

COMPANY NUMBER: 07076809

**RESOLUTION OF
CAMCON MEDICAL LIMITED
(the "COMPANY")**

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the following resolution was passed as a special resolution on 17 June 2019.

SPECIAL RESOLUTION

1. **THAT**, subject to the approval of Resolution 1, the draft articles of association attached to these Resolutions be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.


.....
Director

THURSDAY



A24 *A88IA34Q* #260
27/06/2019
COMPANIES HOUSE

CAMCON MEDICAL LIMITED

ARTICLES OF ASSOCIATION

(adopted by special resolution passed on 17 June 2019)

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COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
CAMCON MEDICAL LIMITED

(adopted by special resolution passed on 17 June 2019)

INTRODUCTION

1 INTERPRETATION

1.1 In these Articles, unless the context otherwise requires:

Act	the Companies Act 2006
Acceptance Period	a period during which an offer made under Article 20.3 is open for acceptance
Appointor	has the meaning given in Article 13.1
Articles	the company's articles of association for the time being in force
Bad Leaver	an Employee who ceases to be an Employee, but is not a Good Leaver
Business Day	any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business
Company	includes any body corporate
Compulsory Seller	as defined in Article 21.1
Conflict	has the meaning given in Article 7.1
Deferred Share	a deferred ordinary share of £0.01 in the share capital of the Company having the rights set out in Article 17.1.3;
Dr Wygnanski	Dr Wladyslaw Wygnanski

Eligible Director

a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter)

Employee

an individual who is employed by, or is a director of, the Company or any of its subsidiaries or an individual whose services are otherwise made available to the Company or any of its subsidiaries (and **Employment** shall be construed accordingly to include such an arrangement)

Employee Benefit Trust

a trust established, with the prior written approval of an Investor Director, for the purpose of enabling or facilitating transactions in shares in the Company between, and/or the acquisition of beneficial ownership of such shares by, any of the following persons:

- (a) the bona fide employees or former employees of the Company or of any subsidiary of the Company; or
- (b) the wives, husbands, widows, widowers, children or stepchildren under the age of eighteen of any such employees or former employees

Excluded Person

- (a) any Employee whose employment or directorship with the Company (or any subsidiary of the Company) is subject to notice of termination;
- (b) any person who was, but has ceased to be, an Employee; or
- (c) any Related Party of any person within (a) or (b) above

Family Members

in relation to any person, the spouse, parents and every child and remoter descendant of that person (including

	stepchildren and adopted children)
Family Trust	in relation to any person, trusts established by that person in relation to which only such person and/or Family Members of that person are capable of being beneficiaries thereof
Financial Year and Financial Period	an accounting reference period (as defined by the Act) of the Company
Founder	Dr Wladyslaw Wygnanski, Elzbieta Wolbek and Wiktor Kubiak
Founder Director	a director appointed by Dr Wygnanski pursuant to Article 11.1
Good Leaver	<p>an Employee who ceases to be an Employee in any of the following circumstances:</p> <ul style="list-style-type: none"> (a) retirement on or after reaching retirement age in accordance with his terms of employment; (b) death; (c) ill health or permanent disability; (d) redundancy; (e) dismissal otherwise than for reasonable cause (the question of whether there is reasonable cause being determined by the Investor Director(s) in their absolute discretion); or (f) the sale or disposal of the subsidiary or business by which he is employed
Investor	the Right Honourable Lord Young of Graffham and any person for the time being holding Shares transferred to him/it by the Investor pursuant to Article 19.1 or Article 20.6
Investor Director	a director appointed by the Investor

