

# SECURITIES AND EXCHANGE COMMISSION

## FORM SC 13D

Schedule filed to report acquisition of beneficial ownership of 5% or more of a class of equity securities

Filing Date: **2019-04-04**  
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([HTML Version](#) on [secdatabase.com](#))

### SUBJECT COMPANY

#### Midatech Pharma Plc

CIK: [1643918](#) | IRS No.: **000000000** | State of Incorporation: **X0** | Fiscal Year End: **1231**  
Type: **SC 13D** | Act: **34** | File No.: [005-89366](#) | Film No.: **19731242**  
SIC: **2834** Pharmaceutical preparations

Mailing Address  
*ODDFELLOWS HOUSE  
19 NEWPORT ROAD  
CARDIFF X0 CF24 0AA*

Business Address  
*ODDFELLOWS HOUSE  
19 NEWPORT ROAD  
CARDIFF X0 CF24 0AA  
44 (0)1235 888300*

### FILED BY

#### Lam Kong

CIK: [1668079](#)  
Type: **SC 13D**

Mailing Address  
*8/F BLDG A, TONGFANG  
INFORMATION HARBOR  
NO 11 LANGSHAN ROAD,  
NANSHAN DISTRICT  
SHENZHEN F4 518057*

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 13D**

Under the Securities Exchange Act of 1934  
(Amendment No. \_\_\_\_\_)\*

**Midatech Pharma PLC**

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(Name of Issuer)

**Ordinary Shares, nominal value 0.005p per share**

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(Title of Class of Securities)

**59564R 104\*\***

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(CUSIP Number)

Dr. Peng Huaizheng, Director

Unit 2106, 21/F

Island Place Tower

No. 510 King's Road, North Point

Hong Kong, Peoples Republic of China

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(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

February 26, 2019

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(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

\*\* This CUSIP number is assigned to the Issuer's American Depositary Shares.

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NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

1. China Medical System Holdings Limited

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2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
(see instructions)

(a)

(b)

---

3. SEC USE ONLY

---

SOURCE OF FUNDS (see instructions)

4. WC

---

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

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CITIZENSHIP OR PLACE OF ORGANIZATION

6. Cayman Islands

---

7. SOLE VOTING POWER

0

---

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

8. SHARED VOTING POWER

103,896,103

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9. SOLE DISPOSITIVE POWER

0

---

10. SHARED DISPOSITIVE POWER

103,896,103

---

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11. 103,896,103

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12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES  
(see instructions)

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PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13. 25.4% (1)

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TYPE OF REPORTING PERSON (see instructions)

14. CO, HC

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(1) This percentage set forth on the cover sheet is calculated based on 403,399,613 ordinary shares, nominal value 0.005 pence per share (the “**Ordinary Shares**”), outstanding as February 26, 2019, as disclosed on, and derived from, Midatech Pharma PLC’s (the “**Company**”) “Investor” portion of its web site.

NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)	
1.	CMS Medical Venture Investment (HK) Limited
2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions)	
	(a) <input type="checkbox"/>
	(b) <input type="checkbox"/>
3. SEC USE ONLY	
SOURCE OF FUNDS (see instructions)	
4.	WC
5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>	
CITIZENSHIP OR PLACE OF ORGANIZATION	
6.	Hong Kong, Peoples Republic of China
7. SOLE VOTING POWER	
	0
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8. SHARED VOTING POWER
	103,896,103
	9. SOLE DISPOSITIVE POWER
	0
	10. SHARED DISPOSITIVE POWER
	103,896,103
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	
11.	103,896,103
12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (see instructions) <input type="checkbox"/>	
PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	
13.	25.4% (1)
14. TYPE OF REPORTING PERSON (see instructions)	
	CO

(1) This percentage set forth on the cover sheet is calculated based on 403,399,613 Ordinary Shares outstanding as February 26, 2019, as disclosed on, and derived from, the Company's "Investor" portion of its web site.

NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)	
1.	A&B (HK) COMPANY LIMITED
2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions)	
	(a) <input type="checkbox"/>
	(b) <input type="checkbox"/>
3. SEC USE ONLY	
SOURCE OF FUNDS (see instructions)	
4.	WC
5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>	
CITIZENSHIP OR PLACE OF ORGANIZATION	
6.	Hong Kong, Peoples Republic of China
7. SOLE VOTING POWER	
	0
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8. SHARED VOTING POWER
	103,896,103
9. SOLE DISPOSITIVE POWER	
	0
10. SHARED DISPOSITIVE POWER	
	103,896,103
11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	
12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (see instructions) <input type="checkbox"/>	
PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	
13.	25.4% (1)
14. TYPE OF REPORTING PERSON (see instructions)	
CO	

(1) This percentage set forth on the cover sheet is calculated based on 403,399,613 Ordinary Shares outstanding as February 26, 2019, as disclosed on, and derived from, the Company's "Investor" portion of its web site.

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1. NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  
A&B Brother Limited

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2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
(see instructions)  
(a)   
(b)

---

3. SEC USE ONLY

---

SOURCE OF FUNDS (see instructions)  
4. OO

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5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)   
CITIZENSHIP OR PLACE OF ORGANIZATION

---

6. British Virgin Islands

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7. SOLE VOTING POWER  
0

---

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

8. SHARED VOTING POWER  
103,896,103

---

9. SOLE DISPOSITIVE POWER  
0

---

10. SHARED DISPOSITIVE POWER  
103,896,103

---

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

---

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES  
(see instructions)

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13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
25.4% (1)

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14. TYPE OF REPORTING PERSON (see instructions)  
CO, HC

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(1) This percentage set forth on the cover sheet is calculated based on 403,399,613 Ordinary Shares outstanding as February 26, 2019, as disclosed on, and derived from, the Company's "Investor" portion of its web site.

NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)	
1.	Dr. Lam Kong
2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions)	
	(a) <input type="checkbox"/>
	(b) <input type="checkbox"/>
3. SEC USE ONLY	
SOURCE OF FUNDS (see instructions)	
4.	OO
5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>	
CITIZENSHIP OR PLACE OF ORGANIZATION	
6.	Hong Kong, Peoples Republic of China
7. SOLE VOTING POWER	
	0
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8. SHARED VOTING POWER
	207,792,206
	9. SOLE DISPOSITIVE POWER
	0
	10. SHARED DISPOSITIVE POWER
	207,792,206
11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	
	207,792,206
12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (see instructions) <input type="checkbox"/>	
13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	
	50.8 %
14. TYPE OF REPORTING PERSON (see instructions)	
	IN

(1) This percentage set forth on the cover sheet is calculated based on 403,399,613 Ordinary Shares outstanding as February 26, 2019, as disclosed on, and derived from, the Company's "Investor" portion of its web site.

## Item 1. Security and Issuer.

This Schedule 13D (this “**Schedule 13D**”) relates to the ordinary shares, nominal value 0.005p per share (the “**Ordinary Shares**”), of **Midatech Pharma PLC**, a public limited company organized under the laws of England and Wales (the “**Company**”). The Company’s principal executive offices are located at Oddfellows House, 19 Newport Road, Cardiff, CF24 0AA, United Kingdom. Information given in response to each item shall be deemed incorporated by reference in all other items, as applicable.

## Item 2. Identity and Background.

(a) This Schedule 13D is being filed by the following persons, each of whom is referred to herein as a “**Reporting Person**” and collectively as the “**Reporting Persons**”:

1. China Medical System Holdings Limited (“**CMS Holdings**”), a Cayman Islands limited company and owner of the entire issued share capital of CMS HK (as defined herein);
2. CMS Medical Venture Investment (HK) Limited (“**CMS HK**”), a Hong Kong limited company;
3. A&B Brother Limited (“**A&B BVI**”), a British Virgin Islands limited company and owner of the entire issued share capital of A&B HK (as defined herein);
4. A&B (HK) COMPANY LIMITED (“**A&B HK**”), a Hong Kong limited company; and
5. Dr. Lam Kong, the (i) Chairman, Chief Executive Officer and President of CMS Holdings, (ii) director of CMS HK, and (iii) sole director of A&B BVI and A&B HK. Dr. Lam Kong maintains a 100% ownership interest in A&B BVI and a 43.96% indirect ownership interest in CMS Holdings through his ownership of TREASURE SEA LIMITED, a British Virgin Islands limited company.

Each of the Reporting Persons is party to that certain Joint Filing Agreement, as further described in Item 6. Accordingly, the Reporting Persons are hereby filing a joint Schedule 13D. Schedule A attached hereto set forth information required by Instruction C of the instructions to Schedule 13D.

(b) The residence or principal business addresses of the Reporting Persons are as follows:

1. China Medical System Holdings Limited: Maples Corporate Services Limited, P.O. Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands;
2. CMS Medical Venture Investment (HK) Limited: Unit 2106, 21/F, Island Place Tower, 510 King’s Road, North Point, Hong Kong, Peoples Republic of China (“**P.R.C.**”);
3. A&B Brother Limited: Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Island;
4. A&B (HK) COMPANY LIMITED: Unit A, 11/F, Chung Pont Commercial Building, 300 Hennessy Road, Wanchai, Hong Kong, P.R.C.; and
5. Dr. Lam Kong: Unit 2106, 21/F, Island Place Tower, 510 King’s Road, North Point, Hong Kong, P.R.C.

(c) The present principal business of each of CMS Holdings, CMS HK, A&B BVI and A&B HK is to invest in the global healthcare and life science business. The present principal occupation of Dr. Lam Kong is as Chief Executive Officer, President and Chairman of CMS Holdings. Dr. Lam Kong is also a director of CMS HK and the sole director of A&B BVI and A&B HK.

(d) During the last five years, none of the Reporting Persons has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) During the last five years, none of the Reporting Persons was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future



violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

- (f) Item 2(a) and (b) are incorporated herein by reference. Dr. Lam Kong is a citizen of Hong Kong, Peoples Republic of China.
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### Item 3. Source or Amount of Funds or Other Consideration.

The arrangements pursuant to which A&B HK and CMS HK have acquired securities of the Company are described in Item 4 of this Schedule 13D. The information set forth in or incorporated by reference in Item 4 of this Schedule 13D is incorporated by reference into this Item 3.

The aggregate approximately £4.0 million consideration paid by each of A&B HK and CMS HK to the Company pursuant to the arrangements described in Item 4 of this Schedule 13D was funded from the general working capital of each of A&B HK and CMS HK, as applicable. No part of the purchase price of the securities was represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding, trading or voting the securities.

As of the date of this Schedule 13D, none of A&B BVI, CMS Holdings or Dr. Lam Kong have directly purchased or acquired any New Shares (as defined herein), Warrants (as defined herein) or other securities of the Company. A&B BVI, CMS Holdings and Dr. Lam Kong are beneficially interested in the New Shares and Warrants of the Company solely through the holdings of A&B HK and CMS HK, as applicable.

### Item 4. Purpose of Transaction.

The New Shares (including the New Shares issuable pursuant to the terms of the Warrants) that are or may be deemed to be beneficially owned by the Reporting Persons were acquired for investment purposes in connection with what the Reporting Persons anticipate will be a strategic relationship between the Reporting Persons and the Company.

*License Agreement.* On January 29, 2019, the Company, CMS Holdings, CMS Medical Hong Kong Limited (“**CMS Medical**”) and CMS Bridging Limited (“**CMS Bridging**”), a wholly owned subsidiary of CMS Holdings, entered into a License, Collaboration and Distribution Agreement (the “**License Agreement**”), with such Agreement’s effectiveness conditioned on the issuance of the New Shares and Warrants and admission to trading of such on the AIM Market of the London Stock Exchange (“**AIM**”), which occurred on February 26, 2019. The Agreement relates to the development and commercialization of a number of the Company’s products in the Greater China Area and certain countries in Southeast Asia (which will be at the election of CMS Medical and/or CMS Bridging on a product by product basis, such election to be made once relevant regulatory approvals have been achieved in any one of the United States, the European Union, the United Kingdom, France, Germany, Switzerland).

In addition to the Company’s lead products noted above, the License Agreement extends to any other products or line extensions of the Company which the Company has decided will enter pre-clinical studies or clinical trials within three years from the date of the License Agreement (individually, a “**Product**” and collectively the “**Products**”).

Subject to successful development and commercialization of the Products, pursuant to the terms of the License Agreement the Company will receive:

- milestone payments upon the earliest grant of regulatory approval of a Product in the United States, or the European Union, the United Kingdom, France, Germany, Switzerland and China;
- sales based royalties; and
- one-off sales based milestones calculated on cumulative sales for a Product in the territories set forth in the License Agreement.

*Subscription Agreements.* In connection with the License Agreement, on January 29, 2019, the Company entered into a subscription agreement (the “**Subscription Agreement**”) with each of A&B HK and CMS HK to subscribe for units (“**Units**”) consisting of the Company’s Ordinary Shares (the “**New Shares**”) and warrants to purchase the New Shares at an exercise price of 50 pence per share (the “**Warrants**”). Pursuant to the terms of the subscription agreements, the Company agreed to issue 103,896,103 Units to each of A&B HK and CMS HK, with each Unit comprising one New Share and one Warrant, for an aggregate of approximately £4.0 million each (approximately £8.0 million total), subject to admission on AIM. The New Shares were admitted to trading on AIM on February 26, 2019.

The preceding summary is qualified in its entirety by reference to the Subscription Agreement with each of A&B HK and CMS HK, each which is filed as Exhibit 99.2 and Exhibit 99.3, respectively, to this Schedule 13D.

*Relationship Agreement.* On January 29, 2019, the Company, Panmure Gordon (UK) Limited, A&B HK, CMS Holdings, CMS HK and Dr. Lam Kong (A&B HK, CMS Holdings, CMS HK and Dr. Lam Kong, for purposes of this Item 4, collectively referred to as the “**CMS Parties**”) entered into a Relationship Agreement (the “**Relationship Agreement**”) in order to regulate the relationship between the Company and the CMS Parties and to limit their influence over the Company’s corporate actions and activities and the outcome of general matters pertaining to the Company. The Relationship Agreement was effective from February 26, 2019.

Pursuant to the Relationship Agreement, the CMS Parties agreed to (amongst other things):

- conduct all transactions with the Company on an arm’s length terms and on a normal commercial basis, including in accordance with the related party rules set out in the listing rules of AIM (the “**AIM Rules**”) and any other applicable laws, regulations and stock exchange rules, and only with the prior approval of a majority of the Company’s independent directors;
- exercise their voting rights or other rights and powers so as to ensure that each member of their respective group is capable of carrying on its business and making decisions independently of each of the CMS Parties (and any of their group companies and associates); and
- abstain from voting in respect of any resolution concerning any contract, arrangement or transaction with a related party of each of the CMS Parties (or any of their associates).

The Company further agreed to conduct all transactions, agreements and relationships (whether contractual or otherwise) with the CMS Parties (and any of their group companies and associates) on arm’s length terms and on a normal commercial basis and in accordance with the related party rules set out in the AIM Rules.

The Relationship Agreement provides that any respective dispute between the Company and the CMS Parties and/or any of their respective associates relating to any existing or proposed transaction, arrangement or agreement between each of CMS Parties (or any of their associates) and the Company shall be resolved by a decision of the majority of independent directors of the Company.

The obligations of the parties under the Relationship Agreement shall automatically terminate upon:

- the CMS Parties (or any of their associates) ceasing to beneficially hold 10%, in aggregate, of the Company’s issued Ordinary Shares; or
- the Ordinary Shares ceasing to be admitted to AIM.

Pursuant to the Relationship Agreement, the Company further agreed to appoint a representative designated by A&B HK to its Board of Directors as a non-executive director, and further the right to elect a board observer. A&B HK’s right to maintain a representative on the Company’s Board of Directors and the right to elect an observer at Board of Director meetings will continue for so long as A&B HK continues to beneficially hold not less than 10% of the Company’s issued Ordinary Shares from time to time.

In connection with the Relationship Agreement, A&B HK designated Dr. Huaizheng Peng, the Chief Executive Officer of A&B HK, to serve as its representative on the Company's Board of Directors. Dr. Peng was appointed to the Company's Board of Directors on February 26, 2019. Dr. Peng may regularly interact with management and the other directors to discuss operational, strategic and other business issues affecting the Company.

The preceding summary is qualified in its entirety by reference to the Relationship Agreement, which is filed as Exhibit 99.4 to this Schedule 13D.

*Warrant Instrument.* Each of A&B HK and CMS HK were issued the Warrants pursuant to a warrant instrument entered into by way of deed poll (the "**Warrant Instrument**") by the Company dated January 29, 2019, under which the Company agreed to issue up to 348,215,478 Warrants. In connection with the Subscription Agreements, the Company issued Warrants to purchase 103,896,103 New Shares to each of A&B HK and CMS HK.

Each Warrant confers the right to subscribe for one New Share. The Warrants are freely transferable. Each Warrant is exercisable for cash at a price of 50 pence per Warrant, subject to the terms and conditions described in the Warrant Instrument (the "**Warrant Exercise Price**"), during the period commencing six months following February 26, 2019 and until the third anniversary of such date (the "**Subscription Period**").

The Warrant Instrument contains customary provisions for adjustments to the Warrant Exercise Price in certain circumstances, including if, prior to the end of the Subscription Period, there shall occur any reorganization, recapitalization, consolidation or subdivision, involving the Company.

The preceding summary is qualified in its entirety by reference to the Warrant Instrument, which is filed as Exhibit 99.5 to this Schedule 13D.

*Lock-In Agreement.* A lock-in and orderly market agreement, dated January 29, 2019 ("**Lock-In Agreement**"), was entered into between the Company, Panmure Gordon and each of A&B HK and CMS HK, pursuant to which each of A&B HK and CMS HK have undertaken to the Company and Panmure Gordon (subject to certain limited exceptions including by way of acceptance of a recommended takeover offer for the entire issued share capital of the Company), not to dispose of the Ordinary Shares held by them following their acquisition or any other securities in exchange for or convertible into, or substantially similar to, new Ordinary Shares (or any interest in them or in respect of them) at any time prior to the twelve month anniversary of February 26, 2019.

Furthermore, each of A&B HK and CMS HK have also undertaken to the Company and Panmure Gordon not to dispose of their Ordinary Shares for a further twelve months following the expiry of such period otherwise than through our broker with a view to maintaining an orderly market.

The preceding summary is qualified in its entirety by reference to the form of Lock-In Agreement, which is filed as Exhibit 99.6 to this Schedule 13D.

*Present Plans.* Each of CMS HK and A&B HK acquired the New Shares and Warrants for investment purposes with the aim of increasing the value of its investments and the Company.

The Reporting Persons intend to review their investment in the Company on a continuing basis. Depending on various factors including, without limitation, the Company's financial position and strategic direction, the market for the Company's securities, development progress in respect of the Company's pipeline products, other developments concerning the Company, the reaction of the Company to the Reporting Persons' ownership of the Company's securities, other opportunities available to the Reporting Persons, and general economic, money market and stock market conditions and subject to applicable legal requirements, the Reporting Persons may in the future take such actions with respect to their investment in the Issuer as they deems appropriate, including, without limitation, (i) acquiring additional shares of Ordinary Share and/or other equity, debt, notes, instruments or other securities (collectively, "**Securities**") of the Company in the open market or otherwise; (ii) disposing of any or all of its Securities in the open market or otherwise; (iii) engaging in short selling of or any hedging or similar transactions with respect to the Securities; and/or (iv) otherwise changing its intention with respect to any and all matters referred to in Item 4 of Schedule 13D.

