

Company number: 09967702

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

- of -

AVVINITY THERAPEUTICS LIMITED

(the "Company")

03..... August 2018 (the "Circulation Date")

Pursuant to chapter 2 of part 13 of the Companies Act 2006 (the "**2006 Act**"), the directors of the Company propose that the resolutions below numbered 1, 2, and 3 are hereby passed as special resolutions and resolution numbered 4 is hereby passed as an ordinary resolution (the "**Resolutions**").

SPECIAL RESOLUTIONS

- 1 **THAT** the articles of association contained in the document attached to this written resolution be and hereby are approved and adopted as the new articles of association of the Company (the "**New Articles**") in substitution for and to the entire exclusion of the existing articles of association
- 2 **THAT** subject to the passing of resolution 1 above, each of the 500,000 'A' ordinary shares of £0.001 each, and each of the 250,000 'B' ordinary shares of £0.001 each in the capital of the Company be and hereby are re-designated into ordinary shares of the same value (such that the entire issued share capital of the Company immediately following the passing of this resolution shall be 750,000 ordinary shares of £0.001 each in the capital of the Company), such shares having the rights and being subject to the restrictions set out in the New Articles.
- 3 **THAT** subject to the passing of resolutions 1 and 2 above, all and any rights of pre-emption arising under the 2006 Act, the New Articles (as amended from time to time) , or otherwise, be and hereby are waived and disapplied in respect of the allotment and issue of up to 187,500 ordinary shares of £0.001 each in the capital of the Company.

ORDINARY RESOLUTION

- 4 **THAT** subject to the passing of resolutions 1, 2 and 3 above, the directors be generally and unconditionally authorised for the purposes of section 551 of the 2006 Act to exercise all the



NOTES

1. If you agree with the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning the signed version to the Company **by hand or by post**: to the directors at 8100 Cambridge Research Park, Waterbeach, Cambridge CB25 9TL, United Kingdom;
2. If you do not agree to the Resolutions, you do not need to do anything, you will not be deemed to agree if you fail to reply.
3. Once you have indicated your agreement to the Resolutions, you may not revoke your agreement.
4. If you agree to the Resolutions, please ensure that your agreement reaches us within 28 days of the Circulation Date. If by such date sufficient agreement has not been received for the Resolutions to pass, they will lapse.

Final

powers of the Company to allot ordinary shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company, up to a maximum aggregate nominal amount of £187.50, provided that:

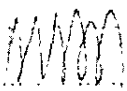
- (a) the authority granted under this resolution shall expire five years after the passing of this resolution, and
- (b) the Company may, before such expiry under paragraph (a) above of this resolution, make an offer or agreement which would require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after such expiry and the directors may allot such shares or grant such rights (as the case may be) in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired

This authority is in substitution for all subsisting authorities to allot shares in the Company to the extent unused.

AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the Resolutions.

The undersigned, being the sole two shareholders of the Company, and being entitled to vote on the Resolutions on the Circulation Date, hereby irrevocably unanimously approve each and all of the above Resolutions.


Director duly authorised for and on behalf of
CENTAURI THERAPEUTICS LIMITED

Name MIKE WESTON

Date 03 August 2018


Director duly authorised for and on behalf of
HORIZON DISCOVERY GROUP PLC

Name

Date.

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.....
Director duly authorised for and on behalf of
CENTAURI THERAPEUTICS LIMITED

Name.