	pursuant to Article 11.1
Loan Notes	Loan Notes issued by Camcon Limited to Newhaven Management Services Limited pursuant to a Loan Note Instrument dated 20 March 2008
Member	a holder of Shares
Member of the same group	<i>as regards any company, a company which is for the time being a holding company or a subsidiary of that company or of any such holding company</i>
Model Articles	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles as defined in Article 22.1
Offer	as defined in Article 22.1
Ordinary Share	a share of £0.01 in the share capital of the Company, having the rights set out in article 17.1.1
Preference Share	a share of £0.01 in the share capital of the Company, having the rights set out in article 17.1.2
Prescribed Price	<p>(a) in respect of Shares to be sold pursuant to Article 21, the price per Sale Share of the relevant class determined in accordance with that article; and</p> <p>(b) in all other cases, the price per Sale Share specified in the Transfer Notice or (if no price is specified), the price per Sale Share agreed or determined pursuant to Article 20.2</p>
Proposing Transferor	a Member proposing to transfer Shares or any interest therein
Purchaser	a person willing to purchase Shares comprised in a Transfer Notice

Related Party	<p>in respect of any person</p> <p>(a) that person's personal representatives;</p> <p>(b) any Family Member of that person;</p> <p>(c) the trustee(s) of a Family Trust of that person; or</p> <p>(d) any nominee of any of the above</p>
Relevant Shares	(so far as the same remain held by the trustees of any Family Trusts) the Shares originally transferred or issued to the trustees and any additional Shares issued to such trustees by way of capitalisation or acquired by such trustees on the exercise of any right or option granted or arising by virtue of the holding of the Relevant Shares or any of them
Sale Shares	all Shares comprised in a Transfer Notice
Shares	the Ordinary Shares the Preference Shares and the Deferred Shares
Specified Consideration	as defined in Article 22.2.2
Specified Members	as defined in Article 22.1
Specified Shares	as defined in Article 22.1
Subscription Price	in respect of any Share, the amount paid or credited as paid up on that share, including sums paid, or credited as paid, by way of premium
Transfer Notice	a written notice served or deemed to be served by a Member on the Company in accordance with Articles 19.3, 20 or 21

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.

- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an article is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
 - 1.5.1 any subordinate legislation from time to time made under it; and
 - 1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms **including, include, in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.
- 1.8 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 44(2), 52 and 53 of the Model Articles shall not apply to the Company.
- 1.9 Article 7 of the Model Articles shall be amended by:
 - 1.9.1 the insertion of the words "for the time being" at the end of article 7(2)(a); and
 - 1.9.2 the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 1.10 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur".
- 1.11 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.12 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".

DIRECTORS

2 UNANIMOUS DECISIONS

- 2.1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.

- 2.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has *otherwise indicated agreement in writing*.
- 2.3 A decision may not be taken in accordance with this Article if the eligible directors would not have formed a quorum at such a meeting.

3 CALLING A DIRECTORS' MEETING

- 3.1 Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.
- 3.2 Notice of a directors' meeting shall be given to each director in writing.

4 QUORUM FOR DIRECTORS' MEETINGS

- 4.1 Subject to Article 4.2, the quorum for the transaction of business at a meeting of directors is any two eligible directors including the Investor Director (so long as he holds office) unless the Investor Director gives his written consent for business to be transacted in his absence.
- 4.2 For the purposes of any meeting (or part of a meeting) held pursuant to Article 7 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.
- 4.3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision.
- 4.3.1 to appoint further directors; or
- 4.3.2 to call a general meeting so as to enable the shareholders to appoint further directors.

5 CASTING VOTE

If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall not have a casting vote.

6 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:

- 6.1 may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;

- 6.2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested;
- 6.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested;
- 6.4 may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- 6.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested; and
- 6.6 shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

7 DIRECTORS' CONFLICTS OF INTEREST

- 7.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 7.2 Any authorisation under this Article 7 will be effective only if:
 - 7.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
 - 7.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
 - 7.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 7.3 Any authorisation of a Conflict under this Article 7 may (whether at the time of giving the authorisation or subsequently):
 - 7.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;