Other than as described in this Item 4, the Reporting Persons have no plan or proposal which relates to, or would result in, any of the actions enumerated in Item 4 of the instructions to Schedule 13D.

**Item 5. Interest in Securities of the Issuer.**

(a)-(b) Item 7 through 11 and 13 of each of the cover pages of this Schedule 13D are incorporated herein by reference. The information set forth in Item 3 and 4 is incorporated herein by reference. All percentages of ownership of the Reporting Persons is calculated based on 403,399,613 Ordinary Shares outstanding as of February 26, 2019, as disclosed on, and as derived from, the Company's "Investors" portion of its website.

As of the date of this Schedule 13D, each of A&B HK and CMS HK directly own 103,896,103 Ordinary Shares. In addition, each of A&B HK and CMS HK directly hold a Warrant to purchase 103,896,103 New Shares at the Warrant Exercise Price during the Subscription Period.

As of the date of this Schedule 13D, none of A&B BVI, CMS Holdings or Dr. Lam Kong have directly purchased or acquired any Ordinary Shares or other securities of the Company. A&B BVI, CMS Holdings and Dr. Lam Kong are beneficially interested in the Ordinary Shares of the Company solely through the holdings of A&B HK and CMS HK, as applicable. A&B HK is a wholly owned subsidiary of A&B BVI and the entire issued share capital of A&B BVI is owned by Dr. Lam Kong, who is also the sole director of each of A&B HK and A&B BVI. CMS HK is the wholly owned subsidiary of CMS Holdings, of which Dr. Lam Kong is the Chief Executive Officer, President and Chairman of the Board of Directors. Dr. Lam Kong is a director of CMS HK. Dr. Lam Kong maintains a 43.96% indirect ownership interest in CMS Holdings through his ownership of Treasure Sea Limited.

Except as disclosed in this Schedule 13D, none of the Reporting Persons beneficially owns any New Shares or has the right to acquire any Ordinary Shares.

Except as disclosed in this Schedule 13D, none of the Reporting Persons presently has the power to vote or to direct the vote or to dispose or direct the disposition of any of the Ordinary Shares which it may be deemed to beneficially own.

(c) Except as disclosed in this Schedule 13D, the Reporting Persons have not effected any transaction in the Ordinary Shares of the Company during the past 60 days.

(d) Except as disclosed in this Schedule 13D, to the best of the knowledge of the Reporting Persons, no other person has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, any Ordinary Shares beneficially owned by the Reporting Persons.

(e) Not applicable.

**Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.**

The information set forth or incorporated by reference in Item 3 and Item 4 of this Schedule 13D is incorporated by reference into this Item 6.

*Joint Filing Agreement.* The Reporting Persons have entered into a joint filing agreement, dated as of the date hereof, a copy of which is filed with this Schedule 13D as Exhibit 99.1, pursuant to which the Reporting Persons have agreed to file this statement jointly in accordance with the provisions of Rule 13d-1(k)(1) under the Act. Information with respect to each Reporting Person is given solely by such Reporting Person, and no Reporting Person assumes responsibility for the accuracy or completeness of the information furnished by any other Reporting Person.

**Item 7. Material to Be Filed as Exhibits.**

Exhibit 99.1	Joint Filing Agreement, dated April 4, 2019.
Exhibit 99.2	Subscription Agreement, dated January 29, 2019, by and between the Midatech Pharma PLC and A&B (HK) Company Limited.
Exhibit 99.3	Subscription Agreement, dated January 29, 2019, by and between the Midatech Pharma PLC and CMS Medical Venture Investment (HK) Limited.
Exhibit 99.4	Relationship Agreement, dated January 29, 2019, by and among the Midatech Pharma PLC, certain CMS Concert Parties thereto and Panmure Gordon (UK) Limited.
Exhibit 99.5	Warrant Instrument, dated as of January 29, 2019, constituting warrants to subscribe for ordinary shares in Midatech Pharma PLC.
Exhibit 99.6	Form of Lock-In Agreement, by and among the Midatech Pharma PLC, Panmure Gordon (UK) Limited and certain parties thereto.

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## SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: April 4, 2019

### CHINA MEDICAL SYSTEM HOLDINGS LIMITED

By: /s/ Dr. Lam Kong

Name: Dr. Lam Kong

Title: Chief Executive Officer & President

### CMS MEDICAL VENTURE INVESTMENTS (HK) LIMITED

By: /s/ Dr. Huaizheng Peng

Name: Dr. Huaizheng Peng

Title: Director

### A&B BROTHER LIMITED

By: /s/ Dr. Lam Kong

Name: Dr. Lam Kong

Title: Director

### A&B (HK) COMPANY LIMITED

By: /s/ Dr. Lam Kong

Name: Dr. Lam Kong

Title: Director

/s/ Dr. Lam Kong

Dr. Lam Kong

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**SCHEDULE A**

**GENERAL PARTNERS, CONTROL PERSONS, DIRECTORS AND EXECUTIVE OFFICERS OF CERTAIN REPORTING PERSONS**

The following sets forth the name, position, address, principal occupation and citizenship of each general partner, control person, director and/or executive officer of the Reporting Persons (the “Instruction C Persons”). To the best of the Reporting Persons’ knowledge, (i) none of the Instruction C Persons during the last five years has been convicted in a criminal proceeding (excluding traffic violations or other similar misdemeanors) or been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws and (ii) none of the Instruction C Persons owns any Ordinary Shares or is party to any contract or agreement as would require disclosure in this Schedule 13D.

**China Medical System Holdings Limited (“CMS Holdings”)**

<b>Name</b>	<b>Position</b>	<b>Citizenship</b>	<b>Present Principal Occupation</b>	<b>Business Address</b>
Dr. Lam Kong	Chief Executive Officer, President and Chairman of the Board	Hong Kong, P.R.C.	Chief Executive Officer, President and Chairman of the Board, CMS Holdings	Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
Chen Hongbing	Director	Hong Kong, P.R.C.	Chief Operation Officer, CMS Holdings	Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
Chen Yangling	Director	Hong Kong, P.R.C.	Chief Financial Officer, CMS Holdings	Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
Cheung Kam Shing, Terry	Non-Executive Director	Hong Kong, P.R.C.	Executive Director, Pearl Oriental Oil Limited	Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
Wu Chi Keung	Non-Executive Director	Hong Kong, P.R.C.	Managing Director, Born Best Company Limited	Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
Leung Chong Shun	Non-Executive Director	Hong Kong, P.R.C.	Attorney, Woo Kwan Lee & Lo	Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands



**CMS Medical Venture Investment (HK) Limited (“CMS HK”)**

<b>Name</b>	<b>Position</b>	<b>Citizenship</b>	<b>Present Principal Occupation</b>	<b>Business Address</b>
Dr. Lam Kong	Director	Hong Kong, P.R.C.	Chief Executive Officer, President and Chairman of the Board, CMS Holdings	Unit 2106, 21/F, Island Place Tower, 510 King’s Road, North Point, Hong Kong, P.R.C.
Dr. Huaizheng Peng	Director	United Kingdom	General Manager of International Investment and Operations, CMS Holdings; Chief Executive Officer, A&B HK	Unit 2106, 21/F, Island Place Tower, 510 King’s Road, North Point, Hong Kong, P.R.C.

**A&B (HK) Company Limited (“A&B HK”)**

<b>Name</b>	<b>Position</b>	<b>Citizenship</b>	<b>Present Principal Occupation</b>	<b>Business Address</b>
Dr. Huaizheng Peng	Chief Executive Officer	United Kingdom	General Manager of International Investment and Operations, CMS Holdings; Chief Executive Officer, A&B HK	Unit A, 11/F, Chung Pont Commercial Building, 300 Hennessy Road, Wanchai, Hong Kong, P.R.C
Dr. Lam Kong	Director	Hong Kong, P.R.C.	Chief Executive Officer, President and Chairman of the Board, CMS Holdings	Unit A, 11/F, Chung Pont Commercial Building, 300 Hennessy Road, Wanchai, Hong Kong, P.R.C.

**A&B Brother Limited**

<b>Name</b>	<b>Position</b>	<b>Citizenship</b>	<b>Present Principal Occupation</b>	<b>Business Address</b>
Dr. Lam Kong	Director	Hong Kong, P.R.C.	Chief Executive Officer, President and Chairman of the Board, CMS Holdings	Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Island

**JOINT FILING AGREEMENT**

In accordance with Rule 13d-1(k)(1) under the Securities Exchange Act of 1934, as amended, the persons named below agree to the joint filing on behalf of each of them of a statement on Schedule 13D (including amendments thereto) with respect to the ordinary shares, nominal value 0.005 pence per share, of Midatech Pharma PLC, a company organized under the laws of England and Wales, and further agree that this Joint Filing Agreement be included as an exhibit to such joint filings. In evidence thereof, each of the undersigned hereby executes this Joint Filing Agreement as of April 4, 2019.

**CHINA MEDICAL SYSTEM HOLDINGS LIMITED**

By: /s/ Dr. Lam Kong  
Name: Dr. Lam Kong  
Title: Chief Executive Officer & President

**CMS MEDICAL VENTURE INVESTMENTS (HK) LIMITED**

By: /s/ Dr. Lam Kong  
Name: Dr. Lam Kong  
Title: Director

**A&B BROTHER LIMITED**

By: /s/ Dr. Lam Kong  
Name: Dr. Lam Kong  
Title: Director

**A&B (HK) COMPANY LIMITED**

By: /s/ Dr. Lam Kong  
Name: Dr. Lam Kong  
Title: Director

/s/ Dr. Lam Kong  
Dr. Lam Kong

---

## PRIVATE AND CONFIDENTIAL

**Midatech Pharma plc**  
 65 Innovation Drive, Milton Park  
 Milton  
 Abingdon  
 Oxfordshire  
 OX14 4RQ

29 January 2019

**A&B (HK) Company Limited**

Unit A, 11/F, Chung Pont Commercial Building,  
 300 Hennessy Road, Wanchai,  
 Hong Kong

<b>Subscriber commitment confirmation</b>	
Number of Subscription Units	103,896,103
Number of Subscription Shares	103,896,103
Number of Warrants	103,896,103
Subscription Price per Unit	3.85 pence
Total Subscription Price	£3,999,999.97

Dear Subscriber

**Subscription Letter in relation to Midatech Pharma plc (the “Company”)**

We refer to the offer made to certain prospective investors to subscribe for units comprising one ordinary share of 0.005 pence each in the share capital of the Company (the “**Subscription Share(s)**”) and one warrant to purchase a new ordinary share in the share capital of the Company (“**Warrant**”) pursuant to the terms of a warrant instrument adopted by the Company (collectively “**Subscription Unit(s)**”) and such fundraising being (the “**Subscription**”).

By executing and returning the attached Confirmation Letter, you:

1. agree as a legally binding obligation to subscribe for the number of Subscription Units at the Subscription Price, each as shown in the ‘Subscriber commitment confirmation’ above, on the terms set out in this letter, the attached Confirmation Letter and subject to the articles of association of the Company from time to time;
2. give the various warranties, confirmations, representations, acknowledgements and undertakings set out below; and
3. confirm that you are not relying on any warranty or representation made by the Company or any of its representatives or any other party.

The Subscription Shares to be issued pursuant to the Subscription will rank *pari passu* in all respects with the existing ordinary shares of 0.005 pence each in the share capital of the Company.

The Subscription is conditional, among other things, upon Admission (defined below).

In this letter, any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

1. **Dealings**

1.1 Application will be made to the London Stock Exchange plc for all of the new ordinary shares in the Company (to be issued in connection with the Subscription) (the “**New Ordinary Shares**”) to be admitted to trading on AIM (“**Admission**”). It is expected that Admission will become effective, and that dealings in the New Ordinary Shares will commence by no later than 28 February 2019.

2. **Conditions and Termination**

The obligations accepted by you pursuant to your signature and return of the Confirmation Letter and set out in this letter are irrevocable and not capable of termination or rescission by you in any circumstances, except in the case of fraud.

3. **Settlement**

3.1 Payment of an amount equal to the value of the Total Subscription Price shown in the ‘Subscriber commitment confirmation’ shall be wired to the escrow account detailed below (“**Escrow Account**”). The Subscription Monies are held in the Escrow Account on trust by Link Corporate Trustees (UK) Limited as the “**Escrow Agent**” until Admission on the terms and conditions of an escrow agreement dated on or around the date of this letter (the “**Escrow Agreement**”).

Escrow Account details:

Name:  
Client Account Sort Code:  
Account Number:  
IBAN:  
SWIFT/BIC:

3.2 Pursuant to the terms of the Escrow Agreement:

- (a) if Admission occurs, the Total Subscription Price will be released to us upon Admission taking place; and
- (b) if Admission does not occur on or prior to 28 February 2019 we agree that any Subscription monies paid by you will be returned to you.

3.3 Subject to (i) the terms and conditions of this letter and (ii) Admission occurring, we will deliver your Subscription Shares in accordance with the certificated settlement details provided in Attachment B.

3.4 In the event of late receipt of the Total Subscription Price, you will be charged interest on the amount thereof from time to time outstanding at the rate of 2 percentage points above the Bank of England base rate from time to time, calculated on a daily basis.

#### 4. **Registration**

The person named for registration purposes in Attachment B must be (a) the person procured by you to subscribe for or acquire the relevant Subscription Shares, (b) yourself or (c) a nominee of any such person or yourself, as the case may be. The ISIN for the Subscription Shares is GB00BRTL9B63.

#### 5. **Further Terms**

5.1 By returning the attached Confirmation Letter duly completed and thereby accepting your Subscription Shares you will be deemed to have agreed, warranted, confirmed, represented, acknowledged and undertaken to us in the following terms (the “**Confirmations**”) (in respect of yourself and/or any other person on whose behalf you are subscribing – and “you”, where referred to below, shall be interpreted accordingly) and your Subscription is conditional on such Confirmations being and remaining true and accurate at all times up to and including the completion of your Subscription:

(a) Your acceptance of your Subscription on the terms set out in this letter is irrevocable and not capable of termination or rescission by you in any circumstances, except in the case of fraud.

(b) You confirm and warrant that you have not relied on any information given or any written or oral representations, warranties, or statements express or implied statutory or otherwise made or deemed to be made at any time by the Company, or any person in connection with the Subscription, Admission or the Company other than the marketing presentation dated 26 November 2018 (the “**Marketing Presentation**”) provided to you in connection with the Subscription and, accordingly, there shall be no liability or responsibility for the Company, Panmure Gordon (UK) Limited or Stifel Nicolaus Europe Limited (the “**Placing Agents**”) and their respective directors, officers, agents, employees or advisers or for any other third party for any other information or representation, except in the case of fraud. You acknowledge that neither the Placing Agents nor any person representing the Placing Agents makes any representation or warranty as to the accuracy or completeness of the Marketing Presentation.

(c) You (including any person on whose behalf you are subscribing) are a person of a kind described in Article 19(5) (investment professionals) or Article 49 (high net worth companies, unincorporated associations etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Financial Promotion Order**”) or you are otherwise entitled by law to receive communications which are a “financial promotion” (as referred to in section 21 of the Financial Services and Markets Act 2000 (“**FSMA**”)) without the need for such communications to be approved, made or directed by an “authorised person” as referred to in FSMA and you undertake to provide us with such information as we may require to verify your ability to receive financial promotions in those circumstances.

(d) The agreement confirmed by this letter (and your signature and return to us of the attached Confirmation Letter) is a legally binding contract. The terms and conditions of your Subscription will be governed by, and construed in accordance with, the laws of England and Wales and the Courts of England will have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the same but a judgment or order of any court may be enforced in any court of competent jurisdiction.

- (e) You irrevocably appoint any director or employee of the Company as your agent for the purpose of executing and delivering to the Company and/or its registrars any document on your behalf necessary to enable you to be registered as the holder of your Subscription Shares.

- (f) You are entitled to accept your Subscription under the laws of all relevant jurisdictions which apply to you, have complied and will fully comply with all such laws in relation to your Subscription (including, where applicable, the Money Laundering Regulations 2007 (as amended), the Anti-terrorism, Crime and Security Act 2001, the Criminal Justice Act 1993 and the Proceeds of Crime Act 2002 (together, the “**Money Laundering Regulations**”)) and, if you are making payment on behalf of a third party, you have obtained and recorded satisfactory evidence to verify the identity of the third party as required by the Money Laundering Regulations and you will provide the Company on demand with any information or documentation it might require for the purposes of verification pursuant to the Money Laundering Regulations (“**Information**”), and you have obtained all governmental and other consents which may be required in relation to your Subscription. If within a reasonable time after a request for Information, we have not received Information satisfactory to us, we may, at our absolute discretion, terminate your Subscription in which event the monies payable by you pursuant to the paragraph headed ‘Settlement’ will, if paid, be returned without interest to the account of the drawee bank from which they were originally debited.

- (g) Time shall be of the essence as regards obligations pursuant to this letter.

- (h) In accepting your Subscription Shares you are acting as principal and for no other person and that your acceptance of that commitment will not give any other person a contractual right to require the issue by the Company of any of the Subscription Shares.

- (i) You (the “**Subscriber**”) acknowledge, undertake, represent, warrant, confirm and agree (as the case may be):

- (i) that the Subscriber:

- (A) in making its decision to purchase the Subscription Shares: (a) has made its own independent and informed investment decision regarding the Subscription Shares based on its own knowledge (and information which it may have or which is publicly available) and the Marketing Presentation, with respect to the Subscription Shares and the Company; (b) has had access to such information as it deems necessary or appropriate in connection with its purchase of the Subscription Shares; (c) has had a full opportunity to ask questions of and receive answers from the Company or any person or persons acting on behalf of the Company concerning the terms and conditions of the offering of the Subscription Shares and the merits and risks of investing in the Subscription Shares; and (d) has sufficient knowledge and experience in financial and business matters and expertise in assessing credit, market and all other relevant risk and is capable of evaluating, and has evaluated, independently the merits, risks and suitability of subscribing for the Subscription Shares for itself;

- (B) is a sophisticated investor and acknowledges that by its subscription for or holding of the Subscription Shares that it is capable of bearing the economic risk of loss of investment that may occur with respect to acquiring the Subscription Units, including the possibility that the Subscriber may lose all or a substantial portion of its investment in the Subscription Shares, and the Subscriber will not look to the Company or to any other person acting on its behalf for all or part of any such loss or losses that it may suffer.

(j) You are entitled to take up your Subscription Shares and you have fully observed the laws of all relevant jurisdictions, obtained all governmental and other consents which may be required thereunder and complied with all relevant formalities and that you have not taken any action which will or may result in the Company, its respective directors, officers, agents, employees or advisers being in breach of the regulatory requirements of any territory in connection with the Subscription or your acceptance of your Subscription Shares.

(i) You have full knowledge of, or have been independently advised as to, the applicable securities laws of the jurisdiction in which you are resident and the jurisdiction from which you are subscribing for the Subscription Shares (the “**Jurisdictions**”).

(ii) Applicable securities laws of the Jurisdictions do not require the Company to make any filings or seek any approvals of any kind whatsoever from any regulatory authority of any kind in such Jurisdictions in connection with the offering to you of or subscription by you for the Subscription Shares.