Date

.....
Director duly authorised for and on behalf of
HORIZON DISCOVERY GROUP PLC

Name: RICHARD VELLACOTT

Date: 3 AUGUST 2018

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
AVVINITY THERAPEUTICS LIMITED

COMPANY NUMBER: 09967702

(Adopted by special resolution passed on . 03 August 2018)

INTRODUCTION

1 INTERPRETATION

1.1 In these Articles, the following words have the following meanings:

"**Act**" means the Companies Act 2006;

"**Appointor Director**" has the meaning given in article 12.1;

"**Articles**" means the Company's articles of association for the time being in force;

"**Business Day**" means a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;

"**Conflict**" means a situation in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company;

"**Continuing Shareholder**" has the meaning given in article 16.1;

"**Directors**" means the directors of the Company from time to time;

"**holding company**" has the meaning given in article 1.5;

"**Interested Director**" has the meaning given in article 9.1;

"**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 and reference to a numbered "Model Article" is a reference to that article of the Model Articles;

"**Original Shareholder**" means a shareholder which transfers its shares to a Permitted Transferee in accordance with article 17;

"Permitted Group" means in relation to a company, any wholly owned subsidiary of that company, any company of which it is a subsidiary (its holding company) and any other subsidiaries of any such holding company; and each company in a Permitted Group is a member of the Permitted Group. Unless the context otherwise requires, the application of the definition of Permitted Group to any company at any time will apply to the company as it is at that time;

"Permitted Transfer" means a transfer of Shares made in accordance with article 17;

"Permitted Transferee" means in relation to a shareholder, any member of the same Permitted Group as that shareholder;

"Proposed Sale Price" has the meaning given in article 16.1.2;

"Purchase Notice" has the meaning given in article 16.2;

"Qualifying Shareholder" has the meaning given in article 11.1;

"Sale Shares" has the meaning given in article 16.1;

"Seller" has the meaning given in article 16.1;

"Shareholder Director" means a Director appointed by a Qualifying Shareholder pursuant to article 11.1;

"Shares" means ordinary shares of £0.001 each in the capital of the Company;

"subsidiary" has the meaning given in article 1.5;

"Transfer Notice" means a notice in writing given by any shareholder to the other shareholder where the first shareholder desires, or is required by these Articles, to transfer or offer for transfer (or enter into an agreement to transfer) any Shares;

"Writing or written" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, save that, for the purposes of article 15 (Share Transfers. General) and article 16 (Pre-emption Rights on the Transfer of Shares), "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form (other than by fax).

Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have those 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 A reference to a "**holding company**" or a "**subsidiary**" means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act.
- 1.6 Unless expressly provided otherwise, a reference to a statute, statutory provision or any subordinate legislation is a reference to it as amended, extended or re-enacted from time to time.
- 1.7 Any words following the terms "**including**", "**include**", "**in particular**", "**for example**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.8 Where the context permits, "**other**" and "**otherwise**" are illustrative and shall not limit the sense of the words preceding them.

2 ADOPTION OF THE MODEL ARTICLES

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Model Articles 6(2), 7, 8, 9(1), 11 to 14 (inclusive), 16, 17, 19(2), 22(2), 26(5), 27 to 29 (inclusive), 36, 38, 39, 40(2), 43, 44(2), 49 and 50 to 53 (inclusive) shall not apply to the Company.
- 2.3 Model Articles 4, 18, 30 and 34 shall be amended by the inclusion, in each case, of the words "Subject to the Articles" at the commencement thereof.
- 2.4 Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "*either*" and "*or as the directors may otherwise decide*". Model Article 31(d) shall be amended by the deletion of the words "*either*" and "*or by such other means as the directors decide*".
- 2.5 Model Article 41 shall be amended by the inclusion of a new 41(7) which provides as follows: 41(7) For the purposes of this Model Article 47, all matters which require the *consent or direction of the meeting must include the consent or direction (as applicable) of an authorised representative of each of the Qualifying Shareholders.*

DIRECTORS

3 DIRECTORS' MEETINGS

- 3.1 Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with article 4.4.
- 3.2 Subject as provided in these Articles, the Directors may participate in Directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 3.3 All decisions made at any meeting of the Directors or of any committee of the Directors shall be made only by resolution. For the avoidance of doubt, any such resolution shall only be passed in accordance with article 4 below.
- 3.4 Each Director has one vote at a meeting of Directors or a Directors' committee meeting.
- 3.5 If, at any time before or at any meeting of the Directors or of any committee of the Directors, a Shareholder Director should request that the meeting be adjourned or reconvened to another time or date (whether to enable further consideration to be given to any matter or for other Directors to participate or for any other reason, which need not be stated) then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted at that meeting after such a request has been made. No meeting of Directors may be adjourned pursuant to this article more than once.
- 3.6 A committee of the Directors must include at least one Shareholder Director appointed for and on behalf of each of the Qualifying Shareholders. The provisions of article 7 shall apply equally to meetings of any committee of the Directors as to meetings of the Directors.