- 7.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
 - 7.3.3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors vote in relation to any resolution related to the Conflict;
 - 7.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
 - 7.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
 - 7.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.
- 7.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 7.5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 7.6 In authorising a Conflict, the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:
- 7.6.1 disclose such information to the directors or to any director or other officer or employee of the company; or
 - 7.6.2 use or apply any such information in performing his duties as a director, where to do so would amount to a breach of that confidence.
- 7.7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions

attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

8 RECORDS OF DECISIONS TO BE KEPT

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

9 NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two.

10 APPOINTMENT OF DIRECTORS

In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

11 INVESTOR DIRECTOR AND FOUNDER DIRECTOR

11.1 The Investor and Dr Wygnanski (for as long as he or his Related Parties hold at least 10% of the issued Shares) shall each have the right at any time and from time to time to appoint one director of the Company provided that any such appointment has the prior written approval of the Investor (such consent not to be unreasonably withheld or delayed) and provided that Dr Wygnanski shall not exercise the right to appoint a Founder Director for as long as he is a director otherwise than by virtue of his exercise of that right Any such appointment shall be made in good faith for the purpose of providing the appointor(s) with direct access to the management of the Company in order to monitor their interest in the Company Any such appointment shall be made by notice in writing to the Company signed, in the case of the Investor Director, by or on behalf of the Investor and, in the case of the Founder Director, by Dr Wygnanski, and the Investor or Dr Wygnanski (as the case may be) may in like manner at any time and from time to time remove from office any director appointed pursuant to this Article and appoint any person in place of any such director so removed or dying or otherwise vacating office subject to obtaining the prior written approval of the Investor as set out above.

11.2 Upon any resolution whether pursuant to Section 168 of the Act or otherwise for the removal of any Director for the time being holding office pursuant to this Article, the Shares held by the Investor (or its nominee) or by Dr Wygnanski and his Related Parties, (as the case may be) shall confer upon the holder(s) thereof the right to an aggregate number of votes which is one vote greater than the number of votes capable of being cast on such resolution by all other members of the Company Such

votes shall be divided between such holders, if more than one, as nearly as may be in proportion to the number of Shares held by them respectively.

12 DIRECTORS REMUNERATION

Director's fees may be paid to, or in respect of the services of:

- 12.1 the Investor Director; and
- 12.2 any other director with the written approval of the Investor Director.

13 APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

- 13.1 Any director (appointor) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:

- 13.1.1 exercise that director's powers; and
- 13.1.2 carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.

- 13.2 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors.

- 13.3 The notice must:

- 13.3.1 identify the proposed alternate; and
- 13.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

14 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

- 14.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor.

- 14.2 Except as the Articles specify otherwise, alternate directors:

- 14.2.1 *are deemed for all purposes to be directors;*
- 14.2.2 are liable for their own acts and omissions;
- 14.2.3 are subject to the same restrictions as their appointors; and
- 14.2.4 are not deemed to be agents of or for their appointors,

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member.

14.3 A person who is an alternate director but not a director:

14.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);

14.3.2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and

14.3.3 shall not be counted as more than one director for the purposes of Articles 14.3.1 and 14.3.2.

14.4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision) and shall count as more than one director for the purposes of determining whether a quorum is present.

14.5 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but shall not be entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company.

15 TERMINATION OF ALTERNATE DIRECTORSHIP

An alternate director's appointment as an alternate terminates:

15.1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;

15.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;

15.3 on the death of the alternate's appointor; or

15.4 when the alternate's appointor's appointment as a director terminates.

16 SECRETARY

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

SHARES AND TRANSFER OF SHARES

17 SHARE CLASSES

17.1 The Share classes and their respective rights shall be as follows:

- 17.1.1 The holders of the Ordinary Shares shall have one vote for each Ordinary Share held by them and be entitled to dividends and any other distributions (including on a winding up) pro rata to the total number of Shares in issue from time to time; they do not confer any rights of redemption.
- 17.1.2 The holders of the Preference Shares shall, in respect of the number of Preference Shares held by each of them from time to time, have such number of votes per share as equates to the number of Preference Shares so held as a fraction of the aggregate number of Preference Shares and Deferred Shares in issue from time to time and shall be entitled to dividends and any other distributions (including on a winding up) pro rata to the total number of Shares in issue from time to time and, for the purpose of determining this entitlement, the Deferred Shares shall be counted as Preference Shares; they do not confer any rights of redemption.
- 17.1.3 The holders of the Deferred Shares shall, in respect of the number of Deferred Shares held by each of them from time to time, have such number of votes per share as equates to the number of Deferred Shares so held as a fraction of the aggregate number of Deferred Shares and Preference Shares in issue from time to time, but shall have no right to any dividends or other distributions (including on a winding up); they do not confer any rights of redemption.
- 17.1.4 Save as set out above the Ordinary Shares, Preference Shares and Deferred Shares shall rank pari passu.