(iii) You confirm that the offering to you or the subscription by you of the Subscription Shares does not trigger in the Jurisdictions: (i) any obligation to prepare and file a prospectus or similar document, or any other report with respect to such purchase; (ii) any continuous disclosure reporting obligation of the Company; or (iii) any registration or other obligation on the part of the Company.

(k) You have the power and capacity to enter into, and will perform, your obligations under the conditions of this letter, and have obtained all necessary consents and authorities which may be required in relation to this letter and your Subscription.

(l) Whilst no stamp duty or stamp duty reserve tax may be payable pursuant to the issue to you of the Subscription Shares, if any liability to stamp duty or stamp duty reserve tax does arise, it will be entirely for your account and the Company will not have any liability in respect of any duty or any related costs, fines, penalties and interest arising in respect thereof.

- (m) You have not taken any action which will or might result in the Company being in breach of the legal or regulatory requirements of any jurisdiction.
- (n) You have read the Marketing Presentation and accept that any investment in the Company is subject to the risk factors identified in the Marketing Presentation.
- (o) You agree to indemnify and hold each of the Company and affiliates, directors, officers, employees and agents harmless from and against any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach by you (or any person on whose behalf you are acting) of the representations, warranties, acknowledgements, agreements and undertakings in this letter, save to the extent that such breach was caused by and in the reasonable control of the Company and further agree that the provisions of this letter shall survive after completion of the Subscription.

The Company will rely on the truth and accuracy of the foregoing Confirmations, and if any of the same are no longer accurate, you shall promptly notify the Company.

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## IMPORTANT NOTICE

1. This letter is sent to you by us on a confidential basis on the understanding that you are either:
  - (a) an “authorised person” under FSMA;
  - (b) a person having professional experience in matters relating to investments as defined in article 19 of the Financial Promotion Order;
  - (c) an organisation satisfying certain minimum net worth requirements as specified in article 49 of the Financial Promotion Order (relating to high net worth companies, unincorporated associations etc.); or
  - (d) otherwise entitled to receive it by law,each, a “**Relevant Person**”,

and the Subscription is only available to such relevant Persons and will only be engaged in with them. Onward transmission of this letter, may constitute an offence under FSMA.

2. Those persons who are not Relevant Persons should not rely on this letter and should take no action.

Please sign, date and complete the enclosed Confirmation Letter (Attachment A) immediately. A scanned copy of the signed and dated Confirmation Letter should be sent by email to Lena Hodge (lhodge@brownrudnick.com) with a copy to Craig Cook (craig.cook@midatechpharma.com) immediately, with the original copy to follow by first class post (or, if sent from abroad, airmail or international courier) to Midatech Pharma plc c/o Brown Rudnick LLP, 8 Clifford Street, London W1S 2LQ for the attention of Lena Hodge.

In addition, please complete, sign and date the enclosed Registration and Delivery Details Form (Attachment B). A scanned copy of the Registration and Delivery Details Form should be sent by email to Lena Hodge (lhodge@brownrudnick.com) with a copy to Craig Cook (craig.cook@midatechpharma.com) so as to arrive no later than 12 p.m. (noon) on the date following the date of this letter.

Yours faithfully

/s/ Craig Cook

Craig Cook, Chief Executive Officer

for and on behalf of  
**Midatech Pharma plc**

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ATTACHMENT A

Confirmation Letter

**THIS LETTER MUST BE COMPLETED AND RETURNED BY EMAIL IMMEDIATELY TO LHODGE@BROWNRUDNICK.COM (COPY TO CRAIG.COOK@MIDATECH.COM), BUT IN ANY EVENT BY NOT LATER THAN 12 P.M. (NOON) ON THE DATE FOLLOWING THE DATE OF THE SUBSCRIPTION LETTER.**

**Midatech Pharma plc**  
c/o Brown Rudnick LLP  
8 Clifford Street  
London W1S 2LQ

<b>Subscriber commitment confirmation</b>	
Number of Subscription Units	103,896,103
Number of Subscription Shares	103,896,103
Number of Warrants	103,896,103
Subscription Price per Unit	3.85 pence
Total Subscription Price	£3,999,999.97

Dear Sirs

**Confirmation Letter in relation to Midatech Pharma plc (the “Company”)**

With reference to your letter dated 29 January 2019 (the “**Subscription Letter**”) and on the terms set out therein, we confirm, subject only to Admission, our irrevocable acceptance of our Subscription Shares at the Subscription Price, each as shown in the ‘Subscriber commitment confirmation’ above, on the terms set out in the Subscription Letter and the articles of association of the Company from time to time. Unless the context requires otherwise, terms defined in the Subscription Letter have the same meaning in this Confirmation Letter.

By signing and returning this Confirmation Letter we irrevocably agree to be bound by the terms and conditions and we give the confirmations, warranties, representations, acknowledgements and undertakings contained in the Subscription Letter. We understand that our obligations are not capable of termination by us in any circumstance (except fraud). We acknowledge that, in the event of late payment or all or part of the Total Subscription Price, we will be charged interest as specified in the Subscription Letter.

We undertake to provide registration details in respect of our Subscription by completing and returning to you Attachment B to the Subscription Letter by 12 p.m. (noon) on the date following the date of this confirmation letter.

Yours faithfully

/s/ Lam Kong \_\_\_\_\_  
Signed

29 January 2019  
Date

Signed at the following address:

LAM KONG  
Name of signatory (BLOCK CAPITALS)

8F, Block B, Majialong Chuangxin Building,  
No. 198 Daxin Road, Nanshan District,  
Shenzen, P.R.C.

A&B (HK) COMPANY LIMITED  
Name of subscriber if different from signatory  
(BLOCK CAPITALS)

**ATTACHMENT B**

Registration and Delivery Details Form

**THIS FORM MUST BE COMPLETED AND RETURNED BY EMAIL IMMEDIATELY TO LHODGE@BROWNRUDNICK.COM FOR ATTENTION OF LENA HODGE (COPY TO CRAIG.COOK@MIDATECHPHARMA.COM FOR THE ATTENTION OF CRAIG COOK), BUT IN ANY EVENT BY NOT LATER THAN 12 P.M. (NOON) ON THE DATE FOLLOWING THE DATE OF THE CONFIRMATION LETTER.**

Registration Details (and name of the legal or natural person to whom any definitive share certificate should be issued)	<b>A&amp;B (HK) Company Limited</b>
Delivery Instructions for certificates  OR  CREST ID:  Account:	Unit A, 11/F, Chung Pont Commercial Building, 300 Hennessy Road, Wanchai, Hong Kong
Person to be contacted in connection with settlement arrangements/registration	Mr. Lam Kong
Telephone/extension no.	

/s/ Lam Kong  
Signed

LAM KONG  
Name of signatory (BLOCK CAPITALS)

29 January 2019  
Date

A&B (HK) COMPANY LIMITED  
Name of subscriber if different from signatory (BLOCK CAPITALS)

**Please note: It is expected that definitive share certificates will be despatched to you at your risk as soon as practicable after Admission. Pending such despatch, transfers of Ordinary Shares will be certified against the register.**

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## PRIVATE AND CONFIDENTIAL

**Midatech Pharma plc**  
 65 Innovation Drive, Milton Park  
 Milton  
 Abingdon  
 Oxfordshire  
 OX14 4RQ

29 January 2019

**CMS Medical Venture Investment (HK) Limited**

Unit 2106, 21st Floor  
 Island Place Tower  
 No. 510 King's Road, North Point  
 Hong Kong

<b>Subscriber commitment confirmation</b>	
Number of Subscription Units	103,896,103
Number of Subscription Shares	103,896,103
Number of Warrants	103,896,103
Subscription Price per Unit	3.85 pence
Total Subscription Price	£3,999,999.97

Dear Subscriber

**Subscription Letter in relation to Midatech Pharma plc (the “Company”)**

We refer to the offer made to certain prospective investors to subscribe for units comprising one ordinary share of 0.005 pence each in the share capital of the Company (the “**Subscription Share(s)**”) and one warrant to purchase a new ordinary share in the share capital of the Company (“**Warrant**”) pursuant to the terms of a warrant instrument adopted by the Company (collectively “**Subscription Unit(s)**”) and such fundraising being (the “**Subscription**”).

By executing and returning the attached Confirmation Letter, you:

1. agree as a legally binding obligation to subscribe for the number of Subscription Units at the Subscription Price, each as shown in the ‘Subscriber commitment confirmation’ above, on the terms set out in this letter, the attached Confirmation Letter and subject to the articles of association of the Company from time to time;
2. give the various warranties, confirmations, representations, acknowledgements and undertakings set out below; and
3. confirm that you are not relying on any warranty or representation made by the Company or any of its representatives or any other party.

The Subscription Shares to be issued pursuant to the Subscription will rank *pari passu* in all respects with the existing ordinary shares of 0.005 pence each in the share capital of the Company (“**Ordinary Shares**”).

The Subscription is conditional, among other things, upon Admission (defined below).

In this letter, any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

1. **Dealings**

1.1 Application will be made to the London Stock Exchange plc for all of the new ordinary shares in the Company (to be issued in connection with the Subscription) (the “**New Ordinary Shares**”) to be admitted to trading on AIM (“**Admission**”). It is expected that Admission will become effective, and that dealings in the New Ordinary Shares will commence by no later than 28 February 2019.

2. **Conditions and Termination**

The obligations accepted by you pursuant to your signature and return of the Confirmation Letter and set out in this letter are irrevocable and not capable of termination or rescission by you in any circumstances, except in the case of fraud.

3. **Settlement**

3.1 Payment of an amount equal to the value of the Total Subscription Price shown in the ‘Subscriber commitment confirmation’ shall be wired to the escrow account detailed below (“**Escrow Account**”). The Subscription Monies are held in the Escrow Account on trust by Link Corporate Trustees (UK) Limited as the “**Escrow Agent**” until Admission on the terms and conditions of an escrow agreement dated on or around the date of this letter (the “**Escrow Agreement**”).

Escrow Account details:

Name:  
Client Account Sort Code:  
Account Number:  
IBAN:  
SWIFT/BIC:

3.2 Pursuant to the terms of the Escrow Agreement:

- (a) if Admission occurs, the Total Subscription Price will be released to us upon Admission taking place; and
- (b) if Admission does not occur on or prior to 28 February 2019 we agree that any Subscription monies paid by you will be returned to you.

3.3 Subject to (i) the terms and conditions of this letter and (ii) Admission occurring, we will deliver your Subscription Shares in accordance with the certificated settlement details provided in Attachment B.

3.4 In the event of late receipt of the Total Subscription Price, you will be charged interest on the amount thereof from time to time outstanding at the rate of 2 percentage points above the Bank of England base rate from time to time, calculated on a daily basis.

#### 4. **Registration**

The person named for registration purposes in Attachment B must be (a) the person procured by you to subscribe for or acquire the relevant Subscription Shares, (b) yourself or (c) a nominee of any such person or yourself, as the case may be. The ISIN for the Subscription Shares is GB00BRTL9B63.

#### 5. **Further Terms**

5.1 By returning the attached Confirmation Letter duly completed and thereby accepting your Subscription Shares you will be deemed to have agreed, warranted, confirmed, represented, acknowledged and undertaken to us in the following terms (the “**Confirmations**”) (in respect of yourself and/or any other person on whose behalf you are subscribing – and “you”, where referred to below, shall be interpreted accordingly) and your Subscription is conditional on such Confirmations being and remaining true and accurate at all times up to and including the completion of your Subscription:

(a) Your acceptance of your Subscription on the terms set out in this letter is irrevocable and not capable of termination or rescission by you in any circumstances, except in the case of fraud.

(b) You confirm and warrant that you have not relied on any information given or any written or oral representations, warranties, or statements express or implied statutory or otherwise made or deemed to be made at any time by the Company, or any person in connection with the Subscription, Admission or the Company other than the marketing presentation dated 26 November 2018 (the “**Marketing Presentation**”) provided to you in connection with the Subscription and, accordingly, there shall be no liability or responsibility for the Company, Panmure Gordon (UK) Limited or Stifel Nicolaus Europe Limited (the “**Placing Agents**”) and their respective directors, officers, agents, employees or advisers or for any other third party for any other information or representation, except in the case of fraud. You acknowledge that neither the Placing Agents nor any person representing the Placing Agents makes any representation or warranty as to the accuracy or completeness of the Marketing Presentation.

(c) You (including any person on whose behalf you are subscribing) are a person of a kind described in Article 19(5) (investment professionals) or Article 49 (high net worth companies, unincorporated associations etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Financial Promotion Order**”) or you are otherwise entitled by law to receive communications which are a “financial promotion” (as referred to in section 21 of the Financial Services and Markets Act 2000 (“**FSMA**”)) without the need for such communications to be approved, made or directed by an “authorised person” as referred to in FSMA and you undertake to provide us with such information as we may require to verify your ability to receive financial promotions in those circumstances.

(d) The agreement confirmed by this letter (and your signature and return to us of the attached Confirmation Letter) is a legally binding contract. The terms and conditions of your Subscription will be governed by, and construed in accordance with, the laws of England and Wales and the Courts of England will have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the same but a judgment or order of any court may be enforced in any court of competent jurisdiction.



- (e) You irrevocably appoint any director or employee of the Company as your agent for the purpose of executing and delivering to the Company and/or its registrars any document on your behalf necessary to enable you to be registered as the holder of your Subscription Shares.

- (f) You are entitled to accept your Subscription under the laws of all relevant jurisdictions which apply to you, have complied and will fully comply with all such laws in relation to your Subscription (including, where applicable, the Money Laundering Regulations 2007 (as amended), the Anti-terrorism, Crime and Security Act 2001, the Criminal Justice Act 1993 and the Proceeds of Crime Act 2002 (together, the “**Money Laundering Regulations**”)) and, if you are making payment on behalf of a third party, you have obtained and recorded satisfactory evidence to verify the identity of the third party as required by the Money Laundering Regulations and you will provide the Company on demand with any information or documentation it might require for the purposes of verification pursuant to the Money Laundering Regulations (“**Information**”), and you have obtained all governmental and other consents which may be required in relation to your Subscription. If within a reasonable time after a request for Information, we have not received Information satisfactory to us, we may, at our absolute discretion, terminate your Subscription in which event the monies payable by you pursuant to the paragraph headed ‘Settlement’ will, if paid, be returned without interest to the account of the drawee bank from which they were originally debited.

- (g) Time shall be of the essence as regards obligations pursuant to this letter.

- (h) In accepting your Subscription Shares you are acting as principal and for no other person and that your acceptance of that commitment will not give any other person a contractual right to require the issue by the Company of any of the Subscription Shares.

- (i) You (the “**Subscriber**”) acknowledge, undertake, represent, warrant, confirm and agree (as the case may be):

- (i) that the Subscriber:

- (A) in making its decision to purchase the Subscription Shares: (a) has made its own independent and informed investment decision regarding the Subscription Shares based on its own knowledge (and information which it may have or which is publicly available) and the Marketing Presentation, with respect to the Subscription Shares and the Company; (b) has had access to such information as it deems necessary or appropriate in connection with its purchase of the Subscription Shares; (c) has had a full opportunity to ask questions of and receive answers from the Company or any person or persons acting on behalf of the Company concerning the terms and conditions of the offering of the Subscription Shares and the merits and risks of investing in the Subscription Shares; and (d) has sufficient knowledge and experience in financial and business matters and expertise in assessing credit, market and all other relevant risk and is capable of evaluating, and has evaluated, independently the merits, risks and suitability of subscribing for the Subscription Shares for itself;

- (B) is a sophisticated investor and acknowledges that by its subscription for or holding of the Subscription Shares that it is capable of bearing the economic risk of loss of investment that may occur with respect to acquiring the Subscription Units, including the possibility that the Subscriber may lose all or a substantial portion of its investment in the Subscription Shares, and the Subscriber will not look to the Company or to any other person acting on its behalf for all or part of any such loss or losses that it may suffer.

(j) You are entitled to take up your Subscription Shares and you have fully observed the laws of all relevant jurisdictions, obtained all governmental and other consents which may be required thereunder and complied with all relevant formalities and that you have not taken any action which will or may result in the Company, its respective directors, officers, agents, employees or advisers being in breach of the regulatory requirements of any territory in connection with the Subscription or your acceptance of your Subscription Shares.

(i) You have full knowledge of, or have been independently advised as to, the applicable securities laws of the jurisdiction in which you are resident and the jurisdiction from which you are subscribing for the Subscription Shares (the “**Jurisdictions**”).

(ii) Applicable securities laws of the Jurisdictions do not require the Company to make any filings or seek any approvals of any kind whatsoever from any regulatory authority of any kind in such Jurisdictions in connection with the offering to you of or subscription by you for the Subscription Shares.

(iii) You confirm that the offering to you or the subscription by you of the Subscription Shares does not trigger in the Jurisdictions: (i) any obligation to prepare and file a prospectus or similar document, or any other report with respect to such purchase; (ii) any continuous disclosure reporting obligation of the Company; or (iii) any registration or other obligation on the part of the Company.

(k) You have the power and capacity to enter into, and will perform, your obligations under the conditions of this letter, and have obtained all necessary consents and authorities which may be required in relation to this letter and your Subscription.

(l) Whilst no stamp duty or stamp duty reserve tax may be payable pursuant to the issue to you of the Subscription Shares, if any liability to stamp duty or stamp duty reserve tax does arise, it will be entirely for your account and the Company will not have any liability in respect of any duty or any related costs, fines, penalties and interest arising in respect thereof.

- (m) You have not taken any action which will or might result in the Company being in breach of the legal or regulatory requirements of any jurisdiction.
- (n) You have read the Marketing Presentation and accept that any investment in the Company is subject to the risk factors identified in the Marketing Presentation.
- (o) You agree to indemnify and hold each of the Company and affiliates, directors, officers, employees and agents harmless from and against any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach by you (or any person on whose behalf you are acting) of the representations, warranties, acknowledgements, agreements and undertakings in this letter, save to the extent that such breach was caused by and in the reasonable control of the Company and further agree that the provisions of this letter shall survive after completion of the Subscription.

The Company will rely on the truth and accuracy of the foregoing Confirmations, and if any of the same are no longer accurate, you shall promptly notify the Company.

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## IMPORTANT NOTICE

1. This letter is sent to you by us on a confidential basis on the understanding that you are either:
  - (a) an “authorised person” under FSMA;
  - (b) a person having professional experience in matters relating to investments as defined in article 19 of the Financial Promotion Order;
  - (c) an organisation satisfying certain minimum net worth requirements as specified in article 49 of the Financial Promotion Order (relating to high net worth companies, unincorporated associations etc.); or
  - (d) otherwise entitled to receive it by law,each, a “**Relevant Person**”,

and the Subscription is only available to such relevant Persons and will only be engaged in with them. Onward transmission of this letter, may constitute an offence under FSMA.

2. Those persons who are not Relevant Persons should not rely on this letter and should take no action.

Please sign, date and complete the enclosed Confirmation Letter (Attachment A) immediately. A scanned copy of the signed and dated Confirmation Letter should be sent by email to Lena Hodge (lhodge@brownrudnick.com) with a copy to Craig Cook (craig.cook@midatechpharma.com) immediately, with the original copy to follow by first class post (or, if sent from abroad, airmail or international courier) to Midatech Pharma plc c/o Brown Rudnick LLP, 8 Clifford Street, London W1S 2LQ for the attention of Lena Hodge.