4 DECISIONS OF DIRECTORS

- 4.1 The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with article 4.3.
- 4.2 If: (a) the Company only has one Director; and (b) no provision of the articles requires it to have more than one Director, the general rule does not apply, and the Director may take decisions without regard to any of the provisions of the articles relating to Directors' decision-making.
- 4.3 A decision of the Directors is taken in accordance with this article 4.3 when all eligible Directors participating in the decision indicate to each other by any means that they share a common view on a matter.
- 4.4 A decision of the Directors may take the form of a resolution in writing, provided always that a copy of the resolution in writing has been signed by each eligible Director or to which each eligible Director has otherwise indicated agreement in writing. References in this article to an "**eligible Director**" is to a Director who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting.

- 4.5 A decision may not be taken in accordance with article 4.4 if the Directors participating in the decision would not have formed a quorum at a Directors' meeting to vote on the matter.

5 NUMBER AND REMUNERATION OF DIRECTORS

- 5.1 The number of Directors shall not be less than two and not more than seven. No shareholding qualification for Directors shall be required.
- 5.2 The Directors shall be entitled to such remuneration as the Company may by ordinary resolution determine for their services to the Company as Directors or otherwise.

6 CALLING A DIRECTORS' MEETING

- 6.1 Any Director may call a meeting of Directors by giving not less than five Business Days' notice of the meeting (or such shorter period of notice as agreed in writing by all Shareholder Directors) to each Director or by authorising the Company Secretary (if any) to give such notice
- 6.2 Notice of any Directors' meeting must be accompanied by.
- 6.2.1 an agenda specifying in reasonable detail the matters to be raised at the meeting, and
- 6.2.2 copies of any papers to be discussed at the meeting.
- 6.3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of Directors unless all Shareholder Directors present at such meeting agree.

7 QUORUM FOR DIRECTORS' MEETINGS

- 7.1 Two Shareholder Directors (or their alternates) entitled to vote upon the business to be transacted shall be a quorum at any meeting of the Directors (including committee meetings). *If no Shareholder Directors are appointed, or only one is appointed, the quorum at any meeting of Directors (including committee meetings) shall be any two Directors.*
- 7.2 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for five Business Days at the same time and place. The quorum at any adjourned meeting of Directors shall be any two Directors.
- 7.3 No business shall be conducted at any meeting of Directors unless a quorum is present at the beginning of the meeting and also when that business is voted on.

8 CHAIRING OF DIRECTORS' MEETINGS

Unless an independent chairman has been appointed to chair the meetings of the Directors, the post of chairman of the Directors will be held at alternate meetings by Shareholder Directors appointed by different shareholders. The chairman shall not have a casting vote.

9 **DIRECTORS' INTERESTS**

9.1 For the purposes of section 175 of the Act, the other Directors shall have the power to authorise, by resolution and in accordance with the provisions of these Articles, any Conflict proposed to them by any Director which would, if not so authorised, involve a Director (the "**Interested Director**") breaching his duty under section 175 of the Act to avoid conflicts of interest. Notwithstanding any provisions to the contrary contained within these Articles, no meeting of the Directors shall be inquorate where the subject matter of the meeting is the ratification of a Conflict. The quorum of such a meeting shall be adjusted accordingly in respect only of the resolution to ratify the Conflict.

9.2 The Interested Director must provide the other Directors with such details as are necessary for the other Directors to decide whether or not to authorise the Conflict, together with such additional information as may be requested by the other Directors.