18 TRANSFER OF SHARES

- 18.1 The directors shall be required (subject only to article 26(5) of the Model Articles) to register promptly any transfer of Shares made in accordance with the provisions of Articles 19, 20, 21 and 22 (to the extent applicable), but shall not register any transfer of Shares not so made.
- 18.2 For the purposes of these Articles the term transfer shall, unless the context otherwise requires, include:
 - 18.2.1 a sale or disposal of any legal or equitable interest in a Share, whether or not by the Member registered as the holder of that Share; and
 - 18.2.2 any renunciation or other direction by a Member entitled to an allotment or transfer of Shares that such Shares be allotted, issued or transferred to another person.

19 PERMITTED TRANSFERS

19.1 Categories

Subject to the provisions of Article 17, any Shares may at any time be transferred in any manner approved by the holders of not less than 80 per cent of the Shares then in issue, or:

- 19.1.1 by the Investor or by an Employee (not being a holder of the Shares concerned as a trustee) to a Family Member of the Investor or of that Employee;
- 19.1.2 by the Investor or by an Employee to trustees of a Family Trust of the Investor or that Employee;
- 19.1.3 by the Investor to Newhaven Management Services Limited (or its successor in title as security trustee to the Loan Notes) or any holder of a majority of the Loan Notes from time to time, provided such person is the Investor or a Family Member or Family Trust of or for the Investor;
- 19.1.4 by any Member, with the prior written consent of the Investor Director, to the trustee(s) or nominee for the time being of an employee benefit trust;
- 19.1.5 by the trustee(s) or nominees for the time being of an employee benefit trust, with the prior written consent of the Investor Director, to any beneficiary of such employee benefit trust;
- 19.1.6 by any Member in consequence of acceptance of an offer made to that Member pursuant to Article 22.1, or pursuant to a notice given under Article 22.3;
- 19.1.7 by a Member in pursuance of a sale of Specified Shares (whether alone or in combination with other sales of Shares) as described in Article 22; or
- 19.1.8 by the personal representatives of a deceased Founder to a person to whom the Founder could have transferred his shares if he were still alive.

19.2 Transfers by trustees of Family Trusts

Where Shares have been transferred under Article 19.1.2 or are to be transferred under Article 19.2.1 or 19.2.2 to trustees of a Family Trust, or been issued to trustees of a Family Trust, the trustees and their successors may transfer all or any of the Relevant Shares as follows:

- 19.2.1 on any change of trustees, the Relevant Shares may be transferred to the trustees for the time being of the Family Trust concerned; and
- 19.2.2 pursuant to the terms of such Family Trust or in consequence of the exercise of any power or discretion vested in the trustees or any other person, all or any of the Relevant Shares may be transferred:
 - (a) to the trustees for the time being of any other Family Trust of the Investor or deceased Investor or in the case of an Employee the same Employee or deceased or former Employee; and
 - (b) to any Family Member of the Investor or deceased Investor or relevant Employee or deceased or former Employee who has become entitled to the Shares proposed to be transferred.

19.3 Relevant Shares passing to third parties

In the event that any Relevant Shares held by trustees cease to be held on a Family Trust (otherwise than where an authorised transfer of those Shares has been made) the Member holding the Shares shall notify the directors in writing that that event has occurred and the Member shall be bound, if and when required in writing by the directors to do so, to give a Transfer Notice in respect of the Relevant Shares (but without specifying a Prescribed Price and so that the right of revocation conferred by Article 20.4 shall not apply).

