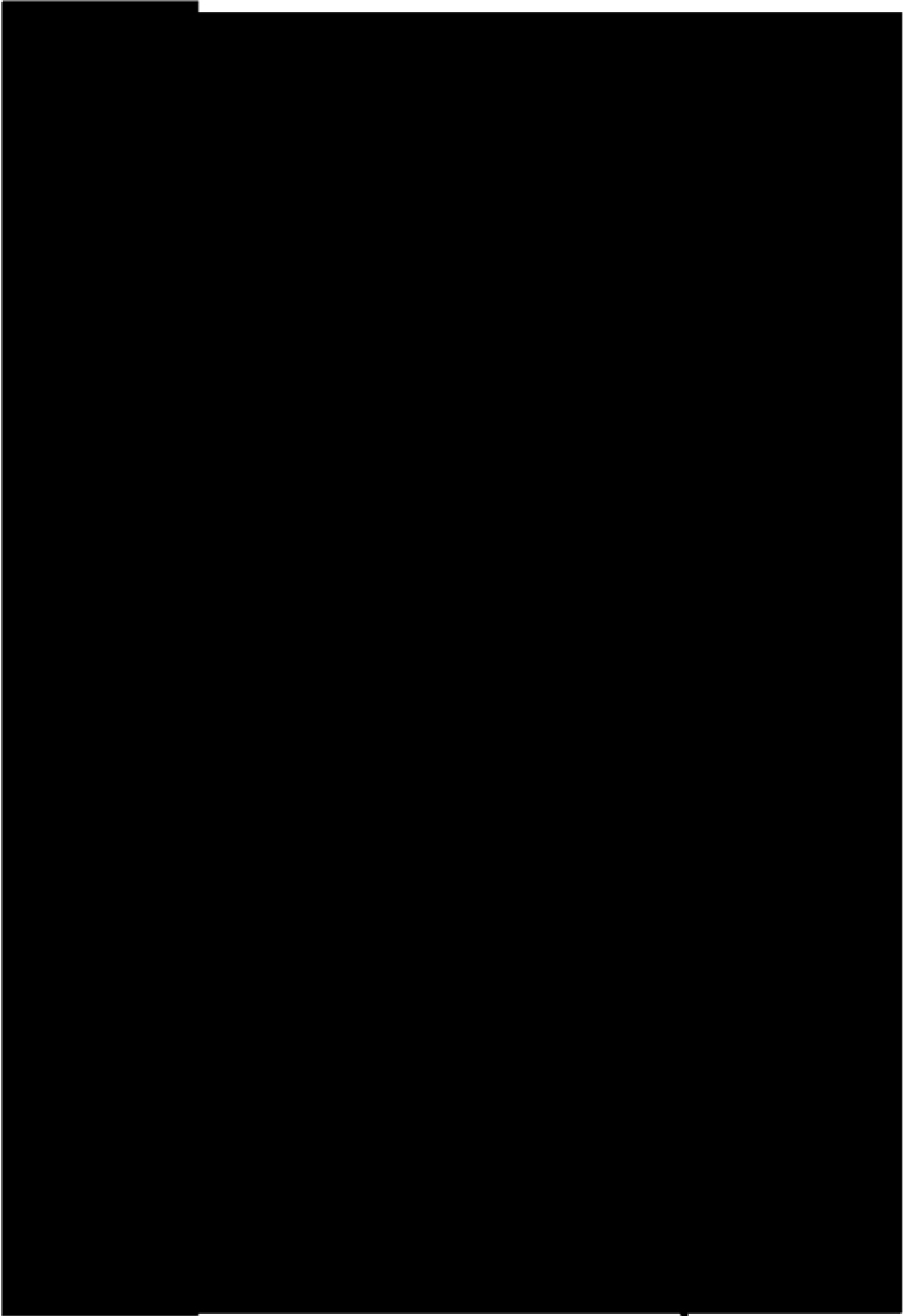


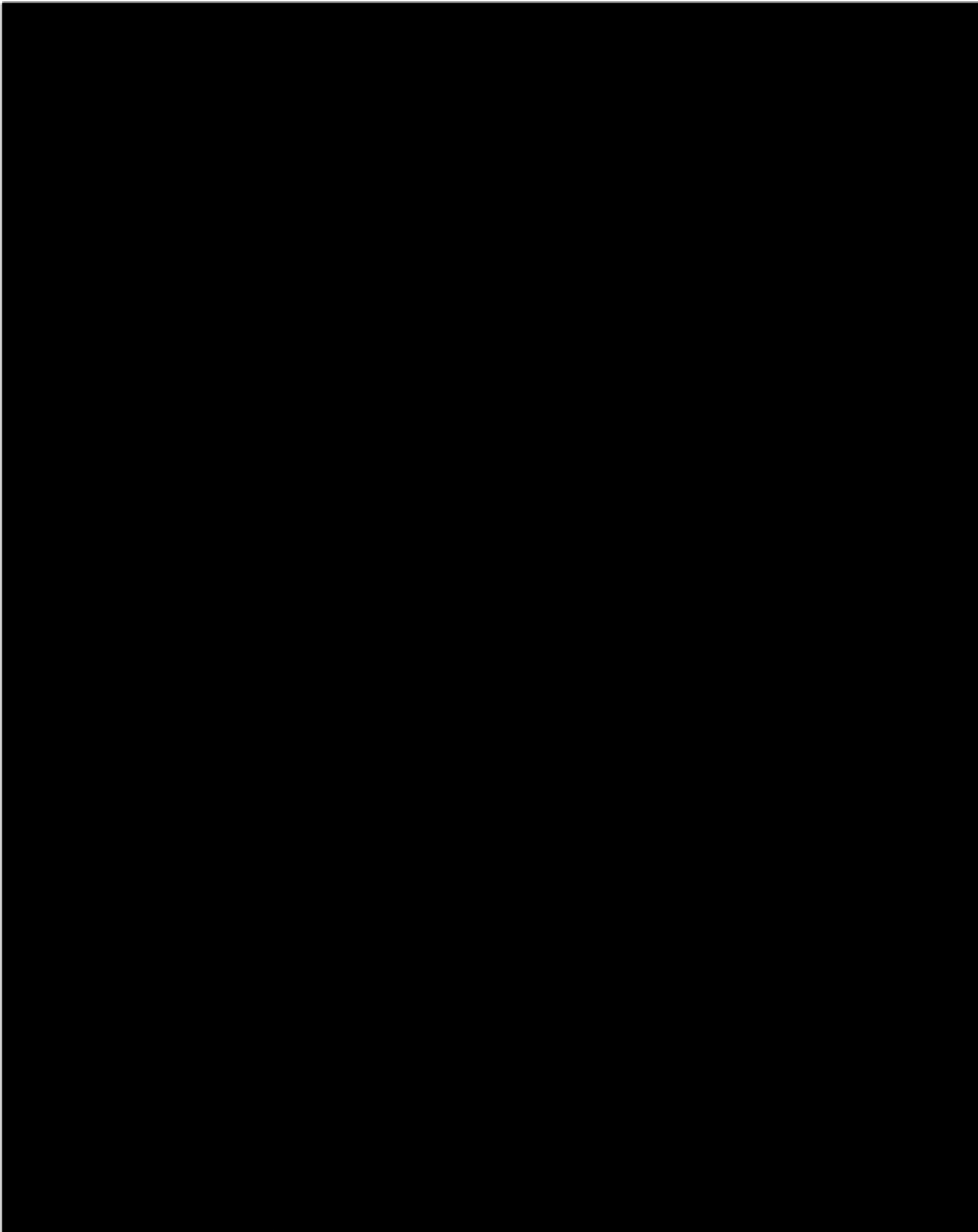


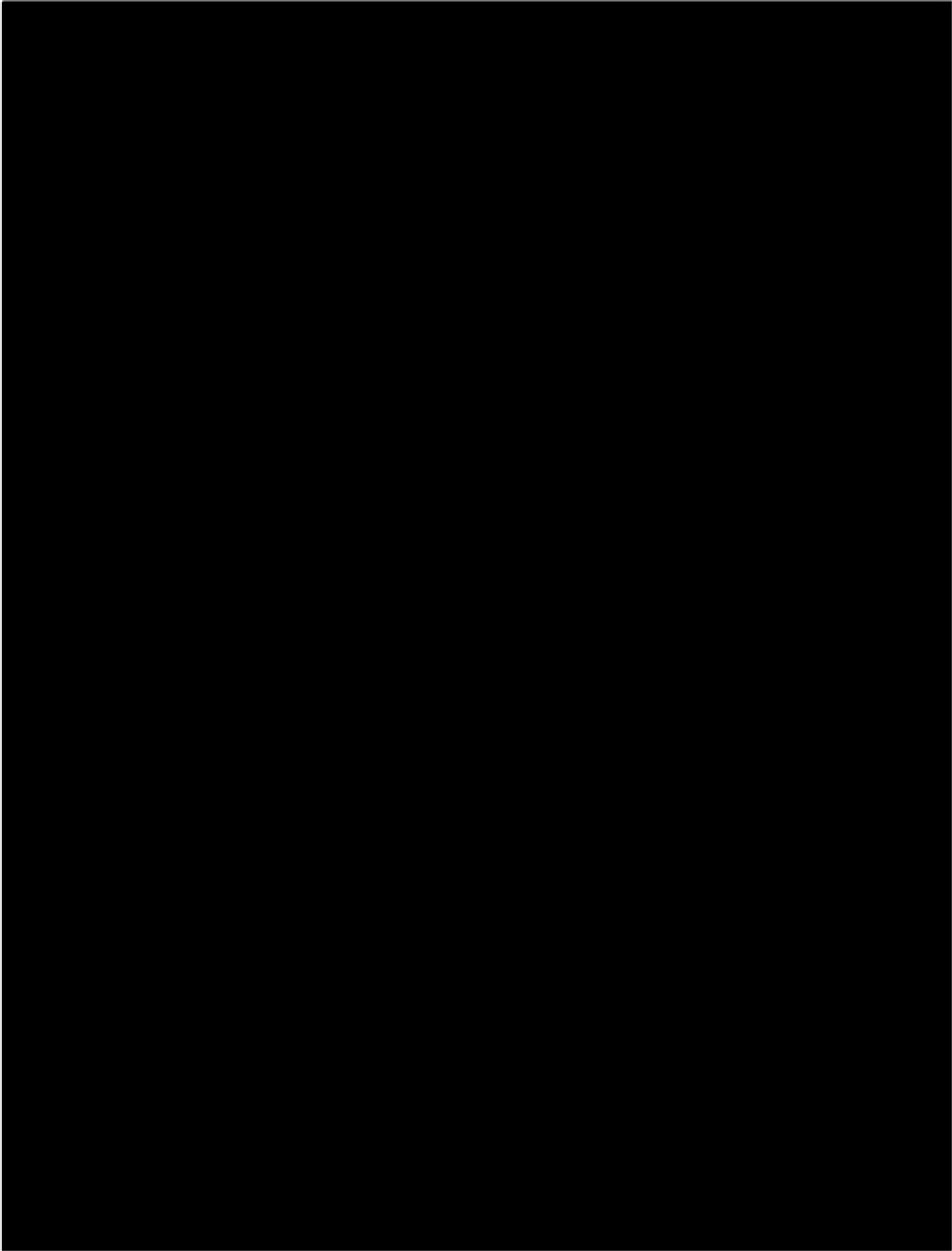












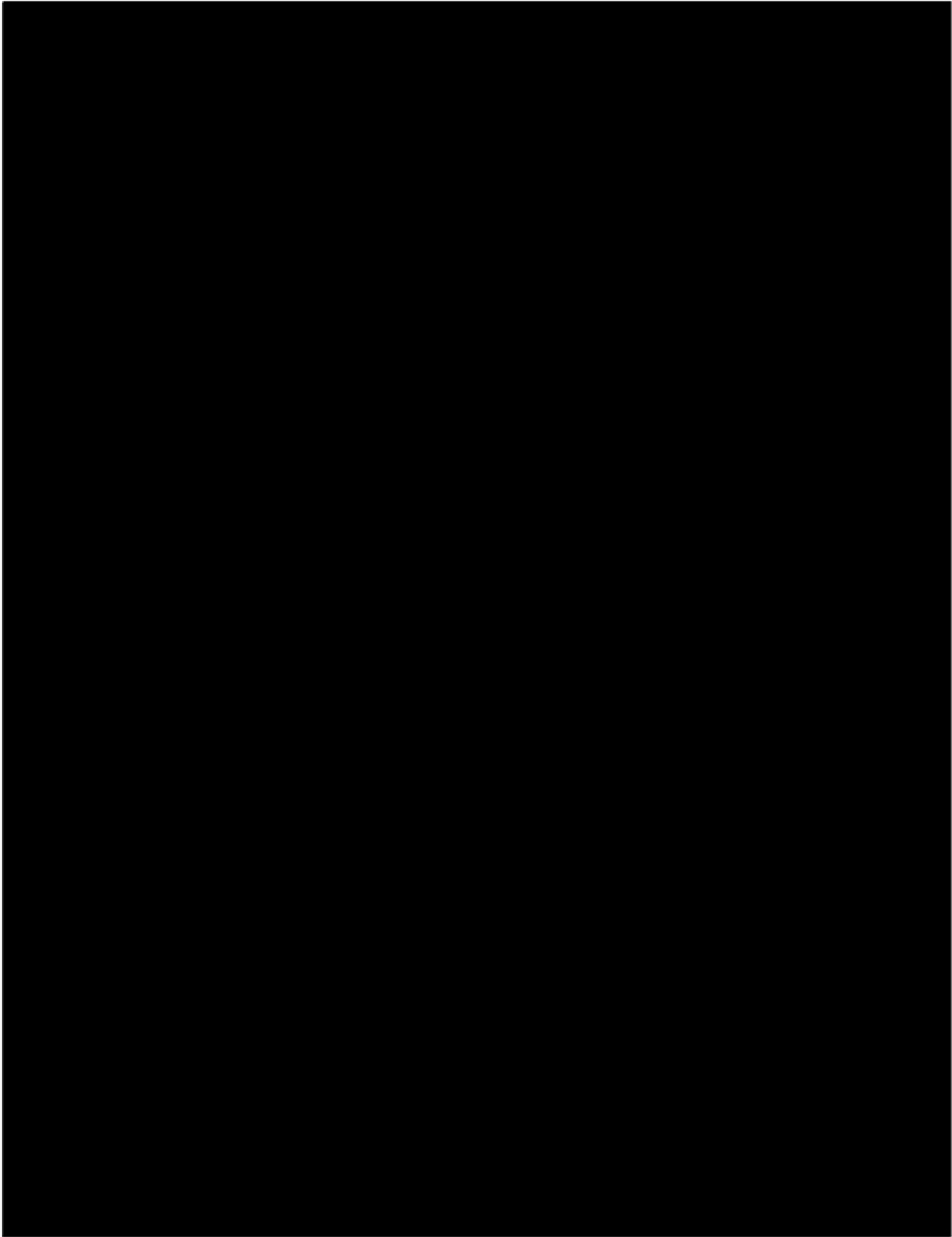


Exhibit 10.11

Portions of this exhibit, indicated by the mark "[***]," have been redacted pursuant to a confidential treatment request.

200500453-11412

[***] p1

LETTER AGREEMENT

This is a letter agreement {'Letter Agreement'} entered into and between:

(1) LIPOXEN TECHNOLOGIES LIMITED, a company registered in England and Wales with company number 03401495 having its registered office is at Suite 303, Hamilton House, Mabledon Place, London [**ILLEGIBLE**] and a place of business at 2 Royal College Street, London NW1 ONH, England ("Lipoxen");

(2) SERUM INSTITUTE OF INDIA LIMITED, a company incorporated under the Laws of India, having its principal place of business at S. No. 212/2, Off Soll Poonawalla Road, Hadapsar, Pune - 411 028, India ("SII");

(3) BAXTER HEALTHCARE CORPORATION, a Delaware Corporation having its principal place of business at One Baxter Parkway, Deerfield, Illinois 60015 ("BHC"); and

(4) BAXTER HEALTHCARE SA, a corporation organized and existing under the laws of Switzerland and having its principle place of business being Hartistrasse 2, Postfach 8304, [**ILLEGIBLE**], Switzerland ("BHSA").

WHEREAS, BHSA and BHC, both of which being referred to herein as 'Baxter', and Lipoxen have entered into an 'Exclusive Research, Development and License Agreement dated August 15, 2005 ('Baxter License');

WHEREAS, Lipoxen and SII have entered into various agreements concerning [***]including a 'Development and Manufacturing Agreement' dated 2006 ('Lipoxen/SII Agreements');

WHEREAS, SII will benefit directly by [***] to Baxter and other CUSTOMERS, as defined in the Lipoxen/SII Agreements:

WHEREAS, Baxter is willing to exercise its option under the Baxter License to pursue the development and commercialization of various POTENTIAL PRODUCTS and COMMERCIAL PRODUCT(S), as defined in the Baxter

License provided that it receives various assurances and commitments from SII and Lipoxen as more fully defined herein:

1) SII and Lipoxen acknowledge and agree that pursuant to and during the term of the Baxter License, Lipoxen has agreed to work exclusively with Baxter in the development and commercialization of POTENTIAL PRODUCTS and COMMERCIAL PRODUCT(S) within the FIELD, all such terms as defined in the Baxter License, and that pursuant to the Lipoxen/SII Agreements has agreed not to provid or supply any third party [***] for use with the FIELD;

2) SII and Lipoxen acknowledge and agree that pursuant to the Baxter License, Baxter will either directly or indirectly optain a supply of [***] as defined in the Baxter License, from SII;

3) SII and Lipoxen acknowledge and agree that pursuant to the Baxter License that [***] within the FIELD as specifically defined in the Baxter License;

4) SII and Lipoxen further acknowledge and agree that in light of these commitments and further to allow Baxter to exercise its option under the Baxter License that each company provides its assurances that neither shall knowingly whether directly or indirectly supply, manufacture for or provide any party or entity other than Baxter [***] for the making, using, selling or developing of any product within the FIELD, as set forth in the Baxter License;

5) SII and Lipoxen further acknowledge and agree that in light of these commitments and further to allow Baxter to exercise its option under the Baxter License that each company provides its assurances that neither shall knowingly whether directly or indirectly provide any information pertaining to [***] to any party or entity other than Baxter for use within the FIELD and specifically shall not knowingly provide any information in support of any regulatory filing by any party or entity other than Baxter for the making, selling, using or developing of of any product within the FIELD, as set forth in the Baxter License, however it is clarified that this clause shall not apply to supply [***] outside the FIELD. SII can file the documents containing this information [***] with the Regulatory Authorities in order to obtain the manufacturing license.

6) SII and Lipoxen acknowledge and agree that pursuant to Article 4 of the Baxter License Lipoxen [***] to Baxter for use in the FIELD only, and Baxter is obligated to obtain the [***] from Lipoxen, excepting certain circumstances defined in the Baxter License; Such circumstance relates to Baxter's right to to elect to [***] for use within the FIELD only after completion of the first PHASE 2 CLINICAL TRIAL.

7) SII and Lipoxen also acknowledge and agree that pursuant to the Lipoxen/SII Agreements, and specifically the 'Development and Manufacturing Agreement' dated 2nd August 2006, Lipoxen [***] to Baxter as a CUSTOMER, as defined in such Agreement;

8) SII and Lipoxen acknowledge and agree that in light of these commitments and further to induce Baxter to exercise its option under the Baxter License that each company provides it assurances that in the event Lipoxen is unable, unwilling or incapable of fulfilling its obligations under the Baxter License to supply Baxter with [***] for what ever reason, including but not limited to bankruptcy or insolvency, that in addition to the rights Baxter may have under the Baxter License, SII and Lipoxen agree that Baxter may obtain such supply from SII directly for terms similar to those agreed to between Baxter and Lipoxen byentering into a direct supply agreement with SII; and

9) SII specifically acknowledges and agrees that in light of these commitments and further to induce Baxter to exercise its option under the Baxter License that SII gives its assurances to enter into an agreement [***] with Baxter for [***] in the event Lipoxen is unable, unwilling or incapable of fulfilling its obligations under the Baxter License to supply Baxter [***] for what ever reason, including but not limited to bankruptcy or insolvency.

Except as provided in this Letter Agreement all of the terms and conditions of the Baxter License and the Lipoxen/SII Agreements shall remain in full force and effect, and shall not be modified or altered except as provided herein.

All of the parties acknowledge that this Letter Agreement shall constitute a modification or alteration of some of the terms and conditions of the Baxter License and the Lipoxen/SII Agreements.

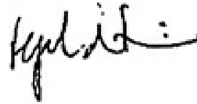
All of the parties further acknowledge and agree that this Letter Agreement can be executed in more than one counterpart, each of which constitutes an original and all of which together shall constitute one enforceable agreement. For purposes of this Letter Agreement and any other document that is required to be delivered pursuant to this Letter Agreement, facsimiles of signatures shall be deemed to be original signatures. In addition, if any of the parties sign facsimile copies of this Letter Agreement, such copies shall be deemed originals.

IN WITNESS WHEREOF, the parties hereto have caused their authorized representatives to execute this Letter Agreement by signing below:

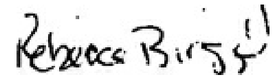
Signed:
For and behalf of:
Lipoxen Technologies Limited

Signature: ______________________
Name: **[ILLEGIBLE]**
Title: CEO
Date: December 11, 2006

Signed:
For and behalf of:
Baxter Healthcare SA



Signature: ______________________
Name: F.de Freine
Title: Finance Director
Baxter Healthcare SA
Date:

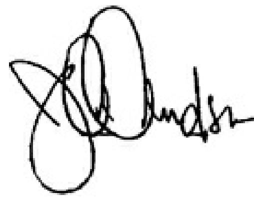


____
R.Binggeli
Director of Tax, Europe
Baxter Healthcare SA
Dec. 13, 2006

Signed:
For and behalf of:
[ILLEGIBLE] Institute of India Limited

Signature: ______________________
Name: **[ILLEGIBLE]**
Title: Company Secretary
Date: 11th December [**ILLEGIBLE**]

Signed:
For and behalf of:
Baxter Healthcare Corporation



Signature: ______________________
Name: **[ILLEGIBLE]**
Title: Corporate Vice President-President BioScience
Date: December 13, 2006

Portions of this exhibit, indicated by the mark "[***]," have been redacted pursuant to a confidential treatment request.

FROM: **[ILLEGIBLE]** PHONE NO. : 00442076811314 13 DEC. 2006 01: 58 PM P1

AMENDMENT

This is an amendment to the Research, Development and License Agreement ("R&L AGREEMENT") entered into on August 15, 2005, by and between Lipoxen Technologies Limited, a company registered in England and Wales with company number 03401495 and having its registered office at Suite 303, Hamilton House, Mabledon Place, London WC1H 9BB ("LIPOXEN"); Baxter Healthcare SA ("BHSA"), a corporation organized and existing under the laws of Switzerland, and Baxter Healthcare Corporation ("BHC") having its principal place of business at One Baxter Parkway, Deerfield, Illinois 60015 (BNSA and BHC collectively referred to as "BAXTER").

WHEREAS, LIPOXEN has requested BAXTER to make its election to continue with the collaboration pursuant to the terms of Article 2.3 of the R&L AGREEMENT before the ACCEPTANCE DATE (as defined in the R&L AGREEMENT), and specifically by December 13, 200**6**;

WHEREAS, BAXTER has agreed to make such an alection provided that the R&L AGREEMENT is amended and modified as provided below:

ACCORDINGLY, BAXTER and LIPOXEN agree to the following amendments and modifications of the R&L AGREEMENT:

1. Replace Article 2.1 with the following:

   "In General BAXTER shall provide LIPOXEN [***] or other THERAPEUTIC AGENTS to use developing DELIVERY AGENTS and POTENTIAL PRODUCTS to be utilized by BAXTER in its research and development activities to [***] other THERAPEUTIC AGENT. BAXTER shall as soon as possible after the EFFECTIVE DATE provide all of the BAXTER KNOW-HOW to LIPOXEN. At BAXTER's sole discreation BAXTER may or may not provide to LIPOXEN data compiled by BAXTER in [***] other THERAPEUTIC AGENTS, including data relating to the [***] (and protocols on the various techniques used), [***] stability data (including native proteins) and publications (patent and research papers)."

2. Add the following definition 1.75:

   "THIRD PARTY PRODUCT" means a product brought to the market by a third party which contains a THERAPEUTIC AGENT [***], and, (i) which product competes with a COMMERCIAL PRODUCT and (ii) which product does not infringe a VALID PATENT CLAIM.

3. Amend Article 8.3 by adding the statement, "and the term for paying such royalty shall be reduced to five (5) years after – reduced by [***] –, and add the following paragraph between the first and second paragraphs:

   "The ROYALTY RATE shall be reduced by [***] in respect of COMMERCIAL PRODUCTS sold or supplied in a country where there exists a THIRD PARTY PRODUCT. In the event LIPOXEN and BAXTER disagree as to whether such THIRD PARTY PRODUCT infringes a VALID PATENT CLAIM, thenBaxter shall deposit any amount owed LIPOXEN exceeding the ROYALTY RATE reducte by [***] into an interest bearing account when and if LIPOXEN elects to bring an action against such THIRD PARTY PRODUCT asserting that such THIRD PARTY PRODUCT infringes a VALID PATENT CLAIM. In the event LIPOXEN succeeds in such action then BAXTER agrees to turn over the sums in which royalty bearing account to LIPOXEN, which sums LIPOXEN agrees shall constitute the full amount owed by BAXTER.

4. Amend Article 8.4 by adding the following sentence:

   "In the event a THIRD PARTY PRODUCT is sold or supplied in a country in which a COMMERCIAL PRODUCT is sold or supplied then BAXTER's obligation to pay royalties shall expire [***] after the FIRST COMMERCIAL SALE. In the event LIPOXEN and BAXTER disagree as to whether such THIRD PARTY PRODUCT infringes a VALID PATENT CLAIM, then BAXTER shall deposit any amount which would be owed LIPOXEN beyond such [***] into an interest bearing account when and if LIPOXEN elects to bring an action against such THIRD

PARTY PRODUCT asserting that such THIRD PARTY PATENT infringes a VALID PATENT CLAIM. In the event LIPOXEN succeeds in such action then BAXTER agrees to turn over the sums in such royalty bearing account to LIPOXEN, which LIPOXEN agrees shall constitute the full amount owed by BAXTER. All capitalized terms used herein which are not specifically defined in this Amendment shall have the meaning set forth in the R&L AGREEMENT.

5. The remaining terms of the R&L AGREEMENT shall remain in full force and effect.

6. This Amendment may be executed in more than one counterpart, each of which constitutes an original and all of which together shall constitute one enforceable agreement. For purposes of this Amendment and any other document required to be delivered pursuant to this Amendment, facsimilies of signatures shall be deemed to be original signatures. In addition, if any one of the PARTIES sign facsimile copies of this Amendment, such copies shall be deemed originals

IN WITNESS WHEREOF, the PARTIES hereto have caused their authorized representatives to execute this Amendment by signing below:

Signed:
For and on behalf of:
Lipoxen

Signature /s/ M. Scott Maguire
Name: M. Scott Maguire
Title: CEO

For and on behalf of:
Baxter Healthcare Corporation

Signature /s/ Joy A. Amundson
Name: Joy A. Amundson
Title: Corporate Vice President,
President BioScience

Signed:

For and on behalf of:
BAXTER HEALTHCARE SA

Signature /s/ F. de Freine
Name: F. de Freine
Title: Finance Director
Baxter Healthcare SA

/s/ Rebecca Binggeli
Rebecca Binggeli
Director of Tax, Europe
Baxter Healthcare SA

Dec. 13, 2006

Exhibit 10.13

Portions of this exhibit, indicated by the mark "[***]," have been redacted pursuant to a confidential treatment request.

**SECOND AMENDMENT TO EXCLUSIVE
RESEARCH, DEVELOPMENT AND LICENSE AGREEMENT**

This SECOND AMENDMENT TO EXCLUSIVE RESEARCH, DEVELOPMENT AND LICENSE AGREEMENT (this "Amendment") is made and entered into as of this 28TH day of May, 2009 by and among Lipoxen Technologies Limited, a company registered in England and Wales with company number 03401495 and having its registered office at London Bioscience Innovation Centre, 2 Royal College St., London NWI ONH, England ("Lipoxen"); Baxter Healthcare SA ("BHSA"), a corporation organized and existing under the laws of Switzerland, and Baxter Healthcare Corporation ("BHC") having its principal place of business at One Baxter Parkway, Deerfield, Illinois 60015 (BHSA and BHC collectively referred to as "Baxter") to amend the terms of that certain Exclusive Research, Development and License Agreement between the Parties dated August 15, 2005, which was amended pursuant to that certain amendment between the parties dated on or about December 15, 2006 (together the "Agreement"). Lipoxen and Baxter may be referred to herein individually as a "Party" and collectively as the "Parties."

BACKGROUND

WHEREAS, pursuant to Section 8.1 and Schedule III of the Agreement, Baxter is obligated to make a Milestone Payment in the amount of [***] upon (a) the formal selection of a lead candidate or if multiple products are developed simultaneously, co-lead candidates by the Research Committee or Baxter or (b) the entry into pre-clinical trials anywhere in the world (the "First Milestone Events");

WHEREAS, Lipoxen has proposed to Baxter that Lipoxen [***] upon the occurrence of either or both of such Milestone Events if Baxter [***] offering of Lipoxen PLC;

WHEREAS, Baxter has, as of the date of this Amendment, entered into that certain subscription agreement pursuant to which Baxter has made an investment in the ordinary shares of Lipoxen PLC in the amount of One Million Dollars ($1 ,000,000) (the "Equity Investment");

WHEREAS, as a result of the Equity Investment the the Parties wish to amend the Agreement to clarify that Baxter has no further obligation upon the occurrence of either of the First Milestone Events.

NOW, THEREFORE, in consideration of the foregoing and such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Incorporation of the Agreement. All capitalized terms which are not defined herein shall have the same meanings as set forth in the Agreement, and the Agreement, to the extent not inconsistent with this Amendment, is incorporated herein by this reference as though the same was set forth in its entirety. To the extent any terms and provisions of the Agreement are inconsistent with the amendments set forth in Paragraph 2 below, such terms and provisions shall be deemed superseded hereby. Except as specifically set forth herein, the Agreement shall remain in full force and effect and its provisions shall be binding on the parties hereto.

2. Amendment of the Agreement. The Agreement is hereby amended as follows

a. Amendment of Schedule III. Schedule III to the Agreement is hereby deleted in its entirety and shall be replaced with the schedule attached to this Amendment as Exhibit A.

b. For the avoidance of doubt, the parties acknowledge that Baxter exercised the option set forth in in Section 2.3 of the Agreement on or around 15 December 2006.

c. Amendment of Section 8.1.1. Section 8.1.1 is hereby deleted in its entirety and shall be replaced with the following:

8.1.1 There shall be no multiple MILESTONE PAYMENTS for multiple products or multiple indications except that BAXTER shall be required to make [***] MILESTONE PAYMENT in the event:

(i) BAXTER has entered into clinical trials for the development of a POTENTIAL PRODUCT for a specific label indication, and

(ii) BAXTER terminated such clinical trials and elects to purse the development of this or a different POTENTIAL PRODUCT with a different label indication within the FIELD, and

(iii) the termination of the development of the POTENTIAL PRODUCT in clinical trials is not due to the failure to meet satisfactory clinical endpoints (a “CLINICAL FAILURE”).

In such event, [***] MILESTONE PAYMENT shall be due [***] lead candidates to be developed for the new label indication or the [***] anywhere in the world in relation to one or more different POTENTIAL PRODUCTS with the different label indication within the Field. Any label indication in the same disease area shall be considered the same label indication. For example, an indication for the “control of spontaneous bleeding episodes or to cover surgical interventions in Hemophilia A” and an indication for “the prevention and control of hemorrhagic episodes in Hemophilia A” shall be considered the same label indication.

For clarity, in the event BAXTER develops multiple POTENTIAL PRODUCTS with the same label indication, whether simultaneously or sequentially, whether in preclinical or clinical trials or launches multiple COMMERCIAL PRODUCTS with the same label indication, [***] pursuant to this Section 8.1.1 [***] In the event Baxter launches multiple POTENTIAL PRODUCTS with different label indications, whether simultaneously or sequentially, whether in preclinical or clinical trials or launches multiple COMMERCIAL PRODUCTS with different label indications, [***] pursuant to this Section 8.1.1 [***] In the event Baxter cancels the development of a POTENTIAL PRODUCT due to a CLINICAL FAILURE and develops another POTENTIAL PRODUCT, whether in the same or different label indication(s), [***] pursuant to this Section 8.1.1 [***].

For example, if BAXTER terminates the development of a POTENTIAL PRODUCT with a targeted indication for [***] prior to initiating clinical trials and elects to develop a different POTENTIAL PRODUCT with a targeted indication of [***] then [***] pursuant to this Section 8.1.1 shall be due.

For example, If BAXTER terminates the development of a POTENTIAL PRODUCT with a targeted indication for[***] after initiating clinical trials, and there has been no CLINICAL FAILURE, and elects to develop a different POTENTIAL PRODUCT with a targeted indication of [***] then, in addition to the other Milestone Payments, [***] MILESTONE PAYMENT pursuant to this Section 8.1.1 due and payable to Lipoxen upon the selection of the lead candidate or upon entry of the different POTENTIAL PRODUCT into pre-clinical trials anywhere in the world.'

3. Effectuation. The amendment to the Agreement contemplated by this Amendment shall be deemed effective as of the date first written above upon the full execution of this Amendment and without any further action required by the parties hereto on condition that the Equity Investment is completed (the "Condition"). If the Condition is not satisfied by June 15, 2009 this Amendment shall expire.

4. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. One or more counterparts of this Amendment may be delivered by facsimile, with the intention that delivery by such means shall have the same effect as delivery of an original counterpart thereof.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Amendment as of the date first above written.

[Signature Page Follows]

BAXTER HEALTHCARE CORP.

By /s/ Joy A. Amundson
Name Joy A. Amundson
Title CVP / President Bioscience

BAXTER HEALTHCARE S.A.

By /s/ lgnacio Martinez de Lecea
Name lgnacio Martinez de Lecea
Title Corporate Counsel

By /s/ Sarah Byrne-Quinn
Name Sarah Byrne-Quinn
Title VP Bus Del

LIPOXEN TECHNOLOGIES LIMITED

By /s/ M. Scott Maguire
Name M. Scott Maguire
Title CEO

[Signature Page to Second Amendment]

Exhibit A

SCHEDULE III

MILESTONE EVENTS AND PAYMENTS

[***] set forth in Section 2.3, then, pursuant to Section 8.1, the following MILESTONE PAYMENTS [***] upon occurrence of the following MILESTONE EVENTS with respect to all POTENTIAL PRODUCTS and COMMERCIAL PRODUCTS (as the case may be) (unless fully paid under Schedule IV):

MILESTONE EVENTS	[***]
IND acceptance (or European equivalent):	[***]
Completion of a Phase II clinical trial anywhere in the world:	[***]
Completion of a Phase III clinical trial anywhere in the world:	[***]
Regulatory approval:	
US	[***]
Europe	[***]
Sales milestones (in addition to any royalties payable):	
First year world-wide [***]	[***]
First year world-wide [***]	[***]
First year world-wide [***]	[***]

Exhibit 10.14

Portions of this exhibit, indicated by the mark "[***]," have been redacted pursuant to a confidential treatment request.

DATED AUGUST, 10 2010

LIPOXEN TECHNOLOGIES, LTD.

- and -

BAXTER HEALTHCARE CORPORATION AND BAXTER HEALTHCARE SA

AMENDMENT NUMBER FOUR TO THE EXCLUSIVE RESEARCH, DEVELOPMENT AND LICENSE AGREEMENT

DATE OF AMENDMENT NUMBER FOUR 10 AUGUST 2010

PARTIES

(1) **LIPOXEN TECHNOLOGIES, LTD.** whose registered office is at whose registered office at London Bioscience Innovation Centre, 2 Royal College St., London NWI ONH, England ("LIPOXEN").

(2) **BAXTER HEALTHCARE CORPORATION** having its principal place of business at One BAXTER Parkway, Deerfield, Illinois 60015 ("BHC")

(3) **BAXTER HEALTHCARE SA**, a corporation organized and exiting under the laws of Switzerland having its principal place of business at Hertistr.28304, Wallisellen, Switzerland ("BHSA")(BHC and BHSA collectively referred to as "BAXTER").

INTRODUCTION

(A) WHEREAS, LIPOXEN entered into an Exclusive Research, Development and License Agreement (hereinafter the "AGREEMENT") with BAXTER on August 15, 2005;

(B) WHEREAS, the PARTIES have amended the AGREEMENT pursuant to the previous amendment agreements set out in Schedule B of this AMENDMENT NUMBER FOUR ("AMENDMENT");

(C) WHEREAS, the PARTIES desire to further amend the AGREEMENT in accordance with and subject to the provisions of this AMENDMENT;

(D) WHEREAS, the AGREEMENT provides certain ownership rights to LIPOXEN in relation to BAXTER SOLE INVENTIONS and the PARTIES have agreed that in relation to those certain rights that LIPOXEN shall relinquish its ownership rights provided that BAXTER grants an exclusive license to LIPOXEN such that LIPOXEN shall be granted rights to any [***] claimed in any BAXTER SOLE INVENTIONS under the [***]

(E) WHEREAS, the AGREEMENT provides certain ownership rights to BAXTER in relation to LIPOXEN SOLE INVENTIONS and the PARTIES have agreed that in relation to certain of those rights that BAXTER, consistent with the terms of the AGREEMENT, shall relinquish its ownership rights subject always to the exclusive license granted to BAXTER under the AGREEMENT;

(F) WHEREAS, the PARTIES desire to work more closely with each other and have better exposure to those patent applications filed by either PARTY on a SOLE INVENTION.

NOW, THEREFORE, in consideration of the foregoing and the covenants and promises contained in this AMENDMENT and in accordance with and subject to the terms and conditions specified below the PARTIES agree as follows:

AMENDMENT OF THE AGREEMENT

The Parties hereby agree to amend the Agreement as provided below. Capitalized terms used in this Amendment that are not otherwise defined herein shall have the meanings provided in the Agreement.

1. "AMENDMENT COMMENCEMENT DATE" means ___ August, 2010.

2. The Definitions are hereby amended with effect from the EFFECTIVE DATE to add the following Sections 1.75 and 1.76 as new definitions:

1.75 [***] means all BAXTER SOLE INVENTIONS that utilize or incorporate DELIVERY AGENTS, including but not limited to:- (a) [***] (i) to part (vi) of the LIPOXEN CORE TECHNOLOGY; and (b) [***] DELIVERY AGENTS with other [***].

1.76 [***] means all PATENTS and PATENT APPLICATIONS that (i) are owned by BAXTER, and (ii) include any claim that covers [***] INVENTIONS including, for the avoidance of doubt the [***] PATENT RIGHTS. A PATENT or PATENT APPLICATION shall not be excluded from the definition of [***] PATENT RIGHTS if, in addition to claims relating to the [***] INVENTIONS, it also has claims [***] DELIVERY AGENTS.

1.77 "EXISTING [***] PATENT RIGHTS" means the patent applications set out in Schedule A of this Agreement.

3. Section 1.35 is hereby amended with effect from the EFFECTIVE DATE by deleting the words "For the purposes of clarification, the LIPOXEN CORE TECHNOLOGY shall not include [***]."

4. Section 1.39 is hereby deleted in its entirely and replaced, with effect from the Effective Date, by the following:

1.39 "LIPOXEN PATENT RIGHTS" means all of the PATENTS and PATENT APPLICATIONS CONTROLLED by LIPOXEN, including those rights licensed to LIPOXEN by BAXTER within the [***] PATENT RIGHTS, which (i) pertain to [***] and [***]

POTENTIAL PRODUCTS or COMMERCIAL PRODUCTS, and (ii) are necessary to develop, make, have made, use, sell, have sold and import POTENTIAL PRODUCTS or COMMERCIAL PRODUCT(S) pursuant to the license set forth in Section 3 .I; including those contained in Schedule V of this Agreement, which excludes, for the avoidance of doubt, the MANUFACTURING TECHNOLOGY.

5. Section 13.4 is hereby amended with effect from the Effective Date to be Section 13.4.1 and by the insertion of the words "excluding the BAXTER SOLE INVENTIONS" after the words "SOLE INVENTIONS".

6. A new Section 13.4.2 is hereby included in the Agreement with effect from the Effective Date as follows:

13.4.2 Ownership of of BAXTER SOLE INVENTIONS and Licensure of [***] PATENT RIGHTS to LIPOXEN by BAXTER

13.4.2.1 Ownership. All BAXTER SOLE INVENTIONS (including the [***] INVENTIONS), and all intellectual property rights in them (including, without limitation, the [***] PATENT RIGHTS), shall be the sole and exclusive property of BAXTER, even if any such BAXTER SOLE lNVENTIONS/PSA INVENTIONS fall within the scope of the LIPOXEN CORE TECHNOLOGY. LIPOXEN shall cooperate in all respects to ensure that ownership of the BAXTER SOLE INVENTIONS/ [***] INVENTIONS is properly vested in BAXTER. Subject to the terms of this Section 13.4.2, BAXTER shall have the right to protect the BAXTER SOLE INVENTIONS. [***] INVENT!ONS in any manner that BAXTER deems appropriate including, without limitation, the filing of additional PATENT APPLICATIONS to be included in the][***] PATENT RIGHTS. BAXTER shall not assign or otherwise transfer the [***] INVENTIONS (or any PATENT or PATENT APPLICATION relating to the [***] INVENTIONS) to a THIRD PARTY, an AFFLLIATE or a SUBLICENSEE, without the consent of LIPOXEN other than in the circumstances set out in parts (i) to (iii) of Section 16 of the AGREEMENT, in which case such assignment or transfer shall be expressly subject to a novation (on terms reasonably acceptable to LIPOXEN) of the terms of the AGREEMENT to the relevant assignee/transferee.

13.4.2.2 Grant. BAXTER grants, to LJPOXEN an exclusive (exclusive also as to BAXTER), royalty-free, perpetual, worldwide right and license, with the right to sublicense, under the [***] PATENT RIGHTS to: (i) use, utilize, practice and commercialise those [***] INVENTIONS that are methods or processes; and (ii) research, develop, make, have made, use, supply, sell, offer to sell and import those [***] INVENTTONS that are products, compositions of matter, formulations, chemicals or biological.

13.4.2.3 Term of Grant. The term of the license rights granted to LIPOXEN under Section 13.4.2.2 shall be deemed to begin on the EFFECTIVE DATE and shall expire on the last date of expiration of the last PATENT included in the [***]

PATENT RIGHTS. For the avoidance of doubt, the licence granted to LIPOXEN under this Section 13.4.2 shall survive termination and/or expiry of the AGREEMENT for any reason.

13.4.2.4 Right to Sublicense. From the EFFECTIVE DATE, LIP'OXEN shall have the right to sublicense the license rights granted under Section 13.4.2.2 without reference to and/or obtaining consent from Baxter unless such rights fall within the FIELD in which case LIPOXEN shall not during the term of the AGREEMENT, be entitled to grant a sublicense of the rights within the FIELD to any person other than BAXTER. The PARTIES agree that for the term of the AGREEMENT, to the extent that such rights fall within the FIELD, BAXTER shall receive a sublicense of the rights within the FIELD pursuant to SECTION 3.1 of the AGREEMENT.

13.4.2.5 Control. The PARTIES acknowledge that for the purposes of the AGREEMENT, LIPOXEN shall CONTROL the [***] PATENT RIGHTS, including the [***] PATENT RIGHTS that are subject to the sub-licence to BAXTER as set out in SECTION 13.4.2.4 above.

13.4.2.6 Assignment. LIPOXEN shall be entitled to assign its rights under clause 13.4.2.2 to any person to whom it assigns the AGREEMENT in accordance with Section 16 of the AGREEMENT.

13.4.2.7 Notification. BAXTER shall notify LIPOXEN in writing immediately if:- (a) BAXTER does not intend to file a PATENT APPLICATION in relation to a [***] INVENTION ("ABANDONED [***] INVENTIONS"), or (b) BAXTER intends to abandon any [***] PATENT RIGHT ("ABANDONED [***] PATENT RIGHTS"). LIPOXEN shall have the right in its own name and at its sole expense to prosecute and maintain PATENT APPLICATIONS and PATENTS in relation to the ABANDONED [***] INVENTIONS and to prosecute and maintain the ABANDONED [***] PATENT RIGHTS, in which case BAXTER hereby agrees to transfer and assign and shall transfer and assign to LIPOXEN its entire right, title and interest in and to such ABANDONED [***] INVENTIONS and ABANDONED [***] PATENT RIGHTS and the ABANDONED [***] INVENTIONS shall be treated as the SOLE INVENTION of LIPOXEN for the purposes of this AGREEMENT, including Sections 13.3, 13.4 and 13.6. Any notification under this Section 13.4.2.7 by BAXTER shall be given to LIPOXEN with sufficient time to enable LIPOXEN to exercise its rights under this Section.

13.4.2.8 Additional Filings. If BAXTER proposes to file (or has filed) a PATENT APPLICATION in relation to a [***] INVENTION and the application can or does include claims relating to DELIVERY AGENTS, LIPOXEN shall have the right but not the obligation in its own name and at its sole expense to file a PATENT APPLICATION as a new application, or as a divisional, continuation, or continuation-in-part (or via any other equivalent mechanism in any jurisdiction) of the original PATENT APPLICATION, which covers the relevant [***] INVENTION in so far as it relates solely and specifically to DELIVERY AGENTS and proteins which fall outside the FIELD (“DELIVERY AGENT CLAIMS”) and at LIPOXEN’S sole discretion, prosecute such PATENT

APPLICATION. BAXTER shall be allowed to continue prosecution of all other claims that are not DELIVERY AGENT CLAIMS. BAXTER agrees to transfer and assign and shall transfer and assign its entire right, title and interest in and to such DELIVERY AGENT CLAIMS to LIPOXEN and the INVENTIONS that are the subject of such DELIVERY AGENT CLAIMS shall be treated as SOLE INVENTIONS of LIPOXEN for the purposes of this Agreement, including Sections 13.3, 13.4 and 13.6. If LIPOXEN decides, at its sole discretion, not to file or to cease prosecuting a PATENT APPLICATION with DELIVERY AGENT CLAIMS, BAXTER shall have the right, but not the obligation, to file and/or take over the prosecution of such DELIVERY AGENT CLAIMS following which the INVENTION which is the subject of such PATENT APPLICATIONS shall be considered the SOLE INVENTION of BAXTER for the purposes of this AGREEMENT, including SECTIONS 13.3, 13.5 and 13 .6.

13.4.2.9 Broader Filings. In addition to LIPOXEN's rights pursuant to Section 13.4.2.8, if BAXTER proposes to file a PATENT APPLICATION in relation to a [***] INVENTION and LIPOXEN believes that the claims of the relevant PATENT APPLICATION could and should be broader than those proposed by BAXTER, LIPOXEN shall notify BAXTER in writing of its belief and BAXTER shall either:-

(a) broaden the scope of the claims of the relevant PATENT APPLICATION in accordance with the instructions of UPOXEN, where, in such case, LIPOXEN shall be granted rights to such PATENT APPLICATION, and any PATENT that issues there from per the terms of this Section, 13.4.2, and in particular, Sections 13.4.2.1 and 13.4.2.2; or

(b) allow LIPOXEN in its own name and at its sole expense to tile a PATENT APPLICATION as a new application, or as a divisional, continuation, or continuation-in-part (or via any other equivalent mechanism in any jurisdiction) of the original PATENT APPLICATION, in relation to the broader scope and claims in so far as they relate to DELIVERY AGENTS ("BROAD DELIVERY AGENT CLAIMS") and at Lipoxen's sole discretion, prosecute such PATENT APPLICATION. BAXTER agrees to transfer and assign and shall transfer and assign its entire right, title and interest in and to such BROAD DELIVERY AGENT CLAIMS to LIPOXEN and the INVENTIONS that are the subject of such BROAD DELIVERY AGENT CLAIMS shall be treated as SOLE INVENTIONS of LIPOXEN for the purposes of Sections 13.3, 13.4 and 13.6 of' this AGREEMENT.

13.4.2.10 Baxter name on Broader Filings. If LIPOXEN proposed to file a PATENT APPLICATION pursuant to Section 13.4.2.9(b) of this AGREEMENT and the PATENT APPLICATION that is actually filed covers [***] in addition to to DELIVERY AGENTS, the relevant application shall befiled in the joint names of BAXTER and LIPOXEN and BAXTER shall compensate LIPOXEN monthly in arrears for half the costs and expenses relating to the prosecution and maintenance of the relevant PATENT APPLICATION and any PATENTS resulting from it. The PATENT APPLICATION shall be deemed to be a JOINT PATENT APPLICATION provided that:- (a) LIPOXEN shall still

retain sole discretion to prosecute such Pi\ TENT APPLICATION; and (b) despite the joint names on the PATENT APPLICATION only LIPOXEN shall have the right, in its entire discretion, without accounting to BAXTER, to use, licence and otherwise exploit the claims of the relevant PATENT APPLICATION which relate to DELIVERY AGENTS. If in its entire discretion, during prosecution LIPOXEN narrows the claims of any such PATENT APPLICATION, by way of filing a divisional patent application or otherwise, such that the PATENT APPLICATION covers only DELIVERY AGENTS [***] LIPOXEN shall be entitled to transfer the PA into LIPOXEN'S sole name and the relevant PATENT APPLICATION shall be deemed to be a BROAD DELIVERY AGENT CLAIM for the purposes of SECTION 13.4.2.9(b). The PARTIES acknowledge that the patent application filed by LIPOXEN in the joint names of LIPOXEN and BAXTER on 20 July 2010, entitled "Giycopolysialylation of non-blood Coagulation Proteins" shall be deemed to be filed pursuant to this SECTION 13.4.2.10 even though it was filed prior to the AMENDMENT COMMENCEMENT DATE.

13.4.2.11 Warranty. BAXTER warrants that as at the AMENDMENT COMMENCEMENT DATE:- (a) the EXISTING [***] PATENT RIGHTS are the only PATENTS and/or PATENT APPLICATIONS owned by BAXTER which include any claim that may cover a-[***] INVENTION; and (b) BAXTER is not aware of any[***] -INVENTIONS that have been conceived or made but are not yet the subject to a PATENT APPLICATION filed by BAXTER at the time of the AMENDMENT COMMENCEMENT DATE.

13.4.2.12 Terms of Sublicenses. To the extent that any monies are received by Lipoxen from a sublicensee specifically in respect of any of the [***] Patent Rights to which Lipoxen has received an exclusive grant under Section 13.4.2.2, Lipoxen agrees to pay to BAXTER [***] of all sublicensing revenue received by LIPOXEN specifically in respect of sublicensing the rights to the [***]. PATENT RlGHT to a third party until such time as BAXTER has been compensated for [***] of the [***] PATENT COSTS relating specifically to the relevant [***] PATENT RIGHT which is the SubjecL of the sub-licence. For the purposes of this Section 13.4.2.10, the [***] PATENT COSTS for a specific [***] PATENT RIGHT shall be deemed to be any and all external costs and/or expenses reasonably incurred by BAXTER in the prosecution and/or maintenance of the relevant [***] PATENT RIGHT provided that such cost or expense is properly documented by a written invoice. BAXTER shall keep up to date and detailed records of the costs and expenses it incurs in relation to the PATENT RJGHTS and shall, if asked in writing to do so byLIIPOXEN, provide an up to date summary of such costs and expenses, together with supporting documentary evidence, in relation to any and all [***]-PATENT RJGHTS which are the subject of a sub-licence granted by LIPOXEN.

7. Section 13.5 is hereby amended with effect from the EFFECTIVE DATE by renumbering the Section as 13.5.1 and by inserting the words “excluding the LIPOXEN SOLE INVENTIONS” after the words “SOLE INVENTIONS”.

8. A new Section 13.5.2 is hereby included in the AGREEMENT with effect from the EFFECTIVE DATE as follows:-

13.5.2 Ownership of LIPOXEN SOLE INVENTIONS and rights of BAXTER therein:-

13.5.2.1 Ownership. All LIPOXEN SOLE INVENTIONS, and all intellectual property rights in them, shall be the sole and exclusive property of LIPOXEN, even if any such LIPOXEN SOLE INVENTIONS fall within the scope of the BAXTER CORE TECHNOLOGY. BAXTER shall cooperate in all respects to ensure that ownership of the LIPOXEN SOLE INVENTIONS is properly vested in LIPOXEN. Subject to the terms of this Section 13.5.2, LIPOXEN shall have the right to protect the LIPOXEN SOLE INVENTIONS in any manner that L!POXEN deems appropriate including, without limitation, the filing of additional PATENT APPLICATIONS to be included in the LIPOXEN PATENT RJGHTS. LIPOXEN shall not assign or otherwise transfer the LIPOXEN SOLE INVENTIONS (or any PATENT or PATENT APPLICATION relating to the LIPOXEN SOLE INVENTIONS) to a THIRD PARTY, an AFFILIATE or a SUB-LICENSEE, without the consent or BAXTER other than in the circumstances set out in parts (i) to (iii) of Section 16 of the AGREEMENT, in which case such assignment or transfer shall be expressly subject to a novation (on terms reasonably acceptable to BAXTER) of the terms of the AGREEMENT to the relevant assignee/transferee.

9. Section 13.6 is hereby deleted in its entirety and replaced with effect from the Commencement Date by the following:

13.6 Each PARTY shall have sole discretion and right to prepare, file, prosecute, maintain and defend PATENT APPLICATIONS or PATENTS for INVENTIONS it solely owns under this AGREEMENT. However, pursuant to the following, the PARTIES agree to have their respective patent attorneys confer with each other during the prosecution of SOLE INVENTIONS. Costs incurred with respect to PATENT APPLICATIONS AND PATENTS relating to SOLE INVENTIONS shall be borne by the PARTY with the right to prosecute each such PATENT APPLICATION and/or pay annuities and/or maintenance fees for a PATENT.

13.6.1 BAXTER'S patent attorneys shall confer with LIPOXEN's patent attorneys during the prosecution of PATENT APPLICATIONS relating to BAXTER SOLE INVENTIONS and make every reasonable effort to consider LIPOXEN'S suggestions regarding the prosecution of such BAXTER SOLE INVENTION PATENT APPLICATIONS. Without prejudice to the generality of the above, BAXTER shall:-

(a) at least (7) business days, which do not include holidays in in either the U.K. or the United States of America, prior to the contemplated filing of a PATENT APPLICATION relating to BAXTER SOLE INVENTIONS submit a substantially completed draft of the PATENT APPLICATION to LIPOXEN; and

(b) copy LIPOXEN’s patent attorneys on any official actions and submissions that arise during the prosecution of PATENT APPLICATIONS relating to BAXTER SOLE INVENTIONS no later than seven (7) business days, which do not incluyde holidays in either the the U.K. or the United States of America, prior to the due date of such official actions and submissions. .

13.6.2 LIPOXEN’s patent attorneys shall confer with BAXTER’s patent attorneys during the prosecution of PATENT APPLICATIONS relating to LIPOXEN SOLE INVENTIONS and make every reasonable efforts to consider BAXTER’s suggestions regarding the prosecution of such LIPOXEN SOLE INVENTION PATENT APPLICATIONS. Without prejudice to the generality of the above, LIPOXEN shall:-

(a) at least seven (7) business days, which do not include holidays in either the U.K. or the United States of America, prior to the contemplated filing of a PATENT APPLICATION relating to BAXTER SOLE INVENTIONS submit a substantially completed draft of the PATENT APPLICATION to LIPOXEN; and

(b) copy BAXTER’s patent attorneys on any official actions and submissions that arise during the prosecution of PATENT APPLICATIONS relating to LIPOXEN SOLE INVENTIONS no later than seven (7) business days, which do not include holidays in either the U.K. or the United States of America, prior to the due date of such official actions and submissions.

10. The following sentence in Section 13.7 is hereby amended with effect from the Commencement Date by the following:

"At least twenty (20) days prior to the contemplated tiling of such PATENT APPLICATION, the RESPONSIBLE PARTY shall submit a substantially completed draft of the JOINT PATENT APPLICATION to the other PARTY for its approval, which shall not be unreasonably withheld or delayed."

and replaced with, having effect from the Commencement Date by the following:

"At least seven (7) business days, which do not include holidays in either the U.K. or the United States of America, prior to the contemplated filing of such PATENT APPLICATION, the RESPONSIBLE PARTY shall submit a substantially completed draft of the JOINT PATENT APPLICATION to the other PARTY for its approval, which shall not be unreasonably withheld or delayed."

11. A new Section 8.6 shall be inserted into the AGREEMENT with effect from the AMENDMENT COMMENCEMENT DATE as follows:

“8.6 BAXTER shall be entitled to deduct from any milestones that have yet to be paid or any royalties due to LIPOXEN pursuant to Section 8.3 of this AGREEMENT any costs reasonably incurred by BAXTER as a result of any

claim of ownerwhip by a THIRD PARTY of the [***] used by LIPOXEN and provided to BAXTER by LIPOXEN for the [***].”

12. A new Section 15.7.4 shall be inserted into the AGREEMENT with effect from the AMENDMENT COMMENCEMENT DATE as follows:

    Section 15.7.4 of the Agreement shall be amended with effect from the Effective Date by the insertion of the following words at the start of the Section:- “With the exception of the licence granted by Baxter to Lipoxen pursuant to Section 13.4.2 which shall surive termination of this Agreement”.

13. Section 15.7.6 of the AGREEMENT shall be deleted in its entirety with effect from the EFFECTIVE DATE.

14. LIPOXEN does not accept and makes no admissions in relation to the allegations of delay set out by BAXTER in the 2007 Letter and does not waive any rights or remedies it may have in relation to any due diligence milestone events that have not been met by their relevant due date but, without prejudice to any of the PARTIES other rights under the AGREEMENT, the PARTIES agree that SCHEDULE IV of the AGREEMENT shall be amended with effect from the EFFECTIVE DATE by inserting the amended dates as set out in the table below in place of the dates set out in the original AGREEMENT:-

Due Diligence Milestone Event	Original Date	Amended Date
IND Filing	June 30, 2008	May 31, 2009
Completion of Phase II Clinical Trial	December 31, 2010	November 30, 2011
First BLA Filing	December 31, 2014	March 31, 2015

15. From the AMENDMENT COMMENCEMENT DATE BAXTER shall use its best endeavours to negotiate the terms of a cash infusion of $2 million to LIPOXEN by way of equity investment or other instrument on fair and reasonable terms to be agreed between the PARTIES.

16. Miscellaneous

    a. Full Force and Effect. Except as expressly amended by this Amendment, the Agreement shall remain unchanged and continue in full force and effect as provided therein.

    b. Entire Agreement of the Parties. This Amendment and the Agreement constitute the complete final and exclusive understanding and agreement of the BAXTER and LIPOXEN with respect to the subject matter of the

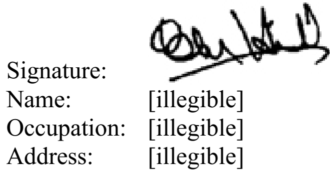
Agreement, and supersede any and all prior or contemporaneous negotiations, correspondence, understandings and agreements, whether oral or written, between BAXTER and LIPOXEN respecting the subject matter of the Agreement.

c. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. One or more counterparts of this Amendment may be executed my facsimile or other electronic means.

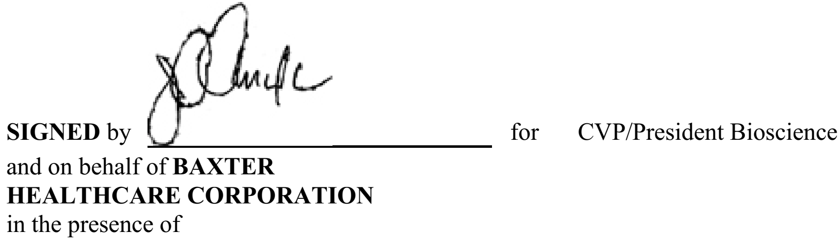
IN WITNESS WHEREOF, the parties hereto have executed this Amendment in duplicate originals by their authorized officers as of the Effective Date of the Amendment.

SIGNED by /s/ M. Scott Maguire for M. Scott Maguire
and on behalf of **LIPOXEN TECHNOLOGIES, LTD**. in the presence of: CEO

Witness



Signature:
Name: [illegible]
Occupation: [illegible]
Address: [illegible]



SIGNED by ______________ for CVP/President Bioscience
and on behalf of **BAXTER HEALTHCARE CORPORATION**
in the presence of

Witness

Signature: /s/ Alicia Webb
Name: Alicia Webb
Occupation:
Address:

SIGNED by ______________ for
and on behalf of **BAXTER HEALTHCARE SA**
in the presence of

Witness

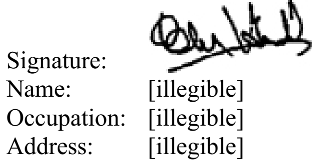
Signature:
Name:
Occupation:
Address:

IN WITNESS WHEREOF, the parties hereto have executed this Amendment in duplicate originals by their authorized officers as of the Effective Date of the Amendment.

SIGNED by /s/ M. Scott Maguire for and on behalf of **LIPOXEN TECHNOLOGIES, LTD**. in the presence of:

M. Scott Maguire
CEO

Witness

Signature: 
Name: [illegible]
Occupation: [illegible]
Address: [illegible]

SIGNED by ______________________ for and on behalf of **BAXTER HEALTHCARE CORPORATION** in the presence of

Witness

Signature:
Name:
Occupation:
Address:

SIGNED by /s/ Ignacio Martinez de Lecea for and on behalf of **BAXTER HEALTHCARE SA** in the presence of

Ignacio Martinez de Lecea
Sr. Counsel ECEMEA

/s/ Sarah Byrne-Quinn
Sarah Byrne-Quinn
VP Business Development & Strategy

Witness

Signature: /s/ Mario Schultz
Name: Mario Schultz
Occupation: Legal Assistant
Address: [illegible], 8304 Wallisellen

[***]

[***]

[***]

[***]

SCHEDULE B
PREVIOUS AMENDMENT AGREEMENTS

1. Amendment dated August 15 2005 between LIPOXEN and BAXTER relating to THIRD PARTY PRODUCTS ("AMENDMENT ONE")

2. Amendment signed on December 11 and 13 between LIPOXEN, BAXTER and SERUM INSTITUTE OF INDIA LIMITED relating to POLYSIAL1C ACID ("AMENDMENT TWO")

3. Document headed "Second Amendment to Exclusive Research, Development and Licence Agreement" dated May 2009 relating to the First Milestone Event ("AMENDMENT THREE")

Exhibit 10.15

Portions of this exhibit, indicated by the mark "[***]," have been redacted pursuant to a confidential treatment request.

DATED SEPTEMBER, 15 2010

LIPOXEN TECHNOLOGIES, LTD.

- and -

BAXTER HEALTHCARE CORPORATION AND BAXTER HEALTHCARE SA

AMENDMENT NUMBER FIVE TO THE EXCLUSIVE RESEARCH, DEVELOPMENT AND LICENSE AGREEMENT

PARTIES

(1) **LIPOXEN TECHNOLOGIES, LTD**. whose registered office is at London Bioscience Innovation Centre, 2 Royal College St., London NWI ONH, England ("LIPOXEN").

(2) **BAXTER HEALTHCARE CORPORATION** having its principal place of business at One BAXTER Parkway, Deerfield, Illinois 60015 ("BHC")

(3) **BAXTER HEALTHCARE SA**, a corporation organized and exiting under the laws of Switzerland having its principal place of business at Hertistr.28304, Wallisellen, Switzerland ("BHSA")(BHC and BHSA collectively referred to as "BAXTER").

INTRODUCTION

(A) WHEREAS, LIPOXEN entered into an Exclusive Research, Development and License Agreement (hereinafter the "AGREEMENT") with BAXTER on August 15, 2005;

(B) WHEREAS, the PARTIES have amended the AGREEMENT pursuant to four previous Amendment Agreements;

(C) WHEREAS, the PARTIES desire to further amend the AGREEMENT in accordance with and subject to the provisions of this AMENDMENT NUMBER FIVE ("AMENDMENT");

(D) WHEREAS, pursuant to Section 8.1 of the AGREEMENT and Schedule III, as amended in AMENDMENT NUMBER TWO, BAXTER is obligated to make a MILESTONE PAYMENT in the amount of [***] upon completion of the MILESTONE EVENT of "IND acceptance (or Europea n[***] (defined in this AMENDMENT as the "IND ACCEPTANCE MILESTONE PAYMENT");

(E) WHEREAS, the PARTIES have agreed that BAXTER shall pay to LIPOXEN a sum of [***] such sum constituting early and full payment of the IND ACCEPTANCE MILESTONE PAYMENT;

(F) WHEREAS, WHEREAS. LIPOXEN in recognition of BAXTER's early payment of the IND ACCEPTANCE MILESTONE PAYMENT agrees to: (l) delete Schedule III as amended in AMENDMENT NUMBER TWO and replace said schedule with a new Schedule III as attached hereto this AMENDMENT, such that in recognition of the early payment of the IND ACCEPTANCE MILESTONE PAYMENT the MILESTONE EVENT of "IND acceptance (or European equivalent" is no longer a financial obligation owed by BAXTER to LIPOXEN; and, (2) amend the Due Diligence Milestone Dates by which BAXTER is to complete certain Due Diligence

Milestone Events, said Dates being set forth in Schedule IV, as amended by the Parties in a Letter Agreement on August 7, 2007 that was formalized in AMENDMENT NUMBER FOUR, so such Due Diligence Milestone Dates more accurately comport with the research and development timeline for the development of [***] and provide a sufficient time period if an extension is required beyond the amended Due Diligence Milestone Dates as set forth in this AMENDMENT;

(G) WHEREAS, LIPOXEN in recognition of BAXTER's early payment of the IND ACCEPTANCE MILESTONE PAYMENT has provided BAXTER a Warrant, which shall be executed by Lipoxen coincident with this AMENDMENT, for a Specified Number of Ordinary Shares at an agreed upon Subscription Price and the right, but not the obligation, of BAXTER to appoint, maintain, remove and replace a director of the Company. The terms of the Warrants are conditional upon approval by the shareholders of Lipoxen of a resolution to provide the directors of Lipoxen with authority to allot securities without being subject to pre-emption rights in relation to such securities, at the next general meeting of Lipoxen. Lipoxen and in particular the directors of Lipoxen, undertake to use their best efforts to procure the approval of such resolution by June 30, 2011. (Warrant attached hereto as Exhibit C)

NOW, THEREFORE, in consideration of the foregoing and the covenants and promises contained in this AMENDMENT and in accordance with and subject to the terms and conditions specified below the PARTIES agree as follows:

AMENDMENT OF THE AGREEMENT

The Parties hereby agree to amend the AGREEMENT as provided below. Capitalized terms used in this AMENDMENT that are not otherwise defined herein shall have the meanings provided in the AGREEMENT.