9.3 Any authorisation by the other Directors of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):

9.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;

9.3.2 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;

9.3.3 provide that the Interested Director will or will not have the right to vote and count towards the quorum in respect of any future decision of the Directors in relation to any resolution related to the Conflict;

9.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the other Directors think fit;

9.3.5 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

9.3.6 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.

9.4 Where the other Directors authorise a Conflict:

9.4.1 the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the other Directors in relation to the Conflict; and

- 9.4 2 the Interested Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act, provided he acts in accordance with such terms and conditions (if any) as the other Directors impose in respect of their authorisation.
- 9.5 The other 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.
- 9.6 A Director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of Shares) in, the shareholder who appointed him as a Director of the Company, or any other member of such shareholder's Permitted Group, and no authorisation under article 9.1 shall be necessary in respect of any such interest.
- 9.7 Each Shareholder Director shall be entitled from time to time to disclose to their appointing shareholder such information concerning the business and affairs of the Company as he shall at his discretion see fit
- 9.8 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 other Directors in accordance with these Articles (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.*
- 9 9 Subject to sections 177(5) and 177(6) of the Act, a Director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company *shall declare the nature and extent of his interest to the other Directors before the Company enters into the transaction or arrangement in accordance with the Act.*
- 9.10 Subject to sections 182(5) and 182(6) of the Act, a Director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company *shall declare the nature and extent of his interest to the other Directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under article 9 9.*
- 9 11 Subject, where applicable, to any terms, limits or conditions imposed by the other Directors *in accordance with article 9.3, and provided a Director has declared the nature and extent of his interest in accordance with the requirements of the Act,* a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 9.11.1 may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;

- 9.11.2 shall be entitled to vote and count towards the quorum at a meeting of Directors (or of a committee of Directors) or participate in any unanimous decision in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
- 9.11.3 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;
- 9.11.4 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
- 9.11.5 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.
- 9 12 No Shareholder Director shall be regarded as having a Conflict, solely as a consequence of such Director having been appointed by a Qualifying Shareholder, or being an employee or Director of such appointor.
- 10 **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 a form that enables the Company to retain a copy of such decisions.
- 11 **APPOINTMENT AND REMOVAL OF DIRECTORS**
- 11 1 For so long as a shareholder (and its Permitted Transferees) is the registered holder (in aggregate) of not less than 30% of the issued Shares (a "**Qualifying Shareholder**"), it shall be entitled to appoint and maintain in office a Director of the Company (a "**Shareholder Director**"). Upon ceasing to be a Qualifying Shareholder the appointor shall remove its Shareholder Director from office.
- 11 2 A Shareholder Director may at any time be removed from office by the Qualifying Shareholder who has appointed him and replaced with another Shareholder Director by the Qualifying Shareholder who has appointed him. The Qualifying Shareholder removing a Shareholder Director shall indemnify and keep indemnified the Company against any claim connected with the Shareholder Director's removal from office.
- 11.3 In the event that a resolution to remove a Shareholder Director from office as a Director of the Company is proposed pursuant to section 168 of the Act (or otherwise by resolution of the Shareholders) then, save with regard to a resolution to remove a Shareholder Director where his appointor ceases to be a Qualifying Shareholder and such appointor has not removed its Shareholder Director from office in accordance with article 11 1 and

in respect of such resolution only, each Share held by the Qualifying Shareholder having the right to appoint such a Shareholder Director (and each Share held by each Permitted Transferee of such Qualifying Shareholder) shall carry 1,000,000 votes per Share (notwithstanding any provision of these Articles to the contrary).

