

**ARTICLES OF ASSOCIATION**

**EVELLA HOLDINGS LIMITED**

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**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**EVELLA HOLDINGS LIMITED**

**(Adopted by special resolution passed on 20 December 2022)**

**Introduction**

**1. Interpretation**

1.1 In these Articles, unless the context otherwise requires

**A Shares:** means the A ordinary shares of £0.01 each in the capital of the Company,

**Act:** means the Companies Act 2006,

**appointor:** has the meaning given in article 10.1,

**Articles:** means the company's articles of association for the time being in force,

**B Shares:** means the B ordinary shares of £0.01 each in the capital of the Company,

**business day:** means 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,

**C Shares:** means the C ordinary shares of £0.01 each in the capital of the Company,

**Controlling Interest:** means an interest in shares in the Company conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010,

**Deferred Consideration** has the meaning given in the Share Purchase Agreement,

**Deferred Variable Consideration** has the meaning given in the Share Purchase Agreement,

**Disposal:** means a sale by the Company or by the Subsidiary of the whole or a substantial part of its business, undertaking, property and assets (whether in one transaction or a series of transactions),

**Family Trust:** in relation to the holder of A Shares, a trust or settlement set up wholly for the benefit of that holder (**Settlor**) and/or his Privileged Relations,

**Leaver:** any holder of C shares who ceases to be employed by the Company or any Subsidiary at any time,

**Listing:** the admission of any shares in the capital of the Company to listing on the Official List of the UK Listing Authority and to trading on the Main Market of London Stock Exchange plc and such admission becoming effective or the grant of permission for and such shares to be dealt in on any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000) or any other public securities market and such permission becoming effective,

**Loan Notes:** means any loan notes issued by the Company from time to time,

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

**Option:** has the meaning given in the Shareholders' Agreement,

**Option Price:** has the meaning given in the Shareholders' Agreement,

**Permitted Transferee:** in relation to the holder of A Shares or (in the case of death as provided in article 13.11), B Shares any of his Privileged Relations, Family Trusts or to the trustees of those Family Trusts,

**Privileged Relation:** the spouse, widow or widower of the holder of A Shares and his children and grandchildren (including step and adopted children), and step and adopted children of his children,

**Redemption Amounts:** all amounts having fallen due for payment pursuant to the Share Purchase Agreement (including the Deferred Consideration),

**Sale:** means a sale (or grant of right to acquire or dispose of) the entire issued share capital of the Company,

**Share Purchase Agreement:** means a share purchase agreement dated with the date of adoption of these Articles and made between John and Susan Reynard (1), George Ashford (2) the Company (3) and Creative Medical Research Limited (4),

**Shareholders' Agreement:** means a shareholders' agreement dated with the date of adoption of these Articles and entered into between the shareholders of the Company at the date hereof,

**Subsidiary:** means any subsidiary of the Company from time to time as defined in section 1159 of the Act

- 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
  - (a) any subordinate legislation from time to time made under it, and
  - (b) 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, or are inconsistent with, these Articles
- 1.8 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 18(e), 44(2), 49, 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
  - (a) the insertion of the words “for the time being” at the end of article 7(2)(a), and
  - (b) 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"
- 1.13 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide" Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide"

## **Directors**

### **2. Unanimous decisions**

- 2.1 A decision of the directors is taken in accordance with this article when all 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 director has signed one or more copies of it, or to which each director has otherwise indicated agreement in writing
- 2.3 A decision may not be taken in accordance with this article if the directors would not have formed a quorum at such a meeting

### **3. Calling a directors' meeting**

Any director may call a directors' meeting by giving [not less than [NUMBER] business days'] notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice

### **4. Quorum for directors' meetings**

- 4.1 The quorum for the transaction of business at a meeting of directors is one director, for so long as there is only one director in office, but otherwise shall be two 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

- (a) 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,
- (b) 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 existing or proposed transaction or arrangement in which he is interested,
- (c) 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,
- (d) 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
- (e) 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 transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such 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. 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