1. “FIFTH AMENDMENT COMMENCEMENT DATE” means September 15, 2010.

2. Incorporation of the AGREEMENT. All capitalized terms which are not defined herein shall have the meaning as set forth in the AGREEMENT and the AGREEMENT, to the extent not inconsistent with this AMENDMENT, is incorporated here by this reference as though the same was set forth in its entirety. To the extent any terms and provisions of the AGREEMENT are inconsistent with the amendments set forth herein below, such terms and provisions shall be deemed superseded hereby. Except as specifically set forth herein, the AGREEMENT shall remain in force and effect and its provisions shall be binding on the parties thereto.

3. Upon entry of the PARTIES into this AMENDMENT, BAXTER agrees to pay LIPOXEN [***] (the “AMENDMENT PAYMENT”) no later than twenty (20) days following the FIFTH AMENDMENT COMMENCEMENT DATE. The PARTIES acknowledge that:- (a) payment of the AMENDMENT PAYMENT cannot be extended or deferred by the sixty (60) days referred to in Section 9.3 of the AGREEMENT; and (b) the obligations in this SECTION 3 of the AMENDMENT shall survive termination or expiry of the AGREEMENT.

4. The parties acknowledge that the value of the AMENDMENT PAYMENT is equivalent to the value of the IND ACCEPTANCE MILSTONE PAYMENT. LIPOXEN hereby acknowledges that in return for receipt of the AMENDMENT PAYMENT, LIPOXEN agrees to:- (a) delete Schedule III, as amended in AMENDMENT NUMBER TWO, and replace it with the Schedule III attached hereto as Exhibit A as set forth *supra* in Section 5a of this AMENDMENT; and (b) amend Schedule IV attached hereto as Exhibit B as set forth *supra* in Section 5b of this AMENDMENT.

5. Amendment of the Agreement. The AGREEMENT is hereby amended as follows:

   a. Amendment of SCHEDULE III. SCHEDULE III to the AGREEMENT, as amended in AMENDMENT NUMBER TWO, is with effect from the FIFTH AMENDMENT COMMENCEMENT DATE deleted in its entirety and shall be replaced with the schedule attached to this AMENDMENT as Exhibit A.

   b. Amendment of SCHEDULE IV. SCHEDULE IV to the AGREEMENT, as amended in a Letter Agreement between the Parties on August 7, 2007, that was formalized in AMENDMENT NUMBER FOUR, is with effect from the AMENDMENT FIVE COMMENCEMENT DATE deleted in its entirety and shall be replaced with the schedule attached to this AMENDMENT as Exhibit B.

   c. The following definitions shall be inserted into the AGREEMENT with effect from the AMENDMENT FIVE COMMENCEMENT DATE:-

   "DUE DILIGENCE MILESTONE EVENT", "DUE DILIGENCE MILESTONE DATES" and "DUE DILIGENCE EXTENSION PAYMENTS" means the due diligence milestone events, the due diligence milestone dates and the payments to extend the DUE DILIGENCE MILESTONE DATES set out in SCHEDULE IV.

   d. With effect from the FIFTH AMENDMENT COMMENCEMENT DATE, the final sentence of SECTION 8.2 of the AGREEMENT (which commences with the words "BAXTER shall" and which ends with the words "milestone date") shall be deleted and shall be replaced by the following:-

BAXTER shall:-

(a) not be entitled to deduct the DUE DILIGENCE EXTENSION PAYMENT relating to DUE DILIGENCE MILESTONE 1 (if paid) from any MILESTONE PAYMENTS that have been paid to or subsequently become payable to LIPOXEN under the AGREEMENT;

(b) be entitled to deduct DUE DILIGENCE MILESTONE EXTENSION PAYMENT (if paid) relating to DUE DILIGENCE MILESTONE 2 from any MILESTONE PAYMENT [***] anywhere in the world; and

(c) be entitled to deduct the DUE DILIGENCE MILESTONE EXTENSION PAYMENT (if paid) relating to to DUE DILIGENCE MILESTONE 3 from any MILESTONE PAYMENT which [***]

e. SECTION 15.6 of the AGREEMENT shall with effect from the FIFTH AMENDMENT COMMENCEMENT DATE be amended by deletion of the final paragraph (which begins with the words "For purposes of clarification" and which ends in the words "(or European equivalent)."

6. Miscellaneous

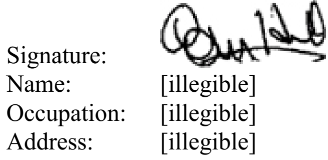
a. **Full Force and Effect**. Except as expressly amended by this AMENDMENT, the AGREEMENT, and previous Amendments thereto, shall remain unchanged and continue in full force and effect as provided therein.

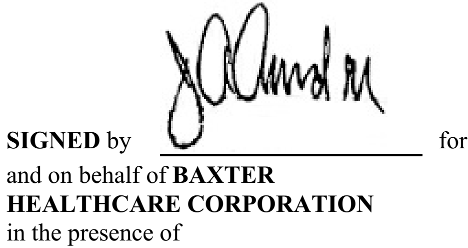
b. **Entire Agreement of the Parties**. This AMENDMENT and the AGREEMENT constitute the complete final and exclusive understanding and agreement of the BAXTER and LIPOXEN with respect to the subject matter of the AGREEMENT, and supersede any and all prior or contemporaneous negotiations, correspondence, understandings and agreements, whether oral or written, between BAXTER and LIPOXEN respecting the subject matter of the AGREEMENT.

c. **Counterparts.** This AMENDMENT may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. One or more counterparts of this AMENDMENT may be executed my facsimile or other electronic means.

IN WITNESS WHEREOF, the parties hereto have executed this AMENDMENT in duplicate originals by their authorized officers as of the Effective Date of the AMENDMENT.

SIGNED by /s/ M. Scott Maguire for M. Scott Maguire
and on behalf of **LIPOXEN** CEO
TECHNOLOGIES, LTD. in the presence of:

Signature: 
Name: [illegible]
Occupation: [illegible]
Address: [illegible]



SIGNED by ______________________ for
and on behalf of **BAXTER HEALTHCARE CORPORATION**
in the presence of

Signature: /s/ Alicia Webb
Name: Alicia Webb
Occupation: Corp. Executive Assistant
Address: 1 Baxter Parkway
Deerfield IL 60015

SIGNED by ______________________ for
and on behalf of **BAXTER HEALTHCARE SA**
in the presence of

Signature:
Name:
Occupation:
Address:

IN WITNESS WHEREOF, the parties hereto have executed this AMENDMENT in duplicate originals by their authorized officers as of the Effective Date of the AMENDMENT.

SIGNED by __________________________ for
and on behalf of **LIPOXEN**
TECHNOLOGIES, LTD. in the presence of:

Signature:
Name:
Occupation:
Address:

SIGNED by __________________________ for
and on behalf of **BAXTER**
HEALTHCARE CORPORATION
in the presence of

Signature:
Name:
Occupation:
Address:

SIGNED by __________________________ for
and on behalf of **BAXTER**
HEALTHCARE SA
in the precense of

Signature:	/s/ Ignacio Martinez de Lecea	/s/ Pauline Noisel
Name:	Ignacio Martinez de Lecea	Pauline Noisel
Occupation:	Corporate Counsel	Corporate Counsel
Address:		

EXHIBIT A

SCHEDULE III

MILESTONE EVENTS AND PAYMENTS

Assuming BAXTER has exercised the option as set forth in Section 2.3, then pursuant to Section 8.1, the following MILESTONE PAYMENTS shall be payable by BAXTER to LIPOXEN upon occurrence of the following MILESTONE EVENTS with respect to all POTENTIAL PRODUCTS and COMMERCIAL PRODUCTS (as the case may be)(unless paid or part paid as set out in SECTION 8.2 of this AGREEMENT):

MILESTONE EVENTS	MILESTONE PAYMENTS
[***]	[***]

EXHIBIT B

SCHEDULE IV

DUE DILIGENCE MILESTONE EVENTS

BAXTER agrees to meet the due diligence milestone events set forth below by the corresponding date, or if extended, by the corresponding date plus the number of months shown.

Due Diligence Milestone	Due Diligence Milestone Event	Date by which Due Diligence Milestone Event must be met	PAYMENT to extend Due Diligence Milestone Event Date by the following number of months
1	[***]	[***]	[***]
2	[***]	[***]	[***]
3	[***]	[***]	[***]

EXHIBIT C

[***]

LIPOXEN PLC

(incorporated in England under the Companies Act 1985

under number 03213174)

Name(s) and address of holder	[***]
Baxter Healthcare S.A.	[***]
Hetristrasse 2	
8304 Wallisellen	
Switzerland	
	[***]
	[***]

LIPOXEN PLC ("THE COMPANY") HEREBY CERTIFIES that the above mentioned person is the [***] and is entitled, on the terms and subject to the conditions [***], to [***] in the Company.

EXECUTED AS A [***] BY THE

COMPANY

ACTING BY /s/ M. Scott Maguire M. Scott Maguire
CEO

IN THE PRESENCE OF:

/s/ Colin Hill
Director Colin Hill

WARRANT CONDITIONS

1 **INTERPRETATION**

In and for the purposes of these Conditions and each Subscription Form headings to Conditions are for convenience only and do not affect their meaning and, unless the context otherwise requires:-

1.1 The following words and expressions have the following meanings:

"Adjustment Event"

means the event described in Condition 4.2;

"Auditors"

means the auditors for the time being of the Company, or if they are unwilling to act, an independent firm of accountants agreed between the Company and the Warrantholder or, in the event that they are unable to agree within 7 days of either party making a proposal as to such firm, as determined by the president for the time being of the Institute of Chartered Accountants on application of either party;

"Combined Subscription Form"

means a notice in such form as the Company shall from time to time reasonably specify for the purpose of enabling Warrantholder to aggregate the Warrants represented by two or more Warrant Certificates when exercising those Warrants;

"Equity Share Capital"

has the meaning ascribed to it in Section 548 of the Companies Act 2006;

"Exercise Date"

means the date on which the relative Warrant Certificate shall have been delivered to the Company in accordance with Condition 3.1;

"Ordinary Shares"

means ordinary shares of one pence (£0.01) each in the Company
;

"Register"

means the register maintained pursuant to Condition 6;

"Registered Office"

means london Bioscience Innovation centre, 2 Royal College Street, London, NW1 ONH or such other registered office of the Company as may from time to time be notified to the Warrantholder;

"Specified Number"

means the number of Ordinary Shares arising pursuant to the exercise *of* the Warrants (as adjusted pursuant to Conditions 4.2-4.5 if applicable);

"Spot Rate"

means the spot rate of exchange for the purchase of pounds sterling with US dollars as published by Bloomberg;

"Subscription Form"

means the form set out at the end of these Conditions or a Combined Subscription Form;

"Subscription Moneys"

means in relation to any exercise of Warrant(s) such sterling figure as is calculated by multiplying the number of Ordinary Shares to be issued as a result of that exercise by the Subscription Price;

"Subscription Period"

means the period from, and including, the day following the Company's next general meeting at which the Condition Precedent is satisfied, until, and including, the 30 June, 2015;

"Subscription Price"

means pounds £ per Ordinary Share, calculated using the five (5} day volume weighted average price of the Ordinary Shares of the Company on the AIM market, such five (5) day period ending on the trading day immediately prior to the date of this warrant instrument, or, following one or more Adjustment Event, such price per share as is so certified by the Auditors;

"Warrants"

means the rights to apply US$2,000,000 (two million US dollars) (to be converted into pounds sterling in accordance with the provisions of Condition 3.5} to subscribe for Ordinary Shares pursuant to Condition 2 at the Subscription Price;

"Warrant Certificate"

means a certificate in respect of Warrants;

"Warrant Shares"

means Ordinary Shares to be issued on exercise of a Warrant;

"Warrantholder"

means a person who is for the time being registered in the Register as the holder of Warrants; 1.2 The Interpretation Act 1978 shall apply hereto in the same way as it applies to an enactment.

2 **GRANT OF RIGHTS**

2.1 Except for Condition 9, the terms of this warrant instrument and in particular the granting of the warrants pursuant to clause 2.2 below are conditional upon approval by the shareholders of the Company of a resolution to provide the directors of the Company with authority to allot securities without being subject to pre--emption rights in relation to such securities, at the next general meeting of the Company (the "Condition Precedent").

2.2 Subject to the satisfaction of the Condition Precedent in connection with which the Company. and in particular the Directors of the Company, undertake to use their best efforts to satisfy by 30 *June* 2011, the Company hereby grants to the Warrantholder the right to subscribe for the Specified Number of Ordinary Shares at the Subscription Price for each Warrant exercised on the terms and subject to the conditions set out in these Conditions.

2.3 The Company hereby grants to the Warrantholder the right to appoint, maintain, *remove* and replace in office such natural person as the Warrantholder may from time to time nominate as a director of the Company. Appointment and removal of such director shall be by written notice to the Company which shall take effect on delivery at its Registered Office or at any meeting of the Board or committee thereof and such appointment shall be subject to satisfaction of the due diligence checks required to be undertaken by the Company's Nominated Adviser and to ratification by ordinary resolution at the next general meeting of the Company and thereafter subject to re-appointment in accordance with the terms of the Articles of Association of the Company. In the event that the Warrantholder does not exercise its right to appoint a director within three (3) months of the date hereof such right shall expire.

3 SUBSCRIPTION

3.1 Subject to satisfaction of the Condition Precedent the Warrantholder may exercise all or some of its Warrants at any time during the Subscription Period by delivering a Warrant Certificate representing Warrants held by it to the Company at the Registered Office together with a duly completed Subscription Form, a remittance for the Subscription Moneys and evidence satisfactory to the Company of the authority of the person signing the Subscription Form on behalf of that Warrantholder. The Warrantholder shall be entitled to cancel a Subscription Form with the consent of the Company (in which case the Warranthofder shall be deemed not to have exercised the respective Warrants) but not otherwise.

3.2 Subject to satisfaction of the Condition Precedent the Warrantholder may exercise all of its Warrants on a change of control of the Company by delivering within sixty 60} days of such change of control a Warrant Certificate representing Warrants held by it to the Company at the Registered Office together with a duly completed Subscription Form, a remittance for the Subscription Moneys and evidence satisfactory to the Company of the authority of the person signing the Subscription Form on behalf of that Warranthofder. For the purposes of this section, change of control shall have the meaning as set out in s840 Income and Corporation Taxes Act 1988.

3.3 The Company shall within twenty one (21) days of the Exercise Date against receipt of the Subscription Monies allot to the Warrantholder such number of Warrant Shares as is calculated by dividing the pounds sterling figure produced by the number *of* Warrants so exercised by the Subscription Price, (rounded down to the nearest integral number of Ordinary Shares) on terms such that the Warrant Shares are credited as fully paid free from all liens, charges, encumbrances and equities whatsoever and with all benefits and rights attaching to them and rank for all purposes pari passu with the Ordinary Shares already in issue, save that they will not rank for any dividend or other distribution declared in respect of a record date falling before the Exercise Date.

3.4 As soon as reasonably practicable following any allotment of Warrant Shares and, in any event, within twenty eight (28) days of the relative Exercise Date, the Company shall send to the Warrantholder:

3.4. 1 If the Warrantholder has notified the Company that it intends to hold Warrant Shares *in* certificated form, a definitive share certificate for the Warrant Shares to which the Warrantholder is entitled. The Warrantholder may nominate a CREST account into which the Warrant Shares can be delivered should that be the Warrantholder's preference in respect of such Warrant Shares; and

3.4.2 a Warrant Certificate in respect of the Warrants previously represented by the Warrant Certificates delivered pursuant to sub-condition 3.1 which then remain unexercised.

3.5 On the business day immediately preceding the Exercise Date, the amount in US Dollars (US$) to be applied to subscribe for Ordinary Shares, at the Subscription Price, shall be converted to pounds sterling(£) using the Spot Rate for that *day.*

4 COVENANTS BY THE COMPANY

4.1 Subject to satisfaction of the Condition Precedent at Condition 2.1 the Company shall, so long as any of the Warrants may be exercised:

4.1.1 during the Subscription Period, ensure that the Directors of the Company have the power to allot the number of Ordinary Shares as would enable the rights of the Warrantholder hereunder and all other rights of subscription for and conversion into Ordinary Shares to be satisfied in full;

4.1.2 during the Subscription Period, at *all* times keep available for issue free from preemption rights out of its authorised but unissued capital such number of Ordinary Shares as would enable the rights of the Warrantholder hereunder and an other rights of subscription for and conversion into Ordinary Shares to be satisfied in full;

4.1.3 if any offer is made to all holders of Ordinary Shares (or all such holders other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire all or a proportion of the Ordinary Shares, forthwith give notice of such offer to the Warrantholder at the same time as any notice thereof is sent to other shareholders (or as soon as practicable thereafter) that details concerning such *offer* may be obtained from the Registered Office and use its reasonable endeavours *to* procure that a like offer is extended in respect of any Warrant Shares issued during the period of the offer;

4.1.4 as long as the Company's ordinary share capital is listed on the AIM Market of the London Stock Exchange pic, or *any* other recognised exchange, as soon as reasonably practicable after the issue and allotment, apply to the AIM Market of the London Stock Exchange pic, or other recognised exchange, for the Warrant Shares to be admitted to trading on such market;

4.2 Upon the occurrence of a reorganisation or reclassification of the Ordinary Shares of the Company by way of a subdivision or consolidation of the issued share capital of the Company or by way of a bonus issue of shares out of the Company's capital reserves (each an **"Adjustment Event"}** after the date on which the Warrant is granted, the Subscription Price payable and/or the Specified Number of Warrant Shares to be issued on the exercise of the Warrant shall be adjusted either in such manner as the Company and the Warrantholder agree In writing is appropriate or, failing agreement, in such manner as the Auditors shall certify is appropriate. For the purposes of this Condition 4.2, an adjustment to the Subscription Price or the Specified Number shall be "appropriate" if, as a consequence of the adjustment, the Wamantholder enjoys the same economic effect *on* the exercise of *the* Warrant as if the relevant Adjustment Event had not occurred *or* arisen. The Company and the Warrantholder shall endeavour to agree any adjustment pursuant to this Condition 4.2 within 14 days of the Adjustment Event, falling which the adjustment shall be determined in writing at the Company's cost by the Auditors, in consultation with the Company and the Warrrantholder, within 28 days of the relevant Adjustment Event

4.3 The Auditor's written determination pursuant to Condition 4.2 shall be binding on the Company and the Warrantho!ders *except* in the case of manifest error. *4A* Adjustments to the Subscription Price and/or the Specified Number shall be effective from midnight on the date the relevant Adjustment Event was made.

4.5 Within twenty eight (28) days of any adjustment to the Subscription Price and/or the Specified Number becoming effective the Company shall give notice to the Warrantholder stating:-

4.5.1 the Subscription Price and the Specified Number in effect immediately preceding the relative adjustment;

4.5.2 brief particulars of the event giving rise to the adjustment;

4.5.3 the amount of that adjustment;

4.5.4 the time from which that adjustment became effective; and the Subscription Price and the Specified Number immediately following that adjustment

4.6 If an effective resolution is passed on or before the last day of the Subscription Period for the voluntary winding-up of the Company then the terms of such scheme of arrangement shall be binding on all the Warrantholders and the terms of this Warrant instrument shall terminate and cease to be in force and of any effect

5 **MODIFICATION OF RIGHTS**

5.1 None of the rights for the time being attached to the Warrants may from time to time be altered or abrogated without the consent of the Warrantholder. Any such alteration or abrogation approved by the Warrantholder shaH be effected by deed poll executed by the Company and expressed to be supplemental to this warrant instrument

6 **REGISTRATION**

6.1 The Company shall maintain a register of the Warrants granted, the issue dates and certified numbers of all Warrant Certificates and the number of Warrants held by the Warrantholder. The Register shall be kept at the Registered Office.

6.2 This Deed is not transferrable without the Company's prior written consent

6.3 Any change of name or address on the part of any Warrantholder shall promptly be notified to the Company and thereupon the Register shall be altered accordingly. The Warrantho/der shall be entitled at all reasonable times during normal business hours to inspect the Register and to take copies thereof.

6.4 If a Warrant Certificate is defaced, worn out, lost, stolen or destroyed, it may be renewed on such terms (if any) as to evidence as the Company may require and, in the case of defacement or wearing out, surrender of the old certificate.

7 **CERTIFICATION**

7.1 Whenever, for whatever reason, these Conditions require that the Auditors certify any matter, the Company shall procure that the Auditors issue the required certificate.

7.2 The Auditors when acting pursuant to these Conditions shall be deemed to be acting as experts and not as arbitrators. Any certificate of the Auditors given pursuant to these Conditions shall, in the absence of manifest error, be conclusive as to the facts stated therein.

8 **NOTICES, ETC.**

8.1 All certificates, cheques and other documents required or permitted by these Conditions to be sent to the Warrantholder or to which the Warrantholder is entitled or which the Company shall have agreed to issue to the Warrantholder may be delivered by hand or sent by post addressed to the Warrantholder at its registered address or, in the case of joint Warrantholder, addressed to the joint holder first named in the Register at its registered address, and airmail post shall be used if that address is not ln the same territory as the place of posting, All documents delivered or sent In accordance with this sub-condition shall be delivered or sent at the risk of the relative Warrantholder.

8.2 Except to the extent that they are inconsistent with these Conditions, all the provisions of the Articles of Association of the Company so far as they relate to notices given or to be given to the holders of shares shall apply mutatis mutandis to notices to the Warrantholder.

9 **GOVERNING LAW AND JURISDICTION**

These Warrants and any non-contractual obligations arising from or in connection with them shall in all respects be governed by and interpreted in accordance *with* English law. The parties irrevocably agree that the Courts of England and Wales are to have non-exclusive jurisdiction over any dispute {a) arising from or in connection with these Warrants or (b) relating to any non-contractual obligations arising from or in connection with these Warrants.

To: LIPOXEN PLC

I/We wish to exercise of the Warrants represented by this Certificate and [include a cheque made payable to the Company in] [shall pay by telegraphic transfer direct to the account of Lipoxen plc as noted below.

Bank: [***]

Account Name: [***]

Account No: [***]

IBAN [***]

SWIFT: [***]

the amount of [***] pounds (£[***])

Dated: [***] 20[***]

Signed: 1. ______________________ 2. ______________________

3. ______________________ 4. ______________________

Note:

1 This figure should be derived by multiplying the Subscription Price by the number of Warrant Shares to be issued following the exercise: The number of Warrant Shares to be issued can be calculated by dividing the pounds sterling figure produced by the number of Warrants being exercised by the Subscription Price. No fractions of shares will be issued.

2 The Warrants represented by this CertifiCate may, for purposes of their exercise, be consolidated with the Warrants represented by other Certificates by use of a Combined Subscription Form which may be obtained from the Company.

3 Your attention is drawn to Condition 8 (which relates, inter alia, to the despatch of share certificates, cheques and other documents following the exercise of any Warrants).

4 The Company will notify the Warrantholder of the current Specified Number upon request

Exhibit 10.16

Portions of this exhibit, indicated by the mark "[***]," have been redacted pursuant to a confidential treatment request.

Execution Draft

SIXTH AMENDMENT
TO THE
EXCLUSIVE RESEARCH, DEVELOPMENT AND LICENSE AGREEMENT

This Sixth Amendment to Exclusive Research, Development and License Agreement (this 'Sixth Amendment") is made and entered into as of this 29th day of January, 2014 by and among Baxter Healthcare SA, a Swiss corporation having a principal place of business at Postfach, 8010, Zurich, Switzerland (hereinafter "BHSA") Baxter Healthcare Corporation, a Delaware corporation having a principal place of business at 1 Baxter Parkway, Deerfield, Illinois ("BHC" and together with BHSA, 'Baxter") and Lipoxen Technologies Limited, having a place of business at London Bioscience Innovation Centre, 2 Royal College Street, London NW1 ONH, England (hereinafter "Lipoxen") to amend the terms of that certain Exclusive Research, Development and License Agreement, dated August 15, 2005 among, Lipoxen and Baxter (the "Agreement") (as amended). Baxter and Lipoxen are each referred to herein as a "Party" and collectively as the "Parties".

BACKGROUND

WHEREAS, the Parties previously entered into the Agreement which set forth certain milestones, royalty rates and development timelines;

WHEREAS, the Parties have previously amended the Agreement pursuant to the Previous Amendment Agreements (defined below);

WHEREAS, the Parties desire to further amend the Agreement to modify certain financial and other terms;

WHEREAS, concurrent with the execution of this Sixth Amendment, the Parties and/or their respective Affiliates are entering into certain additional agreements pursuant to which Baxter is making an additional equity investment in Xenetic Biosciences PLC; and

WHEREAS, the Parties agree that this Sixth Amendment will be conditional upon and will only come into force on the satisfaction of the Sixth Amendment Condition (as defined below).

NOW, THEREFORE, in consideration of the foregoing and such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. General.

   a. Incorporation of the Agreement. All capitalized terms which are not defined herein shall have the same meanings as set forth in the Agreement, and the Agreement, to the extent not inconsistent with this Amendment, is incorporated

herein by this reference as though the same was set forth in its entirety. To the extent any terms and provisions of the Agreement are inconsistent with the amendments set forth in Section 3 below, such terms and provisions shall be deemed superseded hereby. Except as specifically set forth herein, the Agreement, as amended by the Previous Amendment Agreements (defined below) shall remain in full force and effect and its provisions shall be binding on the Parties hereto.

b. "Amendment One", "Amendment Two", "Amendment Three", "Amendment Four" and "Amendment Five" shall have the meanings given to them in Attachment A to this Sixth Amendment.

c. "Company" means Xenetic Biosciences PLC and/or any corporate entity resulting from the merger of Xenetic Biosciences PLC and a US publicly listed entity.

d. "Previous Amendment Agreements" shall mean, collectively, Amendment One, "Amendment Two, Amendment Three, Amendment Four and Amendment Five.

e. "Sixth Amendment" shall have the meaning set forth in the preamble.

f. "Sixth Amendment Commencement Date" shall mean the date upon which the Sixth Amendment Condition is satisfied in accordance with Section 2(b) of this Sixth Amendment.

g. "Sixth Amendment Condition" shall mean the condition described in Section 2(b) of this Sixth Amendment.

h. "Stock Purchase Agreement" shall mean Stock Purchase Agreement dated on or around the Sixth Amendment Commencement Date between Xenetic Biosciences, Inc. and Baxter International Inc.

2. Condition to Amendment of the Agreement.

a. Once the Sixth Amendment Condition has been satisfied, the Agreement shall be amended with effect from the Sixth Amendment Commencement Date (or where specified the Effective Date) as set out in this Sixth Amendment.

b. This Sixth Amendment is conditional upon the investment by Baxter of ten million dollars ($10,000,000) in cash in the Company by way of a purchase of voting common stock of the Company in accordance with the terms of the Stock Purchase Agreement.

c. If the Sixth Amendment Condition is not satisfied by February 28, 2014 the Parties agree that this Sixth Amendment shall automatically expire and shall cease to have any effect.

3. Amendment of the Agreement. Subject to the provisions of Section 2 of this Sixth Amendment, the Agreement is amended as follows:

   a. DELIVERY AGENTS. The definition of DELIVERY AGENTS shall be amended with effect from the EFFECTIVE DATE to delete the words "[***]" and to replace them with the words '[***]'.

   b. [***] With effect from the EFFECTIVE DATE, a new definition of [***] shall be added to the Agreement which shall read as follows:

      "[***] means any [***] of [***] which shall include but not be limited to, [***] which involve one or more [***]"

   c. "Section 1.61. Section 1.61 is hereby amended by deleting the previous text in its entirety and replacing it with the following:

      1.61 "ROYALTY RATE" means, for each calendar year:

      [***] on NET SALES which range from [***] to [***],

      [***] on NET SALES which range from [***] to [***]

      [***] on NET SALES which range from [***] to [***] and

      [***] on NET SALES which range from [***] and [***]

   d. Section 1.76. Section 1.76 (as set out in the Fourth Amendment) shall be amended by inserting the words "and/or any of its AFFILIATES" at the end of subclause (i).

   e. Section 1.77. Exhibit A delivered in accordance with the terms of Amendment Four will be updated as of the date of this Sixth Amendment which shall read in

its entirety as set forth in Attachment C attached hereto. Further, the warranty set out in Section 13.4.2.11 of the Agreement shall be deemed to be repeated by Baxter as at the Sixth Amendment Commencement Date with respect to the revised Exhibit A set forth in Attachment C (and, for the avoidance of doubt, the Sixth Amendment Commencement Date will replace the "AMENDMENT COMMENCEMENT DATE" in part (b) of the warranty).

f. Section 2.6. The Parties agree that notwithstanding the fact that the RESEARCH COMMITTEE has not met recently, that with effect from the Sixth Amendment Commencement Date the PARTIES will use commercially reasonable efforts to comply with the provisions of Section 2.6 of the AGREEMENT and that:

i. the number of representatives nominated by each PARTY shall be increased from two to three and Section 2.6 of the Agreement shall be deemed to amended accordingly with effect from the Sixth Amendment Commencement Date;

ii. the representatives of the PARTIES on the RESEARCH COMMITTEE will until further notice be as follows:

LIPOXEN	[***] [***] [***]
BAXTER	[***] [***] [***]

iii. the PARTIES agree that it shall be the obligation of each PARTY to keep the RESEARCH COMMITTEE reasonably informed of all material research and development conducted by either Party pursuant to the AGREEMENT and the second paragraph of Section 2.6 shall be amended accordingly;

iv. the penultimate paragraph of Section 2.6 shall be amended by deleting the words from "LIPOXEN shall update BAXTER" to and including the words "mutually agreed by the parties." which shall be replaced as follows:

> "the PARTIES agree that during the term of the AGREEMENT, the RESEARCH COMMITTEE shall conduct: (a) telephone conferences not less than one time each calendar month and (b) in person meetings one time per calendar QUARTER, such in-person meetings alternating between the offices of BAXTER in Vienna, Austria and an agreed-upon location in Boston, Massachusetts"

a. Sections 2.7 and 2.8. New Sections 2.7 and 2.8 shall be added to the Agreement which shall read in its entirety as follows:

"2.7 Reporting. BAXTER shall provide the following written reports to LIPOXEN at the following times:

2.7.1 within thirty (30) days of the Sixth Amendment Commencement Date, BAXTER will provide a reasonably detailed written report to LIPOXEN setting out the results of all material work conducted by or on behalf of BAXTER pursuant to the Agreement, including the data arising from any pre-clinical trials or experiments conducted by BAXTER in relation to any POTENTIAL PRODUCTS; and

2.7.2 thereafter, on an annual basis, within thirty (30) days of the end of each calendar year during the TERM of the Agreement, BAXTER will provide an update of the report referred to in Section 2.7.1 setting out the results of all material work conducted by or on behalf of *BAXTER* pursuant to this Agreement since the previous written report provided to LIPOXEN under this Section 2.7.

2.8 Data. BAXTER shall, if requested to do so by LIPOXEN, promptly provide to LIPOXEN in writing the underlying data relating to any results which are set out in any of the reports provided to LIPOXEN under Section 2.7 of this AGREEMENT."

d. Section 8.3. The amendment set forth in Section 3 of Amendment One (relating to Section 8.3 of the Agreement) shall be deleted in its entirety and shall no longer have any force or effect.

e. Section 12.2. Section 12.2 shall be amended with effect from the Sixth Amendment Commencement Date by:

i. replacing the words "each PARTY" with the word BAXTER";

ii. replacing the words "[***] with the words '[***], and

iii. replacing the words '[***] with the words '[***]'.

f. Section 13.2. Section 13.2 of the Agreement shall be amended by deleting the final clause commencing with the words "provided, however," and ending "scope of the BAXTER CORE TECHNOLOGY" shall be deleted in its entirety and shall no longer have any force or effect.

g. Section 13.4.2.2. Section 13.4.2.2 is hereby amended by adding the following two sentences to the end of the existing text:

> "For the avoidance of doubt, the license granted to LIPOXEN is [***] encompassing rights only to BAXTER SOLE INVENTIONS [***] incorporate DELIVERY AGENTS. The license does not grant to LIPOXEN rights related to [***] DELIVERY AGENTS, e.g. [***] PATENT RIGHTS contain patent claims directed to both DELIVERY AGENTS and [***] which are not DELIVERY AGENTS in the same claim."

h. Section 13.6.1. Section 13.6.1 of the Agreement shall be amended by the deletion of the "." and the addition of a ';' and the word "and" at the end of part (b) and the addition of a new part (c) which shall read in its entirety as follows:

> "(c) no later than February 15 of each calendar year during the TERM, provide a complete and updated schedule of the Existing Patent Rights. The PARTIES agree that on delivery of the updated schedule to LIPOXEN, BAXTER shall be deemed to repeat the warranty set out in Section 13.3.2.11 of the Agreement as at the date of delivery of the schedule and that the delivery date of the schedule shall replace the "AMENDMENT COMMENCEMENT DATE" in part (b) of the warranty."

i. Schedule III. Schedule III is hereby deleted in its entirety and replaced with the revised Schedule III set out in Attachment B of this Sixth Amendment.

j. Due Diligence Milestones and Schedule IV.

   i. Schedule IV is hereby amended by deleting the previous schedule in its entirety and replacing it with the schedule attached hereto as Attachment D.

   ii. the Parties agree that from the Sixth Amendment Commencement Date Section 8.2 of the Agreement shall be deleted in its entirety and shall no longer have any force or effect.

k. Termination. The Parties agree with effect from the Sixth Amendment Commencement Date that:

i. Section 15.6 of the Agreement shall be amended by deleting the words from “provided that” and ending “within a reasonable time frame)”.

ii. Section 15.7.2 shall be amended by the addition after the words “by LIPOXEN pursuant to Section 15.3” of the following, “15.4 or 15.6”.

iii. A new Section 15.8 shall be added, the terms of which are set out in Attachment D of this Sixth Amendment.

4. Conformed Copy. The Parties agree that they shall use their best endeavors to prepare and agree a conformed copy of the Agreement which incorporates all of the amendments to the Agreement pursuant to the Previous Amendments and this Sixth Amendment. Additionally, the conformed copy shall include a mutually agreed upon provision requiring the use of an alternative dispute resolution procedure or the use of experts to resolve disputes as to the achievement of any Milestone Event.

5. Press Release. On or shortly after the Sixth Amendment Commencement Date, each Party shall be entitled to issue the press releases set out in Attachment F of this Sixth Amendment and thereafter to use and refer to the contents of the press release.

6. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. One or more counterparts of this Amendment may be delivered by facsimile, with the intention that delivery by such means shall have the same effect as delivery of an original counterpart thereof.

[Signature Page Follows]

[Signature Page to Sixth Amendment]

IN WITNESS WHEREOF, the Parties have caused this Sixth Amendment to be executed by their duly authorized representatives as of the date first set forth above.

BAXTER HEALTHCARE SA

By: /s/ Benedikt Kubik
Name: Benedikt Kubik
Title: Finance Director

By: /s/ Yuvo Aebli
Name: Yuvp Aebli
Title: Finance Director

BAXTER HEALTHCARE CORPORATION

By: /s/ Ludwig N. Hantson
Name: Ludwig N. Hantson
Title: CVP/President BioSicence

LIPOXEN TECHNOLOGIES LIMITED

By: M. Scott Maguire
Name: M. Scott Maguire
Title: Chief Executive Officer

<u>Attachment A</u>
Previous Amendment Agreements

1. Amendment dated August 15 2005 between LIPOXEN and BAXTER relating to THIRD PARTY PRODUCTS ("AMENDMENT 1")
2. Letter Amendment signed on December 11 and 13 2006 between LIPOXEN and BAXTER and SERUM INSTITUTE OF INDIA LIMITED relating to POLYSIALIC ACID ("AMENDMENT TWO")
3. Document headed "Second Amendment to Exclusive Research, Development and License Agreement" dated May 2009 relating to the First Milestone Event ("AMENDMENT THREE")
4. Amendment Number Four to the Exclusive Research, Development and License Agreement dated August 10 2010 between LIPOXEN and BAXTER ("AMENDMENT FOUR")
5. Amendment Number Five to the Exclusive Research and Development and License Agreement dated September 15 2010 between LIPOXEN and BAXTER ("AMENDMENT FIVE")

Attachment B

Schedule III

The following MILESTONE PAYMENTS shall be payable by BAXTER to LIPOXEN upon the occurrence of the corresponding MILESTONE EVENTS with respect to all POTENTIAL PRODUCTS and COMMERCIAL PRODUCTS (as the case may be):

MILESTONE EVENT	MILESTONE PAYMENTS
Development Milestones	
[***]	[***]

For purposes of this Schedule III and the AGREEMENT the following definitions shall apply:

"PHASE 1/2 CLINICAL TRIAL" means a controlled clinical trial which combines a PHASE 1 CLINICAL TRIAL and a PHASE 2 CLINICAL TRIAL into a single protocol. Two sets of patients are dosed in a PHASE 1/2 CLINICAL TRIAL, the first set of patients generally being lower in number and representing "Part 1" of the trial, the second set of patients generally being higher in number and representing "Part 2" of the trial.

"<u>SUCCESSFUL COMPLETION</u>" shall mean, subject to the criteria descriptions labelled (A) and (B) below:

1. With respect to Part 1 of a PHASE 1/2 CLINICAL TRIAL, whichever is earlier to occur of the following: (a) commencement of Part 2 of a PHASE 1/2 CLINICAL TRIAL; (b) commencement of a PHASE 3 CLINICAL TRIAL; or (c) achievement of each of the following criteria:

    i. [***]

    ii. Safety and tolerability: comparable [***]

    iii. [***] single exposure) and no [***]

    iv. [***]

2. With respect to a PHASE 1 CLINICAL TRIAL, whichever is earlier to occur of the following: (a) commencement of a PHASE 2 CLINICAL TRIAL; (b) commencement of a PHASE 3 CLINICAL TRIAL; or (c) achievement of each of the following criteria:

    i. PK: 7/10 patients [***]

    ii. Safety and tolerability: [***]

    iii [***] single exposure) and no [***]

    iv. [***]

3. With respect to Part 2 of the PHASE 1/2 CLINICAL TRIAL, whichever is earlier to occur of the following: (a) commencement of a PHASE 3 CINICAL TRIAL; (b) first filing of a BLA: or (c) achievement of each of the following criteria:

    i. POTENTIAL PRODUCT pharmacokinetic parameters are compatible with [***]

    ii. Safety and tolerability: comparable [***]

    iii. [***]

    iv. [***]

    v. PHASE 1/2 CLINICAL TRIAL [***] for PHASE 3 CLINICAL TRIAL with a [***]

4. With respect to a PHASE 2 CLINICAL TRIAL, whichever is earlier to occur of the following: (a) commencement of a PHASE 3 CINICAL TRIAL; (b) first filing of a BLA; or (c) achievement of each of the following criteria:

    i. POTENTIAL PRODUCT pharmacokinetic parameters are compatible with [***]

    ii. Safety and tolerabity: [***]

    iii. [***]

iv. [***]

v. PHASE 2 CLINICAL TRIAL allows dose decision for PHASE 3 CINICAL TRIAL [***]

5. With respect to the PHASE 3 CLINICAL STUDY, whichever is earlier to occur of the following: (a) first filing of a BLA; or (b) achievement of each of the following criteria:

   i. POTENTIAL PRODUCT pharmacokinetic parameters are compatible with [***]

   ii. Median [***] with lx/week dosing regimen; efficacy in [***] omparable or better than [***]

   iii. No [***] and [***]

   iv. £2 subjects with [***]

<u>Criteria Descriptions</u>

(A) Criteria for determining whether "POTENTIAL PRODUCT pharmacokinetic parameters are compatible with [***]": this criteria description will be met if the POTENTIAL PRODUCT level, after administration of a usual clinical dose (clinically acceptable dose), does not [***] any time [***] period immediately following dosing with the POTENTIAL PRODUCT.

(B) Criteria for "[***] preexisting [***] means that the POTENTIAL PRODUCT does not cause a substantial [***] in [***]. "Substantial" shall mean, in each case, [***] in [***] or the [***] with a [***] above.

[***] shall have the same meaning given to it in Section 15.8.3.

Attachment C

EXHIBIT A
EXISTING [***] PATENT RIGHTS

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Attachment D
SCHEDULE IV
DUE DILIGENCE MILESTONE EVENTS

BAXTER agrees to meet the Due Diligence Milestone Events set forth below by the corresponding Milestone Date.

Due Diligence Milestone	Due Diligence Milestone Events	Milestone Date (1)
1	[***]	[***]
2	[***]	[***]
3	[***]	[***]

(1) BAXTER shall be entitled to extend each of the dates set forth above for a period which is equal on a day-for-day basis to a period for which there has been an occurrence and/or continuance of an continuance of an ACCEPTABLE DELAY.

"ACCEPTABLE DELAY" means the failure to meet one or more MILESTONE EVENTS as set forth above by the corresponding date due to: (a) an unexpected development issue involving safety, toxicity or manufacturing which issue was not known and could not have been known to BAXTER and/or its AFFILIATES as at the Sixth Amendment Commencement Date, (b) any delays in obtaining any Marketing Authorization from the applicable governmental/regulatory authority following submission therefor which are not caused by BAXTER and/or its AFFILIATES, or (c) any other delay agreed by both Parties (in their entire discretion) in writing to be an unanticipated, acceptable delay outside of the control of BAXTER. Notwithstanding the foregoing, BAXTER shall only be entitled to extend the MILESTONE DATE:

(a) if it notifies LIPOXEN in writing prior to the relevant MILESTONE DATE that it is entitled to extend the Milestone Date and reasonably describes the relevant ACCEPTABLE DELAY; and

(b) for a period which BAXTER is able to prove by written records is equal to the actual period of delay caused by the ACCEPTABLE DELAY.

For the avoidance of doubt, the failure of Baxter to set forth the length of the ACCEPTABLE DELAY in its notice to LIPOXEN shall not be deemed to be a breach of its notification obligation nor shall it prohibit Baxter from extending the MILESTONE DATE to the extent the relevant ACCEPTABLE DELAY is continuing/ongoing provided that BAXTER shall immediately notify LIPOXEN in writing when on expiry of the relevant ACCEPTABLE DELAY.

(2) "FINAL CSR PHASE 1/2" means the issue of a final clinical studies report after completion of Part 2 of a PHASE 1/2 CLINICAL TRIAL and/or completion of a PHASE 2 CLINICAL TRIAL, whichever is utilized.

Attachment E

NEW CLAUSE 15.8

15.8 Lipoxen’s Rights on Termination and/or Expiry.

15.8.1 It is the intention of the PARTIES that following termination and/or expiry of this Agreement, LIPOXEN and its AFFILIATES shall be free to research, develop and exploit either themselves or via a THIRD PARTY products incorporating DELIVERY AGENTS within the FIELD and, in doing so, LIPOXEN, its AFFILIATES and their respective licensees shall be entitled to use and disclose all research and development carried out by and/or on behalf of the Parties pursuant to this Agreement with respect to products incorporating DELIVERY AGENTS and be free from any risk that BAXTER and/or any of its AFFILIATES will seek to use their respective rights to limit LIPOXEN’S activities relating to such products. The PARITES acknowledge, however, that: (i) [***] to BAXTER and that the PARTIES do not intend LIPOXEN to acquire any rights relating specifically to the [***] and (ii) BAXTER is engaged in other programs involving [***] and [***] which are not DELIVERY AGENTS and the PARTIES do not intend LIPOXEN to acquire any rights relating to confidential information, intellectual property and know-how developed under such programs. Accordingly the Parties agree that the provisions of this Section 15.8 shall apply on expiry of termination of this Agreement to give effect to the intention expressed in this Section 15.8.1.

15.8.2 On expiry and/or termination of this Agreement, BAXTER shall:

(i) disclose to LIPOXEN all KNOW HOW in the possession and control of BAXTER and/or its AFFILIATES as at the date of expiry and/or termination relating to DELIVERY AGENTS and/or CONJUGATES (including CONJUGATES [***] and DELIVERY AGENTS), developed under the Agreement (the “TERMINATION KNOW HOW”), which TERMINATION KNOW HOW shall include, but not be limited to:

a. results of all research, together with experimental protocols, conducted by or on behalf of BAXTER in relation to DELIVERY AGENTS and/or CONJUGATES pursuant to this Agreement;

b. manufacturing methods used by or on behalf of Baxter in relation to the DELIVERY AGENTS and/or CONJUGATES;

c. standard operating procedures relating to DELIVERY AGENTS and/or CONJUGATES;

d. analytical methods relating to DELIVERY AGENTS and/or CONJUGATES;

e. regulatory filings and dossiers relating to DELIVERY AGENTS and/or CONJUGATES;

f. all reports, memoranda and other documents summarizing the status of the program relating to DELIVERY AGENTS and/or CONJUGATES;

g. any results and any other relevant information that would affect the complete transfer of the TERMINATION KNOW HOW;

h. responses from regulatory authorities relating to DELIVERY AGENTS and/or CONJUGATES; and

i. feedback from consultants engaged in the research and development of DELIVERY AGENTS and/or CONJUGATES.

(ii) provide LIPOXEN with reasonable access for a reasonable period of time, but in any event not to exceed 9 months, to individuals at BAXTER with information relating to and knowledge of the TERMINATION KNOW HOW and procure that such individuals reasonably assist LIPOXEN with the understanding and implementation of the TERMINATION KNOW HOW;

(iii) to the extent that LIPOXEN is not already licensed to use the respective rights under the terms of the AGREEMENT, grant LIPOXEN and its AFFILIATES only for the LIPOXEN FIELD an exclusive (exclusive also as to BAXTER), royalty-free, perpetual, worldwide right and license, with the right to sub-license, to use: (a) the TERMINATION KNOW HOW; and (b) any and all PATENT APPLICATIONS and PATENTS encompassing the TERMINATION KNOW HOW to develop, make, have made, import, export, use, sell and have sold products incorporating DELIVERY AGENTS in the LIPOXEN FIELD; and

(iv) undertake thereafter not to and to procure that its AFFILIATES shall not use any rights (including rights to PATENTS and/or PATENT APPLICATIONS) owned by and/or CONTROLLED by BAXTER and/or any of its AFFILIATES to restrict or prevent LIPOXEN, its AFFILIATES and/or their respective sub-licensees from developing, making, having made, importing, exporting, using, selling and having sold products in the in the LIPOXEN FIELD.

15.8.3 For the purposes of Section 15.8 and this AGREEMENT:

(i) “TERMINATION KNOW HOW” shall include KNOW HOW relating to DELIVERY AGENTS and/or CONJUGATES, including CONJUGATES of ADVATE® and DELIVERY AGENTS, but shall not include:

a. KNOW HOW that relates specifically to the [***]. By way of illustration, a regulatory dossier relating to a CONJUGATE of [***] and a DELIVERY AGENT may contain information relating to the

manufacture, safety and efficacy of the CONJUGATE itself, which will be TERMINATION KNOW HOW, but the dossier may also contain information relating to the manufacture, safety and efficacy of [***] itself, which will not be TERMINATION KNOW HOW; or

b. KNOW HOW relating to soluble polymers other than DELIVERY AGENTS, which are being used in other BAXTER programs; for example, in BAXTER'S program [***].

(ii) '[***]' shall mean BAXTER'S [***] which [***] as at the Sixth Amendment Commencement Date; and

(iii) "LIPOXEN FIELD" shall mean pharmaceutical agents [***], the [***] a DELIVERY AGENT.

15.8.4 For the avoidance of doubt, the PARTIES agree that:

(i) the provisions of Section 10 of this Agreement shall not prevent the use or disclosure of CONFIDENTIAL INFORMATION of BAXTER, to the extent that such CONFIDENTIAL INFORMATION is TERMINATION KNOW HOW and such use is reasonably required to enable LIPOXEN, its AFFILIATES and their respective sub-licensees to exploit the license granted pursuant to Section 15.8.2(ii);

(ii) the license granted pursuant to Section 15.8.2(iii) shall not include a license to use any KNOW HOW, PATENTS and/or PATENT APPLICATIONS that relate specifically to [***] itself as opposed to KNOW HOW, PATENTS and/or PATENT APPLICATIONS which relate to CONJUGATES of [***] and DELIVERY AGENTS and/or to DELIVERY AGENTS developed under this Agreement, all of which shall be included under the license;

(iii) the license granted pursuant to Section 15.8.2(iii) [***] any KNOW HOW, PATENTS and/or PATENT APPLICATIONS that are developed pursuant to development programs of BAXTER involving [***] which are not DELIVERY AGENTS; and

(iv) the provisions set out in Section 15.8.2(iv) shall not apply to rights that relate specifically [***] itself, as opposed to rights which relate to CONJUGATES [***] and DELIVERY AGENTS and/or DELIVERY AGENTS themselves, in relation to which Section 15.8.2(iv) will apply.

Attachment F

PRESS RELEASE

Xenetic Biosciences Announces Restructured Licensing Agreement with Baxter Now Totaling Up to $100 Million, In Addition to $10 Million Equity Investment

LEXINGTON, MA: January 29, 2014: Xenetic Biosciences, Inc. (OTCBB: GAIFD), a biopharmaceutical company developing next-generation biologic drugs and novel oncology therapeutics, today announced that it has received a direct investment of $10 million from Baxter International, Inc. and has agreed to a restructuring of certain financial and timing aspects of its existing licensing deal with Baxter. The amended license agreement includes increased contingent milestone payments, now totaling up to $100 million, as well as increased royalties on sales.

“We are extremely pleased by Baxter’s commitment to Xenetic and to our longstanding collaboration to develop polysialylated blood coagulation factors using Xenetic’s unique technology,” said Scott Maguire, Chief Executive Officer of Xenetic. “The new terms in our agreement represent enhanced economics for Xenetic. Additionally, we expect to utilize the capital resulting from Baxter’s equity investment to further advance our development pipeline programs, particularly in the orphan drug arena, which feature a number of potential near-term, value-creating clinical milestones. This important new investment from our leading license partner is a genuinely dynamic development for the Company as we start our new life in the United States and it augurs well for our future in the world’s leading economy and pharmaceutical market.”

Brian Goff, head of Baxter’s hemophilia organization, commented, “Through our Xenetic partnership, we are seeking to identify and develop a treatment that the majority of hemophilia patients could administer less frequently, potentially at once weekly intervals, without compromising efficacy. Our investment in Xenetic reflects our continued commitment to the hemophilia community and to our pursuit of a bleed-free world."

In August 2005, Xenetic and Baxter established an exclusive worldwide agreement to develop novel forms of polysialylated blood coagulation factors, including Factor VIII, using Xenetic technology to conjugate polysialic acid (PSA) to therapeutic blood-clotting factors. The goal of the program is to improve the pharmacokinetic profile and extend the active life of these factors, thereby improving upon existing therapies and increasing quality of life of patients.

About Xenetic Biosciences

Xenetic Biosciences is a biopharmaceutical company developing next-generation biologic drugs and novel oncology therapeutics. Xenetic's proprietary drug technology platforms include PolyXen® for creating next generation biologic drugs by extending the efficacy, safety and half-life of biologic drugs and OncoHist® for the development of novel oncology drugs focused on orphan indications. Xenetic's lead product candidates include ErepoXen®, an improved, polysialylated form of erythropoietin (EPO) for the treatment of anemia in pre-dialysis patients with chronic kidney disease and OncoHist®, a recombinant human histone H1.3 molecule which Xenetic is developing for the treatment of refractory Acute Myeloid Leukemia (AML). Xenetic is developing a novel series of polysialylated blood coagulation factors through its license agreement with Baxter International Inc. Xenetic is also developing a broad pipeline of clinical candidates for next generation biologies and novel oncology therapeutics in a number of orphan disease indications. For more information, please visit the company's website at www.xeneticbio.com.

Forward-Looking Statements

Certain statements in this press release are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be identified by the use of forward-looking words such as "anticipate," "believe," "forecast," "estimate" and "intend," among others. These forward-looking statements are based on Xenetic's current expectations and actual results could differ materially. There are a number of factors that could cause actual events to differ materially from those indicated by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to,

uncertainties associated with completing preclinical and clinical trials for our technologies; the early stage of product development; the significant costs to develop our products as all of our products are currently in development, preclinical studies or clinical trials; obtaining additional financing to support our operations and the development of our products; obtaining regulatory approval for our technologies; anticipated timing of regulatory filings and the potential success in gaining regulatory approval and complying with governmental regulations applicable to our business. Xenetic does not undertake an obligation to update or revise any forward-looking statement. The information set forth herein speaks only as of the date hereof.

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Baxter

FOR IMMEDIATE RELEASE

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BAXTER ANNOUNCES RESTRUCTURED AGREEMENT WITH XENETIC BIOSCIENCES, FURTHER BOLSTERING ITS BROAD BLEEDING DISORDER PIPELINE

DEERFIELD, Ill., JANUARY 30, 2014 – Baxter International Inc. (NYSE:BAX) has restructured its ongoing agreement with Xenetic Biosciences, Inc. (OTCBB: GAIFD) for the development of BAX 826, a recombinant Factor VIII treatment for hemophilia A under investigation to assess its potential to extend the half-life and duration of effectiveness. This program complements the company's current development programs, which are focused on improving the pharmacokinetic profile and extending the half-life of blood coagulation factors, including Factor VIII.

"Through our Xenetic partnership, we are seeking to identify and develop a treatment that the majority of hemophilia patients could administer less frequently, potentially at once weekly intervals, without compromising efficacy," said Brian Goff, head of Baxter's global hemophilia organization. "We are focusing our efforts on using a range of technologies to introduce new therapies and enhancements to existing therapies, each designed to improve the patient experience as we pursue our vision of a bleed-free world."

Xenetic and Baxter previously established an exclusive worldwide agreement to develop novel forms of polysialylated blood coagulation factors, including Factor VIII, using Xenetic's proprietary polysialic acid (PSA) technology. Under the terms of the restructured arrangement, Baxter will make an equity investment in the common stock of Xenetic and has agreed to make contingent milestone payments as well as pay royalties on future sales.

This agreement further demonstrates Baxter's long-standing commitment to innovation in hemophilia, and bolsters the company's broad R&D pipeline focused on a variety of challenging bleeding disorders. For example, Baxter recently announced the completion of enrollment in a Phase III clinical trial of BAX 855, its investigational, extended half-life, recombinant Factor VIII (rFVIII) treatment for hemophilia A. The company continues to expect to file for regulatory approval for BAX 855 in the United States by the end of 2014.

The company is also advancing a number of other treatments and early-stage R&D programs, including the study of BAX 335, an investigational Factor IX gene therapy treatment for hemophilia B. The vector-based technology, which provides a mechanism for the patient's own liver to begin

producing Factor IX following a single dose of the genetically engineered treatment, has the potential to re-define the concept of longer-acting therapy. A Phase I/II open-label clinical trial to assess the safety and optimal dosing schedule of BAX 335 is underway and the first patients have been dosed.

About Baxter in Hemophilia

Baxter has more than 60 years experience in hemophilia and has introduced a number of therapeutic firsts for hemophilia patients. Baxter has the broadest portfolio of hemophilia treatments in the industry and is able to meet individual therapy choices, providing a range of options at each treatment stage. The company's work focuses on optimizing hemophilia care and improving the lives of people worldwide living with bleeding disorders.

About Baxter International Inc.

Baxter International Inc., through its subsidiaries, develops, manufactures and markets products that save and sustain the lives of people with hemophilia, immune disorders, cancer, infectious diseases, kidney disease, trauma and other chronic and acute medical conditions. As a global, diversified healthcare company, Baxter applies a unique combination of expertise in medical devices, pharmaceuticals and biotechnology to create products that advance patient care worldwide.

This release includes forward-looking statements concerning developments to Baxter's R&D pipeline, including the development agreement between Baxter International Inc. and Xenetic Biosciences, Inc. Such statements include expectations with regard to clinical trials, regulatory filings, the impact of new treatments to patients, and potential payments under the development agreement. The statements are based on assumptions about many important factors, including the following, which could cause actual results to differ materially from those in the forward-looking statements: satisfaction of regulatory and other requirements; actions of regulatory bodies and other governmental authorities; clinical trial results; changes in laws and regulations; product quality or patient safety issues; and other risks identified in Baxter's most recent filings on Form 10-K and other SEC filings, all of which are available on Baxter's website. Baxter does not undertake to update its forward-looking statements.

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Exhibit 10.18

Portions of this exhibit, indicated by the mark "[***]," have been redacted pursuant to a confidential treatment request.

4 August 2011

AGREEMENT ON CO-DEVELOPMENT AND THE TERMS OF EXCLUSIVE LICENCE

between

(1) LIPOXEN PLC

(2) LIPOXEN TECHNOLOGIES LTD

- and-

(3) SYNBIO LLC

THIS AGREEMENT is entered into on 4 August 2011

BETWEEN:

(1) **Lipoxen PLC,** a Company registered under the laws of England with Company number 03213174 located at: the London Bioscience Innovation Centre, 2 Royal College Street, London, NW1 0NH, United Kingdom, represented by Chief Executive Officer Scott Maguire acting on the basis of the Articles of Association of Lipoxen PLC;

(2) **Lipoxen Technologies Ltd,** a Company registered under the laws of England with Company registration number 03401495 located at: London Bioscience Innovation Centre, 2 Royal College Street, London, NW1 0NH, United Kingdom, represented by Chief Executive Officer Scott Maguire, acting on the basis of the Articles of Association of Lipoxen Technologies Limited;

(Lipoxen PLC and Lipoxen Technologies Ltd. shall be jointly referred to as "**Lipoxen**"); and

(3) **SynBio LLC,** a limited liability company incorporated under the laws of the Russian Federation, Main State Registration Number 1117746126321, located at: building 2, 55/1, Leninsky Prospekt, Moscow, Russian Federation ("**SynBio**") represented by the General Director Kruglyakov Pyotr Vladimirovich, acting on the basis of the Charter of SynBio.

(Lipoxen and SynBio shall be jointly referred to as the "**Parties**" and each individually as a "**Party**")

RECITALS:

(1) Lipoxen is a drug and vaccine delivery company and is dedicated to innovative methods for the optimal delivery of therapeutics in the treatment and prevention of disease.

(2) Lipoxen's proprietary PolyXen Technology (defined below) involves the use of polysialic acid conjugation as a means to improve the pharmacokinetics and pharmacodynamics of protein drugs.

(3) Lipoxen is planning to acquire rights in the Oncohist Technology (defined below) which involves the use of human's N-bis-met-histone H.1.3 for the creation of drugs.

(4) SynBio is a limited liability company, incorporated with the purpose of carrying out pre-clinical trials and clinical trials, registration, manufacture and sale of pharmaceutical products in the SynBio Market (defined below).

(5) SynBio has or shall acquire worldwide rights to use and transfer to third parties (including Lipoxen) the right to use cell lines for the production of six molecules under development by SynBio, which includes: (i) EPO; (ii) GCSF; (iii) insulin; (iv) interferon alpha; (v) human growth hormone; (vi) Histone.

(6) SynBio wishes to receive and Lipoxen is willing to grant to SynBio an exclusive license in the SynBio Market to develop pharmaceutical products using the Molecules and the PolyXen Technology.

(7) If Lipoxen is able to source PSA, EPO and/or Product A from SIIL and is requested to do so by SynBio, Lipoxen will endeavor to supply these materials to SynBio under this Agreement on an "as is" basis.

(8) If requested to do so by Lipoxen, it is the intention of the Parties that SynBio will supply the Molecules and/or the Products to Lipoxen.

(9) Lipoxen and SynBio have agreed to collaborate in the development of: (a) certain products combining the PolyXen Technology and SynBio Molecules (defined below); and (b) Histone using the Oncohist Technology, which, if successful, will lead to clinical development of pharmaceutical and biotechnology products.

(10) Lipoxen wishes to receive and SynBio is willing to grant to Lipoxen an exclusive license to use the SynBio Cell Lines (defined below) and pre-clinical and clinical data generated by SynBio in relation to the Products, subject to and in accordance with the terms of this agreement ("**Agreement**").

THE PARTIES AGREE as follows:

1. DEFINITIONS

In this Agreement, the following words shall have the following meanings:

"Affiliate"	in relation to a Party, means any entity or person which controls, is controlled by, or is under common control with that Party. For the purposes of this definition, "control" shall mean direct or indirect beneficial ownership of 50% (or, outside a Party's home territory, such lesser percentage as is the maximum, permitted level of foreign investment) or more of the share capital, stock or other participating interest carrying the right to vote or to distribution of profits of that entity or person, as the case may be;

“Appointed CRO”	means any contract research organization appointed by either of the Parties to carry out any pre-clinical and/or clinical trials in relation to the Products;
“Arising IPR”	means any and all Intellectual Property Rights arising from or in relation to the work carried out by or on behalf of SynBio (and/or its Affiliates) and/or Lipoxen in relation to this Agreement, including any and all Intellectual Property Rights relating to: (a) the Results, including any and all data arising from the the Clinical Trials; and (b) the Products; but shall exclude the CMO Arising IPR.