20 PRE-EMPTION

The right to transfer Shares shall (save in respect of transfers made pursuant to Article 19) be subject to the following restrictions.

20.1 Transfer Notices

20.1.1 Before transferring any Shares, the Proposing Transferor shall serve a *Transfer Notice on the Company specifying the number and class of Shares in question*, and the Transfer Notice shall constitute the Company his agent for the sale of those Shares at the Prescribed Price to any Member or Members Except as provided in this Article, a Transfer Notice once given or deemed to be given shall not be revocable except with the consent of the directors.

20.1.2 A Transfer Notice:

- (a) may specify the Prescribed Price per Share;
- (b) shall, if the Proposing Transferor has received any offer to purchase Shares (whether or not an offer capable of becoming legally binding upon acceptance), within the period of three calendar months prior to service of the Transfer Notice, give the name of the offeror, the number of Shares concerned and the price per Share offered; and
- (c) may not be given by a Member (other than a Founder) who is an Employee or former Employee, or is a Related Party of an Employee or of a former Employee, unless:
 - (i) the Investor Director has given written consent; or
 - (ii) the Transfer Notice is required by the directors under Articles 19.3, 20.8 or 21.

20.2 Prescribed Price

20.2.1 Immediately on receipt of a Transfer Notice which does not specify a Prescribed Price for such Shares, the directors (other than the Proposing Transferor, if a director), shall seek to agree the Prescribed Price with the Proposing Transferor. In the event that the Prescribed Price is not agreed

within 10 business days of receipt of the Transfer Notice by the Company the directors shall request the auditors of the Company (acting as experts and not as arbitrators) to certify the Prescribed Price.

20.2.2 The auditors shall within 10 business days of such a request certify to the Company the Prescribed Price, being (subject to Article 21.2) calculated on the following basis:

- (a) by determining the sum which a willing purchaser would offer to a willing vendor for the whole of the issued equity share capital of the Company;
- (b) by dividing the sum attributable to the Sale Shares by the total number of Shares in issue;
- (c) by making such adjustment (if any) as the auditors of the Company consider necessary to allow for any rights which may be outstanding under which any person may call for the issue of further Shares; and
- (d) by making no adjustment to reflect any premium or discount arising in relation to the size of the holding the subject of the Transfer Notice or in relation to any restrictions on the transferability of the Shares.

20.2.3 The costs of the auditors in respect of the certification of the Prescribed Price shall be borne by the Company.

20.3 Offer of Sale Shares

20.3.1 The Sale Shares shall, within 10 business days following receipt of the Transfer Notice or (in a case falling within Article 20.2.1) agreement or certification of the Prescribed Price, be offered by the Company in accordance with Article 20.3.2 for purchase at the Prescribed Price. All offers shall be made by notice in writing and limit a time (being between 10 and 15 business days, inclusive) within which the offer must be accepted or, in default, will be deemed to have been declined.

20.3.2 Offers

The Company shall offer the Sale Shares in the following priority:

- (a) first, if so resolved by the directors with the prior written consent of the Investor Director, to one or more of the existing Employees, persons whom it is proposed should be appointed Employees, and the trustee(s) or nominee of an employee benefit trust; and
- (b) secondly, to the other holders of Shares,

provided that no Sale Shares shall be offered to the Proposing Transferor, any Related Party of the Proposing Transferor or any Excluded Person (save where such Related Party or Excluded Person is also a Founder).