In addition, please complete, sign and date the enclosed Registration and Delivery Details Form (Attachment B). A scanned copy of the Registration and Delivery Details Form should be sent by email to Lena Hodge (lhodge@brownrudnick.com) with a copy to Craig Cook (craig.cook@midatechpharma.com) so as to arrive no later than 12 p.m. (noon) on the date following the date of this letter.

---

Yours faithfully

/s/ Craig Cook

Craig Cook, Chief Executive Officer

for and on behalf of  
**Midatech Pharma plc**

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**ATTACHMENT A**

Confirmation Letter

**THIS LETTER MUST BE COMPLETED AND RETURNED BY EMAIL IMMEDIATELY TO LHODGE@BROWNRUDNICK.COM (COPY TO CRAIG.COOK@MIDATECH.COM), BUT IN ANY EVENT BY NOT LATER THAN 12 P.M. (NOON) ON THE DATE FOLLOWING THE DATE OF THE SUBSCRIPTION LETTER.**

**Midatech Pharma plc**  
c/o Brown Rudnick LLP  
8 Clifford Street  
London W1S 2LQ

<b>Subscriber commitment confirmation</b>	
Number of Subscription Units	103,896,103
Number of Subscription Shares	103,896,103
Number of Warrants	103,896,103
Subscription Price per Unit	3.85 pence
Total Subscription Price	£3,999,999.97

Dear Sirs

**Confirmation Letter in relation to Midatech Pharma plc (the “Company”)**

With reference to your letter dated 29 January 2019 (the “**Subscription Letter**”) and on the terms set out therein, we confirm, subject only to Admission, our irrevocable acceptance of our Subscription Shares at the Subscription Price, each as shown in the ‘Subscriber commitment confirmation’ above, on the terms set out in the Subscription Letter and the articles of association of the Company from time to time. Unless the context requires otherwise, terms defined in the Subscription Letter have the same meaning in this Confirmation Letter.

By signing and returning this Confirmation Letter we irrevocably agree to be bound by the terms and conditions and we give the confirmations, warranties, representations, acknowledgements and undertakings contained in the Subscription Letter. We understand that our obligations are not capable of termination by us in any circumstance (except fraud). We acknowledge that, in the event of late payment or all or part of the Total Subscription Price, we will be charged interest as specified in the Subscription Letter.

We undertake to provide registration details in respect of our Subscription by completing and returning to you Attachment B to the Subscription Letter by 12 p.m. (noon) on the date following the date of this confirmation letter.

Yours faithfully

/s/ Huaizheng Peng  
Signed

29 January 2019  
Date

Signed at the following address

HUAIZHENG PENG  
Name of signatory (BLOCK CAPITALS)

CMS MEDICAL VENTURE INVESTMENT (HK)  
LIMITED  
Name of subscriber if different from signatory  
(BLOCK CAPITALS)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ATTACHMENT B**

Registration and Delivery Details Form

**THIS FORM MUST BE COMPLETED AND RETURNED BY EMAIL IMMEDIATELY TO LHODGE@BROWNRUDNICK.COM FOR ATTENTION OF LENA HODGE (COPY TO CRAIG.COOK@MIDATECHPHARMA.COM FOR THE ATTENTION OF CRAIG COOK), BUT IN ANY EVENT BY NOT LATER THAN 12 P.M. (NOON) ON THE DATE FOLLOWING THE DATE OF THE CONFIRMATION LETTER.**

Registration Details (and name of the legal or natural person to whom any definitive share certificate should be issued)	<b>CMS Medical Venture Investment (HK) Limited</b>
Delivery Instructions for certificates  OR CREST ID: Account:	Unit 2106, 21st Floor Island Place Tower No. 510 King's Road, North Point Hong Kong
Person to be contacted in connection with settlement arrangements/ registration	Dr. Peng Huaizheng
Telephone/extension no.	

/s/ Huaizheng Peng  
Signed

HUAIZHENG PENG  
Name of signatory (BLOCK CAPITALS)

29 JANUARY 2019  
Date

CMS MEDICAL VENTURE INVESTMENT (HK) LIMITED  
Name of subscriber if different from signatory (BLOCK CAPITALS)

**Please note: It is expected that definitive share certificates will be despatched to you at your risk as soon as practicable after Admission. Pending such despatch, transfers of Ordinary Shares will be certified against the register.**



DATED:

29 JANUARY 2019

(1) MIDATECH PHARMA PLC

(2) CERTAIN CMS CONCERT PARTY MEMBERS

and

(3) PANMURE GORDON (UK) LIMITED

---

RELATIONSHIP AGREEMENT

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A Limited Liability Partnership  
8 Clifford Street  
London, W1S 2LQ  
United Kingdom  
+44-20-7851-6000  
Fax: +44-20-7851-6100

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THIS AGREEMENT is dated 29 January 2019

**BETWEEN:**

- (1) **MIDATECH PHARMA PLC**, incorporated and registered in England and Wales with company number 09216368, whose registered office is at 65 Innovation Drive, Milton Park, Milton, Abingdon, Oxfordshire, OX14 4RQ (the “**Company**”);
- (2) The persons listed against numbers 1, 2 and 4 in the Schedule to this Agreement, each a “**Contracting CMS Concert Party Member**” and, together, the “**Contracting CMS Concert Party**”; and
- (3) **PANMURE GORDON (UK) LIMITED**, incorporated and registered in England and Wales (Registered No. 04915201), whose registered office is at One New Charge, London EC4M 9AF (“**Panmure Gordon**”).

**BACKGROUND:**

- (A) The Company intends to undertake a capital raising by way of issuing securities in the Company (the “**Units**”), with each Unit consisting of one Ordinary Share and one warrant to subscribe for one Ordinary Share pursuant to (i) a subscription for Units by CMS and A&B (HK) Company Ltd; (ii) a placing of Units to certain places; and (iii) an open offer pursuant to which qualifying shareholders of the Company may apply for Units (together, the “**Capital Raising**”).
- (B) In the absence of any other equity raised in the placing and open offer to be undertaken by the Company, the CMS Concert Party (as defined below) is expected to hold approximately 77.3% of the enlarged issued share capital of the Company.
- (C) The parties have agreed to enter into this Agreement for the purpose of documenting and regulating the terms of the relationship between the Company and CMS Concert Party and its Associated Undertakings and ensuring that the Company can operate independently of the CMS Concert Party.

THE PARTIES AGREE THAT:

**1 Interpretation**

1.1 Definitions

In this Agreement:

"A&B (HK)" means A&B (HK) Company Limited.

"A&B (HK) Director" has the meaning given to it by clause 4.1.

"A&B (HK) Initial Director" means Dr. Huaizheng Peng.

"Admission" means admission of the new Ordinary Shares being issued pursuant to the Capital Raising to trading on AIM.

"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 in force at the date of this Agreement or, where the context requires, as amended, modified or reissued after the date of this Agreement.

“Applicable Laws” means Companies Act 2006, the Financial Services and Markets Act 2000, the AIM Rules, the Nomad Rules, the City Code on Takeovers and Mergers, the Market Abuse Regulation and the QCA Code.

“Articles” means the articles of association of the Company from time to time.

“Associated Undertakings” means, (1) in relation to a company, a subsidiary undertaking or parent undertaking of such company, any other company over which such company or any parent undertaking of such company has Control or any company whose board of directors are accustomed to act in accordance with the directions or instructions of the relevant company; and (2) in relation to any individual means that individual’s close relatives (as defined in the City Code on Takeovers and Mergers) and their associates (as detailed in the AIM Rules definition of a “related party” as applicable to persons).

“Board” means the board of directors of the Company or a duly authorised committee thereof.

“Business Day” means any day other than a Saturday, Sunday or public holiday in England.

“Capital Raising” has the meaning given to it in the Recitals.

“CMS Concert Party Member” means each of the persons listed in the Schedule to this Agreement and together, the “CMS Concert Party”.

“CMS” means CMS Medical Venture Investment (HK) Ltd.

“Control” means, in relation to any Undertaking, for the purposes of this Agreement only, the right directly or indirectly to (i) control the exercise of 50% or more of the Voting Rights or (ii) control (by way of the exercise of Voting Rights or otherwise) the appointment or removal of a majority of the board of directors of the relevant Undertaking.

“Directors” means the directors of the Company at the date of this Agreement or, where the context requires, in office from time to time.

“Effective Date” means the date of Admission.

“Group” means, in relation to a company, the company and its subsidiary undertakings from time to time, any parent undertaking of the company for the time being and any subsidiary undertakings of any such parent undertaking.

“Independent Director” means any person appointed as Director from time to time (other than the A&B (HK) Director) who is considered by the Board to be independent for the purposes of any corporate governance regime complied with by the Company and shall include the chair of the Board provided he or she was considered by the Board to be independent upon appointment.

“London Stock Exchange” means London Stock Exchange plc.

“Market Abuse Regulation” means the Market Abuse Regulation (EU 596/2014).

“Minimum Shareholding” means 10% of the voting rights attaching to the issued share capital of the Company.

“New A&B (HK) Appointee” has the meaning given to it in clause 4.3.

“New Ordinary Shares” means the new ordinary shares of £0.00005 each in the capital of the Company to be issued pursuant to the Capital Raising.

“Nomad” means Panmure or such other nominated adviser appointed by the Company from time to time.

“Nomad Rules” means the AIM Rules for Nominated Advisers published by the London Stock Exchange in force from time to time.

“Ordinary Shares” means the Company’s ordinary shares of £0.00005, having the rights and being subject to the restrictions set out in the Articles as in force at the date of this Agreement.

“Previous A&B (HK) Appointee” has the meaning given to it in clause 4.3.

“QCA Code” means the Corporate Governance Code (2018) published by the Quoted Companies Alliance or such other corporate governance regime complied with by the Company.

“Takeover Code” means the City Code on Takeovers and Mergers.

“Undertaking” means a company, body corporate, or other economic enterprise carrying on a business (whether or not for profit).

“Voting Rights” means, in relation to any Undertaking the voting rights attaching to securities of the relevant Undertaking which are generally exercisable at meetings of shareholders of the relevant Undertaking.

## 1.2 Construction of certain references

In this Agreement:

- (a) words and phrases, the definitions of which are contained or referred to in the Companies Act 2006, shall be construed as having the meanings so attributed to them;
- (b) references to statutory provisions shall be construed as references to those provisions and all statutory instruments and other subordinate legislation made thereunder, as amended or re-enacted or as their application is modified by other provisions from time to time, and shall include references to any provisions of which they are re-enactments (whether with or without modification);
- (c) references to times, unless otherwise expressly stated, are references to London times;
- (d) references to “clauses” are references to clauses of this Agreement;
- (e) references to the singular shall include the plural and vice versa, and references to the any gender shall include any other gender;
- (f) headings are included for convenience only and shall be disregarded in its interpretation;
- (g) general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things, and the word “including” shall be construed without limitation; and

- (h) “person” includes any individual, partnership, body corporate, corporation sole or aggregate, a state or agency of a state and any unincorporated association or organisation in each case whether or not having a separate legal personality.

## 2 Conditionality and duration

### 2.1 Condition

This Agreement and the obligations of the parties hereto, are conditional upon Admission occurring on or before 28 February 2019, or such later date as the Nomad and the Company may agree. If this condition is not satisfied by such date as specified or agreed this Agreement will automatically terminate and be of no further force or effect.

### 2.2 Duration

Subject to clause 2.1, this Agreement shall continue from the Effective Date until the earlier to occur of:

- (a) the Company ceasing to be admitted to trading on AIM or a recognised stock exchange; or
- (b) the CMS Concert Party and its Associated Undertakings ceasing to hold, in aggregate, the Minimum Shareholding and remaining below the Minimum Shareholding for a continuous period of 90 days, or
- (c) in respect of any CMS Concert Party Member, that person ceasing to hold any shares carrying voting rights in the capital of the Company,

whereupon this Agreement shall terminate automatically with immediate effect, in respect of the Contracting CMS Concert Party or any Contracting CMS Concert Party Member (as the case may be) without prejudice to any rights and obligations that have accrued under it prior to termination, or it is terminated in accordance with clause 2.3.

In the event that in the two year period following termination of this Agreement, the Company remains admitted to trading on AIM and the CMS Concert Party and its Associated Undertakings hold in excess of the Minimum Shareholding, then any Contracting CMS Concert Party Member who holds shares carrying voting rights in the capital of the Company shall enter into a new relationship agreement on substantially the same terms of this Agreement.

### 2.3 Termination

This Agreement shall also cease and determine with immediate effect and without any action on the part of any of the Parties hereto in the event that:

- (a) the Company passes a resolution for its winding up or a court of competent jurisdiction making an order for the Company’s winding up or dissolution;
- (b) an administration order is made in relation to the Company or the appointment of a receiver over, or an encumbrancer taking possession of or selling, an asset of the Company; or
- (c) the Company makes an arrangement or composition with its creditors generally or makes an application to a court of competent jurisdiction for protection from its creditors generally.

Such termination will be without prejudice to any rights and obligations that have accrued under it prior to termination.

### **3 CMS Concert Party obligations**

3.1 For the purpose of this Agreement, Mr Lam Kong hereby undertakes to the Company and the Nomad that he shall procure the prompt observance and performance by China Medical System Holdings Limited of all the obligations and undertakings imposed on China Medical System Holdings Limited hereunder as if it were a Contracting CMS Concert Party Member and references throughout this Agreement to a Contracting CMS Concert Party Member shall mean and be deemed to include Mr Lam Kong procuring such matter or obligation by China Medial System Holdings Limited under this Agreement.

#### **3.2 Independence of the Company**

During the term of this Agreement each Contracting CMS Concert Party Member severally undertakes to the Company and to the Nomad to procure (so far as it is able with respect to its Associated Undertakings) that:

- (a) it shall not take any action that is intended to prevent the Board from operating independently of the CMS Concert Party and its Associated Undertakings;
- (b) subject to clause 3.1(a), it will not take any action that would have the effect of preventing or might reasonably be expected to prevent any member of the Company's Group from complying with its obligations under any of the Applicable Laws including, without limitation, AIM Rule 13;
- (c) any transactions and dealings between the Company and the CMS Concert Party or any of its Associated Undertakings are effected on arm's length terms and on a normal commercial basis;
- (d) the CMS Concert Party and its Associated Undertakings will exercise their Voting Rights in the Company (if any) so as to ensure (so far as they are reasonably able) that:
  - (i) the terms of this Agreement are implemented in full;
  - (ii) the CMS Concert Party and its Associated Undertakings perform and comply with their obligations under this Agreement and the Articles;
  - (iii) no variations are made to any provision of the Articles that it knows (or might reasonably expect) would be contrary to the terms of this Agreement or which it knows (or might reasonably expect) would otherwise have an impact on the Company's ability to operate independently from the CMS Concert Party and any of its Associated Undertakings;
  - (iv) the Board shall be at all times comprised of at least two Independent Directors; and
  - (v) the composition of the Board and the audit, nomination and remuneration committees of the Board is in compliance with the corporate governance regime adopted by the Company from time to time.

- (e) Without limitation to their obligations under clause 3.1(d):
- (i) neither the CMS Concert Party Members nor any of their Associated Undertakings will exercise any of their Voting Rights in the Company or be counted in any quorum at any meeting of the Company; and
  - (ii) the A&B (HK) Director will not vote or be counted in any quorum at any meeting of the Board (or any committee thereof),

in each case, in relation to:

- (A) any actual or proposed transaction, agreement or arrangement between the Company and any member of the CMS Concert Party Group (including as to the amendment, enforcement or implementation of the same);
- (B) any matter in which any member of the CMS Concert Party Group or any Associated Undertaking thereof is interested; or
- (C) any decision by the Company concerning the enforcement of its rights under, and the operation of, this Agreement, or any revisions or amendments to this Agreement

and it is acknowledged and agreed that such matters referred to in (A), (B) and (C) above shall (i) be dealt with on behalf of the Company by a committee of the Board comprising the Independent Directors and (ii) shall be assessed by the Nomad for the purposes of the AIM Rules in relation to Related Party Transactions (being Rule 13 of the AIM Rules as at the date of this Agreement) prior to any approval.

- (f) the CMS Concert Party Members and their Associated Undertakings will not undertake any activity in violation of the terms of this Agreement;
- (g) the CMS Concert Party Members and their Associated Undertakings will not seek to frustrate or prevent any takeover offer being made for the Company pursuant to the Takeover Code;
- (h) the CMS Concert Party Members and their Associated Undertakings will not exercise their Voting Rights to call a general meeting of the Company to propose a resolution to:
  - (i) de-list the Company from AIM (unless such delisting is supported by a majority of the Company's independent shareholders (as evidenced by the delivery of proxies or other written confirmation in relation to a proposed delisting) or in circumstances where such resolution is being proposed in connection with (i) an offer by a bona fide third party to acquire the entire issued share capital of the Company or (ii) a recommended offer by CMS and/or the CMS Concert Party Members and/or their Associated Undertakings to acquire the entire issued share capital of the Company (excluding any shares already held by CMS and/or the CMS Concert Party Members (and/or any of their Associated Undertakings)));
  - (ii) remove an Independent Director from the Board where a replacement director, acceptable to the Nomad, has not been identified and engaged subject only to their formal appointment.



### 3.3 Reappointment of Independent Directors

At any annual general meeting of the Company, the CMS Concert Party Members and their Associated Undertakings undertake to exercise their Voting Rights in favour of a resolution for the routine reappointment of any Independent Director. A routine reappointment being where such reappointment is required to comply with the Articles, Applicable Laws or any corporate governance code applicable to the Company.

### 3.4 CMS Concert Party voting and other rights

- (a) Notwithstanding any other provision of this Agreement, the CMS Concert Party Members and their Associated Undertakings shall have the right to exercise their Voting Rights in respect of any proposed resolution to amend the Articles in circumstances where such amendments are not inconsistent with the terms of this Agreement.
- (b) Notwithstanding any other provision of this Agreement, nothing in this Agreement is intended to, or shall prevent CMS Concert Party Members or any of their Associated Undertakings from:
  - (i) exercising the rights attaching to its or their Ordinary Shares as it or they see fit in its or their absolute discretion (save as expressly prohibited in this Agreement); or
  - (ii) acquiring or disposing of any securities of the Company (save to the extent otherwise required by law or regulation).

### 3.5 Adjudication of Disputes

Any disputes between any CMS Concert Party Member and the Company relating to either the management of the Company, the operation of the Board of Directors or any transaction, agreement or arrangement referred to in clause 3.1(b) shall be passed to, and dealt with on behalf of the Company by, a committee comprising only of the Independent Directors following consultation with the Nomad. Notwithstanding this clause 3.5, such action shall not preclude any party from bringing a claim in accordance with clause 11.2.

### 3.6 Takeover Code

The CMS Concert Party acknowledge their position under the Takeover Code and in particular that the following matter which requires the prior consultation with and clearance of the Panel otherwise the relevant member of the CMS Concert Party may be required to make a general offer to all the remaining Shareholders of the Company to acquire their shares:-

- (a) the acquisition by a single member of the CMS Concert Party of an interest in shares in the Company (including by way of a transfer of such shares from another member of the CMS Concert Party) sufficient to increase that persons holding to 30 per cent. or more of the Company's voting rights, or if he already holds more than 30 per cent. but less than 50 per cent. an acquisition which increases his shareholdings in the Company.