“Clinical Dossier”	means in relation to each of the Products: (a) the results of and data arising from any pre-clinical and/or clinical trials relating to the relevant Product conducted by or on behalf of SynBio; and (b) any technical or other information prepared for submission to and/or actually submitted to regulatory authorities in relation to the relevant Product by or on behalf of SynBio, including information relating to quality, safety and efficacy of Products;
“Clinical Trials”	means the clinical trials to be carried out by or on behalf of the Parties in relation to the Products including the SynBio Stage 2 Trials and the SynBio Stage 3 Trials in the SynBio Market and the Lipoxen Trials in the Lipoxen Market;
“CMO Arising IPR”	means any and all Intellectual Property Rights arising from or in relation to work carried out on behalf of Lipoxen by contract manufacturing organizations (other than SynBio) in relation to the Molecules;

"Commencement Date"	means the date upon which 110,800,000 of the shares of Lipoxen PLC are allotted to SynBio pursuant to the Subscription Agreement;
"Confidential Information"	means any and all data, results, know-how, show-how, software, algorithms, trade secrets, plans, forecasts, analyses, evaluations, research, technical information, business information, financial information, business plans, strategies, customer lists, marketing plans, or other information whether oral, in writing, in electronic form or in any other form, and any physical items, compounds, components or other materials disclosed before, on or after the date of this Agreement by one Party (and/or its Affiliates) to the other Party (and/or its Affiliates) including, but not limited to the Lipoxen Know How and any SynBio know how.
"Development Program"	means the detailed program for the collaboration for each Product set out in Schedule 1 of this Agreement as modified from time to time by the Scientific Subcommittee in accordance with clause 8.13 and 8.14 and otherwise in accordance with the terms of this Agreement;

"Diligent and Reasonable Efforts"	means exerting such effort and employing such resources as would normally be exerted or employed by a reasonable third party for a product of similar market potential at a similar state of its product life, taking into account the competitiveness of the relevant marketplace, the proprietary and development positions of third parties, the regulatory structure involved, and the profitability of the product, when utilising sound and reasonable scientific, business and medical practice and judgment in order to develop a product in a timely manner and maximise the economic return to the parties form its commercialization;
"EMEA"	means the European Medicines Agency and/or any successor to it;
"EPO"	means EPO as specified in the European Pharmacopea under Erythropoietin concentrated solution (01/2002:1316) and further described in Schedule 2;

“EPO Cell Line”	means the EPO cell line used by SIIL to manufacture EPO;
“Excluded Field”	[***]
“FDA”	means the US Food and Drug Administration and/or any successor to it;
“GCP”	means all applicable laws, regulations, codes and guidelines relating to good clinical practice, including:- good clinical practice pursuant to Directive 2001/20/EEC and Directive 2005/28/EEC and all applicable implementing and/or amending legislation and guidelines; the regulations established by the MHRA and/or the FDA, for example as embodied in the Code of Federal Regulations and relevant guidelines published by the FDA, relating to the standard of practice that is

	acceptable to the FDA in the conduct of clinical studies; the version of the Declaration of Helsinki in force; and the International Conference on Harmonisation Guidelines for Good Clinical Practice in force;
"GCSF"	means GCSF as further described in Schedule 2;
"GMP"	means those practices in the manufacture of pharmaceutical products that are recognised as the current good manufacturing practices by the MHRA and comparable Governmental Authorities including, without limitation, in accordance with:- (i) European Community Commission Directive

	2003/94/EEC of 08 October 2003 and all applicable implementing and/or amending legislation and guidelines; (ii) the EC Guide to Good Manufacturing Practice for Medicinal Products and any amendments thereto or other guidelines made under the above directives from time to time; and (iii) International Conference on Harmonization (ICH) guidance documents, including without limitation the ICH Guidance Q7 Good Manufacturing Practice Guide for Active Pharmaceutical Ingredients;
"Histone"	means histone as further described in Schedule 2;
"Human Growth Hormone"	means human growth hormone as further described in Schedule 2;
"Insulin"	means insulin as further described in Schedule 2;
"Intellectual	means all possible intellectual property as defined in any

"Property Rights"	jurisdiction including but not limited to rights to inventions, patents, any extensions of the exclusivity granted in connection with patents, petty patents, utility models, applications for any of the foregoing (including, but not limited to, continuations, continuations-in-part and divisional applications), the right to apply for any of the foregoing, database rights, rights in data and know-how, trade secrets and confidential information and all other forms of intellectual property rights having equivalent or similar effect to any of the foregoing which may exist anywhere in the world;
"Interferon Alpha 2b"	means interferon alpha 2b as further described in Schedule 2;
"Joint Arising IPR"	means the Arising IPR that is owned jointly by the Parties pursuant to clause 9.6 of this Agreement;
"Know How Transfer Time"	means the time of two scientists each working for ten (10) working days;
"Lipoxen Arising IPR"	means any and all Arising IPR which is owned by Lipoxen pursuant to clause 9.1 of this Agreement;

“Lipoxen Development Products”	means Product A, Product B and Product F;
“Lipoxen Know How”	means the Oncohist Know How, the PSA Manufacturing Know How and the PolyXen Know How;
“Lipoxen Market”	means any country in the world which is not a SynBio Market;
“Lipoxen Patents”	means the Oncohist Patents, the PSA Manufacturing Patents and the PolyXen Patents;
“Lipoxen Royalty Product”	means a Lipoxen Development Product which is sold or supplied by Lipoxen and/or its Affiliates and:

(a) which was manufactured using a SynBio Cell Line; and

(b) in relation to which SynBio has provided to Lipoxen a Clinical Dossier which has enabled Lipoxen to commence Phase 1 clinical trials in an EMEA and/or FDA regulated country in the Lipoxen Market without carrying out any further pre-clinical or clinical development of the relevant Lipoxen Development Product;

"Lipoxen Technology"	means the PolyXen Technology, the PolyXen Manufacturing Technology and the Oncohist Technology;
"Lipoxen Stage 2 Trials"	means the Phase I clinical trials to be carried out by Lipoxen in the Lipoxen Market in relation to the Lipoxen Development Products as set out in the Development Program and as determined by the Scientific Subcommittee in accordance with clause 5;
"Lipoxen Stage 3 Trials"	means the Phase II clinical trials to be carried out by Lipoxen in the Lipoxen Market in relation to the Lipoxen Development Products in Stage 3 as set out in the Development Program and as determined by the Scientific Subcommittee in accordance with clause 6;
"Lipoxen Trials"	means the Lipoxen Stage 2 Trials and the Lipoxen Stage 3 Trials;
"Molecules"	means EPO, GCSF, Insulin, Interferon Alpha, Human Growth Hormone and Histone;

“Oncohist Know How”	means any and all know how which is disclosed to SynBio pursuant to this Agreement or was disclosed pursuant to the Oncohist Licence Agreement that relates to the inventions disclosed in the Oncohist Patents;
“Oncohist Licence Agreement”	means the license agreement entered into between Closed Joint Stock Company Cryonics and Symbiotec GmbH, Germany on 25 September 2008 under future development Closed Joint Stock Company Cryonics will transfer the exclusive right for the use of the Oncohist Technology as a contribution to the charter capital SynBio;
“Oncholiist Patents”	means the patents and patent applications set out in Schedule 3 of this Agreement, including any continuations, continuations in part, extensions, reissues, divisions, and any patents, supplementary protection certificates and similar rights that are based on or derive priority from the foregoing;

“Oncohist Technology”	means the multifaceted platform technology histone H1.3 that allows the development of anticancer drugs as described in detail in the Oncohist Patents;
“PolyXen Know How”	means the know how in the possession and control of Lipoxen at the Commencement Date relating to the technology disclosed in the PolyXen Patents in relation to which Lipoxen has a right to grant a licence;
“PolyXen Patents”	means the patents and patent applications set out in Schedule 5 of this Agreement, including any continuations, continuations in part, extensions, reissues, divisions, and any patents, supplementary protection certificates and similar rights that are based on or derive priority from the foregoing;
“PolyXen Technology”	means the multifaceted platform technology that employs PSA to prolong the active life and improve the pharmacokinetics of therapeutic proteins and peptides, as well as conventional drugs, as described in detail in the PolyXen Patents;

“Products”	means Product A, Product B, Product C, Product D, Product E and Product F;
“Product A”	means pharmaceutical preparations for the treatment and/or prevention in humans of anemia containing conjugates of EPO and PSA as their active ingredient;
“Product B”	means pharmaceutical preparations for use in human patients receiving treatment for cancer containing conjugates of GCSF and PSA as their active ingredient;
“Product C”	[***]
“Product D”	means pharmaceutical preparations for the treatment and/or prevention in humans of hepatitis C containing conjugates of Interferon Alpha 2b and PSA as their active ingredient;
“Product E”	means preparations for use in humans containing conjugates of Human Growth Hormone and PSA as their active ingredient;

"Product F"	means pharmaceutical preparations for the treatment and/or prevention in humans of cancer containing Histone as their active ingredient;
"PSA"	[***]
"PSA Cell Line"	means the E.coli cell line used by Lipoxen to manufacture PSA;
"PSA Know How"	means the know-how in the possession and control of Lipoxen at the Commencement Date relating to the PSA Manufacturing Process in relation to which Lipoxen has the right to grant a licence, which shall include the PSA Cell Line;
"PSA Manufacturing Process"	means each and every step in the process of manufacturing and purifying PSA from an E.coli cell line including but not limited to;
	(a) fermentation of E.coli strains producing PSA;
	(b) purification of PSA from the product of the process described in paragraph (a) above; and

	(c) scale up of any of the processes described in (a) and (b) above;
"PSA Patents"	means the patens and patent applications set out in Schedule 6 of this Agreement, including any continuations, continuations in part, extensions, reissues, divisions, and any patents, supplementary protection certificates and similar rights that are based on or derive priority from the foregoing;
"PSA Technology"	means the technology relating to the PSA Manufacturing Process which is described in the PSA Patents;
"Quarter"	means the quarterly periods ending 31 March, 30 June, 30 September and 31 December;
"Relationship Deed"	means the agreement to regulate the relationship between SynBio and Lipoxen PLC in the agreed form;
"Results"	means the results of and data arising from the Development Program;

“Scientific Subcommittee”	means a committee formed and operating in accordance with clauses 8.10 – 8.19 of this Agreement;
“SIIL”	means Serum Institute of India Limited, a company incorporated under Indian law, having its principal place of business at S. No. 212/2, Off Soli Poonawalla Road, Hadapsar, Pune – 411 028, Maharashtra, India;
“SIIL Agreement”	means the Exclusive Know How and Manufacturing Agreement dated on or around the Commencement Date between Lipoxen and SIIL;
“SynBio Arising IPR”	means any and all Arising IPR which is owned by SynBio pursuant to clause 9.2 of this Agreement;
“SynBio Background IP”	means any and all Intellectual Property Rights which, prior to or after the Commencement Date, are owned by or controlled by SynBio or licensed to SynBio by a third party other than Lipoxen and which have utility in the research, development, manufacture, use, sale, supply and exploitation of Products and which includes (to the extent it is not Lipoxen Arising IPR), but is not limited to, any and all Intellectual Property Rights relating to:

(a) the Molecules;

(b) the SynBio Cell Lines;

(c) the Products;

(d) the methods and/or processes used by SynBio to manufacture the Molecules;

(e) the methods and/or processes used by SynBio to manufacture the Products; and

(f) the Clinical Dossiers;

"SynBio Cell Lines"	means any and all cell lines used by SynBio to manufacture and/or create any of the Molecules;
"SynBio Market"	means the Russian Federation and the commonwealth of independent states comprising the following countries:- Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Republic of Moldova, Tajikistan, Turkmenistan, Ukraine and Uzbekistan;
"SynBio PolyXen Products"	means the Products excluding Product F;

“SynBio Royalty Products”	means any and all products that are manufactured, sold and/or supplied by SynBio or any of its Affiliates which incorporate or make use of any of the PolyXen Technology, the Oncohist Technology, CMO Arising IPR and/or the Lipoxen Arising IPR;
“SynBio Stage 2 Trials”	means the clinical trials to be carried out in Stage 2 by SynBio in the SynBio Market in relation to the Products as set out in Schedule 4;
“SynBio Stage 3 Trials”	means the clinical trials to be carried out in Stage 3 by SynBio in the SynBio Market in relation to the Products as set out in the Development Program and as determined by the Scientific Subcommittee in accordance with clause 3;
“SynBio Trials”	means the SynBio Stage 2 Trials and the SynBio Stage 3 Trials;
“Specifications”	means the specifications for the Products to be determined by the Scientific Subcommittee in accordance with clause 8.14.1 of this Agreement;

“Stage 1”	means the creation, formulation and pre-clinical testing of the Products by SynBio as described in further detail in Stage 1 of the Development Program;
“Stage 2”	means the phase I clinical trials to be conducted by SynBio in relation to the Products and by Lipoxen in relation to the Lipoxen Development Products as described in further detail in Stage 2 of the Development Program;
“Stage 3”	means the phase II and phase III clinical trials to be conducted by SynBio in relation to the Products and by Lipoxen in relation to the Lipoxen Development Products as described in further detail in Stage 3 of the Development Program;
“Stage 1 Costs”	means any and all costs and expenses incurred by Lipoxen and/or SynBio in relation to Stage 1;
“Stage 2 Costs”	means any and all costs and expenses incurred by Lipoxen and/or SynBio in relation to Stage 2;
Stage 3 Costs”	means any and all costs and expenses properly and reasonably incurred by Lipoxen and/or SynBio in relation to Stage 3;
“Subscription Agreement”	means the agreement between Lipoxen PLC and SynBio relating to the placement of shares in Lipoxen PLC by private subscription;

"Success Criteria"	means the criteria to be determined by the Scientific Subcommittee for each of the Products which the relevant Product must meet prior to entering Stage 2 and/or Stage 3, as described in clause 8.14.1 of this Agreement;
"Supply Products"	means any products supplied by Lipoxen to SynBio pursuant to clause 7.1;
"Third Party IP Rights"	means Third Party IP Rights as defined in clause 9.17;
"Timetable"	means the timetable for the Development Program set out in Schedule 1 of this Agreement;
"Valid Claim"	means a claim of a patent or patent application that has not expired or been held invalid or unenforceable by a decision of a patent office or court of competent jurisdiction, which decision (a) it is not possible to appeal or, (b) is not the subject of an appeal within the prescribed time limits.

2. COMMENCEMENT GENERALLY AND HISTONE/PRODUCT F

2.1. The Parties hereby agree that each Party's rights and obligations in relation to Product F (including those set out in

clause 2.3) shall be excluded entirely from the scope of this Agreement until such time that Lipoxen notifies SynBio in writing that Lipoxen:- (i) has acquired rights to the Oncohist Technology; and (ii) Lipoxen is free and able to use the Oncohist Technology in accordance with the terms of this Agreement.

2.2. On receipt of the notice referred to in clause 2.1 by SynBio, any rights and obligations under this Agreement of the Parties in relation to Product F shall automatically commence without any further action by either of the Parties.

2.3. To the extent that SynBio is not already licensed to do so pursuant to the Oncohist Licence Agreement, conditional upon the events set out in clause 2.1 of this Agreement, Lipoxen grants to SynBio an exclusive licence during the term of this Agreement in the SynBio Market under the Oncohist Patents and/or the Oncohist Know How to research, develop, manufacture, have manufactured, use, sell and supply Product F.

2.4. The Parties agree that to the extent there is any conflict between the scope of the Oncohist Licence Agreement and the terms of this Agreement, the terms of this Agreement shall prevail.

2.5. Without prejudice to the generality of clause 2.4, the Parties agree that Lipoxen will have exclusive rights in the Lipoxen Market to research, develop, manufacture, have manufactured, use, sell and supply Product F, and/or to licence third parties to do so.

2.6. Lipoxen's obligations under this Agreement and SynBio's rights under clauses 11.1, 11.3 and 11.4 shall not commence in any circumstance until the date upon which Lipoxen receives the funds from SynBio which are due to Lipoxen under the Subscription

Agreement. The Parties agree that this Agreement shall automatically expire if such funds are not received by Lipoxen on or before 31 December 2011.

3. STAGE 1: CANDIDATE OPTIMIZATION

3.1. Lipoxen and SynBio shall collaborate to fulfill the objectives of Stage 1.

3.2. Each Party shall use its reasonable endeavors to fulfill the obligations allocated to it in Stage 1 in accordance with the Timetable.

3.3. The Parties acknowledge that in Stage 1, Lipoxen's obligations are limited to a transfer of the PolyXen Know How (as specified in clauses 11.10 of this Agreement) from Lipoxen to SynBio to enable SynBio to carry out its obligations under Stage 1.

3.4. SynBio shall transfer to Lipoxen within ten (10) business days upon Lipoxen's request any and all information, data and know how in the possession and/or control of SynBio relating to the Molecules which is reasonably required by Lipoxen to carry out its obligations under Stage 1 in accordance with the Timetable according to the procedure set forth in clauses 10.7-10.9 of this Agreement.

3.5. Unless SynBio and Lipoxen agree otherwise, a Product shall not become part of Stage 2 unless it meets the Success Criteria. The Scientific Subcommittee shall in accordance with clause 8 determine:

3.5.1. the Success Criteria;

3.5.2. whether a Product meets the Success Criteria; and

3.5.3. a Specification for each of the Products to enter Stage 2.

3.6. The Parties agree that SynBio shall not create or develop any Products using cell lines:

3.6.1. to which SynBio does not own the worldwide right to use the relevant cell line; and/or

3.6.2. in relation to which SynBio is unable to transfer the cell lines and the rights to use it to Lipoxen in the Lipoxen Market.

3.7. The Parties acknowledge that in creating Product A, SynBio shall be entitled to develop the product using either:-

3.7.1. the cell line used by SIIL to make EPO if, and to the extent that, Lipoxen is able to, obtain rights to and a technology transfer of the cell line used by SIIL; and/or

3.7.2. any other suitable cell line which complies with clause 3.6 above.

4. STAGE 2: CLINICAL TRIALS IN SYNBIO MARKET

4.1. SynBio shall conduct the SynBio Stage 2 Trials in the SynBio Market in accordance with the Timetable, the Development Program and the Specification. SynBio shall be entitled to manage the SynBio Stage 2 Trials through its in-house regulatory department or via an Appointed CRO.

4.2. Without prejudice to the generality of clause 4.1, SynBio shall:

4.2.1. submit the CTA (Clinical Trials Application) to the regulatory authorities in the SynBio Market for permission to conduct the SynBio Stage 2 Trials in relation to each of the Products on or before the dates set out in Schedule 8 of this Agreement; and

4.2.2. to the extent allowed by the applicable law commence the SynBio Stage 2 Trials within 6 (six) calendar months of receiving permission from the regulatory authorities in the SynBio Market to conduct the relevant SynBio Trial.

4.3. SynBio shall:

4.3.1. be responsible for all costs and expenses for conducting the Synbio Stage 2 Trials, including the costs and expenses of any Appointed CRO which Synbio may appoint; and

4.3.2. at its own cost and expense, at its premises, manufacture sufficient quantities of the SynBio Products meeting the Specifications for use in the SynBio Stage 2 Trials, at all times in accordance with the Timetable and the Development Plan.

4.4. SynBio shall keep Lipoxen fully informed of all decisions it makes and all plans it has to conduct the SynBio Stage 2 Trials. SynBio shall comply with all instructions provided by the Scientific Subcommittee in relation to conduct of the SynBio Stage 2 Trials which are reasonably required to ensure that the SynBio Stage 2 Trials are conducted in accordance with all applicable US and European Union laws, regulations, codes of practice, principles and guidelines, including EMEA and FDA requirements.

4.5. If SynBio chooses to utilize services of an Appointed CRO, SynBio shall enter into a written agreement with the Appointed CRO which s shall.

4.5.1. provide that all Intellectual Property Rights generated pursuant to the SynBio Stage 2 Trials shall be owned either by Lipoxen and/or SynBio and/or jointly by the Parties in accordance with the terms of this Agreement;

4.5.2. enable SynBio to comply with its obligations under this Agreement; and

4.5.3. be capable of assignment to third parties, including to Lipoxen, in accordance with the terms of this Agreement.

4.6. SynBio undertakes that:

4.6.1. all SynBio Products used in the SynBio Stage 2 Trials will be manufactured in accordance with GMP and that all of the SynBio Stage 2 Trials will be conducted in accordance with GCP;

4.6.2. any and all data obtained from the SynBio Stage 2 Trials shall be made available to Lipoxen in accordance with this Agreement and clause 5.6; and

4.6.3. it will comply and procure that the CRO complies with all instructions provided by the Scientific Subcommittee in relation to conduct of the SynBio Stage 2 Trials which are reasonably required to ensure that the SynBio Stage 2 Trials are conducted in accordance with all applicable US and European Union laws, regulations, codes of practice, principles and guidelines, including EMEA and FDA requirements.

4.7. SynBio shall obtain the prior written approval of the Scientific Subcommittee of any and all protocols to be used in the SynBio Stage 2 Trials and shall comply with all reasonable instructions of the Scientific Subcommittee in relation to such protocols.

5. STAGE 2: CLINICAL TRIALS IN LIPOXEN MARKET

5.1. Subject to clause 5.8, Lipoxen shall use Diligent and Reasonable Efforts to conduct the Lipoxen Stage 2 Trials in the Lipoxen Market in accordance with the Timetable, the Development Program and the Specification. Lipoxen shall be entitled to manage the Lipoxen Stage 2 Trials through its in-house regulatory department or via an Appointed CRO.

5.2. Without prejudice to the generality of clause 5.1, Lipoxen shall use Diligent and Reasonable Efforts to:

5.2.1. submit the CTA (Clinical Trials Application) to the regulatory authorities in the Lipoxen Market for permission to conduct the Lipoxen Stage 2 Trials in relation to each of the Lipoxen Development Products on or before the dates set out in Schedule 8 of this Agreement; and

5.2.2. to the extent allowed by the applicable law and to the extent regulators approve, commence the Lipoxen Stage 2 Trials within 12 (twelve) calendar months of receiving permission from the regulatory authorities in the Lipoxen Market to conduct the relevant Lipoxen Stage 2 Trial.

5.3. Lipoxen shall:

5.3.1. be responsible for all costs and expenses for conducting the Lipoxen Stage 2 Trials, including the costs and expenses of any Appointed CRO which Lipoxen may appoint; and

5.3.2. at its own cost and expense, manufacture or have manufactured sufficient quantities of the Lipoxen Products meeting the Specifications for use in the Lipoxen Stage 2 Trials, at all times in accordance with the Timetable and the Development Plan.

5.4. Lipoxen shall keep Synbio informed via meetings of the Scientific Subcommittee of material decisions it makes and all plans it has to conduct the Lipoxen Stage 2 Trials. Lipoxen shall comply with all instructions provided by SynBio in relation to conduct of the Lipoxen Stage 2 Trials which are reasonably required to ensure that the Lipoxen Stage 2 Trials are conducted in accordance with all applicable US and European Union laws, regulations, codes of practice, principles and guidelines, including EMEA and FDA requirements.

5.5. If Lipoxen chooses to utilize services of an Appointed CRO, Lipoxen shall enter into a written agreement with such Appointed CRO which shall:-

5.5.1. provide that all Intellectual Property Rights generated pursuant to the Lipoxen Stage 2 Trials that may be considered Arising IPR to be owned by the Parties in accordance with the terms of this Agreement;

5.5.2. enable Lipoxen to comply with its obligations under this Agreement; and

5.5.3. be capable of assignment to third parties, including to SynBio in accordance with the terms of this Agreement.

5.6. Lipoxen undertakes that:

5.6.1. all Lipoxen Products used in the Lipoxen Stage 2 Trials will be manufactured in accordance with GMP or applicable laws and regulations and that all of the Lipoxen Stage 2 Trials will be conducted by an Appointed CRO that follows GCP;

5.6.2. any and all data obtained from the Lipoxen Stage 2 Trials shall be made available to SynBio in accordance with this Agreement; and

5.6.3. it will not knowingly conduct, or permit the Appointed CRO to conduct, a Lipoxen Stage 2 Trial in a manner that is inconsistent with GB, US and European Union laws, regulations, codes of practice, principles and guidelines, including EMEA and FDA requirements.

5.7. Lipoxen shall obtain the prior written approval of the Scientific Subcommittee of any and all protocols to be used in the Lipoxen Stage 2 Trials and shall comply with all reasonable instructions of the Scientific Subcommittee in relation to such protocols. For the avoidance of doubt, the Parties agree that an instruction of the Scientific Subcommittee shall not be reasonable if it conflicts with the advice of an Appointed CRO.

5.8. The parties agree that the Scientific Subcommittee shall determine whether Product A shall be developed by Lipoxen using the Serum cell line (as defined by the SIIL Agreement) or another cell line which produces EPO. If the Scientific Subcommittee determines that another cell line shall be used

by Lipoxen, Lipoxen shall not be bound to perform the obligations set out in the table in Schedule 1 headed "Product A: PSA-EPO (Developed by LPX)" and the Scientific Subcommittee shall proptly devise and replace the table with a new table which relates to and is suitable for the alternative cell line producing EPO.

6. STAGE 3: FURTHER CLINICAL DEVELOPMENT

6.1. The Scientific Subcommittee shall promptly review the results of the SynBio Stage 2 Trials and shall decide which, if any, Products have met the Success Criteria and which shall therefore move into Stage 3.

6.2. Subject to clause 6.3, the Scientific Subcommittee shall decide the strategy and responsibilities of the Parties for full- scale pharmaceutical and clinical development of the Products during Stage 3: (a) in relation to the Lipoxen Development Products in the Lipoxen Market; and (b) in relation to the Products in the SynBio Market, but the Parties agree that the principles set out in this clause 6 shall be adopted.

6.3. SynBio will have exclusive rights and arrangements entirely at its own cost to conduct clinical development of the SynBio Products in the SynBio Market.

6.4. SynBio shall be responsible pursuant to instructions from the Scientific Subcommittee for any and all applications for marketing authorizations to be made to the regulatory authorities in the SynBio Market in respect of the Products, which applications for the avoidance of doubt, shall be made in the name of SynBio.

6.5. Lipoxen will have exclusive rights and responsibility entirely at its own cost to conduct clinical development of the Lipoxen Development Products in the Lipoxen Market. For the avoidance of doubt, Lipoxen shall not be obliged to conduct or fund (whether pursuant to Stage 1, Stage 2, Stage 3 or otherwise):

6.5.1. clinical trials in relation to any product which is not a Lipoxen Development Product;

6.5.2. clinical trials in the SynBio Market, unless Trials not joint of EMEA regulated trials;

6.5.3. clinical trials in relation to the Lipoxen Development Products in more than one country in the Lipoxen Market and shall at its entire discretion select the most appropriate country in the Lipoxen Market in which to carry out clinical development of the Lipoxen Development Products;

6.5.4. conduct clinical trials in relation to any Lipoxen Development Products for which there are safety, toxicity, efficacy or pharmacokinetics issues or for which the conduct of a clinical trial would be prohibited by laws and/or regulations in force in the Lipoxen Market; and

6.5.5. any clinical trials in relation to the Lipoxen Development Products beyond Phase IIa other than at its entire discretion.

6.6. Lipoxen shall be responsible pursuant to instructions from the Scientific Subcommittee for any and all applications for marketing authorizations to be made to the regulatory authorities, including EMEA and FDA, in Lipoxen Market in respect of the Lipoxen Development Products, which applications for the avoidance of doubt, shall be made in the name of Lipoxen.

6.7. Lipoxen and/or its Affiliates shall be responsible at their entire discretion for any and all exploitation of the Lipoxen Development Products in the Lipoxen Market including, without limitation, negotiations with third parties and the determination of licensing arrangements with third parties for exploitation of the Lipoxen Development Products.

6.8. SynBio shall as when requested by Lipoxen during the term of this Agreement promptly provide to Lipoxen in writing:-

6.8.1. the Results relating to the Products created by or on behalf of SynBio; and

6.8.2. up to date Clinical Dossiers relating to each of the Products.

6.9. Lipoxen shall as when requested by SynBio during the term of this Agreement promptly provide to SynBio in writing, to the extent it is not restricted by confidentiality obligations owed to third parties, via meetings of the Scientific Subcommittee:

6.9.1. the results relating to the Lipoxen Trials; and

6.9.2. any clinical dossiers created by or on behalf of Lipoxen relating to the Lipoxen Development Products.

7. MANUFACTURE AND SUPPLY

Supply by SynBio

7.1. If and when requested to do so by Lipoxen, SynBio agrees to manufacture and supply to Lipoxen and/or any licensees of Lipoxen the Molecules and/or the Products for the purposes of pre-clinical and clinical development of the Products.

7.2. The Parties agree that Lipoxen shall not be obliged to exercise its rights under clause 7.1 at any particular time or at all but if Lipoxen does exercise its rights, the Parties will enter into a manufacture and supply agreement on reasonable commercial terms.

7.3. The Parties agree that the price at which SynBio will supply the Molecules and/or Products to Lipoxen will be determined in accordance with clauses 7.4 and 7.5.

7.4. [***]

7.5. [***]

7.6. [***]

Supply by Lipoxen

7.7. If requested in writing to do so by SynBio, Lipoxen shall use its reasonable commercial endeavours, subject to clauses 7.8 to 7.10 below, to supply:

7.7.1. PSA to SynBio for use in the research and development of SynBio Products; and/or

7.7.2. EPO to SynBio for use in the research and development of Product A.

7.8. The Parties agree that SynBio shall not be obliged to exercise its rights under clause 7.7 at any particular time or at all but if SynBio does exercise its rights, the Parties will enter into a supply Agreement on reasonable commercial terms which will comply with the provisions of clause 7.9 and 7.10 of this Agreement and the provisions of any agreement between Lipoxen and SIIL relating to the Supply Products.

7.9. SynBio acknowledges that any products supplied to SynBio by Lipoxen will be sourced by Lipoxen from SIIL and accordingly:

7.9.1. Lipoxen will only provide the Supply Products on an "as is" basis without any warranties of any kind other than a warranty that between delivery of the Supply Products to Lipoxen by SIIL and delivery of the Supply Products to SynBio, Lipoxen has not altered the Supply Products in any way;

7.9.2. each of the Parties expressly disclaims all express and implied warranties with respect to such Supply Products, including without limitation any warranty of merchantability or fitness for a particular purpose, safety, efficacy, potency, purity and/or activity and/or that its use would not infringe the Intellectual Property Rights of a third party;

7.9.3. Lipoxen shall not be liable for any failure to supply the Supply Products to the extent such failure is a result of any act or omission of SIIL, including any breach of SIIL's supply obligations to Lipoxen;

7.9.4. Lipoxen will not be obliged to supply any Supply Products to SynBio in accordance with any specification other than those specifications which have been specified in written agreements between SIIL and Lipoxen existing at the time of supply.

7.10. SynBio shall pay to Lipoxen (in sufficient time to enable Lipoxen to fulfill payment obligations to SIIL in respect of the relevant Supply Products):

7.10.1. compensation for any and all costs and expenses which Lipoxen reasonably incurs in relation to the supply of the Supply Products (including the price paid to SIIL for the Supply Products, transport costs and insurance costs); and

7.10.2. [***]

7.11. Lipoxen shall provide SynBio at its request documents confirming the expenditures specified in clauses 7.10.1 – 7.10.2 of this Agreement.

8. CONDUCT, REPORTING AND DECISION MAKING

Conduct

8.1. Each of SynBio and Lipoxen shall perform its obligations under this Agreement:

8.1.1. in accordance with the Development Program;

8.1.2. to the best of its ability in a professional manner consistent with industry standards;

8.1.3. in accordance with the standard of care customarily observed with regard to such activities;

8.1.4. in a timely manner and in accordance with the Timetable;

8.1.5. in accordance with all reasonable instructions received from the other Party;

8.1.6. in compliance with all applicable laws, rules and regulations, including without limitation, where applicable, GMP, current good clinical or laboratory practices and GCP.

Reporting

8.2. SynBio and Lipoxen shall, and shall procure that Appointed CROs shall, during the term of this Agreement:

8.2.1. keeping (including keeping by all their respective employees) of detailed written records of its progress with the Development Program and, at the request of the other Party, promptly provide the other Party with access to and/or copies of such records;

8.2.2. supply to the other Party at least once every three months with an interim written report in accordance with the form to be determined by the Scientific Subcommittee, describing the progress of the Development Program including, without limitation,

details of all material Arising IPR which has been made and containing recommendations regarding the future progress of the Development Program;

8.2.3. notwithstanding clause 8.2.3 above, keep the other Parties fully informed of the progress of the Development Program and of all Arising IPR;

8.2.4. immediately notify the other Parties in writing if there is an unexpected technical or scientific problem which may make it difficult or impossible to achieve or is likely to cause a material delay to the Development Program, including any adverse events arising pursuant to the Clinical Trials.

8.3. SynBio will allow, and/or will procure that the Appointed CRO' will allow, Lipoxen and/or its employees to:

8.3.1. visit SynBio facilities and/or the Appointed CRO's facilities; and

8.3.2. review SynBio and/or the Appointed CRO's records relating to the SynBio Trials at reasonable times and with reasonable frequency during normal business hours:

in each case to: (a) verify compliance by SynBio and/or the Appointed CRO with the terms of this Agreement; and/or (b) observe the progress of the Development Program.

8.4. Lipoxen will allow, and/or will procure that the Appointed CRO will allow, SynBio and/or its employees to:

8.4.1. visit Lipoxen's facilities and/or the Appointed CRO's facilities; and

8.4.2. review Lipoxen's and/or the Appointed CRO's records relating to the Lipoxen Trials at reasonable times and with reasonable frequency during normal business hours:

in each case to: (a) verify compliance by Lipoxen and/or the Appointed CRO with the terms of this Agreement; and/or (b) observe the progress of the Development Program.

8.5. SynBio shall, or shall procure that the Appointed CRO shall, update the Scientific Subcommittee on the progress of the SynBio Trials on a monthly basis (if it coincides with meetings of the Scientific Subcommittee) via a telephone conference call with the Scientific Subcommittee.

8.6. Lipoxen shall, or shall procure that the Appointed CRO shall, update the Scientific Subcommittee on the progress of the Lipoxen Trials on a monthly (if it coincides with meetings of the Scientific Subcommittee) basis via a telephone conference call with the Scientific Subcommittee.

8.7. The Parties shall promptly implement an intranet using Microsoft Project to monitor progress of the Parties pursuant to the Development Program. The Parties agree that:

8.7.1. each of the Parties shall update the intranet on a weekly basis; and

8.7.2. each of the parties shall have constant access.

8.8. If a Party fails to comply with the provisions of clause 8.7 the representatives on the Scientific Subcommittee of the Party in breach shall lose their right, pursuant to clause 8.18.4

of this Agreement, to vote at meetings of the Scientific Subcommittee for the period during which such Party is in breach.

8.9. Subject to the exceptions set out in clause 18.2 of this Agreement, Lipoxen and SynBio shall ensure confidentiality of all data obtained on the basis of or in connection with any of the activities listed in clauses 8.3 and 8.4 above and enter into confidentiality agreements with any third parties that receive access to such data.

Scientific Subcommittee

8.10. The Parties shall establish a Scientific Subcommittee consisting of four individuals, comprising two representatives of Lipoxen and two representatives of SynBio. The initial representatives of each of Lipoxen and SynBio are identified in Schedule 9. Lipoxen shall be entitled at any time to use two of the four people listed in Schedule 10. The expenses of the Lipoxen representatives shall be borne by Lipoxen and the expenses of the SynBio representatives shall be borne by SynBio.

8.11. Lipoxen and SynBio may from time to time change its representatives on the Scientific Subcommittee by notifying the other Parties in writing in advance. The replacement shall be suitably qualified and capable of fulfilling the responsibilities of a member of the Scientific Subcommittee under this Agreement.

8.12. Lipoxen shall during the term of this Agreement be entitled to appoint one of its representatives on the Scientific Subcommittee as the chair person of the Scientific Subcommittee.

8.13. The Scientific Subcommittee will be responsible for the overall management of the Development Program and shall meet at least once every month either in person or through teleconference or in any other mode to discuss the progress of the Development Program.

8.14. The Scientific Subcommittee shall:

8.14.1. on or promptly after the Commencement Date, meet and: (a) review the tables in Schedule 1 of this Agreement and introduce any amendments which are reasonably require; and (b) agree the Specifications and Success Criteria for the Products. The tables in Schedule 1 of this Agreement and the Success Criteria shall be established on the basis of the legal requirements of the Lipoxen Market and the SynBio Market applicable to the Product relating to its development, marketing, distribution and sale and on the basis of business evaluations and analysis made by the Parties; and

8.14.2. at the relevant time during the Development Program determine whether the Products meet the Success Criteria.

8.15. All material decisions of the Scientific Subcommittee shall be recorded in writing.

8.16. Subject to the provisions of the Subscription Agreement and the Relationship Deed, the Parties agree that valid decisions made by the Scientific Subcommittee shall be binding upon the Parties in so far as they relate to:

8.16.1. development of the Lipoxen Development Products in accordance with this Agreement;

8.16.2. development of the SynBio Products in accordance with this Agreement; and

8.16.3. implementation of the Development Plan.

8.17. The Parties shall agree mutually when to conduct the monthly meetings of the Scientific Subcommittee. In addition and/or if the Parties cannot agree a date for the monthly meetings, each Party shall be entitled to convene a meeting of the Scientific Subcommittee on giving not less than one calendar months' written notice to the other Party.

8.18. The Parties agree that:

8.18.1. meetings of the Scientific Subcommittee may occur by telephone conference call;

8.18.2. the quorum for a meeting of the Scientific Subcommittee shall be two representatives of each Party;

8.18.3. no valid meeting of the Scientific Subcommittee may be held unless a quorum is present and the Parties have agreed the date of the meeting in writing or all Parties have received not less than one calendar months written notice of the meeting (or such shorter notice period as the Parties shall previously agree in writing);

8.18.4. each person present at a meeting of the Scientific Subcommittee shall have a single vote; and

8.18.5. the chair person of the Scientific Subcommittee shall have the casting vote in relation to any decisions to be made by the Scientific Subcommittee.

8.19. If a decision of the Scientific Subcommittee is binding on the Parties as set out in clause 8.16, no additional negotiations or corporate approvals (except for those required by law) shall be required to implement the decision of Scientific Subcommittee. In particular, should such a decision of the Scientific Subcommittee require execution of an amendments / annex / schedule to this Agreement in accordance with this Agreement or applicable law, the Parties shall promptly execute it.

9. INTELLECTUAL PROPERTY RIGHTS

General

9.1. Any and all Arising IPR that relates specifically to Histone, the Oncohist Technology, Serum EPO (as defined in the SIIL Agreement), the Serum Cell Line, (as defined in the SIIL Agreement), PSA, the PSA Manufacturing Technology and/or the PolyXen Technology shall belong to Lipoxen including, for the avoidance of doubt, any and all Arising IPR relating to:

9.1.1. conjugation of the Molecules and PSA and the resulting conjugates;

9.1.2. the manufacture and uses of Histone; and

9.1.3. PSA and the PSA Manufacturing Process.

9.2. Notwithstanding provisions of Clause 9.1. above any Arising IPR that relates specifically to the, Molecules and/or the manufacture of the Molecules (in each case excluding Histone and SIIL EPO) shall belong to SynBio.

9.3. Any and all trade marks and trade names used by Lipoxen in relation to the Lipoxen Development Products and otherwise shall belong to Lipoxen and SynBio acknowledges that it does not receive a licence under this Agreement to use any such trade marks and trade names.

9.4. SynBio shall be responsible for applying for and obtaining trade mark registrations in the SynBio Market. SynBio shall not use any trade mark or trade name that is the same as or confusingly similar to any trade mark or trade name used by Lipoxen in the Lipoxen Market.

9.5. Lipoxen shall be responsible for applying for and obtaining trade mark registrations in the Lipoxen Market. Lipoxen shall not use any trade mark or trade name that is the same as or confusingly similar to any trade mark or trade name used by SynBio in the SynBio Market.

9.6. Any Arising IPR that is not owned by either Party pursuant to clauses 9.1 to 9.3 shall be owned jointly by the Parties.

9.7. Each of the Parties shall have control of the protection, exploitation and use of the Arising IPR that it owns pursuant to clauses 9.1 to 9.3 and shall decide in its entire discretion whether and how to file and prosecute patent applications in relation to the relevant Arising IPR and, subject to any express rights granted to the other party under this Agreement, whether and to whom to grant licences to third parties.

9.8. The Parties shall collaborate to agree the appropriate method for the protection, development and exploitation of the Joint Arising IPR. Any and all patent applications in relation to the Joint Arising IPR shall be made and controlled by Lipoxen in the joint names of the Parties and the cost of such applications and any patents that result from such applications shall be shared equally by the Parties.

9.9. For the avoidance of doubt, the Parties agree that:

9.9.1. Lipoxen shall have a perpetual royalty free right to use and exploit (which right shall include the right to grant licences to third parties in the Lipoxen Market without the consent of SynBio) the Joint Arising IPR in the Lipoxen Market; and

9.9.2. SynBio shall have a perpetual royalty free right to use and exploit (which right shall not include the right to grant licences to third parties in the SynBio Market without the consent of Lipoxen) the Joint Arising IPR in the SynBio Market.

9.10. The Parties agree that Lipoxen shall own all right, title and interest in the CMO Arising IPR.

Molecules and SynBio Cell Lines

9.11. SynBio warrants and undertakes to Lipoxen that:

9.11.1. it possesses and has or will have a valid and subsisting world wide right to the use of cell lines for the production of each and all of the Molecules;

9.11.2. the cell lines referred to in clause 9.11.1 produce the relevant Molecules in sufficient quantity and quality to enable clinical development of the Products in accordance with the terms of this Agreement;

9.11.3. SynBio’s rights under the cell lines referred to in clause 9.11.1 permit SynBio (or a third party authorized by SynBio) to make, use, distribute, market, sell and supply the Molecules for any indication and by any route of administration worldwide;

9.11.4. it is not aware of any contractual or other restriction that would prevent SynBio from transferring the cell lines referred to in clause 9.11.1 to Lipoxen (or a licensee of Lipoxen) for use by Lipoxen (or its licensee) in accordance with clause 9.11.3;

9.11.5. it has the right to grant the licence set out in clause 10.1 of this Agreement.

9.12. As and when requested to do so by Lipoxen, SynBio shall provide written evidence to Lipoxen (which shall include copies of the agreements under which SynBio is entitled to use the cell lines referred to in clause 9.11.1) that SynBio is not in breach of the terms of clause 9.11.

9.13. Lipoxen shall have the right at any time to terminate this Agreement on a Molecule by Molecule and/or Product by Product basis with immediate effect on written notice to SynBio if SynBio is in breach of clause 9.8 and/or 9.9 of this Agreement in relation to any Molecule that relates to the relevant Product.

Lipoxen Technology

9.14. Lipoxen undertakes to SynBio that Lipoxen:

9.14.1. owns or has valid exclusive, world wide right to use (which right shall include the right to grant sub-licenses) the PolyXen Patents existing at the Commencement Date; and

9.14.2. will use its best endeavours to acquire the rights (by way of ownership or licence) to the Oncohist Technology prior to the expiry of Stage 2 on terms that are reasonably acceptable to Lipoxen.

9.15. As and when requested to do so by SynBio, Lipoxen shall provide written evidence to SynBio that Lipoxen is not in breach of the terms of clause 9.14.

9.16. SynBio shall have the tight at any time to terminate this Agreement on a Product by Product basis to the extent the relevant breach affects the relevant Product with immediate effect on written notice to Lipoxen:

9.16.1. in relation to the SynBio Products if Lipoxen is in breach of clause 9.14.1; and/or 9.15;

9.16.2. in relation to Product F if Lipoxen is in breach of clause 9.14.2 of this Agreement and SynBio ceases to be licensed to use the Oncohist Technology pursuant to the Oncohist Licence Agreement.

Third Party Intellectual Property Rights

9.17. Each Party shall immediately notify the other Party in writing if it becomes aware of any third party Intellectual Property Rights relating to any of the Products ("**Third Party IP Rights**").

9.18. The Parties shall co-operate to evaluate the strength and validity of any Third Party IP Rights and the Scientific Subcommittee shall decide how to address the Third Party IP Rights.

9.19. If the Scientific Subcommittee decides to challenge or take a license of the Third Party IP Rights, Lipoxen shall be responsible, subject to clauses 9.22 and 9.23 at the joint cost of the Parties, for using its reasonable endeavours to implement any action recommended by the Scientific Subcommittee.

9.20. Either Party may terminate this Agreement on 30 (thirty) days written notice to the other Party in relation to a particular Product if, in its reasonable opinion, a Third Party IP Right exists which would have a material effect on the research and/or development of the relevant Product, in the case of Lipoxen, in the Lipoxen Market, and in the case of SynBio, in the SynBio market.

9.21. For the avoidance of doubt, subject to clauses 9.22 and 9.23 any and all costs and/or expenses reasonably and properly incurred by the Parties in relation to a Third Party IP Right, including any license fees and/or costs of evaluating and challenging a Third Party IP Right, shall be shared equally between the Parties.

9.22. If a Third Party IP Right relates to a Molecule or a SynBio Cell Line, the Parties agree that all of the costs and/or expenses reasonably and properly incurred by the Parties in relation to the relevant Third Party IP Right will be born by SynBio.

9.23. If a Third Party IP Right relates to the use of the PolyXen Technology to produce Products A-F, the Parties agree that all of the costs and/or expenses reasonably and properly incurred by the Parties in relation to the relevant Third Party IP Right will be borne by Lipoxen.

10. GRANT OF RIGHTS TO LIPOXEN

10.1. SynBio grants to Lipoxen during the term of this Agreement, subject to the provisions of this Agreement, an exclusive license, with the right to grant sub-licenses, in the Lipoxen Market to research, develop, make, have made, market, supply, sell and distribute Products using:

10.1.1. the SynBio Cell Lines;

10.1.2. the SynBio Background IP; and

10.1.3. the SynBio Arising IPR.

10.2. For the avoidance of doubt, Lipoxen shall have during the term of this Agreement the rights:

10.2.1. to use, and

10.2.2. to grant Lipoxen licensees the right to use without the prior written consent of SynBio,

the Clinical Dossiers relating to the Products in the Lipoxen Market which will be provided to Lipoxen by SynBio pursuant to clause 6.8 of this Agreement.

Sub-licensing

10.3. Lipoxen shall be entitled to sub-license and/or sub-contract its rights under clauses 10.1 and 10.2 of this Agreement to any person without the prior written consent of SynBio, and provided that:

10.3.1. any sub-licence or Lipoxen's rights under clauses 10.1 and 10.2 granted by Lipoxen will terminate on termination of this Agreement and expire on expiry of this Agreement;

10.3.2. the provisions of the sub-licence agreement will be consistent with the terms of this Agreement;

10.3.3. Lipoxen will only be entitled to receive monetary consideration for the grant of a sub-licence;

10.3.4. Lipoxen shall remain liable for any acts and/or omissions of its sublicensees as if such acts and omissions had been made by Lipoxen under this Agreement; and

10.3.5. [***]

No Other License

10.4. It is acknowledged and agreed that no license is granted by SynBio to Lipoxen other than the license expressly granted by the provisions of this clause 10. Without prejudice to the generality of the foregoing, SynBio reserves all rights under the Molecules, the SynBio Cell Lines and the SynBio Background IP:

10.4.1. in relation to any products which are not Products; and

10.4.2. outside the Lipoxen Market.

Quality

10.5. Lipoxen shall ensure that all of the Products sold or supplied by it are of

satisfactory quality and comply with all applicable laws and regulations in each part of the Lipoxen Market.

Transfer of the SynBio Technology

10.6. At Lipoxen's request, at any time during the term of this Agreement or thereafter, SynBio shall at its own cost promptly disclose and/or transfer to Lipoxen, its licensee and/or an Appointed CRO, using a method of know how transfer reasonably acceptable to Lipoxen, all information and materials (including samples of the respective Molecules and SynBio Cell Lines) that are reasonably required to enable Lipoxen to fulfill its obligations under this Agreement and/or to exploit the Lipoxen Arising IPR, the Joint Arising IPR and the license granted under clauses 10.1 and 10.2.

10.7. The Parties agree that as a result of the technology transfer described in clause 10.7 it is the intention of the Parties that Lipoxen and/or its licensee and/or an Appointed CRO will be able to manufacture the Molecules and the Products using the SynBio Cell Lines:

10.7.1. to GMP standards;

10.7.2. in a manner that would satisfy regulatory requirements of EMEA and/or the FDA; and

10.7.3. to a standard and a scale which is equivalent to that practiced by SynBio in the SynBio Market at the transfer date, as demonstrated by three successive, successful batches.

10.8. The Parties shall procure that they will agree the best method for achieving the technology transfer described in clause 10.7 within 30 (thirty) days of Lipoxen calling for the technology transfer and

SynBio will thereafter co-operate with Lipoxen to implement the technology transfer. SynBio acknowledges that any transfer will involve:

10.8.1. the delivery of physical documents which record the relevant know how, including manuals and standard operating procedures;

10.8.2. the delivery of manufacturing process details;

10.8.3. the delivery of analytical methods for starting materials, in-process testing and finished product;

10.8.4. the delivery of analytical results/certificates of analysis from the last three of the Molecules and/or Products with samples of these batches for testing;

10.8.5. the delivery of technical regulatory dossiers relating to the relevant technology, including batch records, development reports and production process documentation;

10.8.6. the delivery of any cell lines and other proprietary materials used by the SynBio in the relevant process, including the SynBio Cell Lines;

10.8.7. the detailed inspection of SynBio's laboratories and manufacturing facilities engaged in the manufacture of the relevant Molecules and/or Products by Lipoxen Technologies, its Customer's and their representatives;

10.8.8. the secondment of SynBio scientists to the laboratory or manufacturing facility of Lipoxen and/or its licensees and/or its Appointed CRO;

10.8.9. responding to queries from Lipoxen and/or its licensees orally and in writing.

10.9. SynBio agrees that if SynBio is in breach of any of the terms of clause 10.7 to 10.9, Lipoxen shall be entitled to withhold payments due to SynBio pursuant to Schedule 10 of this Agreement until such time as the breach has been remedied by SynBio.

11. GRANT OF RIGHTS TO SYNBIO

PolyXen License

11.1. Lipoxen hereby grants to SynBio during the term of this Agreement, subject to the provisions of this Agreement, an exclusive license outside the Excluded Field in the SynBio Market to research, develop, manufacture, have manufactured, use, sell, supply and otherwise exploit the SynBio PolyXen Products using:

11.1.1. the PolyXen Patents and the PolyXen Know How;

11.1.2. the Lipoxen Arising IPR;. and

11.1.3. any and all CMO Arising IPR which is owned by Lipoxen or in relation to which Lipoxen has a right to grant a licence.

11.2. The license granted pursuant to clause 11.1 shall expire on a Product by Product basis on the later of the following dates:

11.2.1. the date upon which no Valid Claim of the PolyXen Patents and/or the Lipoxen Arising IPR and/or the CMO Arising IPR exists in the SynBio Market which covers or relates to the relevant Product; or

11.2.2. ten (10) years from the first commercial sale of the relevant Product in the SynBio Market.

PSA Technology Licence

11.3. Lipoxen grants to SynBio a non-exclusive licence to use the PSA Patents and the PSA Know How in the SynBio Market for the term of this Agreement to manufacture PSA:

11.3.1. for use in the development and exploitation of Products by SynBio; and/or

11.3.2. for supply to Lipoxen and/or licensee's of the PolyXen Technology.

Sub-licence of SIIL Technology

11.4. Lipoxen shall, if requested in writing to do so by SynBio, grant to SynBio in the SynBio Market an exclusive sub-licence of the rights granted to Lipoxen by SIIL pursuant to clause 7.1 of the SIIL Agreement. The Parties shall enter into a further agreement setting out the terms of any such sub-licence which shall be entirely consistent with the terms of the SIIL Agreement.

Sub-licensing

11.5. SynBio shall not be entitled to sub-license and/or sub-contract its rights under: (a) clause 11.3 to any person in any event; and (b) otherwise granted under this Agreement to any person without the prior written consent of Lipoxen, such consent not to be unreasonably withheld or delayed, and provided that if consent is granted by Lipoxen:

11.5.1. the term of any sub-licence granted by SynBio will not exceed the term of

this Agreement and will terminate on termination of this Agreement and will expire on expiry of this Agreement;

11.5.2. the provisions of the sub-licence agreement will be consistent with the terms of this Agreement and will prevent further sub-licensing;

11.5.3. SynBio will only be entitled to receive monetary consideration for the grant of a sub-licence;

11.5.4. SynBio shall remain liable for any acts and/or omissions of its sub-licensees as if such acts and omissions had been made by SynBio under this Agreement; and

11.5.5. the Parties will agree the share of the revenue received by SynBio from its sub-licenses to be paid to Lipoxen by way of a royalty which shall not in any event be less than the [***]

No Other License

11.6. It is acknowledged and agreed that no license is granted by Lipoxen to SynBio other than the licenses expressly granted by the provisions of this clause 11. Without prejudice to the generality of the foregoing, Lipoxen reserves all rights under the Lipoxen Patents, the Lipoxen Know How and the Lipoxen Arising IPR:

11.6.1. in relation to any products which are not SynBio Products;

11.6.2. outside the SynBio Market; and

11.6.3. anywhere in the world in the Excluded Field.

Quality

11.7. SynBio shall ensure that all of the SynBio Products sold or supplied by it are of

satisfactory quality and comply with all applicable laws and regulations in each part of the SynBio Market,

Responsibility for development and exploitation

11.8. SynBio shall be exclusively responsible for the technical and commercial development and exploitation of the SynBio Products under the PolyXen Technology in the SynBio Market and accordingly SynBio shall indemnity Lipoxen in the terms of clause 17.4.

11.9. SynBio shall be responsible at its own cost for conducting all pre-clinical and clinical trials which are required to register or obtain marketing authorisations for SynBio Products in the SynBio Market.

Transfer of the PolyXen Technology

11.10. At SynBio's request, at any time during the term of this Agreement Lipoxen shall once only at its own, subject to clause 11.4.2, cost promptly disclose and/or transfer to SynBio, its licensee and/or an Appointed CRO, all PolyXen Know How in Lipoxen's possession that it is legally entitled to disclose and which is reasonably necessary to enable SinBio to undertake Stage 1. The transfer of know how described in clause 11.10 shall in the first instance be achieved by electronic transfer by Lipoxen to SinBio and shall include the transfer to SinBio by Lipoxen of, so far as they fall within the scope of clause 11.10, the items specified in Schedule 11 of this Agreement.

Transfer of the PSA Technology

11.11. At SynBio request, once only at any time during the term of this Agreement and conditional upon the Parties first agreeing reasonably commercial terms upon which SynBio shall supply PSA to Lipoxen and licensees of the PolyXen Technology, Lipoxen shall promptly transfer to SynBio, using a method of know how transfer reasonably acceptable to SynBio,

any and all PSA Manufacturing Know How in Lipoxen's possession which is reasonably necessary to enable SynBio to exercise its rights 11.3.

11.12. For the avoidance of doubt, Lipoxen shall not be obliged to transfer to SynBio and SynBio shall not be entitled to use the PSA Cell Line and the PSA Technology, until the Parties have agreed the terms of and executed an agreement in writing under which SynBio shall supply PSA to Lipoxen and licensees of the PolyXen Technology on reasonable commercial terms.

11.13. If following the electronic transfer referred to in clause 11.10, SynBio notifies Lipoxen in writing that in its reasonable opinion the technology transfer is not complete, the Parties will agree the best method for completing the technology transfer described in clause 11.10 within 30 (thirty) days of SynBio calling for the technology transfer and Lipoxen will thereafter co-operate with SynBio to complete the technology transfer. The parties acknowledge that completion of the technology transfer may subject to clause 11.14.2 and 11.14.3, involve (to the extent the relevant items are within the possession and control of Lipoxen):

11.13.1. the delivery of physical documents which record the relevant know how, including manuals and standard operating procedures;

11.13.2. the delivery of manufacturing process details;

11.13.3. the delivery of analytical methods for starting materials, in-process testing and finished product;

11.13.4. the delivery of analytical results/certificates of analysis;

11.13.5. the delivery of technical regulatory dossiers relating to the relevant technology, including batch records, development reports and production process documentation;

11.13.6. the delivery of any cell lines and other proprietary materials used by Lipoxen in the relevant process;

11.13.7. the detailed inspection of Lipoxen's laboratories and manufacturing facilities engaged in the manufacture of the relevant Product, its Customer's and their representatives;

11.13.8. the secondment of Lipoxen scientists to the laboratory or manufacturing facility of SynBio and/or its licensees and/or its Appointed CRO;

11.13.9. responding to queries from SynBio and/or its licensees orally and in writing.

11.14. The parties agree that:-

11.14.1. if Lipoxen is in breach of any of the terms of clause 11.13.7 to 11.3.9, SynBio shall be entitled to withhold payments due to Lipoxen pursuant to Schedule 10 of this Agreement until such time as the breach has been remedied by Lipoxen;

11.14.2. if Lipoxen is obliged to spend more than the Know How Transfer Time to achieve the technology transfers pursuant to clauses 11.10 and 11.11, it shall be entitled to charge SinBio for any time spent in excess of the Know How Transfer Time on a charge out basis. SinBio shall be entitled to specify the manner in which such man-hours of training shall be divided between the various SinBio Products; and

11.14.3. Lipoxen shall not be obliged to carry out any practical transfer of the technology marked with a in Schedule 12 of this Agreement.

Transfer of the SIIL Technology

11.15. If requested to do so by SynBio and subject to SynBio compensating Lipoxen for any payments to SIIL trigerred by the relevant technology transfer, Lipoxen will use its reasonable endeavours to ensure that SynBio enjoys the benefit of any technology transfer implemented by Lipoxen pursuant to clause 7.4 of the SIIL Agreement.

12. SYNBIO DILIGENCE

12.1. SynBio shall diligently proceed to develop and commercially exploit SynBio Products to the maximum extent in the SynBio Market.

12.2. Without prejudice to the generality of SynBio’s obligations under clause 12.1, SynBio shall use its best endeavours to meet the milestones set out in Schedule 12 at the times set out in Schedule 12.

12.3. During the term of this Agreement, SynBio shall provide Lipoxen with a written report at the end of each three (3) months period setting out the results of all research and development carried out by SynBio in such period in relation to the SynBio Products.

12.4. During the term of this Agreement, SynBio shall provide to Lipoxen an annual written development plan, showing all past, current and projected activities taken or to be taken by SynBio to bring SynBio Products to market and to maximise the sale of SynBio Products in the SynBio Market. Lipoxen’s receipt or approval of any such plan shall not be taken to waive or qualify SynBio’s obligations under clauses 12.1 and 12.2.

12.5. SynBio shall immediately notify Lipoxen by telephone, confirmed by fax, if it becomes aware of any circumstances that are likely to significantly delay the achievement of the milestones set out in Schedule 12.

13. LIPOXEN DILIGENCE

13.1. Lipoxen shall use Diligent and Reasonable Efforts to proceed to develop and commercially exploit Lipoxen Development Products to the maximum extent as permitted by regulators in the Lipoxen Market.

13.2. Without prejudice to the generality of Lipoxen's obligations under clause 13.1, Lipoxen shall use Diligent and Reasonable Efforts to meet the milestones set out in Schedule 12 at the times set out in Schedule 12.

13.3. During the term of this Agreement, Lipoxen shall provide SynBio with a written report at the end of each three (3) months period setting out the results of all research and development carried out by Lipoxen in such period in relation to the Lipoxen Products.

13.4. During the term of this Agreement, Lipoxen shall provide to SynBio via Lipoxen PLC board meetings an annual written development plan, showing all past, current and projected activities taken or to be taken by Lipoxen to bring Lipoxen Products to market and to maximise the sale of Lipoxen Products in the Lipoxen Market. SynBio shall immediately notify Lipoxen by telephone, confirmed by fax, if it becomes aware of any problems that are likely to significantly delay the achievement of the milestones set out in Schedule 12.

14. RECORDS AND ACCOUNTS

14.1. Lipoxen and SynBio shall during the term of this Agreement and for a period of five (5) years thereafter, keep at their normal place of business detailed and up-to-date records and accounts showing:

14.1.1. any and all costs and expenses it has incurred in relation to the Development Program, including its costs and expenses relating to the Clinical Trials;

14.1.2. any and all costs and expenses it has borne in relation to Third Party IP Rights; and

14.1.3. the quantity, description, and value of Products sold by it, on a country-by- country basis, and being sufficient to ascertain the payments due under this Agreement.

14.2. Each of the Parties shall make its records and accounts available, on reasonable notice, for inspection during business hours by an independent chartered accountant nominated by the other Party for the purpose of verifying the accuracy of any statement or report provided under this Agreement and any payments due under this Agreement. Such accountant shall be required to keep confidential all information acquired during any such inspection, and to disclose to the inspecting Party only such details as may be necessary to report on the accuracy of the statement, report or payment. The inspecting Party shall be responsible for the accountant's costs unless the accountant certifies that there is an inaccuracy of more than 5% (five per cent) in any statement or payment, in which case the Party being inspected shall pay the accountant's charges in respect of that inspection.

15. COSTS AND REVENUE SHARING

15.1. Lipoxen and SynBio shall each be entirely responsible for their own Stage 1 Costs, Stage 2 Costs and Stage 3 Costs which they incur.

15.2. Prior to calculating and accounting to SynBio for the royalties set out in Schedule 10 of this Agreement Lipoxen shall be entitled to deduct from Lipoxen Net Sales and Lipoxen Net Receipts:

15.2.1. any and all costs and expenses reasonably incurred by Lipoxen in relation to any clinical trials relating to Lipoxen Royalty Products;

15.2.2. any costs and expenses borne by Lipoxen pursuant to clauses 9.21 and/or 9.23 of this Agreement; and

15.2.3. any and all license fees, milestones and royalties paid to third parties by Lipoxen (or an Affiliate of Lipoxen) in relation to the Oncohist Technology, including any and all sums paid to the Parties listed in Schedule 13 of this Agreement.

15.3. Prior to calculating and accounting to Lipoxen for the royalties set out in Schedule 10 of this Agreement, SynBio shall be entitled to deduct from SynBio Net Sales:

15.3.1. any and all costs and expenses reasonably incurred by SynBio in relation to any clinical trials relating to SynBio Royalty Products; and

15.3.2. any costs and expenses borne by SynBio pursuant to clauses 9.21 and/or 9.22.

15.4. Subject to clauses 15.2 and 15,3, the Parties agree that the revenues from the Products shall be shared by the Parties as set out in Schedule 10 of this Agreement.

16. PAYMENT TERMS

16.1. All sums due under this Agreement:

16.1.1. are exclusive of value added tax or any other sales tax or duties, which if and where applicable will be paid by the payer to the payee in addition to any sum in respect of which they are calculated;

16.1.2. shall be paid in US dollars to the credit of the payee's bank account, details of which shall be notified to the payer as and when necessary;

16.1.3. shall be made without deduction of income tax or other taxes charges or duties that may be imposed, except insofar as the payer is required to deduct the same to comply with applicable laws. The Parties shall co- operate and take all steps reasonably and lawfully available to them, at the expense of the payee, to avoid deducting such taxes and to obtain double taxation relief. If the payer is required to make any such deduction it shall provide the payee with such certificates or other documents as it can reasonably obtain to enable the payee to obtain appropriate relief from double taxation of the payment in question; and

16.1.4. shall be made by the due date, failing which the payee may charge interest on any outstanding amount calculated on a monthly basis at a rate equivalent to 5% above the London Inter-Bank Offer Rate (6 months)

16.2. If either Party is obliged pursuant to a government order or otherwise to withhold payment of any sum due under this Agreement to the other Party, the payer shall use its best endeavors to release the payment to the other Party. If the payment has not been released within thirty (30) days of its due date for payment, the payee shall be entitled to deduct the payment from any sums to the payer from the payee pursuant to this Agreement.

16.3. Subject to clause 16.1, the Parties agree that each Party shall be responsible for paying any taxes arising pursuant to or in relation to this Agreement for which the Party is primarily liable.

16.4. The Parties agree that they will use their best endeavors to collaborate to establish a corporate structure for the licensing of the Products and for the receipt of any revenues that is tax efficient for the Parties.

16.5. Each Party shall provide to the other within thirty (30) days of the end of each Quarter with a royalty statement for that Quarter which contains sufficient information to enable the other Party to calculate and verify any sums due to it pursuant to clause 15.4 and Schedule 10 of this Agreement.

17. LIABILITY

17.1. SynBio shall be responsible for all risks and liability arising from or in relation to the SynBio Trials and/or SynBio's development, sale and/or supply of SynBio Products in the SynBio Market, including any and all third party claims relating to the SynBio Products under product liability laws. SynBio shall maintain appropriate insurance to cover any such liability. SynBio shall, if requested to do so by Lipoxen, provide evidence to Lipoxen that it has complied with the terms of this clause.

17.2. Lipoxen shall be responsible for all risks and liability arising from or in relation to the Lipoxen Trials and/or Lipoxen's development, sale and/or supply of Lipoxen Products in the Lipoxen Market, including any and all third party claims relating to the Lipoxen Products under product liability laws. Lipoxen shall maintain appropriate insurance to cover any such liability. Lipoxen shall, if requested to do so by SynBio, provide evidence to SynBio that it has complied with the terms of this clause.

17.3. Lipoxen shall indemnify and shall keep SynBio indemnified against any and all liability, damages, claims, proceedings and expenses (including, but not limited to, legal expenses and expert's fees) arising out of or in connection with the Lipoxen Trials and/or Lipoxen's development, sale and/or supply of Lipoxen Products in the Lipoxen Market provided that Lipoxen shall not be liable under this clause 17.3 for any and all liability, damages, claims, proceedings and expenses (including but not limited to, legal expenses and expert's fees) that arise directly as a result of (a) express instructions received from SynBio in relation to conduct of the Lipoxen Trials; (b) a breach of this Agreement by SynBio; and/or (c) the negligence of SynBio.

17.4. SynBio shall indemnify and shall keep Lipoxen indemnified against any and all liability, damages, claims, proceedings and expenses (including, but not limited to, legal expenses and expert's fees) arising out of or in connection with the SynBio Trials and/or SynBio's development, sale and/or supply of SynBio Products in the SynBio Market provided that SynBio shall not be liable under this clause 17.4 for any and all liability, damages, claims, proceedings and expenses (including but not limited to, legal expenses and expert's fees) that arise directly as a result of (a) express instructions received from Lipoxen in relation to conduct of the SynBio Trials, (b) breach of this Agreement by Lipoxen; and/or (c) the negligence of Lipoxen.

17.5. All statements, representations (other than fraudulent misrepresentations), warranties, terms and conditions (whether express or implied) as to the suitability and/or usefulness of the Lipoxen Technology for any particular purpose including without limitation the development of SynBio Products are hereby excluded to the maximum extent permissible by law.

17.6. Without prejudice to the generality of Clause 17.5, Lipoxen does not give any warranty, representation or undertaking:

17.6.1. as to the efficacy, usefulness, safety or commercial or technical viability of the Lipoxen Technology and/or any products made or processes carried out using the Lipoxen Technology;

17.6.2. as to the volumes or quality of the SynBio Products which may be manufactured through the use of the Lipoxen Technology;

17.6.3. that any of the Lipoxen Patents are or will be valid or that any of the Lipoxen Patents will proceed to grant;

17.6.4. that the Lipoxen Technology can be freely exploited in all or any parts of the SynBio Market; and/or

17.6.5. that the Lipoxen Technology will not infringe the Intellectual Property Rights or other rights of any third party.

18. CONFIDENTIALITY AND PUBLICATION

18.1. Each Party (the "Receiving Party") undertakes:

18.1.1. to maintain as secret and confidential all Confidential Information obtained directly or indirectly from the other Party ("Disclosing Party") in the course of performing of obligations or in anticipation of this Agreement;

18.1.2. to use and disclose the Confidential Information of the other Party only for the purposes of this Agreement and/or in so far as such use and/or disclosure is reasonably required to enable the Party to exploit its rights under this Agreement;

18.1.3. to disclose the Confidential Information of the other Party only to those of its employees, contractors, and sub-licensees to whom and to the extent that such disclosure is reasonably necessary for the purposes of exploiting its rights and complying with its obligations under this Agreement, including disclosure to the appointed CRO and professional consultants;

18.1.4. to comply with the obligations of this clause 18 for so long as it has knowledge of any Confidential Information received or derived from the other Party which period shall, for the avoidance of doubt, survive termination or expiry of this Agreement.