20.3.3 An offer made under Article 20.3.2 shall be made on the following basis:

- (a) the Sale Shares shall be offered to such other holders of Shares in proportion as nearly as may be to their existing holdings of Shares (excluding any Shares held by the Proposing Transferor, any Related Party of the Proposing Transferor or any Excluded Person), and the directors' decision as to the number of Shares which shall be in proportion as nearly as may be to their existing holdings of Shares shall be conclusive;
- (b) any Member to whom Sale Shares are offered may accept all or some only of the Sale Shares offered to him;
- (c) each Member to whom the offer is made (if more than one) shall be invited to indicate whether, if he accepts the number of Sale Shares offered to him pursuant to this Article 20.3, he wishes to purchase any Sale Shares offered to other Members in the same offer which they decline to accept (such Sale Shares being referred to as **excess Shares**) and if so the maximum number which he wishes to purchase; and
- (d) if there are any excess Shares they shall be allocated between the Members who have indicated that they wish to purchase excess Shares. If the number of excess Shares available is insufficient the excess Shares shall be allocated between the Members seeking to purchase them as follows:
 - (i) any Member who has sought to purchase no more than his proportionate entitlement of excess Shares (calculated by reference to the proportion of the total holdings of Shares of Members seeking to purchase excess Shares represented by that Member's holding) shall be allocated all the excess Shares he sought to purchase; and
 - (ii) any Member or Members who sought to purchase more than their proportionate entitlement shall have the number of excess Shares applied for scaled down and (if more than one) in proportion to their respective holdings of Shares; and
- (e) subject to the provisions of this Article, the Purchasers shall be bound to purchase the Sale Shares allocated to them under the provisions of this Article 20.3 at the Prescribed Price.

20.4 Notice to Proposing Transferor

Not later than five business days following the expiration of the last Acceptance Period the Company shall give written notice to the Proposing Transferor stating:

- 20.4.1 if it is the case, that no Purchaser has been found for any of the Sale Shares; or otherwise
- 20.4.2 the number of Sale Shares which Members have sought to purchase, giving the name and address of each Purchaser and the number of Sale Shares to be purchased by him,

and so that if Purchasers have been found for some only of the Sale Shares the Proposing Transferor may (if revocable) within five business days of service on him of notice under this Article 20.4 revoke his Transfer Notice by written notice to the Company.

20.5 Transfer by Proposing Transferor

- 20.5.1 In the event that the Proposing Transferor is given notice under Article 20.4.2 (and subject to the Proposing Transferor not revoking his Transfer Notice in accordance with Article 20.4, where possible) the Proposing Transferor shall be bound on payment of the Prescribed Price to transfer the Shares in question to the respective Purchasers. The sale and purchase shall be completed at the office of the Company during normal business hours on the first business day after the expiry of 10 business days from the date of service of notice under Article 20.4.2.
- 20.5.2 If a Proposing Transferor, having become bound to transfer any Shares to a Purchaser, shall fail to do so the directors may authorise any individual to execute on behalf of and as attorney for the Proposing Transferor any necessary instruments of transfer and shall register the Purchaser(s) as the holder of the Shares. The Company's receipt of the purchase money shall be a good discharge to the Purchaser(s), and the Company shall thereafter hold the same on trust for the Proposing Transferor. After the name of a Purchaser has been entered in the register of members in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person.
- 20.5.3 The Proposing Transferor may transfer Sale Shares to any person or persons in the following circumstances:
 - (a) if the Company shall fail to find a Purchaser or Purchasers for any of the Sale Shares pursuant to Article 20.3, the Proposing Transferor may transfer all or any of the Sale Shares; and
 - (b) if the Company shall find a Purchaser or Purchasers for some (but not all) of the Sale Shares and shall serve notice accordingly under Article 20.4 the Proposing Transferor may transfer all or any

of the Sale Shares for which no Purchaser has been found, but so that if the Proposing Transferor revokes his Transfer Notice under Article 20.4 he may transfer all (but not some only) of the Sale Shares,

subject to the following restrictions:

- (c) Shares may not be transferred after the expiry of three calendar months after the date on which notice is given under Article 20.4;
- (d) the Shares must be transferred in a bona fide transaction at a price *not less than the Prescribed Price*, the directors may require to be satisfied that the Shares are being transferred in pursuance of a bona fide transaction for the consideration stated in the instrument of transfer without any deduction, rebate or allowance to the purchaser; and
- (e) no Shares may be transferred, pursuant to this Article 20.5 by any person who is an Excluded Person, unless the directors resolve to approve such transfer.