- 11.4 If a Shareholder Director shall die or be removed from or vacate office for any cause (save as provided in article 11.1), his appointor may (subject to remaining a Qualifying Shareholder) appoint in his place another person to be its appointee Shareholder Director (as the case may be).
- 11.5 Any appointment or removal of a Shareholder Director pursuant to articles 11.1 and 11.2 shall be in writing and signed by or on behalf of the appointor Qualifying Shareholder, and served on the Company at its registered office. Any such appointment or removal shall take effect when received by the Company or at such later time as shall be specified in such notice.
- 11.6 In addition to the Shareholder Director(s) appointed pursuant to articles 11.1 and/or 11.2, any person who is willing to act as a Director and is permitted by law to do so may be appointed to the board of the Company, and removed and replaced, by ordinary resolution or by a decision of the Directors.
- 11.7 No Director shall be appointed or removed otherwise than pursuant to these Articles save where such Director is prohibited by law from serving as a Director (in which event, where applicable, the affected Shareholder Director shall be removed by the Qualifying Shareholder who has appointed him without consequence to such Qualifying Shareholder's right to appoint a replacement)

12 **ALTERNATE DIRECTORS**

- 12.1 Any Director (other than an alternate Director) (the "**Appointor Director**") may as applicable:

12.1.1 if a Shareholder Director with the consent of the Qualifying Shareholder which appointed him, or

12.1.2 if a Director with the consent of each of the other Directors,

but not otherwise, appoint any person (including any Director not being a Shareholder Director) to be an alternate Director to exercise the Appointor Director's powers, and carry out the Appointor Director's responsibilities, in relation to the taking of decisions by the Directors, in the absence of the Appointor Director. In these Articles, where the context so permits, the term "**Shareholder Director**" shall include an alternate Director appointed by a Shareholder Director.

- 12.2 Any appointment or removal of an alternate Director must be effected by notice in writing to the Company (and to the alternate, on removal) signed by the Appointor Director, or in any other manner approved by the Directors.

- 12.3 The notice must.

12.3.1 identify the proposed alternate; and

- 12.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the Appointor Director giving the notice.
- 12.4 An alternate Director has the same rights, in relation to any decision of the Directors, as the alternate's Appointor Director.
- 12.5 Except as the Articles specify otherwise, alternate Directors:
- 12.5.1 are deemed for all purposes to be Directors;
 - 12.5.2 are liable for their own acts and omissions;
 - 12.5.3 are subject to the same restrictions as their Appointor Directors; and
 - 12.5.4 are not deemed to be agents of or for their Appointor Directors,
- 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 Director is a member.
- 12.6 A person who is an alternate Director but not a Director may:
- 12.6.1 be counted as participating for the purposes of determining whether a quorum is present at a meeting of Directors (but only if that person's Appointor Director is not participating); and
 - 12.6.2 participate in a unanimous decision of the Directors (but only if his Appointor Director does not himself participate in relation to that decision).
- 12.7 An alternate Director may be paid expenses and may be indemnified by the Company to the same extent as if he were a Director but shall not be entitled to receive from the Company any remuneration in his capacity as an alternate Director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor Director as the Appointor Director may by notice in writing to the Company from time to time direct.
- 12.8 An alternate Director's appointment as an alternate (in respect of a particular Appointor Director) terminates:
- 12.8.1 when the alternate's Appointor Director revokes, with the consent of the shareholder which appointed the Appointor Director, but not otherwise, the appointment by notice to the Company and the alternate in writing specifying when it is to terminate; or
 - 12.8.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor Director, would result in the termination of the Appointor Director's appointment as a Director; or
 - 12.8.3 when the alternate Director's Appointor Director ceases to be a Director for whatever reason

SHARES

13 SHARE CAPITAL

- 13.1 Save as otherwise provided in these Articles, the Shares shall carry the same rights and privileges and rank *pari passu* in all respects.
- 13.2 The Company shall *immediately cancel any shares acquired under Chapter 4 of Part 18 of the Act.*

14 LIQUIDATION

- 14.1 On a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of Shares) or which follows the sale of all or substantially all of the assets of the Company, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) among the holders of the Shares *pro rata* to the number of Shares held.