18.2. The provisions of clause 18.1 shall not apply to Confidential Information which the Receiving Party can prove:

18.2.1. was, prior to its receipt by the Receiving Party from the Disclosing Party, in the possession of the Receiving Party and at Us free disposal;

18.2.2. is subsequently disclosed to the Receiving Party without any obligations of confidence by a third party who has not derived it directly or indirectly from the Disclosing Party;

18.2.3. is or becomes generally available to the public through no act or default of the Receiving Party or its agents, employees, Affiliates or sub-licensees;

18.2.4. the Receiving Party is required to disclose to the courts of any competent jurisdiction, or to any government regulatory agency or financial authority, provided that the Receiving Party shall:

(i) inform the Disclosing Party as soon as is reasonably practicable of its obligation to disclose such information; and

(ii) at the Disclosing Party's request seek to persuade the court, agency

or authority to have such information treated in a confidential manner, where this is possible under the court, agency or authority's procedures.

18.3. The Receiving Patty shall procure that all of its employees, contractors who have access to any of the Disclosing Party's Confidential Information, shall be made aware of and subject to these obligations and shall have entered into written undertakings of confidentiality at least as restrictive as those set out in this clause 18.

18.4. The Parties agree that any publications relating to the Results shall be approved in advance by the Scientific Subcommittee. Any publications shall acknowledge both Parties appropriately, and Lipoxen shall have the first right to submit any paper for publication.

19. DURATION AND TERMINATION

19.1. This Agreement shall commence on the Commencement Date and shall continue until it expires in accordance with Clause 2.6 of this Agreement or terminated in accordance with terms of this Agreement.

19.2. Without prejudice to any other right or remedy any Party may terminate this Agreement by notice in writing to the other Party ("Other Party"), such notice to take effect as specified in the notice:

19.2.1. if the Other Party is in material breach of this Agreement and, in the case of a breach capable of remedy, the breach is not remedied within 90 (ninety) days of the Other Party receiving notice specifying the breach and requiring its remedy; and/or

19.2.2. if (A) the Other Party becomes insolvent or unable to pay its debts as and when they become due, or (B) an order is made or a resolution is passed for the winding up of Other Party (other than voluntarily for the purpose of solvent amalgamation or reconstruction), or (C) a liquidator, administrator, administrative receiver, receiver, or trustee is appointed in respect of the whole or any part of the Other Party's assets or business, or (D) the Other Party makes any composition with its creditors, or (E) the Other Party ceases to continue its business, or (F) as a result of debt and/or maladministration the Other Party takes or suffers any similar or analogous action in any jurisdiction.

19.3. If SynBio is in breach of clauses 4.2.1 or 4.2.2 of this Agreement in relation to one or more SynBio Products then, if SynBio does not remedy the breach within three (3) months of receiving written notice of the breach from Lipoxen, Lipoxen shall be entitled to terminate this Agreement in relation to the SynBio Product or SynBio Products to which the breach relates with immediate effect by notice in writing to SynBio.

19.4. If Lipoxen is in breach of clauses 5.2.1 or 5.2.2 of this Agreement in relation to one or more Lipoxen Products then, if Lipoxen does not remedy the breach within three (3) months of receiving written notice of the breach from SynBio, SynBio shall be entitled to terminate this Agreement in relation to the Lipoxen Product or Lipoxen Products to which the breach relates with immediate effect by notice in writing to Lipoxen.

19.5. Lipoxen may terminate this Agreement in accordance with clause 9.13 in relation to a Product.

19.6. Either Party may terminate this Agreement by immediate written notice in writing to the other Party in relation to a specific Product if the Scientific Subcommittee decides that the relevant Product does not meet the relevant Success Criteria for the Product.

19.7. Any Party may terminate this Agreement with immediate effect by giving written notice to the other party if this other Party or any of its Affiliates commences legal proceedings, or assists any third party to commence legal proceedings, to challenge the validity of any of the patents of the other Party or to challenge the secrecy or substantiality of any of the other Party's know-how.

20. CONSEQUENCES OF TERMINATION

20.1. Upon termination or expiry of this Agreement for any reason:

20.1.1. the Parties shall provide to each other detailed reports setting out the progress each has made with the Development Program;

20.1.2. the Parties shall return to each other all data, know-how and materials provided to each other by the other Party, or generated by the Parties in connection with the Development Program;

20.1.3. any rights or remedies of any of the Parties arising from any breach of this Agreement shall continue to be enforceable;

20.1.4. SynBio shall no longer be licensed to use the Lipoxen Technology and shall immediately cease any activity requiring a license under this Agreement;

20.1.5. SynBio shall no longer be entitled to exercise the sub-licence set out in clause 11.4 and shall immediately cease any activity requiring a sub-licence under the SIIL Agreement;

20.1.6. subject to clause 20.1.7, Lipoxen shall no longer be licensed to use the SynBio Background IP, SynBio Arising IPR and SynBio Cell Lines (excluding the SIIL Cell Line as defined in the SIIL Agreement) and shall immediately cease any activity requiring a license from SynBio under this Agreement;

20.1.7. the following clauses shall continue in full force and effect: 1, 6.8, 9.1 to 9.9, 10.2, 10.7 to 10.9, 14, 15 (in so far as it relates to liability arising prior to termination) 16, 17, 18, 20, 21;

20.1.8. each Party shall if requested in writing to do so by the other Party comply with any technology transfer provisions of this Agreement relating to any Intellectual Property Rights and materials (such as cell lines) which the requesting party has a right to own and/or use following termination and/or expiry of this Agreement and in relation to which a satisfactory technology transfer has not previously occurred;

20.1.9. each Party shall return to the other within a reasonable period of time all Confidential Information and any copies thereof disclosed to it by the other Party.

20.1.10. Upon expiry or termination of this Agreement in relation to one or more Products, the consequences set out in clause 20.1 shall apply but only in so far as they relate to the relevant Product.

21. GENERAL

Amendment

21.1. This Agreement may only be amended in writing signed by duly authorized representatives of the Parties or by the Scientific Subcommittee as is expressly set out in this Agreement.

Assignment and third party rights

21.2. Other than as is expressly set out in this Agreement, none of the Parties shall assign, mortgage, charge or otherwise transfer any rights or obligations under this Agreement without the prior written consent of the other Party.

21.3. Any of the Parties may assign all its rights and obligations under this Agreement to any Person to which it transfers all of its assets or business, provided that the assignee undertakes to the other Parties to be bound by and perform the obligations of the assignor under this Agreement.

Waiver

21.4. No failure or delay on the part of any Party to exercise any right or remedy under this Agreement shall be construed or operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude the further exercise of such right or remedy.

Invalid clause

21.5. If any provision or part of this Agreement is held to be void or invalid, amendments to this Agreement may be made by the addition or deletion of wording as appropriate to remove the void or invalid part or provision but otherwise retain the provision and the other provisions of this Agreement to the maximum extent permissible under applicable law. The Parties shall endeavor to agree amendments to such void or invalid provisions in a reasonable manner so as to achieve the original intention of the Parties.

Change of Control

21.6. Any substantial change in the management and control of either of the Parties and/or any merger of either of the Parties with another entity shall not result in termination of this Agreement and it shall be the responsibility of the then existing management of the Party to see that the continuity of this Agreement is maintained in all respects and the agreement shall continue to be in force.

Formal licenses

21.7. The Parties shall execute such formal licenses, documents as may be necessary or appropriate for registration of the rights granted under this Agreement with Patent Offices and other relevant authorities. The Parties shall use reasonable endeavors to ensure that, to the extent permitted by relevant authorities and unless required to submit this Agreement by any order of law, this Agreement shall not form part of any public record.

Role of Parties

21.8. The Parties hereto expressly understand and agree that Lipoxen and SynBio are independent contractors in the performance of each and every part of this Agreement and nothing contained herein shall be construed as creating any agency, partnership or other form of joint enterprise between the Parties.

Interpretation

21.9. In this Agreement:

21.9.1. the headings are used for convenience only and shall not affect its interpretation;

21.9.2. references to persons shall include incorporated and unincorporated persons; references to the singular include the plural and vice versa; and references to the masculine include the feminine;

21.9.3. references to clauses and Schedules mean clauses of, and schedules to, this Agreement; and

21.9.4. references to the grant of "exclusive" rights shall mean that the person granting the rights shall neither grant the same rights (in the same field and territory) to any other person, nor exercise those rights itself.

Notices

21.10. Any notice to be given under this Agreement shall be in writing and shall be sent by first class mail or air mail, or by fax (confirmed by first class mail or air mail) to the address of the relevant Party set out at the head of this Agreement, or to the relevant fax number set out below, or such other address or fax number as that Party may from time to time notify to the other Parties in accordance with this clause. The fax numbers of the Parties are as follows:

21.10.1. [***]

For the attention of Scott Maguire

21.10.2. [***]

For the attention of Artur Isaev, Dmitry Genkin or Pyotr Kruglyakov

Notices sent as specified in clause 21.13 shall be deemed to have been received three working days after the day of posting (in the case of inland first class mail), or ten working days after the date of posting (in the case of air mail), or on the next working day after transmission (in the case of fax messages, but only if a transmission report is generated by the sender's fax machine recording a message from the recipient's fax machine, confirming that the fax was sent to the number indicated above and confirming that all pages were successfully transmitted).

Governing Law and Settlement of Disputes

21.11. This Agreement, including any non-contractual obligations arising out of or in connection with this Agreement, shall be governed by and construed in accordance with English law. This provision does not affect the application of the mandatory rules of Russian law established under Article 1192 of the civil Code of the Russian Federation to this Agreement which apply in any event.

21.12. If any dispute, controversy or claim of whatever nature arises under, out of or in connection with this Agreement, including any question regarding its existence, validity or termination or any non-contractual obligations arising out of or in connection with this Agreement (a "Dispute"), the Parties shall use all reasonable endeavours to resolve the matter amicably. If one Party gives the others notice that a Dispute has arisen and the Parties are unable to resolve the

Dispute within thirty (30) days of service of the notice then the Dispute shall be referred to the respective chief executive officers of the Parties who shall attempt to resolve the Dispute. No Party shall resort to arbitration against any other Party under this Agreement until thirty (30) days after such referral.

21.13. All Disputes which are unresolved pursuant to Clause 21.14 and which a Party wishes to have resolved shall be referred upon the application of any Party to, and finally settled by, arbitration under the Rules of Arbitration of the London Court of International Arbitration ("LCIA") (the "Rules") in force at the date of this Agreement, which Rules are deemed to be incorporated by reference to this Clause. The number of arbitrators shall be three (3), appointed in accordance with the Rules. The LCIA Court may appoint arbitrators from among the nationals of any country, whether or not a Party is a national of that country. The seat of the arbitration shall be London. The language of this arbitration shall be English.

21.14. The arbitrators shall have the power to grant any legal or equitable remedy or relief available under law, including injunctive relief (whether interim and/or final) and specific performance and any measures ordered by the arbitrators may be specifically enforced by any court of competent jurisdiction. Each Party retains the right to seek interim or provisional measures, including injunctive relief and including pre-arbitral attachments or injunctions, from any court of competent jurisdiction and any such request shall not be deemed incompatible with the agreement to arbitrate or a waiver of the right to arbitrate. For the avoidance of doubt, this Clause is not intended to limit the powers of the court exercisable in support of arbitration proceedings pursuant to s.44 of the Arbitration Act 1996.

Severability

21.15. If any provision of this Agreement is found by the competent court illegal, invalid or unenforceable in any respect under the applicable law, then such provision (insofar as it is invalid or not enforceable) shall be deemed as not included in this Agreement, but this does not invalidate the remaining provisions of this Agreement. The Parties shall make every reasonable effort to replace the invalid or not enforceable provision or provisions (if applicable) with valid and enforceable which is as close as possible to the proposed action of the invalid or unenforceable provision.

Further action

21.16. Each Party agrees to execute, acknowledge and deliver such further instruments, and do all further similar acts, as may be necessary or appropriate to carry out the purposes and intent of this Agreement.

Announcements

21.17. Neither Party shall make any press or other public announcement concerning any aspect of this Agreement, or make any use of the name of the other Party in connection with or in consequence of this Agreement, without the prior written consent of the other Party. The Parties agree that any agreed announcements will refer to Open joint-stock company "RUSNANO", a legal entity organized and existing under the laws of the Russian Federation, with main state registration number (OGRN) 1117799004333, located at: Russia, Moscow, 117036, avenue of 60-letiya Oktyabrya, 10A as the Party to the Project.

Entire agreement

21.18. This Agreement, including its Schedules, the Subscription Agreement and the Relationship Deed sets out the entire agreement between the Parties relating to its subject matter and supersedes all prior oral or written agreements, arrangements or understandings between them relating to such, subject matter. The terms of the Subscription Agreement and the Relationship Deed shall take precedence to the extent that there is any conflict between the terms of the Subscription Agreement and/or the Relationship Deed and the terms of this Agreement.

21.19. The Parties acknowledge that they are not relying on any representation, agreement, term or condition which is not set out in this Agreement.

21.20. Nothing in this Agreement shall exclude any of the Parties' liability for fraudulent misrepresentation.

Third parties

21.21. With the exception of any rights expressly created in this Agreement in favor of Affiliates of Lipoxen, this Agreement does not create any right enforceable by any person who is not a Party to it.

Translations

21.22. The Parties agree that a translation of this Agreement into the Russian language (the "Translation") shall be prepared and be fully equal but to the extent that there is any conflict between the terms of this Agreement and the terms of the Translation, the Parties agree that the terms of this Agreement shall prevail.

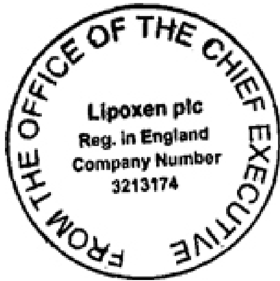
AGREED by the Parties through their authorized signatories on the date written above:

For and on behalf of **Lipoxen PLC**

Signed /s/ M. Scott Maguire

Print name M. Scott Maguire

Title CEO



For and on behalf of **Lipoxen Technologies Limited**

Signed /s/ M. Scott Maguire

Print name M. Scott Maguire

Title CEO

For and on behalf of **SynBio LLC**

Signed

Print name

Title

AGREED by the Parties through their authorized signatories on the date written above:

For and on behalf of **Lipoxen PLC**

Signed

Print name

Title

For and on behalf of **Lipoxen Technologies Limited**

Signed

Print name

Title

For and on behalf of **SynBio LLC**

Signed	/s/ Kruglyakov Peter
Print name	Kruglyakov Peter
Title	General Director

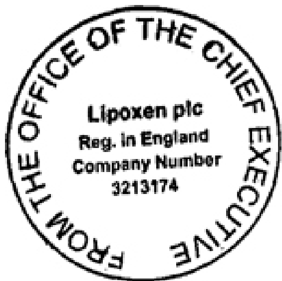
AGREED by the Parties through their authorized signatories on the date written above:

For and on behalf of **Lipoxen PLC**

Signed /s/ Colin Hill

Print name Colin Hill

Title DIRECTOR



For and on behalf of **Lipoxen Technologies Limited**

Signed /s/ M. Scott Maguire

Print name M. Scott Maguire

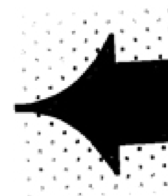
Title CEO

For and on behalf of **SynBio LLC**

Signed /s/ Peter Kruglyakov

Print name Peter Kruglyakov

Title CEO



SCHEDULE 1

DEVELOPMENT PROGRAM

[***]

[***]

[***]

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SCHEDULE 2

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SCHEDULE 3

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SCHEDULE 4

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SCHEDULE 5

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[***]

SCHEDULE 6

[***]

SCHEDULE 7

[***]

SCHEDULE 8

[***]

SCHEDULE 9

MEMBERS OF THE SCIENTIFIC SUBCOMMITTEE

SYNBIO

Dmitry Genkin, Peter Kruglyakov

LIPOXEN

Two of any of the following four:

Brian Richards
David Moss
Scott Maguire
Sanjay Jain

SCHEDULE 10

REVENUE SHARING

1. For the purposes of this Schedule 11, the following words shall have the following meaning:

"Lipoxen Net Sales"	the amount received by Lipoxen and/or its Affiliates from third parties in respect of supplies of Lipoxen Royalty Products in arms length transactions (or the amount that would have been received if the transactions had been at arms length) less the following items provided they are shown in writing on the relevant invoice or in other documentary evidence: sales taxes, costs of delivery, customary trade discounts actually granted, amounts actually repaid or credited for defective or returned and, in the case of export orders, any import duties or similar applicable governmental levies and any government rebates charged on the purchase price of the Lipoxen Royalty Products;
"Lipoxen Net Receipts"	all signing fees, milestones, royalties and other licence fees (excluding research and development fees) received by Lipoxen and/or its Affiliates from sub-licensees in respect of rights acquired by the sub-licensee to market, sell and supply Lipoxen Royalty Products, less any less any Value Added Tax or other sales tax and any direct and/or third party costs and/or expenses incurred by Lipoxen in procuring payment of such sums;
"SynBio Net Sales"	the amount received by SynBio and/or its Affiliates from third parties in respect of sales and/or

supplies of SynBio Royalty Products in arms length transactions (or the amount received if the transactions had been at arms length) less the following items provided they are shown in writing on the relevant invoice or in other documentary evidence: sales taxes, costs of delivery, customary trade discounts actually granted, amounts actually repaid or credited for defective or returned.

2. SynBio shall pay to Lipoxen a royalby of [***] of all SynBio Net Sales. The royalty payable to Lipoxen pursuant to this paragraph shall:

   (a) become due 30 (thirty) days after the expiry of the Quarter in which the SynBio Royalty Products to which the royalty relate were sold and/or supplied by SynBio;

   (b) be payable for a period which, on a Product by Product basis, shall commence on first commercial sale of the relevant Product in the SynBio Market and shall expire on whichever is later: (a) the date of expiry of the licence in relation to the relevant Product granted to SynBio pursuant to clause 11.1 of this Agreement; and/or (b) fen (10) years from the date of first commercial sale of the relevant Product in the SynBio Market.

3. Lipoxen shall pay to SynBio a royalty of [***] of all Lipoxen Net Sales. The royalty payable to SynBio pursuant to this paragraph shall:

   (a) become due 30 (thirty) days after the expiry of the Quarter in which the relevant Lipoxen Net Sales were received by Lipoxen; and

   (b) be payable for a period which, on a Lipoxen Royalty Product by Lipoxen Royalty Product basis, shall commence on first commercial sale of the relevant Lipoxen Royalty Product in the Lipoxen Market and shall expire on whichever is later: (a) the date of expiry of

the licence in relation to the relevant Lipoxen Royalty Product granted to Lipoxen pursuant to clause 10.7 of this Agreement; and/or (b) ten (10) years from the date of first commercial sale of the relevant Lipoxen Royalty Product in the Lipoxen Market.

4. Lipoxen shall pay to SynBio [***] all of Lipoxen Net Receipts. The royalty payable to SynBio pursuant to this paragraph shall:

   (a) become due 30 (thirty) days after the expiry of the Quarter in which the relevant Lipoxen Net Receipts were received by Lipoxen; and

   (b) be payable for a period which, on a Product by Product basis, shall commence on the receipt by Lipoxen of the Clinical Dossier relating to the relevant Product and shall expire 10 (ten) years thereafter.

SCHEDULE 11

[***]

[***]

SCHEDULE 12

[***]

[***]

SCHEDULE 13

[***]

From: Xenetic Biosciences pic (formerly Lipoxen plc)
(Company No. 03213174)
London Bioscience Innovation Centre
2 Royal College Street
London NW1 0NHY

Lipoxen Technologies Limited
(Company No. 03401495)
London Bioscience Innovation Centre
2 Royal College Street
London NW1 0NH

To: SynBio LLC
(Main State Registration No. 1117746126321)
Building 2
55/1, Leninsky Prospekt
Moscow
Russian Federation

Date:

Dear Sirs

Amendment Letter

We refer to the agreement entitled "Agreement on Co-Development and the Terms of Exclusive License" entered into by us, Xenetic Biosciences Plc) and Lipoxen Technologies Limited, and you, SynBio LLC dated 4 August 2011 (the "**Agreement**").

We propose to make the following amendments to the Agreement. Unless the context otherwise requires, all words and expressions used in this letter have the same meanings as those defined in the Agreement.

1. **In clause 1:**

The definition for "Product F" shall be deleted and replaced with the following:

[***]

2. **In clause 15:**

A new sub-clause 15.2.4 shall be inserted, which shall read:

"any and all costs and expenses reasonably and directly incurred in relation to the development of the Onochist Technology (which Lipoxen shall be entitled to deduct from royalties due on Lipoxen Net Sales and Lipoxen Net Receipts in respect of Product F Lipoxen Royalty Products only)."

A new clause 15.5 shall be inserted, which shall read:

Lipoxen shall have the right to acquire SynBio's interest in Product F at a value equivalent to an independent valuation to be conducted by Ernst and Young or Cambridge Consultants. Such right can be exercised after Ph IIa under a US FSA or EMA trial.

3. **In paragraph 3 of Schedule 10:**

A royalty rate of [***] shall be payable by Lipoxen to SynBio on Lipoxen Net Sales where the supplies of Lipoxen Royalty Products in question are Product F. The original royalty rate of [***] shall continue to apply in respect of Lipoxen Net Sales of all other Lipoxen Royalty Products.

4. **In paragraph 4 of Schedule 10:**

A royalty rate of [***] shall be payable by Lipoxen to SynBio on Lipoxen Net Receipts where they related to Product F Lipoxen Royalty Products. The original royalty rate of [***] shall continue to apply to Lipoxen Net Receipts in respect of all other Lipoxen Royalty Products.

5. **In Schedule 13:**

The following names shall be added:

[***]

The above amendments are made in consideration of our payment to you now of [***] (receipt of which you hereby acknowledge) and for other good and valuable consideration.

The Agreement shall remain in full force and effect except to the extent that its terms are varied by this letter. In the event of any conflict between this letter and the Agreement, the provisions of this letter shall prevail.

This letter shall be construed and governed by the laws which are expressed to apply in clause 21.11 of the Agreement. Any dispute arising out of or in connection with this letter or subject matter or formation (including but not limited to any non-contractual claims or disputes) shall be subject to the same dispute resolution process as set out in clauses 21.12 to 21.14 (inclusive) of the Agreement.

Please confirm your agreement to the amendments to the Agreement set out above by countersigning this letter below and returning your signature copy of this letter to us. Upon your signature to this letter, the above amendments to the Agreement shall be deemed to have taken effect from (and including) the Commencement Date of the Agreement.

This letter may be executed in any number of counterparts and by different parties on separate counterparts, each of which when so executed and delivered shall be an original but all counterparts shall together constitute one and the same instrument.

AGREED by the parties through their authorised signatories on the date which first appears in this letter:

Signed for and on behalf of **Xenetic Biosciences plc:**

Signed: _______________________________

Pring Name: ___________________________

Title: _________________________________

Signed for and on behalf of **Lipoxen Technologies Limited:**

Signed: _______________________________

Pring Name: ___________________________

Title: _________________________________

Signed for and on behalf of **SynBio LLC:**

Signed: _______________________________

Pring Name: ___________________________

Title: _________________________________

Exhibit 10.19

Portions of this exhibit, indicated by the mark "[***]," have been redacted pursuant to a confidential treatment request.

DATED 4 August **2011**

(1) SynBio LLC

(2) Lipoxen Plc

SUBSCRIPTION AGREEMENT

in respect of ordinary shares
in the capital of
Lipoxen plc

THIS AGREEMENT is made on 4 August 2011

BETWEEN:

(1) SynBio LLC, a limited liability company incorporated under the laws of the Russian Federation, Main State Registration Number 1117746126321, having its registered office at building 2, 55/1, Leninsky Prospekt, Moscow, Russian Federation (the “Subscriber”); and

(2) LIPOXEN PLC a company incorporated under the laws of England and Wales with Company number 03213174 whose registered office is at London Bioscience Innovation Centre, 2 Royal College Street, London NWl ONH, Great Britain (the “Issuer”).

RECITALS

(A) The Issuer is a public limited company incorporated under the laws of England and Wales. The Issuer’s Ordinary Shares are admitted to trading on AIM.

(B) The Issuer, Lipoxen Technologies Ltd and the Subscriber are to be participants in a project, pursuant to the terms of a co-development agreement to be entered into between such parties (the “Project”).

(C) In connection with the Project, the Subscriber wishes to invest in the Issuer.

(D) Accordingly, the Subscriber has agreed to subscribe, and the Issuer has agreed to issue and allot to the Subscriber, 110,800,000 new Ordinary Shares subject to the conditions and on the terms of this Agreement.

(E) The Parties intend that all the actions in relation to the signing of this Agreement and the issue of shares to the Subscriber referred to in Recital (D) above will take place in London.

(F) Completion of this Agreement is conditional upon certain events, including, inter alia, approval of certain resolutions at a general meeting of the Issuer's shareholders.

OPERATIVE PROVISIONS

1. INTERPRETATION

1.1 In this Agreement including in the Recitals and Schedules hereto, the following words and expressions shall have the following meanings:

"Accounting Date" means 31 December 2010;

"Admission" means the admission of the Subscription Shares to trading on AIM becoming effective in accordance with paragraph 6 of the AIM Rules, and references to the Subscription Shares being

"Admitted" shall be construed accordingly;

"Agreement" means this agreement as the same may be amended by the Parties hereto in accordance with the provisions hereof;

"Announcement" means the RNS announcement in relation to information set out in the Circular in the agreed form;

"AIM" means the market of that name operated by the London Stock Exchange;

"AIM Rules" means the AIM Rules for Companies published by the London Stock Exchange for the time being in force;

“Applicable Law” means the laws, decrees regulations or any type of primary or secondary legislation which is at the time of this Agreement in force in the United Kingdom or in the Russian Federation, as the case may be;

“Business Day” means a day (not being a Saturday or a Sunday) on which banks generally are open for business in London and Moscow;

“Circular” means the circular as required under, *inter alia,* Rule 9 of the City Code as agreed by the Panel on Takeovers and Mergers, and to be sent by the Issuer to its shareholders in connection with the transactions hereby contemplated;

“City Code” means the City Code on Takeovers and Mergers;

“Co-Development Agreement” means the co-development agreement entered into between the Issuer, the Subscriber and Lipoxen Technologies Ltd on or around the date hereof;

“Co-Development Agreement Condition Precedent” shall have the meaning ascribed in Clause 2.1(B); ·

“Companies Act” means the Companies Act 2006;

“Completion” means completion of this Agreement as provided in Clause 6;

“Completion Date” means, unless the Parties shall otherwise agree:

(A) the first Business Day after Pre-Completion takes place; or

(B) as the context may require, the date on which Completion takes place;

“Conditions Precedent” means the Conditions Precedent set out in Clause 2;

“Conditions Precedent Date” means 30 September 2011 or such later date as the Parties may agree in writing for satisfaction of the Conditions Precedent;

“Consideration” has the meaning ascribed in Clause 5;

“Enabling Resolutions” shall have the meaning ascribed in Clause 2.1(D);

“Encumbrance” means any mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third party right or other interest or equity, security interest of any kind or another type of preferential arrangement (including, without limitation, a title transfer and retention arrangement) having similar effect, and **“Encumbering”** shall be construed accordingly;

“Escrow Deed” means the deed of adherence in relation to arrangements under the Purchase Agreement including, *inter alia,* certain of the consideration shares held in escrow, to be entered into on or around the date hereof;

“FDS Pharma” means the limited liability partnership “FDS Pharma LLP”, a legal entity incorporated and existing under the laws of England and Wales, with its registered office at: Hillbrow House, Hillbrow Road, Esher, Surrey, KTlO 9NW, United Kingdom, registration number LP005073;

[***]

“GM” shall have the meaning ascribed in Clause 2.5(A);

“GM Notice” means the notice to convene the GM included within the Circular;

“Group” means the Issuer and Lipoxen Technologies Ltd (and, where the context permits, each of them);

“Group IP Rights” means:

(A) all intellectual property assets and rights (together the **“IP Rights”)** in relation to (i) Histone; and (ii) the Polyxen Technology being owned, licensed or otherwise held or used by any Group entity; and

(B) all IP Rights owned, licensed or otherwise held or used by any Group entity and **“Group IP”** shall be construed accordingly, and for these purposes “intellectual property” means (i) patents; (ii) applications for patents; (iii) designs (registered or unregistered and including applications for registered designs); (iv) registered trade marks and applications for the registration of trade marks; (v) rights in know-how, trade secrets and confidential information; (vi) copyright, (vii) rights in inventions; (viii) rights in scientific, technical and manufacturing data; (ix) rights in plans, specifications and calculations; (x) unregistered trade marks; (xi) database rights; (xii) domain names; and (xiii) all corresponding, equivalent or comparable rights existing in any territory or jurisdiction outside the United Kingdom relating to the Group’s current or proposed business activities, as set out in the Co-Development Agreement;

“Histone” has the meaning given in the Co-Development Agreement;

“ICTA” means the Income and Corporation Taxes Act 1988;

“Interim Period” means the period commencing on the date of this Agreement and ending on the earlier to occur of (i) Completion; or (ii) lapse or termination of this Agreement;

“Irrevocable Undertaking” means the irrevocable undertakings and the marketing agreement entered into by the Issuer’s Majority Shareholders with the Issuer in respect of, *inter alia,* their voting rights in relation to the Enabling Resolutions;

“Issuer’s Majority Shareholders” means: (i) Mr Genkin Dmitry Dmitrievich, citizen of the Russian Federation, [***] and (ii) Mr Igor Nikolaev, citizen of the Russian Federation, [***]

“Issuer’s Solicitors” means Pinsent Masons LLP of 30 Crown Place, London EC2A 4ES;

“Issuer’s Warranties” means the warranties set out in Schedule 2;

Lipoxen Technologies Ltd means a legal entity registered under the laws of England whose registered office is at London Bioscience Innovation Centre, 2 Royal College Street, London, NWl ONH, United Kingdom, company registration number 03401495;

“London Stock Exchange” means the London Stock Exchange plc;

“Ordinary Share” means an ordinary share of 0.5p each in the capital of the Issuer and **“Ordinary Shares”** shall be construed accordingly;

“Parties” means the parties to this Agreement;

“Patents” means all granted patents and applications for patents (whether owned by, or licensed to, any Group member) expressly referred to or identified in the Co-Development Agreement;

“Polyxen Technology” has the meaning given in the Co-Development Agreement;

“Pre-Completion” means Pre-Completion of this Agreement as provided in Clause 6;

“Pre-Completion Date” means the date falling at least three Business Days prior to the Completion Date or such other date for Pre-Completion as the Parties may agree in writing;

“Purchase Agreement” has the meaning given in Clause 2.1(C);

“Related Agreements” means the Co-Development Agreement, the Relationship Deed and any other agreement, document or instrument contemplated by the foregoing agreements or designated by the Parties m writing as a “Related Agreement”;

“Relationship Deed” means the agreement to regulate the relationship between the Subscriber and the Issuer in the agreed form;

“Resolutions Condition Precedent” shall have the meaning ascribed in Clause 2.l(D);

“RNS” has the meaning given to such term in the AIM Rules;

“Shareholder Register” means the register of the Issuer’s shareholders that exists under the laws of England and Wales;

“Share Registrar” means the company which maintains the Shareholder Register;

“Subscriber’s Solicitors” means White & Case LLP of 5 Old Broad Street, London EC2N lDW;

“Subscriber’s Warranties” means the warranties set out in Schedule 1;

“Subscription Price” means the price of 11p per new Ordinary Share;

“Subscription Shares” means 110,800,000 new Ordinary Shares;

“SymbioTec” means SymbioTec GmbH located at: Saarbriicken, Gennany, organized in accordance with certificate of acknowledgment No. UR 849/2008 of October 11, 1988 and existing under the laws of Germany;

“Warranties” means the Subscriber’s Warranties and the Issuer’s Warranties.

1.2 The expression **“in the agreed terms”** means in the form agreed between the Subscriber and the Issuer and signed for the purposes of identification by or on behalf of the Subscriber and the Issuer.

1.3 Any reference to **“writing”** or **“written”** means any method of reproducing words in a legible and non-transitory form (excluding, for the avoidance of doubt, email).

1.4 References to **“include”** or **“including”** are to be construed without limitation.

1.5 References to a **“company”** include any company, corporation or other body corporate wherever and however incorporated or established.

1.6 References to a **“person”** include any company, partnership, joint venture, firm, association, trust and any governmental or regulatory authority.

1.7 The expressions **“body corporate”, “holding company”, “parent undertaking”, “subsidiary”** and **“subsidiary undertaking”** shall have the meanings given in the Companies Act.

1.8 The table of contents and headings are inserted for convenience only and do not affect the construction of this Agreement.

1.9 Unless the context otherwise requires, words in the singular include the plural and *vice versa,* and a reference to any gender includes all other genders.

1.10 References to Clauses, paragraphs and Schedules are to Clauses and paragraphs of, and schedules to, this Agreement. The Schedules form part of this Agreement.

1.11 References *to* any statute or statutory provision include a reference to that statute or statutory provision as amended, consolidated or replaced from time to time (whether before or after the date of this Agreement) and include any subordinate legislation made under the relevant statute or statutory provision.

1.12 References to any English legal term for any action, remedy, method of financial proceedings, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than England, be deemed to include what most nearly approximates in that jurisdiction to the English legal term.

1.13 The expressions "ordinary course of business" or "business in the ordinary course" mean the ordinary and usual course of business of the Issuer, consistent in all material respects (including nature and scope) with the prior practice of the Issuer and includes, for the avoidance of doubt, any actions taken or required to be taken by the Issuer in accordance with this Agreement or any other Related Agreement or as described in the Circular.

1.14 In this Agreement references to “US$” or “US Dollars” are references to the lawful currency for the time being of United States of America; references to “RUB” or “Roubles” are references to the lawful currency for the time being of the Russian Federation; and references to “£” or “pounds” are references to the lawful currency for the time being of the United Kingdom.

1.15 In this Agreement references to any time of day are to the time in London, England.

1.16 In the event of any discrepancy between the English and Russian translations of this Agreement, the English version shall prevail.

2. **CONDITIONS PRECEDENT**

2.1 The provisions of Clauses 4, 5 and 6 of this Agreement are conditional on the following having occurred on or before 2 p.m. (or such other time as the Parties may agree in writing) on the Conditions Precedent Date:

(A) the Irrevocable Undertaking having been executed by all Parties thereto such that it shall become unconditional in all respects automatically before or upon *signing* of this Agreement (the **“Irrevocable Undertaking Condition Precedent”);**

(B) the Issuer, Lipoxen Technologies Ltd and the Subscriber having executed the Co-Development Agreement such that it shall become unconditional in all respects automatically on Completion of this Agreement (the **“Co-Development Agreement Condition Precedent”);**

(C) completion of the purchase by the Issuer of the entire issued share capital of SymbioTec in accordance with the agreement with the vendors executed on or around the date hereof (the **“Purchase Agreement”)** (the **“Transfer Condition Precedent”);**

(D) the passing at a general meeting of the Issuer of all the resolutions set out in the GM Notice (the **“Enabling Resolutions”)** (the **“Resolutions Condition Precedent”);** and

(E) Admission of the Subscription Shares to trading on AIM (the **“Admission Condition Precedent”);** and

(F) the Issuer and the Subscriber having executed the Escrow Deed.

2.2 The Issuer shall use reasonable endeavours to procure the satisfaction of Admission Condition Precedent as soon as practicable and in any event not later than the latest time on the Conditions Precedent Date.

2.3 The Issuer shall use reasonable endeavours to procure that irrevocable undertakings to vote in favour of the resolutions required to effect the transactions contemplated by this Agreement are entered inter alia into by: (i) Baxter Healthcare SA, a company incorporated under Swiss law, having its registered address at Hertistr.28304 Wallisellen, Switzerland; (ii) Serum Institute of India Limited, a company incorporated under Indian law, registered: at S. No. 212/2, Off Soli Poonawalla Road, Hadapsar, Pune – 411 028, Maharashtra, India; and (iii) FDS Pharma with the Issuer such that they shall become unconditional in all respects before or upon completion of this Agreement.

2.4 Each Party shall keep the other fully informed of all progress and developments with regard to satisfaction of the Conditions Precedent for which it is responsible, and in any event shall notify the other Party in writing as soon as practicable after it becomes aware that the same or any of the Conditions Precedent have been satisfied or have become incapable of satisfaction and produce to the other Party such documentation as reasonably required to evidence such satisfaction or incapability of satisfaction.

2.5 Without limiting the foregoing, the Issuer undertakes in relation to the Resolutions Condition Precedent that:

(A) within two (2) Business Days of the date of this Agreement, subject to confirmation from the Panel on Takeovers and Mergers that it requires no further changes to the drafting of the Circular, it will procure the despatch to its shareholders of a circular substantially in the form of the Circular convening a general meeting of the Issuer (for the purposes, *inter alia,* of considering and, if applicable, passing the Enabling Resolutions) (the "GM") not later than 22 August 2011 unless otherwise agreed by the Parties in writing;

(B) at the GM it will procure that the Enabling Resolutions shall be put to the meeting and, unless the same shall be passed on a show of hands, that a poll is demanded and given effect in respect thereof;

(C) that if the GM is adjourned, the date of any adjourned meeting shall be if practicable, subject to the following provision that it is held in sufficient time to enable satisfaction of the Conditions Precedent on or before the latest time provided in Clause 2.1 PROVIDED THAT no member of the Issuer's Group nor any of the directors thereof shall be required to act in breach of their fiduciary duties to any member of the Issuer's Group and/or its shareholders and/or creditors;

(D) it will not despatch any circular to its shareholders for the purposes of the foregoing without first providing the Subscriber with a reasonable opportunity to review and comment on the same, and it will give due consideration to all reasonable requirements of the Subscriber in relation to the contents thereof insofar as they relate to the matters contemplated by this Agreement or are matters for which the Subscriber or the directors of the Issuer must accept responsibility in accordance with the requirements of the London Stock Exchange, the Companies Act and any other applicable legislation including the City Code; and

(E) it will, on the day on which the Enabling Resolutions shall be passed (if applicable), provide the Subscriber's Solicitors with a print thereof, duly certified by the company secretary or any director of the Issuer as having been duly passed.

2.6 The Resolutions Condition Precedent and the Admission Condition Precedent may only be waived if the Issuer and the Subscriber so agree in writing. The Irrevocable Undertaking Condition Precedent and the Co-Development Agreement Condition Precedent may only be waived if the Subscriber agrees in Co-writing Development Agreement.

2.7 If by the latest time on the Conditions Precedent Date prescribed in Clause 2.1 the Conditions Precedent have not been satisfied or, in accordance with Clause 2.6, waived by the applicable Parties, then either Party may serve written notice on the other Party terminating this Agreement, provided that the Issuer may only serve notice to terminate this Agreement where it is not in breach of its obligations under Clause 2.2 and/or Clause 2.3 of this Agreement.

2.8 In the event that either the Issuer or the Subscriber shall serve notice terminating this Agreement in accordance with Clause 2.7, then except for this Clause 2.8, Clause 1, Clause 9, Clause 12, Clause 13, Clause 14 and Clause 16, all of the provisions of this Agreement shall lapse and cease to have effect. This shall not affect any accrued rights or liabilities of either the Issuer or the Subscriber in respect of damages for non performance or other breach of any obligation under this Agreement falling due for performance prior to such lapse and/or cessation.

3. **INTERIM PERIOD**

During the Interim Period the Issuer undertakes to conduct its businesses and to procure that Lipoxen Technologies Ltd conducts its business in the ordinary course.

4. SUBSCRIPTION

4.1 Subject to Clause 2, and to receipt of consideration for the Subscription Shares in cleared funds by the Issuer from the Subscriber, the Issuer hereby agrees to issue and allot and the Subscriber hereby agrees to subscribe for the Subscription Shares.

4.2 The Subscription Shares shall be credited as fully paid up at Completion.

4.3 Any allotment of Subscription Shares shall be conditional on the same being Admitted. If such condition shall not be capable of satisfaction because of the failure of the London Stock Exchange to agree to Admission of such Subscription Shares at a date which is practicable prior to the due date for such allotment, then Completion and such allotment shall be postponed to the first Business Day after the first practicable date for the holding of a meeting of the London Stock Exchange at which it agrees to the Admission of such Subscription Shares.

4.4 The Subscription Shares will not rank for any dividends or other distributions declared, paid or made on the ordinary share capital of the Issuer by reference to a record date prior to the Completion Date but, subject thereto, will rank *pari passu* in all other respects with the ordinary share capital of the Issuer then in issue.

4.5 The Issuer shall not consolidate or sub-divide its ordinary share capital or make any issue by way of capitalisation or rights to holders of its Ordinary Shares prior to the date of the allotment of any Subscription Shares or the lapse or termination of this Agreement.

4.6 Nothing in this Agreement shall oblige the Issuer to issue and allot, or the Subscriber to subscribe, any of the Subscription Shares or otherwise complete this Agreement unless the subscription of all of the Subscription Shares by the Subscriber is completed simultaneously.

5. CONSIDERATION

The consideration for the Subscription Shares shall comprise the Subscription Price in relation to each Subscription Share.

6. SIGNING, PRE-COMPLETION AND COMPLETION

6.1 On or prior to the execution of this Agreement, a meeting of the board of directors of the Issuer will have been held, at which the board, *inter alia:*

(A) approved the entry into this Agreement, the Co-Development Agreement, the Irrevocable Undertaking, the Relationship Deed, the Purchase Agreement, the Escrow Deed and the Announcement;

(B) approved the Circular and resolved to call a GM to consider and, if thought fit, pass the Enabling Resolutions; and

(C) conditionally only upon Completion:

(1) allotted and resolved to issue the Subscription Shares to the Subscriber in accordance with Clause 4: and

(2) resolved to register the Subscription Shares in the name of the Subscriber.

6.2 Immediately following the execution of this Agreement (and in any event within five (5) Business Days of execution):

(A) the Subscriber will deliver to the Issuer three (3) originals of the Co-Development Agreement, each duly executed by the Subscriber;

(B) the Issuer will deliver to the Subscriber:

(1) three (3) originals of the Co-Development Agreement each duly executed by the Issuer and Lipoxen Technologies Ltd; and

(2) a certified copy of Irrevocable Undertaking duly executed by the Issuer's Majority Shareholders.

6.3 Subject to Clause 2, unless otherwise agreed by the Parties, Pre-Completion shall take place at the offices of the Issuer's *Solicitors* on or before 2.00 p.m. on the Pre-Completion Date and Completion shall take place as provided in Clause 6.9.

6.4 [***]

(A) the Subscriber shall deliver to the Issuer:

(1) two (2) originals of the Relationship Deed each duly executed by the Subscriber;

(2) two (2) originals of the Escrow Deed duly executed by the Subscriber;

(3) an application for the Subscription Shares in the form set out in Schedule 3;

(4) a certified copy of the resolution of the relevant decision-making body of the Subscriber approving, to the extent required by Applicable Law:

(a) completion of the subscription of the Subscription Shares; and

(b) the entry into the Related Agreements to which the Subscriber is a Party; and

(B) the Issuer shall:

(1) deliver to the Subscriber's Solicitors a certified copy of the Enabling Resolutions passed at the GM;

(2) submit to the London Stock Exchange a completed application in accordance with Rule 29 of the AIM Rules; and

(3) deliver to the Subscriber's Solicitors two (2) originals of the Escrow Deed executed by the Issuer.

6.5 Once Pre-Completion has taken place in accordance with the terms set out in Clauses 6.3 and 6.4, Completion hereof shall be conditional only upon Admission occurring before I 0.00 a.m. on the third Business Day following the Pre-Completion Date taking into account the requirements of Rule 29 of the AIM Rules or such other date as may be agreed by the Pmties.

6.6 With effect from Completion the Subscriber shall have the right to appoint two (2) non-executive directors to the board of the Issuer in accordance with the terms

of the Relationship Deed. For the avoidance of doubt, such directors shall not be entitled to any remuneration in respect of their role.

6.7 Within three (3) Business Days of Admission, the Issuer shall deliver to the Subscriber's Solicitors a certificate in respect of the Subscription Shares.

6.8 Any documents delivered under Clause 6.4 in anticipation of Completion shall (if not already dated) be delivered undated and shall remain the absolute property of and shall be held strictly to the order of the delivering or paying Party until Completion shall take place as provided in Clause 6.5, and shall be held by the recipient in accordance with the terms of this Clause 6.8 and Clause 6.10.

6.9 Completion shall take place automatically upon Admission. All deeds, agreements and documents delivered under Clause 6.4 shall thereupon be deemed to have come into effect and shall become the absolute property of the Parties entitled thereto (being the Parties to whose solicitors or agents the relevant deeds agreements documents were delivered) and shall all be dated with the date of the Completion Date, and shall become unconditional in all respects save in respect of conditions in this Agreement.

6.10 If Admission shall not become effective by the latest time mentioned in Clause 6.5 and the Parties do not before that He time agree to extend the latest time for Completion (in which event the provisions of Clauses 6.7 to 6.11 (inclusive) shall apply to Completion as so deferred), this Agreement (save for this Clause 6.10 and Clause 6.11) and any allotments, agreements or documents effected or executed pursuant hereto, shall as between the Parties be deemed to be of no effect (save in the case of this Agreement as

regards any antecedent breach of any obligations hereunder and in respect of this Clause 6.10 and Clause 1, Clause 9, Clause 12, Clause 13, Clause 14 and Clause 16 which shall continue in full force and effect) and the Parties shall redeliver or procure the redelivery to relevant Parties all documents, agreements, papers and other items delivered by such other Patties pursuant hereto or in anticipation of Completion hereof.

6.11 The Parties shall procure that their respective solicitors or other agents shall duly retain and deal with all deeds, documents and agreements delivered to them in accordance with the provisions of this Clause 6.

6.12 If on the Completion Date either Party shall fail to comply in any material respect with its obligations under this Clause 6 (the **"Defaulting Party"),** the other Party (the **"Non-Defaulting Party")** may (provided that such Non-Defaulting Party is in compliance with its obligations under this Clause 6) by notice in writing to the Defaulting Party (i) defer Completion to a day not more than twenty eight (28) days following the Completion Date (and the provisions of this Clause shall apply to Completion as so deferred; or (ii) proceed to Completion so far as practicable but without prejudice to the rights of the Non-Defaulting Party hereunder or otherwise.

7. WARRANTIES

7.1 The Subscriber hereby warrants to the Issuer (for the benefit of the Issuer and its successors in title) in the terms of the Subscriber's Warranties (set out in Schedule 1).

7.2 The Issuer hereby warrants to the Subscriber (for the benefit of the Subscriber and its successors in title) in terms of the Issuer's Warranties (set out in Schedule 2).

7.3 The Warranties shall be deemed repeated immediately before Completion with reference to the then existing facts and circumstances.

7.4 Each of the Warranties is given independently from and shall not be limited by reference to any other warranty contained therein or anything else in this Agreement or any other agreement or document referred to herein.

7.5 Save as necessary to give effect to the express terms of this Agreement the Issuer shall not do, allow or procure before Completion anything which is or might cause, constitute or result in a breach of any of the Issuer's Warranties as repeated immediately prior to Completion.

7.6 The Issuer shall without delay disclose to the Subscriber in writing any matter or thing which may arise or become known to it after the date thereof (whether or not prior to Completion) which is or could be a breach of, inconsistent with or may render inaccurate or misleading any of the Issuer's Warranties as given on exchange hereof and/or immediately prior to Completion provided that where the Issuer is obliged to make an announcement

in respect of such matters under Rule 9, Rule 10 or Rule 11 of the AIM Rules, the Issuer shall upon or immediately after making such announcement disclose such matter to the Subscriber in accordance with this sub-Clause.

8. LIMITATIONS ON LIABILITY

[***]

8.2 No claim for breach of the Issuer's Warranties shall be made by the Subscriber:

(A) [***]

[***]

8.3 No claim for breach of the Issuer's Warranties shall be made unless the claim has been notified in writing to the Issuer on or before the first anniversary of Completion.

8.4 The Issuer shall have no liability whatsoever in respect of a claim for breach of the Issuer's Warranties to the extent that the fact, matter or circumstance giving rise to the claim:

(A) is a matter of public record or available within the public domain;

(B) is published information relating to the Issuer available to the Subscriber;

(C) is disclosed in the audited annual accounts of the Issuer;

(D) is disclosed in any announcement of the Issuer; or

(E) was actually known by the Subscriber as at the date of this Agreement:

8.5 If the Subscriber becomes aware of any claim, decision, action or demand against it by a third party which appears likely to give rise to a claim for breach of the Issuer's Warranties (a **"Third Party Claim")** the following provisions shall apply;

(A) the Subscriber shall as soon as is reasonably practical give written notice of the Third Party Claim to the Issuer;

(B) the Subscriber shall not make any admission of liability, agreement, settlement or compromise to or with any person in relation to the Third Party Claim without the prior written agreement of the Issuer; and

(C) the Subscriber shall take such action as the Issuer may reasonably request to avoid, dispute, resist, mitigate, settle, compromise, defend or appeal the Third Party Claim,

and provided that: (i) no Third Party Claim shall be settled or compromised by the Subscriber without the consent of the Issuer; (ii) the Subscriber shall not be required to take any action under this provision unless it is indemnified to its satisfaction by the Issuer in relation to reasonable costs that it may incur in so doing; and (iii) there is no material reputational damage or material risk to its reputation in taking or avoiding to take any action in connection with such Third Party Claim.

8.6 Any disclosures made by the Issuer are to be taken as relating to each of the Issuer's Warranties in this Agreement generally.

8.7 Except in the case of a fraudulent misrepresentation, no Party shall in relation to the issue of the Subscription Shares under this Agreement be liable in respect of any representations or warranties or similar assurances which are not contained and expressly given or assumed by them in this Agreement or any agreement or document entered into pursuant hereto or referred to herein.

9. ENFORCEABILITY AND SEVERABILITY

Each of the agreements, undertakings, covenants, warranties and other obligations of the Parties entered into pursuant hereto (including without limitation under Clause 8) is considered reasonable by the Parties but in the event that any provision or part thereof shall be held void, unenforceable or in conflict with the law of any state or jurisdiction, it shall be severed from this other document in which it is contained, or otherwise modified to become

valid and enforceable insofar as it relates to that state or jurisdiction only. The enforceability and validity of any other parts or provisions of this Agreement and such document shall not be affected by such severance or modification.

10. FURTHER ASSURANCE AND LOCK IN

10.1 The Issuer hereby agrees for no additional consideration or payment to carry out, execute and deliver any such further acts documents and things as the Subscriber may reasonably require to vest in the Subscriber the legal and beneficial ownership of the Subscription Shares free from all charges, liens or other adverse interests and to vest the benefit of this Agreement in the Subscriber.

10.2 The Subscriber hereby undertakes with the Issuer in respect of:

(A) the Subscription Shares allotted and issued to it pursuant to this Agreement;

(B) the FDS Pharma Shares;

(C) any other Ordinary Shares which may be acquired by the Subscriber during the twenty four (24) months from the date of Completion; and

(D) all other Ordinary Shares into which the shares referred to in Clause 10.2(A), Clause 10.2(B) or Clause 10.2(C) above are sub-divided or converted, or issued by way of bonus issue or otherwise derived from the same (whether by way of consolidation, sub-division, capitalisation, rights issue or otherwise),

(together in the “Lock-in Shares”) that it will retain absolute legal and beneficial title to its holding of such Lock-in Shares free from Encumbrances for twenty four (24) months from the date of Completion (the :Lock Up Period”) and shall not during the Lock Up Period.

(E) offer, dispose or or agree to offer or dispose of, directly or indirectly, any such Lock-in Shares or any legal or beneficial interest in any such Lock-in Shares, or

(F) enter into or agree to enter into any derivative transaction of any type whatsoever (including without limitation, any swap, contract for differences, option, warrant, convertible securities or futures transaction to any such Lock-in Shares.

Whether such transaction is settled by delivery of such Lock-in Shares or other securities, in cash or otherwise and, for the purpose of maintaining an orderly market in the Issuer’s shares, the Subscriber shall not for a further twenty four (24) months thereafter make any such disposal or arrangement in relation to any Lock-in Shares or enter into any such transaction of the type referred to in Clause 10.2(E) or Clause 10.2(F) except through the Issuer’s corporate brokers or financial advisors from time to time unless the Issuer consents in writing that the disposal may be effected otherwise that through such brokers, such consent not to be unreasonably withheld.

For the purpose of Clause 10.2, “dispose” includes mortgaging, pledging, charging, lending, assigning, selling, transferring or otherwise disposing of the relevant securities or agreeing to dispose of any relevant securities or otherwise Encumbering the relevant securities.

The provisions of this Clause 10.2 shall not apply in respect of:

(i) the acceptance of any general offer made to all holders of Ordinary Shares made in accordance with applicable takeover regulations (if any) or equivalent provisions contained in the articles of association of the Issuer on terms which treat all such holders alike (a **“General Offer”);**

(ii) the execution and delivery of an irrevocable commitment or undertaking to accept a General Offer;

(iii) the implementation of any scheme of arrangement of the Issuer to give effect to a General Offer; or

(iv) any disposal to any Group Company as part of an internal reorganisation of the Group.

11. SURVIVAL OF AGREEMENT

This Agreement (and in particular the warranties, covenants, agreements and undertakings of the Subscriber hereunder) shall insofar as the terms thereof remain to be performed or are capable of subsisting remain in full force and effect after and notwithstanding Completion.

12. COSTS

Save as expressly otherwise provided herein, each Party shall pay its own costs

and expenses in connection with the preparation and execution of this Agreement.

13. ANNOUNCEMENTS

Save in respect of statutory returns or matters required to be disclosed by law or regulation or to the London Stock Exchange or to the Panel on Takeovers and Mergers or to other governmental or regulatory authorities, none of the Parties shall make any press statement or other public announcement in connection with this Agreement without the prior written approval of the text of such statement or announcement, in the case of the Subscriber by the Issuer or, in the case of the Issuer, by the Subscriber's Solicitors. Where any statement or announcement is required to be made by law or regulation, the Party required to make such announcement shall, where lawful and reasonably practicable to do so, consult with the other Party and take into account its reasonable comments in connection with the substance of the announcement.

14. NOTICES

14.1 Any notice or other communication to be given under or in connection with this Agreement (a "Notice") shall be in the English language in writing and signed by or on behalf of the Party giving it. A Notice may be delivered personally or sent by reputable international courier to the address provided in Clause 4.3 (with a copy to the fax number), and marked for the attention of the person specified in that Clause.

14.2 A Notice shall be deemed to have been received:

(A) at the time of delivery if delivered personally; or

(B) five (5) Business Days after the time and date of despatch if sent by reputable international courier,

provided that if deemed receipt of any Notice occurs after 6.00 p.m. or is not on a Business Day, deemed receipt of the Notice shall be 9.00 a.m. on the next Business Day. References to time in this Clause 14.2 are to local time in the country of the addressee.

14.3 The addresses and fax numbers for service of Notice are:

Issuer:

Name:	Lipoxen Plc
Address:	18 Pall Mall, 2nd Floor, London SWIY 5LU
For the attention of:	Scott Maguire, Chief Executive Officer
[***]	[***]

Subscriber:

Name:	Limited Liability Company “SynBio”
Address:	119333, Russian Federation, Moscow, Leninsky Avenue, 55/1, bldg. 2
For the attention of:	P.V. Kruglyakov
[***]	[***]

14.4 A Party shall notify the other Party of any change to its details in Clause 14.3 in accordance with the provisions of this Clause 14, provided that such notification shall only be effective on the later of (i) the date specified in the notification; and (ii) five (5) Business Days after deemed receipt.

15. ENTIRE AGREEMENT

15.l This Agreement, together with the Related Documents and any other documents referred to in this Agreement or any Related Document, constitutes the whole agreement between the Parties and supersedes any previous arrangements or agreements between them relating to the subscription of the Subscription Shares and, for the avoidance of any doubt, supersedes and extinguishes the heads of terms entered into between the Issuer and the Subscriber which shall cease to have any further force or effect.

15.2 Each Party confirms that it has not entered into this Agreement or any other Related Document on the basis of any representation, warranty, undertaking or other statement whatsoever which is not expressly incorporated into this Agreement or the relevant Related Document.

16. GOVERNING LAW AND ARBITRATION

16.1 This Agreement including any non-contractual obligations arising out of or in connection with this Agreement shall be governed by and construed in accordance with English Law.

16.2 Any dispute, controversy or claim arising out of, or in connection with, this Agreement, including a dispute as to the validity or existence of this Agreement and/or this Clause 16.2, shall be finally resolved by arbitration in London conducted in English under the Rules of Arbitration of the ICC by three (3) arbitrators. Each Party shall nominate one (1) arbitrator and, the third arbitrator, who will act as chairman, shall be nominated by the two (2) Party-nominated arbitrators.

16.3 A Party may apply to the English courts (but not, for the avoidance of doubt, any other courts) for interim relief and/or conservatory measures (an **"Interim Relief Application")** and any such Interim Relief Application shall not be deemed to be incompatible with, or a waiver of, the arbitration agreement.

16.4 For the purposes of Clause 163, each of the Parties irrevocably submits to the exclusive jurisdiction of the courts of England.

16.5 Where disputes arise out of or in connection with this Agreement or any Related Agreement which, in the reasonable opinion of the first panel of arbitrators *to* be appointed in any of the disputes (the **"First Panel"),** are so closely connected that it is fair and expedient for them to be resolved in the same proceedings, the First Panel may, upon application by any Party, order that the proceedings to resolve that dispute shall be consolidated with those to resolve any of the other disputes (whether or not proceedings to resolve those other disputes have yet been instituted). If the First Panel so orders, the Parties to each dispute which is a subject of their order shall be treated as having consented to that dispute being finally decided:

(A) by the First Panel unless the ICC Court decides that such panel would not be suitable; and

(B) in accordance with the procedure specified in the contract pursuant to which the First Panel was appointed, unless otherwise agreed by all Parties to the consolidated proceedings or ordered by the First Panel,

and each Party hereby waives any right to object to the constitution of the First Panel upon such consolidation on the grounds that it was not entitled to nominate an arbitrator.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

17.1 The Parties agree and acknowledge that:

(A) nothing in this Agreement is intended to benefit any person who is not a Party to it (a **"Non-Party")** and accordingly no Non-Party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement; and

(B) the consent of any Non-Party shall not be required for any amendment to or termination of this Agreement.

17.2 The provisions of Clause 17.2 do not affect any right or remedy of a third party which exists or is available otherwise than by operation of the Contracts (Rights of Third Parties) Act 1999.

18. COUNTERPART

This Agreement may be executed in counterparts and shall be effective when each Party has executed a counterpart. Each counterpart shall constitute an original of this Agreement.

IN WITNESS WHEREOF this Agreement has been executed in London, the United Kingdom as a deed of each of the Parties on the day and year first before written

SCHEDULE *1*

(Subscriber's Warranties)

I. AUTHORITY, CAPACITY AND ENFORCEABILITY

1.1 **Incorporation.** The Subscriber is duly incorporated, organised and validly existing under the laws of the Russian Federation.

1.2 **Power and authority.** The Subscriber has the legal right, full power and authority and legal capacity to execute and deliver, and to exercise its rights and to perform its obligations under, this Agreement and all other documents which are executed by it as envisaged by this Agreement.

1.3 **Legal validity.** This Agreement and any other documents or Related Agreements to be executed by the Subscriber in connection with this Agreement constitute and will, when executed , constitute valid and binding agreements in relation to the Subscriber enforceable against it in accordance with their respective terms. This Agreement and the transactions contemplated herein are in compliance with Applicable Law.

1.4 **Approvals.** The Subscriber has obtained or satisfied all relevant corporate, regulatory and other approvals, or any other conditions, necessary to execute, deliver and perform its obligations under this Agreement and all other documents which are executed by it as envisaged by this Agreement.

1.5 **No conflict.** The execution, delivery and performance of this Agreement and any other documents to be executed by the Subscriber have been

duly and validly authorised and will not conflict with or constitute a breach of any law, regulation, agreement or comt order applicable to the Subscriber and in force at the date this Agreement is signed in a way that would adversely affect the Subscriber's ability to perform its obligations under this Agreement or such document *in* any material respect.

1.6 **FSMA.** The Subscriber is a person who falls within Articles 19 or 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and the Subscriber is purchasing the Subscription Shares for investment only and not for resale or distribution.

1.7 **Securities Restrictions.** The Subscriber is not resident in the United States, Canada, Japan, the Republic of Ireland, the Republic of South Africa or Australia or in any other territory in which it is unlawful to subscribe for the Subscription Shares and it will not offer, sell or deliver directly or indirectly any of the Subscription Shares in the United Shares, Canada, Japan, the Republic of Ireland, the Republic of South Africa *or* Australia or to or for the benefit of any persons who are resident or to any person purchasing such shares for re-offer or sale of transfer in such jurisdictions.

2. **INSOLVENCY**

2.1 **Order or resolution.** No order has been made, petition presented, resolution passed or meeting convened for the winding-up (or other process whereby the business is terminated and the assets of the company concerned are distributed amongst the creditors and/or shareholders or other contributories) of the Subscriber and so far as the Subscriber is aware there are no cases or proceedings under any applicable insolvency, reorganisation, or similar laws in any applicable jurisdiction concerning the Subscriber.

2.2 **Proceedings.** No petition has been presented or other proceedings commenced for an administration order to be made (or any other order to be made by which during the period it is in force, the affairs, business and assets of the company concerned are managed by a person appointed for the purpose by a court, governmental agency or similar body) in relation to the Subscriber, nor has any such order been made.

2.3 **Administrator.** So far as the Subscriber is aware, no receiver (including an administrative receiver), liquidator, trustee, administrator, custodian or similar official has been appointed in any applicable jurisdiction in respect of the whole or any part of business or assets of the Subscriber.

2.4 **Insolvent.** The Subscriber is not insolvent or unable to pay, or capable of being deemed unable to pay in accordance with any Applicable Law, its debts as they fall due.

SCHEDULE 2

(Issuer’s Warranties)

1. AUTHORITY, CAPACITY AND ENFORCEABILITY

1.1 Incorporation. The Issuer is duly incorporated, organised and validly existing under the laws of England and Wales.

1.2 Power and authority. The Issuer has the legal right and power, authority and legal, a capacity to execute and deliver, and to exercise its rights and to perform its obligations under, this Agreement, the Related Agreements and all other documents which are executed by it as envisaged by this Agreement and/or the Related Agreements, and the directors will have, subject to satisfaction of the Resolutions Precedent, sufficient authority under Section 551 of the Companies Act to issue and allot the Subscription Shares.

1.3 Legal validity. This Agreement, the Related Agreements and any other documents to be executed by the Issuer in connection with this Agreement and the Related Agreements constitute and will, when executed, constitute valid and binding agreements in relation to the Issuer in accordance with their respective terms. This Agreement, the Related Agreements and the transactions contemplated herein are in compliance with Applicable Law.

1.4 Approvals. The Issuer has obtained or will obtain upon satisfaction of the Resolutions Condition Precedent or satisfied all corporate, regulatory and other approvals, or any other conditions, necessary to execute, deliver and perform its obligations under this Agreement, the Related Agreements and all other documents which are executed by it as envisaged by this Agreement.

1.5 No **conflict.** The execution, delivery and performance of this Agreement and the Related Agreements by the Issuer has been duly and validly authorised and will not conflict with or constitute a breach of any law, regulation, agreement or court order applicable to the Issuer and in force at the date of this Agreement is signed in a way that would adversely affect the Issuer's ability to perform its obligations under this Agreement and the Related Agreements in any material respect.

2. **ISSUER'S GROUP**

2.1 The Issuer is a public company limited by shares.

2.2 As at the date of this Agreement, the Issuer's entire issued share capital comprises 177,432,255 Ordinary Shares, before the issue of the Subscription Shares.

2.3 At the date of this Agreement and at Completion:

(A) the Subscription Shares will on issue be credited as fully paid (subject to receipt of payment thereon) free from any and all pre-emptive rights, options, rights to acquire, mortgages, charges, pledges, liens or other form of security or encumbrance or equity on, over or affecting them and will have the same rights as, and rank *pari passu* in *all* respects with, the existing Ordinary Shares of the Issuer and will rank in full for all dividends and other distributions declared, made or paid on the Subscription Shares after the date of issue;

(B) the issue of the Subscription Shares will comply with all agreements to which the Issuer is a party or by which it or any of its properties or assets is bound and will not infringe any restrictions or the terms of any contract, obligation or commitment of the Issuer;

(C) at Completion the Issuer and its directors will have power to allot and issue the Subscription Shares in the manner contemplated by this Agreement without any sanction or consent by members of the Issuer or any class of them and there will be no consents or approvals required by the Issuer for the allotment and issue of the Subscription Shares which have not been irrevocably and unconditionally obtained;

(D) the allotment of the Subscription Shares will comply with the Companies Act, the Financial Services and Markets Act 2000 (as amended) and the AIM Rules, the City Code and all other relevant laws and regulations of the United Kingdom;

2.4 The issued shares in Lipoxen Technologies Ltd have been issued in proper legal form and are fully paid or credited as fully paid.

2.5 The issued shares in Lipoxen Technologies Ltd are legally and beneficially owned by the Issuer free from all Encumbrances.

3. **COMPLIANCE WITH LAWS**

3.1 The Issuer has complied in all material respects with all material applicable laws and provisions, in particular, the provisions of the Companies Act and all returns, particulars, resolutions and other documents required under any legislation to be delivered on behalf of the Issuer to the Registrar of Companies or to any other authority whatsoever have been properly made and delivered within the requisite time limits.

3.2 The Issuer has complied in all material respects with the provisions of the AIM Rules.

3.3 Neither the Issuer nor any person for whom it is vicariously responsible has committed

any material breach of or failed materially to perform or observe any provision of its Memorandum or Articles of Association or of any legislation in any part of the world or any covenant or agreement or the terms or conditions of any consent or licence or any judgment or order of a Court or other competent tribunal or authority by which the Issuer is bound or to which it is a party or which affects any of its assets.