20.6 Transmission of Shares

A person entitled to a Share in consequence of the death, bankruptcy, receivership or liquidation of a Member (other than the Investor) shall be bound at any time, if called upon in writing to do so by the directors not later than 30 business days after the directors receive notice from the person concerned that he has become so entitled to give a Transfer Notice (without specifying a Prescribed Price) in respect of all the Shares then registered in the name of the deceased or insolvent Member. Such a Transfer Notice shall not be capable of revocation under the provisions of Article 20.4, provided that where such person is entitled to those Shares in the capacity of personal representative of the Investor, such person may retain the Shares, and otherwise may transfer the Shares to a beneficiary of the estate of the Investor article 27 of the Model Articles shall take effect accordingly.

20.7 Member becoming Excluded Person

In the event that any Member (excluding the Investor or the Founder) becomes an Excluded Person the directors may at any time thereafter by notice in writing to such Member revoke any Transfer Notice given by such Member prior to that event. These Articles shall thereafter operate as if no such notice had been given, provided that such revocation shall be without prejudice to any sale of Shares the subject of the Transfer Notice completed prior to such revocation.

20.8 Administrative provisions

20.8.1 For the purpose of ensuring that a transfer of Shares is authorised under these Articles or that no circumstances have arisen by reason of which a Transfer Notice may be required to be given, the directors may from time to

time require any Member or past Member or the personal representatives or trustee in bankruptcy, receiver or liquidator of any Member or any person named as transferee in any instrument of transfer lodged for registration to provide to the Company such information as the directors reasonably think fit regarding any matter which they consider relevant. If such information is not provided to the reasonable satisfaction of the directors within a reasonable time after request, the directors shall be entitled to refuse to register the transfer in question or (in case no transfer is in question) to require by notice in writing that a Transfer Notice be given in respect of the Shares concerned If the information discloses (in the reasonable opinion of the directors) that a Transfer Notice ought to have been given in respect of any Shares the directors may by notice in writing require that a Transfer Notice be given in respect of the Shares concerned Any Transfer Notice required to be given under this Article 19.8 shall not specify a price per Share and shall not be capable of revocation under the provisions of Article 20.4.

20.8.2 In any case where the directors may require a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within a period of 10 business days of demand being made, a Transfer Notice shall, be deemed to have been given at the expiration of that period Such a deemed Transfer Notice shall not be capable of revocation under Article 20.4.

20.8.3 Any notice required to be given under this Article by the Company to a Member or by a Member to the Company or otherwise shall be given or served either personally or by sending it by first class post to the office or to the registered address of the Member (as the case may be) or, if he has no registered address within the United Kingdom and has supplied to the Company an address within the United Kingdom for the giving of notice to him, to the address so supplied When a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and to have been effected 48 hours after posting.

20.9 **Waiver of restrictions**

The restrictions imposed by this Article may be waived in relation to any proposed transfer of Shares with the consent of all Members who, but for such waiver, would or might have been entitled to have such shares offered to them in accordance with Article 20.3.

21 **COMPULSORY TRANSFER**

21.1 If any Employee (excluding Dr Wygnanski unless he is a Bad Leaver) ceases to be an Employee, the Investor Director may by notice in writing given at any time following the date of cessation require the former Employee (if a Member) and each Related Party of the former Employee who holds Shares (together **the Compulsory Sellers**)

to give a Transfer Notice in respect of all Shares registered in their respective names (irrespective of whether the Shares were so registered at the date of cessation, or were registered subsequently).

21.2 If a Transfer Notice is given under the provisions of this Article 21 (or deemed given under this Article 21 by virtue of Article 20.8):

21.2.1 the Transfer Notice shall not specify a Prescribed Price, the Prescribed Price shall be agreed between the Investor Director and the Compulsory Seller or (in default of agreement within 10 business days of service, or deemed service, of the Transfer Notice) shall be determined as follows:

- (a) if the former Employee was a Good Leaver, or if Article 21.1 applies, the Prescribed Price shall be determined in accordance with Article 20.2.2; and
- (b) if the former Employee was a Bad Leaver, the Prescribed Price shall be the lower of:
 - (i) the value of the Shares in question determined as provided in Article 20.2.2;
 - (ii) the Subscription Price of those Shares; and
 - (iii) the Transfer Notice shall not be capable of revocation.