#### 4 Appointment of the A&B (HK) Director

4.1 A&B (HK) shall have the right to appoint one Director to the Board (the "**A&B (HK) Director**") for so long as (i) the Company's Ordinary Shares are admitted to trading on AIM; and/or (ii) A&B (HK) will only be entitled to exercise this right at any time when it holds as beneficial owner at least the Minimum Shareholding.

4.2 The Company shall procure that the A&B (HK) Initial Director shall be appointed as a non-executive Director conditional upon Admission in accordance with the terms of his letter of appointment in a form agreed with A&B (HK).

#### 4.3 Substitution

Subject to clause 4.1, A&B (HK) may by notice given to the Company at any time request that a person (a "**New A&B (HK) Appointee**") be appointed as a non-executive Director in place of any person previously appointed as the A&B (HK) Director (a "**Previous A&B (HK) Appointee**"), subject to the Nomad being satisfied as to the suitability of such New A&B (HK) Appointee in accordance with the Nomad Rules (provided the Company's Ordinary Shares are at the relevant time admitted to trading on AIM) and, subject to A&B (HK) procuring the resignation of the Previous A&B (HK) Appointee (unless s/he shall have already ceased to hold office) without any compensation being payable by the Company to such Director in respect of such cessation of office and with a full waiver of all and any claims such director may have against the Company (excluding for the avoidance of doubt any accrued but unpaid fees and expenses which have not been reimbursed at the relevant time) and the Company shall thereupon procure that the New A&B (HK) Appointee is appointed as a non-executive Director and the New A&B (HK) Appointee will enter into an individual letter of appointment on substantially similar terms to the Previous A&B (HK) Appointee (or on such other terms as CMS and the Company may then agree following consultation with the Nomad).

#### 4.4 Maintenance in office

The Company shall procure that (unless A&B (HK) otherwise requires) the A&B (HK) Director is proposed and recommended by the Board (subject to the Directors' fiduciary duties) for re-election at the first annual general meeting of the Company after his appointment and at each subsequent annual general meeting of the Company at which such Director becomes liable to retire by rotation.

#### 4.5 Replacement appointee

In the event that the Previous A&B (HK) Appointee ceases to hold office due to a failure to be re-elected or has been removed as a Director at any general meeting, the New A&B (HK) Appointee shall be a person other than the Previous A&B (HK) Appointee.

#### 4.6 Conflicts of interest

For the avoidance of doubt, the exercise by A&B (HK), CMS, any CMS Concert Party Member or their Associated Undertakings of their voting rights solely for the purpose of maintaining the level of their shareholding in the Company (expressed as a percentage of the nominal value of the ordinary (or other voting) share capital of the Company) shall not be considered to be a conflict of interest.

## 5 **Observer**

For so long as A&B (HK) holds as beneficial owner at least the Minimum Shareholding, whether or not there is on A&B (HK) Director appointed to the Board, A&B (HK) may appoint (by notice in writing to the Company) an individual to attend meetings of the Board (an "**Observer**"). The Observer shall only be entitled to speak at any meetings of the Board if the A&B (HK) Director is not present and shall not be entitled to vote at any meetings of the Board. The Observer shall be provided with all notices and, subject to any legal or regulatory restrictions, Board materials as if he or she were a duly appointed A&B (HK) Director.

## 6 Warranty

Each of the Company and each Contracting CMS Concert Party Member warrants to the other parties that it has all necessary power and authority to enter into and perform its obligations under this Agreement in accordance with its terms without any sanction or consent and that this Agreement when entered into will constitute a legally binding obligation on such party enforceable in accordance with its terms.

## 7 Confidentiality

7.1 The CMS Concert Party and the Company shall keep confidential, and shall procure that each of their directors, officers, employees and agents (as relevant) shall keep confidential, all Confidential Information (as defined in clause 6.2) and shall not disclose the same to any other person (other than to such of its directors, senior employees or advisers (as relevant) to the extent only that they strictly need to know the same for the proper performance of their duties and on the basis that they are to comply with this clause 5 which each relevant party shall use their best endeavours to procure) and each relevant party shall not make use of any Confidential Information for their own purposes, and this obligation shall continue without limit of time and notwithstanding the termination of this Agreement or any CMS Concert Party Member and its Associated Undertakings ceasing to hold any shares or other securities of the Company.

### 7.2 Definition of “Confidential Information”

For the purpose of this clause 6 “Confidential Information” means all information of whatever kind which either party may impart or cause to be imparted to the other party or to either of the other party’s directors, senior employees or advisers, or to CMS appointees to the Board, which is imparted on the understanding that it is to be kept confidential, or is imparted or otherwise obtained by any of such persons and is marked as being confidential, or however imparted or obtained, is of a nature which would be expected to be kept confidential or by its nature is “inside information” within the meaning of the Criminal Justice Act 1993, the Financial Services and Markets Act 2000 or the Market Abuse Regulation (“**Inside Information**”).

### 7.3 Exclusions

The obligation in clause 6.1 shall not apply in respect of any Confidential Information which:

- (a) is required to be disclosed by law;
- (b) is in the lawful possession of, or was lawfully furnished to any party (as applicable) by another person without any breach of any obligation of confidentiality; or
- (c) is for the time being in the public domain, otherwise than by any breach by CMS Concert Party Members or the Company or their respective directors, senior employees or advisers (as relevant).

### 7.4 Price sensitive information

To the extent that any of the Confidential Information is inside information (as defined in clause 6.2) each CMS Concert Party and the Company undertakes to bring that fact to the attention of any person to whom it may disclose the same to the extent permitted by this clause 6.

7.5 Disclosure of information to A&B (HK) and any other member of the CMS Concert Party:

(a) The A&B (HK) and any Observer Director shall be entitled to disclose information he or she receives from the Company to A&B (HK) and any member of the CMS Concert Party and any of their Associated Undertakings and any officer, employee or professional adviser of A&B (HK) and any member of the CMS Concert Party and any of their Associated Undertakings who strictly need to know such information for the purpose it is being disclosed (and in accordance with the confidentiality obligations) provided that a A&B (HK) Director or Observer may not disclose:-

(i) sensitive and confidential information relating to the Company's negotiating position in relation to any contract, arrangement or transaction with any CMS Concert Party Member or any Associated Undertaking, the disclosure of which would be prejudicial to the Company's position or where to do so would be a breach of a bona fide confidentiality obligation owed by the Company or any subsidiary to a third party;

(ii) Inside Information unless in compliance with the Market Abuse Regulation and other applicable laws and regulations. The CMS Concert Party acknowledges that such information may give rise to obligations on them under applicable law and regulations, including, without limitation, under the Market Abuse Regulation. The CMS Concert Party further acknowledges that for the purposes of the Market Abuse Regulation the A&B (HK) Director and Observer shall be placed on the Company's permanent insider list as prescribed by the Market Abuse Regulation.

(b) The parties agree that the Board (acting without the A&B (HK) Director) may at any time serve on the A&B (HK) Director and the Observer a written notice requiring the A&B (HK) Director and the Observer to cease supplying specified information that is Inside Information to the CMS Concert Party (a "**Stop Notice**") in circumstances where the supply of such Inside Information to the CMS Concert Party (i) would be contrary to applicable law or regulation or (ii) relates to a matter affecting all shareholders of the Company and would therefore, in the opinion of the Board (acting without the A&B (HK) Director), be inappropriate. A&B (HK) shall instruct the A&B (HK) Director and the Observer to undertake to comply with this clause 6.5(b) and to comply with the relevant Stop Notice for so long as it is outstanding and has not been withdrawn in writing by the Board.

## 8 Waiver and Amendment

### 8.1 No waiver

No waiver of any term, provision or condition of this Agreement shall be effective unless such waiver is evidenced in writing and signed by the waiving party and then only in the instance and for the purpose of which it is given.

### 8.2 Effect of delay

No failure or delay on the part of any party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or of any other right, power or privilege. The rights and remedies herein provided are cumulative with and not exclusive of any rights or remedies provided by law.

8.3 Variation in writing

No variation to this Agreement shall be effective unless made in writing and signed by all the parties and unless any such variation is previously discussed with the Nomad.

**9 General**

9.1 Notices

(a) Any notice (which term in this clause 8.1 shall include any other communication) required to be given under, or in connection with any matter contemplated by this Agreement, shall be in writing in the English language.

(b) Subject to clause 8.1(d) any notice shall be addressed as provided in clause 8.1(c) and:

(i) any such notice shall be delivered by hand or sent by fax transmission or pre-paid first class post and if delivered by email shall conclusively be deemed to have been received when the recipient, by an email sent to the email address for the sender stated in this clause 8 or by a notice delivered by another method in accordance with this clause 8, acknowledges having received that email, with an automatic “read receipt” not constituting acknowledgment of an email for purposes of this clause 8, and if sent by post shall conclusively be deemed to have been received three (3) Business Days after posting; and

(ii) if any deemed receipt under clause 8.1(b)(i) occurs before 9.00 a.m. on any Business Day, the notice shall be deemed to have been received at 9.00 a.m. on that day, and if deemed receipt occurs after 5.00 p.m. on any Business Day or on any day which is not a Business Day, the notice shall be deemed to have been received at 9.00 a.m. on the next Business Day.

(c) The addresses and other details of the parties to this Agreement are:

The Company:

Address: Its registered office from time to time

For the attention of: Nick Robbins-Cherry, Chief Financial Officer

Email address: nickrc@midatechpharma.com

CMS:

Address: Its registered office from time to time

For the attention of: Dr. Peng huaizheng

Email address: huaizhengpeng@cms.net.cn

Panmure:

Address: Its registered office from time to time

For the attention of: Freddy Crossley

Email address: freddy.crossley@pamure.com

The other Contracting CMS Concert Party Members:

As per the Schedule.

- (d) Any party to this Agreement may notify the other parties of any change to the address or any of the other details specified in clause 7.1(c) provided that such notification shall only be effective on the date specified in such notice or five Business Days after the notice is given whichever is the later and provided also that any new address shall be in the United Kingdom.

## 9.2 Time of the essence

Subject to clause 7.3, any time, date or period referred to in this Agreement may be extended by mutual agreement between the parties but as regards any time, date or period as originally fixed or so extended, time shall be of the essence.

## 9.3 Rights cumulative and other matters

- (a) It is understood and agreed by the parties that monetary damages would not be a sufficient remedy for any breach of this Agreement and each party shall be entitled to seek injunctive relief and specific performance as a remedy for any such breach by the other.
- (b) The rights, powers and remedies provided in this Agreement are cumulative and are not exclusive of any rights, powers or remedies provided by law or otherwise.
- (c) Save as expressly provided in this Agreement, no failure to exercise nor any delay in the exercising, by any party to this Agreement, of any right, privilege or remedy under this Agreement shall impair or operate as a waiver thereof.
- (d) No single or partial exercise of any right power or remedy under this Agreement shall prevent any further or other exercise thereof or the exercise of any other right or remedy.
- (e) No time or other indulgence granted, to, or release or compromise of the liability of, any party to this Agreement shall affect the liability of any other party to this Agreement.
- (f) Each party's liability to the other howsoever arising under or in connection with this Agreement shall not extend to any special, indirect or consequential loss or damage whatsoever.
- (g) Any liability or obligation of any party that is accrued and is not performed in full as of the date of termination of this Agreement shall survive such termination until performed in full.

## 9.4 Entire Agreement

This Agreement (from the Effective Date) constitutes the whole agreement between the parties relating to its subject matter as at its date and supersedes and extinguishes any prior drafts, agreements, undertakings, representations, warranties and arrangements of any nature, whether in writing or oral, relating to such subject matter.

9.5 Contracts (Rights of Third Parties) Act 1999

No person who is not a party to this Agreement other than the Nomad from time to time shall have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

9.6 Other rights

The provisions of this Agreement are without prejudice to any liabilities which any of the parties may have under any law.

9.7 Invalidity

If any provision of this Agreement shall be held to be illegal or unenforceable, the enforceability of the remainder of this Agreement shall be unaffected.

9.8 Assignment

This Agreement is not assignable by any of the parties hereto.

9.9 Costs

Except as expressly provide in this Agreement, each party shall bear its own costs in relation to the preparation, negotiation and completion of this Agreement.

9.10 No partnership

Nothing in this Agreement and no action taken by the parties under this Agreement shall constitute a partnership, association, joint venture or other co-operative entity between the parties.

9.11 Further assurance

The parties shall from time to time (both during the term of this Agreement and after) do or procure to be done all such acts (including exercising all voting rights and powers (direct and indirect) available to it in relation to any person and/or the Company) and execute or procure the execution of all such documents and things as may be reasonably necessary to give effect to the provisions of this Agreement.

9.12 Overriding obligations

The obligations of the parties pursuant to this Agreement shall at all times be subject to the requirements of the Articles and all relevant legal and regulatory requirements and obligations of the parties, including under applicable companies legislation, the AIM Rules and the Market Abuse Regulation. Each party shall act in accordance with such requirements and no party shall be required to take any action in breach of such requirement or obligation.

**10 Counterparts**

10.1 Counterparts

This Agreement may be executed in any number of counterparts and by the parties to it on separate counterparts, each of which when executed and delivered shall be an original but all the counterparts shall together constitute one and the same document.



## 10.2 Delivery of counterparts

Delivery of an executed signature page of a counterpart in Adobe Portable Document Format (PDF) sent by email shall take effect as delivery of an executed counterpart of this Agreement. If either method is adopted without prejudice to the validity of such agreement, each party shall provide the others with the original of such page as soon as reasonably practicable thereafter.

## 11 Law and Jurisdiction

### 11.1 English Law

This Agreement and all matters arising from it (including any dispute relating to the existence, validity, or termination of this Agreement or any contractual or non-contractual obligation) shall be governed by, and construed in accordance with, English law.

### 11.2 Arbitration

Any and all disputes, controversies and claims between the parties arising out of or in relation to this Agreement shall be amicably and promptly settled by negotiation and consultation among them. In the event that the parties are unable to settle such dispute, controversy or claim by negotiation and consultation within sixty (60) days, any party shall submit the dispute to arbitration in accordance with the terms of this clause 9.2. All arbitrations shall be conducted in London, or such other location as may be mutually agreed by the parties, and in accordance with the Rules of the London Court of International Arbitration (the “Rules”) as administered by the London Court of International Arbitration. All disputes submitted to arbitration shall be arbitrated in English. All decisions of the panel of arbitrators on any matter submitted for arbitration in accordance with this Agreement shall be final and binding on the parties. Damages for which a party may be liable shall include loss of property, out of pocket expenses and third party liability. The number of arbitrators shall be three and shall be appointed in accordance with the Rules.

(a) The parties agree that information concerning or arising out of any arbitration, including information concerning any arbitration award, shall be used only for the purposes of the arbitration and be treated as confidential and not disclosed to any person other than a party without the prior consent in writing of all of the parties unless any of the exclusions specified in clause 5.3 applies or the disclosure is to a person intended to be called as a witness in the arbitration by the party disclosing the information, for the purpose of preparing the witness statement of such witness, provided that in any such case a written confidentiality undertaking has first been obtained from such person. The restrictions contained in this clause 9.2(B) shall survive the termination of this Agreement and shall continue without limit of time.

**SCHEDULE**  
**THE CMS CONCERT PARTY MEMBERS**

	<b>Name</b>	<b>Address</b>
1.	Mr Lam Kong	8F, Block B, Majialong Chuangxin Building, 198 Daxin Road, Nanshan District, Shenzhen, Guangdong Province, the PRC
2.	A&B (HK) Company Limited	Unit A, 11/F, Chung Pont Commercial Building, 300 Hennessy Road, Wanchai, Hong Kong
3.	China Medical System Holdings Limited	Maples Corporate Services Limited PO Box 309 Ugland House Grand Cayman, KY1-1104 Cayman Islands
4.	China Medical Venture Investment (HK) Limited	Unit 2106, 21st Floor, Island Place Tower, 510 King's Road, North Point, Hong Kong.

This Agreement is executed as a deed and is delivered and takes effect at the date written above.

Executed as a deed by  
**MIDATECH PHARMA PLC**  
acting by Craig Cook, a director, in the  
presence of:

/s/ Nick Robbins-Cherry  
Witness signature

Nick Robbins Cherry  
Name

/s/ Craig Cook  
Director

Accountant  
Occupation

\_\_\_\_\_  
Address

\_\_\_\_\_

\_\_\_\_\_

Executed as a deed by  
**PANMURE GORDON (UK) LIMITED**  
acting by Will Lyons, a director, in the  
presence of:

/s/ Emma Earl  
Witness signature

Emma Earl  
Name

/s/ Will Lyons  
Director

Corporate Financier  
Occupation

\_\_\_\_\_  
Address  
\_\_\_\_\_  
\_\_\_\_\_

Executed as a deed by  
**MR LAM KONG**  
in the presence of:

/s/ Aliciya Wu  
Witness signature

Aliciya Wu  
Name

/s/ Lam Kong

Company Secretary  
Occupation

\_\_\_\_\_  
Address  
\_\_\_\_\_  
\_\_\_\_\_

Executed as a deed by **A&B (HK)**  
**COMPANY LIMITED**  
acting by **MR. LAM KONG**, a director,  
in the presence of:

/s/ Aliciya Wu  
Witness signature

Aliciya Wu  
Name

/s/ Lam Kong  
Director

Company Secretary  
Occupation

\_\_\_\_\_  
Address  
\_\_\_\_\_  
\_\_\_\_\_

Executed as a deed by  
**CHINA MEDICAL VENTURE  
INVESTMENT (HK) LIMITED**  
acting by **DR. HUAIZHENG PENG** a  
director, in the presence of:

/s/ Sally Mao  
Witness signature

Sally Mao  
Name

Accountant  
Occupation

\_\_\_\_\_  
Address  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

/s/ Dr. Huaizheng Peng  
Director

DATED: 29 JANUARY 2019

MIDATECH PHARMA PLC

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WARRANT INSTRUMENT

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## Warrant Instrument

Dated 29 JANUARY 2019

### Party

- (1) **MIDATECH PHARMA PLC**, incorporated and registered in England and Wales with company number 09216368, whose registered office is at 65 Innovation Drive, Milton Park, Milton, Abingdon, Oxfordshire, OX14 4RQ (the “**Company**”);

### Background

- The Company, by resolution of its Directors, has resolved conditional upon; (i) all the resolutions to be proposed at a general meeting of the Company convened for 25 February 2019 (“**General Meeting**”) having been approved by the shareholders of (A) the Company (including the waiver of all pre-emption rights conferred on the shareholders (whether pursuant to the Act, the Articles or otherwise) ; and (ii) Admission; to create and issue Warrants to subscribe for Ordinary Shares in the Company on the terms and subject to the conditions of this Instrument. .
- (B) This Instrument has been executed by the Company as a deed poll in favour of the Warrantholders (as defined below).