4. **RNS ANNOUNCEMENTS**

The Issuer has made all announcements required by and in accordance with all applicable laws, including the AIM Rules. Each such announcement and all statements contained therein (other than expressions of opinion, intention or expectation of the directors of the Issuer) were true and accurate in all material respects, not misleading in any material respect and all expressions of opinion, intention or expectation of the directors of the Issuer contained therein were made on reasonable grounds and were truly and honestly held by the directors of the Issuer and were fairly based.

5. **INSOLVENCY**

5.1 No order has been made or resolution passed for the winding up of the Issuer and no provisional liquidator has been appointed. No petition has been presented or meeting convened for the purposes of winding up the Issuer and no voluntary arrangement has been proposed. The Issuer has not become subject to any analogous proceedings or arrangements under the laws of any applicable jurisdiction.

5.2 No administrator, administrative receiver or any other receiver or manager has been appointed by any person in respect of the Issuer or all or any of its assets and no steps have been taken to initiate any such appointment. No analogous appointments have been made or, so far as the Issuer is aware, been initiated under the laws of any applicable jurisdiction.

5.3 The Issuer has not received any notice relating to, nor is it or could it be deemed unable to pay its debts for the purpose of section 123 of the Insolvency Act 1986.

6. **NO MATERIAL CHANGE**

6.1 Since. the Accounting Date and save as further described in the Circular or in any RNS announcement of the Issuer:

(A) the business of the Issuer and Lipoxen Technologies Ltd has been carried on in the ordinary course and so as to maintain it as a going concern and there has been no material adverse change in the financial position or trading or prospects of the Issuer;

(B) the Issuer has not made or agreed to make any payment or entered into any transaction or commitment or incurred any liability except in the ordinary course of its trading and for full value;

(C) the Issuer has not acquired or disposed of or agreed to acquire or dispose of any business or any material asset other than trading stock in the ordinary course of business; and

(D) no distribution of capital or income has been declared or paid in respect of any share capital or assets of the Issuer.

6.2 Since the Accounting Date the business of the Issuer or Lipoxen Technologies Ltd has *not* been materially or adversely affected by the loss of any important customer(s) or source(s) of supply or any abnormal factor(s) not affecting similar businesses to a similar extent, and the Issuer is not aware of any facts likely to give rise to any such effect whether before or after Completion.

7. **INTELLECTUAL PROPERTY**

7.1 The Issuer (together with Lipoxen Technologies Ltd) owns all Group IP Rights.

[***]

7.3 Save for [***] so far as the Issuer is actually aware:

(A) there has been no act or omission by any Group member or any person acting on its behalf which will, or could reasonably be expected to, give rise to any material Group IP Rights being or becoming invalid or unenforceable;

(B) there has not occurred any act, omission or event which would entitle any regulatory authority or other person to cancel, forfeit or modify any material Group IP Rights;

(C) no person has made any claim adverse to the Group's continuing enjoyment of any material Group IP Rights;

(D) there is, and has been, no actual or threatened infringement (including misuse of confidential information), or any event likely to constitute infringement, by any third party of any material Group IP Rights;

(E) each agreement under which any Group member is authorised to use or exploit any material Group IP Rights is in full force and effect;

(F) no event has occurred or is about to occur which would or could entitle any third party to terminate any such agreement prematurely; and

(G) the carrying on of the Group's current and proposed activities as described has not, and will not, result in any material claim by any third party that any Group member or any licensee of any Group member has infringed or will infringe any patent or other intellectual property right.

7.4 No Group member has granted, nor is obliged to grant, any licence under or in relation to any material Group IP Rights to any person.

8. **PATENTS**

8.1 Each material Patent is a valid and subsisting granted patent and is not the subject of any material claim or proceedings which could result *in* it being invalidated, revoked or restricted in scope. The Issuer is not actually aware of any reason why any such claim or proceedings may be brought in the future.

8.2 The Issuer is not actually aware of any reason why any material Patent that is an application will fail to result in the grant of a patent with no material reduction in the scope applied for in any country.

SCHEDULE 3
(Form of Application for Subscription Shares)

To: The Directors
[Issuer]

From: [Subscriber]

[] 2011

Dear Sirs,

Re: Subscription for Ordinary Shares in the Capital of [] (“the Issuer”)

We *write* with reference to the Subscription Agreement dated *[]* 2011 between the Issuer and ourselves relating to ordinary shares of 0.5p in the capital of the Issuer (the “Subscription Agreement”).

Terms set out in the Subscription Agreement shall have the same meaning in this Form of Application.

In accordance with Clause 6.4(A) of the Subscription Agreement, we hereby *subscribe* for *[]* new Ordinary Shares of 0.5p each in the capital of the Issuer at the Subscription Price.

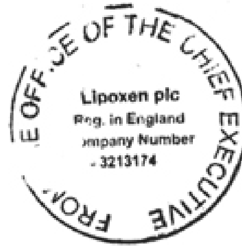
Yours faithfully,

For and on behalf of
[Subscriber]

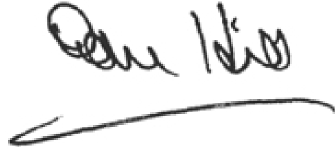
EXECUTED and DELIVERED as a Deed)

by **LIPOXEN PLC**)

acting by:)



Director

Director/~~Secretary~~ 

EXECUTED and DELIVERED as a Deed)

by **SYNBIO LLC**)

acting by:)

General Director

[Affix Corporate Seal of the Subscriber]

EXECUTED and DELIVERED as a Deed)

by LIPOXEN PLC)

acting by:)

Director

Director/Secretary

EXECUTED and DELIVERED as a Deed)

by SYNBIO LLC)

)

acting by:

General Director

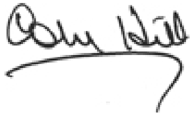
[Affix Corporate Seal of the Subscriber]

EXECUTED and DELIVERED as a Deed)

by **LIPOXEN PLC**

acting by:)

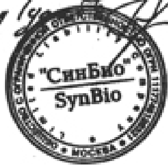
Director

Director/~~Secretary~~ 

EXECUTED and DELIVERED as a Deed)

by **SYNBIO LLC**)

acting by:)
General Director



[Affix Corporate Seal of the Subscriber]

Portions of this exhibit, indicated by the mark "[***]," have been redacted pursuant to a confidential treatment request.

Final Version (11 November 2009) *Private and Confidential*

DATED **[ ]**

(1) LIPOXEN TECHNOLOGIES LTD

- and -

(2) PHARMASYNTHEZ ZAO

COLLABORATION, LICENCE AND DEVELOPMENT AGREEMENT

THIS AGREEMENT is made the **[ ]** day of **[ ] 2009**

BETWEEN:

(1) **Lipoxen Technologies Ltd**, a Company registered under the laws of England whose registered office is at Suite 303 Hamilton House, Mabledon Place, London WCIH 9BB, England ("Lipoxen"); and

(2) **Pharmasynthez Zao**, a limited liability company incorporated under the laws of Russian Federation, registration number P-15450.16, having its Registered Office at s 188663, Leningradskaya oblast, Vsevologsky district, Capitolovo, Experimental Factory RNZ "Applied Chemistry" ("Pharms").

RECITALS:

(1) Lipoxen is a drug and vaccine delivery company and is dedicated to innovative methods for the optimal delivery of therapeutics in the treatment and prevention of disease.

(2) Lipoxen has two proprietary technologies, ImuXen and PolyXen, and has a number of drug candidates in development.

(3) ImuXen is an advanced enabling technology that uses liposome-based constructs to boost the effectiveness of DNA, protein and polysaccharide vaccines.

(4) PolyXen involves the use of polysialic acid conjugation as a means to improve the pharmacokinetics and pharmacodynamics of protein drugs.

(5) Pharms is engaged in the manufacture of pharmaceuticals and biotechnology products and has developed certain protein and vaccine drug candidates. Pharms owns or will exclusive rights to certain active compounds that may benefit from the application of Lipoxen's technology.

(6) Lipoxen and Pharms now wish to enter into a collaboration to develop certain products combining Lipoxen's technology and Pharms' technology which, if successful, will lead to clinical development of product candidates by Pharms in the Pharms Territory (defined below) and by the parties jointly in the Joint Territory (defined below), subject to and in accordance with the terms of this Agreement.

IT IS AGREED as follows:

<u>Definitions</u>

In this Agreement, the following words shall have the following meanings:

"Actives" means DNAse, Doxorubicin, Oxyntomodulin, MBP Epitope, HIV Antigen and H1;

"Affiliate"	in relation to a party, means any entity or person which controls, is controlled by, or is under common control with that party. For the purposes of this definition, "control" shall mean direct or indirect beneficial ownership of 50% (or, outside a party's home territory, such lesser percentage as is the maximum, permitted level of foreign investment) or more of the share capital, stock or other participating interest carrying the right to vote or to distribution of profits of that entity or person, as the case may be;
"Appointed CRO"	means any contract research organisation appointed by either of the parties to carry out the clinical trials in relation to the Products;
"Appointed CMO"	means the CMO appointed in accordance with clause 7.6 of this Agreement;
"Arising IPR"	means any and all Intellectual Property Rights arising from or in relation to the work carried out by or on behalf of Pharms and/or Lipoxen in relation to this Agreement, including any and all Intellectual Property Rights relating to the Results and any and all data and results arising from the Pharms Trials and the Clinical Trials;
"Clinical Trials"	means the clinical trials to be carried out by the parties in relation to the Products in the Joint Territory in Stage 3;
"Commencement Date"	means the date of this Agreement;
"Confidential Information"	means any and all data, results, know-how, show-how, software, algorithms, trade secrets, plans, forecasts, analyses, evaluations, research, technical information, business information, financial information, business plans, strategies, customer lists, marketing plans, or other information whether oral, in writing, in electronic form or in any other form, and any physical items, compounds, components or other materials disclosed before, on or after the date of this Agreement by one party (and/or its Affiliates) to the other party (and/or its Affiliates) including, but not limited to, the Lipoxen Know How and the Pharms Know How;
"Development Programme"	means the detailed programme for the collaboration for each Product set out in Schedule 1 of this Agreement as modified from time to time by the Programme Committee in accordance with clause 7.9.2 and otherwise in accordance with the terms of this Agreement;

"DNAse"	means deoxyribonuclease-1 protein as further described in Part 1 of Schedule 2 of this Agreement;
"Doxorubicin"	means doxorubicin as further described in Part 2 of Schedule 2 of this Agreement;
"EMEA"	means the European Medicines Agency (formerly known as the European Agency for the Evaluation of Medicinal Products) and/or any successor to it;
"FDA"	means the US Food and Drug Administration and/or any successor to it;
"GMP"	means current Good Manufacturing Practice as defined by regulations issued from time to time by regulatory authorities, including EMEA and FDA;
"H1"	means human recombinant histone H1.3 as further described in Part 6 of Schedule 2 of this Agreement;
"HIV Antigen"	means the HIV GP120 based recombinant fusion protein which is further described in Part 5 of Schedule 2 of this Agreement;
"ImuXen Know How"	means the any and all know how which is disclosed to Pharms pursuant to this Agreement that relates to the inventions disclosed in the ImuXen Patents;
"ImuXen Patents"	means the patents and patent applications set out in Schedule 3 of this Agreement, including any continuations, continuations in part, extensions, reissues, divisions, and any patents, supplementary protection certificates and similar rights that are based on or derive priority from the foregoing;
"ImuXen Products"	means Product D, Product E and Product F;
"ImuXen Technology"	means the advanced platform vaccine delivery technology that employs novel liposome constructs to boost the effectiveness of DNA, protein and polysaccharide vaccines that is described in detail in the ImuXen Patents;
"Intellectual Property Rights"	means inventions, patents, any extensions of the exclusivity granted in connection with patents, petty patents, utility models, applications for any of the foregoing (including, but not limited to, continuations, continuations-in-part and divisional applications), the right to apply for any of the foregoing, database rights, rights in data and know-how, trade secrets and confidential information and all other forms of intellectual property rights having equivalent or similar effect to any of the foregoing which may exist anywhere in the world;
"Joint Arising IPR"	means the Arising IPR which is owned jointly by Lipoxen and Pharms pursuant to clause 8.3;

"Joint Territory"	means the world, excluding the Pharms Territory;
"Joint Products"	means Products that are not Lipoxen Products;
"Know How Transfer Time"	means the time of two scientist each working for ten (10) working days;
"Licensee"	means a third party to which Lipoxen has granted a licence to exploit a Product in the Joint Territory;
"Liposomal HIV Antigen"	means liposomal vehicles containing HIV Antigen;
"Liposomal H1"	means liposomal vehicles containing H1;
"Liposomal MBP Epitopes"	means liposomal vehicles containing MBP Epitopes;
"Lipoxen Arising IPR"	means any and all Arising IPR which is owned by Lipoxen pursuant to clause 8.2 of this Agreement;
"Lipoxen Know How"	means the ImuXen Know How and the PolyXen Know How;
"Lipoxen Patents"	means the ImuXen Patents and PolyXen Patents;
"Lipoxen Products"	means any of the Products which fall within the scope of clause 5.3;
"Lipoxen Technology"	means the ImuXen Technology, the PolyXen Technology and the PSA IP;
"MBP Epitopes"	means the oligopeptides representing immunogenic epitopes of myelin basic protein which are described in Part 4 of Schedule 2 of this Agreement;
"Oxyntomodulin"	means human recombinant Oxyntomodulin as further described in Part 3 of Schedule 2 of this Agreement;
"Pharms Active Components"	means the aspects of the Products which are owned by or licensed to Pharms, as set out in Schedule 4 of this Agreement;
"Pharms Arising IPR"	means any and all Arising IPR which is owned by Pharms pursuant to clause 8.1 of this Agreement;
"Pharms Background IP"	means and any all Intellectual Property Rights owned by or licensed to Pharms that relate to the Products including (to the extent they do not form part of the Joint Arising IPR), but not limited to, any and all Intellectual Property Rights relating to: (1) (a) any methods or processes used by Pharms to manufacture the Products, the Actives and/or the Pharms Active Components; and (2) (b) the components of the Products, including the Actives, the Pharms Active Components;

"Pharms Know How"	means any and all know how which is disclosed to Lipoxen pursuant to this Agreement that relates to the Pharms Background IP;
	;
"Pharms Territory"	means Russian Federation;
"Pharms Trials"	means the clinical trials to be carried out by Pharms in the Pharms Territory in relation to the Products in Stage 2 as set out in Schedule 5;
"PolyXen Know How"	means the any and all know how which is disclosed to Pharms pursuant to this Agreement that relates to the inventions disclosed in the PolyXen Patents;
"PolyXen Patents"	means the patents and patent applications set out in Schedule 6 of this Agreement, including any continuations, continuations in part, extensions, reissues, divisions, and any patents, supplementary protection certificates and similar rights that are based on or derive priority from the foregoing;
"PolyXen Products"	means Product A, Product B and Product C;
"PolyXen Technology"	means the multifaceted platform technology that employs PSA to prolong the active life and improve the pharmacokinetics of therapeutic proteins and peptides, as well as conventional drugs, that is described in detail in the PolyXen Patents;
"Products"	means Product A, Product B, Product C, Product D, Product E and Product F;
"Product A"	means a pharmaceutical preparation for the prevention and/or treatment of cystic fibrosis in humans containing PSA DNAse;
"Product B"	means a pharmaceutical preparation for the prevention and/or treatment of acute myeloid leukemia and/or non-Hodgkin lymphoma in humans containing PSA Doxorubicin;
"Product C"	means a pharmaceutical preparation for the prevention and/or treatment of type 2 diabetes in humans containing PSA Oxyntomodulin;
"Product D"	means a Vaccine for the prevention and/or treatment of secondary progressive multiple sclerosis in humans which is comprised of Liposomal MBP Epitopes;

"Product E"	means a Vaccine for the prevention and/or treatment of HIV in humans which is comprised of Liposomal HIV Antigen;
"Product F"	means a Vaccine for the prevention and/or treatment of non-hodgkin lymphoma in humans which is comprised of Liposomal H1;
"Programme Committee"	means a committee formed and operating in accordance with clause 8 of this Agreement;
"PSA"	means any polymer containing two or more sialic acid residues, including the natural polymer polysialic acid, the chemical formula for which is set out in Schedule 7;
"PSA Doxorubicin"	means a conjugate of PSA and Doxorubicin forming a mono-PSA/multi-Doxorubicin conjugate;
"PSA DNAse"	means a conjugate of PSA and DNAse;
"PSA IP"	means any and all Intellectual Property Rights owned by or licensed to Lipoxen relating to the manufacture of PSA;
"PSA Oxyntomodulin"	means a conjugate of PSA and Oxyntomodulin;
"Quarter"	means the quarterly periods ending 31 March, 30 June, 30 September and 31 December;
"Results"	means the results of the Development Programme;
"Specifications"	means the specifications for the Products to be determined by the Programme Committee in accordance with clause 7.9.1 of this Agreement;
"Stage 1"	means stage 1 of the collaboration which will involve optimisation of the Products through application of the PolyXen Technology and the ImuXen Technology as further described in Part 1 of the Development Programme for each Product;
"Stage 2"	means stage 2 of the collaboration which will involve testing of the Products in the Pharms Trials in the Territory to achieve clinical proof of principal for the Products, as further described in Part 2 of the Development Programme for each Product;
"Stage 2 Expiry Date"	means in relation to a Product the date upon which the Pharms Trial relating to the relevant Product has been completed;

"Stage 3"	means full-scale pharmaceutical and clinical development of the Products under EMEA/FDA regulations, to be determined by the Programme Committee in accordance with clause 7.9.2 in relation to the Joint Products or by Lipoxen in relation to the Lipoxen Products;
"Stage 1 Costs"	means any and all costs and expenses incurred by Lipoxen and/or Pharms in relation to Stage 1;
"Stage 2 Costs"	means any and all costs and expenses incurred by Lipoxen and/or Pharms in relation to Stage 2;
"Stage 3 Costs"	means any and all costs and expenses properly and reasonably incurred by Lipoxen and/or Pharms in relation to Stage 3;
"Success Criteria"	means the criteria to be determined by the Programme Committee for each of the Products which the relevant Product must meet prior to entering Stage 2 and/or Stage 3, as described in clause 7.9.1 of this Agreement;
"Third Party IP Rights"	means Third Party IP Rights as defined in clause 8.12;
"Timetable"	means the timetable for the Development Programme set out in Schedule 1 of this Agreement;
"Vaccine"	means preparations of antigenic substances that are administered for the purpose of inducing in the recipient a specific and active immunity against the infective agent or toxin produced by it; and.
"Valid Claim"	means a claim of a patent or patent application that has not expired or been held invalid or unenforceable by a decision of a patent office or court of competent jurisdiction, which decision (a) it is not possible to appeal or, (b) is not the subject of an appeal within the prescribed time limits.

2. Doxorubicin

2.1 Subject to clause 2.1, the parties agree that Doxorubicin and Product B shall be excluded entirely from the scope of this Agreement until such time that Lipoxen notifies Pharms in writing that Lipoxen is free and able to grant rights to Pharms in relation to Doxorubicin and Product B.

2.2 Clause 8.3 of this Agreement shall be binding on Pharms from the Commencement Date in so far as it relates to Doxorubicin, Product B and/or Active Pharms Components relating to Doxorubicin and/or Product B.

2.3 On receipt of the notice referred to in clause 2.1 by Pharms, Doxorubicin and Product B shall automatically be deemed to fall under the scope of this Agreement without any further action by either of the parties.

3 Stage 1: Candidate Optimisation

3.1 Lipoxen and Pharms shall collaborate to fulfill the objectives of Stage 1.

3.2 Each party shall use its reasonable endeavours to fulfill the obligations allocated to it in Stage 1 in accordance with the Timetable.

3.3 The parties acknowledge that in Stage 1, Lipoxen's obligations are limited to a transfer of know how from Lipoxen to Pharms to enable Pharms to carry out its obligations under Stage 1. In order to fulfill the transfer of know how, unless Lipoxen agrees otherwise in writing, Lipoxen shall not be obliged to provide more than the Know How Transfer Time. The transfer of know how shall take place, unless the parties agree otherwise in writing, by telephone calls and/or at Lipoxen's premises in England.

3.4 Pharms shall promptly provide Lipoxen with any and all Actives reasonably required by Lipoxen to carry out its obligations under Stage 1.

3.5 Unless Pharms and Lipoxen agree otherwise, a Product shall not become part of Stage 2 unless it meets the Success Criteria. The Success Criteria, and whether a Product meets the Success Criteria, shall be determined by the Programme Committee in accordance with clause 7.9.1, together with a specification for each of the Products to enter Stage 2.

3.6 The parties agree that during Stage 1 Pharms shall prepare and submit applications in relation to each of the Products in the EU and US for orphan drug status. The parties agree that the applications shall be made in the name of Lipoxen.

4. Stage 2: Clinical Trials in Pharms Territory

4.1 Pharms shall conduct the Pharms Trials in the Pharms Territory in accordance with the Timetable, the Development Programme and the Specification. Pharms shall be entitled to manage the Pharms Trials through its in-house regulatory department or via an Appointed CRO.

4.2 Without prejudice to the generality of clause 4.1, Pharms shall:-

4.2.1 submit the CTA (Clinical Trials Application) to the regulatory authorities in the Pharms Territory for permission to conduct the Pharms Trials in relation to each of the Products on or before the dates set out in Schedule 8 of this Agreement; and

4.2.2 commence the Pharms Trials within 6 (six) calendar months of receiving permission form the regulatory authorities in the Pharms Territory to conduct the relevant Pharms Trial.

4.3 PHARMS shall be responsible for all costs and expenses for conducting the Pharms Trials, including the costs and expenses of any Appointed CRO which Pharms may appoint.

4.4 Pharms shall keep Lipoxen fully informed of all decisions it makes and all plans it has to conduct the Pharms Trials. Pharms shall comply with all instructions provided by Lipoxen in relation to conduct of the Pharms Trials which are reasonably required to ensure that the Pharms Trials are conducted in accordance with all applicable US and European Union laws, regulations, codes of practice, principles and guidelines, including EMEA and FDA requirements.

4.5 PHARMS shall enter into a written agreement with any Appointed CRO which shall contain all the terms normally found in such an agreement and which shall:-

4.5.1 provide that all Intellectual Property Rights generated pursuant to the Pharms Trials shall be owned either by Lipoxen and/or Pharms and/or jointly by the parties in accordance with the terms of this Agreement;

4.5.2 enable Pharms to comply with its obligations under this Agreement; and

4.5.3 be capable of assignment to Lipoxen, without the prior consent of the Appointed CRO, if this Agreement expires or is terminated by either of the parties.

4.6 Pharms undertakes that:-

4.6.1 the conduct of the Pharms Trials for the Products shall at all times comply with all the advice and instructions received from Lipoxen;

4.6.2 all relevant data obtained from the Pharms Trials shall be made available to Lipoxen for the purposes of conducting further clinical trials and/or seeking marketing authorisations in the Joint Territory; and

4.6.3 it will not knowingly conduct, or permit the Appointed CRO to conduct, a Pharms Trial in a manner that is inconsistent with

US and European Union laws, regulations, codes of practice, principles and guidelines, including EMEA and FDA requirements.

4.7 Pharms shall obtain the prior written approval of the Programme Committee of any and all protocols to be used in the Pharms Trials and shall comply with all reasonable instructions of the Programme Committee in relation to such protocols.

5 Stage 3: Clinical Development

5.1 The Programme Committee shall promptly review the results of the Pharms Trials and shall decide which, if any, Products have met the Success Criteria and which shall therefore move into Stage 3.

5.2 Subject to clause 5.3, the Programme Committee shall decide the strategy and responsibilities of the parties for full-scale pharmaceutical and clinical development of the Products in the Joint Territory in Stage 3 but the parties agree that the principles set out in this clause 5 shall be adopted.

5.3 Lipoxen shall be entitled to serve written notice on Pharms at any time after the Stage 2 Expiry Date in relation to a Product, specifying that Lipoxen intends, subject to the revenue sharing provisions set out in Schedule 10, to develop the relevant Product alone in the Joint Territories. Such notice shall only be effective in relation to a Product if at the time the notice is served, Pharms does not own or have licensed exclusively to it any material Intellectual Property Right relating to the Active of the relevant Product. If the notice referred to in this clause is effective, Lipoxen shall have the exclusive right, entirely at its own cost, to develop, distribute, manufacture, supply and sell the relevant Product in the Joint Territory without reference to Pharms and/or the Development Committee and the Product shall be deemed to be a Lipoxen Product.

5.4 Pharms will have exclusive rights and responsibility entirely at its own cost to develop, distribute and sell the Products in the Pharms Territory in accordance with the licence granted in clause 9 of this Agreement. Lipoxen shall not have any responsibility to carry out any research and/or development in the Pharms Territory.

5.5 Subject to clause 5.6, Lipoxen shall be responsible pursuant to instructions from the Programme Committee for:-

5.5.1 any and all applications for marketing authorisations to be made to the regulatory authorities, including EMEA and

FDA, in the Joint Territory in respect of the Products, which applications for the avoidance of doubt, shall be made in the name of Lipoxen;

5.5.2 any and all exploitation of the Products in the Joint Territory including, without limitation, negotiations with third parties and the determination of licensing arrangements with third parties for exploitation of the Products.

5.6 Lipoxen shall keep PHARMS fully informed on all developments relating to the exploitation of the Products and shall promptly provide a copy to PHARMS of any agreement entered into between Lipoxen and/or its Affiliates and a Licensee.

6. Manufacture

6.1 Pharms shall manufacture sufficient quantities of the Products meeting the Specifications for use in Stage 1 and Stage 2, at all times in accordance with the Timetable and the Development Programme.

6.2 Pharms shall be responsible for sourcing any and all PSA required by Pharms to manufacture the Products for use in Stage 2. If Pharms is unable to obtain a supply of PSA on reasonable commercial terms from a third party manufacturer it shall notify Lipoxen in writing and Lipoxen shall grant Pharms a right to use any PSA IP in the possession and control of Lipoxen at the date of the notice on reasonable commercial terms to be agreed between the parties.

6.3 Pharms warrants that it shall at all times comply with all laws regulations, codes of practice, principles and guidelines applicable to the manufacturing of the Actives and/or the Products in the Pharms Territory, including all relevant regulatory requirements in the Pharms relating to the manufacture of chemical and biological medicines and the administration of such medicines to humans. Prior to commencing any Pharms Trials in relation to the Products, Pharms shall provide evidence to Lipoxen that it has complied with this clause 6.3.

6.4 During Stage 1 and Stage 2, Pharms shall from time to time at the request of Lipoxen provide samples of the Products free of charge to Lipoxen for use by Lipoxen in research and development for commercial purposes.

6.5 Prior to commencing the Pharms Trials, PHARMS shall demonstrate to the satisfaction of Lipoxen that it is able to manufacture samples of the Products meeting the Specifications.

6.6 On or before the commencement of Stage 3 the parties shall jointly seek and appoint a contract manufacturing organisation to manufacture the Products to GMP to be used in the Joint Territory in Stage 3 (the "Appointed CMO"). The parties agree that the costs of the Appointed CMO shall be a Stage 3 Cost.

6.7 At the request of Lipoxen, Pharms shall transfer the Pharms Background IP to the Appointed CMO in accordance with clause 8.11.

7 Conduct, Reporting and Decision Making

Conduct

7.1 Each of Pharms and Lipoxen shall perform its obligations under this Agreement:-

7.1.1 in accordance with the Development Programme;

7.1.2 to the best of its ability in a professional manner consistent with industry standards;

7.1.3 in accordance with the standard of care customarily observed with regard to such activities;

7.1.4 in a timely manner and in accordance with the Timetable;

7.1.5 in accordance with all reasonable instructions received from the other party;

7.1.6 in compliance with all applicable laws, rules and regulations, including without limitation, where applicable, GMP, current good clinical or laboratory practices and good clinical practice.

Reporting

7.2 Pharms and Lipoxen shall, and Pharms shall procure that the Appointed CRO shall, during the term of this Agreement :-

7.2.1 keep detailed written records of its progress with the Development Programme and, at the request of the other party, promptly provide the other party with access to and/or copies of such records;

7.2.2 supply to the other party at least once every six weeks with an interim report describing the progress of the Development Programme including, without limitation, details of all material Arising IPR which has been made or which has come to its attention and containing recommendations regarding the future progress of the Development Programme;

7.2.3 notwithstanding clause 7.2.2 above, keep the other parties fully informed of the progress of the Development Programme and of all Arising IPR;

7.2.4 immediately notify the other parties in writing if there is an unexpected technical or scientific problem which may make it difficult or impossible to achieve or is likely to cause a material delay to the Development Programme, including any adverse events arising pursuant to the Pharms Trials.

7.3 Pharms will allow, and/or will procure that the Appointed CRO will allow, Lipoxen and/or its employees to:-

7.3.1 visit Pharms' facilities and/or the Appointed CRO's facilities; and

7.3.2 review Pharms' and/or the Appointed CRO's records at reasonable times and with reasonable frequency during normal business hours to:-

(a) verify compliance by Pharms and/or the Appointed CRO with the terms of this Agreement; and/or

(b) observe the progress of the Development Programme.

7.4 Pharms shall, or shall procure that the Appointed CRO shall, update the Programme Committee on the progress of the Pharms Trials on a monthly basis via a telephone conference call with the Programme Committee.

Programme Committee

7.5 The parties shall establish a Programme Committee consisting of four individuals, comprising two representatives of Pharms and two representatives of Lipoxen. The initial representatives of each of Lipoxen and Pharms are identified in Schedule 9. The expenses of the Pharms representatives shall be borne by Pharms and the expenses of the Lipoxen representatives shall be borne by Lipoxen.

7.6 Lipoxen and Pharms may from time to time change its representatives on the Programme Committee by notifying the other parties in writing in advance. The replacement shall be suitably qualified and capable of fulfilling the responsibilities of a member of the Programme Committee under this agreement.

7.7 Lipoxen shall be entitled to appoint one of its representatives on the Programme Committee as the chair person of the Programme Committee.

7.8 The Programme Committee will be responsible for the overall management of the Development Programme and shall meet at

least once every month either in person or through teleconference or in any other mode to discuss the progress of the Development Programme.

7.9 The Programme Committee shall:-

7.9.1 on or promptly after the Commencement Date, meet and agree the Specifications and Success Criteria for the Products;

7.9.2 during Stage 2 meet and agree an extension to the Development Programme to address the development of the Products which are not Lipoxen Products in Stage 3; and

7.9.3 at the relevant time during the Development Programme determine whether the Products meet the Success Criteria.

7.10 All material decisions of the Programme Committee shall be recorded in writing.

7.11 The parties shall agree mutually when to conduct the monthly meetings of the Programme Committee. In addition and/or if the parties cannot agree a date for the monthly meetings, each party shall be entitled to convene a meeting of the Programme Committee on giving not less than one calendar months' written notice to the other party.

7.12 The parties agree that:-

7.12.1 meetings of the Programme Committee may occur by telephone conference call;

7.12.2 the quorum for a meeting of the Programme Committee shall be two representatives of each party;

7.12.3 no valid meeting of the Programme Committee may be held unless a quorum is present and the parties have agreed the date of the meeting in writing or all parties have received not less than one calendar months written notice of the meeting (or such shorter notice period as the parties shall previously agree in writing);

7.12.4 each person present at a meeting of the Programme Committee shall have a single vote; and

7.12.5 the chair person of the Programme Committee shall have the casting vote in relation to any decisions to be made by the Programme Committee.

7.13 For the avoidance of doubt, other than as set out in clause 7.9, the Programme Committee shall not have the authority to amend the Development Programme, the Timetable or the terms of this Agreement.

8 Intellectual Property Rights

8.1 Provided Pharms is not in breach of clause 8.6 in relation to the relevant Pharms Active Component, any and all Arising IPR that relates specifically to the Pharms Active Components shall belong to Pharms.

8.2 Any and all Arising IPR that relates specifically to the Lipoxen Technology shall belong to Lipoxen.

8.3 Any Arising IPR that is not owned by Pharms or Lipoxen pursuant to clauses 8.1 and 8.2 shall be owned jointly by the Lipoxen and Pharms. Subject to clauses 8.4 and 8.5, and the parties' respective rights to use the Joint Arising IPR pursuant to clauses 8.6 and 8.7, the parties shall collaborate to agree the appropriate method for the protection, development and exploitation of the Joint Arising IPR.

8.4 Lipoxen shall have sole conduct and control of any and all patent applications made in respect of the Joint Arising IPR. The cost of any such patent applications (and the cost of maintaining any patents granted in respect thereof) shall be shared jointly by Lipoxen and Pharms.

8.5 Lipoxen shall consult regularly with Pharms in relation to the patents and patent applications referred to in clause 8.4 and shall comply with all reasonable suggestions made by Pharms in relation to the prosecution of such patent applications. PHARMS shall provide Lipoxen with all assistance reasonably required by Lipoxen in relation to the prosecution and maintenance of the patents and patent applications referred to in clause 8.4.

Pharms Active Components

8.6 Pharms undertakes to Lipoxen that Pharms:

8.6.1 owns or has the exclusive, world wide right to use (with the right to grant sub-licenses) the Pharms Active Components; and/or

8.6.2 it will acquire the rights referred to in clause 8.6.1 prior to the expiry of Stage 2 or by 31 December 2010 (whichever is earlier) on terms that are reasonably acceptable to Lipoxen.

8.7 As and when requested to do so by Lipoxen, Pharms shall provide written evidence to Lipoxen that Pharms is not in breach of the terms of clause 8.6.

8.8 Lipoxen shall have the right at any time to terminate this Agreement on a Product by Product basis with immediate effect on written notice to Pharms if Pharms is in breach of clause 8.6 and/or 8.7 of this Agreement in relation to any Pharms Active Component that relates to the relevant Product.

Licence to Lipoxen

8.9 Pharms grants to Lipoxen and its Affiliates an exclusive licence, with the right to grant sub-licences, in the Joint Territory to research, develop, make, have made, market, supply, sell and distribute Products using:-

8.9.1 the Pharms Background IPR;

8.9.2 the Pharms Know How;

8.9.3 the Joint Arising IPR; and

8.9.4 the Pharms Arising IPR.

8.10 Pharms shall, at the request of Lipoxen, supply to Lipoxen any cell lines used by Pharms in the development and/or manufacture of the Products and the licence set out in clause 8.9 shall, for the avoidance of doubt, include the right to use any such cell lines.

8.11 At Lipoxen's request, Pharms will disclose and/or transfer to Lipoxen, its Licensee and/or the Appointed CRO, using a method of know how transfer reasonably acceptable to Lipoxen, all information and materials (including samples of the cell lines referred to in clause 8.10) that are reasonably required to enable Lipoxen to exploit the licence granted under clause 8.9.

Third Party Intellectual Property Rights

8.12 Each party shall immediately notify the other party in writing if it becomes aware of any third party Intellectual Property Rights relating to any of the Products ("Third Party IP Rights").

8.13 The parties shall co-operate to evaluate the strength and validity of any Third Party IP Rights and the Programme Committee shall decide how to address the Third Party IP Rights.

8.14 If the Programme Committee decides to challenge or take a licence of the Third Party IP Rights, Lipoxen shall be responsible, at the joint cost of the parties, for any action recommended by the Programme Committee.

8.15 Either party may terminate this Agreement on 30 (thirty) days written notice to the other party in relation to a particular Product if, in its reasonable opinion, a Third Party IP Right exists which would have a material effect on the research and/or development of the relevant Product.

8.16 For the avoidance of doubt, any and all costs and/or expenses reasonably and properly incurred by the parties in relation to a Third Party IP Right, including any licence fees and/or costs of evaluating and challenging a Third Party IP Right, shall be deemed to be a Stage 3 Cost.

9. Grant of Rights to Pharms

PolyXen Licence

9.1 Subject to clause 2, Lipoxen hereby grants to Pharms, subject to the provisions of this Agreement, an exclusive licence to use the PolyXen Patents and the PolyXen Know How in the Pharms Territory to research, develop, manufacture, have manufactured, use, sell, supply and otherwise exploit the PolyXen Products. This licence shall include any and all Lipoxen Arising IPR and Joint Arising IPR to the extent it relates to the PolyXen Technology.

9.2 The licence granted pursuant to Clause 9.1 shall expire on the later of the following dates:

9.2.1 the date upon which no Valid Claim of the PolyXen Patents exists in the Pharms Territory; or

9.2.2 fifteen (15) years from the Commencement Date.

ImuXen Licence

9.3 Subject to clause 2, Lipoxen hereby grants to Pharms, subject to the provisions of this Agreement, an exclusive licence to use the ImuXen Patents and the ImuXen Know How in the Pharms Territory to research, develop, manufacture, have manufactured, use, sell, supply and otherwise exploit ImuXen Products. This licence shall include any and all Lipoxen Arising IPR and Joint Arising IPR to the extent it relates to the ImuXen Technology.

9.4 The licence granted pursuant to Clause 9.3 shall expire on the later of the following dates:

9.4.1 the date upon which no Valid Claim of the ImuXen Patents exists in the Pharms Territory; or

9.4.2 fifteen (15) years from the Commencement Date.

Sub-licensing

9.5 Pharms shall not be entitled to sub-licence and/or sub-contract its granted rights under this Agreement to any person without the prior written consent of Lipoxen.

No Other License

9.6 It is acknowledged and agreed that no licence is granted by Lipoxen to Pharms other than the licences expressly granted by the provisions of this Clause 9. Without prejudice to the generality of the foregoing, Lipoxen reserves all rights under the Lipoxen Patents and the Lipoxen Know How:-

9.6.1 in relation to any products which are not Products; and

9.6.2 outside the Pharms Territory.

Quality

9.7 Pharms shall ensure that all of the Products sold of supplied by it are of satisfactory quality and comply with all applicable laws and regulations in each part of the Pharms Territory.

10. Costs

10.1 Subject to Clause 10.2, Lipoxen and Pharms shall each be entirely responsible for their own Stage 1 Costs which they incur.

10.2 If Lipoxen agrees to provide more than the Know How Transfer Time, Lipoxen shall be entitled to charge Pharms for any additional time provided by Lipoxen at a rate of US$1000 (one thousand US dollars) per working day per scientist.

10.3 Pharms shall be entirely responsible for all of the Stage 2 Costs.

10.4 Subject to Clause 10.5, Lipoxen and Pharms shall share equally the Stage 3 Costs.

10.5 A cost and/or expense shall not be deemed to be properly incurred by a party if it exceeds £5,000 (five thousand pounds sterling) and a party has not obtained the prior written consent of the Program Committee to the relevant cost or expense.

10.6 In relation to the costs that are to be shared equally, Lipoxen and Pharms shall carry out a reconciliation at the end of each Quarter as follows:-

10.6.1 within 10 working days of the end of the Quarter, Pharms and Lipoxen will submit an invoice to the other party setting out details of the costs it incurred in the previous Quarter in relation to this Agreement which if incurred in a currency other than US dollars shall be converted to US dollars using the open middle market spot rate of exchange in London as published in the Financial Times on the last day of the relevant Quarter;

10.6.2 provided the costs shown on the relevant invoice are reasonable and have been properly incurred, the party with the lower invoice shall pay half of the balance of the other party's invoice within 30 working days of the date of the other party's invoice.

11. Records and Auditing

11.1 Lipoxen and Pharms shall during the term of this Agreement and for a period of five (5) years thereafter, keep at their normal place of business detailed and up-to-date records and accounts showing:-

11.1.1 any and all costs and expenses it has incurred in relation to the Development Programme; and

11.1.2 the quantity, description, and value of Products sold by it, on a country-by-country basis, and being sufficient to ascertain the payments due under this Agreement.

11.2 Each of the parties shall make its records and accounts available, on reasonable notice, for inspection during business hours by an independent chartered accountant nominated by the other party for the purpose of verifying the accuracy of any statement or report provided under this Agreement and any payments due under this Agreement. The accountant shall be required to keep confidential all information learnt during any such inspection, and to disclose to the inspecting party only such details as may be necessary to report on the accuracy of the statement, report or payment. The inspecting party shall be responsible for the accountant's charges unless the accountant certifies that there is an inaccuracy of more than 5% (five per cent) in any statement or payment, in which case the party being inspected shall pay the accountant's charges in respect of that inspection.

12 Revenue Sharing

12.1 The parties agree that the revenues from the Products shall be shared by the parties as set out in Schedule 10.

13 Payment Terms

13.1 All sums due under this Agreement:

13.1.1 are exclusive of Value Added Tax or any other sales tax or duties, which if and where applicable will be paid by the payor to the payee in addition to any sum in respect of which they are calculated;

13.1.2 shall be paid in US dollars to the credit of the payee's bank account, details of which shall be notified to the payor as and when necessary;

13.1.3 shall be made without deduction of income tax or other taxes charges or duties that may be imposed, except insofar as the payor is required to deduct the same to comply with applicable laws. The parties shall co-operate and take all steps reasonably and lawfully available to them, at the expense of the payee, to avoid deducting such taxes and to obtain double taxation relief. If the payor is required to make any such deduction it shall provide the payee with such certificates or other documents as it can reasonably obtain to enable the payee to obtain appropriate relief from double taxation of the payment in question; and

13.1.4 shall be made by the due date, failing which the payee may charge interest on any outstanding amount calculated on a monthly basis at a rate equivalent to 5% above the London Inter-Bank Offer Rate (6 months).

13.2 If either party is obliged pursuant to a government order or otherwise to withhold payment of any sum due under this Agreement to the other party, the payor shall use its best endeavours to release the payment to the other party. If the payment has not been released within 30 (thirty) days of its due date for payment, the payee shall be entitled to deduct the payment from any sums to the payor from the payee pursuant to this Agreement.

13.3 The parties agree that each party shall be responsible for paying any taxes arising pursuant to or in relation to this Agreement for which the party is primarily liable.

13.4 The parties agree that they will use their best endeavours to collaborate to establish a corporate structure for the licensing of the Products and for the receipt of any revenues that is tax efficient for the parties.

14 Liability

14.1 Pharms shall be responsible for all risks and liability arising from or in relation to the Pharms Trials and/or Pharms' development, sale and/or supply of Products in the Pharms Territory. Pharms shall maintain appropriate insurance to cover any such liability.

14.2 Pharms shall, if requested to do so by Lipoxen, provide evidence to Lipoxen that it has complied with the terms of this clause 14.1. Pharms shall indemnify and shall keep Lipoxen indemnified against any and all liability, damages, claims, proceedings and expenses (including, but not limited to, legal expenses and expert's fees) arising out of or in connection with the Pharms Trials and/or Pharms' development, sale and/or supply of Products in the Pharms Territory provided that Pharms shall not be liable under this clause 14.2 for any and all liability, damages, claims, proceedings and expenses (including but not limited to, legal expenses and expert's fees) that arise directly as a result of express instructions received from Lipoxen in relation to conduct of the Pharms Trials.

14.3 The parties shall be jointly responsible for all risks and liability arising from or in relation to the Clinical Trials and/or the development, sale and/or supply of the Joint Products in the Joint Territory. The parties shall maintain appropriate insurance to cover any such liability.

14.4 Each party shall indemnify the other and keep the other indemnified against half of any and all liability, damages, claims, proceedings and expenses (including, but not limited to, legal expenses and expert's fees) arising out of or in connection with the Clinical Trials and/or the development, sale and/or supply of Joint Products in the Joint Territory provided that neither party shall be liable under this clause 14.4 for any and all liability, damages, claims, proceedings and expenses (including but not limited to, legal expenses and expert's fees) that arise as a result of a breach of this Agreement by the other party

15 Confidentiality and Publication

15.1 Each party (the "Receiving Party") undertakes:-

15.1.1 to maintain as secret and confidential all Confidential Information obtained directly or indirectly from the other party ("Disclosing Party") in the course of or in anticipation of this Agreement;

15.1.2 to use and disclose the Confidential Information of the other party only for the purposes of this Agreement and/or in so far as such use and/or disclosure is reasonably required to enable the party to exploit its rights under this Agreement;

15.1.3 to disclose the Confidential Information of the other party only to those of its employees, contractors, and sub-licensees to whom and to the extent that such disclosure is reasonably necessary for the purposes of exploiting its rights and complying with its obligations under this Agreement;

15.1.4 to comply with the obligations of this clause 15 for so long as it has knowledge of any Confidential Information received or derived from the other party which period shall, for the avoidance of doubt, survive termination or expiry of this Agreement.

15.2 The provisions of clause 15.1 shall not apply to Confidential Information which the Receiving Party can prove:-

15.2.1 was, prior to its receipt by the Receiving Party from the Disclosing Party, in the possession of the Receiving Party and at its free disposal;

15.2.2 is subsequently disclosed to the Receiving Party without any obligations of confidence by a third party who has not derived it directly or indirectly from the Disclosing Party;

15.2.3 is or becomes generally available to the public through no act or default of the Receiving Party or its agents, employees, Affiliates or sub-licensees;

15.2.4 the Receiving Party is required to disclose to the courts of any competent jurisdiction, or to any government regulatory agency or financial authority, provided that the Receiving Party shall:-

(a) inform the Disclosing Party as soon as is reasonably practicable of its obligation to disclose such information; and

(b) at the Disclosing Party's request seek to persuade the court, agency or authority to have such information treated in a confidential manner, where this is possible under the court, agency or authority's procedures.

15.3 The Receiving Party shall procure that all of its employees, contractors who have access to any of the Disclosing Party's Confidential Information, shall be made aware of and subject to these obligations and shall have entered into written undertakings of confidentiality at least as restrictive as those set out in this Clause 15.

15.4 The parties agree that any publications relating to the Results shall be approved in advance by the Development Committee. Any publications shall acknowledge both parties appropriately, and Lipoxen shall have the first right to submit any paper for publication.

16. Duration and Termination

16.1 This Agreement shall commence on the Commencement Date and shall continue until terminated in accordance with its terms.

16.2 Without prejudice to any other right or remedy any party may terminate this Agreement by notice in writing to the other Party ("Other Party"), such notice to take effect as specified in the notice:-

16.2.1 if the Other Party is in material breach of this Agreement and, in the case of a breach capable of remedy, the breach is not remedied within 90 (ninety) days of the Other Party receiving notice specifying the breach and requiring its remedy; and/or

16.2.2 if (A) the Other Party becomes insolvent or unable to pay its debts as and when they become due, or (B) an order is made or a resolution is passed for the winding up of Other Party (other than voluntarily for the purpose of solvent amalgamation or reconstruction), or (C) a liquidator, administrator, administrative receiver, receiver, or trustee is appointed in respect of the whole or any part of the Other Party's assets or business, or (D) the Other Party makes any composition with its creditors, or (E) the Other Party ceases to continue its business, or (F) as a result of debt and/or maladministration the Other Party takes or suffers any similar or analogous action in any jurisdiction.

16.3 If Pharms is in breach of clauses 4.2.1 or 4.2.2 of this Agreement in relation to one or more Products then Lipoxen shall be entitled to terminate this Agreement in relation just to the Product or Products to which the breach relates with immediate effect by notice in writing to Pharms.

16.4 Lipoxen may terminate this Agreement in accordance with clause 8.8 in relation to the specific Product.

16.5 Either party may terminate this Agreement in relation to a specific Product if the relevant Product does not meet the relevant Success Criteria for the Product.

16.6 Either party may terminate this Agreement on a Product by Product basis in accordance with clause 8.15.

17 Consequences of Termination

17.1 Upon termination or expiry of this Agreement for any reason:

17.1.1 Pharms shall provide to Lipoxen a detailed report setting out the progress it has made with the Development Programme;

17.1.2 Pharms shall provide to Lipoxen all data (including without limitation clinical trials data), know-how and materials generated by Pharms in connection with the Development Programme;

17.1.3 to the extent that title has not previously passed to Lipoxen pursuant to this Agreement, Pharms shall assign to Lipoxen all of the Arising IPR;

17.1.4 at Lipoxen's option Pharms shall return to Lipoxen or destroy all other data, know-how and materials provided to Pharms by Lipoxen, or generated by Pharms in connection with the Development Programme;

17.1.5 any rights or remedies of any of the parties arising from any breach of this Agreement shall continue to be enforceable;

17.1.6 Pharms shall no longer be licensed to use or otherwise exploit in any way, either directly or indirectly, the Lipoxen Technology, the Lipoxen Arising IPR or the Joint Arising IPR in the Pharms Territory or the Joint Territory and Pharms shall, and shall procure that its Appointed CRO shall, forthwith cease all activities requiring a licence from Lipoxen;

17.1.7 at the request of Lipoxen, Pharms shall assign to Lipoxen any one or all of the CRO Agreements;

17.1.8 the following clauses shall continue in full force and effect: 1, 2, 6.7, 8.9 to 8.11, 11, 14 (in so far as it relates to liability arising prior to termination), 15.1 to 15.3, 17 and 18; and

17.1.9 each party shall return to the other within a reasonable period of time all Confidential Information and any copies thereof disclosed to it by the other party.

17.2 Upon expiry or termination of this Agreement in relation to a one or more Products, the consequences set out in clause 17.1 shall apply but only in so far as they relate to the relevant Product.

18 General

Amendment

18.1 This Agreement, the Development Programme and the Timetable may only be amended in writing signed by duly authorised representatives of the parties or by the Development Committee as is expressly set out in this agreement.

Assignment and third party rights

18.2 Other than as is expressly set out in this Agreement, none of the parties shall assign, mortgage, charge or otherwise transfer any rights or obligations under this Agreement without the prior written consent of the other Party.

18.3 Any of the parties may assign all its rights and obligations under this Agreement to any company to which it transfers all of its assets or business, PROVIDED that the assignee undertakes to the other parties to be bound by and perform the obligations of the assignor under this Agreement.

Waiver

18.4 No failure or delay on the part of any party to exercise any right or remedy under this Agreement shall be construed or operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude the further exercise of such right or remedy.

Invalid clause

18.5 If any provision or part of this Agreement is held to be void or invalid, amendments to this Agreement may be made by the addition or deletion of wording as appropriate to remove the void or invalid part or provision but otherwise retain the provision and the other provisions of this Agreement to the maximum extent permissible under applicable law. The parties shall endeavour to agree amendments to such void or invalid provisions in a reasonable manner so as to achieve the original intention of the parties.

Change of Control

18.6 Any substantial change in the management and control of either of the parties and/or any merger of either of the parties with another entity shall not result in termination of this Agreement and it shall be the responsibility of the then existing management of the party to see that the continuity of this Agreement is maintained in all respects and the agreement shall continue to be in force.

Formal licences

18.7 The parties shall execute such formal licences, documents as may be necessary or appropriate for registration of the rights granted under this Agreement with Patent Offices and other relevant authorities. The parties shall use reasonable endeavours to ensure that, to the extent permitted by relevant authorities and unless required to submit this Agreement by any order of law, this Agreement shall not form part of any public record.

Role of Parties

18.8 The parties hereto expressly understand and agree that Lipoxen and Pharms are independent contractors in the performance of each and every part of this Agreement. Subject to the provisions of clause 8.3 relating to joint ownership of the Joint Foreground, nothing contained herein shall be construed as creating any agency, partnership or other form of joint enterprise between the parties.

Interpretation

18.9 In this Agreement:

18.9.1 the headings are used for convenience only and shall not affect its interpretation;

18.9.2 references to persons shall include incorporated and unincorporated persons; references to the singular include the plural and vice versa; and references to the masculine include the feminine;

18.9.3 references to Parties or parties means Lipoxen, Pharms and FDS;

18.9.4 references to clauses and Schedules mean clauses of, and schedules to, this Agreement; and

18.9.5 references to the grant of "exclusive" rights shall mean that the person granting the rights shall neither grant the same rights (in the same field and territory) to any other person, nor exercise those rights itself.

Notices

18.10 Any notice to be given under this Agreement shall be in writing and shall be sent by first class mail or air mail, or by fax (confirmed by first class mail or air mail) to the address of the relevant party set out at the head of this Agreement, or to the relevant fax number set out below, or such other address or fax number as that party may from time to time notify to the other

parties in accordance with this clause. The fax numbers of the parties are as follows: Lipoxen +44 20 7389 5011; Pharms +7 812 329 8089.

18.11 Notices sent as specified in clause 18.10 shall be deemed to have been received three working days after the day of posting (in the case of inland first class mail), or ten working days after the date of posting (in the case of air mail), or on the next working day after transmission (in the case of fax messages, but only if a transmission report is generated by the sender's fax machine recording a message from the recipient's fax machine, confirming that the fax was sent to the number indicated above and confirming that all pages were successfully transmitted).

Law and Jurisdiction

18.2 The validity, construction and performance of this Agreement shall be governed by the laws of England and Wales and shall be subject to the exclusive jurisdiction of the courts of England and Wales to which the parties hereby irrevocably submit, except that a party may seek an interim injunction in any court of competent jurisdiction.

Further action

18.3 Each party agrees to execute, acknowledge and deliver such further instruments, and do all further similar acts, as may be necessary or appropriate to carry out the purposes and intent of this Agreement.

Announcements

18.4 Neither party shall make any press or other public announcement concerning any aspect of this Agreement, or make any use of the name of the other party in connection with or in consequence of this Agreement, without the prior written consent of the other party. The parties agree that any agreed announcements will first be made in the name of Lipoxen.

Entire agreement

18.15 This Agreement, including its Schedules, sets out the entire agreement between the parties relating to its subject matter and supersedes all prior oral or written agreements, arrangements or understandings between them relating to such subject matter.

18.16 The parties acknowledge that they are not relying on any representation, agreement, term or condition which is not set out in this Agreement.

18.17 Nothing in this Agreement shall exclude any of the parties' liability for fraudulent misrepresentation.

Third parties

18.18 With the exception of any rights expressly created in this Agreement in favour of Affiliates of Lipoxen , this Agreement does not create any right enforceable by any person who is not a party to it.

AGREED by the parties through their authorised signatories on the date written above:

For and on behalf of **Lipoxen Technologies Limited**	**For and on behalf of** **Pharmasynthez**
Signed	Signed
Print name	Print name
Title	Title

Schedule 1

Development Programme

Schedule of Pharmasynthez (P) and Lipoxen (L) activities; PSA-Oxyntomodulin (Product C)

[***]

Schedule of Pharmasynthez (P) and Lipoxen (L) activities; MS Vaccine (Product D)

[***]

Schedule of Pharmasynthez (P) and Lipoxen (L) activities; HIV Vaccine (Product E)

[***]

Schedule of Pharmasynthez (P) and Lipoxen (L) activities; Liposomal H1 cancer vaccine (Product F)

[***]

Schedule 2

Components of the Products

Part 1 – [***] **(Product A)**

E.coli expressed human recombinant deoxyribonuclease-1 protein having following amino acid structure:-

Part 2 – [***] **(Product B)**

[***]

[***]

Part 3 – (Product C)

[***]

[***]

Part 4 – [***] **(Product D)**

[***]

[***]

[***]

[***]

[***]

[***]

[***]

Part 5 – [***] **(Product E)**

[***]

[***]

Part 6 - [***] (Product F)

[***]

[***]

Schedule 3

ImuXen Patents

Patent Name	Country Of Filing	Case Status	Application No.	Application Date	Grant Date	Inventors	1st Priority Country	1st Priority Appln No.	1st Priority Date
Gene Vaccine	Australia	Granted.	42154/97	15/09/1997	26/04/2001	Gregoriadis, Gregory	GB	9619172.1	13/09/1996
Gene Vaccine	Canada	Granted.	2271388	15/09/1997	06/11/2007		GB	9619172.1	13/09/1996
Gene Vaccine	China	Granted.	97199674.1	15/09/1997	18/02/2004		GB	9619172.1	13/09/1996
Gene Vaccine	France	Granted.	97940250.0	15/09/1997	04/12/2002		GB	9619172.1	13/09/1996
Gene Vaccine	Ireland	Granted.	97940250.0	15/09/1997	04/12/2002		GB	9619172.1	13/09/1996
Gene Vaccine	Italy	Granted.	97940250.0	15/09/1997	04/12/2002		GB	9619172.1	13/09/1996
Gene Vaccine	Belgium	Granted.	97940250.0	15/09/1997	04/12/2002		GB	9619172.1	13/09/1996
Gene Vaccine	United Kingdom	Granted.	97940250.0	15/09/1997	04/12/2002		GB	9619172.1	13/09/1996
Gene Vaccine	Spain	Granted.	97940250.0	15/09/1997	04/12/2002		GB	9619172.1	13/09/1996
Gene Vaccine	Germany	Granted.	97940250.0	15/09/1997	04/12/2002		GB	9619172.1	13/09/1996
Gene Vaccine	Switzerland	Granted.	97940250.0	15/09/1997	04/12/2002		GB	9619172.1	13/09/1996
Gene Vaccine	Japan	Filed.	1998-513398	15/09/1997			GB	9619172.1	13/09/1996
Gene Vaccine	Korea (Republic of)	Granted.	99-7002103	15/09/1997	02/08/2005		GB	9619172.1	13/09/1996
Gene Vaccine div	European Patent Office	Allowed	02016936.3	15/09/1997			GB	9619172.1	13/09/1996
Gene Vaccine Div.	United States of America	Allowed	10/617734	15/09/1997			GB	9619172.1	13/09/1996

Patent Name	Country Of Filing	Case Status	Application No.	Application Date	Grant Date	Inventors	1st Priority Country	1st Priority Appln No.	1st Priority Date
Taxol in DRV	Germany	Granted.	01948934.3	31/01/2001	04/10/2006	Zadi, Brahim	EP	00300904.0	04/02/2000
Taxol in DRV	United Kingdom	Granted.	01948934.3	31/01/2001	04/10/2006		EP	00300904.0	04/02/2000
Taxol in DRV	France	Granted.	01948934.3	31/01/2001	04/10/2006		EP	00300904.0	04/02/2000
Taxol in DRV	Spain	Granted.	01948934.3	31/01/2001	04/10/2006		EP	00300904.0	04/02/2000
Taxol in DRV	Italy	Granted.	01948934.3	31/01/2001	04/10/2006		EP	00300904.0	04/02/2000
Taxol in DRV	Switzerland	Granted.	01948934.3	31/01/2001	04/10/2006		EP	00300904.0	04/02/2000
Taxol in DRV	Japan	Filed.	2001-556240	31/01/2001			EP	00300904.0	04/02/2000
Taxol in DRV	United States of America	Granted.	10/182921	31/01/2001	11/04/2006		EP	00300904.0	04/02/2000

Patent Name	Country Of Filing	Case Status	Application No.	Application Date	Grant Date	Inventors	1st Priority Country	1st Priority Appln No.	1st Priority Date
Oral Delivery	Canada	Filed.	2386024	02/10/2000		Gregoriades, G. and Perrie, Y.	EP	99307786.6	01/10/1999
Oral Delivery	China	Granted.	00813476.6	02/10/2000	13/04/2005		EP	99307786.6	01/10/1999
Oral Delivery	Italy	Granted.	00964471.7	02/10/2000	14/12/2005		EP	99307786.6	01/10/1999
Oral Delivery	United Kingdom	Granted.	00964471.7	02/10/2000	14/12/2005		EP	99307786.6	01/10/1999
Oral Delivery	Germany	Granted.	00964471.7	02/10/2000	14/12/2005		EP	99307786.6	01/10/1999
Oral Delivery	France	Granted.	00964471.7	02/10/2000	14/12/2005		EP	99307786.6	01/10/1999
Oral Delivery	Spain	Granted.	00964471.7	02/10/2000	14/12/2005		EP	99307786.6	01/10/1999
Oral Delivery	Switzerland	Granted.	00964471.7	02/10/2000	14/12/2005		EP	99307786.6	01/10/1999
Oral Delivery	Japan	Filed.	2001-527772	02/10/2000			EP	99307786.6	01/10/1999
Oral Delivery	Korea (Republic of)	Granted.	2002-7003922	02/10/2000	24/07/2007		EP	99307786.6	01/10/1999
Oral Delivery	United States of America	Granted.	10/089312	02/10/2000	07/03/2006		EP	99307786.6	01/10/1999

Patent Name	Country Of Filing	Case Status	Application No.	Application Date	Grant Date	Inventors	1st Priority County	1st Priority Appln No.	1st Priority Date
Capisomes	Switzerland	Granted.	00981480.7	12/12/2000	01/09/2004	Gregoriadis, G	EP	99310032.0	13/12/1999
Capisomes	United Kingdom	Granted.	00981480.7	12/12/2000	01/09/2004		EP	99310032.0	13/12/1999
Capisomes	Belgium	Granted.	00981480.7	12/12/2000	01/09/2004		EP	99310032.0	13/12/1999
Capisomes	Italy	Granted.	00981480.7	12/12/2000	01/09/2004		EP	99310032.0	13/12/1999
Capisomes	France	Granted.	00901480.7	12/12/2000	01/09/2004		EP	99310032.0	13/12/1999
Capisomes	Germany	Granted.	00981480.7	12/12/2000	01/09/2004		EP	99310032.0	13/12/1999
Capisomes	United States of America	Filed.	10/149670	12/12/2000			EP	99310032.0	13/12/1999

Patent Name	Country Of Filing	Case Status	Application No.	Application Date	Grant Date	Inventors	1st Priority Country	1st Priority Appln No.	1st Priority Date
Co-Delivery	China	Granted.	03815952.X	07/07/2003	03/10/2007	Bacon. et. al.	EP	02254733.5	05/07/2002
Co-Delivery	Switzerland	Granted.	03738331.2	07/07/2003	20/12/2006		EP	02254733.5	05/07/2002
Co-Delivery	Italy	Granted.	03738331.2	07/07/2003	20/12/2006		EP	02254733.5	05/07/2002
Co-Delivery	Ireland	Granted.	03738331.2	07/07/2003	20/12/2006		EP	02254733.5	05/07/2002
Co-Delivery	United Kingdom	Granted.	03738331.2	07/07/2003	20/12/2006		EP	02254733.5	05/07/2002
Co-Delivery	France	Granted.	03738331.2	07/07/2003	20/12/2006		EP	02254733.5	05/07/2002
Co-Delivery	Spain	Granted.	03738331.2	07/07/2003	20/12/2006		EP	02254733.5	05/07/2002
Co-Delivery	Germany	Granted.	03738331.2	07/07/2003	20/12/2006		EP	02254733.5	05/07/2002
Co-Delivery	Belgium	Granted.	03738331.2	07/07/2003	20/12/2006		EP	02254733.5	05/07/2002
Co-Delivery	India	Filed.	376/DELNP/2005	07/07/2003			EP	02254733.5	05/07/2002
Co-Delivery	Japan	Filed.	2004-518995	07/07/2003			EP	02254733.5	05/07/2002
Co-Delivery	Russian Federation	Filed.	2004137791	07/07/2003			EP	02254733.5	05/07/2002
Co-Delivery	United States of America	Filed.	10/520169	07/07/2003			EP	02254733.5	05/07/2002

Patent Name	Country Of Filing	Case Status	Application No.	Application Date	Grant Date	Inventors	1st Priority Country	1st Priority Appln No.	1st Priority Date
PS Vaccines TT/DT C	W.I.P.O.	Filed.	PCT/EP 06/66935	29/09/2006		Bacon, et al.	EP	05256160.2	30/09/2005
Multivalent Vaccines	W.I.P.O.	Filed.	PCT/EP 06/66938	29/09/2006		Bacon, et al.	EP	05256160.2	30/09/2005

Schedule 4

Pharms Active Components

Product	Active	Pharms Active Component
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

Schedule 5

Pharms Trials

Product	Active	Trial to be conducted by Pharms in Pharms Territory for Stage 2
Product A	[***]	Phase I-IIA
Product B	[***]	Phase I-IIA
Product C	[***]	Phase I
Product D	[***]	Phase I-IIA
Product E	[***]	Phase I-IIA
Product F	[***]	Phase I-IIA

Schedule 6

PolyXen Patents

Patent Name	Country Of Filing	Case Status	Application No.	Application Date	Grant Date	Inventors	Patent No.	1st Priority Date
Polysaccharide B in DDS	Germany	Granted.	92911095.5	08/06/1992	16/08/2001	Gregoriadis, Gregory	EP0587639	06/06/1991
Polysaccharide B in DDS	United Kingdom	Granted.	92911095.5	08/06/1992	16/08/2001		EP0587639	06/06/1991
Polysaccharide B in DDS	France	Granted.	92911095.5	08/06/1992	16/08/2001		EP0587639	06/06/1991
Polysaccharide B in DDS	Italy	Granted.	92911095.5	08/06/1992	16/08/2001		EP0587639	06/06/1991
Polysaccharide B in DDS	Spain	Granted.	92911095.5	08/06/1992	16/08/2001		EP0587639	06/06/1991
Polysaccharide B in DDS	USA	Granted.	08/431474	01/05/1995	08/12/1998		5846951	06/06/1991
Polysaccharide B in DDS	Japan	Granted.	510527/92	08/06/1992	22/04/2005		3671054	06/06/1991
Polysaccharide B in DDS	Canada	Granted.	2109952	08/06/1992	18/11/2003		2109952	06/06/1991
Polysaccharide B in DDS	Korea (Republic of)	Granted.	93-703716	08/06/1992	18/09/2002		354944	06/06/1991
PSB in DDS Div	Japan	Granted.	2005-42054	08/06/1992	26/06/2009		4332507	06/06/1991