22 CHANGE OF CONTROL

22.1 No Member or Members (Specified Members) may undertake any transfer of any Shares (Specified Shares) if resulting (if made and registered) in a person (or persons) obtaining or increasing a qualifying interest in the Company, unless before the transfer is lodged for registration the proposed transferee or his nominee has made an offer (Offer) open for acceptance for at least 15 business days to purchase all of the issued Shares (including or excluding the Specified Shares) at the Specified Consideration. No offer shall be required under this Article 22.1 if the Specified Members exercise their rights under Article 22.3.

22.2 For the purposes of this Article 22:

22.2.1 the expression a qualifying interest means the legal or beneficial ownership by a person and his connected persons (as defined in Section 839 of the Income and Corporation Taxes Act 1988) of Shares having the right to exercise more than 65 per cent of the votes at a general meeting of the Company; and

22.2.2 the **Specified Consideration** means a consideration (whether in cash, securities or otherwise or in any combination) per Share equivalent to that offered by the proposed transferee or transferees for each Specified Share together with an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders

of the Specified Shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for the Specified Shares.

22.3 If the effect of a transfer of Shares would be as described in Article 22.1 the Specified Members (or any of them) may give notice in writing to all holders of Shares other than:

22.3.1 the Specified Members; and

22.3.2 the proposed transferee,

(the **Minority Shareholders**) requiring them within five business days of the date of the notice to transfer all (but not some of) of their holdings of Shares to the proposed transferee. The transfer shall be on the same terms and conditions as those agreed between the Specified Members and the proposed transferee, provided that a Minority Shareholder shall not be required to give any warranties or indemnities in the context of the transaction other than warranties as to title to the shares to be sold by him. Written notice given under this Article 22.3 shall be accompanied by all documents required to be executed by the relevant Minority Shareholder to give effect to the required transfer.

22.4 If any Minority Shareholder:

22.4.1 shall fail to transfer shares as required by Article 22.3 the deemed transfer provisions of Article 20.5.2 shall apply to the transfer of such shares mutatis mutandis but so that references to the purchase money shall be construed as references to the consideration for such Shares; or

22.4.2 shall fail to execute any other document required to be executed in order to give effect to the provisions of Article 22.3, the directors may authorise any individual to execute such document(s) on behalf of and as attorney for the Minority Shareholder.

22.5 If the Specified Members comply with their obligations under Article 22.1, or exercise their rights under Article 22.3, they may proceed with the transfer of the Specified Shares, and Article 20 shall not apply to such transfer.

23 **DIVIDENDS**

23.1 Article 30(1) of the Model Articles shall be amended by the insertion of the words "(with the prior written consent of the Investor Director)" after the words "The Company may" and again after the words "and the directors may".

23.2 No dividend may be paid which is paid to the shareholders of one class of Shares only. Any dividend paid must be paid to the holders of the Ordinary Shares and the holders of the Preference Shares pro rata to their then holdings of the Company's entire share capital.

DECISION MAKING BY SHAREHOLDERS

24 POLL VOTES

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

25 PROXIES

- 25.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 25.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

ADMINISTRATIVE ARRANGEMENTS

26 MEANS OF COMMUNICATION TO BE USED

- 26.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- 26.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
 - 26.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
 - 26.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
 - 26.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is

deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a business day.

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

27 INDEMNITY

- 27.1 Subject to Article 27.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

27.1.1 each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and

27.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 27.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

- 27.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

- 27.3 In this article:

27.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

27.3.2 a relevant officer means any director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

28 **INSURANCE**

28.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.

28.2 In this article:

28.2.1 a **relevant officer** means any director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);

28.2.2 a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company; and

28.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.