15 SHARE TRANSFERS: GENERAL

- 15.1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share.
- 15.2 No shareholder shall transfer any Share except:
- 15.2.1 with the prior written consent of all shareholders for the time being; or
 - 15.2.2 a shareholder may transfer all (but not some only) of its Shares in the Company to any person for cash and not on deferred terms in accordance with the procedure set out in article 16 (*Pre-emption Rights on the Transfer of Shares*); or
 - 15.2.3 in accordance with article 17 (*Permitted Transfers*).
- 15.3 Subject to article 15.4, the Directors must register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of Shares which has not been made in compliance with these Articles.
- 15.4 The Directors may, as a condition to the registration of any transfer of Shares in the Company (whether to a Permitted Transferee or otherwise) require the transferee to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of any joint venture or shareholders' agreement (or similar document) in force between the shareholders in such form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than *those of the proposed transferor under any such agreement or other document*). If any such condition is imposed in accordance with this article 15.4, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

- 15.5 Any transfer of Shares by way of a sale that is required to be made under article 16 (Pre-emption Rights on the Transfer of Shares) shall be deemed to include a warranty that the transferor sells the Shares with full title guarantee.
- 16 PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES**
- 16.1 Except where the provisions of article 17 (Permitted Transfers) apply, a shareholder ("**Seller**") wishing to transfer its Shares ("**Sale Shares**") must give a Transfer Notice to the other shareholder ("**Continuing Shareholder**") giving details of the proposed transfer including:
- 16.1.1 If it wishes to sell the Sale Shares to a third party, the name of the proposed buyer; and
- 16.1.2 the price (in cash) at which it wishes to sell the Sale Shares ("**Proposed Sale Price**").
- 16.2 Within 20 Business Days of receipt (or deemed receipt) of a Transfer Notice, the Continuing Shareholder shall be entitled (but not obliged) to give notice in writing to the Seller stating that it wishes to purchase the Sale Shares at the Proposed Sale Price ("**Purchase Notice**"), in which case the Continuing Shareholder is bound to buy all of the Seller's Sale Shares at the Proposed Sale Price.
- 16.3 If there is more than one Continuing Shareholder, the Transfer Notice shall be given to all Continuing Shareholders who shall all be entitled to give Purchase Notices in accordance with article 16.2.
- 16.3.1 If there are applications from Continuing Shareholders for more than the number of Sale Shares available, they shall be allocated to those applicants in proportion (as nearly as possible but without allocating to any Continuing Shareholder more Sale Shares than the maximum number applied for by it) to the number of Shares then held by them respectively; however, in its application for Sale Shares a Continuing Shareholder may, if it so desires, *indicate that it would be willing to purchase a particular proportionate entitlement ("**Excess Shares**")*, in which case, applications for Excess Shares shall be allocated in accordance with such application, or in the event of competition among those Continuing Shareholders applying for Excess Shares in such proportions as equal (as nearly as may be) the proportions of all the Shares held by such Continuing Shareholders.
- 16.3.2 If it is not possible to allocate any of the Sale Shares without involving fractions, they shall be allocated amongst them in such manner as the board of Directors shall think fit.
- 16.4 If, at the expiry of the period specified in article 16.2, one or more Continuing Shareholders have not given a Purchase Notice (or Purchase Notices) for all of the Seller's Sale Shares at the Proposed Sale Price, the Seller may transfer all its Sale Shares to the buyer identified in the Transfer Notice (if any) at a price not less than the Proposed Sale Price provided that it does so within three months of the expiry of the period specified in article 16.2.

17 PERMITTED TRANSFERS

17.1 An Original Shareholder may at any time transfer all (but not some only) of its Shares in the Company to a Permitted Transferee without being required to follow the steps set out in article 16.

17.2 A shareholder holding Shares in the Company as a result of a Permitted Transfer made after the date of adoption of these Articles by an Original Shareholder under the provisions of this article 17 may at any time transfer all (but not some only) of its Shares back to the Original Shareholder from whom it received those Shares or to another Permitted Transferee of such Original Shareholder, without being required to follow the steps set out in article 16.