Patent Name	Country Of Filing	Case Status	Application	Application	Grant Date	Inventors	Patent No.	1st Priority
Polysialylation in SDS	Spain	Granted.	1931843.5	14/05/2001	21/12/2005	Gregoriadis, Gregory	EP1335931	16/05/2000
Polysialylation in SDS	Germany	Granted.	1931843.5	14/05/2001	21/12/2005		EP1335931	16/05/2000
Polysialylation in SDS	France	Granted.	1931843.5	14/05/2001	21/12/2005		EP1335931	16/05/2000
Polysialylation in SDS	Switzerland	Granted.	1931843.5	14/05/2001	21/12/2005		EP1335931	16/05/2000
Polysialylation in SDS	Italy	Granted.	1931843.5	14/05/2001	21/12/2005		EP1335931	16/05/2000
Polysialylation in SDS	United Kingdom	Granted.	1931843.5	14/05/2001	21/12/2005		EP1335931	16/05/2000
Polysialylation in SDS	Japan	Filed.	2001-585141	14/05/2001				16/05/2000
Polysialylation in SDS	USA	Granted.	10/276552	14/05/2001	08/11/2005		6962972	16/05/2000

Patent Name	Country Of Filing	Case Status	Application	Application	Grant Date	Inventors	Patent No.	1st Priority
Monofunctional PSA	Eur. Patent Office	Filed.	4768074.9	12/08/2004		Jain, et al.		12/08/2003
Monofunctional PSA	India	Filed.	985/DELNP/2006	12/08/2004				12/08/2003
Monofunctional PSA	Japan	Filed.	2006-523058	12/08/2004				12/08/2003
Monofunctional PSA	Korea (Republic of)	Filed.	2006-7002900	12/08/2004				12/08/2003
Monofunctional PSA	Russian Federation	Granted	2006107546	12/08/2004	10/09/2008		2333223	12/08/2003
Monofunctional PSA	USA	Filed.	10/568043	12/08/2004				12/08/2003
Monofunctional PSA	Eur. Patent Office	Filed.	47680749	12/08/2004				
Maleimido-PSA	Switzerland	Granted.	4768054.1	12/08/2004	03/10/2007	Hreczuk-Hirst et al.	EP1654289	12/08/2003
Maleimido-PSA	Spain	Granted.	4768054.1	12/08/2004	03/10/2007		EP1654289	12/08/2003
Maleimido-PSA	France	Granted.	4768054.1	12/08/2004	03/10/2007		EP1654289	12/08/2003
Maleimido-PSA	Italy	Granted.	4768054.1	12/08/2004	03/10/2007		EP1654289	12/08/2003
Maleimido-PSA	Germany	Granted.	4768054.1	12/08/2004	03/10/2007		EP1654289	12/08/2003
Maleimido-PSA	United Kingdom	Granted.	4768054.1	12/08/2004	03/10/2007		EP1654289	12/08/2003
Maleimido-PSA	India	Allowed	903/DELNP/2006	12/08/2004				12/08/2003
Maleimido-PSA	Japan	Filed.	2006-523054	12/08/2004				12/08/2003
Maleimido-PSA	Korea (Republic of)	Filed.	2006-7002875	12/08/2004				12/08/2003
Maleimido-PSA	Russian							

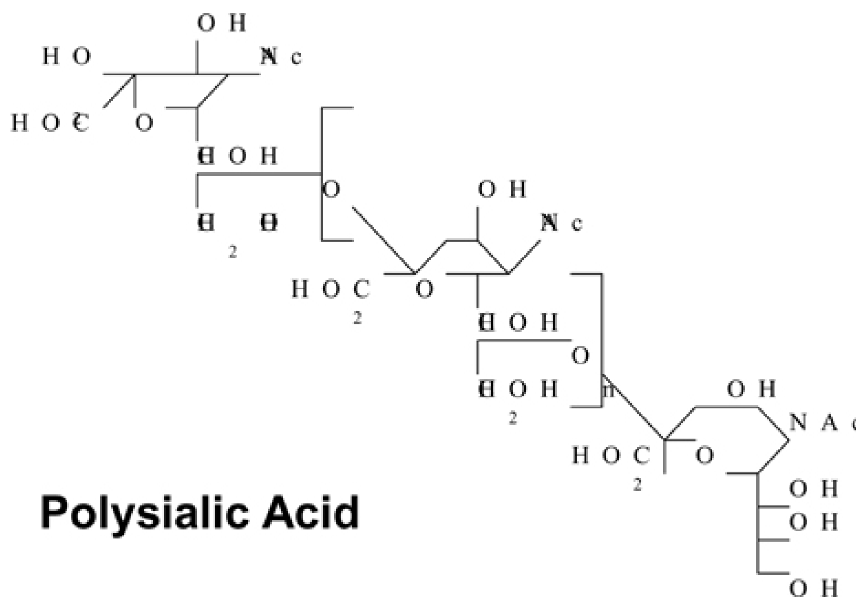
	Federation	Filed.	2006107545	12/08/2004		12/08/2003
Maleimido-PSA	USA	Filed.	10/568111	12/08/2004		12/08/2003
Maleimido-PSA Div	India	Filed.	812/DELNP/2009	12/08/2009		
NHS Functional PSA	China	Filed.	2.0068E+11	16/02/2006	Jain et al.	23/02/2005
NHS Functional PSA	European Patent Office	Filed.	6709777.4	16/02/2006		23/02/2005
NHS Functional PSA	India	Filed.	6400/DELNP/2007	16/02/2006		23/02/2005
NHS Functional PSA	Japan	Filed.	2007-555696	16/02/2006		23/02/2005
NHS Functional PSA	United States of America	Filed.	11/816823	16/02/2006		23/02/2005
NHS-Amino PSA Reactions	China	Filed.	2.0058E+11	12/08/2005	Jain et al.	12/08/2004
NHS-Amino PSA Reactions	European Patent Office	Filed.	5794259.1	12/08/2005		12/08/2004
NHS-Amino PSA Reactions	India	Filed.	1100/DELNP/2007	12/08/2005		12/08/2004
NHS-Amino PSA Reactions	Japan	Filed.	2007-525356	12/08/2005		12/08/2004
NHS-Amino PSA Reactions	United States of America	Filed.	11/660128	12/08/2005		12/08/2004
Fractionation	China	Filed.	2.0058E+11	12/08/2005	Jain et al.	12/08/2004
Fractionation	European Patent Office	Filed.	5794240.1	12/08/2005		12/08/2004
Fractionation	India	Filed.	1009/DELNP/2007	12/08/2005		12/08/2004
Fractionation	Japan	Filed.	2007-525353	12/08/2005		12/08/2004
Fractionation	United States of America	Filed.	11/660133	12/08/2005		12/08/2004

Patent Name	Country Of Filing	Case Status	Application No.	Application Date	Grant Date	Inventors	1st Priority	1st Priority	1st Priority
Fractionation	China	Filed.	2.0058E+11	12/08/2005		Jain et al.	GB	PCT/GB 04/03511	12/08/2004
Fractionation	Eur. Patent Office	Filed.	5794240.1	12/08/2005			GB	PCT/GB 04/03511	12/08/2004
Fractionation	India	Filed.	1009/DELNP/2007	12/08/2005			GB	PCT/GB 04/03511	12/08/2004
Fractionation	Japan	Filed.	2007-525353	12/08/2005			GB	PCT/GB 04/03511	12/08/2004
Fractionation	USA	Filed.	11/660133	12/08/2005		Jain et al.	GB	PCT/GB 04/03511	12/08/2004
Endotoxin Removal	PCT	Filed.	PCT/GB/2008/050138	28/02/2007		Jain et al.			28/02/2007

Patent Name	Country Of Filing	Case Status	Application No.	Application Date	Grant Date	Inventors	1st Priority Country	1st Priority Appln No.	1st Priority Date
N-terminal polysialylation	W.I.P.O.	Filed.	PCT/GB 07/02839	25/07/2007		Jain *et al.*	EP	06117830.7	25/07/2006
N-terminally-polysialylated GCSF	W.I.P.O.	Filed.	PCT/GB 07/02816	25/07/2007		Jain et al.	EP	06117830.7	25/07/2006
Polysialylation of EPO	W.I.P.O.	Filed.	PCT/GB 07/02841	25/07/2007		Jain et al.	EP	06117830.7	25/07/2006
Polysialylated Insulin	W.I.P.O.	Filed.	PCT/GB 07/02821	25/07/2007		Jain et al.	EP	06117830.7	25/07/2006

Schedule 7

PSA



Schedule 8

Target Date for Submission of CTA in Pharms Territory

PRODUCT	DATE FOR SUBMISSION OF CLINICAL TRIALS APPLICATION IN PHARMS TERRITORY
A	30 September 2010
B	31 December 2012
C	30 June 2010
D	30 June 2010
E	31 December 2010
F	30 September 2011

Schedule 9

Members of the Programme Committee

PHARMS

To be elected prior to committee meetings

LIPOXEN

To be elected prior to committee meetings

Schedule 10

Revenue Sharing

1. **For the purposes of this Schedule 10, the following words shall have the following meaning:-**

"Lipoxen Net Sales"	the amount received by Lipoxen, its Affiliates and or Licensees from third parties in respect of supplies of Lipoxen Products in arms length transactions (or the amount that would have been received if the transactions had been at arms length) less the following items provided they are shown in writing on the relevant invoice or in other documentary evidence: sales taxes, costs of delivery, customary trade discounts actually granted, amounts actually repaid or credited for defective or returned and, in the case of export orders, any import duties or similar applicable governmental levies and any government rebates charged on the purchase price of the Lipoxen Products;
"Joint Net Sales"	the amount received by Lipoxen and/or its Affiliates from third parties in respect of supplies of Joint Products in arms length transactions (or the amount that would have been received if the transactions had been at arms length) less the following items provided they are shown in writing on the relevant invoice or in other documentary evidence: sales taxes, costs of delivery, customary trade discounts actually granted, amounts actually repaid or credited for defective or returned and, in the case of export orders, any import duties or similar applicable governmental levies and any government rebates charged on the purchase price of the Joint Products;

"Joint Net Receipts"	all signing fees, milestones, royalties and other licence fees (excluding research and development fees) received by Lipoxen and/or its Affiliates from Licensees in relation to Joint Products, less any less any Value Added Tax or other sales tax and any direct and/or third party costs and/or expenses incurred by Lipoxen in procuring payment of such sums;
"Joint Product Revenue"	the Joint Net Sales and the Joint Net Receipts; and
"Pharms Net Sales"	the amount received by Pharms and/or its Affiliates from third parties in respect of supplies of the Products in arms length transactions (or the amount received if the transactions had been at arms length) less the following items provided they are shown in writing on the relevant invoice or in other documentary evidence: sales taxes, costs of delivery, customary trade discounts actually granted, amounts actually repaid or credited for defective or returned.

2. Pharms shall pay to Lipoxen a royalty of [***] of all Pharms Net Sales. The royalty payable to Lipoxen pursuant to this paragraph shall become due 30 (thirty) days after the expiry of the Quarter in which the Products to which the royalty relate were sold and/or supplied by Pharms.

3. Lipoxen shall pay to Pharms a royalty of [***] of all Lipoxen Net Sales. The royalty payable to Pharms pursuant to this paragraph shall become due 30 (thirty) days after the expiry of the Quarter in which the Lipoxen Products to which the royalty relate were sold and/or supplied by Lipoxen.

4. The parties agree that the Joint Product Revenue shall be shared equally by the parties. Pharms' half share of the Joint Product Revenue shall become due 30 (thirty) days after the expiry of the Quarter in which the relevant Joint Product Revenue was received by Lipoxen.

5. Lipoxen shall be entitled to deduct from the sums due to Pharms under paragraphs 3 and 4 above, any sums due and unpaid to Lipoxen pursuant to this Agreement.

Exhibit 10.21

Portions of this exhibit, indicated by the mark "[***]," have been redacted pursuant to a confidential treatment request.

DATED 4 August 2011

(1) LIPOXEN PLC

(2) LIPOXEN TECHNOLOGIES LTD

- and -

(2) SERUM INSTITUTE OF INDIA LIMITED

Exclusive Patent
And Know How Licence and
Manufacturing Agreement

Lipoxen *SIIL*

THIS AGREEMENT is made the 4th day of August 2011

BETWEEN:

(1) Lipoxen Technologies Ltd, a Company registered under the laws of England whose registered office is at London Bioscience Innovation Centre, 2 Royal College St., London NW1 ONH, England ("Lipoxen Technologies");

(2) Lipoxen PLC, a company registered under the laws of England whose registered office is at London Bioscience Innovation Centre, 2 Royal College St., London NW1 ONH, England ("Lipoxen PLC"); and

(3) Serum Institute of India Limited, a Company incorporated under the Indian laws, having its principal place of business at S. No. 212/2, Off Soli Poonawalla Road, Hadapsar, Pune -411 028, Maharashtra, INDIA ("SIIL").

RECITALS:

(1) SIIL is engaged in the manufacture of pharmaceuticals and biotechnology products and has been and continues to be interested in acquiring technology from Lipoxen.

(2) Lipoxen PLC is a drug and vaccine development and delivery company and is dedicated to innovative methods for the optimal delivery of therapeutics in the treatment and prevention of disease. Lipoxen Technologies is a wholly owned subsidiary of Lipoxen PLC.

(3) Pursuant to the Licence Agreement (defined below), Lipoxen Technologies granted SIIL an exclusive licence to use Lipoxen's PolyXen Technology and ImuXen Technology in the SIIL Territory to develop and exploit certain products set out in the Licence Agreement.

(4) The parties entered into a Supplemental Agreement (defined below) pursuant to which the parties agreed a development programme and revenue sharing arrangement for certain of the products which were the subject of the Licence Agreement. Further amendments were made to the Licence Agreement pursuant to the Letter Amendments (defined below).

(5) SIIL has manufactured and supplied PSA (defined below) to Lipoxen pursuant to the Licence Agreement, the Supplemental Agreement and the Development and Manufacturing Agreement (defined below).

(6) The Parties now wish to amend and restate the terms of the arrangement between them pursuant to which SIIL will cease to have any rights in relation to the ImuXen Technology, will continue to have rights under the PolyXen Technology in relation only to PSA EPO.

(7) SIIL will continue to develop PSA EPO in the SIIL Territory (defined below), with Lipoxen having the right to develop and exploit PSA EPO in the Lipoxen Territory (defined below).

(8) SIIL will continue to manufacture and supply PSA, EPO and PSA EPO to and on behalf of Lipoxen and other Customers (defined below) and will transfer manufacturing know how as referred to in clause 19 of any or all of the Supply Products to Lipoxen and/or a Customer of Supply Products (defined below) in the circumstances described in this Agreement.

IT IS AGREED as follows:

1. Definitions

In this Agreement, the following words shall have the following meanings:

"Affiliate"	in relation to a Party, means any entity or person which controls, is controlled by, or is under common control with that Party. For the purposes of this definition, "control" shall mean direct or indirect beneficial ownership of 50% (or, outside a Party's home territory, such lesser percentage as is the maximum, permitted level of foreign investment) or more of the share capital, stock or other participating interest carrying the right to vote or to a distribution of profits of that entity or person, as the case may be;
"Allotment Date"	means the date falling seven Business Days following whichever is earlier of:- (a) the date upon which the Placing occurs; or (b) 30 December 2011;
"Appointed CRO"	means the CRO appointed by SIIL in accordance with clause 5.10 to carry out aspects of the Clinical Trials on behalf of SIIL and Lipoxen;
[***]	[***]
"Business Day"	means any day (other than a Saturday, Sunday or a public holiday in England or India) on which clearing banks in the City of London are open for the transaction of normal sterling banking business;
"CIS"	means the commonwealth of independent states comprising the following countries:- Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Republic of Moldova, Russian Federation, Tajikistan, Turkmenistan, Ukraine and Uzbekistan;
"Clinical Trials"	means the *in vivo* testing, pre-clinical activities, Phase I clinical trials, Phase II clinical trials and Phase III clinical trials to be carried out by SIIL in relation to PSA EPO in Indication A, Indication B, Indication C, Indication D and/or Indication E pursuant to this Agreement;

"CMC Dossier"	means the technical information required by the relevant regulatory authority in relation to the chemistry, manufacturing and controls of PSA EPO for commencement of a Lipoxen Trial;
"Commencement Date"	means the Commencement Date of the Licence Agreement, being 16 December 2004;
"Completion"	means completion by SIIL of a successful Phase II clinical trial in relation to a Successful PSA EPO Product that complies with all FDA and EMEA requirements relating to Phase II clinical trials;
"Confidential Information"	means any and all data, results, know-how, show-how, software, algorithms, trade secrets, plans, forecasts, analyses, evaluations, research, technical information, business information, financial information, business plans, strategies, customer lists, marketing plans, or other information whether oral, in writing, in electronic form or in any other form, and any physical items, compounds, components or other materials disclosed before, on or after the date of this Agreement by one Party (or its Affiliates) to the other Party (or its Affiliates) including, but not limited to, the Lipoxen Know How;
"Consideration Shares"	means the Consideration Shares as defined in Schedule 7 of this Agreement;
"Control"	(along with derivative forms of the word, as applicable, such as "Controlled" and "Controlling") means the ability to grant a licence or sub-licence without breaching the terms of any agreement with any third party;
"CRO"	means a contract research organisation;
"Customer"	means Lipoxen and/or a third party entitled to place Orders with SIIL for Supply Products by virtue of having a licence from Lipoxen as described in clause 14.3 of this Agreement;
"Deductible Lipoxen Trial Costs"	means [***] of the costs and expenses incurred by Lipozen in relation to any pre-clinical and clinical trials relating to [***]
"Development Programme"	means the detailed programme for the Clinical Trials set out in Schedule 1 of this Agreement, as modified from time to time in accordance with the terms of this Agreement;
"DMA"	means the Development and Manufacturing Agreement dated 2 August 2006 between Lipoxen PLC and SIIL;

“Effective Date”	means the date of this Agreement;
“EEA”	means countries which are from time to time signatories to the Agreement on the European Economic Area, including, but not limited to, the member states from time to time of the European Community;
“EMEA”	means the European Medicines Agency (formerly known as the European Agency for the Evaluation of Medicinal Products) and/or any successor to it;
“EPO”	means EPO as specified in the European Pharmacopoiea under Erythropoietin concentrated solution (01/2002:1316) and shall exclude, for the avoidance of doubt, Non-glycosylated EPO;
“FDA”	means the US Food and Drug Administration and/or any successor to it;
“Field”	means pharmaceutical preparations for the treatment in humans of Indication A and/or Indication B and/or Indication C and/or Indication D and/or Indication E, by subcutaneous and/or intra venous administration, containing PSA EPO as their active ingredient;
“Foreground”	means all Intellectual Property Rights arising from or in relation to the activities carried out by SIIL and/or Lipoxen from the Effective Date in relation to this Agreement, including any and all Intellectual Property Rights:- (a) created by SIIL and/or Lipoxen from the Effective Date relating to PSA EPO; and/or (b) relating to any Results, including data from the Clinical Trials; but excluding the PSA Foreground, the Lipoxen Regulatory Material and the results of and data arising from the Lipoxen Trials;
“GCP”	means all applicable laws and regulations, codes and guidelines relating to good clinical practice including:- (i) good clinical practice pursuant to Directive 2001/20/EEC and Directive 2005/28/EEC and all applicable implementing and/or amending legislation and guidelines; (ii) the regulations established by EMEA and the FDA relating to the standard of practice that is acceptable in the conduct of clinical studies; (iii) the current version of the Declaration of Helsinki in force; and (iv) the current International Conference on Harmonisation Guidelines for Good Clinical Practice in force;

"German SPA"	means the conditional agreement to be entered into by Lipoxen PLC and the vendors in relation to the acquisition of the entire issued share capital of Symbiotec GmbH on or around the date of this Agreement;
"GMP"	means current Good Manufacturing Practice as:- (a) promoted by current International Conference on Harmonisation (ICH) guidance documents, including the ICH Guidance Q7A Good Manufacturing Practice Guide for Active Pharmaceutical Ingredients; and (b) defined by US and European legislation relating to good manufacturing practice (including Directive 2003/94/EC) and regulations issued from time to time by regulatory authorities, including EMEA and FDA;
"Indication A"	means anaemia resulting from chronic renal failure;
"Indication B"	means anaemia occurring in cancer patient's receiving chemotherapy;
"Indication C"	means anaemia in zidovedine treated HIV infected patients;
"Indication D"	means the reduction of allergenic blood transfusion in surgical and perisurgical patients;
"Indication E"	means pre-treatment of patients predicted to suffer anemia as a consequence of elective surgery with an expected moderate blood loss;
"Infringer"	a third party that uses any of the PolyXen Patents and/or PolyXen Know How in the SIIL Territory in the Field;
"Infringement"	any infringement of any of the PolyXen Patents and/or PolyXen Know How by an Infringer;
"Infringement Claim"	any allegation or claim that any of the Licensed Products infringe the Intellectual Property Rights of a third party;
"Intellectual Property Rights"	means all patents, copyrights, design rights, trade marks, service marks, inventions, supplementary protection certificates, design rights, trade secrets, data, know-how, database rights and other rights in the nature of intellectual property rights (whether registered or unregistered) and all applications for the same, anywhere in the world;
"Joint Foreground"	means the Foreground that is jointly owned by the parties pursuant to clause 8.4;
"Letter Amendments"	means the amendments to the Licence Agreement contained in the following letters signed by Lipoxen Technologies and SIIL:- (a) letter dated 23 May 2007, headed "May 2007 Amendment of Field A"; and (b) letter dated 23 May 2007 headed "May 2007 New Product Amendment to License Agreement";

“Licence Agreement”	means the Exclusive Patent and Know How Licence Agreement dated 16th December 2004 between Lipoxen Technologies and SIIL, as subsequently amended by the Supplemental Agreement and the Letter Amendments;
“Licensed Products”	any and all products that are manufactured, sold or supplied by SIIL which:- (a) incorporate or make use of any of the PolyXen Technology; and/or (b) which are made with PSA which incorporates or makes use of any of the PSA Technology;
“Licensed Rights”	means the PolyXen Patents, the PolyXen Know How, the PSA Patents and the PSA Know How;
“Lipoxen Know How”	means the PolyXen Know How and the PSA Know How;
“Lipoxen Patents”	means the PSA Patents and the PolyXen Patents;
“Lipoxen Products”	means PSA EPO which incorporates or makes use of any of the SIIL Background IP ;
“Lipoxen Regulatory Material”	means the CMC Dossier and any other data package or information compiled by or on behalf of Lipoxen and/or a Sub-licensee in relation to any regulatory applications or submissions made or to be made by Lipoxen and/or its Sub-licensee to a regulatory authority or body;
“Lipoxen Technology”	means the PolyXen Technology and the PSA Technology;
“Lipoxen Territory”	means :- (a) the United States of America, the EEA, Switzerland, Japan, New Zealand, Australia, Canada, Israel, the CIS and South Korea; and (b) any other country which is added to the Lipoxen Territory pursuant to clause 4.10 of this Agreement; as amended in accordance with clause 6.5 if applicable;

"Lipoxen Trials"	means any clinical trial(s) to be conducted by or on behalf of Lipoxen and/or a Sub-licensee in relation to PSA EPO in the Lipoxen Territory after the Effective Date;
"Master Cell Bank"	a validated cell bank, prepared and characterised under GMP and accompanied by GMP documentation, that enables SIIL and/or a third party to manufacture: (a) EPO; and (b) PSA;
[***]	[***] [***] [***] [***] [***] [***]
"Net Revenues"	means any and all sums received by Lipoxen and/or its Affiliates from its Sub-licensees in respect of sub-licences of SIIL Background IP including, but not limited to sales royalties, milestones and licence fees, less any costs or expenses incurred by Lipoxen in obtaining payment of such sums and excluding any:- (a) fees received in respect of services supplied by Lipoxen; and (b) value added tax or other sales tax on such sums;
"Net Royalty Revenue"	means any and all royalties on sales received by Lipoxen and/or its Affiliates from its Sub-licensees in respect of sub-licences of SIIL Background IP, which shall for the avoidance of doubt not include any licence fees or milestone payments, less any costs or expenses incurred by Lipoxen in obtaining payment of such sums and excluding any:- (a) fees received in respect of services supplied by Lipoxen; and (b) value added tax or other sales tax on such sums;
"Net Sales Value"	means the invoiced price of products sold or supplied in arm's length transactions or, where the sale is not at arm's length, the price that would have been so invoiced if it had been at arm's length, less the following items as indicated on the relevant invoice: trade discounts actually granted, costs of packaging, insurance, carriage and freight, any value added tax or other sales tax and any import duties or similar applicable government levies;

"Non-glycosylated EPO"	means any form of EPO which is not glycosylated which, as at the Effective Date, includes any EPO which is produced by a non-mammalian cell line;
"Order"	means an order for Supply Products placed by a Customer;
"Parties or parties"	means Lipoxen PLC, Lipoxen Technologies Limited and SIIL, and "Party or party" shall mean any of them;
"Placing"	means the issue of 110,800,000 0.5p ordinary shares in the capital of Lipoxen PLC to SynBio LLC, Russia pursuant to a subscription agreement between Lipoxen and SynBio LLC dated on around 3 August 2011;
[***]	[***] [***] [***] [***] [***] [***]
[***]	[***] [***] [***] [***] [***]
"PolyXen Improvements"	means any invention, discovery or information relating to the PolyXen Technology created after the Effective Date during the term of the licence granted under clause 4.1 which has utility in PSA EPO and which is Controlled by Lipoxen but which, for the avoidance of doubt, shall exclude the results of and data arising from the Lipoxen Trials, the Lipoxen Regulatory Material and the PSA Improvements;
"PolyXen Know How"	means the know how Controlled by Lipoxen at the Effective Date relating to the technology disclosed in the PolyXen Patents but excluding, for the avoidance of doubt, the PSA Know How;

"PolyXen Licence"	means the licence to use the PolyXen Technology granted under clause 4.1 of this Agreement;
"PolyXen Patents"	means:- (a) the patents and patent applications set out in Schedule 2 of this Agreement; and (b) any patent and/or patent application Controlled by Lipoxen relating to the PolyXen Improvements; including any continuations, continuations in part, extensions, reissues, divisions, and any patents, foreign counterparts, supplementary protection certificates and similar rights that are based on or derive priority from the foregoing;
"PolyXen Technology"	means the multifaceted platform technology that employs PSA to prolong the active life and improve the pharmacokinetics of proteins, peptides, conventional drugs and drug delivery systems that is described in the PolyXen Patents;
"Production Facility"	means SIIL's production facilities at Pune;
"Product Specification"	means the specifications for each of the Supply Products set out in the Serum EPO Specification, the PSA Specification and the PSA EPO Specification;
[***]	[***]
"PSA Cell Line"	means the cell line used by Lipoxen to manufacture PSA, a sample of which has been provided to SIIL pursuant to the Licence Agreement;
"PSA EPO"	means a conjugate of PSA and Serum EPO (both as defined in this Agreement) forming a mono-PSA EPO conjugate as described in Schedule 4 of this Agreement;
"PSA EPO Specification"	means the specification for PSA EPO set out in Schedule 5 of this Agreement;
"PSA Foreground"	means any and all Intellectual Property Rights created by SIIL pursuant to this Agreement or otherwise from the Effective Date relating to the PSA Manufacturing Process;

"PSA Improvements"	means any invention, discovery or information relating to the PSA Technology created after the Effective Date during the term of this Agreement which is Controlled by Lipoxen and which is necessary to:- (a) enable SIIL to exploit the licence granted under clause 4.1; and/or (b) enable SIIL to supply PSA to a licensee of the PolyXen Technology with which SIIL has agreed the price and other supply terms upon which it will manufacture and supply PSA on behalf of the relevant licensee;
"PSA Know How"	means the know-how Controlled by Lipoxen at the Effective Date relating to the PSA Manufacturing Process, which shall include the PSA Cell Line;
[***]	[***] [***] [***] [***]
"PSA Patents"	means:- (a) the patents and patent applications set out in Schedule 6 of this Agreement; and (b) any patent and/or patent applications Controlled by Lipoxen relating to the PSA Improvements; including any continuations, continuations in part, extensions, reissues, divisions, and any patents, foreign counterparts, supplementary protection certificates and similar rights that are based on or derive priority from the foregoing;
"PSA Specifications"	means the specifications for PSA set out in Schedule 25 of this Agreement;
"PSA Technology"	means the technology developed by Lipoxen relating to the PSA Manufacturing Process, including the technology described in the PSA Patents;
"Quarter"	means the quarterly periods ending 31 March, 30 June, 30 September and 31 December;

"Results"	means the results of, and data arising from:- (a) any research and development relating to the Lipoxen Technology carried out by or on behalf of SIIL; and (b) any and all pre-clinical and clinical trials carried out by or on behalf of SIIL in relation to the Licensed Products, including the Clinical Trials;
"Serum Cell Line"	means the cell line used by SIIL prior to and after the Effective Date to produce EPO for use in the Clinical Trials, further details of which are set out in Schedule 8 of this Agreement;
"Serum EPO"	means the form of EPO manufactured and/or used by SIIL prior to and during the term of this Agreement which has the Serum EPO Specification and which is made using the Serum Cell Line;
"Serum EPO Specification"	means the specification for Serum EPO set out in Schedule 9;
"Services"	means the services relating to the Clinical Trials to be carried out by SIIL on behalf of Lipoxen pursuant to this Agreement;
"SIIL Background IP"	means any and all Intellectual Property Rights which, prior to the Effective Date or during the term of this Agreement, are owned by SIIL and/or licensed to SIIL by a third party other than Lipoxen and which are reasonably required to enable Lipoxen and/or its Sub-licensees to develop, manufacture, use, sell, supply and otherwise exploit PSA EPO, which includes (to the extent they do not form part of the Joint Foreground), but is not limited to, any and all Intellectual Property Rights relating to:- (a) the Serum Cell Line; (b) the component of psa EPO, including Serum EPO; (c) the methods and/or processes used by SIIL to manufacture Serum EPO; and (d) the methods and/or processes used by SIIL to manufacture PSA EPO; but excluding the SIIL PSA Ip and the Joint Foreground;
"SIIL Foreground"	means the Foreground owned by SIIL pursuant to clauses 8.1 and 8.2 of this Agreement;
"SIIL Licence"	means the licence granted by SIIL pursuant to clause 7.1 of the Agreement;

[***]	[***] [***] [***]
"SIIL Territory"	means all nations, countries, areas and territories that are not part of the Lipoxen Territory, as amended in accordance with clause 6.10 if applicable.
"Sub-licensees"	means parties to which Lipoxen has granted a licence of PolyXen Technology and a sub-licence of the SIIL Background IP to directly manufacture and sell PSA EPO anywhere in the Lipoxen Territory or worldwide subject to terms of this agreement;
"Subscription Shares"	means the Subscription Shares as defined in Schedule 7 of this Agreement;
"Successful PSA EPO Product"	means a Lipoxen Product for which the Clinical Trials have been successfully completed by SIIL in accordance with EMEA and FDA regulatory requirements up to and including phase II clinical trials and in relation to which Lipoxen and/or its Sub-licensee is able to commence Phase IIb and/or Phase III Clinical Trials in a country regulated by EMEA and/or FDA without conducting any further pre-clinical or clinical trials;
"Supplemental Agreement"	means the Supplemental and Amendment Agreement to the Exclusive Patent and Know How Licence Agreement dated 6 October 2005 between Lipoxen Technologies and SIIL;
"Supply Products"	means:- (a) PSA and its derivative, including Monodisperse PSA, Polydisperse PSA and the other forms of PSA described in the PSA Specification;

(b) Serum EPO as specified in the Serum EPO Specification; and

(c) PSA EPO as specified in the PSA EPO Specification.

"Tender Business" means contracts entered into with sovereign agencies and/or charitable organisations;

"Timetable" means the timetable for the provision of the Services as set out in Schedule 10 of this Agreement; and

"Valid Claim" means a claim of a patent or patent application that has not expired or been held invalid or unenforceable by a decision of a patent office or court of competent jurisdiction, which decision:-

(a) it is not possible to appeal; or

(b) is not the subject of an appeal within the prescribed time limits.

2. Status of this Agreement

2.1 As of the Effective Date, the Licence Agreement, the Letter Amendments, the Supplemental Agreement and the DMA shall expire with immediate effect and shall be replaced in their entirety by the terms of this Agreement. Other than as expressly set out in this Agreement and subject to clause 2.4.1 of this Agreement, any clauses which are stated in the Licence Agreement, the Letter Amendments, the Supplemental Agreement (other than clauses 9 and 13 of the Supplemental Agreement) and the DMA to survive termination and/or expiry shall survive.

2.2 From the Effective Date, the terms of this Agreement shall govern the activities and performance of the parties relating to the subject matter of the Licence Agreement, the Supplemental Agreement, the Letter Amendments and the DMA.

2.3 Unless expressly stated otherwise in this Agreement, the terms of the Licence Agreement, the Supplemental Agreement, the Letter Amendments and the DMA shall continue to govern the relationship between the parties prior to the Effective Date but:-

2.3.1 the terms of this Agreement shall prevail to the extent that the there is any conflict between the terms of this Agreement and the terms of:- (a) the Licence Agreement, (b) the Supplemental Agreement, (c) the Letter Amendments and/or (d) the DMA;

2.3.2 with effect from the Commencement Date of the Licence Agreement, any and all:- (a) Foreground (as defined by the Licence Agreement) relating to PSA EPO; and (b) Services Foreground (as defined in the Supplemental Agreement) relating to PSA EPO, shall be deemed to be Foreground under this Agreement, the ownership, protection and use of which shall be governed by clause 8 of this Agreement;

2.3.3 with effect from the Commencement Date of the Licence Agreement, the effective date of the Supplemental Agreement and the effective date of the DMA, the "Law and Jurisdiction" clauses of each respective Agreement shall be deemed to be replaced by the provisions of clause 22.13 of this Agreement, provided that in the Supplemental Agreement, the Law and Jurisdiction clause shall remain subject to clause 6.12 of the Supplemental Agreement; and

2.3.4 the parties agree that in relation to any Intellectual Property Rights which are jointly owned by SIIL and Lipoxen PLC / Lipoxen Technologies pursuant to clause 3.5 of the DMA, with effect from the effective date of the DMA:-

2.3.4.1 such Intellectual Property Rights shall be deemed to be PSA Foreground pursuant to this Agreement; and

2.3.4.2 Clauses 3.6 and 3.7 of the DMA shall no longer apply to such Intellectual Property Rights, the use and exploitation of which shall be governed by clauses 14.25 and 14.30 of this Agreement.

2.4 Each Party hereby waives any and all rights arising prior to the Effective Date which it alleges it may have to any kind of payment of fees, royalties, payments for products supplied or other liquidated sums from the other party under the Licence Agreement, the Supplemental Agreement, the Letter Amendments and/or the DMA.

2.5 SIIL hereby waives any and all rights which it alleges it may have in or to the invention (and any Intellectual Property Rights relating thereto, including any patent applications and patents relating to the invention) which is the subject of the Lipoxen Technologies patent application entitled "Reduction of Endotoxin in Polysialic Acids" with PCT application number: PCT/GB2008/050138 (the "Endotoxin Patent"), provided that Lipoxen Technologies hereby:-

2.5.1 grants to SIIL a perpetual, non-exclusive, royalty–free, world-wide licence (without the right to grant sub-licences) to use the Endotoxin Patent to manufacture PSA:-

2.5.1.1 for use in the development and exploitation of products in the Field by SIIL; and/or

2.5.1.2 for supply to Customers;

2.5.2 agrees that it shall not during the term of this Agreement or thereafter enforce the Endotoxin Patent against SIIL in the SIIL Territory in relation to any process used by SIIL to reduce the endotoxin content of a sample containing PSA and endotoxin where the PSA is a naturally occurring part of a product which has not been added to the product by conjugation, genetic engineering or otherwise for the purposes of achieving, directly or indirectly, any or all of the objectives of the PolyXen Technology.

2.6 Other than as set out in clauses 2.5 and 2.6 of this Agreement, all rights and remedies of the Parties arising under any breach of the Licence Agreement, the Supplemental Agreement and/or the DMA shall continue to be enforceable and none of the Parties hereby waives any such rights or remedies.

3. Surrender of Licences for Products other than PSA EPO , Grant of Shares and Nomination of a person on the Board of Lipoxen PLC

3.1 Pursuant to the Licence Agreement, the Letter and Amendments and Supplemental Agreement, SIIL was granted an exclusive licence from Lipoxen Technologies to use the Lipoxen Technology for the development and commercialisation of certain products.

3.2 For the avoidance of doubt, from the Effective Date SIIL has agreed to surrender all rights under the PolyXen Technology and the ImuXen Technology (as defined in the Licence Agreement) to and in relation to products, including those listed in Schedule 11 of this Agreement, other than rights under the PolyXen Technology relating to PSA EPO.

3.3 From the Effective Date:-

3.3.1 any and all rights of SIIL to use the PolyXen Technology, the PolyXen Patents and the PolyXen Know How, other than as set out in clause 4.1 of this Agreement, shall immediately cease; and

3.3.2 SIIL shall immediately cease any research, development, use, sale and/or supply of the products listed in Schedule 11 of this Agreement.

3.4 From the Effective Date, any and all rights of SIIL to use the ImuXen Technology, the ImuXen Patents and the ImuXen Know How (each as defined in the Licence Agreement) in relation to any and all products, anywhere in the world, shall immediately cease.

3.5 Lipoxen PLC and SIIL agree that they will each comply with their respective obligations set out in Schedule 7 of this Agreement relating to the grant of shares in Lipoxen PLC to SIIL.

3.6 Subject to the articles of association of Lipoxen PLC and any applicable law and/or regulation, Lipoxen PLC agrees that from the date upon which the Consideration Shares are issued and allotted to SIIL in accordance with paragraph 2 of Schedule 7 of this Agreement, for so long as SIIL holds on its own or along with its Affiliates at least six percent (6%) of the paid-up share capital of Lipoxen PLC, SIIL shall be entitled to nominate a non-executive Director to the Board of Directors of Lipoxen PLC who shall be suitable and capable of carrying out the role of a non-executive director of a UK listed company. In connection with the appointment SIIL acknowledges that the business and affairs of Lipoxen PLC shall be managed by its board of directions in accordance with all applicable laws and regulation and for the benefit of the shareholders of Lipoxen PLC as a whole and at all times independently of SIIL and its Affiliates.

3.7 Prior to the Allotment Date, SIIL agrees that it shall provide to Lipoxen Technologies any and all data and information in SIIL's possession and/or control relating to the

products listed in Schedule 11 of this Agreement, including any and all data generated by and/or on behalf of SIIL from pre-clinical studies (including in-vitro assays and tests, in-vivo animal studies and toxicity studies) and clinical trials.

3.8 SIIL warrants and undertakes that:-

3.8.1 Schedule 26 sets out a complete list of any and all Affiliates of SIIL as at the Effective Date;

3.8.2 as at the Allotment Date, SIIL is a body corporate with less than twenty (20) members which falls within the scope of Articles 49(2)(a)(ii) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and SIIL is acquiring the Subscription Shares and the Consideration Shares for investment only and not for resale or distribution; and

3.8.3 as at the Allotment Date, SIIL is not resident in the United States, Canada, Japan, the Republic of Ireland, the Republic of South Africa or Australia or in any other territory in which it is unlawful to subscribe for the Subscription Shares and/or the Consideration Shares and it will not after the Allotment Date offer, sell or deliver directly or indirectly any of the Subscription Shares and/or the Consideration Shares in the United States, Canada, Japan, the Republic of Ireland, the Republic of South Africa or Australia or to or for the benefit of any persons who are resident or to any person purchasing such shares for re-offer or sale or transfer in such jurisdictions otherwise than in accordance with relevant securities laws.

4. <u>PSA EPO - PolyXen Licence</u>

4.1 From the Effective Date and for the term of this Agreement, Lipoxen hereby grants to SIIL, subject to the provisions of this Agreement, an exclusive licence to use the PolyXen Patents and the PolyXen Know How in the SIIL Territory to research, develop, manufacture, have manufactured, use, sell, supply and otherwise exploit products in the Field.

4.2 The licence granted pursuant to clause 4.1 shall expire on a country by country basis on the later of the following dates:

4.2.1 the date upon which no Valid Claim of the PolyXen Patents exists in the country in question; or

4.2.2 ten (10) years from the date a Licensed Product was first put on the market in the country concerned;

and thereafter, on a country by country basis (if applicable) the PolyXen Licence shall be fully paid. For avoidance of doubt, once the PolyXen Licence is fully paid, SIIL shall be entitled to use the PolyXen Know How to manufacture, distribute and sell PSA EPO without making any additional payment to Lipoxen Technologies and/or Lipoxen PLC.

Sub-licensing

4.3 SIIL shall not be entitled to sub-licence, sub-contract and/or otherwise transfer its rights under the PolyXen Licence to any person.

No other licence

4.4 It is acknowledged and agreed that other than as set out in clause 14.17, no licence is granted by Lipoxen Technologies and/or Lipoxen PLC to SIIL other than the licence expressly granted by the provisions of this clause 4. Without prejudice to the generality of the foregoing, Lipoxen Technologies reserves all rights under the PolyXen Patents and the PolyXen Know How:-

4.4.1 outside of the Field in the SIIL Territory and Lipoxen Territory; and

4.4.2 in all fields outside the SIIL Territory.

Quality

4.5 SIIL shall ensure that all of the Licensed Products supplied by it are of satisfactory quality and comply with all applicable laws and regulations in each part of the SIIL Territory.

Transfer of the PolyXen Technology

4.6 Subject to clause 4.9, SIIL acknowledges that prior to the Effective Date Lipoxen Technologies has supplied SIIL with all PolyXen Know How existing at the Effective Date which is reasonably necessary to enable SIIL to exercise its rights under this Agreement.

Responsibility for development and exploitation of the PolyXen Technology

4.7 SIIL shall be exclusively responsible for the technical and commercial development and exploitation of the PolyXen Technology in the SIIL Territory in the Field and accordingly SIIL shall indemnify Lipoxen Technologies in the terms of clause 17.5.

PolyXen Improvements

4.8 Lipoxen Technologies shall grant to SIIL, during the term of the licence granted under clause 4.1 of this Agreement and subject to the terms of clause 4.3 of this Agreement, a non-exclusive licence in the SIIL Territory to use any PolyXen Improvements, including any Intellectual Property Rights Controlled by Lipoxen Technologies and Lipoxen PLC relating to the PolyXen Improvements, to research, develop, manufacture and sell products within the Field.

4.9 SIIL may, from time to time, but no more than once in each Calendar year during the term of this Agreement, ask Lipoxen Technologies to provide SIIL with a written report detailing any PolyXen Improvements made or acquired by Lipoxen Technologies during

the period since Lipoxen Technologies last sent a report pursuant to this clause. Each report shall contain sufficient details of the PolyXen Improvements to enable SIIL to understand the PolyXen Improvements.

Serum Territory

4.10 The Parties agree that if any country within the Serum Territory adopts a regulatory regime which is equivalent to the regimes of the FDA and/or EMEA, the relevant country shall automatically become a part of the Lipoxen Territory if:-

4.10.1 SIIL is not selling PSA EPO in the relevant country at the time of the adoption of the regulatory regime; or

4.10.2 if SIIL is at the time of the adoption of the regulatory regime selling PSA EPO in the relevant country but thereafter ceases selling PSA EPO in the relevant country as a result of the adoption of the FDA/EMEA style regime in the relevant country.

4.11 The Parties agree that a country shall not become part of the Lipoxen Territory pursuant to clause 4.10.2 until such time that SIIL is obliged to cease selling PSA EPO in the relevant country and the country shall remain part of the SIIL Territory for the duration of any transitional period during which SIIL is allowed to continue to sell PSA EPO in the relevant country despite the adoption of the FDA/EMEA style regime.

4.12 The Parties agree that if a country becomes part of the Lipoxen Territory pursuant to clause 4.10 they will promptly execute a confirmatory document recording the change to the definition of the Lipoxen Territory. For the avoidance of doubt, any delay to the execution of the confirmatory document shall not delay the effect of clause 4.10 which shall become effective pursuant to clause 4.10.1 as soon as the regime is adopted and pursuant to clause 4.10.2 on the date SIIL ceases selling PSA EPO in the relevant country.

5. Diligence and Development Programme for PSA EPO

Diligence Obligations

5.1 SIIL shall diligently proceed to develop and commercially exploit PSA EPO in the Field to the maximum extent in the SIIL Territory.

5.2 Without prejudice to the generality of SIIL's obligations under clause 5.1, SIIL shall use its best endeavours to meet the milestones set out in Schedule 12 at the times set out in Schedule 12.

5.3 Without prejudice to Lipoxen's rights pursuant to clauses 20.2 to 20.6, if any of the Milestones set out in Schedule 12 of this Agreement are delayed in relation to:-

5.3.1 Indication A by more than three months, and such delay is not a result of a force majeure event that falls within the scope of clause 22.1 of this Agreement, Lipoxen Technologies shall have the right to serve written notice on SIIL

requiring SIIL to remedy the delay within thirty (30) days. If SIIL does not remedy the delay within the thirty (30) day period Lipoxen Technologies shall be entitled by service of written notice on SIIL to change with immediate effect the PolyXen Licence in relation to Indication A from an exclusive to a non-exclusive licence and thereafter Lipoxen shall be entitled itself or to grant third parties the non-exclusive right to research, develop, manufacture, use, sell and/or supply PSA EPO for use in Indication A in the SIIL Territory; and/or

5.3.2 Indication B, Indication C, Indication D and/or Indication E by more than three months, and such delay is not a result of a force majeure event that falls within the scope of clause 22.1 of this Agreement, Lipoxen Technologies shall have the right to serve written notice on SIIL requiring SIIL to remedy the delay within thirty (30) days. If SIIL does not remedy the delay within the thirty (30) day period Lipoxen Technologies shall be entitled by service of written notice on SIIL terminating this Agreement in relation only to the indication to which the delay relates and the consequences set out in clause 21.1.3 to 21.1.6 shall apply in relation to the indication for which this Agreement has been terminated.

Manufacture of PSA EPO

5.4 SIIL shall at its own cost and expense, develop a manufacturing process and facility that enables SIIL to manufacture PSA EPO meeting the PSA EPO Specification on a commercial scale in accordance with GMP.

5.5 SIIL warrants that it shall at all times comply with all relevant laws regulations, codes of practice, principles and guidelines applicable in SIIL Territory to the manufacturing of PSA EPO, including but not limited to GMP and all relevant regulatory requirements relating to the manufacture of biological medicines. Prior to commencing any pre-clinical trials in relation to PSA EPO, SIIL shall provide evidence to Lipoxen Technologies that it has complied with this clause 5.5.

Clinical Trials - General

5.6 SIIL shall be responsible for conducting at its own cost all pre-clinical and clinical trials which are required to register or obtain marketing authorisations for Licensed Products in the SIIL Territory.

5.7 SIIL shall consult with Lipoxen Technologies in respect of the design of any protocols for clinical trials to be conducted in relation to any Licensed Products. SIIL shall comply with any reasonable proposals made by Lipoxen Technologies in relation to the design of such protocols.

5.8 SIIL shall promptly supply the Results to Lipoxen Technologies in writing. To the extent the Results are not owned by Lipoxen Technologies pursuant to clause 8.3, SIIL grants Lipoxen Technologies a royalty-free, perpetual, exclusive licence (with the right to grant sub-licences) to use the Results in the Lipoxen Territory for regulatory applications, filings and other regulatory purposes. The licence granted under this clause 5.8 shall not enable Lipoxen Technologies (or its sub-licensees) to manufacture Lipoxen Products using SIIL Background IP, which right is set out in clause 7.1 of this Agreement.

5.9 SIIL shall be responsible for:-

5.9.1 obtaining all registrations and approvals from regulatory authorities in the SIIL Territory required in relation to Licensed Products in the SIIL Territory;

5.9.2 complying with all laws and regulations that apply to the Licensed Products in the SIIL Territory; and

5.9.3 the manufacture of all Licensed Products under the GMP and GLP standards that apply in the countries in the SIIL Territory in which Licensed Products are to be sold.

Clinical Trials – the Development Programme

5.10 SIIL shall, at its own cost and expense, carry out *in vivo* testing, pre-clinical activities (including toxicity studies), Phase I clinical trials, Phase II clinical trials and the Phase III clinical trials in India in relation to PSA EPO in Indication A in accordance with the Timetable, the Development Programme and the PSA EPO Specification. SIIL shall carry out the Clinical Trials through a CRO subject to and in accordance with this clause 5. SIIL shall be responsible for all costs and expenses for conducting the Clinical Trials upto and including Phase III, including the costs and expenses of the CRO.

5.11 SIIL shall at its own cost and expense, at its premises, manufacture sufficient quantities of PSA EPO meeting the PSA EPO Specification for use in the Clinical Trials, at all times in accordance with the Timetable and the Development Programme.

5.12 Prior to commencing the Clinical Trials, SIIL shall demonstrate to the satisfaction of Lipoxen that it is able to manufacture samples of PSA EPO meeting the PSA EPO Specification in accordance with GMP

5.13 SIIL shall keep Lipoxen Technologies fully informed of all decisions it makes and all plans it has to conduct the Clinical Trials. SIIL shall:-

5.13.1 comply with all instructions provided by Lipoxen Technologies in relation to conduct of the Clinical Trials which are reasonably required to ensure that the Clinical Trials are conducted in accordance with all applicable US and European Union laws, regulations, codes of practice, principles and guidelines, including EMEA and FDA requirements, wherever applicable; and

5.13.2 ensure that the Appointed CRO designs and conducts the Clinical Trials in accordance with all applicable US and European Union laws, regulations, codes of practice, principles and guidelines, including EMEA and FDA requirements.

5.14 SIIL shall enter into a written agreement with the Appointed CRO which shall contain all the terms normally found in such an agreement and which shall:-

5.14.1 provide that all Intellectual Property Rights generated pursuant to the Clinical Trials shall be owned either by Lipoxen Technologies and/or SIIL in accordance with the terms of this Agreement;

5.14.2 enable SIIL to comply with its obligations under this Agreement;

5.14.3 be capable of assignment to Lipoxen Technologies, without the prior consent of the Appointed CRO, if this Agreement expires or is terminated by either Party.

5.15 SIIL undertakes to the best of its abilities that:-

5.15.1 the conduct of the Clinical Trials for PSA EPO shall at all times comply with all the advice and instructions received from Lipoxen Technologies;

5.15.2 all relevant data obtained from the Clinical Trials shall be made available to Lipoxen Technologies for the purposes of conducting further clinical trials and/or seeking marketing authorisations in the European Union and the US; and

5.15.3 it will not knowingly conduct, or permit the Appointed CRO to conduct, a Clinical Trial in a manner that is inconsistent with applicable US and European Union laws, regulations, codes of practice, principles and guidelines, including EMEA and FDA requirements.

5.16 SIIL shall procure that the Appointed CRO and any other third party engaged by SIIL in the course of the provision of Services shall be under obligations equivalent to those contained in clause 5.15, provided that the ultimate responsibility and liability for compliance under clause 5.15 shall remain with SIIL.

5.17 SIIL shall obtain Lipoxen Technologies prior written approval of any and all protocols to be used in the Clinical Trials and shall comply with all reasonable instructions of Lipoxen Technologies in relation to such protocols.

5.18 SIIL shall perform the Services:-

5.18.1 in accordance with the Development Programme stated in Schedule 1 of this Agreement ;

5.18.2 to the best of its ability in a professional manner consistent with industry standards;

5.18.3 in accordance with the standard of care customarily observed with regard to such services;

5.18.4 in a timely manner and in accordance with the Timetable;

5.18.5 in accordance with all reasonable instructions received from Lipoxen Technologies;

5.18.6 in compliance with all applicable laws, rules and regulations, including without limitation, where applicable, GMP, current good laboratory practices and GCP.

5.19 SIIL shall be responsible for all risks and liability arising from or in relation to the Clinical Trials and shall maintain appropriate insurance to cover any such liability. SIIL shall, if requested to do so by Lipoxen Technologies, provide evidence to Lipoxen Technologies that it has complied with the terms of this clause 5.19 and shall indemnify Lipoxen Technologies in accordance with clause 17.6.

6. Lipoxen Territory

6.1 It is the intention of the Parties that Lipoxen shall retain the right to research, develop and exploit PSA EPO in the Lipoxen Territories, and after termination of this Agreement, worldwide.

6.2 Lipoxen shall notify SIIL in writing if it or a Sub-licensee intends to commence marketing or selling Lipoxen Products in a country which falls with the scope of part (b) of the definition of the Lipoxen Territory.

6.3 Lipoxen PLC and Lipoxen Technologies shall keep SIIL fully informed on all material developments relating to the exploitation of PSA EPO in the Lipoxen Territories and shall promptly provide a copy to SIIL of any written agreement entered into between Lipoxen entity and a Sub-licensee relating to PSA EPO. Lipoxen shall be entitled to redact any provisions which are not relevant to the scope and nature of the sub-licence from the relevant licence agreement prior to providing it to SIIL.

6.4 Lipoxen Technologies shall ensure that any agreement it enters into with a Sub-licensee shall prohibit the Sub-licensee on its own or through its Affiliates from:-

6.4.1 actively selling Lipoxen Products in the SIIL Territory; and

6.4.2 using the SIIL Background IP for manufacture of any products other than conjugates of PSA and EPO.

6.5 Subject to clause 6.6, Lipoxen Technologies shall be responsible, at its entire discretion, for all research, development and exploitation of PSA EPO in the Lipoxen Territory including, without limitation:-

6.5.1 any and all applications for marketing authorisations to be made to the regulatory authorities, including EMEA and FDA and obtaining all registrations and approvals from regulatory authorities in the Lipoxen Territory required to sell PSA EPO in the Lipoxen Territory;

6.5.2 other than as set out in clause 5, all pre-clinical and clinical trials required to obtain the registrations and approvals referred to in clause 6.5.1;

6.5.3 subject to clause 6.6, any and all exploitation of PSA EPO in the Lipoxen Territory including, without limitation, negotiations with third parties and the determination of licensing arrangements with third parties for exploitation of PSA EPO in the Lipoxen Territories;

6.5.4 complying with all laws and regulations that apply to PSA EPO in the Lipoxen Territory;

6.5.5 unless PSA EPO was supplied by SIIL, all product liability and insurance relating to PSA EPO supplied in the Lipoxen Territory.

6.6 Lipoxen Technologies hereby agrees to use reasonable commercial efforts to bring in commercial deals which help exploitation of a Successful PSA EPO Product in the Lipoxen Territory within a period of one year from Completion. If Lipoxen Technologies is not able to conclude a commercial deal in relation to a Successful PSA EPO Product within a period of one year from Completion, then SIIL shall have right to start commercial negotiations with third parties for the exploitation of that Successful PSA EPO Product in the Lipoxen Territory. SIIL will not be able to be able to conclude a deal with the third party without the authority of Lipoxen Technologies and SIIL's involvement in the negotiations will not change the revenue sharing provisions in relation to the Successful PSA EPO Product that are set out in clause 9.4 of this Agreement

6.7 If requested to do so by SIIL, Lipoxen Technologies agrees to enter into good faith negotiations with SIIL regarding the acquisition by SIIL of rights to market PSA EPO in the Lipoxen Territory.

6.8 For the avoidance of doubt, nothing in this Agreement shall prevent SIIL from manufacturing and distributing in the Lipoxen Territory any products that do not incorporate or make use of any of the Lipoxen Technology.

PSA EPO World Wide Rights

6.9 SIIL acknowledges that Lipoxen shall be entitled to negotiate with third parties the right to exploit PSA EPO in all countries of the world except the SIIL Territory. If Lipoxen Technologies wishes to grant a license to a third party for countries forming part of the SIIL Territory then Lipoxen Technologies shall be entitled to negotiate such a license with the prior, written approval of SIIL, which approval shall not be unreasonbly withheld or delayed. In such a case both Lipoxen Technologies and SIIL will discuss the nature of license and the countries which Lipoxen Technologies wishes to licence to such third party as the territory of the third party. Any such discussions may include a consideration of the grant of a non-exclusive license in some countries of SIIL Territory where SIIL has an existing presence. Lipoxen shall immediately notify SIIL in writing if it grants third party rights to PSA EPO in the SIIL Territory and provide a copy to SIIL of the agreement with the third party (the "Third Party Agreement").

6.10 SIIL agrees that with effect from the commencement date of the Third Party Agreement:-

6.10.1 the SIIL Territory shall be amended pursuant to the agreement entered with the relevant third party;

6.10.2 the revenue sharing provisions set out in clause 9.7 of this Agreement shall apply; and

6.10.3 the provisions of clause 21.1.3 and 21.1.6 shall apply to those countries which are no longer within the SIIL Territory.

First Clinical Trial in Lipoxen Territory

6.11 SIIL has agreed to support the Lipoxen Trials as set out in clauses 6.12 to 6.13 of this Agreement.

6.12 SIIL shall promptly do all acts and provide all information and documents in SIIL's possession and/or control which are reasonably required by Lipoxen and/or its Sub-licensee in order for Lipoxen and/or its Sub-licensee (or a contract research organisation appointed by Lipoxen or its Sub-licensee) to prepare, submit and gain approval of any CMC Dossier required by a relevant regulatory authority for commencement of a Lipoxen Trial.

6.13 SIIL shall, as and when requested to do so by Lipoxen Technologies after the Effective Date, provide advice to Lipoxen Technologies in relation to the preparation for and execution of the Lipoxen Trials, including advice in relation to the preparation and filing of the technical information required by the relevant regulatory authority in order to commence the Lipoxen Trials. SIIL shall, if possible, procure that the advice provided to Lipoxen pursuant to this clause 6.13 is provided by Dr Sajjad Desai, Assistant Medical Director of SIIL.

7. Licence of SIIL Background IP

7.1 SIIL grants to Lipoxen Technologies, subject to clause 9.4 and 9.16, an exclusive, irrevocable, licence (with the right to grant sub-licences) to use the SIIL Background IP and the SIIL Foreground IP in the Lipoxen Territory, for the research, development, manufacture, use, sale, supply and other exploitation of conjugates of PSA and EPO.

7.2 The SIIL Licence shall expire on a country by country basis on the later of the following dates:-

7.2.1 the date upon which no Valid Claim exists within the SIIL Background IP and/or SIIL Foreground; and

7.2.2 ten (10) years from the first commercial sale of a Lipoxen Product in the Lipoxen Territory;

and thereafter, on a country by country basis (if applicable) the licence shall be fully paid. For avoidance of doubt, once the licence granted under clause 7.1 is fully paid, Lipoxen Technologies shall be entitled to use and sub-licence the SIIL Background IP and the SIIL Foreground without making any additional payment to SIIL.

7.3 The SIIL Licence shall, for the avoidance of doubt, include the right to use any techniques, assays and cell lines used by SIIL in the development and/or manufacture of PSA EPO and components of PSA EPO, including, subject to clause 19.8, the Serum Cell Line.

7.4 SIIL acknowledges that as at the Effective Date, SIIL has not carried out a transfer of technology which would enable Lipoxen to fully exploit the SIIL Licence and that Lipoxen does not have physical possession of the Serum Cell Line. From time to time in the circumstances set out in clause 14.15 of this Agreement and/or on expiry or termination of this Agreement, at Lipoxen's request, SIIL will immediately disclose and/or transfer to Lipoxen, its Sub-licensee and/or an appointed representative of Lipoxen or its Sub-licensee (which representative shall be suitably skilled in the manufacture of pharmaceuticals), in accordance with the terms of clause 19, all information, know how and materials (including samples of the cell lines referred to in clause 7.3) that are reasonably required solely to enable Lipoxen and/or its Sub-licensee to manufacture, store and handle Serum EPO and/or PSA EPO, to exploit the SIIL Licence and to exploit its rights to Joint Foreground under clause 8.7.

7.5 SIIL shall notify Lipoxen in writing of any and all components, including any raw materials used in manufacture, of PSA EPO that are supplied to SIIL by a third party supplier. The notice shall include details of the components, details of the third party supplier and details of the terms upon which the components are supplied to SIIL. SIIL shall at the written request of Lipoxen use its reasonable endeavours to secure a supply arrangement on reasonable commercial terms between Lipoxen and/or its Sub-licensee and the third party supplier used by SIIL in relation to any such components.

7.6 SIIL shall notify Lipoxen Technologies in writing of any SIIL Background IP that is licensed to SIIL and shall, if requested to do so by Lipoxen Technologies, provide a copy of the relevant licence agreement to Lipoxen Technologies and/or its Sub-licensees, provided that SIIL shall be entitled to redact any provisions which are not relevant to the scope and nature of the licence from the relevant licence agreement prior to providing it to Lipoxen.

7.7 For the avoidance of doubt, Lipoxen acknowledges that:-

7.7.1 neither it nor its Sub-licensees shall be entitled to sell or supply EPO which has not been conjugated to PSA and which has been made using the Serum Cell Line; and

7.7.2 if Lipoxen grants any sub-licence of the rights granted to it under clause 7.1 of this Agreement to a Sub-licensee, the agreement between Lipoxen and its Sub-licensee shall provide that any such sub-licence shall terminate on expiry or termination of the relevant Sub-licensee's right to use the PolyXen Technology.

8. Foreground

8.1 Any and all Foreground that relates specifically to the Serum Cell Line and/or Serum EPO shall belong to SIIL.

8.2 Any and all trade marks, brand names, labels, literature, product inserts or get-ups created by SIIL for use in relation to Licensed Products shall belong to SIIL provided that SIIL shall not anywhere in the world use the trade mark EREPOXEN or any trade mark which is confusingly similar to it.

8.3 Any and all Foreground that relates specifically to the Lipoxen Technology shall belong to Lipoxen Technologies. Any and all trade marks, brand names, labels, literature, product inserts or get-ups created by Lipoxen for use in relation to Lipoxen Products, including the brand name EREPOXEN, shall belong to Lipoxen Technologies.

8.4 Any Foreground that is not owned by either Party pursuant to clauses 8.1 to 8.3, including any Foreground which relates exclusively to the conjugation of PSA and EPO and which relates exclusively to the PSA EPO conjugate, shall be owned jointly by the Parties. Subject to clause 8.5, the Parties shall collaborate to agree the appropriate method for the protection, development and exploitation of the Joint Foreground. For the avoidance of doubt, if any Foreground relates to the PolyXen Technology and can be used in relation to PSA EPO but also has general applicability to molecules other than EPO, it shall be owned by Lipoxen pursuant to clause 8.3 above.

8.5 Lipoxen Technologies shall have sole conduct and control of any and all patent applications made in respect of the Joint Foreground which shall be filed in the joint names of Lipoxen Technologies and SIIL. It shall submit to SIIL a draft for its perusal at least sixty (60) days (or such shorter period as is necessary in Lipoxen's reasonable opinion to enable Lipoxen Technologies to protect the relevant invention) before filing the same with the relevant patent authorities. The cost of any such patent applications (and the cost of maintaining any patents granted in respect thereof) shall be:-

8.5.1 borne by Lipoxen Technologies in relation to patents and patent applications in the Lipoxen Territory; and

8.5.2 shared equally by the parties in relation to patents and patent applications in the SIIL Territory.

8.6 Lipoxen Technologies shall consult regularly with SIIL in relation to the patents and patent applications referred to in clause 8.5 and shall comply with all reasonable suggestions made by SIIL in relation to the prosecution of such patent applications. SIIL shall provide Lipoxen Technologies with all assistance reasonably required by it in relation to the prosecution and maintenance of the patents and patent applications referred to in clause 8.5.

8.7 For the avoidance of doubt, the parties agree that Lipoxen Technologies shall have the royalty free right to use and exploit (which shall include the right to grant licences to third parties without the consent of SIIL) the Joint Foreground in the Lipoxen Territory and, after termination or expiry of the Agreement, worldwide.

8.8 For the avoidance of doubt, the parties agree that for the term of this Agreement, subject to clause 8.9, SIIL shall have the royalty free right to use and exploit the Joint Foreground in the SIIL Territory to the extent such use and exploitation is required to enable SIIL to exploit the PolyXen Licence and the licence granted to SIIL under clause 14.17 of this Agreement, but SIIL agrees that it shall not be able to grant third parties the right to use or exploit (by licence of otherwise) the Joint Foreground in any country of the world without the prior written consent of Lipoxen.

8.9 The parties agree that SIIL shall have a non-exclusive, perpetual, royalty free right in the SIIL Territory to use the Joint Foreground in relation to any process used by SIIL to manufacture products containing PSA where the PSA is a naturally occurring part of the product which has not been added to the product by conjugation, genetic engineering or otherwise for the purposes of achieving, directly or indirectly, any or all of the objectives of the PolyXen Technology.

9. Royalties

SIIL Royalties to Lipoxen

9.1 SIIL shall payto Lipoxen PLC aroyalty being a percentage of the Net Sales Value of all Licensed Products sold and/or supplied by SIIL. The percentage shall be as follows:

9.1.1 in relation to Licensed Products sold and/or supplied in India:-

9.1.1.1 [***] in the case of Licensed Products which are supplied to Governments or which are supplied pursuant to Tender Business; and

9.1.1.2 [***] in the case of any other Licensed Products; and

9.1.2 in relation to Licensed Products sold and /or supplied in any country in the SIIL Territory other than India:-

9.1.2.1 [***] in the case of Licensed Products which are supplied to Governments or which are supplied pursuant to Tender Business; and

9.1.2.2 [***] in the case of any other Licensed Products

9.2 SIIL shall provide Lipoxen PLC within 30 days of the end of each Quarter with a royalty statement for that Quarter which has been certified by SIIL's statutory auditor and which contains the information set out in Schedule 13.

9.3 SIIL shall pay the royalties due under this Agreement in respect of Licensed Products sold and/or supplied in any Quarter to Lipoxen PLC within 30 days of the end of such Quarter. Upon receipt of such royalties, Lipoxen PLC shall issue to SIIL a receipted invoice.