### Operative Provisions

#### 1 DEFINITIONS AND INTERPRETATION

##### 1.1 In this Instrument:

“**Admission**” means the admission of the new ordinary shares of the Company (pursuant to a subscription, placing and open offer by the Company) to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules for Companies published by the London Stock Exchange from time to time;

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

“**Adjustment Event**” has the meaning set out in paragraph 2 of Schedule 4;

“**AIM**” means AIM, a market operated by the London Stock Exchange;

“**Articles**” means the articles of association of the Company as amended from time to time;

“**business day**” means a day (other than Saturday or Sunday or public holiday) on which banks are open for general business in London;

“**CREST**” the relevant system as defined in the CREST Regulations in respect of which Euroclear is the operator (as defined in the CREST Regulations) in accordance with which securities may be held in uncertificated form;

“**CREST Regulations**” the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755) and any modification thereof or any regulations in substitution therefor for the time being in force;

“**Euroclear**” means Euroclear UK & Ireland Limited;

**“Employees’ Share Scheme”** means a scheme or plan which is approved by the Company and which is for encouraging or facilitating the acquisition or holding of securities in or debentures of the Company by or for the benefit of employees or former employees (including directors or former directors) of the Company or any associated company of the Company;

**“Exercise Price”** means the sum payable on exercise of one Warrant being fifty (0.50) pence per Ordinary Share (or such adjusted price as may be determined from time to time in accordance with the provisions of Clause 6 (*Adjustment of Subscription Rights*));

**“Expiry Date”** means the date of the third anniversary of Admission or if that is not a business day, the first business day immediately thereafter;

**“Extraordinary Resolution”** means an Extraordinary Resolution of the Warrantholders passed in accordance with the provisions of Schedule 3 (*Meetings of Warrantholders*);

**“Investment Bank”** means an investment bank of international repute as may be nominated from time to time by the Company;

**“London Stock Exchange”** means London Stock Exchange plc;

**“Ordinary Shares”** means the ordinary shares of 0.005p each in the capital of the Company (or such other nominal value as may result from any subdivision or consolidation thereof) with the rights attached thereto in accordance with the Articles;

**“Register”** means the register of Warrantholders required to be maintained pursuant to Clause 9.1;

**“Registrar”** means Neville Registrars Limited or such other person or persons appointed by the Company from time to time to maintain the Register;

**“Resolutions”** the resolutions to be proposed at the General Meeting

**“Scheme”** means a scheme of arrangement under s.899 of the Act between the Company and holders of its Ordinary Shares and/or Warrants pursuant to which all or the majority of the Ordinary Shares and/or Warrants become vested in a third party;

**“Specified Number”** means, in the case of certificated holdings, such number of Warrants as shall be specified on the face of the relevant Warrant Certificate and, in the case of uncertificated holdings, the number of Warrants held in the relevant stock account maintained under the relevant system (as defined in the CREST Regulations), in each case subject to adjustment pursuant to Clause 6 (*Adjustment of Subscription Rights*) hereof;

**“Subscription Notice”** means in relation to any Warrant, in the case of certificated holdings, the notice of subscription attached to the Warrant Certificate and, in the case of uncertificated holdings, such uncertificated subscription notice as shall be prescribed by the Board from time to time (subject always to the facilities and requirements of the relevant system concerned);

**“Subscription Period”** means, in relation to any Warrant, the period from the date of the six (6) month anniversary of Admission to (and including) the Expiry Date;

**“Takeover Code”** means The City Code on Takeovers and Mergers;

**“Takeover Offer”** means a takeover offer within the meaning of s.974 of the Act;

**“Warrant Certificate”** means a certificate evidencing a holding of Warrants in certificated form, such certificate being in or substantially in the form set out in Schedule 1 (*Form of Warrant Certificate*);

**“Warrantholder”** means in relation to any Warrant, the person or persons who is or are for the time being the registered holder or joint holders of such Warrant;

**“Warrants”** means the rights created by this Instrument entitling the holders thereof to subscribe for Ordinary Shares on the terms set out in this Instrument;

1.3 Wherever in this Instrument reference shall be made to a determination or certification to be made by or an opinion to be given by the Investment Bank, the following provisions shall apply:

1.3.1 the Investment Bank shall be deemed to act as an expert and not an arbitrator and applicable laws relating to arbitration shall not apply;

1.3.2 the determination of the Investment Bank shall be final and binding on all concerned; and

1.3.3 the Investment Bank shall be given by the Company all such information and other assistance as they may reasonably require.

1.4 The Clause headings are inserted for guidance only and shall not affect the meaning or interpretation of any part of this Instrument.

1.5 Reference to Clauses, sub-clauses and Schedules in this Instrument are references to the Clauses, sub clauses and Schedules of and to this Instrument.

1.6 References to any statute or statutory provision include references to that statute or statutory provision as from time to time amended, extended or re-enacted and to any rules, orders, regulations and delegated legislation made thereunder.

1.7 Words and phrases, the definitions of which are contained or referred to in the Act shall be construed as having the meanings thereby attributed to them but excluding any statutory modification not in force at the date of this Instrument.

1.8 Words importing the singular shall include the plural and vice versa; words importing the masculine shall include the feminine and neuter and vice versa; words importing persons shall include bodies corporate, unincorporated associations and partnerships.

1.9 References herein to a Warrant (or to a holding of Warrants) being in uncertificated form or in certificated form are references, respectively, to that Warrant being an uncertificated unit of a security or a certificated unit of a security. For the purposes of these terms and conditions, a dematerialised instruction is properly authenticated if it complies with the specifications referred to in the CREST Regulations.

1.10 References to the issue of Ordinary Shares shall include the transfer and/or delivery of Ordinary Shares by the Company, whether newly issued and allotted or previously existing.

## 2 SUBSCRIPTION RIGHTS

2.1 The Company hereby creates, pursuant to a resolution of its board of directors passed on or before the date hereof, rights, subject to the provisions of this Instrument and conditional upon Admission, to subscribe on any day during the Subscription Period for, in total, up to 313,846,440 Ordinary Shares on the basis that one Warrant entitles the Warrantholder to subscribe for one Ordinary Share (subject to adjustment pursuant to Clause 6 (*Adjustment of Subscription Rights*) hereof) at the Exercise Price payable in cash in full on subscription.

2.2 The Warrants may be granted to the proposed Warrantholder for no payment. Upon the grant of any Warrant the Company shall enter the person or persons to whom the Warrant is granted into the Register in respect of such Warrant. The Warrants registered in a Warrantholder's name may be held in certificated form (in which event they will be evidenced by a Warrant Certificate issued by the Company) or in uncertificated form.

2.3 The Company shall, upon exercise of all or any of the Warrants in accordance with Clause 4 (*Exercise of Warrants*) from time to time during the Subscription Period forthwith allot and issue the number of Ordinary Shares required to be allotted and issued in accordance with the terms of this Instrument.

2.4 The rights to subscribe represented by Warrants shall be subject to and have the benefit of the terms and conditions set out in this Instrument which shall be binding upon the Company, the Warrantholders and all persons claiming through or under them respectively.

2.5 The Warrants are issued subject to the Articles and, in the case of Warrants held in uncertificated form, the CREST Regulations and otherwise on the terms of this Instrument which are binding upon the Company and each Warrantholder and all persons claiming through them.

2.6 For the avoidance of doubt, nothing herein shall require title to Warrants which are held in uncertificated form to be evidenced or transferred by written instrument and, accordingly, any provision herein which is inconsistent with the holding of Warrants in uncertificated form or the transfer of title to Warrants by means of a relevant system (as defined in the CREST Regulations) or any provision of the CREST Regulations shall not apply to any Warrants held in uncertificated form.

2.7 The Company shall be entitled at any time:

2.7.1 to require the holder of any Warrants which are held in uncertificated form to convert such Warrants into certificated form; and/or

2.7.2 to require the operator (as defined in the CREST Regulations) to suspend or remove Warrants that are held in uncertificated form from the relevant system concerned.

2.8 For the avoidance of doubt the Warrants will not be admitted to trading on AIM.

### 3 WARRANT CERTIFICATES

3.1 Every Warrant Certificate shall be in the form or substantially in the form set out in Schedule 1 (*Form of Warrant Certificate*) and shall have endorsed thereon a Subscription Notice in the form or substantially in the form set out in Schedule 1 (*Form of Warrant Certificate*).

3.2 Every Warrantholder whose Warrants are held in certificated form shall be entitled without charge to one Warrant Certificate for the Warrants held by him save that joint holders shall be entitled to one certificate only in respect of the Warrants held by them jointly which certificate shall be delivered to the holder whose name stands first in the Register in respect of such joint holding. The Company shall not be bound to register more than four persons as joint holders of any Warrants.

3.3 Where some but not all of the Warrants comprised in any Warrant Certificate are transferred or exercised the Company shall issue, free of charge, to the relevant Warrantholder a fresh Warrant Certificate in accordance with the other provisions of this Instrument for the balance of the Warrants retained by such Warrantholder.

3.4 All Warrant Certificates shall be executed by the Company.

3.5 If a Warrant Certificate is mutilated, defaced, lost, stolen or destroyed, it shall, at the discretion of the Company, be replaced at the office of the Registrar on payment of such expenses as may reasonably be incurred in connection therewith and on such terms as to evidence, indemnity and/or security as the Company may reasonably require. Mutilated or defaced Warrant Certificates must be surrendered before replacements will be issued.

#### 4 EXERCISE OF WARRANTS

4.1 Subject to Clause 4.11, Clause 6 (*Adjustment of Subscription Rights*), Cause 7 (*Takeovers*) and/or Clause 8 (*Winding up of the Company*) the Warrantholder of each Warrant will have the right, which may be exercised on any business day during the Subscription Period, to subscribe in cash for all or part of the Specified Number of fully paid Ordinary Shares in consideration of the payment of the Exercise Price in full per Warrant.

4.2 In order to exercise the right to subscribe attaching to a Warrant, Warrantholders whose Warrants are held in certificated form shall deliver or cause to be delivered the relevant Warrant Certificates to the Registrar with the Subscription Notice duly completed and signed, together with a remittance in cleared funds for the Exercise Price in respect of each Warrant being exercised. Once so delivered, a Subscription Notice shall be irrevocable save with the consent of the Board.

4.3 The subscription rights which are conferred by any Warrants that are held in uncertificated form shall be exercisable, in whole or in part, (and treated by the Company as exercised) if an uncertificated subscription notice is received by the Company as referred to below and the remittance in cleared funds for the Exercise Price in respect of each Warrant being exercised is received by the Company or by such person as it may require for these purposes in such form and subject to such terms and conditions as may from time to time be prescribed by or on behalf of the Company. For these purposes an “uncertificated subscription notice” shall mean a properly authenticated dematerialised instruction received by the Company, or by such person as it may require, in such form and subject to such terms and conditions and having such effect as may from time to time be prescribed by or on behalf of the Company (subject always to the facilities and requirements of the relevant system concerned) that is attributable to the system-member who is the holder of the Warrants concerned and/or such other instruction or notification as may from time to time *be* prescribed by or on behalf of the Company. The Company may, in addition, determine when any such properly authenticated dematerialised instruction and/or other instruction or notification and any such remittance is to be treated as received by the Company or by such person that it may require for these purposes (subject always to the facilities and requirements of the relevant system concerned). Without prejudice to the generality of the foregoing, the effect of the properly authenticated dematerialised instruction and/or other instruction or notification referred to above may be such as to divest the holder of the Warrants concerned of the power to transfer such Warrants to another person. Once lodged, an uncertificated subscription notice shall be irrevocable save with the consent of the Company. For the avoidance of doubt, unless the Company otherwise determines, or unless the CREST Regulations and/or rules of the relevant system concerned otherwise require, the Ordinary Shares issued on the exercise of any subscription rights shall be issued:

4.3.1 in uncertificated form where such subscription rights were conferred by Warrants which were held in uncertificated form on the date of notification of exercise; or

4.3.2 in certificated form where such subscription rights were conferred by Warrants held in certificated form on the date of the notification of exercise.

Whether any Warrants are held in certificated form or uncertificated form on the exercise date shall be determined by reference to the register of Warrantholders as at the close of business on the relevant date or such other time as the Board may (subject to the facilities and requirements of the relevant system concerned) in its absolute discretion determine. Compliance must also be made in relation to any exercise of subscription rights with any statutory and regulatory requirements for the time being applicable.

4.4 Warrants will be deemed to be exercised on the business day upon which the Registrar shall have received the relevant documentation and remittance referred to in this Clause 4 (*Exercise of Warrants*). Subject to value having been received by the Company in respect of the relevant remittance, the Company shall allot the Ordinary Shares to be issued pursuant to the exercise of subscription rights attaching to any Warrant and enter the allottee of such Ordinary Shares in the Company's register of members not later than 14 days after the date on which such Warrants are exercised.

4.5 In the case of Ordinary Shares issued pursuant to the exercise of subscription rights conferred by Warrants held in certificated form, as soon as practicable following the exercise of Warrants in accordance with the terms of this Instrument and, in any event, not later than 7 days after the date on which the allottee of such Ordinary Shares is entered in the register of members, the Company shall issue:

4.5.1 a certificate for the Ordinary Shares in the name of such Warrantholder set out in the Warrant Certificate; and

4.5.2 in the event of a partial exercise by any Warrantholder of the right to subscribe attaching to any Warrants held by him a Warrant Certificate in the name of such Warrantholder in respect of the balance of the Warrants represented by the relevant Warrant Certificate and remaining unexercised.

4.6 In respect of any subscription rights conferred by Warrants held in certificated form the certificate for the Ordinary Shares arising on the exercise of Warrants (together with any balancing Warrant Certificate) will be despatched at the risk of the person entitled thereto to the address of such person or (in the case of a joint holding) to that one of them whose name stands first in the Register and will be sent by ordinary postal delivery.

4.7 Ordinary Shares issued pursuant to the exercise of subscription rights which were conferred by Warrants held in uncertificated form will, unless the Company otherwise determines or unless the CREST Regulations and/or the rules of the relevant system concerned otherwise require, be issued in uncertificated form and will be credited to the account of the person(s) in whose name(s) the Warrants concerned were registered at the date of such exercise (being an account maintained by the relevant system concerned under the same participant and member account identification codes as the account to which the Warrants concerned were credited immediately prior to such exercise).

4.8 Every Warrant in respect of which subscription rights:

4.8.1 have been exercised in full; or

4.8.2 at the end of the Subscription Period have not been exercised, shall lapse and be cancelled

4.9 Ordinary Shares allotted pursuant to the exercise of Warrants in accordance with the terms of this Instrument shall be issued fully paid and free from any liens, charges or encumbrances and rights of pre-emption but shall not rank for any dividends or other distributions declared, made or paid on the Ordinary Shares for which the record date is prior to the relevant day on which the Warrants are exercised but, subject thereto, shall rank in full for all dividends and other distributions declared, made or paid on the Ordinary Shares on or after the relevant day on which the Warrants are exercised and otherwise *pail passu* in all respects with the Ordinary Shares in issue at that date.

4.10 At any time when the Ordinary Shares are admitted to trading on AIM, application will be made by the Company to the London Stock Exchange for the Ordinary Shares allotted pursuant to any exercise of Warrants to be admitted to trading on AIM and the Company will use its reasonable endeavours to obtain such admission so as to be effective simultaneously with the allotment of the relevant Ordinary Shares pursuant to the exercise of the Warrants in accordance with the terms of this Instrument becoming effective.

4.11 A Warrantholder shall be prohibited from exercising the rights to subscribe attaching to a Warrant if it would result in such exercising Warrantholder together with all persons with whom it is acting in concert triggering a requirement to make a mandatory offer under Rule 9 of the Takeover Code.

## 5 UNDERTAKINGS

5.1 Subject to the provisions of Clause 6 and, unless otherwise authorised by an Extraordinary Resolution, whilst any Warrant remains exercisable!

(a) the Company shall not in any way modify the rights attached to its existing Ordinary Shares as a class in any way which operates to vary the rights of the Warrantholders in relation to the Warrants (but nothing herein shall restrict the right of the Company to increase, consolidate, sub-divide or reduce its share capital subject to any adjustments to the subscription rights as may be required by this Instrument). For the purposes of this subparagraph, the creation or issue of preference shares (whether convertible, redeemable and/or cumulative) carrying rights to dividends, capital conversion or otherwise as the directors of the Company shall think fit, shall not be deemed to modify the rights attaching to the Ordinary Shares; and

(b) Warrantholders will have made available to them, at the same time and in the same manner as the same are made available to holders of Ordinary Shares, copies of the audited accounts of the Company (with the relevant directors' and auditor's reports) and copies of all other circulars or notices which are made available to holders of Ordinary Shares.



## 6 ADJUSTMENT EVENTS

6.1 If an Adjustment Event occurs:

6.1.1 the number of Ordinary Shares for which each Warrantholder is entitled to subscribe; and

6.1.2 the Exercise Price payable in respect of such subscription, shall each be subject to adjustment in accordance with the provisions set out in Schedule 4.

6.2 Whenever an adjustment is to be made under this Clause 6, the Company shall as soon as reasonably practicable give notice pursuant to paragraph 4 of Schedule 2 to the Warrantholders, together with a Warrant Certificate (where such Warrantholders are holding in certificated form) evidencing the rights to which the Warrantholders are entitled in consequence of such adjustments.

## 7 TAKEOVERS

7.1 The Company shall notify the Warrantholders of the terms of any proposed Takeover Offer or Scheme at the same time as such terms are communicated to shareholders of the Company.

7.2 The Company shall notify the Warrantholders when any Takeover Offer becomes wholly unconditional, or Scheme becomes effective, at the same time as that fact is publicly announced or otherwise communicated to shareholders of the Company.

7.3 If a Takeover Offer becomes wholly unconditional, or a Scheme becomes effective, before the subscription rights with respect to all Warrants have been exercised, the Company shall use its reasonable endeavours to procure that an appropriate offer (as such term is interpreted pursuant to Rule 15 of the Takeover Code (“**Rule 15**”) is extended to the Warrantholders in accordance with Rule 15.

## 8 WINDING UP OF THE COMPANY

8.1 If at any time prior to the Expiry Date an order is made or an effective resolution is passed for the winding up or dissolution of the Company or if any other dissolution of the Company by operation of law is to be effected:

8.1.1 if the winding up or dissolution is for the purposes of implementing a reconstruction, amalgamation or scheme of arrangement on terms previously sanctioned by an Extraordinary Resolution, such terms shall be binding on the Warrantholders; and

8.1.2 in any other case, the Company shall as soon as reasonably practicable send to the Warrantholders a written notice stating that such an order has been made or resolution has been passed or other dissolution is to be effected. Each Warrantholder may at any time within 60 days after the date of such notice elect, by written notice to the Company, to be treated as if he had, immediately before the date of the making of the order or the passing of the resolution or other dissolution, exercised some or all of his subscription rights. On giving such notice, a Warrantholder is entitled to receive out of the assets which would otherwise be available in the liquidation to the shareholders of the Company such sum, if any, as he would have received had he been the holder of, and paid for, the Ordinary Shares to which he would have become entitled by virtue of that exercise, after deducting from that sum an amount equal to the aggregate Exercise Price which would have been payable by him upon such exercise

8.2 Subject to compliance with Clause 8.1, all Warrants shall lapse on liquidation of the Company.

## 9 TRANSFER AND TITLE

9.1 Warrants shall be transferable individually, in the case of Warrants held in certificated form, by an instrument of transfer in any usual or common form or such other form as may be approved by or on behalf of the Company, and, in the case of Warrants held in uncertificated form, by a properly authenticated dematerialised instruction and/or other instruction or notification received by the Company or by such person as it may require for these purposes in such form and subject to such terms and conditions as may from time to time be prescribed by or on behalf of the Company (subject always to the facilities and requirements of the relevant system concerned). The Registrar shall maintain a register of Warrantholders in registered form and the provisions of Schedule 2 (*Registration, Transfer and Transmission*) relating to the transfer, transmission and registration of Warrants shall have full effect as if the same had been incorporated in this Instrument.