17.3 If a Permitted Transfer has been made to a Permitted Transferee, that Permitted Transferee shall within five Business Days of ceasing to be a member of the Permitted Group give notice in writing to the Company and transfer all of the Shares in the Company held by it to:

17.3.1 the Original Shareholder from whom it received those Shares; or

17.3.2 another Permitted Transferee of that Original Shareholder,

(which in either case is not in liquidation). If the Permitted Transferee fails to make a transfer in accordance with this article 17.3, the Company may execute a transfer of the Shares on behalf of the Permitted Transferee and register the Original Shareholder as the holder of such Shares.

DECISION MAKING BY SHAREHOLDERS

18 QUORUM FOR GENERAL MEETINGS

18.1 No business other than the appointment of the chairman of the meeting shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on

18.2 Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum. If a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the board of Directors may determine.

18.3 The quorum at any adjourned general meeting shall be any one person entitled to vote upon the business to be transacted, being a member or a proxy for a member or a duly authorised representative of a corporation.

19 CHAIRING GENERAL MEETINGS

For so long as an independent chairman has been appointed to chair meetings of the board of Directors he shall also act as the chairman of any general meeting. If no independent chairman has been appointed, or the independent chairman is unable to attend any general meeting, the Shareholder Director to have last chaired a meeting of

the board of Directors prior to the general meeting (including an annual general meeting) shall chair the subsequent general meeting. If such Shareholder Director is unable to attend the general meeting, the Shareholder Director of any other Qualifying Shareholder shall act as chairman at the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

20 VOTING

20.1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.

20.2 At a general meeting, on a show of hands every shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself a shareholder entitled to vote; on a poll every shareholder present in person or by proxy shall have one vote for each Share of which he is the holder; and on a vote on a written resolution every shareholder has one vote for each Share of which he is the holder.

21 POLL VOTES

21.1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.

21.2 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.

22 PROXIES

22.1 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 general meeting (or adjourned meeting) to which they relate*".

22.2 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*" as a new paragraph at the end of that article.

ADMINISTRATIVE ARRANGEMENTS

23 MEANS OF COMMUNICATION TO BE USED

23.1 Subject to article 23.3, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

23.1.1 if delivered by hand, on signature of a delivery receipt; or

23.1.2 if sent by fax, at the time of transmission; or

23.1.3 if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or

- 23.1.4 if sent or supplied by email, 24 hours after the notice, document or information was sent or supplied; or
 - 23.1.5 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; and
 - 23.1.6 if deemed receipt under the previous paragraphs of this article 23.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.
- 23.2 *To prove service, it is sufficient to prove that:*
- 23.2.1 if delivered by hand, the notice was delivered to the correct address; or
 - 23.2.2 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
 - 23.2.3 if sent by post the envelope containing the notice was properly addressed, paid for and posted; or
 - 23.2.4 if sent by email, the notice was in *PDF* or *JPeg* format and sent to the email address of the recipient and a receipt report was received.
- 23.3 *Any notice, document or other information served on, or delivered to, an intended recipient under (as the case may be) article 16 (Pre-Emption Rights on the Transfer of Shares) or article 17.3 (Permitted Transfers) may not be served or delivered in electronic form (other than by fax), or by means of a website.*
- 23.4 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act.
- 24 INDEMNITY AND INSURANCE**
- 24.1 Subject to article 24.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
- 24.1.1 each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:
 - 24.1.1.1 in the actual or purported execution and/or discharge of his duties, or in relation to them; and
 - 24.1.1.2 in relation to the Company's activities as a 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 affairs; and

24.1.2 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 24.1.1 and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.

24.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

24.3 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.

24.4 In this article:

24.4.1 a "**relevant officer**" means any Director or other officer or former director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a Director or other officer), to the extent he acts in his capacity as auditor; and

24.4.2 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 or any pension fund or employees' share scheme of the Company.