9.4 Subject to clause 9.5, Lipoxen Technologies shall during the term of the SIIL Licence pay to SIIL a royalty being:-

9.4.1 in relation to Lipoxen Products sold and/or supplied by Lipoxen (or an Affiliate), a percentage of the Net Sales Value of all Lipoxen Products sold and/or supplied directly by Lipoxen (or an Affiliate) where the percentage shall be as follows:

9.4.1.1 [***] in the case of Lipoxen Products which are supplied by Lipoxen to Governments or which are supplied pursuant to Tender Business; and

9.4.1.2 [***] in the case of any other Lipoxen Products supplied by Lipoxen; and

9.4.2 [***] of all Net Revenues.

9.5 Lipoxen shall be entitled to deduct from sums due to SIIL pursuant to clause 9.4 the Deductible Lipoxen Trail Costs prior to accounting to SIIL for the royalties set out in clause 9.4. Lipoxen shall if requested to do so provide a statement to SIIL setting out the Deductible Lipoxen Trial Costs.

9.6 Sums issued by the Statutory Auditors of Lipoxen and/or its Affiliates.

9.7 The parties agree that any Net Revenues received by Lipoxen PLC and Technologies pursuant to the Third Party Agreement shall be shared between the parties in accordance with the terms of Schedule 22 of this Agreement.

SIIL's Option to Capitalise its Rights

9.8 The parties agree that at any time after the commencement by Lipoxen PLC and/or Lipoxen Technologies of a Phase IIa clinical trial in relation to a Lipoxen Product but before the commencement of a Phase IIb clinical trial by Lipoxen Technologies and/or Lipoxen PLC relating to a Lipoxen Product (the "Option Period"), SIIL shall be entitled to serve written notice on Lipoxen Technologies requiring Lipoxen PLC to capitalise SIIL's rights under clause 9.4 in accordance with the provisions set out in clauses 9.9 to 9.14 below. Lipoxen shall keep SIIL fully informed in respect of the status of the clinical trials referred to in this clause 9.8 so that SIIL has sufficient time to exercise its option of capitalisation as envisaged herein. Commencement of a clinical trial for this purpose shall mean the actual administration of the PSA EPO doses to humans admitted to the relevant clinical trial.

9.9 Any notice served by SIIL pursuant to clause 9.8 (the "Option Notice") must be received by Lipoxen PLC during the Option Period. If Lipoxen does not receive a notice from SIIL during the Option Period then SIIL's right under clause 9.8 shall expire.

9.10 If within ninety (90) days of receipt of the Option Notice Lipoxen enters into a licence agreement with a Sub-licensee in relation to all of the Lipoxen Territory, SIIL's rights under clause 9.8 shall expire and no further action shall be taken by either party pursuant to clauses 9.12 to 9.15 below and in such case clause 9.4.2 shall be applied for sharing of Net Revenues. If Lipoxen does not enter into a licence agreement with a Sub-licensee in the ninety day period, the parties agree that the procedure set out in clauses 9.11 to 9.15 shall apply.

9.11 The parties shall be entitled to appoint an expert in accordance with the procedure set out in Schedule 21 of this Agreement, the cost of which shall be borne entirely by SIIL, to determine the hypothetical value that would have been achieved by Lipoxen if, on the date the expert issues his opinion, Lipoxen had granted a third party an exclusive licence in the entire Lipoxen Territory of Lipoxen's rights in relation to PSA EPO. The expert appointed pursuant to this clause 9.11 shall be required to assess the value of the exclusive licence based on market practice and in terms of, and by apportioning the hypothetical consideration due to Lipoxen between, up-front licence fees to be paid on signature of the hypothetical licence agreement and milestones payable on the achievement of clinical development and regulatory approval of Lipoxen Products (the "Hypothetical Licence Fee"). The parties agree that for the purposes of this clause 9.11, the expert shall not be entitled to attribute any value to, and shall ignore for the purposes of determining the Hypothetical Licence Fee:-

9.11.1 any hypothetical consideration that might be due to Lipoxen after regulatory approval of a Lipoxen Product, for example milestones due on the achievement of any commercial milestones such as first sale of a Lipoxen Product; and

9.11.2 any hypothetical royalties that might become due to Lipoxen on sale of Lipoxen Products by the hypothetical sub-licensee.

9.12 The parties agree that [***] of the Hypothetical Licence Fee (the "Capitalisation Payment") shall become due and payable to SIIL as set out in clauses 9.12, 9.13 and 9.16 of this Agreement. The Capitalisation Payment shall be split on a pro rata basis into instalments which reflect the value of the up-front licence fee and the milestones determined by the Expert pursuant to clause 9.11 of this Agreement as a percentage of the Hypothetical Licence Fee and shall become payable:- (a) in the case of a hypothetical up-front fee, within thirty days of the date of the expert's determination and, (b) in the case of a hypothetical milestone payment, on the occurrence of the milestone to which the pro rated instalment relates, or as set out in clause 9.16. The following example illustrates the operation of this clause 9.12 but should in no way be used by the Expert as indicative of the hypothetical fees and milestones which would be due to SIIL and/or the quantum of such fees and milestones.

Example

9.12.1 [***]

9.13 The parties acknowledge that any sum/instalment which becomes due and payable to SIIL pursuant to clause 9.12:-

9.13.1 shall be subject to a right of Lipoxen to deduct from the sum any Deductible Lipoxen Trial Costs which have not previously been set off against any previous instalment paid to SIIL;

9.13.2 shall only become due and payable if the milestone to which the payment relates occurs;

9.13.3 shall be in full and final settlement of SIIL's right to receive a royalty pursuant to clause 9.4.2 of this Agreement in respect of any and all Net Revenues subsequently received by Lipoxen, other than Net Royalty Revenue, in relation to which SIIL's right to receive a royalty shall be as set out in clause 9.14.2;

9.13.4 shall, where the valuation was triggered pursuant to clause 19.6 of this Agreement, only be payable on completion of the technology transfer which triggered the valuation to Lipoxen and/or the relevant Customer, as completion is defined in clause 19.4. of this Agreement;

9.13.5 shall be payable in instalments over the twelve month period following the due date of the sum at intervals to be agreed by the Parties;

9.13.6 if not paid by LipoxenPLC on the due date of the sum, shall be subject to simple interest calculated monthly in arrears at the London Inter Bank Offer Rate published by Barclays Bank PLC on the date the monthly interest is calculated;

9.13.7 shall in relation to each instalment, be subject to a right of Lipoxen in its entire discretion to elect to convert up to twenty five per cent (25%) of the sum due into new ordinary shares of Lipoxen PLC at the then existing "Average Market Price" of Lipoxen PLC on the stock exchange in United Kingdom. "Average Market Price" for the purposes of this clause 9.13.7 would mean the weighted average price of Lipoxen PLC shares in the thirty (30) day period preceding the date on which the relevant instalment was due to SIIL, which price shall be duly certified I by the then existing Lipoxen PLC's NQMAJD. The shares shall be subject to any lock-in period, if any, to be determined by Lipoxen PLC's NOMAD at the time | based on the regulations in force at that time.

9.14 The parties agree that, with effect from the date of the expert's determination pursuant to clause 9.11:

9.14.1 the royalty rates set out in clause 9.4.1.1 and 9.4.1.2 shall in each case be reduced to [***] and 9.14.2 clause 9.4.2 shall be deleted from this Agreement and replaced with the words: [***]

9.15 The parties acknowledge that the procedure set out in clause 9.11 to 9.14 can only ever be exercised and/or triggered once and that SIIL shall in no event be entitled to a payment more than once pursuant to clause 9.12.

9.16 The parties agree that, following a determination by the expert in accordance with clause 9.11, if Lipoxen thereafter successfully completes a phase II clinical trial in relation to a Lipoxen Product, Lipoxen shall use “Diligent and Reasonable Efforts” to:-
(a) commence a phase III clinical trial in relation to the Lipoxen Product; or (b) out-licence its rights in relation to the Lipoxen Product to a third party. If at any time after expiry of the eighteen month period following completion of a successful phase II clinical trial in relation to a Lipoxen Product, SIIL can prove that Lipoxen has not fulfilled its obligation to use Diligent and Reasonable Efforts to achieve the objective described in this clause 9.16, SIIL’s only remedy under this clause 9.16 shall be, by service of thirty days (30) notice in writing to Lipoxen, to terminate the licence granted to Lipoxen under clause 7.1. In the event to termination of by Serum of the licence under clause 7.1:-

9.16.1 SIIL will not be obliged to repay to Lipoxen any share of the Capitalisation Payment received by SIIL prior to the date of termination; and

9.16.2 termination of the licence shall not affect any other provisions of this Agreement which shall continue to have full force and effect.

For the purposes of this clause 9.16:-

9.16.3 successful completion of a phase II clinical trial shall mean generation and receipt by Lipoxen of data from a phase II clinical trial conducted by or on behalf of Lipoxen in relation to a Lipoxen Product which would support the commencement of an EMEA or FDA regulated phase III clinical trial in relation to the Lipoxen Product without any objections being raised by the relevant regulatory authority; and

9.16.4 "Diligent and Reasonable Efforts" shall mean exerting such effort and employing such resources as would normally be exerted or employed by a reasonable third party for a product of similar market potential at a similar state of its product life, taking into account the competitiveness of the relevant marketplace, the proprietary and development positions of third parties, the regulatory structure involved, and the profitability of the product, when utilising sound and reasonable scientific, business and medical practice and judgment in order to develop a product in a timely manner and maximise the economic return to the parties form its commercialization.

10. <u>Records and Inspections</u>

10.1 During the term of this Agreement and for a period of three years thereafter, SIIL shall keep at its normal place of business detailed and up to date records and accounts showing:- (a) the quantity, description and value of Licensed Products and Supply Products supplied by SIIL in each country, and (b) all sums paid to Lipoxen by SIIL, and to SIIL by a Customer, in each case during the previous three years. SIIL shall ensure that such records and accounts are sufficient to ascertain the royalties and other sums due under this Agreement.

10.2 SIIL shall make its records and accounts available, on reasonable notice, for inspection during business hours by an independent chartered accountant nominated by Lipoxen and reasonably acceptable to SIIL for the purpose of verifying the accuracy of any statement or report given by SIIL to Lipoxen under this Agreement and SIIL's compliance with the terms of this Agreement. The accountant shall be required to keep confidential all information learnt during any such inspection, and to disclose to Lipoxen only such details as may be necessary to report on the accuracy of SIIL's statement or report and/or SIIL's compliance with the terms of this Agreement, a copy of which shall be given to SIIL. Lipoxen shall be responsible for the accountant's charges unless the accountant certifies that there is an inaccuracy of more than 5 per cent in any royalty statement or other payment, in which case SIIL shall pay his charges in respect of that inspection.

10.3 SIIL shall on reasonable notice, of at least one week (or shorted if required for regulatory purposes) grant to a representative of Lipoxen Technologies access to SIIL's premises where any Supply Products (or materials for Supply Products) are made, tested, inspected, labelled, packaged or stored and shall provide such information and explanations as that representative shall require to verify SIIL's compliance with the terms of this Agreement. Any such inspections shall be for the purpose of auditing and this shall not relieve SIIL of any responsibility or liability.

10.4 During the term of this Agreement and for a period of three years thereafter, Lipoxen Technologies shall keep at its normal place of business detailed and up to date records and accounts showing the quantity, description and value of Lipoxen Products supplied by Lipoxen Technologies in each country during the previous three years. Lipoxen Technologies shall ensure that such records and accounts are sufficient to ascertain the royalties and other sums due under this Agreement.

10.5 Lipoxen Technologies shall make its records and accounts available, on reasonable notice, for inspection during business hours by an independent chartered accountant nominated by SIIL and reasonably acceptable to Lipoxen Technologies for the purpose of verifying the accuracy of any statement or report given by Lipoxen to SIIL under this Agreement and any payments made by Lipoxen under clause 9.4 of this Agreement. The accountant shall be required to keep confidential all information learnt during any such inspection, and to disclose to SIIL only such details as may be necessary to report on the accuracy of Lipoxen's statement or report and/or payments made under clause 9.4 of this Agreement. SIIL shall be responsible for the accountant's charges unless the accountant certifies that there is an inaccuracy of more than 5 per cent in any royalty statement or other payment, in which case Lipoxen Technologies shall pay his charges in respect of that inspection.

10.6 If any inspection of records demonstrates a shortfall in sums due to a Party compared to sums actually paid to a Party, the payer shall immediately pay the shortfall to the payee.

11. <u>Reporting</u>

Reporting - General

11.1 During the term of this Agreement and on expiry or termination, SIIL shall provide Lipoxen with a written report (which may be sent by email) from time to time setting out the results of all research and development carried out by SIIL using the Licensed Rights.

11.2 During the term of this Agreement, SIIL shall provide to Lipoxen Technologies an annual written development plan, showing all past, current and projected activities taken or to be taken by SIIL to bring Licensed Products to market and to maximise the sale of Licensed Products in the SIIL Territory. Lipoxen Technologies receipt or approval of any such plan shall not be taken to waive or qualify SIIL's obligations under clauses 5.1 and 5.2.

11.3 SIIL shall immediately notify Lipoxen Technologies by telephone, confirmed by fax or email, if it becomes aware of any problems that are likely to significantly delay the achievement of the milestones set out in Schedule 12.

11.4 Each of the parties shall, from time to time, but no more than once every six months during the term of this Agreement, be entitled to request that the other party provides to it a written report detailing any Foreground and/or PSA Foreground made or acquired by the other party during the period since other party last sent a report pursuant to this clause. Each report shall contain sufficient details of the Foreground and/or the PSA Foreground to enable the other party to:- (a) understand it; and (b) to the extent a party has ownership rights to it or a right to a licence under this Agreement in relation to it, to implement it.

Reporting – Clinical Trials

11.5 SIIL shall and shall procure that the Appointed CRO shall, during the term of this Agreement:-

11.5.1 keep detailed written records of its progress with the Services and, at the request of Lipoxen Technologies, promptly provide Lipoxen Technologies with access to and/or copies of such records;

11.5.2 supply to Lipoxen Technologies on a regular basis (and no less than once each Quarter) with an interim report describing the progress of the Services including, without limitation, details of all material Foreground which has been made or which has come to its attention and containing recommendations regarding the future progress of the Services;

11.5.3 notwithstanding clause 11.5.2 above, keep Lipoxen Technologies fully informed of the progress of the Services and of all arising Foreground;

11.5.4 immediately notify Lipoxen Technologies in writing if there is an unexpected technical or scientific problem which makes it impossible to achieve or is likely to cause a material delay to the Services, including any adverse events arising pursuant to the Clinical Trials.

11.6 SIIL has prior to the Effective Date provided to Lipoxen Technologies a set of the information described in Schedule 14 of this Agreement. SIIL agrees that SIIL will promptly provide to Lipoxen Technologies in writing details of any updates to the information described in Schedule 14 so that Lipoxen Technologies at all times possesses the relevant information in its most up to date form.

11.7 SIIL will allow, and/or will procure that the Appointed CRO will allow, Lipoxen Technologies and/or its employees to:-

11.7.1 visit SIIL's facilities and/or the Appointed CRO's facilities; and

11.7.2 to review SIIL's and/or the Appointed CRO's records at reasonable times and with reasonable frequency during normal business hours to:-

11.7.2.1 verify compliance by SIIL and/or the Appointed CRO with clauses 5.11, 5.13 and 5.15; and/or

11.7.2.2 observe the progress of the Services.

11.8 SIIL shall procure that the Appointed CRO shall update Lipoxen on the progress of the Clinical Trials on a monthly basis via a telephone conference call with Lipoxen. SIIL shall be notified of the time of the call and will be entitled to appoint a representative to participate on the call.

12. Patent Notifications

Except as otherwise instructed by Lipoxen Technologies from time to time, SIIL shall procure that the following notice is included on each Licensed Product and in any information leaflet supplied with each Licensed Product in a reasonably clear, readable and conspicuous manner:

> "This product has been formulated using technology licensed from Lipoxen Technologies and is protected by the following patents [insert the registration numbers of the relevant Lipoxen Patents covering the country of sale]."

13. Infringement of the Lipoxen Patents

13.1 Each of the Parties shall promptly notify the other with such details as it has in its possession of all Infringements as and when it becomes aware of an Infringement.

13.2 Lipoxen Technologies may in its sole discretion and at its own cost have the right to take action to prevent Infringements, including but not limited to conducting infringement proceedings in its own name.

13.3 SIIL shall provide Lipoxen Technologies with such assistance as Lipoxen may reasonably request in connection with any proceedings referred to in clause 13.2. Lipoxen Technologies shall pay SIIL's reasonable out-of-pocket expenses properly incurred in providing the requested assistance.

13.4 If Lipoxen decides not to initiate or prosecute proceedings against any Infringer then SIIL may at its sole discretion and at its own cost and expense take proceedings (or continue any existing proceedings commenced by the Lipoxen Technologies) against such Infringer.

14. SIIL Supply Obligations

14.1 SIIL agrees to supply the Supply Products to Customers in accordance with the terms of this Agreement.

14.2 SIIL acknowledges that its right to supply the Supply Products to Customers is non-exclusive and that:-

14.2.1 in accordance with the scope of the licence set out in clause 14.21, Lipoxen and/or Customers may manufacture themselves, and/or appoint a third party to manufacture and supply, PSA;.

14.2.2 in accordance with the scope of the SIIL Licence and subject to the restrictions in clause 7, Lipoxen and/or Customers may manufacture themselves and/or appoint a third party to manufacture and supply to them, EPO for conjugation to PSA; and/or

14.2.3 Lipoxen and/or Customers may carry out the manufacture of PSA EPO from PSA and EPO, or appoint a third party to do so on their behalf.

14.3 SIIL shall only be entitled to supply:-

14.3.1 PSA to Lipoxen Technologies and/or to third parties that have entered into agreements with Lipoxen Technologies granting such third parties rights to use the PolyXen Technology;

14.3.2 PSA EPO in the Lipoxen Territories to Lipoxen Technologies and/or to third parties that have entered into agreements with Lipoxen Technologies granting such third parties rights to use the PolyXen Technology in relation to PSA EPO.

14.4 In response to Orders, SIIL shall manufacture and supply to Customers, Supply Products:-

14.4.1 in accordance with the terms of this Agreement;

14.4.2 in accordance with the relevant Product Specification relating to the relevant Supply Product;

14.4.3 in accordance with FDA and all other applicable codes of practice, guidelines, standards, regulations and anything of similar effect, in each case relating to the Supply Product, including GMP;

14.4.4 subject to clause 14.5, in accordance with the reasonable requirements of Customers and any additional supply and quality terms agreed between SIIL and a Customer.

14.5 If Customers make a material change to the relevant Product Specification, SIIL shall only be obliged to use its best endeavours to customise the Supply Product to meet those requirements and thereafter supply the modified Supply Products on the same terms (except as to price in relation to which see paragraph 12 of Schedule 23). Lipoxen Technologies shall provide to SIIL any and all know-how in Lipoxen Technologies possession and/or control which is reasonably required by SIIL to manufacture variations to the Product Specifications. SIIL shall not be liable for failure to supply Supply

Products in cases where there has been a material change to the Product Specification and, using its best endeavours, SIIL could not have been expected to produce the modified Supply Product in accordance with the terms of this Agreement.

14.6 The parties agree that the Supply Products shall be supplied by SIIL in accordance with the terms set out in Schedule 23 of this Agreement and other terms contained in the agreements to be entered with Customers and Sub-licensees.

Supply of Supply Products to Lipoxen

14.7 SIIL agrees that for each new partner with which Lipoxen Technologies commences an evaluation of the PolyXen Technology and/or for each new product for which Lipoxen Technologies commences an evaluation of the PolyXen Technology (whether on its own behalf or with a new or existing partner), notwithstanding the provisions of paragraph 11 of Schedule 23 and the prices specified in Schedule 15, SIIL shall in response to Orders from Lipoxen Technologies be obligated to provide free of charge to Lipoxen at Lipoxen Technologies option:

14.7.1 [***] grams of [***] ; or

14.7.2 [***] grams of [***] or [***].

14.8 The Supply Products supplied by SIIL to Lipoxen pursuant to this Agreement shall be delivered by SILL in accordance with the terms of Schedule 23.

Nature of Supply Arrangements

14.9 As stated in clause 14.2 above, the parties acknowledge that the supply arrangements set out in this Agreement are non-exclusive in nature. Lipoxen Technologies shall use its reasonable endeavours to promote SIIL as a supplier of PSA to Customers but such Customers shall not be obliged to purchase their requirements of PSA from SIIL.

14.10 Lipoxen does not guarantee that Customers will place Orders with SIIL or that Customers will place orders to any particular value.

14.11 Each Order shall be subject to the terms and conditions of this Agreement (including the terms in Schedule 23) and in relation to each Customer, the terms and conditions in any other agreements between SIIL and that Customer.

14.12 If a Customer wishes to purchase a Supply Product direct from SIIL rather than placing Orders through Lipoxen Technologies, SIIL agrees to enter into supply agreements with such Customers on terms which are no less favourable than those set out in this Agreement, with the exception of the terms relating to price set out in paragraph 11 of Schedule 23 and Schedule 15, which each Customer (other than Lipoxen Technologies) will need to agree with SIIL on a case by case basis.

14.13 If SIIL enters into any agreement with a Customer this shall not create any obligation or liability for Lipoxen, nor shall it detract from the rights of Lipoxen under this Agreement. All agreements with Customers shall be separate agreements and shall not render any Customer responsible for the acts and omissions of other Customers nor shall a breach of or a termination by one Customer affect agreements between SIIL and other Customers. Notwithstanding the above, SIIL shall have an obligation to Lipoxen to enter into and to comply with the terms of agreements between SIIL and Customers.

14.14 SIIL shall not supply Supply Products to third parties who are not Customers save to the extent that SIIL is expressly licensed to do so under a separate agreement.

EPO and PSA EPO Technology Transfer

14.15 SIIL acknowledges that if any of the following circumstances apply, Lipoxen Technologies and/or its Customer shall be entitled to call for a transfer of technology pursuant to clause 7.4, which shall be carried out by SIIL in accordance with clause 19, to enable Lipoxen Technologies and/or its Customer (and/or a third party on behalf of Lipoxen Technologies and/or its Customer) to manufacture, store and handle:- (a) EPO (only for conjugation with PSA); and/or (b) PSA EPO:-

14.15.1 if SIIL fails to manufacture EPO and/or PSA EPO in accordance with the relevant Product Specification and/or specifications provided by the Customer, subject to clause 14.5 above and provided that those specifications are reasonable;

14.15.2 if SIIL cannot supply EPO and/or PSA EPO in countries required by Customers within a reasonable time;

14.15.3 if a Customer wishes itself to manufacture EPO for conjugation with PSA and/or to manufacture PSA EPO;

14.15.4 if a Customer wishes to use a third party to manufacture on behalf of the Customer EPO for conjugation with PSA and/or PSA EPO; and/or

14.15.5 if SIIL is otherwise unable to meet the requirements of Customers in relation to EPO and/or PSA EPO; and/or

14.15.6 on expiry or termination of this Agreement.

Licence of PSA Technology

14.16 The specification of the cell line used by Lipoxen to manufacture PSA is set out in Schedule 16 of this Agreement. SIIL acknowledges that Lipoxen has provided SIIL with a sample of the cell line described in Schedule 16.

14.17 Lipoxen Technologies grants to SIIL a royalty free, non-exclusive licence to use the PSA Patents, the PSA Know How, the PSA Foreground and the PSA Improvements (and any Intellectual Property Rights Controlled by Lipoxen relating thereto) in the SIIL Territory for the term of this Agreement to [***]

14.17.1f or use in the development and exploitation of products in the Field by SIIL; and/or

14.17.2 for supply to Customers.

14.18 SIIL shall not be entitled to sub-licence, sub-contract or otherwise transfer its rights under the licence set out in clause 14.17 to any person.

14.19 SIIL acknowledges that prior to the Effective Date Lipoxen Technologies has supplied SIIL with any and all PSA Know How which is reasonably required to enable SIIL to exercise its rights under this Agreement based on which SIIL has manufactured and supplied PSA to Lipoxen Technologies, which has been duly accepted and used by Lipoxen Technologies in its research. SIIL may, from time to time, but no more than once in each Calendar year during the term of this Agreement, ask Lipoxen Technologies to provide SIIL with a written report detailing any PSA Improvements made or acquired by Lipoxen Technologies during the period since Lipoxen Technologies last sent a report pursuant to this clause. Each report shall contain sufficient details of the PSA Improvements to enable SIIL to understand the PSA Improvements

Licence of SIIL PSA IP

14.20 Schedule 17 contains a full description of any and all SIIL PSA IP existing at the Effective Date.

14.21 Subject to clause 14.22, SIIL grants to Lipoxen Technologies a royalty free, non¬ exclusive, perpetual, world-wide licence with the right to grant sub-licences, of any and all SIIL PSA IP for the purposes of researching, developing, manufacturing, using, marketing, supplying and selling PSA.

14.22 The licence set out in clause 14.21 shall commence on the Effective Date but shall not be exercised by Lipoxen Technologies until such time as:-

14.22.1 SIIL fails to manufacture PSA in accordance with the relevant PSA Specification and/or specifications provided by Customers, subject to clause 14.5 above and provided that those specifications are reasonable;

14.22.2 SIIL cannot supply PSA manufactured in countries required by Customers within a reasonable time;

14.22.3 a Customer wishes to manufacture PSA itself or have PSA manufactured by a third party for use by the Customer;

14.22.4 SIIL is otherwise unable to meet the requirements of Customers in relation to PSA; and/or

14.22.5 this Agreement expires or terminates.

PSA Technology Transfer

14.23 SIIL shall on termination or expiry of this Agreement and/or from time to time on receipt of written notice from Lipoxen Technologies that Lipoxen Technologies has exercised the licence set out in clause 14.21, in accordance with clause 19, if requested to do so in writing by Lipoxen Technologies, promptly transfer to Lipoxen or to a relevant Customer and/or the appointed representative of Lipoxen or the Customer, any and all:-

14.23.1 SIIL PSA IP that may be reasonably required to manufacture and supply PSA and/or to exercise the licence granted under clause 14.21; and

14.23.2 any Intellectual Property Rights relating to PSA and the PSA Manufacturing Process which are jointly owned by the parties, including the PSA Foreground.

PSA Foreground

14.24 The Parties agree that the PSA Foreground shall be jointly owned by SIIL and Lipoxen Technologies. Both the parties assign to SIIL and Lipoxen Technologies as tenants in common in equal shares all its right, title and interest in the PSA Foreground, together with all associated rights and remedies, including the right to take action against existing and past infringers. This assignment shall be both a present and future assignment and to the extent that this clause does not operate to assign any property, then each party shall hold that property in trust for SIIL and Lipoxen and shall do everything within its power to effect the arrangement that is closest to an assignment without delay.

14.25 Subject to clauses 14.26 to 14.29, the parties shall collaborate to agree the appropriate method for the protection, development and exploitation of the PSA Foreground.

14.26 Lipoxen Technologies shall be responsible for managing any Intellectual Property Rights relating to the PSA Foreground that are owned by SIIL and Lipoxen Technologies as tenants-in common. Lipoxen Technologies may file (in the joint names of Lipoxen Technologies and SIIL), prosecute and maintain such patent applications in its own name as it considers reasonably necessary. The application and prosecution costs of any such patent applications (and the cost of maintaining any patents granted in respect thereof) shall be shared equally between the parties. If Lipoxen Technologies chooses not to file or prosecute a patent application or to maintain a granted patent as stated in this clause, then SIIL may choose to file and prosecute the patent application and/or maintain the patent and each party shall be responsible for half (50%) of the costs and expenses incurred in connection with the filing, prosecution and maintenance.

14.27 Lipoxen Technologies shall consult regularly with SIIL in relation to the patents and patent applications referred to in clause 14.26 and shall comply with all reasonable suggestions made by SIIL in relation to the prosecution of such patent applications. SIIL shall provide Lipoxen Technologies with all assistance reasonably required by Lipoxen in relation to the prosecution and maintenance of the patents and patent applications referred to in clause 14.26. Lipoxen Technologies shall provide SIIL a draft of any patent application to be filed under this clause at least 60 days (or such shorter time as is reasonably required in Lipoxen's reasonable opinion to enable Lipoxen to protect the invention which is the subject of the patent application) before the filing so that SIIL can review the same and contribute.

14.28 For the avoidance of doubt, the parties agree that Lipoxen Technologies, subject to clause 14.22, shall be entitled during the term of this Agreement and thereafter to use and exploit (which shall include the right to grant licences to third parties worldwide without the consent of SIIL) the PSA Foreground, royalty free, worldwide.

14.29 For the avoidance of doubt, the parties agree that SIIL rights to use the PSA Foreground shall be solely as set out in clause 14.17 of this Agreement and clause 14.30 below.

14.30 The parties agree that SIIL shall have a non-exclusive, perpetual, royalty free right in the SIIL Territory to use the PSA Foreground in relation to any process used by SIIL to manufacture products containing PSA where the PSA is a naturally occurring part of the product which has not been added to the product by conjugation, genetic engineering or otherwise for the purposes of achieving, directly or indirectly, any or all of the objectives of the PolyXen Technology.

Master Cell Banks

14.31 SIIL shall create, maintain and lodge with at least one independent third party Master Cell Banks in relation to the EPO Cell Line and the PSA Cell Line.

14.32 SIIL shall provide written details to Lipoxen of the third party with whom the Master Cell Banks are lodged and evidence that SIIL has complied with all regulatory requirements relating to the creation and maintenance of a Master Cell Bank.

15. <u>Payment Terms</u>

15.1 All sums due under this Agreement:

15.1.1 are exclusive of Value Added Tax or any other sales tax or duties, which if and where applicable will be paid by the payee to the payee in addition to any sum in respect of which they are calculated;

15.1.2 shall be paid in US dollars to the credit of the payee's bank account, details of which shall be notified to the payer as and when necessary;

15.1.3 shall be made without deduction of income tax or other taxes charges or duties that may be imposed, except insofar as the payer is required to deduct the same to comply with applicable laws. The Parties shall co-operate and take all steps reasonably and lawfully available to them, at the expense of the payee, to avoid deducting such taxes and to obtain double taxation relief. If the payer is required to make any such deduction it shall provide the payee with such certificates or other documents as it can reasonably obtain to enable the payee to obtain appropriate relief from double taxation of the payment in question; and

15.1.4 shall be made by the due date, failing which the payee may charge interest on any outstanding amount on a daily basis at a rate equivalent to 2% (two per cent) above the London Inter-Bank Offer Rate (6 months).

15.2 If any payments due under this Agreement are calculated as a percentage of sums received or invoiced by a Party and a Party receives such a sum in a currency other than US dollars, payments due under this Agreement shall first be calculated in the currency in which such sum is invoiced and/or received and then converted into equivalent US dollars at the buying rate of such other currency as quoted by Citibank in London as at the close of business on the day upon which the payment relating to such sum is due under this Agreement or, if earlier, the day upon which such payments are made to the other Party.

15.3 If at any time during the continuation of this Agreement a payer is prohibited from making any of the payments required hereunder by a governmental authority in any country then the payer will within the prescribed period for making the said payments in the appropriate manner use its best endeavours to secure from the proper authority in the relevant country permission to make the said payments and will make them within 7 (seven) days of receiving such permission. If such permission is not received within 30 (thirty) days of the payer making a request for such permission then, at the option of the payee, that payer shall deposit the payments due in the currency of the relevant country either in a bank account designated by the payee within such country or such payments shall be made to an associated company of the payee designated by the payee and having offices in the relevant country designated by the payee.

15.4 The Parties agree that each party shall be responsible for paying any taxes arising pursuant to or in relation to this Agreement for which the party is primarily liable.

16. Warranties

Lipoxen Technologies Warranties

16.1 Lipoxen Technologies warrants to SIIL that at the Effective Date:

16.1.1 Lipoxen Technologies owns the PolyXen Patents existing at the Effective Date;

16.1.2 Lipoxen Technologies has the right to grant the PolyXen Licence;

16.1.3 so far as Lipoxen Technologies is actually aware, use of the Polyxen Technology and PolyXen Patents in the SIIL Territory in accordance with the terms of this Agreement will not infringe the Intellectual Property Rights of a third party;

16.1.4 Lipoxen Technologies has not committed any act that would render any of the PolyXen Patents invalid or that would prevent the PolyXen Patents from proceeding to grant:

16.1.5 Lipoxen Technologies has not disclosed any material PolyXen Know How to a third party other than subject to a confidentiality agreement; and

16.1.6 Lipoxen Controls the PSA Cell Line and PSA Know-How.

16.2 All statements, representations, warranties, terms and conditions (whether express or implied) as to the suitability and/or usefulness of the Licensed Rights for any particular purpose including without limitation the development of Licensed Products and/or the manufacture of PSA are hereby excluded to the maximum extent permissible by law.

16.3 Without prejudice to the generality of clause 16.2 and subject to the express warranties given in clause 16.1, Lipoxen does not give any warranty, representation or undertaking:

16.3.1 as to the efficacy, usefulness, safety or commercial or technical viability of the Lipoxen Technology and/or any products made or processes carried out using the Lipoxen Technology;

16.3.2 as to the volumes or quality of the Licensed Products and/or PSA which may be manufactured through use of the Lipoxen Technology;

16.3.3 that any of the PolyXen Patents or PSA Patents are or will be valid or that any of the patent applications that comprise part of the PolyXen Patents or PSA Patents will proceed to grant;

16.3.4 that all or any part of the PolyXen Know How and/or PSA Know How is confidential and is not otherwise available to the public.

SIIL Warranties

16.4 SIIL undertakes and warrants to Lipoxen that:-

16.4.1 prior to the Effective Date, it has complied with the terms of clause 4.5, 5.2 and 5.4 of the Supplementary Agreement and it will, after the Effective Date, at all times comply with clauses 5.10, 5.13 and 5.15 of this Agreement;

16.4.2 it shall ensure that it is able to comply with the provisions relating to ownership of the Foreground and the PSA Foreground set out in clauses 8 and 14.24 of this Agreement;

16.4.3 it has the right to grant the SIIL Licence and the licence set out in clause 14.21 of this Agreement;

16.4.4 exercise of the SIIL Licence and the licence set out in clause 14.21, including the use by Lipoxen and/or its Sub-licensee of the Serum Cell Line to manufacture Serum EPO, will not, so far as SIIL is aware, infringe the property or Intellectual Property Rights of a third party;

16.4.5 it acquired the rights to and in the Serum Cell Line pursuant to [***] and [***] had the right to transfer the Serum Cell Line to SIIL in accordance with the terms of the Biocam Agreement;

16.4.6 SIIL is not in breach of the terms of [***]. [***] has no right to call for the return of the Serum Cell Line to call for the return of the Serum Cell Line to [***] and will not, as a result of the terms of this Agreement and the implementation thereof, have a right to call for the return of the Serum Cell Line to [***];

16.4.7 SIIL has itself developed the process and know how for the fermentation of the Serum Cell Line and manufacture of the Serum EPO and it does not require a licence from a third party to use the process and/or know how;

16.4.8 Schedule 18 of this Agreement contains a complete and full description of any Intellectual Property Rights owned by or licensed to SIIL relating to the Serum EPO, PSA EPO and the Serum Cell Line;

16.4.9 there is nothing, by way of contractual restrictions owed to third parties or otherwise, that would prevent SIIL from granting a licence to Lipoxen and/or its Sub-licensees of any of the Intellectual Property Rights set out in Schedule 18;

16.4.10 prior to the Effective Date SIIL has disclosed to Lipoxen any and all licence agreements to which SIIL is a party and which relate to the Serum Cell Line, Serum PSA and/or PSA EPO;

16.4.11 prior to the Effective Date SIIL has complied with the provisions of clauses 7.5 and 7.7 of this Agreement;

16.4.12 it has the right to enter into this Agreement and will not be in breach of any agreement with a third party as a result of entering into this Agreement;

16.4.13 as at the Effective Date, all of the Intellectual Property Rights which it owns, controls or uses under licence that are necessary or desirable for the manufacture of PSA that are set out in Schedule 19;

16.4.14 Schedule 20 sets out a list of all Intellectual Property Rights owned, controlled or created by SIIL in the course of the Development (as defined in the DMA).

17. <u>Limitation of Liability and Indemnity</u>

17.1 SIIL shall assume all risks associated with the development, manufacture, use and supply of Licensed Products in the SIIL Territory and Supply Products world-wide and shall be responsible for all third party claims relating to the Licensed Products and Supply Products including, but not limited to, claims based upon product liability laws.

17.2 SIIL acknowledges that the Lipoxen Technology is at an early stage of development. Accordingly, specific results cannot be guaranteed and any results, materials, information or other items (together “Delivered Items”) provided under this Agreement are provided “as is” and without any express or implied warranties, representations or undertakings. As examples, but without limiting the foregoing, Lipoxen does not give any warranty that Delivered Items are of merchantable or satisfactory quality, are fit for any particular purpose, comply with any sample or description, or are viable, uncontaminated, safe or non-toxic

17.3 Lipoxen shall not have any liability to SIIL whether in contract, tort, negligence or otherwise for any loss or damage arising out of and/or in connection with:

17.3.1 any research, development, manufacture, use, distribution or supply of the Licensed Products and/or Supply Products by SIIL; and/or

17.3.2 use of Licensed Products and/or Supply Products by any third party.

17.4 If at any time SIIL has reason to believe that it has failed or may fail to comply with the provisions of this Agreement, SIIL shall immediately notify Lipoxen Technologies of the cause, the expected period of the non-compliance, the steps proposed by SIIL to minimise the non-compliance, the consequences of that non-compliance and all other relevant facts.

SIIL Indemnities

17.5 SIIL shall fully indemnify, and at all times keep Lipoxen fully indemnified, against any and all liability, damages, claims, demands, actions, proceedings, expenses (including, but not limited to, legal expenses and fees) arising out of or in connection with:

17.5.1 any exercise of the Licensed Rights by SIIL including any research, development, manufacture, use, distribution, sale and/or supply of Supply Products and/or Licensed Products;

17.5.2 any use by a third party of the Licensed Products and/or Supply Products manufactured and/or supplied by or on behalf of SIIL; and/or

17.5.3 the performance (or non-performance) of the supply obligations of SIIL in relation to Supply Products under this Agreement.

17.6 SIIL shall indemnify and shall keep Lipoxen indemnified against any and all liability, damages, claims, proceedings and expenses (including, but not limited to, legal expenses and fees) arising out of or in connection with the Clinical Trials provided that SIIL shall not be liable under this clause 17.5 for any and all liability, damages, claims, proceedings and expenses (including but not limited to, legal expenses and expert’s fees) that arise directly as a result of express instructions received from Lipoxen Technologies in relation to conduct of the Clinical Trials.

Lipoxen Indemnity

17.7 Subject to clause 17.8, Lipoxen Technologies shall indemnify SIIL against any and all liability, damages, claims, proceedings, expenses (including, but not limited to, legal expenses and expert’s fees) incurred by SIIL resulting from any allegation or claim that use of the inventions disclosed in the PolyXen Patents in PSA EPO in the SIIL Territory in the Field infringes the Intellectual Property Rights of a third party.

17.8 Lipoxen's Technologies liability under the indemnity set out in clause 17.7 shall only commence in relation to PSA EPO from the date upon which phase III clinical trials in relation to PSA EPO are successfully completed.

Insurance

17.9 For the duration of this Agreement and for a period of three years following termination, SIIL shall maintain adequate insurance cover for any liabilities arising under this Agreement. SIIL shall provide details of such insurance cover and evidence that it is in force if requested by Lipoxen Technologies. If SIIL fails to comply with this clause 17.9 then Lipoxen Technologies may take out appropriate insurance and recover the cost from SIIL.

18. Confidential Information and Publication

18.1 Each Party (the "Receiving Party") undertakes:

18.1.1 to maintain as secret and confidential all Confidential Information obtained directly or indirectly from the other Party ("Disclosing Party") in the course of or in anticipation of this Agreement;

18.1.2 to use the Confidential Information of the other Party only for the purposes of this Agreement;

18.1.3 to disclose the Confidential Information of the other Party only to those of its employees, contractors, and sub-licensees to whom and to the extent that such disclosure is reasonably necessary for the purposes of exploiting its rights and complying with its obligations under this Agreement; and

18.1.4 to comply with the obligations of this clause 18 for so long as it has knowledge of any Confidential Information received or derived from the other Party which period shall, for the avoidance of doubt, survive termination or expiry of this Agreement.

18.2 The provisions of clause 18.1 shall not apply to Confidential Information which the Receiving Party can prove:

18.2.1 was, prior to its receipt by the Receiving Party from the Disclosing Party, or is subsequently disclosed to the Receiving Party without any obligations of confidence by a third party who has not derived it directly or indirectly from the Disclosing Party; or

18.2.2 is or becomes generally available to the public through no act or default of the Receiving Party or its agents, employees, Affiliates or sub-licensees; or

18.2.3 the Receiving Party is required to disclose to the courts of any competent jurisdiction, or to any government regulatory agency or financial authority, provided that the Receiving Party shall:

(a) inform the Disclosing Party as soon as is reasonably practicable of its obligation to disclose such information; and

(b) at the Disclosing Party's request seek to persuade the court, agency or authority to have such information treated in a confidential manner, where this is possible under the court, agency or authority's procedures; or

18.2.4 in the case of Confidential Information disclosed by Lipoxen to SIIL, is disclosed to actual or potential Customers of Licensed Products in so far as such disclosure is reasonably required to promote the sale or use of Licensed Products provided that the Customer signs a written confidentiality undertakings at least as restrictive as those set out in this clause 18.

18.3 The Receiving Party shall procure that all of its employees and contractors who have access to any of the Disclosing Party's Confidential Information, shall be made aware of and subject to these obligations and shall have entered into written undertakings of confidentiality at least as restrictive as those set out in this clause 18.

18.4 Notwithstanding the provisions of this clause 18, each of the Parties may make press releases, publications or presentations regarding the research and development conducted pursuant to this Agreement (collectively, a "Publication"), provided that:

18.4.1 the publishing Party shall first deliver the proposed text of the Publication to the other Party for review at least 10 business days prior to submission of the Publication to any publisher or other third party;

18.4.2 the receiving party may, within 10 business days of such delivery, object to the Publication on the grounds that it would involve the disclosure of that Party's Confidential Information, or because there is patentable subject matter in which that Party has an interest which needs protection;

18.4.3 upon receipt of a written objection within the 10 business day period, the publishing Party shall delete any references to the Confidential Information of the other party and/or if requested to do so by the receiving Party shall delay disclosure of the Publication for up to one hundred and twenty (120) days from the initial delivery of the Publication to enable the filing of patent applications on any patentable subject matter;

18.4.4 the Publication acknowledges the other Party in the title of the Publication as well as the contribution of the Party to the research and development that is the subject of the publication.

18.5 The Parties acknowledge that if Confidential Information is owned:-

18.5.1 by a Party pursuant to clause 8.1, 8.2 or 8.3 it shall be deemed to have been disclosed to the other Party by the owning Party even if it was created by the other Party; and

18.5.2 jointly by the Parties pursuant to clauses 8.4 or 14.24 it shall be deemed to have been disclosed by each party to the other.

18.6 Provided that it does not disclose any Confidential Information of the other Party, each party shall be entitled to make press releases in relation to the existence of or progress of this Agreement without the prior written consent of the other Party.

18.7 The parties agree that the prices set out in Schedule 15 shall be the Confidential Information of SIIL.

19. Transfers of Know How from SIIL

19.1 If LipoxenTechnologies and/or its Customers call for a transfer of any technology from SIIL pursuant to this Agreement (whether pursuant to clauses 7.4, 14.15 and/or 14.23), SDL agrees that any such transfer of technology shall be on the terms set out in this clause 19.

19.2 Serum acknowledges that the transfer of the know how and materials required to manufacture PSA, EPO and/or PSA EPO, in a manner that would satisfy regulatory requirements of EMEA and/or FDA, will be complex and time consuming. Serum agrees to promptly do all acts and to transfer, prepare and/or execute all documents that are reasonably required to achieve any technology transfer pursuant to this Agreement to the entire satisfaction of FDA and EMEA requirements.

19.3 Without prejudice to the generality of clause 19.2, the parties shall agree at the time of any technology transfer, the best method for effecting the transfer within 30 (thirty) days of Lipoxen Technologies calling for a technology transfer and SIIL will thereafter co-operate with Lipoxen Technologies to implement the technology transfer which, for the avoidance of doubt, the parties agree shall be conducted in the English language. SIIL acknowledges that any transfer will involve the following:-

19.3.1 the delivery of physical documents which record the relevant know how, including manuals and standard operating procedures;

19.3.2 the delivery of manufacturing process details;

19.3.3 the delivery of analytical methods for starting materials, in-process testing and finished product;

19.3.4 the delivery of analytical results/certificates of analysis from previous batches of the Supply Products, with samples of these batches;

19.3.5 the delivery of technical regulatory dossiers relating to the relevant technology, including batch records, development reports and production process documentation;

19.3.6 the delivery of any cell lines and other proprietary materials used by the SIIL in the relevant process, including the Serum Cell Line;

19.3.7 the detailed inspection of SIIL's laboratories and manufacturing facilities engaged in manufacture of PSA, PSA EPO by Lipoxen Technologies, its Customer's and their representatives;

19.3.8 if required, following the inspection described in clause 19.3.7, the secondment of SIIL scientists to the laboratory or manufacturing facility of Lipoxen Technologies and/or its Customer;

19.3.9 responding to queries from LipoxenTechnologies and/or its Customers orally and in writing.

19.4 The parties acknowledge that the objectives of a technology transfer is to enable Lipoxen Technologies, a Customer and/or appointed representative of Lipoxen Technologies or a Customer, to manufacture the relevant Supply Product in the exact manner and to a standard and scale which is equivalent to that achieved by SIIL at the date of the technology transfer and which satisfies the requirements of EMEA and/or FDA relating to the transfer of the manufacture of biological pharmaceutical products. SIIL agrees to use its best endeavours to achieve that objective and agrees that a technology transfer will not be deemed to be complete until the party receiving the technology transfer, being Lipoxen Technologies or a Customer and/or the appointed representative of Lipoxen Technologies or a Customer, is able to manufacture three batches of the relevant Supply Product which are consistent in terms of:-

19.4.1 specification to a specification (a) equivalent to that to which SIIL was making and supplying the relevant Supply Product at the time of the technology transfer; or (b) which is acceptable to the regulatory authorities in the country in which the relevant Supply Product will be used and/or sold, provided that if the specification is different from the specification, to which SIIL is manufacturing and supplying the relevant Supply Product at the time, then SIIL will take reasonable efforts to see that the technology transfer meets the requirements of the regulatory authorities; and

19.4.2 quality with the relevant Supply Product as manufactured by SIIL at the date of the relevant technology transfer;

19.4.3 yield and quantity on average across the three batches with the yield and quantity of the relevant Supply Products achieved by SIIL as at the date of the relevant technology transfer plus or minus twenty per cent (+/- 20%).

19.5 Lipoxen acknowledges that on receipt of the technology transfer, it will comply at all times with the restriction in clause 7.7 in relation to use of the Serum Cell Line.

19.6 The parties agree that first time that Lipoxen or a Sub-licensee exercises its rights under this clause 19 to a transfer of technology in relation to in relation to EPO and/or PSA EPO , SIIL shall have a right by notice in writing to Lipoxen PLC (to be received by Lipoxen PLC within thirty (30) days of service of the notice seeking the relevant technology transfer) to trigger the capitalisation procedures set out in clauses 9.11 to 9.15 of this Agreement.

19.7 The parties agree that, subject to clauses 19.8, 19.9 and 9.13, SIIL shall not be able to charge a fee in respect of any technology transfer (including the transfer of any cell lines) in relation to any of the Supply Products as SIIL agrees that its entire compensation in relation to any such technology transfer shall:-

19.7.1 be satisfied by the royalty to be paid to SIIL under clause 9.4.2 of this Agreement; and/or

19.7.2 be satisfied via the compensation paid to SIIL pursuant to clauses 9.11 to 9.15 of this Agreement which, for the avoidance of doubt, shall only ever be paid once.

19.8 SIIL shall be able to charge Lipoxen and/or a Sub-licensee a reasonable commercial one off, up front fee for the transfer of the Serum Cell Line and the world wide rights to use the Serum Cell Line, which shall be payable in addition to the royalty payable to SIIL pursuant to clause 9.4. In respect of any technology transfer involving a transfer of the Serum Cell Line, the parties shall agree in good faith the fee to be paid for Serum Cell Line within 30 (thirty) days of Lipoxen Technologies and/or its Sub-licensee calling for a technology transfer. The Parties agree that the fee payable to SIIL pursuant to this clause 19.8 shall:-

19.8.1 in no event be less than [***];

19.8.2 in no event be more than [***]; and

19.8.3 shall be payable in instalments to be agreed by the Parties but which instalments shall be no less onerous to Lipoxen than the instalments described in clause 19.9 below.

19.9 SIIL agrees that if no sums have previously been paid to SIIL under clause 19.8 and Lipoxen and/or a Sub-licensee calls for a transfer of the Serum Cell Line but agrees that the light to use the Serum Cell Line will be limited to the CIS, the amount to be paid to SIIL for the relevant rights shall be [***] (the "CIS Fee"). One third of the CIS Fee shall be payable on delivery of the Serum Cell Line and, provided that SIIL has completed the relevant technology transfer as described in clause 19.4, one third of the CIS Fee shall be payable eighteen (18) months after delivery of the Serum Cell Line and one third of the CIS Fee shall be payable thirty (30) months after delivery of the Serum Cell Line. PROVIDED THAT:-

19.9.1 if the technology transfer has not been completed, and SIIL can prove that such failure is due to the fault of the party receiving the technology (including technical failings of equipment and/or personnel) the second and third instalments of the CIS Fee shall become payable to SIIL even though the technology transfer has not been completed; and

19.9.2 if thereafter Lipoxen and/or a Sub-licensee calls for a transfer of the Serum Cell Line and the right to use the Serum Cell Line in the rest of the world, Lipoxen shall be entitled to deduct the CIS Fee from the fee for the world wide rights agreed by the parties pursuant to clause 19.8 or determined by an expert pursuant to clause 19.12.

19.10 SIIL agrees that in no circumstances shall it cease to supply any Supply Product to Lipoxen Technologies and/or a Customer which is the subject of a technology transfer until at least twelve (12) months after the transfer has been successfully completed to the entire satisfaction of Lipoxen Technologies and/or its Customer.

19.11 SIIL agrees that if SIIL is in breach of any of the terms of this clause 19, Lipoxen Technologies shall be entitled to withhold payments due to SIIL under clause 9 of this Agreement until such time as the breach has been remedied by SIIL.

19.12 If the parties cannot agree the matters referred to in clauses 19.3 and 19.4 in the thirty day period specified, or if any other dispute arises in relation to the provisions of this clause 19, the parties can refer the matter to an expert for determination in accordance with the procedure set out in Schedule 21 of this Agreement, but any fee as set out in clause 19.8 in respect of Serum Cell Line transfer shall be subject to the considerations stated and the minimum and maximum amounts set out in clause 19.8.

19.13 The parties agree that SIIL shall not be obliged to conduct a technology transfer pursuant to this clause 19 in relation to the same Supply Product to the same Customer (or its representative) more than once but:-

19.13.1 a transfer of technology to one Customer shall not exhaust the rights of another Customer to call for a technology transfer under this clause 19; and

19.13.2 a transfer of technology in relation to one Supply Product shall not exhaust a Customer’s rights to call for a technology transfer under this clause 19 in relation to another Supply Product;

PROVIDED THAT, once SIIL has successfully completed the first technology transfer in relation to a particular Supply Product, SIIL shall be entitled to charge at cost only for the time incurred by SIIL personnel and the reasonable expenses of the personnel (including flights, accommodation and sustenance) in relation to a second and subsequent technology transfer relating to the same Supply Product.

19.14 Once SIIL has successfully completed a technology transfer to Lipoxen and/or a Customer in relation to a Supply Product, SIIL shall thereafter not have any liability to Lipoxen and/or the relevant Customer, whether in contract, tort, negligence or otherwise for any loss or damage arising out of and/or in connection with any research, development, manufacture, use, distribution, sale or supply of the relevant Supply Product by Lipoxen and/or the Customer unless such loss or damage relates to or results from a breach by SIIL of any of the warranties set out in this Agreement.

20. Duration and termination

20.1 This Agreement shall come into effect on the Effective Date and shall continue until terminated earlier in accordance with this clause 20.

20.2 Without prejudice to any other right or remedy, any of the Parties may terminate this Agreement in whole or in part at any time by notice in writing to the other Party ("Other Party"), such notice to take effect as specified in the notice, if the Other Party is in material breach of this Agreement and, in the case of a breach capable of remedy, the breach is not remedied within 90 days of the Other Party receiving notice specifying the breach and requiring its remedy.

20.3 Lipoxen may terminate this Agreement if SIIL is not able to prove that in any six month period from 1 January to 30 June and/or in any six month period from 1 July to 31 December, SIIL has committed a minimum of one hundred and fifty (150) man hours to the research and development of PSA EPO.

20.4 Without limitation to clause 20.2, Lipoxen shall be entitled to terminate this Agreement on written notice to SIIL with immediate effect if SIIL is in breach of clauses 5.10, 5.13 or 5.15 of this Agreement, provided that any delay in the timelines on account of delay in the grant and/or notification to SIIL of relevant approvals and/or permissions from the offices of the Drug Controller Authorities of India and relevant Government Of India authorities will not amount to a breach by SIIL provided that:-

20.4.1 the relevant stage of the timeline could not be met without the grant of such approvals and/or permissions; and

20.4.2 Lipoxen PLC received notice in writing from Serum at the time the application was made by Serum for the relevant approval and/or permission.

20.5 Without prejudice to Lipoxen other rights or remedies, Lipoxen may terminate this Agreement if:-

20.5.1 control (as defined in Section 840 of the Income and Corporation Taxes Act 1988) of SIIL shall be acquired by any person, or group of Connected Persons (as defined by Section 839 of the Income and Corporation Taxes Act 1988), not having control of SIIL at the date of this Agreement; and/or

20.5.2 if SIIL ceases to carry on the business of making PSA other than as a result of negligible demand for PSA; and/or

20.5.3 if SIIL ceases to carry on the business of making PSA EPO other than as a result of negligible demand for PSA EPO;

For the purposes of clauses 20.5.2 and 20.5.3, negligible demand shall mean that in any calendar year, SIIL receives orders for the relevant Supply Product from Customers the price of which together equals less than [***]

20.6 Lipoxen may terminate this Agreement with immediate effect by giving written notice to SIIL if SIIL or any of its Affiliates commences legal proceedings, or assists any third party to commence legal proceedings, to challenge the:-

20.6.1 validity of any of the PolyXen Patents and/or the PSA Patents;

20.6.2 the ownership of any of the PolyXen Patents and/or the PSA Patents (unless such patent is alleged to be Foreground and/or PSA Foreground in which case the commencement of legal proceedings will not give rise to a right to terminate the Agreement); or

20.6.3 to challenge the secrecy or substantiality of any of the PolyXen Know How and/or the PSA Know How (unless such know how is alleged to be Foreground and/or PSA Foreground in which case the commencement of legal proceedings will not give rise to a right to terminate the Agreement).

21. Consequences of termination

21.1 Upon termination or expiry of this Agreement for any reason:

21.1.1 each party shall within 30 days of the date of termination or expiry pay to the others all sums due to it under this Agreement in respect of the period up to and including the date of termination or expiry, including, without limitation, any royalties payable on Licensed Products sold or supplied prior to or on the date of termination;

21.1.2 any rights or remedies of each of the parties arising from any breach of this Agreement shall continue to be enforceable;

21.1.3 SIIL shall be entitled to sell, use or otherwise dispose of (subject to payment of royalties under clause 9.1) any unsold or unused stocks manufactured prior to expiry or termination of:- (a) PSA EPO to any party for the period equivalent to the shelf life of PSA EPO; and (b) in case of PSA, to Customers for a period of 6 months following the date of expiry or termination;

21.1.4 subject to clause 21.1.3, SIIL shall no longer be licensed to use or otherwise exploit in any way, either directly or indirectly, the Licensed Rights and SIIL shall, and shall procure that its Appointed CRO shall, unless required by regulators to complete a clinical trial in relation to a cohort of patients being dosed at the time of expiry and/or termination, which cohort shall be entitled to complete the relevant trial, forthwith cease all activities requiring a licence under this Agreement;

21.1.5 SIIL shall forthwith cease manufacturing PSA and PSA EPO under this Agreement;

21.1.6 SIIL shall consent to the cancellation of any formal licence granted to it, or of any registration of it in any register, in relation to any of the Lipoxen Patents;

21.1.7 each party shall return to the other within a reasonable period of time all Confidential Information and any copies thereof disclosed to it by the other party;

21.1.8 SIIL shall provide to Lipoxen Technologies a detailed report setting out the progress it has made with the Development Programme;

21.1.9 SIIL shall provide to Lipoxen Technologies all data (including without limitation clinical trials data), know how and materials generated by SIIL pursuant to this Agreement, the Licence Agreement, the Letter Amendments, the Supplemental Agreement and/or the DMA and comply with its obligations pursuant to clauses 7. 4 and/or 14.23 of this Agreement;

21.1.10 the SIIL Licence shall, subject to clause 9.4, continue with full force and effect but shall become world wide;

21.1.11 to the extent that title has not previously passed to Lipoxen Technologies pursuant to this Agreement, SIIL shall assign to Lipoxen Technologies all of the Foreground and PSA Foreground;

21.1.12 at Lipoxen's Technologies option SIIL shall return to Lipoxen Technologies or destroy all other data, know how and materials provided to SIIL by Lipoxen Technologies and/or generated by SIIL in connection with the provision of the Services;

21.1.13 SIIL shall return to Lipoxen Technologies and/or destroy to the entire satisfaction of Lipoxen Technologies any and all cell lines used by SIIL to make PSA;

21.1.14 at the request of Lipoxen Technologies, SIIL shall assign to Lipoxen Technologies any or all of the agreements between SIIL and an Appointed CRO;

21.1.15 comply with the provisions of clauses 7.4 and 14.2.3 in relation to transfer of technology; and

21.1.16 the following clauses shall continue in full force and effect: 1, 2, 3, 4.3, 4.4, 5.8, 5.19, 6.1, 6.8, 7, 8, 9.1 to 9.7 (in so far as it relates to product manufactured prior to termination or expiry but sold thereafter as set allowed by clause 21.1) 10, 11.1, 11.5, 14.15, 14.21 to 14.30, 15, 17, 18, 19, 21, 22.

21.2 If Lipoxen Technologies terminates this Agreement pursuant to clause 21.4, Lipoxen Technologies agrees that if it receives any Net Revenues in respect of a Successful PSA EPO Product, then Lipoxen Technologies shall use any such Net Revenues to compensate SIIL for any costs and expenses reasonably incurred by SIIL prior to the date of termination of this Agreement in relation to Clinical Trials relating to the relevant Successful PSA EPO Product.

22. General

Force majeure

22.1 Neither Party shall have any liability or be deemed to be in breach of this Agreement for any delays or failures in performance of this Agreement which result from circumstances beyond the reasonable control of that Party, including without limitation labour disputes involving that Party. The Party affected by such circumstances shall promptly notify the other Party in writing when such circumstances cause a delay or failure in performance and when they cease to do so.

Amendment

22.2 This Agreement may only be amended in writing signed by duly authorised representatives of Lipoxen Technologies, Lipoxen PLC and the SIIL.

Assignment and third party rights

22.3 Subject to clause 22.4 below, none of the Parties shall assign, mortgage, charge or otherwise transfer any rights or obligations under this Agreement, nor any of the Licensed Rights, without the prior written consent of the other Party.

22.4 Each of the Parties may assign all of its rights and obligations under this Agreement together with its rights in the Licensed Rights to any company to which it transfers all of its assets or business, PROVIDED that the assignee undertakes to the other Party to be bound by and perform the obligations of the assignor under this Agreement. However a Party shall not have such a right to assign this Agreement if it is insolvent or any other circumstance described in clause 20 applies to it.

Waiver

22.5 No failure or delay on the part of either Party to exercise any right or remedy under this Agreement shall be construed or operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude the further exercise of such right or remedy.

Invalid clause

22.6 If any provision or part of this Agreement is held to be void or invalid, amendments to this Agreement may be made by the addition or deletion of wording as appropriate to remove the void or invalid part or provision but otherwise retain the provision and the other provisions of this Agreement to the maximum extent permissible under applicable law. The Parties shall endeavour to agree amendments to such void or invalid provisions in a reasonable manner so as to achieve the original intention of the parties.

Change of Control

22.7 Subject to clause 20.5, any substantial change in the management and control of either of the Parties and/or any merger of either of the Parties with another entity shall not result in termination of this Agreement and it shall be the responsibility of the then existing management of the Party to see that the continuity of this Agreement is maintained in all respects and the management stepping out shall make aware the terms of this agreement to the management who is stepping into to control the Party.

Formal licences

22.8 The Parties shall execute such formal licences as may be necessary or appropriate for registration of the rights granted under this Agreement with Patent Offices and other relevant authorities. The Parties shall use reasonable endeavours to ensure that, to the extent permitted by relevant authorities and unless required to submit this Agreement by any order of law, this Agreement shall not form part of any public record.

Role of Parties

22.9 The parties hereto expressly understand and agree that Lipoxen Technologies, Lipoxen PLC and SIIL are independent contractors in the performance of each and every part of this Agreement. Subject to the provisions of clauses 8.4 and 14.24 relating to joint ownership of Foreground and PSA Foreground, nothing contained herein shall be construed as creating any agency, partnership or other form of joint enterprise between the Parties.

Interpretation

22.10 In this Agreement:

22.10.1 the headings are used for convenience only and shall not affect its interpretation;

22.10.2 references to persons shall include incorporated and unincorporated persons; references to the singular include the plural and vice versa; and references to the masculine include the feminine;

22.10.3 references to clauses and Schedules mean clauses of, and schedules to, this Agreement; and

22.10.4 references to the grant of "exclusive" rights shall mean that the person granting the rights shall neither grant the same rights (in the same field and territory) to any other person, nor exercise those rights itself.

Notices

22.11 Any notice to be given under this Agreement shall be in writing and shall be sent by first class mail or air mail, or by fax (confirmed by first class mail or air mail) to the address of the relevant Party set out at the head of this Agreement, or to the relevant fax number

set out below, or such other address or fax number as that Party may from time to time notify to the other Party in accordance with this clause 22.11. The fax numbers of the Parties are as follows: Lipoxen Technologies and Lipoxen PLC +44 20 7389 5011; SIIL 91 20 26993970.

22.12 Notices sent as specified in clause 22.11 shall be deemed to have been received three working days after the day of posting (in the case of inland first class mail), or ten working days after the date of posting (in the case of air mail), or on the next working day after transmission (in the case of fax messages, but only if a transmission report is generated by the sender's fax machine recording a message from the recipient's fax machine, confirming that the fax was sent to the number indicated above and confirming that all pages were successfully transmitted).

Anti-poaching Provisions

22.13 Neither party shall, and shall procure that none of its Affiliates shall, during the term of this Agreement and for a period of twelve (12) months after the termination of this Agreement, without the prior written agreement of the other:-

22.13.1 employ or offer to employ, or enter into a contract for the services of, any individual who was, during the term of this Agreement, an employee holding an executive or managerial position with, or an officer of, the other party or any of its Affiliates; or

22.13.2 entice, solicit or procure any such person to leave the employment of the other party or its Affiliate (or attempt to do so) whether or not that person would commit any breach of contract in leaving such employment; or

22.13.3 procure or facilitate the making of any such offer or attempt by any such person.

Law and Jurisdiction

22.14 The validity, construction and performance of this Agreement shall be governed by the law of the State of New York, USA. Any disputes arising from or relating to this Agreement shall be subject to the exclusive jurisdiction of the courts of the State of New York, USA, to which the parties hereby irrevocably submit, except that a Party may seek an interim injunction in any court of competent jurisdiction.

Further action

22.15 Each of the Parties agrees to execute, acknowledge and deliver such further instruments, and do all further similar acts, as may be necessary or appropriate to carry out the purposes and intent of this Agreement.

Entire agreement

22.16 This Agreement, including its Schedules, sets out the entire agreement between the Parties relating to its subject matter and supersedes all prior oral or written agreements,

arrangements or understandings between them relating to such subject matter. The Parties acknowledge that they are not relying on any representation, agreement, term or condition which is not set out in this Agreement provided that nothing in this Agreement shall exclude a party's liability for fraud.

Third parties

22.17 With the exception of any rights expressly created in this Agreement in favour of Affiliates of Lipoxen Technologies and/or Customers (which rights may be enforced directly against SIIL), this Agreement does not create any right enforceable by any person who is not a party to it.