9.2 The Company shall be entitled to appoint such person or persons as the Company thinks fit as the Registrar and to remove any such person or persons and make a new appointment in their stead. The Company shall forthwith give a notice of any change in the identity or address of the Registrar in accordance with Clause 13.2.

9.3 The registered holder of a Warrant shall be treated as its absolute owner for all purposes notwithstanding any notice of ownership or notice of previous loss or theft or of trust or other interest therein (except as ordered by a court of competent jurisdiction or required by law). The Company shall not (except as stated above) be bound to recognise any other claim to or interest in any Warrant.

## 10 MEETINGS OF WARRANTHOLDERS

10.1 Meetings of Warrantholders may be convened in accordance with the provisions of Schedule 3 (*Meetings of Warrantholders*) and shall be competent to pass Extraordinary Resolutions and to exercise all the powers as referred to therein. Without prejudice to the generality of the foregoing, the Warrantholders, by way of Extraordinary Resolution, shall have power to:

- (a) sanction any compromise or arrangement proposed to be made between the Company and the Warrantholders or any of them;
- (b) sanction any proposal by the Company for modification, abrogation, variation or compromise of, or arrangement in respect of the rights of the Warrantholders against the Company whether such rights shall arise under this Instrument or otherwise;
- (c) sanction any proposal by the Company for the exchange or substitution for the Warrants of, or the conversion of the Warrants into, shares, stock, bonds, debentures, debenture stock, warrants or other obligations or securities of the Company or any other body corporate formed or to be formed;
- (d) assent to any modification or the conditions to which the Warrants are subject and/or the provisions contained in this Instrument which shall be proposed by the Company;
- (e) authorise any person to concur in and execute and do all such documents, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution;

- (f) discharge or exonerate any person from any liability in respect of any act or omission for which such person may have become responsible under this Instrument; and
- (g) give any authority, direction or sanction which under the provisions of this Instrument is required to be given by Extraordinary Resolution.

## 11 **MODIFICATIONS**

11.1 Any modification to this Instrument may be effected only by an instrument in writing, executed by the Company and expressed to be supplemental to this Instrument and, save in the case of a modification which is of a formal, minor or technical nature or made to correct a manifest error, only if it shall first have been sanctioned by an Extraordinary Resolution.

11.2 A memorandum of every such supplemental instrument shall be endorsed on this Instrument.

11.3 Notice of every modification to this Instrument shall be given by the Company to the Warrantheholders in accordance with Clause 13.2

## 12 **PURCHASE AND CANCELLATION**

12.1 The Company may at any time purchase Warrants:

12.1.1 by tender (available to all Warrantheholders alike) at any price; or

12.1.2 on or through the market; or

12.1.3 by private treaty at any price.

12.2 All Warrants purchased pursuant to Clause 12.1 shall be cancelled forthwith and may not be reissued or sold.

## 13 **AVAILABILITY OF INSTRUMENT AND NOTICES**

13.1 Every Warrantheholder shall be entitled to inspect a copy of this Instrument at the registered office of the Company during normal business hours (Saturdays, Sundays and public holidays in the United Kingdom excepted), and shall be entitled to receive a copy of this Instrument against payment of such charges as the directors of the Company may impose in their absolute discretion.

13.2 Notices to be given pursuant to the provisions of this Instrument shall be given in accordance with paragraph 4 of Schedule 2 (*Registration, Transfer and Transmission*).

## 14 **ENFORCEMENT**

14.1 The Company acknowledges and covenants that the benefit of the covenants, obligations and conditions on the part of or binding upon it contained in this Instrument and the Schedules hereto shall enure to the benefit of each and every Warrantheholder.

14.2 Each Warrantheholder shall be entitled to enforce the said covenants, obligations and conditions against the Company insofar as such Warrantheholder's Warrant is concerned, without the need to join the allottee of any such Warrant or any intervening or other Warrantheholder in the proceedings for such enforcement.

15      **GOVERNING LAW**

15.1      This Instrument shall be governed by and construed and interpreted in accordance with English law and the Warranholders agree to submit to the exclusive jurisdiction of the English courts in relation to any claim, dispute or difference which may arise hereunder.

Delivered as an Instrument on the date of this document.

## SCHEDULE 1

### FORM OF WARRANT CERTIFICATE

No. of Certificate: [•]  
Number of Warrants: [•]  
Date of issue: [•]

Warrants to subscribe for ordinary share(s) in

#### **Midatech Pharma Plc**

Registered Office: 65 Innovation Drive, Milton Park, Milton, Abingdon, Oxfordshire, OX14 4RQ

incorporated in England and Wales

(Company number: 09216368)

This is to certify that [•]

of [•]

is/are the registered holder(s) of [•] Warrants in Midatech Pharma Plc issued pursuant to and in accordance with the terms of an Instrument dated [•] 2019 (as from time to time amended) (the “**Instrument**”) executed by Midatech Pharma Plc. Words and expressions used in this Warrant Certificate and the Subscription Notice shall have the same meanings as in the Instrument.

The registered holder is entitled in respect of every one Warrant held to subscribe for one Ordinary Share of 0.005p in Midatech Pharma Plc (or such other number of Ordinary Shares as may for the time being be applicable in accordance with the provisions of the Instrument) at a price of 0.50 pence per Ordinary Share (subject to adjustment as referred to in the Instrument) during the Subscription Period.

The Instrument is enforceable severally by each Warrantholder and is available for inspection at the registered office of the Company until the end of the Subscription Period.

Executed by the company Midatech Pharma Plc this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

#### **Subscription Notice**

In order to exercise all or any of the Warrants represented by this Warrant Certificate the certificate should be submitted with this Subscription Notice duly completed and signed, together with the payment referred to below, to the Registrar.

To: Midatech Pharma Plc  
c/o Neville  
Neville House  
Steelpark Road  
Halesowen  
West Midlands  
B62 8HD

I/We the undersigned, being the registered holder(s) of the Warrants comprised in this Warrant Certificate (and the several Warrant Certificates (if any) enclosed with this Subscription Notice) hereby give(s) notice of my/our wish to exercise [•] Warrant(s) to subscribe for \_\_\_\_\_ Ordinary Shares in Midatech Pharma Plc in accordance with the provisions of the Instrument.

I/We enclose payment for £\_\_\_\_\_ in favour of Midatech Pharma Plc being the aggregate payment of the full subscription price for the total number of such Warrants being exercised.

I/We direct you to allot the registered shares in Midatech Pharma Plc issued pursuant hereto to me/us in which event I/we agree to accept such shares subject to the articles of association of Midatech Pharma Plc. I/We request the relevant entry be made in the register of shareholders of the Company in respect thereof.

I/We require the despatch of: (1) \_\_\_\_\_ certificates in respect of the Ordinary Shares in Midatech Pharma Plc; and (2) a Warrant Certificate in my/our name(s) for any balance of my/our Warrants remaining exercisable, at my/our own risk to my/our address set out in the Register of Warrantholders or (in the case of joint holders) to the address of that one whose name stands first in the Register in respect of the Warrants represented by this Warrant Certificate by ordinary postal service.

Dated \_\_\_\_\_

Signature(s)

.....  
.....  
.....

**Guidance notes:**

Exercise of the Warrants represented by this Warrant Certificate may be consolidated with the exercise of Warrants represented by other Warrant Certificates by the use of only one Subscription Notice, provided that the other Warrant Certificates are attached to the Subscription Notice.

In the case of joint holdings, all joint holders must sign.

## SCHEDULE 2

### REGISTRATION, TRANSFER AND TRANSMISSION

#### 1 Registration and Title

1.1 An accurate register of the Warrants (the “**Register**”) will be kept by the Registrar at the registered office of the Company and there shall be entered in the Register:

- 1.1.1 the names and addresses of the Warrantheolders and, in the case of Warrants held in uncertificated form, the details of the Warrantheolder’s stock account with the relevant system;
- 1.1.2 the amount of Warrants held by every registered holder; and
- 1.1.3 the date upon which the name of every such registered holder is entered in respect of the Warrants standing in his name.

1.2 Any change of name or address on the part of a Warrantheolder and, in the case of Warrants held in uncertificated form, the details of the Warrantheolder’s stock account with the relevant system shall forthwith be notified to the Registrar who shall cause the Register to be altered accordingly. The Register may be closed by the Company for such period or periods and at such times as it may think fit provided that it shall not be closed for more than thirty days in any calendar year. Any transfer or request for exercise made while the Register is so closed shall, as between the Company and the person claiming under the transfer or person requesting the exercise of his subscription rights, be considered as made immediately after the reopening of the Register. The Warrantheolders or any of them, and any person duly authorised by any such holder, shall be at liberty at all reasonable times during office hours to inspect the Register and to take copies of or extracts from the same or any part thereof.

1.3 The Company shall be entitled to treat the registered holder of any Warrant as the absolute owner thereof for all purposes notwithstanding any notice of ownership or writing thereon or notice of previous loss or theft or of trust (whether express or implied) or other interest therein (except as ordered by a court of competent jurisdiction or required by law) and shall not (except as aforesaid) be bound to recognise any equitable or other claim to or interest in such Warrant.

1.4 Every Warrantheolder will be recognised by the Company as entitled to his Warrants free from any equity, set-off or cross-claim on the part of the Company against the original or any intermediate holder of the Warrants.

#### 2 Transfer

2.1 Every transfer of a Warrant shall be made:

2.1.1 in the case of Warrants held in certificated form by instrument of transfer in the usual or common form or in any other form which may be approved by the Company and need not be executed as an Instrument. The instrument of transfer of a Warrant shall be signed by or on behalf of the transferor but need not be signed by or on behalf of the transferee; or

2.1.2 in the case of Warrants held in uncertificated form, by a properly authenticated dematerialised instruction and/or other instruction or notification received by the Company or by such person as it may require for these purposes in such form and subject to such terms and conditions as may from time to time be prescribed by or on behalf of the Company (subject always to the facilities and requirements of the relevant system concerned).

The transferor shall be deemed to remain the holder of the Warrant until the name of the transferee is entered in the Register in respect thereof. The Company shall not be obliged to give effect to any such instrument which purports to transfer any Warrants in respect of which a Subscription Notice shall have been received.

2.2 In the case of Warrants held in certificated form the Company may decline to recognise any instrument of transfer unless such instrument is deposited at the specified office of the Registrar (or such other place as the Registrar may appoint) accompanied by the Warrant Certificate to which it relates, and such other evidence as the Registrar may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on behalf of the transferor, the authority of that person so to do. The Registrar may waive production of any Warrant Certificate upon evidence satisfactory to the Registrar of its loss or destruction or upon execution of an appropriate indemnity. All instruments of transfer which are registered may be retained by the Company for so long as it thinks fit together with the cancelled Warrant Certificates.

2.3 In the case of Warrants held in certificated form and uncertificated form the Company may decline to recognise a transfer unless the Warrantholder has given evidence, satisfactory to the Company (acting reasonably), that any stamp duty or any other taxes or duties payable on transfers of the Warrant(s) (if any) have been paid.

2.4 No fee shall be charged by the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death, or power of attorney or other document relating to or affecting the title to any Warrants or otherwise for making any entry in the Register affecting the title to any Warrants.

2.5 The registration of a transfer shall be conclusive evidence of the approval by the Company and the Registrar of the transfer and the Company shall, on registration, in the case of Warrants held in certificated form, issue the transferee with a Warrant Certificate in respect of the Warrants transferred and, in the case of Warrants held in uncertificated form, credit the stock account of the transferee held within the relevant system.

### 3 **Transmission**

3.1 In the case of the death of a Warrantholder the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company and the Registrar as having any title to his Warrants, but nothing herein contained shall release the estate of a deceased Warrantholder (whether sole or joint) from any liability in respect of any Warrant solely or jointly held by him.

3.2 Subject to any other provision herein contained, any person becoming entitled to a Warrant in consequence of the death or bankruptcy of a Warrantholder or otherwise than by transfer may, upon producing such evidence of title as the Company shall reasonably require, and subject as hereinafter provided, be registered himself as holder of the Warrant.



3.3 Subject to any other provision herein contained, if any person becoming entitled to a Warrant in consequence of the death or bankruptcy of a Warrantholder or otherwise than by transfer shall elect to be registered himself, he shall deliver or send to the Company and the Registrar a notice in writing signed by him stating that he so elects. All the limitations, restrictions and provisions herein contained relating to the right to transfer and the registration of transfers of Warrants shall be applicable to any such notice of transfer as aforesaid as if the death or bankruptcy of the Warrantholder had not occurred and the notice of transfer were a transfer executed by such Warrantholder.

3.4 A person becoming entitled to a Warrant in consequence of the death or bankruptcy of a Warrantholder shall *be* entitled to receive and may give good discharge for any monies payable in respect thereof, but shall not be entitled to receive notices of or to attend or vote at meetings of the Warrantholders or, save as aforesaid, to any of the rights or privileges of a Warrantholder until he shall have become a Warrantholder in respect of the Warrant.

#### 4 Notices

4.1 Every Warrantholder shall register with the Company and the Registrar an address to which copies of notices can be sent. Any notice or document may be given or served by the Company on any Warrantholder either personally or by sending it by post in a prepaid letter addressed to such Warrantholder at his registered address as appearing in the register.

4.2 Any copy notices given pursuant to the provisions of this Schedule with respect to Warrants standing in the names of joint holders shall be given to whichever of such persons is named first in the Register and such notice so given shall be sufficient notice to all the holders of such Warrants.

4.3 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of forty eight hours after the envelope containing it was posted.

4.4 When a given number of days' notice or notice extending over any other period is required to be given, the day of service shall, but the day upon which such notice shall expire shall not, be included in calculating such number of days or other period. The signature to any notice to be given by the Company may be written or printed.

4.5 Every person who by operation of law, transfer or other means whatsoever becomes entitled to a Warrant shall be bound by any notice in respect of such Warrant which, before his name is entered in the Register, has been duly given to the person from whom he derives his title.

4.6 If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a meeting of the Warrantholders by notices sent through the post such a meeting may be convened by a notice advertised on the same date in at least two national daily newspapers with appropriate circulations (and, where there is a suspension or curtailment of postal services within the United Kingdom, at least one of which shall be published in London) and such notice shall *be* deemed to have been duly served on all Warrantholders entitled thereto at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least forty-eight hours prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

4.7 Any Warrantholder present, either personally or by proxy, at any meeting of the Warrantholders shall for all purposes be deemed to have received due notice of such meeting, and, where requisite, of the purposes for which such meeting was called.

4.8 Any notice or document delivered or sent by post to or left at the registered address of any Warrantholder in pursuance of this Instrument shall, notwithstanding that such Warrantholder is then dead, bankrupt, of unsound mind or (being a corporation) in liquidation, and whether or not the Company has notice of the death, bankruptcy, insanity or liquidation of such Warrantholder, be deemed to have been duly served in respect of any Warrant registered in the name of such Warrantholder as sole or joint holder unless his name has at the time of the service of the notice or document been removed from the Register as the holder of the Warrant, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the Warrant

## SCHEDULE 3

### MEETINGS OF WARRANTHOLDERS

#### 1 Convening of Meetings

The Company may at any time and shall on receipt of a request in writing of persons holding not less than one-tenth of the outstanding Warrants (upon receiving such indemnity (if any) as it may require against all reasonable costs, expenses and liabilities which it may incur by so doing) convene a meeting of the Warrantholders. Such meeting shall be held at such place within the United Kingdom as the Company shall determine.

#### 2 Notice of Meetings

2.1 At least 14 days' notice in writing of every meeting shall be given to the Warrantholders in the manner provided by the provisions contained in Schedule 2 (Registration, Transfer and Transmission).

2.2 The notice shall specify the place, day and hour of the meeting and the general nature of the business to be transacted, but, except in the case where an Extraordinary Resolution is to be proposed, it shall not be necessary to specify in the notice the terms of the resolutions to be proposed. The notice shall state that a Warrantholder is entitled to appoint a proxy to attend and, on a poll, to vote instead of him.

2.3 The accidental omission to give notice to or the non-receipt of notice by any of the Warrantholders shall not invalidate the proceedings at any meeting.

#### 3 Quorum

3.1 At any meeting at least two persons being present in person or by proxy shall form a quorum for the transaction of any business.

3.2 No business (other than the election of a Chairman) shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.

#### 4 Absence of Quorum

4.1 If within half an hour from the time appointed for the meeting (or such longer interval as the Chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened upon the requisition of Warrantholders, shall be dissolved. In any other case it shall stand adjourned to such day and time not being less than seven days nor more than 28 days thereafter and to such place as may be appointed by the Chairman and at such adjourned meeting the Warrantholders present and entitled to vote shall be a quorum for the transaction of business including the passing of Extraordinary Resolutions.

4.2 At least seven days' notice of any adjourned meeting of Warrantholders at which an Extraordinary Resolution is to be submitted shall be given in the same manner as for an original meeting and such notice shall state that the Warrantholders present at the adjourned meeting whatever their number will form a quorum.

#### 5 Chairman

5.1 The Warrantholders present may choose one of their number to preside at every meeting as Chairman and, if no such person is chosen or if at any meeting the person chosen shall not be present within 15 minutes after the time appointed for holding the meeting, a person nominated in writing by the Company shall be Chairman of such meeting. Any Director and the Secretary, Auditors and solicitors of the Company and any other person authorised in that behalf by the Company may attend and speak at any meeting.

5.2 The Chairman may, with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for 30 days or more or, not less than seven days' notice (exclusive as aforesaid) of the adjourned meeting shall be given in like manner, as in the case of the original meeting. Save as aforesaid, subject to paragraph 4.2 above, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

## **6 Resolutions**

6.1 At any meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or by one or more Warrantheolders present in person or by proxy and holding or representing one-twentieth of the then outstanding Warrants.

6.2 Unless a poll is demanded a declaration by the Chairman that a resolution has been carried or carried by any particular majority or lost or not carried by any particular majority shall be conclusive evidence of that fact.

## **7 Poll**

7.1 If a poll is duly demanded it shall be taken in such manner and at such time and place as the Chairman may direct (save that a poll demanded on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment) and the result of a poll shall be deemed to be the resolution of the meeting at which the poll is demanded.

7.2 The demand for a poll shall not prevent the continuance of a meeting for the transact on of any business other than the question on which the poil has been demanded. The demand for a poll may be withdrawn.

7.3 No notice need be given of a poll not taken immediately.

## **8 Voting**

8.1 On a show of hands every Warrantheolder who is present in person or, being a corporation, by its authorised representative or proxy shall have one vote. On a poll every Warrantheolder who is present in person or by proxy shall have one vote for every Warrant of which he is the holder.

8.2 In the case of joint holders of Warrants the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the vote of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register.

8.3 On a poll votes may be given either personally or by proxy and a Warrantheolder entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

8.4 No objection shall be raised to the qualification of any person voting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the Chairman whose decision shall be final and conclusive.