## **8. Number of directors**

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum or minimum

## **9. 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

## **10. Appointment and removal of alternate directors**

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

- (a) exercise that director's powers, and
- (b) carry out that director's responsibilities,

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

10.2 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

10.3 The notice must

- (a) identify the proposed alternate, and
- (b) 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

## **11. Rights and responsibilities of alternate directors**

11.1 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

11.2 Except as the Articles specify otherwise, alternate directors

- (a) are deemed for all purposes to be directors,
- (b) are liable for their own acts and omissions,
- (c) are subject to the same restrictions as their appointors, and
- (d) 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

11.3 A person who is an alternate director but not a director

- (a) 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),



- (b) shall not be counted as more than one director for the purposes of articles 11.3(a)

- 11.4 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)
- 11.5 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

## **12. Termination of alternate directorship**

An alternate director's appointment as an alternate terminates

- (a) when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate,
- (b) 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,
- (c) on the death of the alternate's appointor, or
- (d) when the alternate's appointor's appointment as a director terminates

## **13. Shares**

- 13.1 The A Shares and the B Shares and the C Shares shall rank equally in all respects save as otherwise provided in this Article 13
- 13.2 On a return of capital on a liquidation or otherwise, or arising from a Sale or Disposal or Listing
  - (a) Firstly, the holders of the B Shares shall be entitled to the amount paid up on the B Shares,
  - (b) Secondly, the holders of the A Shares shall be entitled to the amount paid up on such Shares,
  - (c) Thirdly, the holders of the C Shares shall be entitled to the amount paid up on such Shares, and

- (d) Lastly, the holders of the A Shares and the C Shares, which shall rank equally, shall be entitled to the balance on a pro rata basis according to the number of such Shares held
- 13.3 A dividend may be declared and paid on the A Shares and/or the B Shares and/or the C Shares to the exclusion of one or more other class of Shares
- 13.4 The holder of the A Shares (the **Original Shareholder**) may transfer all or any of his A Shares to a Permitted Transferee and the A Shares may be transferred on the death of any holder of the A Shares to a Permitted Transferee
- 13.5 Where A Shares are held by the trustees of a Family Trust, the trustees may transfer A Shares to
  - (a) the Original Shareholder,
  - (b) another Privileged Relation of the Original Shareholder,
  - (c) another Family Trust of which the Original Shareholder is the Settlor, or
  - (d) to the new (or remaining) trustees upon a change of trustees of a Family Trust without any price or other restriction
- 13.6 The holder of A Shares may transfer any of his A Shares to an employee of the Company or any Subsidiary provided that any such A Shares transferred shall be reclassified into and redesignated as C Shares
- 13.7 A Leaver shall be required, at any time upon receiving notice to this effect from the holder of a majority then in issue of the A Shares, to transfer to the Company or such holder of A Shares specified in such notice all of the C Shares held by the Leaver for a consideration equal to the nominal amount of such C Shares
- 13.8 Any C Shares held by a Leaver prior to any transfer pursuant to article 13.7 above shall not confer any rights including the right to vote or to receive any dividend or to any return of capital (including on a Sale or Disposal or Listing) pursuant to article 13.2 above
- 13.9 If any holder of C Shares (a **C Shareholder**) is required to transfer his C Shares pursuant to article 13.7 above and fails within 5 Business Days of the date of the notice referred to in article 13.7 (the **Default Date**) to execute and deliver to the Company any necessary contract or transfer or take any other action reasonably required of him in respect of such transfer, he is deemed to have irrevocably appointed and hereby duly appoints with effect from the Default Date any director of the Company as his duly authorised agent or lawful attorney to execute and deliver to the Company any such document or take any other such action on his behalf

required to complete the transfer of his C Shares. The Company may receive the consideration payable for the C Shares, pursuant to article 13.7 above, on behalf of a C Shareholder which shall be held on trust for such C Shareholder (without obligation to pay interest).