AGREED by the Parties through their authorised signatories in the presence of the witnesses listed below:

For and on behalf of Lipoxen Technologies Ltd	For and on behalf of Serum Institute of India Limited
/s/ M. Scott Maguire Signed	/s/ Dr. Cyrus Poonawalla Signed
M. Scott Maguire Print name	DR. CYRUS POONAWALLA Print name
CEO Title	CHAIRMAN & MANAGING DIRECTOR Title
4 August 2011 Date	25th July 2011 Date
Witnessed on behalf of Lipoxen Technologies Ltd	Witnessed on behalf of Serum Institute of India Limited
/s/ Colin Hill Signed	/s/ MaKarand Kaskare Signed

Colin Hill
Print name

Co. Director
Title

4 August
Date

Witnessed on behalf of
Lipoxen Technologies Ltd

/s/ Colin Hill
Signed

Colin Hill
Print name

Co. Director
Title

4 August
Date

For and on behalf of
Lipoxen PLC

/s/ Colin Hill
Signed

Colin Hill
Print name

MaKarand Kaskare
Print name

Company Secretary
Title

25 July 2011
Date

Co. Cirector

Title

4 August

Date

Witnessed on behalf of Lipoxen PLC

Signed

Print name

Title

Date

Witnessed on behalf of
Lipoxen PLC

Signed

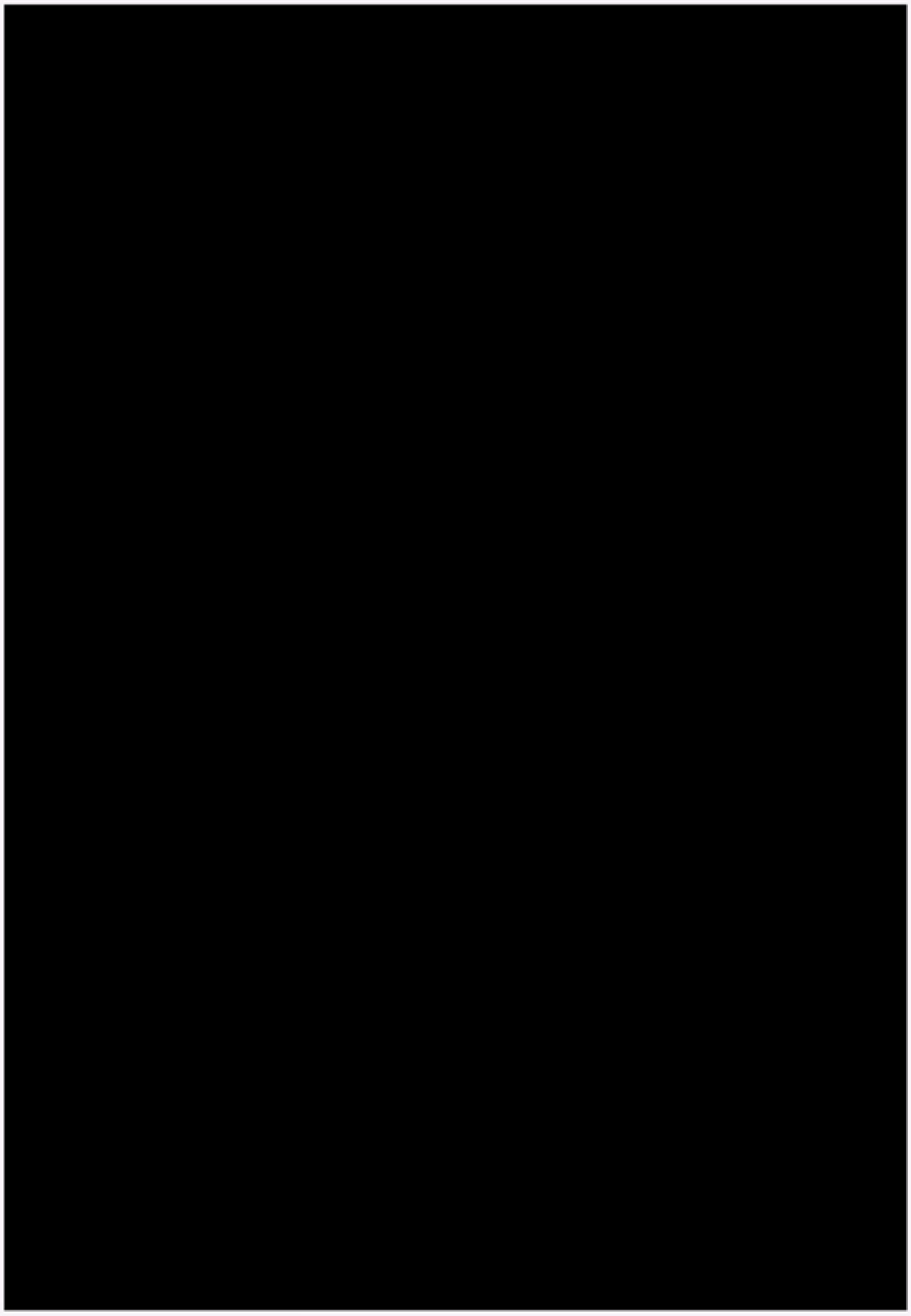
Print name

Title

Date

Schedule 1

Development Programme for PSA EPO in Indication A by SIIL in SIIL Territory



Schedule 2

PolyXen Patents

Schedule 2

PolyXen Patents

Schlich Ref	Country	Client Ref	Title	Status	App Date	App No.	Grant Date	Grant No.
Glycopolysialylation (Glycopolysialylation of Non-Blood Coagulation Proteins)								
P39650WO	PCT	Glycopolysialylation	Glycopolysialylation of Non-Blood Coagulation Proteins	Pending	26/07/2010	PCT/GB2010/001422		
P39650US	USA	Glycopolysialylation	Glycopolysialylation of Non-Blood Coagulation Proteins	Pending	26/07/2010	12/843,284		
Maleimido - PSA (Polysialic Acid Derivatives) - Divisional								
P39617USD 1	USA	Maleimido - PSA	Polysialic Acid Derivatives	Pending	12/08/2004	12/717,073		

Lipoxen *SIIL*

Maleimido - PSA Polysialic Acid Derivatives

P39617US	USA	Maleimido - PSA	Polysialic Acid Derivatives	Granted	12/08/2004	10/568,111	06/04/2010	7,691,826
P39617RU	Russian Federation	Maleimido - PSA	Polysialic Acid Derivatives	Granted	12/08/2004	2006107545	27/06/2008	2327703
P39617KR	Korea, South	Maleimido - PSA	Polysialic Acid Derivatives	Pending	12/08/2004	2006-7002875		
P39617IT	Italy	Maleimido - PSA	Polysialic Acid Derivatives	Granted	12/08/2004	4768054.1	03/10/2007	1654289
P39617IND1	India	Maleimido - PSA	Polysialic Acid Derivatives	Pending	12/08/2004	812/DELNP/2009		
P39617IN	India	Maleimido - PSA	Polysialic Acid Derivatives	Granted	12/08/2004	903/DELNP/2006	19/08/2009	235740
P39617GB	United Kingdom	Maleimido - PSA	Polysialic Acid Derivatives	Granted	12/08/2004	4768054.1	03/10/2007	1654289
P39617FR	France	Maleimido - PSA	Polysialic Acid Derivatives	Granted	12/08/2004	4768054.1	03/10/2007	1654289
P39617ES	Spain	Maleimido - PSA	Polysialic Acid Derivatives	Granted	12/08/2004	4768054.1	03/10/2007	1654289
P39617DE	Germany	Maleimido - PSA	Polysialic Acid Derivatives	Granted	12/08/2004	4768054.1	03/10/2007	1654289 (602004009314.9)
P39617CH	Switzerland	Maleimido - PSA	Polysialic Acid Derivatives	Granted	12/08/2004	4768054.1	03/10/2007	1654289

Monofunctional PSA (Sialic Acid Derivatives for Protein Derivatisation and Conjugation)

P39607US	USA	Monofunctional PSA	Sialic Acid Derivatives for Protein Derivatisation and Conjugation	Granted	12/08/2004	10/568,043	05/10/2010	7,807,824

P39607RU	Russian Federation	Monofunctional PSA	Sialic Acid Derivatives for Protein Derivatisation and Conjugation	Pending	12/08/2004	2006107546		
P39607KR	Korea, South	Monofunctional PSA	Sialic Acid Derivatives for Protein Derivatisation and Conjugation	Pending	12/08/2004	2006-7002900		
P39607JP	Japan	Monofunctional PSA	Sialic Acid Derivatives for Protein Derivatisation and Conjugation	Granted	12/08/2004	2006-523058	13/08/2010	4566194
P39607IN	India	Monofunctional PSA	Sialic Acid Derivatives for Protein Derivatisation and Conjugation	Pending	12/08/2004	985/DELNP/2006		
P39607EP	EPO	Monofunctional PSA	Sialic Acid Derivatives for Protein Derivatisation and Conjugation	Pending	12/08/2004	4768074.9		

Monofunctional PSA (Sialic Acid Derivatives for Protein Derivatisation and Conjugation) – Divisional

P39607USD1	USA	Monofunctional PSA Div	Sialic Acid Derivatives for Protein Derivatisation and Conjugation	Pending	12/08/2004	12/897,523		

NHS Functional PSA (Activated Sialic Acid Derivatives for Protein Derivatisation and Conjugation)

P39608US	USA	NHS Functional PSA	Activated Sialic Acid Derivatives for Protein Derivatisation and Conjugation	Pending	16/02/2006	11/816,823		
P39608JP	Japan	NHS Functional PSA	Activated Sialic Acid Derivatives for Protein Derivatisation and Conjugation	Pending	16/02/2006	2007-555696		

P39608IN	India	NHS Functional PSA	Activated Sialic Acid Derivatives for Protein Derivatisation and Conjugation	Pending	16/02/2006	6400/DELNP/2007		
P39608EP	EPO	NHS Functional PSA	Activated Sialic Acid Derivatives for Protein Derivatisation and Conjugation	Pending	16/02/2006	6709777.4		
P39608CN	China	NHS Functional PSA	Activated Sialic Acid Derivatives for Protein Derivatisation and Conjugation	Pending	16/02/2006	2.0068E+11		
P39608 Priority	EPO	NHS Functional PSA	Activated Sialic Acid Derivatives for Protein Derivatisation and Conjugation	Withdrawn	23/02/2005	5251017.9		

NHS-Amino PSA Reactions (Sialic Acid Derivatives)

P39609US	USA	NHS-Amino PSA Reactions	Sialic Acid Derivatives	Granted	12/08/2005	11/660,128	25/01/2011	7,875,708
P39609JP	Japan	NHS-Amino PSA Reactions	Sialic Acid Derivatives	Pending	12/08/2005	2007-525356		
P39609IN	India	NHS-Amino PSA Reactions	Sialic Acid Derivatives	Pending	12/08/2005	1100/DELNP/2007		
P39609EP	EPO	NHS-Amino PSA Reactions	Sialic Acid Derivatives	Pending	12/08/2005	5794259.1		

NHS-Amino PSA Reactions (Sialic Acid Derivatives) - Divisional

P39609USD1	USA	NHS-Amino PSA Reactions (Divisional)	Sialic Acid Derivatives	Pending	12/08/2005	12/987,878		

N-terminal polysialylation (N-Terminal Derivatisation of Proteins with Polysaccharides)

P39613US	USA	N-terminal polysialylation	N-Terminal Derivatisation of Proteins with Polysaccharides	Pending	25/07/2007	12/375,012		
P39613JP	Japan	N-terminal polysialylation	N-Terminal Derivatisation of Proteins with Polysaccharides	Pending	25/07/2007	2009-521342		
P39613IN	India	N-terminal polysialylation	N-Terminal Derivatisation of Proteins with Polysaccharides	Pending	25/07/2007	573/DELNP/2009		
P39613EP	EPO	N-terminal polysialylation	N-Terminal Derivatisation of Proteins with Polysaccharides	Pending	25/07/2007	7766361.5		

N-terminally-polysialylated GCSF (Derivatisation of Granulocyte Colony- Stimulating Factor)

P39606US	USA	N-terminally- polysialylated GCSF	Derivatisation of Granulocyte Colony-Stimulating Factor	Pending	25/07/2007	12/375,006		
P39606JP	Japan	N-terminally- polysialylated GCSF	Derivatisation of Granulocyte Colony-Stimulating Factor	Pending	25/07/2007	2009-521336		
P39606IT	Italy	N-terminally- polysialylated GCSF	Derivatisation of Granulocyte Colony-Stimulating Factor	Granted	25/07/2007	7789047.3	12/05/2010	2041167

P39606IN	India	N-terminally-polysialylated GCSF	Derivatisation of Granulocyte Colony-Stimulating Factor	Pending	25/07/2007	572/DELNP/2009		
P39606GB	United Kingdom	N-terminally-polysialylated GCSF	Derivatisation of Granulocyte Colony-Stimulating Factor	Granted	25/07/2007	7789047.3	12/05/2010	2041167
P39606FR	France	N-terminally-polysialylated GCSF	Derivatisation of Granulocyte Colony-Stimulating Factor	Granted	25/07/2007	7789047.3	12/05/2010	2041167
P39606ES	Spain	N-terminally-polysialylated GCSF	Derivatisation of Granulocyte Colony-Stimulating Factor	Granted	25/07/2007	7789047.3	12/05/2010	2041167
P39606EP	EPO	N-terminally-polysialylated GCSF	Derivatisation of Granulocyte Colony-Stimulating Factor	Granted	25/07/2007	7789047.3	12/05/2010	2041167
P39606DE	Germany	N-terminally-polysialylated GCSF	Derivatisation of Granulocyte Colony-Stimulating Factor	Granted	25/07/2007	7789047.3	12/05/2010	60 2007 006 492.9-08 (EP 2041167)
P39606CH	Switzerland	N-terminally-polysialylated GCSF	Derivatisation of Granulocyte Colony-Stimulating Factor	Granted	25/07/2007	7789047.3	12/05/2010	2041167

Polysaccharide B in DDS (Pharmaceutical Compositions)

P39674US	USA	Polysaccharide B in DDS	Pharmaceutical Compositions	Granted	08/06/1992	08/431474	08/12/1998	5846951

Polysialylated Insulin (N-Terminal Polysialylation)

P39612US	USA	Polysialylated Insulin	N-Terminal Polysialylation	Pending	25/07/2007	12/375,010		

P39612RU	Russian Federation	Polysialylated Insulin	N-Terminal Polysialylation	Pending	25/07/2007	2009105696		
P39612KR	Korea, South	Polysialylated Insulin	N-Terminal Polysialylation	Pending	25/07/2007	2009-7003805		
P39612JP	Japan	Polysialylated Insulin	N-Terminal Polysialylation	Pending	25/07/2007	2009-521337		
P39612IN	India	Polysialylated Insulin	N-Terminal Polysialylation	Pending	25/07/2007	571/DELNP/2009		
P39612EP	EPO	Polysialylated Insulin	N-Terminal Polysialylation	Pending	25/07/2007	7789051.5		
P39612CN	China	Polysialylated Insulin	N-Terminal Polysialylation	Pending	25/07/2007	2.0078E+11		

Polysialylation in SDS (Derivatisation of Proteins in Aqueous Solution)

P39671IT	Italy	Polysialylation in SDS	Derivatisation of Proteins in Aqueous Solution	Granted	14/05/2001	1931843.5	21/12/2005	1335931
P39671GB	United Kingdom	Polysialylation in SDS	Derivatisation of Proteins in Aqueous Solution	Granted	14/05/2001	1931843.5	21/12/2005	1335931
P39671FR	France	Polysialylation in SDS	Derivatisation of Proteins in Aqueous Solution	Granted	14/05/2001	1931843.5	21/12/2005	1335931
P39671ES	Spain	Polysialylation in SDS	Derivatisation of Proteins in Aqueous Solution	Granted	14/05/2001	1931843.5	21/12/2005	1335931
P39671DE	Germany	Polysialylation in SDS	Derivatisation of Proteins in Aqueous Solution	Granted	14/05/2001	1931843.5	21/12/2005	1335931 (60116137.8)
P39671CH	Switzerland	Polysialylation in SDS	Derivatisation of Proteins in Aqueous Solution	Granted	14/05/2001	1931843.5	21/12/2005	1335931

Polysialylation of EPO (Polysaccharide Derivatives of Erythropoietin)

P39614US	USA	Polysialylation of EPO	Polysaccharide Derivatives of Erythropoietin	Pending	25/07/2007	12/375,008
P39614JP	Japan	Polysialylation of EPO	Polysaccharide Derivatives of Erythropoietin	Pending	25/07/2007	2009-521343
P39614EP	EPO	Polysialylation of EPO	Polysaccharide Derivatives of Erythropoietin	Pending	25/07/2007	7766363.1

Schedule 3

PSA

Chemical structure of the alpha-2,8-linked form of polysialic acid (PSA), also known as ‘colominic acid’.

[***]

Schedule 4

PSA EPO

PSA conjugated Erythropoietin (PSA EPO) will use Erythropoietin as specified and defined in European Pha1macopoeia (0112008:1316) under Erythropoietin, and PSA as specified in Part C of schedule 25 of this Agreement. EPO to be produced using the Serum Cell Line. The resulting conjugate will comprise a mono-PSA Erythropoietin conjugate having *>95%* purity assessed using appropriate methods and will exhibit greater or equal *in vivo* half life to that of Mircera, in human clinical testing , pharmaceutical preparations of the conjugate having said molecules as an active ingredient and administered in appropriate dosage form and schedule.

I the SIIL Territory, SIIL shall be entitled to use PSA as specified in Part D of Schedule 25 of this Agreement.

Lipoxen *SIIL*

Schedule 5

PSA EPO Specifications

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Schedule 6

PSA Patents

Title	Publication No.	Patent No.
Endotoxin Removal Patent	WO 2008/104811 A1	PCT/GB2008/050138
Fractionation Patent	WO 2006/016161 A1	PCT/GB2005/003149

Schedule 7

Provisions Relating to the Issue of Shares to SIIL

1. Interpretation

In this Schedule the following words and expressions have the following meanings:

"AIM"		means the market of that name operated by the London Stock Exchange;
"AIM Rules"		means the AIM Rules for Companies published by the London Stock Exchange as for the time being in force;
"dispose"		includes, mortgaging, pledging, charging, lending, assigning, selling, transferring or otherwise disposing of the relevant securities or agreeing to dispose of any relevant securities or otherwise encumbering the relevant securities;
"Lock-Up Shares"	(a)	the Consideration Shares;
	(b)	the Subscription Shares;
	(c)	the Warrant Shares; and
	(d)	all other ordinary shares into which any of the above shares are sub-divided or converted, or issued by way of bonus issue or otherwise derived from such shares (whether by way of consolidation, sub-division, capitalisation, rights issue or otherwise)
"London Stock Exchange"		means the London Stock Exchange plc;
"Consideration Shares"		9,000,000 new ordinary shares of 0.5 pence each in the capital of Lipoxen PLC to be allotted to SIIL;
"SIIL Shares"		the Consideration Shares and the Subscription Shares;
"Subscription Price"		means equal to 11 pence per Subscription Share multiplied by the number of Subscription Shares;
"Subscription Shares"		means 2,500,000 new ordinary shares of 0.5 pence each in the capital of Lipoxen PLC, and "Subscription Share" shall be construed accordingly; and

"Warrant Shares"	means up to7,500,000 ordinary shares of 0.5 pence each in the capital of Lipoxen PLC which may be issued to SIIL pursuant to the term of a warrant instrument to be executed on or around the date hereof.

2. Consideration Shares

2.1 On the Allotment Date, Lipoxen PLC shall allot and issue the Consideration Shares to SIIL and shall use its reasonable endeavours to ensure the admission of the Consideration Shares to trading on AIM. Following allotment of the aforesaid Lipoxen PLC shall deliver to SIIL a copy, certified to be a true copy by a director or secretary of Lipoxen PLC, of a resolution of the board of directors of Lipoxen PLC (or a duly authorised committee of that board) authorising the allotment and issue of the Consideration Shares referred to in this paragraph 2 and shall procure that SIIL shall be entered in the register of members of Lipoxen PLC as the holder of the Consideration Shares.

2.2 These Consideration Shares are being allotted and issued to SIIL in consideration of the surrender of Licenses by SIIL for products as referred in Clause 3 and Schedule 11 and for the developmental work done on PSA EPO.

3. **Further Subscription**

3.1 SIIL further agrees to subscribe for, and Lipoxen PLC agrees, subject to receipt of the Subscription Price pursuant to paragraph 3.2 below, to issue and allot, the Subscription Shares to SIIL on the Allotment Date.

3.2 In consideration for the agreement to allot the Subscription Shares pursuant to this paragraph 3, SIIL hereby agrees to pay or procure payment of the Subscription Price to Lipoxen PLC by 5 p.m. (London time) on the Allotment Date or earlier.

3.3 The Subscription Shares shall be credited as fully paid up on the date of allotment by Lipoxen PLC.

3.4 Following allotment of the Subscription Shares Lipoxen PLC shall procure that SIIL shall be entered in the register of members of Lipoxen PLC as the holder of the Subscription Shares and shall deliver to SIIL a copy, certified to be a true copy by a director or secretary of Lipoxen PLC, of a resolution of the board of directors of Lipoxen PLC (or a duly authorised committee of that board) authorising the allotment and issue of the Subscription Shares.

3.5 Lipoxen PLC shall immediately notify SIIL in writing when the Placing occurs.

4. Lock in

4.1 SIIL hereby undertakes that it will, and will procure that its connected persons and nominees will, retain absolute legal and beneficial title to the Lock-Up Shares, free from encumbrances for a period commencing on the date of issue of the SIIL Shares and ending twenty four (24) months thereafter (the "**Lock Up Period**") and shall not during the Lock Up Period:

4.1.1 offer, dispose of or agree to offer or dispose of, directly or indirectly, any such Lock-Up Shares or any legal or beneficial interest in any such Lock-Up Shares; and/or

4.1.2 enter into or agree to enter into any derivative transaction of any type whatsoever (including without limitation, any swap, contract for differences, option, warrant, convertible securities or futures transaction or arrangement) in respect of, or referenced to, any of such Lock-Up Shares,

whether such transaction is settled by delivery of such Lock-Up Shares or other securities, in cash or otherwise.

4.2 SIIL hereby irrevocably and unconditionally undertakes, agrees and represents to and with Lipoxen PLC in respect of the Lock-Up Shares that it shall, and shall procure that all its connected persons and nominees (as applicable) shall, for a period of twenty four (24) months commencing on expiry of the Lock-Up Period (the "**Orderly Marketing Period**"):

4.2.1 offer, dispose of or agree to offer or dispose of, directly or indirectly, any such Lock-Up Shares or any legal or beneficial interest in any such Lock-Up Shares; and/or

4.2.2 enter into or agree to enter into any derivative transaction of any type whatsoever (including without limitation, any swap, contract for differences, option, warrant, convertible securities or futures transaction or arrangement) in respect of, or referenced to, any of such Lock-Up Shares,

only through Lipoxen PLC's corporate brokers or financial advisers from time to time, unless SIIL has previously informed Lipoxen PLC of the proposed disposal or transaction and Lipoxen PLC has agreed in writing, such consent not to be unreasonably withheld, that the disposal or transaction may be effected through SIIL's existing brokers.

Schedule 8

Serum Cell Line

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Schedule 9

Serum EPO Specification

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Schedule 10

Timetable

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Schedule 11

Products in relation to which SIIL's rights will cease in relation to which SIIL will cease all research and development

Products as defined in the Licence Agreement, Supplemental Agreement, the Letter Amendments and/or the DMA

PSA Conjugated Non-Glycosylated EPO;

Polysialyated Doxorubicin;

Polysialyated GCSF;

Polysialyated Interferon Alpha;

Polysialyated Liposomal Doxorubicin;

Liposomal Doxorubicin;

Liposomal Pneumococcal;

Liposomal Rabies;

Liposomal Hib

Liposomal Carboplatin;

Liposomal Cisplatin;

Liposomal Co-delivery HIV;

Liposomal Oral Tetanus Toxoid;

Liposomal Paclitaxel;

Schedule 12

Milestones and dates

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Schedule 13

Royalty Statements

1. In respect of each country where Licensed Products were sold or supplied during that Quarter:

   1.0 the Net Sales Value of each type of Licensed Product sold or supplied expressed both in the currency of sale and in US dollars together with conversion rates used;

   1.1 the amount of any amounts deducted from the invoiced price in accordance with the definition of Net Sales Value;

   1.2 the royalty rate applicable to each type of Licensed Product sold or supplied in that country;

   1.3 the calculation of the royalties payable in respect of each type of Licensed Product; and

   1.4 the total amount of royalties payable in respect of that country.

2. For the SIIL Territory as a whole:

   2.0 the total amount of royalties payable under clause 9.1;

   2.1 the amount of any withholding tax deducted pursuant to clause 15.1.3.

Schedule 14
Information to be provided to Lipoxen Technologies

- Preparation of PSA EPO conjugate
- Purification and characterisation of PSA EPO conjugate (including peptide mapping etc)
- Stability studies of the PSA EPO formulation (with and without HSA or any other formulation added in)
- Toxicity Studies relating to PSA EPO
- Application for Phase I, II or III trial to Drug Controller General of India
- Manufacturing methods for PSA

Schedule 15

Price of Supply Products

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Schedule 16

Specification for PSA cell line

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Schedule 17

SIIL PSA IP

[***]	[***]	[***]	[***]
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Schedule 18

Serum Cell Line – IP

[***]

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Schedule 19

IP of SIIL Needed or Desirable to manufacture PSA

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Schedule 20

IP developed by SIIL pursuant to the DMA

NIL

Schedule 21
Expert Determination – Procedure

1. Any question or dispute which the terms of this Agreement specifies shall be referred to an expert, may be referred to an expert in the circumstances set out in the relevant provisions of this Agreement, by either party serving on the other party notice ("Referral Notice") that it wishes to refer the question or dispute to an expert.

2. The dispute shall be determined by a single independent impartial expert who shall be agreed between the parties. In the absence of agreement between the parties within 30 days of the service of a Referral Notice, either of the parties shall be entitled to seek quotes from any of the following parties (the "Candidates") to act as expert to determine the relevant question/dispute:-

   2.0 Cambridge Consultants Limited of Science Park, Milton Road, Cambridge, CB4 0DW, or any successor thereto;

   2.1 Leerink Swann of One Federal Street, 37th Floor, Boston, MA 02110, USA, or any successor thereto; and

   2.2 Deloitte Recap of 200 Berkely Street, Boston MA, 02116, USA, or any successor thereto.

3. The parties agree that the Candidate which is prepared to accept an appointment as expert and which provides the lowest quote to do so shall be appointed as the expert to determine the relevant question/dispute.

4. 30 days after the appointment of the expert pursuant to paragraph 2 or 3, both parties shall exchange simultaneously statements of case in no more than 10,000 words, in total, and each side shall simultaneously send a copy of its statement of case to the expert.

5. Each party may, within 30 days of the date of exchange of statement of case pursuant to paragraph 3, serve a reply to the other side's statement of case in no more than 10,000 words. A copy of any such reply shall be simultaneously sent to the expert.

6. Subject to paragraph 9, there shall be no oral hearing. The expert shall issue his decision in writing to both parties within 30 days of the date of service of the last reply pursuant to paragraph 5 above or, in the absence of receipt of any replies, within 60 days of the date of exchange pursuant to paragraph 4.

7. The seat of the dispute resolution shall be the normal place of residence of the expert.

8. The language of the expert determination shall be English.

9. The expert shall not have power to alter, amend or add to the provisions of this Agreement, except that the expert shall have the power to decide all procedural matters relating to the dispute or question, and may call for a one day hearing if desirable and appropriate.

10. The expert shall have the power to request copies of any documents in the possession and/or control of the parties which may be relevant to the dispute or question. The parties shall forthwith provide to the expert and the other party copies of any documents so requested by the expert.

11. The expert shall decide the question as an expert and not as an arbitrator.

12. The decision of the expert shall be final and binding upon both parties except in the case of fraud (by either party or the expert) or manifest error. Other than in the case of fraud or manifest error, the parties hereby exclude any rights of application or appeal to any court, to the extent that they may validly so agree, and in particular in connection with any question of law arising in the course of the reference out of the award.

13. The expert shall determine the proportions in which the parties shall pay the costs of the expert procedure. The expert shall have the authority to order that all or a part of the legal or other costs of a party shall be paid by the other party.

14. All documents and information disclosed in the course of the expert proceedings and the decision and award of the expert shall be kept strictly confidential by the recipient and shall not be used by the recipient for any purpose except for the purposes of the proceedings and/or the enforcement of the expert decision and award.

15. The parties shall not make any announcement, or comment upon, or originate any publicity, or otherwise provide any information to any third party (other than its legal advisors) concerning the expert proceedings including but not limited to, the fact that the parties are in dispute, the existence of the expert proceedings, and/or any decision or award of the expert.

Schedule 22

Share of Net Revenues Pursuant to Clauses 6.8 and 9.6

1. As at the commencement date of the Third Party Agreement, the parties shall refer for Expert Determination in accordance with schedule 21 size of the global market for EPO and the percentage of the global market for EPO which is:-

   1.0 sold in the SIIL Territory as defined prior to the commencement date of the Third Party Agreement ("A%"); and

   1.1 sold in the Lipoxen Territory as defined prior to the commencement date of the Third Party Agreement ("B%").

2. Any and all Net Revenue received by Lipoxen pursuant to a Third Party Agreement ("Third Party Revenue") shall be split according to the percentages determined under paragraphs 1 and/or 2 above. A% of Third Party Revenue shall be deemed to be Net Revenue for the purposes of clause 9.4.1 of this agreement and B% of Third Party Revenue shall be deemed to be Net Sales Value received by SIIL for the purposes of clause 9.4.1 of this Agreement.

3. By way of example, if on the commencement date of a Third Party Agreement, the parties agree that the global market for EPO is $10 billion, made up of $2 billion in the SIIL Territory $8 billion in the Lipoxen Territory, A% would be 20% and B% would *be* 80%.

4. If Lip oxen PLC and/or Lipoxen Technologies (either separately or together) received $10 million by way of a milestone payment pursuant to the Third Party Agreement then:-

   4.1 $2 million (20% of$10 million) would be deemed to be Net Sales Value received by SIIL for the purposes of clause 9.1 of this Agreement. Lipoxen would be entitled to retain $160,000 of the $2 million, being 8% of $2 million, and would be due to pay the balance of $1,840,000 to SIIL, being the balance of$2 million less $160,000; and

   4.2 $8 million (80% of $10 million) would be deemed to be Net Revenue for the purposes of clause 9.4.2 of this Agreement. Lipoxen would be entitled to retain *$6* million and would be due to pay $2 million to SIIL, being 25% of $8 million.

5. Hence in relation to the $10 million milestone payment referred to in paragraph *5* above, Lipoxen would in total retain $6,160,000 and would be due to pay $3,840,000 to SIIL.

Schedule 23

Supply Terms for Supply Products

General

1. SIIL shall provide all necessary logistical, storage and delivery arrangements in relation to Supply Product/s, to meet:-

   1.1 the reasonable needs of Customers; and

   1.2 in the case of supplies to Lipoxen, FDA and EMEA requirements and EEA and US laws and regulations.

2. SIIL shall, if requested to do so by a Customer, arrange:-

   2.1 to package the Supply Products in accordance with Customer's requirements;

   2.2 for the transport of the Supply Products to the delivery address specified by the relevant Customer; and

   2.3 for insurance of the Supply Products during transit.

3. In relation to Supply Products provided to Customers for use in clinical development, SIIL shall meet the cost of the matters set out in paragraph 2 above. In relation to Supply Products provided for commercial sale, the parties shall agree prior to supply the amount if any that SIIL shall be reimbursed in respect of the matters set out in paragraph 2.

4. SIIL shall provide Customers with advance notice of the anticipated date of delivery and, in any event, shall provide at least *5* (five) business days advance notice of the date SIIL is to deliver any Supply Products to a Customer.

5. SIIL shall apply and maintain appropriate procedures, measures, control and documentation to assure traceability, control origin, identity and suitability of any material (including but not limited to strains, raw material and intermediate products) used in the manufacture of the Supply Products in such a way that is consistent with allowing any subsequent qualification for further pharmaceutical development and/or use.

6. If requested to do so by a Customer, SIIL shall permit Customers (and/or their authorized representatives) to inspect the Production Facility solely for the purpose of:-

   6.1 ensuring quality control and performance compliance in accordance with this Agreement and/or any agreement to be entered into between SIIL and Customer; and

6.2 enable the Customer to comply with any regulatory obligations relating to the Supply Product.

7. SIIL shall manufacture and store all Supply Products pending shipment in the Production Facility or such other place as agreed with the Customer.

8. Title and risk in the Supply Products shall pass to the Customer on delivery by SIIL to the Customer (or its authorised representative) of the Supply Products at SIIL's facilities in Pune.

Orders

9. Lipoxen Technologies or each Customer may place an Order in writing, which states:-

9.1 the amount of each Supply Product required;

9.2 a delivery date and delivery address for the Supply Product;

9.3 whether SIIL is obliged to insure the Supply Product in transit;

9.4 in the case of PSA, whether Monodisperse Oxidised PSA, Polydisperse Oxidised PSA and/or PSA meeting another Part of the PSA Specification is required;

9.5 in the case of Monodisperse Oxidised PSA, the molecular weight of the product to be supplied in kDa and the part of Table B in Schedule 15 required; and

9.6 in the case of EPO and PSA EPO, the country in which the product will be used or sold and the NHI Price for that country.

10. Each Order shall constitute a binding contract for the manufacture of Supply Products set out in the Order on the delivery date and to the delivery address set out in the order.

11. Lip oxen shall notify SIIL if Lipoxen becomes aware that any of the Supply Products do not comply with the provisions of this Agreement in any respect, in which case SIIL shall at its own cost and expense replace those Supply Products with Supply Products that comply with the requirements of this Agreement within a reasonable period having regard to the quantity of the Supply Product to be supplied and the manufacturing cycle time for the Supply Products.

Price and Payment

12. SIIL agree that the price for the manufacture and supply of Supply Products by SIIL to Lipoxen Technologies and/or Customers shall be as set out in Schedule 15 of this Agreement. The parties acknowledge that a price has not been agreed for all types of PSA which Lipoxen may in the future wish to source from SHL but SIIL shall use its best endeavours to agree a fair and reasonable price for any types of PSA for which the price is not set out in this Agreement. SIIL warrant that the price for Monodisperse Oxidised PSA (PSA described in part 2 of Table B in schedule 15) is based on a yield of approximately 21%, that the price of other types of PSA will be directly dependent on the yield which SIIL is able to obtain in relation to the relevant fo11n of PSA and that this information will be used as a guide to determine a fair and reasonable price for any types of PSA for which the price is not set out in this Agreement.

13. At the expiry of twelve (12) months after the Effective Date, and at the expiry of each subsequent twelve (12) month period thereafter during the term of this Agreement, the prices set out in Schedule 15 in relation to PSA shall be increased by a percentage which is equal to whichever is lower:- (a) the Indian Wholesale Price Index as at the date on which the price increase is due; and (b) six per cent (6%). The Indian Wholesale Price Index shall mean the annual percentage increase in wholesale prices in relation to "All Commodities" as produced by the Office of the Economic Adviser, Ministry of Commerce and Industry, Government of India (or any successor thereto) relating to the relevant twelve (12) month period which, as at the Effective Date, is published by the Reserve Bank of India.

14. Six (6) years from and including the Effective Date or, if earlier, the date upon which the board of Lipoxen PLC signs off on annual accounts of Lipoxen PLC which show that Lipoxen PLC has made a trading profit, (the "Increase Date,), the parties agree that price charged by SIIL to Lip oxen for PSA as at the Increase Date shall be increased by twenty (20) per cent.

15. On delivery of a Supply Product to Lipoxen and/or a Customer, SIIL shall issue a written invoice to Lipoxen and/or the Customer in relation to the Supply Products that have been delivered. Invoices properly submitted by SIIL in relation to Supply Products which are not defective shall become due and payable within 60 (sixty) days of receipt of the invoice or, if later, receipt of the Supply Products to which the invoice relates. Certificate of Analysis and Testing

16. Before a Supply Product leaves the Production Facility, SIIL shall carry out the analytical tests for each Supply Product set out in Schedule 24 of this Agreement. The nature of the analytical tests shall be as specified in Schedule 24 which have been standardised by SIIL as at the Effective Date of this Agreement. SIIL agrees that as and when required to do so by regulators in the SIIL Territory and Lipoxen Territory, SIIL shall carry out qualification and validation of the analytical tests set out in Schedule 24 in accordance with regulatory requirements.

17. SIIL will not deliver to a Customer any Supply Product which does not pass the analytical tests set out in Schedule 24 of this Agreement.

18. SIIL shall supply a certificate of analysis with each delivery of Supply Products which confirms:

    18.1 the analytical tests conducted on the Supply Products pursuant to paragraph 16 above and the results of the tests; and

18.2 that all batch production and control records have been reviewed and approved by the appropriate quality control unit.

19. SIIL shall retain and store samples of all Supply Products released by SIIL with a certificate of analysis under this Agreement for such periods as may be required by applicable FDA and EMBA regulatory obligations.

20. To the extent the analytical tests set out in Schedule 24 do not meet the needs of Customers and/or the requirements of regulators, the parties will use their best endeavours to agree the basis upon which the parties will further develop the analytical tests jointly to meet such needs and/or requirements, including the costs to be incurred by the parties in relation to any such development work and appropriate technology transfer provisions.

Regulatory Issues

21. SIIL shall obtain and shall maintain during the term of this Agreement, in relation to the Production Process and the manufacturing process for the Supply Products, approval of or registration with any relevant regulatory authorities depending upon the location of the Customer and based on guidance and assistance received from such Customers and Lipoxen Technologies (including in relation to supplies to Lipoxen Technologies, FDA And EMEA).

22. SIIL shall provide to Lipoxen or the relevant Customer a copy of all submissions and all data supporting submissions to regulatory and similar authorities in connection with the manufacture, storage and/or handling of Supply Products.

23. SIIL shall create and maintain such records as are reasonably specified by a Customer and/or necessary to comply with all applicable laws, rules and regulations in the US and EEA related to the manufacture and supply of Supply Products. SilL shall provide the Customer with one (1) copy of any such records at the request of the Customer.

24. SIIL shall maintain a quality control program that has trained personnel and procedures able to conduct quality control work consistent with relevant US and EEA laws, rules and regulations.

25. SIIL shall notify Lipoxen Technologies immediately if an authorised agent of any regulatory body visits the Production Facility and/or makes any inquiry regarding SIIL's method of manufacture of Supply Products. SIIL shall immediately supply to Lipoxen Technologies any notices or observations SIIL receives following any such inspection or inquiry.

26. The parties shall consult to determine the appropriate way to respond to any requirements or observations of any regulatory authority in relation to the manufacture, storage or handling of the Supply Products.

27. SIIL shall immediately notify Lip oxen Technologies if it intends to change the regulatory documents relating to the manufacture, storage or handling of a Supply Product.

Schedule 24

Analytical Tests to be conducted by SIIL on Supply Products (GMP and R&D grade)

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Schedule 25

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Schedule 26

List of SIIL Affiliates at the Effective Date

POONAWALLA INVESTMENTS AND INDUSTRIES PRIVATE LIMITED

SEZ BIOTECH SERVICES PRIVATE LIMITED

Exhibit 10.23

XENETIC BIOSCIENCE INC.

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is entered into as of this 30th day of April 2012 (the "Effective Date") by and between Xenetic Bioscience, Inc, a Delaware corporation, having its principal Executive office at 12302 Main Campus Drive, Lexington, Massachusetts 02421 (the "Company"), and Henry Hoppe IV, an individual residing at 12302 Main Campus Drive, Lexington, Massachusetts 02421 (the "Executive").

WHEREAS, the Company and the Executive wish to set forth the terms and conditions for the employment of the Executive by the Company;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration the receipt of which is hereby acknowledged, the parties mutually agree as follows:

Section 1. Term and Scope of Employment.

Subject to the terms and conditions of this Agreement, the Company will employ Executive, and Executive will be employed by the Company, as Vice President, Drug Development, reporting to the Chief Executive Officer. Executive will have the responsibilities, duties and authority commensurate with said position. Executive will also perform such other services of an executive nature for the Company as may be reasonably assigned to Executive from time to time by the Chief Executive Officer or the Board of Directors of the Company (the "Board").

Section 2. Duties.

During the Period of Employment, Executive shall have supervision and control over and responsibility for the day-to-day research and development of the Company and affairs of those functions and shall have such other powers and duties as may from time to time be prescribed by the Board or the Chief Executive Officer, or. other authorized executives, provided that such duties are consistent with Executive's position or other positions that he may hold with the Company from time to time. Executive shall devote his full working time and efforts to the business and affairs of the Company.

Section 3. Compensation.

(a) Salary. In consideration of all of the services rendered by the Executive under the terms of this Agreement, the Company shall pay to the Executive a base salary ("Base Salary") at the annualized rate of Two Hundred Thousand Dollars United States ($200,000.00) per annum. Executive's base salary shall be redetermined annually by the Chief Executive Officer and/or the Board on the anniversary of the Effective Date of this Agreement. The Base Salary shall be payable in substantially equal monthly installments.

(b) Annual Bonus. Executive may be eligible to earn an Annual Bonus relating to work conducted during the year prior to the anniversary of the Effective Date, based on the achievement of individual and Company written goals established on an annual basis by the Chief Executive Officer in conjunction with the Executive. If the Executive meets the applicable goals, is employed by the Company on the annual anniversary of the Effective Date, then the Executive shall be entitled to an Annual Bonus for that year equal to twenty-five percent (25%) of his then-current Base Salary multiplied by the performance of the company and the Executive's individual performance as set forth in the written goals, (both set forth as a percentage of the performance with 100% set as the baseline with performance exceeding baseline set forth as greater than 100% and with performance falling below baseline set forth as less than 100%) for the year prior to the anniversary of the Effective Date such Annual Bonus is to be awarded. Any awarded Annual Bonus shall be paid within six (6) weeks following the anniversary of the Effective Date.

(c) Reimbursement of Expenses. The Company will promptly reimburse Executive for all ordinary and reasonable out-of-pocket business expenses that are incurred by Executive in furtherance of the Company's business in accordance with the Company's policies with respect thereto as in effect from time to time.

(d) Fringe Benefits. In addition to any benefits provided by this Agreement, Executive shall be entitled to participate generally in all employee benefit, welfare and other plans, practices, policies and programs and fringe benefits maintained by the Company from time to time on a basis no less favorable than those provided to other similarly-situated executives of the Company other than health benefits, which the Executive has agreed to procure on his own as part of this Agreement. Executive understands that, except when prohibited by applicable law, the Company's benefit plans and fringe benefits may be amended, enlarged, diminished or terminated prospectively by the Company from time to time, in its sole discretion, and that such shall not be deemed to be a breach of this Agreement.

(e) Vacation. Executive shall be entitled to accrue four (4) weeks of paid vacation days per year in accordance with and subject to the terms of the Company's vacation policy applicable to other executive officers of the Company, as it may be amended prospectively from time to time.

Section 4.

(a) During Executive's employment with the Company, the Company shall maintain the insurance it currently has with respect to (i) directors' and officers' liability, (ii) errors and omissions and (iii) general liability insurance providing coverage to Executive to the same extent as other senior executives and directors of the Company. Executive's coverage under such insurance shall terminate upon Executive's leaving of the Company's employ for any reason.

(b) Other than as specifically provided for herein, all benefits shall cease upon Executive's termination from employment with the Company for any reason.

Section 5. Stock Options.

As incentive to enter into and undertake employment pursuant to this Agreement:

(a) Initial Grant. Upon approval by the Board of the grant (the “Grant Date”), Executive shall receive non-qualified stock options (the “Options”), which shall vest over a three year period starting on the first anniversary of the Effective Date, with the Options exercisable for a term of seven (7) years following the date Options vest. The grant of Options shall provide the Executive a right to purchase shares of the Company's common stock at an exercise price of eleven English pence (11p) for one (1) million shares, with such shares vesting and executable one year following the Effective Date (“Year One Options”), eighteen English pence (18p) for one (1) million shares, with such shares vesting and executable two years following the Effective Date (“Year Two Options”) and twenty-five English pence (25p) for one (1) million shares, with such shares vesting and executable three years following the Effective Date (“Year Three Options”), with the aggregate of vesting and executable shares totaling three (3) million. Executive shall vest Year One Options, Year Two Options and Year Three Options, provided that the continuous service of the Executive continues through and on the applicable vesting date. Additionally, on each anniversary of the Effective Date as part of Executive's compensation package, Executive may be awarded additional Options and to the extent such Options are awarded, they shall vest only if the Executive continues to serve through and on the applicable vesting date.

(b) Registration. The Company agrees, at its expense, to register the shares of common stock into which the options granted under Section 5(a) above are exercisable under the Securities Act of 1933, to the extent the Company is eligible and required to do so on Form S-8.

(c) Sale of Shares. Executive agrees that he will not loan or pledge any securities of the Company owned by him or which he may accrue in the future through Options as collateral for any indebtedness.

Section 6. Compliance with Company Policy.

During Executive's employment with the Company, Executive shall observe all Company rules, regulations, policies, procedures and practices in effect from time to time, including, without limitation, such policies and procedures as are contained in the Company policy and procedures manual, as may be amended or superseded from time to time.

Section 7. Termination of Employment.

Executive's employment with the Company may be terminated during Term of this Agreement for any of the following reasons:

(a) By The Company For Cause.

At any time during the Period of Employment, the Company may terminate Executive's employment hereunder for Cause. For purposes of this Agreement, "Cause" shall mean: (i) conduct by Executive constituting a material act of willful misconduct in connection with the performance of his duties, including, without limitation, misappropriation of funds or property of the Company or any of its affiliates other than the occasional, customary and de minimis use of Company property for personal purposes; (ii) the commission by Executive of a felony or any misdemeanor involving moral turpitude, deceit, dishonesty or fraud, or conduct by Executive that would reasonably be expected to result in material injury to the Company if he were retained in his position; (iii) continued, willful and deliberate non-performance by Executive of his duties hereunder (other than by reason of Executive's physical or mental illness, incapacity or disability) which has continued for more than thirty (30) days following written notice of such non-performance from the Company; (iv) a breach by Executive of any of the provisions contained in Paragraph 7 of this Agreement; (v) a violation by Executive of the Company's employment policies which has continued following written notice of such violation from the Company; or (vi) willful failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the willful inducement of others to fail to cooperate or to produce documents or other materials. If the Company terminates the Executive for Cause, Executive shall have no right to severance payments by Company and any Options vested by Executive that have not been exercised as of the termination date and any Options not vested by Executive as of the termination date shall be forfeited.

(b) By The Company Without Cause.

At any time during the Period of Employment, the Company may terminate Executive's employment hereunder without Cause.

(c) By The Executive For Good Reason.

At any time during the Period of Employment, Executive may terminate his employment hereunder for any reason, including but not limited to Good Reason. For purposes of this Agreement, "Good Reason" shall mean that Executive has complied with the “Good Reason Process” (hereinafter defined) following the occurrence of any of the following events: (i) a substantial diminution or other substantive adverse change, not consented to by Executive, in the nature or scope of Executive's responsibilities, authorities, powers, functions or duties; (ii) a breach by the Company of any of its other material obligations under this Agreement, or (iii) a material change in the geographic location at which Executive must perform his services; provided that, a change in the employment of Executive to another affiliate of Company does not in and of itself constitute “Good Reason.” “Good Reason Process” shall mean that (A) Executive reasonably determines in good faith that a “Good Reason” event has occurred; (B) Executive notifies the Company in writing of the occurrence of the Good Reason event within ninety (90) days of the occurrence of such event; (C) Executive cooperates in good faith with the Company's efforts, for a period not less than sixty (60) days following such notice, to modify Executive's employment situation in a manner acceptable to Executive and Company; (D) notwithstanding such efforts, one or more of the Good Reason events continues to exist and has not been modified in a manner acceptable to Executive; and (E) Executive terminates his employment no later than sixty (60) days after the end of the sixty (60) day cure period. If the Company cures the Good Reason event in a manner acceptable to Executive during the sixty (60) day period, Good Reason shall be deemed not to have occurred.

(d) Right to Severance.

In the event the Company terminates Executive's employment Without Cause or the Executive appropriately terminates this Agreement for Good Reason as provided in Section 7(c):

(i) Three (3) months following entry into this Agreement, the Executive shall be entitled to severance pay equal to six months of Executive's Base Salary, with the severance increasing by an amount equal to one month of Executive's Base Salary pay for each complete year of employment starting on the first Anniversary of the Effective Date and continuing until the severance is equal to one year of Executive's Base Salary at which time the severance pay shall be capped at one year of Executive's Base Salary. For purposes of example only, if the Executive is terminated per the terms of this Section 7(d) one (1) year after the effective date, the severance shall be equal to seven (7) months of Executive's Base Salary at that time and if the Executive is terminated per the terms of this Section 7(d) ten (10) years after the Effective Date, the severance shall be equal to twelve (12) months of Executive's Base Salary at that time. Payment of the severance shall be on a monthly basis, with the severance payable in equal amounts in accordance with the Company's payroll practices in effect from time to time;

(ii) Upon Termination, Executive shall have whatever rights he may then have, if any, to continued medical insurance coverage pursuant to the provisions of COBRA;

(iii) Certain Options issued to the Executive that have not then vested shall be forfeited in accordance with Section 5(c);

(iv) Any Options that Executive has vested, but not exercised as of the date of termination shall be exercised by the Executive within forty-five (45) days following termination or the Executive shall forfeit all rights to the non-executed vested Options; and

(v) Except as provided above in this Section 7(d), the Executive shall receive no further compensation or benefits of any kind other than any salary or benefits earned or accrued but unpaid as of that date.

Section 8. Survival of Obligations.

The obligations of the Executive as set forth in Sections 9 through 17 below shall survive the term of this Agreement and the termination of Executive's employment hereunder regardless of the reason(s) therefor.

Section 10. Non-Competition and Conflicting Employment.

(a) During the term of this Agreement, the Executive shall not, directly or indirectly, either as an Executive, Employer, Employee, Consultant, Agent, Principal, Partner, Corporate Officer, Director, Shareholder, Member, Investor or in any other individual or representative capacity, engage or participate in any business or business related activity of any kind that is in competition in any manner whatever with the business of the Company or any business activity related to the business in which the Company is now involved or becomes involved during the Executive's employment. For these purposes, the current business of the Company is biotechnology drug development and related business. The Executive also agrees that, during his employment with the Company, he will not engage in any other activities that materially conflict with his obligations to the Company.

(b) As a material inducement to the Company to continue the employment of the Executive, and in order to protect the Company's Confidential Information and good will, the Executive agrees that:

(i) For a period of twelve (12) months following termination of the Executive's employment with the Company or its affiliates for any reason, Executive will not directly or indirectly solicit or divert or accept business relating in any manner to Competing Products or to products, processes or services of the Company, from any of the customers or accounts of the Company with which the Executive had any contact as a result of Executive's employment with the Company; and

(ii) For a period of twelve (12) months after termination of Executive's employment with the Company or its affiliates for any reason, Executive will not (A) render services directly or indirectly, as an Executive, consultant or otherwise, to any Competing Organization in connection with research on or the acquisition, development, production, distribution, marketing or providing of any Competing Product, or (B) own any interest in any Competing Organization.

(c) For purposes of this Section:

(i) "Competing Products" means any product, process, or service of any person or organization other than the Company, in existence or under development (a) which is identical to, substantially the same as, or an adequate substitute for any product, process or service of the Company in existence or under development, based on any patent or patent application (provisional or otherwise), or other intellectual property of the Company about which the Executive acquires Confidential Information, and (b) which is (or could reasonably be anticipated to be) marketed or distributed in such a manner and in such a geographic area as to actually compete with such product, process or service of the Company; and

(ii) "Competing Organization" means any person or organization, including the Executive, engaged in, or about to become engaged in, research on or the acquisition, development, production, distribution, marketing or providing of a Competing Product.

(d) The parties agree that the Company is entitled to protection of its interests in these areas. The parties further agree that the limitations as to time, geographical area, and scope of activity to be restrained do not impose a greater restraint upon Executive than is necessary to protect the goodwill or other business interest of the Company. The parties further agree that in the event of a violation of this Covenant Not To Compete, that the Company shall be entitled to the recovery of damages from Executive and injunctive relief against Executive for the breach or violation or continued breach or violation of this Covenant. The Executive agrees that if a court of competent jurisdiction determines that the length of time or any other restriction, or portion thereof, set forth in this Section 9 is overly restrictive and unenforceable, the court may reduce or modify such restrictions to those which it deems reasonable and enforceable under the circumstances, and as so reduced or modified, the parties hereto agree that the restrictions of this Section 9 shall remain in full force and effect. The Executive further agrees that if a court of competent jurisdiction determines that any provision of this Section 9 is invalid or against public policy, the remaining provisions of this Section 9 and the remainder of this Agreement shall not be affected thereby, and shall remain in full force and effect.

Section 10. Confidentiality.

(a) Executive recognizes and acknowledges that he will have access to certain information of members of the Company and that such information is confidential and constitutes valuable, special and unique property of such members of the Company. The parties agree that the Company has a legitimate interest in protecting the Confidential Information, as defined below. The parties agree that the Company is entitled to protection of its interests in the Confidential Information. The Executive shall not at any time, either during his employment and for seven (7) years after the termination of his employment with the Company for any reason, or indefinitely to the extent the Confidential Information constitutes a trade secret under applicable law, disclose to others, use, copy or permit to be copied, except in pursuance of his duties for and on behalf of the Company, its successors, assigns or nominees, any Confidential Information of any member of the Company (regardless of whether developed by the Executive) without the prior written consent of the Company. Executive acknowledges that the use or disclosure of the Confidential Information to anyone or any third party could cause monetary loss and damages to the Company as well as irreparable harm. The parties further agree that in the event of a violation of this covenant against non-use and non-disclosure of Confidential Information, that the Company shall be entitled to a recovery of damages from Executive and/or to obtain an injunction against Executive for the breach or violation, continued breach, threatened breach or violation of this covenant.

(b) As used herein, the term “Confidential Information” with respect to any person means any secret or confidential information or know-how and shall include, but shall not be limited to, plans, financial and operating information, customers, supplier arrangements, contracts, costs, prices, uses, and applications of products and services, results of investigations, studies or experiments owned or used by such person, and all apparatus, products, processes, compositions, samples, formulas, computer programs, computer hardware designs, computer firmware designs, and servicing, marketing or manufacturing methods and techniques at any time used, developed, investigated, made or sold by such person, before or during the term of this Agreement, that are not readily available to the public or that are maintained as confidential by such person. The Executive shall maintain in confidence any Confidential Information of third parties received as a result of his employment with the Company in accordance with the Company's obligations to such third parties and the policies established by the Company.

(c) As used herein, “Confidential Information” with respect to the Company means any Company proprietary information, technical data, trade secrets, know-how or other business information disclosed to the Executive by the Company either directly or indirectly in writing, orally or by drawings or inspection or unintended view of parts, equipment, data, documents or the like, including, without limitation:

(i) Medical and drug research and testing results and information, research and development techniques, processes, methods, formulas, trade secrets, patents, patent applications, computer programs, software, electronic codes, mask works, inventions, machines, improvements, data, formats, projects and research projects;

(ii) Information about costs, profits, markets, sales, pricing, contracts and lists of customers, distributors and/or vendors and business, marketing and/or strategic plans;

(iii) Forecasts, unpublished financial information, budgets, projections, and customer identities, characteristics and agreements as well as all business opportunities, conceived, designed, devised, developed, perfected or made by the Executive whether alone or in conjunction with others, and related in any manner to the actual or anticipated business of the Company or to actual or anticipated areas of research and development; and

(iv) Executive personnel files and compensation information.

(d) Notwithstanding the foregoing, Confidential Information as defined in Sections 10(b) and (c) does not include any of the foregoing items which (i) has become publicly known or made generally available to the public through no wrongful act of Executive; (ii) has been disclosed to Executive by a third party having no duty to keep Company matter confidential; (iii) has been developed by Executive independently of employment with the company; (iv) has been disclosed by the Company to a third party without restriction on disclosure; (v) has been disclosed with the Company's written consent, or (vi) the Company's investors, shareholders and other capital sources.

(e) Executive hereby acknowledges and agrees that all Confidential Information shall at all times remain the property of the Company.

(f) Executive agrees that Executive will not improperly use or disclose any Confidential Information, proprietary information or trade secrets of any former employer or other person or entity or entity with which Executive has an agreement or duty to keep in confidence information acquired by Executive and that Executive will not bring onto Company premises any unpublished document or proprietary information belonging to any such employer, person or entity unless consented to in writing by such employer, person or entity.

(g) Executive recognizes that the Company has received and in the future will receive from third parties their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. Executive agrees to hold all such confidential or proprietary information in the strictest of confidence and not to disclose it to any person, firm or entity or to use it except as necessary in carrying out Executive's work for the Company consistent with Company's agreement with such third party.

(h) Executive represents and warrants that from the time of the Executive's first contact with the Company, Executive has held in strict confidence all Confidential Information and has not disclosed any Confidential Information directly or indirectly to anyone outside the Company, or used, copied, published or summarized any Confidential Information, except to the extent otherwise permitted under the terms of this Agreement.

(i) Executive will not disclose to the Company or use on its behalf any confidential information belonging to others and Executive will not bring onto the premises of the Company any confidential information belonging to any such party unless consented to in writing by such party.

Section 11. Inventions.

(a) Attached hereto as Exhibit A is a list describing all ideas, processes, trademarks, service marks, inventions, designs, technologies, computer hardware or software, original works of authorship, formulas, discoveries, patents, copyrights, copyrightable works, products, marketing and business ideas, and all improvements, know-how, data rights, and claims related to the foregoing, whether or not patentable, registrable or copyrightable, which were conceived, developed or created by Executive prior to Executive's employment or first contact with Company (collectively referred to herein as "Prior Inventions"), (A) which belong to Executive, (B) which relate to the Company's current or contemplated business, products or research and development, and (C) which are not assigned to the Company hereunder. If there is no Exhibit A or no items thereon, the Executive represents that there are no such Prior Inventions. If in the course of Executive's employment with the Company, the Executive incorporates or embodies into a Company product, service or process a Prior Invention owned by the Executive or in which the Executive has an interest, the Company is hereby granted and shall have a non exclusive, royalty-free, irrevocable, perpetual, world-wide license to make, have made, modify, use and sell such Prior Invention as part of or in connection with such product, service or process.

(b) Executive agrees that Executive will promptly make full, written disclosure to the Company and will hold in trust for the sole right and benefit of the Company, and the Executive hereby assigns to the Company, or its designee, all of the Executive's right, title and interest in and to any and all ideas, process, trademarks, service marks, inventions, designs, technologies, computer hardware or software, original works of authorship, formulas, discoveries, patents, copyrights, copyrightable works, products, marketing and business ideas, and all improvements, know-how, data, rights and claims related to the foregoing, whether or not patentable, registrable or copyrightable, which Executive may, on or after the Effective Date of this Agreement, solely or jointly with others conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to practice, during the period of time the Executive is in the employ of the Company (collectively referred to herein as “Intellectual Property Items”); and the Executive further agrees that the foregoing shall also apply to Intellectual Property Items which relate to the business of the Company or to the Company's anticipated business as of the end of the Executive's employment and which are conceived, developed or reduced to practice during a period of one year after the end of such employment. Without limiting the foregoing, the Executive further acknowledges that all original works of authorship which are made by Executive (solely or jointly with others) within the scope of Executive' employment and which are protectable by copyright are works made for hire as that term is defined in the United Stated Copyright Act.

(c) Executive agrees to keep and maintain adequate and current written records of all Intellectual Property Items made by Executive (solely or jointly with others) during the term of Executive's employment with the Company. The records will be in the form of notes, sketches, drawings and any other format that may be specified by the Company. The records will be available to, and remain the sole property of, the Company at all times.

Section 12. Return of Company Property.

Executive agrees that, at any time upon request of the Company, and, in any event, at the time of leaving the Company's employ, Executive will deliver to the Company (and will not keep originals or copies in Executive's possession or deliver them to anyone else) any and all devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, material, equipment or other documents or property, or reproduction of any of the aforementioned items, containing Confidential Information or otherwise belonging to the Company, its successors or assigns, whether prepared by the Executive or supplied to the Executive by the Company. Notwithstanding the foregoing, it is understood that names and contacts in the Executive's address book acquired both prior to and during employment, including shareholders of the Company, will remain property of the Executive who will not be restricted from doing business with them subject to the limitations Sections I 0 and 14 hereof and applicable law.

Section 13. Non-Solicitation.

Executive agrees that Executive shall not, during Executive's employment or other involvement with the Company and for a period of twelve (12) months immediately following the termination of the Executive's employment with the Company, for any reason, whether with or without cause, (i) either directly or indirectly solicit or take away, or attempt to solicit or take away executives of the Company, either for the Executive's own business or for any other person or entity and/or (ii) either directly or indirectly recruit, solicit or otherwise induce or influence any investor, lessor, supplier, customer, agent, representative or any other person which has a business relationship with the Company to discontinue, reduce or modify such employment, agency or business relationship with the Company.

Section 14. Publications.

Executive agrees that Executive will, in advance of publication, provide the Company with copies of all writings and materials which Executive proposes to publish during the term of Executive's employment and for twenty-four (24) months thereafter. Executive also agrees that Executive will, at the Company's request and sole discretion, cause to be deleted from such writings and materials any information the Company believes discloses or will disclose Confidential Information. The Company's good faith judgment in these matters will be final. The Executive will also, at the Company' request and in its sole discretion, cause to be deleted any reference whatsoever to the Company from such writings and materials.

Section 15. Equitable Remedies.

Executive agrees that any damages awarded the Company for any breach of Sections 9 through 14 of this Agreement by Executive would be inadequate. Accordingly, in addition to any damages and other rights or remedies available to the Company, the Company shall be entitled to obtain injunctive relief from a court of competent jurisdiction temporarily, preliminarily and permanently restraining and enjoining any such breach or threatened breach and to specific performance of any such provision of this Agreement. In the event that either party commences litigation against the other under this Agreement the prevailing party in said litigation shall be entitled to recover from the other all costs and expenses incurred to enforce the terms of this Agreement and/or recover damages for any breaches thereof, including without limitation reasonable attorneys' fees.

Section 16. Representations and Warranties.

(a) Executive represents and warrants as follows that: (i) Executive has no obligations, legal or otherwise, inconsistent with the terms of this Agreement or with the Executive's undertaking a relationship with the Company; and (ii) Executive has not entered into, nor will Executive enter into, any agreement (whether oral or written) in conflict with this Agreement.

(b) The Company represents and warrants to the Executive that this Agreement and the Options grant have been duly authorized by the Company's Board of Directors and are the valid and binding obligations of the Company, enforceable in accordance with their respective terms.

Section 17. Miscellaneous.

(a) Entire Agreement. This Agreement, the exhibit attached hereto, and the Options granted concurrently herewith under Section 5(a) hereof, contain the entire understanding of the parties and supersede all previous contracts, arrangements or understandings, express or implied, between the Executive and the Company with respect to the subject matter hereof or his engagement by the Company as Executive Chairman. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement or in the attached exhibit.

(b) Section Headings. The section headings herein are for the purpose of convenience only and are not intended to define or limit the contents of any section.

(c) Severability. If any provision of this Agreement shall be declared to be invalid or unenforceable, in whole or in part, the remainder of this Agreement shall be amended to provide the parties with the equivalent of the same rights and obligations as provided in the original provisions of this Agreement.

(d) No Oral Modification. Waiver Or Discharge. No provisions of this Agreement may be modified, waived or discharged orally, but only by a waiver, modification or discharge in writing signed by the Executive and such officer as may be designated by the Board of Directors of the Company to execute such a waiver, modification or discharge. No waiver by either party hereto at any time of any breach by the other party hereto of, or failure to be in compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the time or at any prior or subsequent time.

(e) Invalid Provisions. Should any portion of this Agreement be adjudged or held to be invalid, unenforceable or void, such holding shall not have the effect of invalidating or voiding the remainder of this Agreement and the parties hereby agree that the portion so held invalid, unenforceable or void shall, if possible, be deemed amended or reduced in scope, or otherwise be stricken from this Agreement to the extent required for the purposes of validity and enforcement thereof.

(f) Execution In Counterparts. The parties may sign this Agreement in counterparts, all of which shall be considered one and the same instrument. Facsimile transmissions, or electronic transmissions in .pdf format, of any executed original document and/or retransmission of any executed facsimile or .pdf transmission shall be deemed to be the same as the delivery of an executed original of this Agreement.

(g) Governing Law And Performance. This Agreement shall be governed by the laws of the Commonwealth of Massachusetts without giving effect to its principles on conflicts of laws.

(h) Successor and Assigns. This Agreement shall be binding on and inure to the benefit of the successors in interest of the parties, including, in the case of the Executive, the Executive's heirs, executors and estate. The Executive may not assign Executive's obligations under this Agreement.

(i) Notices. Any notices or other communications provided for hereunder may be made by hand, by certified or registered mail, postage prepaid, return receipt requested, or by nationally recognized express courier services provided that the same are addressed to the party required to be notified at its address first written above, or such other address as may hereafter be established by a party by written notice to the other party. Notice shall be considered accomplished on the date delivered, three days after being mailed or one day after deposit with the express courier, as applicable.

IN WITNESS WHEREOF, the parties hereto have executed this Employment Agreement under seal as of the date and year first above written.

Company:

Xenetic Bioscience Inc.,

By: /s/ Scott Maguire
Scott Maguire
Chief Executive Officer

Executive:

/s/ Henry Hoppe IV
Henry Hoppe IV

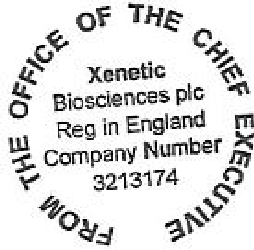

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael Scott Maguire, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Xenetic Biosciences, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 18, 2015

By: /s/ Michael Scott Maguire
Michael Scott Maguire
Chief Executive Officer, President and Director

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Colin William Hill, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Xenetic Biosciences, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Dated: February 18, 2015

By: /s/ Colin William Hill
Colin William Hill
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Xenetic Biosciences, Inc. (the "Company") on Form 10-K/A for the fiscal year ended December 31, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, the undersigned officers of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of our knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 18, 2015

By: /s/ Michael Scott Maguire
Michael Scott Maguire
Chief Executive Officer, President and Director

By: /s/ Colin William Hill
Colin William Hill
Chief Financial Officer