8.5 In the case of an equality of votes whether on a show of hands or on a poll the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to the votes (if any) to which he may be entitled as a Warranholder.

## **9 Proxies**

9.1 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either duly executed or under the hand of some duly authorised officer or attorney of the corporation.

9.2 A person appointed to act as a proxy need not be a Warranholder. The Chairman of the meeting may be designated as a proxy in an instrument of proxy without being named.

9.3 The instrument appointing a proxy and the letter or power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at such place (if any) specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the registered office of the Company) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (or, in the case of a poll otherwise than at or on the same day as the meeting or adjourned meeting, before the time appointed for the taking of the poll) at which the person named in the instrument proposed to vote and in default the instrument or proxy shall not be treated as valid

9.4 No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution.

9.5 An instrument of proxy may be in any usual or common form or in any other form which the directors of the Company may approve. An instrument of proxy shall be deemed to confer the right to demand or join in demanding a poll. An instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates and need not be witnessed.

9.6 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed provided that no notification in writing of such death, mental illness or revocation shall have been received by the Company at its registered office or at such other place as may have been specified in or by way of note to or in any document accompanying the notice convening the meeting at least one hour before the commencement of the meeting or adjourned meeting at which the proxy is used or, in the case of a poll otherwise than at or on the same day as the meeting or adjourned meeting, before the time appointed for the taking of the poll at which the vote is cast.

## **10 Representatives**

Any company or other body corporate which is a registered holder of any of the Warrants may by resolution of its directors or other governing body authorise any person to act as its representative at any meeting of the Warranholders and such representative shall be entitled to exercise the same powers on behalf of the company or corporation which he represents as if he were the registered holder of the Warrants and such company or body corporate shall, for the purpose of these provisions, be deemed to be present in person at any such meeting if a person so authorised is present thereat.

## 11 Resolutions

11.1 The expression “**Extraordinary Resolution**” means a resolution passed at a meeting of the Warranholders duly convened and held in accordance with the provisions herein contained and carried by a majority consisting of not less than 75 per cent. of the persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than 75 per cent. of the votes given on such poll.

11.2 A resolution in writing signed by Warranholders entitled to subscribe for not less than 75 per cent. of the Ordinary Shares which are the subject of outstanding Warrants pursuant to this Instrument in accordance with the provisions herein contained shall for all purposes be valid and effectual as an Extraordinary Resolution passed at a meeting duly convened and held in accordance with the provisions herein contained. Such resolution in writing may be contained in one document or in several documents in like form each signed by one or more of the Warranholders. In the case of a body corporate the resolution may be signed on its behalf by a director or the secretary thereof or by its duly authorised representative or duly appointed attorney.

11.3 An Extraordinary Resolution passed at a meeting of the Warranholders duly convened and held in accordance with this Instrument shall be binding upon all Warranholders whether or not present at the meeting and each of the Warranholders shall be bound to give effect thereto accordingly.

## 12 Minutes

12.1 Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Company.

12.2 Any minutes of resolutions and proceedings of meetings of Warranholders as aforesaid, if purporting to be signed by the Chairman of the meeting, shall be conclusive evidence of the matters therein stated and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat to have been duly passed.

## SCHEDULE 4

### ADJUSTMENTS

#### 1 Adjustments to be made

If there is an Adjustment Event whilst any of the Warrants are outstanding, the Exercise Price and number of Ordinary Shares to be, or capable of being subscribed on any subsequent exercise of any Warrant will be adjusted in the manner set out in this Schedule 4.

#### 2 Adjustment of Exercise Price

The Exercise Price shall from time to time be adjusted in accordance with the provisions of this paragraph 2 and as follows for each event giving rise to such adjustment (each an “**Adjustment Event**”):

2.1 *Consolidation or Sub-division/Combination of Ordinary Shares:* If the Company, at any time while the Warrants are outstanding, shall:

- (a) subdivide the nominal value of Ordinary Shares into a larger number of shares; or
- (b) consolidate/combine the nominal value of Ordinary Shares into a smaller number of shares,

the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately prior to the date such alteration becomes effective by the following fraction:

$$\frac{A}{B}$$

where:

A is the nominal amount of one Ordinary Share immediately after such alteration; and

B is the nominal amount of one Ordinary Share immediately before such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

2.2 *Other Events:* If and whenever the Company (in its sole discretion) determines that:

2.6.1 an adjustment should be made to the number of Ordinary Shares receivable upon exercise of a Warrant as a result of one or more events or circumstances not referred to in sub-paragraphs 2.1 above (even if the relevant event or circumstance is specifically excluded from the operation of such clauses);

2.6.2 more than one event which gives rise or may give rise to an adjustment to the number of Ordinary Shares receivable upon exercise of a Warrant has occurred or will occur within such a short period of time that a modification to the operation of the adjustment provisions is required in order to give the intended result; or

2.6.3 one event which gives rise or may give rise to more than one adjustment to the number of Ordinary Shares receivable upon exercise of a Warrant has occurred or will occur such that a modification to the operation of the adjustment provisions is required in order to give the intended result,

then the Company shall, at its own expense, use its reasonable endeavours to procure that such adjustment (if any) to the number of Ordinary Shares receivable upon exercise of a Warrant as is fair and reasonable to take account thereof and the date on which such adjustment should take effect shall be determined by the appointed Investment Bank.

Upon such determination, the Company shall procure that such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided, however, that an adjustment shall only be made pursuant to this clause if the appointed Investment Bank is requested to make such a determination not more than 30 calendar days after the date on which the relevant event occurs or circumstances exist.

2.3 If any doubt shall arise as to the appropriate adjustment to the Exercise Price, a certificate of the Investment Bank shall be conclusive and binding on all concerned.

2.4 The Exercise Price may not be reduced so that, on exercise of any Warrants, Ordinary Shares would fall to be issued at a discount to their nominal value.

2.5 On any adjustment, the resultant Exercise Price shall be rounded down to the nearest £0.001 so that any amount under £0.0005 shall be rounded down and any amount of £0.0005 or more shall be rounded up). Any amount by which the Exercise Price is rounded down shall be carried forward and taken into account in any subsequent adjustment.

2.6 No adjustment shall be made to the Exercise Price where such adjustment would be less than 1 per cent. of the Exercise Price then in effect. Any adjustment not required to be made pursuant to the preceding sentence shall be carried forward and included in any subsequent adjustment but such subsequent adjustment shall *be* made on the basis that the adjustment not required to be made had been made at the relevant time.

2.7 No adjustment shall be made to the number of Ordinary Shares in respect of which a Warrantholder is entitled to exercise its subscription rights where Ordinary Shares or other securities (including rights, warrants or options) are issued, offered, exercised, allotted, appropriated, modified, granted, subscribed, purchased or otherwise acquired pursuant to, or in connection with, any Employees' Share Scheme.

2.8 For the avoidance of doubt, unless the Company otherwise determines, or unless the CREST Regulations and/or the rules of the relevant system concerned otherwise require, any additional Warrants issued in accordance with this Schedule 4 shall be issued in uncertificated form where they are issued to a holder of Warrants which are held in uncertificated form at the close of business on the date on which such additional Warrants are issued (or at such other time as the Board may, subject always to the facilities and requirements of the relevant system concerned, in its absolute discretion determine) (the "issue date") or in certificated form where they are issued to a holder of Warrants which are held in certificated form at the close of business on the issue date. Additional Warrants which are issued in uncertificated form will be credited to the stock account of the Warrantholder concerned (being an account maintained by the relevant system concerned under the same participant and member account identification codes as the account to which the Warrants held in certificated form by such Warrantholder are credited at the close of business on the issue date).



### 3 Adjustment of subscription rights

3.1 Whenever the Exercise Price is adjusted in accordance with this Schedule 4 the number of Ordinary Shares for which a Warrantholder is entitled to subscribe shall be increased or decreased (as appropriate) at the same time as such adjustment takes effect. The number of Ordinary Shares to which a Warrantholder shall be entitled shall be calculated as follows:

$$X \times (Y/Z)$$

where:

X is the aggregate number of Ordinary Shares for which the Warrantholder is entitled immediately before the adjustment;

Y is the Exercise Price immediately before the adjustment; and

Z is the Exercise Price immediately after the adjustment.

3.2 No fractions of Ordinary Shares for which a Warrantholder is entitled shall be allotted or issued on the exercise of any subscription rights and no refund will be made to the Warrantholder exercising such subscription rights. If the exercise of any subscription rights would require a fraction of an Ordinary Share to be allotted, the aggregate number of Ordinary Shares so allotted to a Warrantholder will be rounded down to the nearest whole Ordinary Share.

/s/ Craig Cook,

Director  
signature

**Execution page**

**Executed by MIDATECH PHARMA PLC**  
acting by:

CRAIG COOK,  
print name

/s/ Nick Robbins-Cherry,

Director  
signature

NICK ROBBINS-CHERRY,  
print name

Date: ..... 2019

**Midatech Pharma plc**

**Panmure Gordon (UK) Limited**

[\_\_\_\_\_]

## Lock-in Agreement

**Fieldfisher** Riverbank House 2 Swan Lane London EC4R 3TT

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**THIS AGREEMENT** is made this \_\_\_\_ day of \_\_\_\_\_ 2019  
**BETWEEN:**

- (1) **MIDATECH PHARMA PLC** (Registered in England and Wales with No. 09216368) whose registered office is at 65 Innovation Drive, Milton Park, Milton, Abingdon, Oxfordshire OX14 4RQ (the "**Company**");
- (2) **PANMURE GORDON (UK) LIMITED** (Registered in England and Wales with No. 04915201) whose registered office is at One New Change, London EC4M 9AF ("**Panmure**"); and
- (3) \_\_\_\_\_ of \_\_\_\_\_ (the "**Shareholder**").

**IT IS AGREED** as follows:

## **BACKGROUND**

- (A) The Company is proposing to undertake a capital raising and to seek admission of the ordinary shares issued pursuant to such capital raising to trading on the AIM market of the London Stock Exchange.
- (B) As part of the arrangements for the proposed admission to AIM, the Shareholder has agreed on the terms of this Agreement to certain restrictions on the disposal of its shares in the Company for a period following such admission.

### **1. Definition**

1.1 For the purpose of this Agreement the following words and phrases shall have the following meanings:

"**Admission**" means the admission of the New Ordinary Shares to trading on AIM becoming effective as provided in rule 6 of the AIM Rules;

"**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 from time to time;

"**Associate**" shall in respect of the Shareholder, bear the meaning ascribed to it in paragraph (c) of the definition of "related party" in the AIM Rules as if the Shareholder fell within paragraphs (a) and/or (b) of such definition;

"**Business Day**" means a day upon which dealings may take place on AIM;

"**Dispose of**" or "**Disposal**" means directly or indirectly mortgaging, pledging, charging, assigning, selling, transferring, subscribing or otherwise disposing, including agreeing (conditionally or unconditionally) to do the same;

"**in writing**" shall include transmission by electronic mail;

"**London Stock Exchange**" means London Stock Exchange plc;

"**New Ordinary Shares**" means the new shares of the Company being issued pursuant to the capital raising being carried out by the Company which is expected to complete by 28 February 2019;

"**Orderly Market Period**" means the period of twelve months commencing on the expiry of the Restricted Period;

"**Restricted Period**" means the period from the date of Admission up to and including the date falling twelve months after Admission;

"**Restricted Shares**" means the Shares and any interests in Shares held by the Shareholder or an Associate as at Admission and acquired during the Restricted Period and includes any shares of any class or any interest in any shares of the Company or any rights arising from or attached to any such shares including but not limited to any such shares in the Company which convert or are converted into Shares on or prior to Admission, any shares which the Shareholder subsequently acquires in the Company which are derived from such Shares including without prejudice to the generality of the foregoing from any sub-division, bonus issue, open offer or rights issue, and any Shares arising from the exercise of options or warrants; and

"**Shares**" means ordinary shares of £0.00005 each in the capital of the Company.

1.2 In this Agreement:

- (a) references to the masculine include the feminine and neuter and words denoting the singular include the plural and vice versa;
- (b) unless the context otherwise requires any reference to any clause or Schedule is to a clause of or the Schedule to this Agreement;
- (c) references to any Act, statute or statutory provision includes references to any such Act, statute or statutory provision as amended, re-enacted or replaced from time to time
- (d) references to persons include references to partnerships, corporations or unincorporated associations; and
- (e) the headings are included for ease of reference and shall not affect the construction of this Agreement.

**2. Undertaking**

2.1 The Shareholder undertakes to the Company and Panmure (for so long as it remains nominated adviser or broker to the Company) that save in the circumstances set out in clause 3 below, it will not during the Restricted Period, Dispose of the legal or beneficial ownership of, or any other interest in, the Restricted Shares.

2.2 The Shareholder further undertakes to the Company and Panmure that, save in the circumstances set out in clause 3 below, during the Orderly Market Period it will only Dispose of the legal or beneficial ownership of, or any other interest in, the Restricted Shares through Panmure (or the broker for the time being of the Company if it is not Panmure (the "**Replacement Broker**")) in such manner as Panmure or the Replacement Broker may reasonably require so as to ensure an orderly market in the Shares.

2.3 The requirement in clause 2.2 that a Disposal be effected through Panmure or the Replacement Broker is subject to the following provisos:

- (a) Panmure or the Replacement Broker shall only charge commissions in respect of any transfer or sale equivalent to those which would have been reasonably payable by the Shareholder for an institutional execution-only broking service if this restriction did not apply and on a basis that Panmure or the Replacement Broker provides best execution; and
- (b) if Panmure or the Replacement Broker is unable to make the Disposal within five Business Days of it having received a written request to do so by or on behalf of the Shareholder the Shareholder shall be entitled to effect the Disposal through such broker as he shall, in its absolute discretion, decide.

2.4 The Shareholder undertakes to use all reasonable endeavours to ensure that its Associates comply with the restrictions contained in this clause 2 in respect of any Restricted Shares in which such person is interested.

2.5 The Shareholder consents to the inclusion in a circular and press release to be prepared by the Company of references to this Agreement and a summary of its contents.

### **3. Exceptions**

3.1 The restrictions contained in clause 2 shall not prevent a Disposal:

- (a) pursuant to the prior written consent of each of the Company and Panmure (acting in their absolute discretion);
- (b) in acceptance of a general offer (or by the giving of an irrevocable undertaking to accept such offer) made to shareholders of the Company to acquire all the issued Shares (other than any Shares which are already owned by the person making such offer and any other person acting in concert with him) recommended by the board of directors of the Company;
- (c) under any scheme or reconstruction under section 110 of the Insolvency Act 1986 to the Company;
- (d) pursuant to any compromise or arrangement under Part 26 of the Companies Act 2006 providing for the acquisition by any person (or group of persons acting in concert) of 50 per cent. or more of the equity share capital of the Company and which compromise or arrangement has been sanctioned by the Courts; or
- (e) pursuant to an intervening court order.

### **4. Termination**

4.1 The obligations of the parties under clause 2 of this Agreement are conditional upon Admission becoming effective on or before 28 February 2019, or such later time or date as the Company and Panmure may agree in writing and shall cease on the earlier of the expiry of the period referred to in clause 2.2 or the Shares no longer being admitted to trading on AIM.

4.2 If the condition set out in clause 4.1 is not fulfilled by the date specified, this Agreement shall cease and determine and no party to this Agreement will have any claim against any other party to this Agreement for costs, damages, compensation or otherwise.

## **5. Remedies**

In view of the difficulties in placing a monetary value upon the effects of any breach of the terms of the undertakings referred to in this Agreement, the Shareholder recognises that each of Panmure and/or the Company will be entitled to seek and the Shareholder shall not raise any objection to Panmure and/or the Company seeking injunctive relief as well as any other relief which may be appropriate under the circumstances in any court of competent jurisdiction in the event of any breach or anticipatory breach of the obligations set out above.

## **6. Governing Law and Jurisdiction**

This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the Laws of England and Wales. The parties hereto irrevocably agree that the Courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims).

## **7. Variation and Waiver**

- 7.1 No variation of this Agreement shall be effective unless it is in writing and signed by or on behalf of each of the parties hereto.
- 7.2 No waiver of any term, provision or condition of this Agreement shall be effective except to the extent made in writing and signed by the waiving party.
- 7.3 No omission or delay on the part of any party in exercising any right, power or privilege under this Agreement shall operate as a waiver by it or any right to exercise it in future or of any other of its rights under this Agreement.

## **8. Assignment**

No party shall without the prior written consent of the other parties (such consent not to be unreasonably withheld or delayed) assign, transfer, charge or deal in any other manner with this Agreement or any of its rights under it nor purport to do any of the same.

## **9. Notices**

- 9.1 Each party may give any notice or other communication under or in connection with this Agreement by letter or facsimile transmission addressed to any other party. The address for service of each party shall be the address set out above or such other address within the United Kingdom for service as the addressee may from time to time notify to the other parties for the purposes of this clause or (in the case of a company) its registered office from time to time.
- 9.2 Any such notice shall be delivered by hand or sent by fax transmission or pre-paid first class post and if delivered by fax shall conclusively be deemed to have been given or served at the time of printout of a transmission report showing that the correct number of pages has been sent without error and if sent by post shall conclusively be deemed to have been received 48 hours after the time of posting.
- 9.3 If any deemed receipt under clause 9.2 occurs before 9.00 a.m. on any Business Day, the notice shall be deemed to have been received at 9.00 a.m. on that day, and if deemed receipt occurs after 5.00 p.m. on any Business Day or on any day which is not a Business Day, the notice shall be deemed to have been received at 9.00 a.m. on the next Business Day.



9.4 The Shareholder irrevocably appoints Link Asset Services (for the attention of David Bell) of 65 Gresham Street, London, EC2V 7NQ, as its agent for service of process in any proceedings in the courts of England and Wales arising out of or in connection with this Agreement and agrees that failure by its process agent to notify it of such service shall not affect the validity of such service. If its process agent is or becomes unable or unwilling for any reason to act as agent for service of process in England and Wales, the Shareholder shall promptly appoint another process agent who is able and willing so to act and notify the other parties of the new process agent's name and address. If its process agent moves to a new address within England and Wales, the Shareholder shall promptly notify the other parties of its process agent's new address.

## 10. General

10.1 If any provision of this Agreement is held to be invalid or unenforceable, then such provision shall (so far as invalid and unenforceable) be given no effect and shall be deemed not to be included in this Agreement but without invalidating any of the remaining provisions of this Agreement.

10.2 This Agreement may be executed in any number of counterparts each of which, when so executed, shall be an original, but all counterparts shall together constitute one and the same agreement.

10.3 It is not intended that a person who is not a party to this Agreement shall have rights under this Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

**EXECUTED** as a deed and delivered on the date stated at the beginning of this document.

**EXECUTED** as a **DEED** by **MIDATECH PHARMA PLC** acting  
by a director in the presence of:

.....  
Signature of director

Signature of witness .....

Print name .....

Address .....

.....

.....

Occupation .....

**EXECUTED** as a **DEED** by **PANMURE GORDON (UK) LIMITED** acting by a director  
in the presence of:

.....  
Signature of director

Signature of witness .....

Print name .....

Address .....

.....

.....

Occupation .....

Executed as a deed by \_\_\_\_\_  
acting by a director, in the presence of:

.....  
Witness signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Occupation

.....

Director

Address

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_