- 13.10 Subject as provided in article 13.2 below, no B Shares or C Shares shall be capable of transfer save with the prior agreement of the holders of a majority of the A Shares then in issue and no A Shares shall be capable of transfer save as permitted pursuant to this article 13 or with the prior agreement of the holders of a majority of the B Shares then in issue
- 13.11 The B Shares may be transferred to the spouse of the holder of the B Shares, or may be transferred upon the death of such holder and such spouse, to a Permitted Transferee of such holder
- 13.12 Any A Shares or B Shares may be transferred pursuant to the terms of any option agreement entered into between the holders of A Shares and B Shares

#### **14. Drag Along**

- 14.1 If the holders of the A Shares in issue for the time being (**Selling Shareholders**) wish to transfer all (but not some only) of their A Shares (**Sellers' Shares**) to a bona fide purchaser on arm's length terms (**Proposed Buyer**) after the first anniversary of the date of adoption of these Articles, the Selling Shareholders may require the holders of the B Shares and the C Shares (**Called Shareholders**) to sell and transfer all their B Shares and C Shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this Article (**Drag Along Option**) provided that, prior to or upon such transfer all Redemption Amounts due upon completion of the proposed transfer to the Proposed Buyer have been discharged in full (for this purpose, any amount due in respect of Loan Notes not yet redeemed but to be cancelled on the transfer shall be treated as discharged)
- 14.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer The Drag Along Notice shall specify
  - (a) that the Called Shareholders are required to transfer all their Called Shares pursuant to this article 14,
  - (b) the person to whom the Called Shares are to be transferred,
  - (c) the purchase price payable for the Called Shares which shall

- (i) in the case of the B Shares, be the Exit Option Price and (if applicable) the Additional Exit Option Price which would have been payable under the Shareholders' Agreement if the B Shares were being acquired pursuant to the Exit Option, and
    - (ii) in the case of the C Shares shall be the same consideration per share payable to the Selling Shareholders in respect of the A Shares
  - (d) the proposed date of the transfer
- 14.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 60 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 14.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 14.
- 14.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Sellers' Shares unless
- (a) all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders, or
  - (b) that date is less than 5 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 5 Business Day after service of the Drag Along Notice.
- 14.6 On or before the Completion Date, the Called Shareholders shall execute and deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to article 14.2(c) to the extent that the Proposed Buyer has put the Company in the requisite funds and (in the case of the B Shares) shall pay the Called Shareholders the Redemption Amounts due upon completion of the proposed transfer to the Proposed Buyer if any remains outstanding (for this purpose, the Deferred Variable Consideration is only outstanding if any Loan Notes which have fallen due for redemption have not been redeemed). The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.

- 14.7 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares or the Company is not in funds to pay the Redemption Amounts then outstanding (as provided in article 14.6 in respect of the Deferred Variable Consideration), the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 14 in respect of their Shares
- 14.8 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 14.6) transfer(s) in respect of all of the Called Shares held by it, each defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares and (in the case of the B Shares) the Redemption Amounts, if any remains outstanding (as provided in article 14.6 in respect of the Deferred Variable Consideration), and to deliver such transfer(s) to the Proposed Buyer (or as it may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 14

### **Decision making by shareholders**

#### **15. Poll votes**

- 15.1 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
- 15.2 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

### **Administrative arrangements**

#### **16. Means of communication to be used**

- 16.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient
- (a) 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)],

- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address,
- (c) if properly addressed and sent or supplied by electronic means, [one] hour after the document or information was sent or supplied, and
- (d) 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

- 16.2 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act

## **17. Indemnity**

- 17.1 Subject to article 17.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

- (a) 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
  - (i) in the actual or purported execution and/or discharge of his duties, or in relation to them, and
  - (ii) in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

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

- (b) 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 16.1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure
- 17.2 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
- 17.3 In this article
  - (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
  - (b) a “relevant officer” means any director or other officer or former 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)
- 18. Insurance**
- 18.1 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
- 18.2 In this article
  - (a) a “relevant officer” means any director or other officer or former 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),
  - (b) 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
  - (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate