

DATED

10 DECEMBER

2020

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ARTICLES OF ASSOCIATION OF PANDX LTD

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**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**of**  
**PANDX LTD**

**PART 1**

**INTERPRETATION AND LIMITATION OF LIABILITY**

**1 DEFINED TERMS**

In these articles, unless the context requires otherwise:

**"Adoption Date"** the date of the adoption of these articles.

**"Affiliate"** means with respect to any person:

- (a) any other person who, directly or indirectly, controls, is controlled by, or is under common control with such person, including, without limitation, any general partner, managing member, officer or director of such person or any venture capital fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management or advisory company with, such person; and
- (b) with respect to a first person that is a natural person, any person that is a Family Member of the first person and any person controlled by any of them (whether individually or collectively) and any trust for which the first person directly or indirectly, serves as settlor or trustee or in a similar capacity (including, without limitation, any protector or settler of a trust), and any person who is controlled by any such trust or estate.

**"appointor"** has the meaning given in 28.1.

**"Arrears"** means, in relation to any Share, all accruals, deficiencies and arrears of any dividend in respect of such Share, which shall not be less than three per cent. (3%) per annum on the Subscription Price;

**"articles"** means these articles of association of the Company.

**"As Converted Basis"** in respect of a number of Shares to be determined on an 'As Converted Basis' by reference to any particular Relevant Securities means: (i) such number of those Relevant Securities as are Ordinary Shares (if any); plus (ii) such

number of Ordinary Shares as those such Relevant Securities which are Preferred Shares may then be converted into in accordance with article 8 (whether or not such conversion is actually made and ignoring any impediment to such conversion); and (iii) in respect of any Relevant Securities (other than Shares) (if any) such number of Shares as may be subscribed or exchanged for, or converted into or otherwise called for, pursuant thereto (and, if such Shares are Preferred Shares, then the number of Ordinary Shares attributable thereto in accordance with (ii) above).

**"Auditors"** means the auditors of the Company from time to time.

**"Available Assets"** means the assets of the Company remaining after the payment (or other satisfaction) of its liabilities.

**"bankruptcy"** includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy.

**"Business Day"** means a day on which the clearing banks are ordinarily open for the transaction of normal banking business in the City of London and Moscow, Russia (other than a Saturday or Sunday).

**"Business Sale"** means the sale or other transfer or disposal (including by way of exclusive licence or lease) of the whole or substantially the whole of the business and assets of any member of the Group, or the whole or substantially the whole of the material intellectual property of the Group (in either case whether pursuant to a single transaction or a series of transactions); provided, that a merger of the Company with any other legal entity whereby the independent legal personality of the Company ceases to exist and the business and assets of the Company or PanDx are subsumed by (or otherwise become the business and assets of) such other legal entity or another legal entity and the Shareholders do not retain a majority of the voting power in the surviving person shall, for the purposes of these articles, be deemed to be a Business Sale (whether or not applicable Laws may provide that a transfer of business and assets has occurred).

**"Capital Reorganisation"** means any: (i) Capitalisation Issue, but excluding any Permitted Capitalisation Issue, (ii) sub-division or consolidation of Shares in the capital of the Company, (iii) redesignation or re-classification of any Shares in the capital of the Company, or (iv) any other reorganisation of the share capital of the Company.

**"Capitalisation Issue"** means an issue of Shares in the capital of the Company fully or partly paid up pursuant to a capitalisation of profits or reserves.

**"capitalised sum"** has the meaning given in article 44.1(b).

**"chairman"** has the meaning given in article 21.2.

**"chairman of the meeting"** has the meaning given in article 47.3.

**"Companies Acts"** means the Companies Acts (as defined in section 2 of the Companies Act 2006).

**"Company"** means PanDx Ltd (company number 12097222).

**"Compulsory Conversion Notice"** has the meaning given in article 8.5.

**"Conversion Notice"** has the meaning given in article 8.2.

**"Deemed Liquidation Event"** means a Share Sale or a Business Sale.

**"Dilutive Subscription Price"** means the price per Share payable on completion of a Relevant Issue calculated as the total consideration payable by a New Subscriber for all Shares comprising the Relevant Issue divided by the total number of such Shares, provided that in respect of any non-cash element of the consideration a fair market value of such non-cash element shall be determined by Auditors (acting as experts and not as arbitrators).

**"director"** means a director of the Company, and includes any person occupying the position of director, by whatever name called.

**"distribution recipient"** has the meaning given in article 39.2.

**"document"** includes, unless otherwise specified, any document sent or supplied in electronic form.

**"electronic form"** has the meaning given in section 1168 of the Companies Act 2006.

**"Encumbrance"** means any mortgage, charge, security interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law).

**"Extended ROFR Exercise Period"** has the meaning given in article 11.5.

**"Family Member"** means a natural person's spouse, civil partner, relative, spouse or civil partner of a relative and a relative of a spouse or civil partner and "relative" in this definition means a natural person's mother, father, step-mother, step-father, child, step-child, brother, sister, step-brother, step-sister, half-brother or half-sister.

**"Founders"** means each of Vitali Proutski, Sergei Anisimov and Oleg Granstrem.

**"fully paid"** in relation to a share, means that the nominal value and any premium to be paid to the Company in respect of that Share have been paid to the Company.

**"Group"** means the Company and its Subsidiaries.

**"hard copy form"** has the meaning given in section 1168 of the Companies Act 2006.

**"holder"** in relation to Shares means the person whose name is entered in the register of members as the holder of the Shares.

**"instrument"** means a document in hard copy form.

**"IPO Price"** means the price per share at which the Relevant Security is offered to new investors as part of any placing undertaken in connection with a IPO (or, in the absence of any such placing, the price as to be first quoted for shares on the relevant investment exchange on which such IPO shall occur);

**"Law" or "Laws"** includes all applicable legislation, statutes, directives, regulations, judgments, decisions, decrees, orders, instruments, by-laws, and legislative measures or decisions having the force of law.

**"Liquidation Event"** means a distribution of assets (whether in cash or in specie) by the Company on a liquidation or otherwise (including any such return of assets following a Deemed Liquidation Event).

**"Lock-Up Period"** has the meaning given in article 11.2.

**"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).

**"Necessary Action"** means, with respect to a result required to be caused, all actions reasonably necessary to cause such result, which actions may include, to the extent permitted by applicable Law and consistent with these articles, without limitation: (a) voting or providing a written consent with respect to voting securities of the relevant entity to cause the adoption of shareholders' resolutions and amendments to the charter or other constituent documents, (b) causing members of the board of directors or comparable governing body of the relevant entity (to the extent such members were nominated or designated by the person obligated to undertake the Necessary Action) to act in a certain manner, and (c) executing agreements and instruments.

**"New Shares"** means any Shares or other securities convertible into, or carrying the right to subscribe for, Shares issued by the Company (but excluding any options under the share option plan adopted in accordance with the terms of any shareholders' agreement in force from time to time).

**"New Subscriber"** has the meaning given in article 9.1.

**"Offered Price"** has the meaning given in article 11.3(b).

**"Offered Shares"** has the meaning given in article 11.3(a).

**"Ordinary Shares"** means ordinary shares of £0.01 each in the capital of the Company from time to time having the rights set out in these articles.

**"Overallotment Notice"** has the meaning given in article 11.5.

**"paid"** means paid or credited as paid.

**"PanDx"** means a limited liability company incorporated under the Laws of the Russian Federation with registered number 1197847213420 and whose registered office is at office 36H, 17 Litovskaya street, liter A, 194100, Saint Petersburg, Russian Federation.

**"participate"** in relation to a directors' meeting, has the meaning given in article 20.1.

**"Permitted Capitalisation Issue"** means an issue of Shares made pursuant to article 8.5.

**"Permitted Issue"** has the meaning given in article 10.1.



**"persons entitled"** has the meaning given in article 44.1(b).

**"Preferred Shareholder"** means a holder of Preferred Shares.

**"Preferred Shares"** means the preferred shares in the capital of the Company having the rights set out in these articles.

**"Preferred Supermajority"** means one or more Shareholders collectively holding at least seventy five percent (75%) of the issued Preferred Shares.

**"proxy notice"** has the meaning given in article 54.1.

**"Purchasing Shareholder"** has the meaning given in article 11.4.

**"Purchasing Shareholder Overallotment Notice"** has the meaning given in article 11.5.

**"Qualified IPO"** means an IPO on an internationally recognised investment exchange pursuant to which the Company will raise gross proceeds from the issue of new Shares of not less than EUR 15,000,000 (or its equivalent in another currency) underwritten by a lead manager of international standing and where the applicable IPO Price is not less than three (3) times the Subscription Price, or at a lesser price approved by a such number of Preferred Shareholder holding at least seventy-five per cent. (75%) of the Preferred Shares then in issue.

**"relevant director"** has the meaning given in article 61.4(b).

**"Relevant Issue"** has the meaning given in article 9.1.

**"relevant loss"** has the meaning given in article 61.4(c).

**"Relevant Securities"** means, in respect of any company, any Share or other security in the capital of such company from time to time, or any other security, agreement or instrument which contains or provides for any right to subscribe or exchange for, convert into or otherwise call for any issue of any share(s) or other securities in the capital of such company from time to time.

**"Remaining Shareholder"** has the meaning given in article 11.3.

**"ROFR Completion Date"** has the meaning given in article 11.3(c).

**"ROFR Exercise Notice"** has the meaning given in article 11.4.

**"ROFR Exercise Period"** has the meaning given in article 11.4.

**"Rusbio"** means Rusbio Ventures Limited Partnership, a limited partnership incorporated under the Laws of the Russian Federation, whose registered office is located at 12 Krasnopresnenskaya embankment, entrance 3, office 1206, Moscow, Russia.

**"Selling Shareholder"** has the meaning given in article 11.3.

**"Series A Financing"** means any equity financing of the Company of at least one million Euros (EUR 1,000,000) (or its equivalent in another currency).

**"Share"** means a share in the capital of the Company.

**"Share Sale"** means a sale or other Transfer of the whole or any part of the issued share capital of the Company to any person (or any merger or scheme of arrangement resulting in any person holding Shares in the capital of the Company) and which will result in that person together with all persons (if any) acting in concert with such person together more than fifty per cent. (50%) of the issued Shares on an As Converted Basis.

**"Shareholder"** means any person who is the holder of a Share (but excludes the Company holding Shares as Treasury Shares from time to time).

**"Subscription Price"** means the price paid by a Shareholder for a Share (calculated in accordance with the terms of any subscription agreement between the relevant Shareholder and the Company in respect of the issue of the relevant Share (if applicable)), as adjusted in the event of any Capital Reorganisation in such manner as is determined by the Auditors (acting as experts and not as arbitrators) (at the cost of the Company) to be fair and reasonable

**"Subsidiary"** means any Subsidiary Undertaking of the Company as defined in section 1159 of the Act from time to time, which as at the Adoption Date is limited to PanDx.

**"Subsidiary Undertaking"** has the meaning set out in section 1162 of Companies Act 2006.

**"Tag Response"** has the meaning given in article 11.12.

**"Tag-Along Offer"** has the meaning given in article 11.11.

**"Tag-Along Shares"** has the meaning given in article 11.11.

**"Transfer"** means any direct or indirect sale, exchange, transfer, assignment or other disposition (including, without limitation, any transfer by gift or operation of law, or any transfer of an economic interest in any derivative security of any Share), assignment, distribution or other disposition, or issuance or creation of any option or any voting proxy, voting trust or other voting agreement in respect of any person or instrument (including, without limitation, any of the Shares), whether in a single transaction or a series of related transactions, including, without limitation, the direct or indirect enforcement or foreclosure of any Encumbrance.

**"Transfer Notice"** has the meaning given in article 11.3.

**"Transferee"** has the meaning given in article 11.3.

**"transmittee"** means a person entitled to a Share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law.

**"Triggering Sale"** has the meaning given in article 11.10.

**"Unrestricted Sale Period"** has the meaning given in article 11.7.

**"writing"** 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.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the Company.

## **2 EXCLUSION OF MODEL ARTICLES**

The Model Articles shall not apply to the Company.

## **3 LIABILITY OF MEMBERS**

The liability of the members is limited to the amount, if any, unpaid on the Shares held by them.

# **PART 2**

## **SHARE CAPITAL**

## **4 SHARE CAPITAL**

The issued share capital of the Company at the Adoption Date is divided into:

- (a) 10,000 Ordinary Shares; and
- (b) 814 Preferred Shares.

## **5 INCOME RIGHTS**

Subject to these articles and the terms of any shareholders' agreement in force from time to time:

- (a) any dividends declared and paid by the Company on the Ordinary Shares shall belong to and be paid to the holders of Ordinary Shares in proportion to the number of Ordinary Shares held by them; and
- (b) any dividends declared and paid by the Company on the Preferred Shares shall belong to and be paid to the holders of the Preferred Shares in proportion to the number of Preferred Shares held by them.

## **6 VOTING RIGHTS**

- 6.1 The holders of Ordinary Shares shall be entitled to receive notice of, attend and speak at any general meeting of the Company. On a vote by way of a show of hands, the holders of Ordinary Shares present (in person or by proxy or by duly authorised representative) shall be entitled to one vote, and on a vote by poll shall be entitled to one vote per Ordinary Share held by him.
- 6.2 The holders of Preferred Shares shall be entitled to receive notice of, attend and speak at any general meeting of the Company. On a vote by way of a show of hands, the holders of Preferred Shares present (in person or by proxy or by duly authorised representative)

shall be entitled to one vote, and on a vote by poll shall be entitled to one vote per Preferred Share held by him.

## **7 RETURN OF CAPITAL**

7.1 On a Liquidation Event or Business Sale, the Available Assets shall be applied amongst, and distributed to, the Shareholders in the following order of priority:

- (a) firstly, to the Preferred Shareholders in an amount equal to the Subscription Price of the Preferred Shares in respect of such Shares together with all Arrears thereon (and if the balance of Available Assets is not sufficient to distribute in full the amounts so due in respect of the Preferred Shares, then such balance of Available Assets shall be distributed rateably as between the Preferred Shareholders in proportion to the amount paid by each of them plus Arrears in respect of each Preferred Share (and with no payment being made in respect of any other Shares)); and
- (b) thereafter, in paying the balance of Available Assets (after distribution in full of amounts payable above), if any, as between the holders of all the Shares, including the Preferred Shares, pro rata in respect of the number of Shares held by each such Shareholder on an As Converted Basis.

7.2 As soon as practicable after the receipt of the consideration payable to the Company in respect of a Deemed Liquidation Event, the Company shall distribute the Available Assets to the Shareholders in accordance with the order of priorities set out in article 7.1. Notwithstanding any other provision of these articles, for the purposes of effecting such distribution the directors shall have authority to procure the liquidation of the Company or to distribute the Available Assets to the Shareholders by way of dividend or otherwise.

7.3 If the Available Assets include: (i) any non-cash assets ("**non-cash consideration**"); and/or (ii) any deferred and/or contingent assets or proceeds ("**delayed consideration**") then articles 7.1 and 7.2 shall apply to such non-cash consideration and delayed consideration in such manner as the directors, acting in good faith, may agree is reasonable (including, without limitation, as to the cash equivalent value of any such assets or proceeds and/or the timing of any payment or distribution thereof) and in the absence of such agreement, in such manner as the Auditors (acting as experts and not as arbitrators) may, at the cost of the Company, determine in their opinion to be reasonable. In the absence of fraud or manifest error, such agreement by the directors (or the determination of the Auditors, as the case may be) shall be final and binding on all persons.

7.4 In the event of a merger of the Company with any other legal entity whereby the independent legal personality of the Company ceases to exist and the business and assets of the Company are subsumed by (or otherwise become the business and assets of) such other legal entity or another legal entity, the organisational documents of the surviving entity shall include provisions substantially similar to the provisions set out in this article 7.

## **8 CONVERSION**

8.1 Each Preferred Shareholder may at any time convert all, or any part of, its holding of Preferred Shares into an equal number of Ordinary Shares.

- 8.2 Such right of conversion may be effected by notice (a "**Conversion Notice**") in writing given to the Company signed by the relevant Preferred Shareholder. Any and all Arrears accrued on the relevant Preferred Shares shall be converted and the Preferred Shareholder may not demand payment in cash of any Arrears.
- 8.3 Conversion of the Preferred Shares which are the subject of a Conversion Notice shall take effect upon receipt by the Company of such notice (or, if later, upon satisfaction of any further conditions so specified in such Conversion Notice).
- 8.4 All of the Preferred Shares shall be converted into a number of Ordinary Shares calculated in accordance with article 8.1 immediately prior to a Qualified IPO and all Relevant Securities conferring any right to acquire Preferred Shares shall thereafter take effect as a right to acquire a number of Ordinary Shares so calculated in accordance with article 8.1.
- 8.5 The Company shall give each Preferred Shareholder at least thirty (30) days' notice (a "**Compulsory Conversion Notice**") of any proposed conversion of Preferred Shares pursuant to article 8.4 and any Preferred Shareholder who desires payment in cash of any Arrears accrued on the relevant Preferred Shares in the event of such automatic conversion must expressly notify the Company in writing of such desire within twenty (20) days (or such longer period as the Company may determine) of the date of the Compulsory Conversion Notice (and in any event prior to the date of the Qualified IPO).

## **9 ANTI-DILUTION PROTECTION**

- 9.1 Notwithstanding any other provisions of these articles, on each occasion that the Company considers issuing a Relevant Security at a price that is less than the Subscription Price (a "**Relevant Issue**"), provided that in the event that the new Relevant Security is not issued for cash the price shall be certified by the Auditors (acting as experts and not as arbitrators) as being in their opinion the current cash value of the new consideration for the allotment of the new Relevant Securities, to any person which is not a Shareholder (or a Shareholder's Affiliate) (a "**New Subscriber**"), then:
- (a) such transaction may not be consummated without first having been approved by a Preferred Supermajority in writing in a form which:
    - (i) sets out all material terms of the Relevant Issue, including the lowest permissible Dilutive Subscription Price; and
    - (ii) contains an express consent of the Preferred Shareholders to any dilution as a result of the Relevant Issue on the terms set out below,
  - (b) in which case the Relevant Issue shall not require a separate approval by the Shareholders, and if so approved, the Company (to the extent that it is lawfully able to do so) shall issue to each Preferred Shareholder such number of bonus Preferred Shares (fully paid up as to nominal value) as determined in accordance with article 9.2, provided that such bonus Preferred Shares shall be issued as fully paid, subject to Law.
- 9.2 The number of further Preferred Shares to be issued to the Preferred Shareholders pursuant to article 9.1(b), shall be determined as follows:

$$FB = \left( \frac{T}{WAP} \right) - CB$$

Where:

FB = the number of Preferred Shares to be so issued to the Preferred Shareholders pursuant to article 9.2. For the avoidance of doubt, the value of FB shall never be less than zero.

CB = the aggregate number of Preferred Shares held by the Preferred Shareholders immediately prior to the Relevant Issue.

T = the product of the Subscription Price and the aggregate number of Preferred Shareholders held by the Preferred Shareholder immediately prior to the Relevant Issue.

WAP = the weighted average price, calculated as follows:

$$WAP = \frac{N_1 P_1 + N_2 P_2}{N_1 + N_2}$$

Where:

P1 = the Subscription Price.

N1 = the total number of Preferred Shareholders in the share capital of the Company outstanding immediately prior to the Relevant Issue.

P2 = the Dilutive Subscription Price.

N2 = the total number of Shares comprising the Relevant Issue.

9.3 To the extent it is unlawful to issue Preferred Shares as fully paid pursuant to article 9.1(b), then the Preferred Shareholders shall have the right to subscribe at nominal value for such number of Preferred Shares (if any) as would have been so acquired by it had such capitalisation issue been permitted.

9.4 In respect of an issue of Relevant Securities other than Ordinary Shares, the application of article 9.1(b), shall be postponed in respect of such issue until such time or times as the Company is unconditionally obliged to issue (or does issue) Ordinary Shares pursuant to the terms of such Relevant Issue and subject to article 9.1(a) the Company and the Shareholders shall take all Necessary Action to issue the required number of Ordinary Shares to the Preferred Shareholder as provided in article 9.2.

## 10 PRE-EMPTIVE RIGHTS

10.1 Save in the event of the following issuances (each a "Permitted Issue"):

(a) an issuance of Ordinary Share(s) upon a conversion of any Preferred Shares pursuant to article 8.2;

- (b) an issuance of Share(s) as a dividend or as a distribution to be made in respect of a Preferred Share;
- (c) an issuance of Ordinary Shares upon a subdivision of, or as dividend or as distribution to be made to, in respect of an Ordinary Share;
- (d) an issuance of Shares upon a merger, consolidation, acquisition or similar transaction of the Company; and

the Company shall not issue any additional Shares except pursuant to this article 10.

- 10.2 Subject to article 10.1 and 10.4, each Shareholder shall have, to the extent such Shareholder holds Shares of the same class as the New Shares proposed to be issued by the Company, the pre-emptive right to purchase its *pro rata* portion of any New Shares issued by the Company on the same terms and conditions and at the same price as such New Shares are offered to any other person. In exercising the pre-emptive rights under this article 10, each Shareholder shall be entitled to purchase its *pro rata* portion of New Shares based on its per cent. ownership of the Shares of the same class as the New Shares (as calculated immediately prior to the issuance of such New Shares). For the avoidance of doubt, a Shareholder who holds Preferred Shares is entitled to exercise the pre-emptive right in relation to any sub-class of preference shares proposed to be issued the Company from time to time.
- 10.3 Notwithstanding article 10.2 and subject to article 10.4, each Shareholder that holds twenty-five per cent. (25%) or more of the total number of Preferred Shares in the capital of the Company, shall have the right to purchase its *pro rata* portion (calculated on an As Converted Basis) of any New Shares which are, or convertible into, Ordinary Shares.
- 10.4 Each Shareholder shall have a pre-emptive right to purchase its *pro rata* portion of any New Shares issued by the Company (calculated on an As Converted Basis) in connection with the Series A Financing, on the same terms and conditions and at the same price as such New Shares are offered to any other person.
- 10.5 The Company shall provide the relevant Shareholders with forty-five (45) days' prior written notice of any proposed issuance of New Shares. The Shareholders desiring to exercise their pre-emptive rights in connection with any such issuance of New Shares must notify the Company in writing on or prior to the last day of such forty-five (45) day period. If any Shareholder fails to exercise its pre-emptive right hereunder to purchase any New Shares, each other Shareholder shall, if it has indicated its intention to purchase the maximum possible number of New Shares in its notification to the Company, be entitled to purchase its *pro rata* portion thereof. The board shall adopt reasonable procedures and time limits to implement these over-allotment rights.

## **11 TRANSFER OF SHARES**

### **General**

- 11.1 No Shareholder shall directly or indirectly Transfer any Shares or any right, title or interest therein, except as permitted by this article 11. Any purported Transfer in violation of this article 11 shall be null and void and the Company shall not register any such Transfer.

### **Lock-Up Period**

- 11.2 Except as provided in article 11 or 12 or any shareholders' agreement in force from time to time, for a period of four (4) years from the Adoption Date (the "**Lock-Up Period**"), no Founder shall Transfer:

- (a) any Shares; or
- (b) any indirect interest in Shares, whether through the creation of any Encumbrances on the Shares, the issuance, Transfer or Encumbrance of capital interests in the Shareholder or otherwise.

Following the expiration of the Lock-Up Period, any Transfer must nevertheless comply with articles 11.3 to 11.17.

### **Right of First Refusal**

- 11.3 Subject to article 11.2, if any Shareholder (a "**Selling Shareholder**") desires to Transfer any of its Shares (other than a Transfer pursuant to article 11.10) to any person (a "**Transferee**"), then the Selling Shareholder shall first give notice (the "**Transfer Notice**") to the Company and to the other Shareholders (each, a "**Remaining Shareholder**"). The Transfer Notice shall specify:

- (a) the number of Shares that the Selling Shareholder wishes to Transfer (the "**Offered Shares**");
- (b) the purchase price at which the Selling Shareholder is willing to sell such Shares (which must be an all-cash price, the "**Offered Price**");
- (c) the completion date for the Transfer of the Offered Shares, which date shall be not fewer than forty-five (45) nor more than ninety (90) days after the date of the Transfer Notice (the "**ROFR Completion Date**");
- (d) a written description of the other terms on which the Selling Shareholder intends to Transfer the Offered Shares to the Transferee; and
- (e) the name and contact details of the Transferee, including the identity of its ultimate controlling beneficial owner.

- 11.4 Each Remaining Shareholder will have the right, but not the obligation, to purchase Offered Shares at the Offered Price on the ROFR Completion Date by delivering a notice to the Selling Shareholder (the "**ROFR Exercise Notice**") at any time within the thirty (30) day period beginning on the day following the date of service of the Transfer Notice (the "**ROFR Exercise Period**"). Each Remaining Shareholder delivering a ROFR Exercise Notice (each, a "**Purchasing Shareholder**") shall specify the number of Offered Shares it wishes to purchase, up to its per cent ownership of all the Shares then in issue.

- 11.5 In the event that not all of the Remaining Shareholders elect to purchase their ownership percentage of the Offered Shares within the ROFR Exercise Period, then the Selling Shareholder shall promptly give written notice to each of the Purchasing Shareholders (the "**Overallotment Notice**"), which shall set forth the number of Offered Shares not purchased by the other Remaining Shareholders and shall offer such Purchasing



Shareholders the right to acquire such unsubscribed Offered Shares. Each Purchasing Shareholder shall have twenty (20) days after receipt of the Overallotment Notice (the "**Extended ROFR Exercise Period**") to deliver a written notice to the Selling Shareholder (the "**Purchasing Shareholder Overallotment Notice**") indicating the number of unsubscribed Offered Shares that such Purchasing Shareholder desires to purchase, and each such Purchasing Shareholder shall be entitled to purchase such number of Offered Shares on the same terms and conditions as set forth in the Transfer Notice. In the event that the Purchasing Shareholders desire, in the aggregate, to purchase in excess of the total number of available Offered Shares, then the number of Offered Shares that each Purchasing Shareholder may purchase shall be reduced on a *pro rata* basis.

- 11.6 On the ROFR Completion Date each Purchasing Shareholder shall purchase, and the Selling Shareholder shall sell with full title guarantee (including full legal and beneficial title) free from all Encumbrances and third party interests, the Offered Shares at the Offered Price and:
- (a) the Selling Shareholder shall deliver a duly executed instrument of transfer in respect of the relevant Offered Shares to each Purchasing Shareholder (or to the Company to be received on trust for such Remaining Shareholder) together with the share certificate in respect thereof (or an indemnity in a form approved by the board in respect of any lost or destroyed certificate); and
  - (b) such Purchasing Shareholder shall pay to the Selling Shareholder (or to the Company to be received on trust for the Selling Shareholder) the aggregate price payable at the Offered Price in respect of the Offered Shares to be so purchased by the Purchasing Shareholder.
- 11.7 If, on or prior to the expiry of the ROFR Exercise Period (or Extended ROFR Exercise Period, as applicable), ROFR Exercise Notices (and Purchasing Shareholder Overallotment Notice, as applicable) in respect of the purchase of all of the Offered Shares have not been received by Selling Shareholder then the Selling Shareholder shall not be required to sell any Offered Shares to any Remaining Shareholders. The Selling Shareholder may, at any time within ninety (90) days after the date of the expiry of the ROFR Exercise Period (the "**Unrestricted Sale Period**") and subject to complying with article 11.10 to 11.15 transfer the Offered Shares to the Transferee at a price greater than or equal to one hundred per cent (100%) of the Offered Price and on other terms that are in the aggregate not more favourable than as set forth in the Transfer Notice.
- 11.8 If, at the end of Unrestricted Sale Period, the Selling Shareholder has not completed the transfer of the Offered Shares, the Selling Shareholder shall no longer be permitted to sell such Offered Shares without again fully complying with the provisions of articles 11.3 to 11.7.
- 11.9 If any regulatory approvals are required for the completion of the transfer of Shares pursuant to articles 11.3 to 11.7, the time period established for the completion of the transfer shall be extended for such period that is the lesser of (i) an additional ninety (90) days or (ii) until five (5) Business Days after the period of time required to obtain such regulatory approvals for such transfer.

#### **Tag Along Right**

- 11.10 Subject to article 11.2, a Shareholder may not Transfer any of its Shares without first complying with articles 11.10 to 11.5. The provisions of this article 11.10 shall apply in respect of a proposed Transfer or series of related Transfers of Shares in accordance with article 11.3 (a "**Triggering Sale**").
- 11.11 No Triggering Sale may be made or validly registered unless the Transferee has irrevocably offered to purchase from the Preferred Shareholders (a "**Tag-Along Offer**") (provided that an such Preferred Shareholder has not exercised its right to purchase such Offered Shares under article 11.3), at the same price per Share and on the same terms as the Transferee has offered to purchase the Offered Shares from the Selling Shareholder:
- (a) all of the Shares owned by the Preferred Shareholder, if the Offered Shares constitute fifty per cent. (50%) or more of all the Ordinary Shares on an As Converted Basis; or
  - (b) a portion of the Shares owned by the Preferred Shareholder equal to its pro rata share of all the Shares of the Company then in issue on an As Converted Basis, if the Offered Shares constitute less fifty per cent. (50%) of all the Ordinary Shares on an As Converted Basis,
- (as applicable, the "**Tag-Along Shares**");
- 11.12 A Tag-Along Offer shall be included in each Transfer Notice. The Preferred Shareholder may give the Selling Shareholder notice in writing (a "**Tag Response**") of its acceptance of the Tag-Along Offer before the expiry of the ROFR Exercise Period, failing which it shall be deemed not to have accepted the Tag-Along Offer.
- 11.13 Failure of the Preferred Shareholder to deliver a Tag Response within the ROFR Exercise Period shall be deemed to be a waiver by the Preferred Shareholder of its right to sell its Tag-Along Shares with respect to the Transfer of Offered Shares specified in the Transfer Notice but not with respect to any subsequent Transfer.
- 11.14 The Preferred Shareholder shall not be required to give any representations or warranties other than warranties in relation to title and capacity.
- 11.15 In the event that the Selling Shareholder fails to comply with any material provision of articles 11.10 to 11.14 including without limitation its obligation to deliver a Tag-Along Offer, or if the Tag-Along Shares are not purchased by the Transferee in accordance with articles 11.10 to 11.14 the Selling Shareholder shall not be permitted to sell any Offered Shares to the Transferee.

#### **Exempt Transfers**

- 11.16 Any Founder shall have the right to Transfer some or all of the Shares then owned by him to another Founder at any time, provided that Vitali Proutski at all times continued to hold no less than fifty per cent. (50%) of the Ordinary Shares.
- 11.17 Any holder of Preferred Shares shall have the right to Transfer all, but not less than all, of the Shares then owned by it to any of its Affiliates at any time if all of the following conditions are met:

- (a) such Shareholder provides evidence reasonably acceptable to the other Shareholders that such person is an Affiliate of such Shareholder;
- (b) the Affiliate executes and delivers a Deed of Adherence.

#### **Completion Requirements**

- 11.18 Any Transfer of Shares (including to a Transferee) in accordance with these articles comply with this articles 11.19 to 11.21.
- 11.19 At the completion of any Transfer, the Shareholder selling or otherwise transferring Shares shall:
  - (a) Transfer the Shares free from Encumbrances by way of a duly completed share transfer form to the relevant buyer together with the relevant share certificate (if certificated) and such other documents as the buyer may reasonably require to show good title to the Shares or enable it to be registered as the holder of the Shares; and
  - (b) deliver the resignations of any directors appointed by the selling party to take effect at completion, which shall include acknowledgements that such directors have no claims against the Company.
- 11.20 At the relevant completion the relevant buyer shall pay the purchase price by wire transfer of immediately available funds to the account of the selling party.
- 11.21 The party buying the Shares is not obliged to complete the purchase of any of the Shares being sold unless the purchase of all the Shares being sold is completed simultaneously.

#### **12 DRAG ALONG**

- 12.1 Notwithstanding any other provision of these articles, in the event that both a Preferred Supermajority and the directors unanimously approve a transaction that constitutes a Business Sale, each of the Shareholders undertakes to vote in favour of such transaction and take all Necessary Action to procure that the Company:
  - (a) completes such transaction as soon as reasonably practicable, provided that the liability of each Shareholder in connection with such transaction shall:
    - (i) be several (and not joint and several); and
    - (ii) in respect of any claim arising from such transaction, not exceed its pro rata portion of the Shares on an As Converted Basis and in no event exceed the amount of proceeds received by such Shareholder in accordance with this article 12.1(a); and
  - (b) distributes the proceeds of such transaction to the Shareholders consistent with article 7.1.
- 12.2 Notwithstanding any other provision of these articles, in the event that both a Preferred Supermajority and the board unanimously approve a transaction that constitutes a Share Sale, each of the Shareholders undertakes to sell its Shares and take all Necessary Action to:

- (a) complete such transaction as soon as reasonably practicable, provided that the liability of each Shareholder in connection with such transaction shall:
  - (i) be several (and not joint and several); and
  - (ii) in respect of any claim arising from such transaction, not exceed its pro rata portion of the Shares on an As Converted Basis and in no event exceed the amount of proceeds received by such Shareholder in accordance with this article 12.2; and
- (b) agree that the sale price of its Shares in connection with such transaction will be calculated consistent with article 7.1 such that each Preferred Shareholder shall receive the benefit of its liquidation preference.

### **PART 3**

#### **DIRECTORS**

##### **13 DIRECTORS' GENERAL AUTHORITY**

Subject to the articles and the terms of any shareholders' agreement in force from time to time, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

##### **14 DIRECTORS' DUTIES**

- 14.1 A director will not breach his duty to exercise independent judgment if he acts in accordance with a direction from the shareholder who appointed him or takes into account the interests of the shareholder who appointed him.
- 14.2 In the exercise of his duties, a director shall not be restricted by any duty of confidentiality to the Company from providing information regarding the Company to his appointing shareholder, but a director who is also a director of the shareholder who appointed him shall owe a strict duty of confidentiality to his appointing shareholder in relation to confidential information of the shareholder.

##### **15 DIRECTORS MAY DELEGATE**

- 15.1 Subject to the articles and the terms of any shareholders' agreement in force from time to time, the directors may delegate any of the powers which are conferred on them under the articles:
  - (a) to such person or committee;
  - (b) by such means (including by power of attorney);
  - (c) to such an extent;
  - (d) in relation to such matters or territories; and
  - (e) on such terms and conditions;

as they think fit.

15.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

15.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

## **16 COMMITTEES**

16.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.

16.2 Subject to the terms of any shareholders' agreement in force from time to time, the directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

## **17 DECISION MAKING BY DIRECTORS**

17.1 Subject to the terms of any shareholders' agreement in force from time to time, the Company shall have a board comprised of up to three (3) directors nominated by the Shareholders as follows:

- (a) the Rusbio shall have the right to nominate one (1) director (the "**Preferred Director**");
- (b) the Founders shall have the right to collectively nominate one (1) director (the "**Ordinary Director**"); and
- (c) the Preferred Shareholders (excluding Rusbio) shall together have the right to collectively nominate one (1) director.

17.2 At a meeting of directors, each director has one vote.

17.3 Subject to the terms of any shareholders' agreement in force from time to time, resolutions of the board shall be passed upon the approval of a simple majority (over 50%) of the directors attending.

17.4 A decision of the directors may also be 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.

17.5 Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.

17.6 References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.

17.7 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.

## **18 CALLING A DIRECTORS' MEETING**

- 18.1 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.
- 18.2 At least five (5) Business Days' notice of a meeting of the board is given to all directors entitled to receive notice accompanied by:
- (a) an agenda specifying in reasonable detail the matters to be raised at the meeting; and
  - (b) copies of any papers to be discussed at the meeting.
- 18.3 A shorter period of notice of a meeting of the board may be given if either:
- (a) the directors unanimously agree; or
  - (b) the interests of the Company would be likely to be adversely affected to a material extent if the business to be conducted by the board were not dealt with as a matter of urgency.

## **19 QUORUM FOR DIRECTORS' MEETINGS**

- 19.1 Subject to the terms of any shareholders' agreement in force from time to time, the quorum at any meeting of the directors (including adjourned meetings) shall be the Ordinary Director (or his or her alternate) and the Preferred Director (or his or her alternate).
- 19.2 No business shall be conducted at any meeting of the board unless a quorum is present at the beginning of the meeting and at the time when there is to be voting on any business.
- 19.3 If a quorum is not present within thirty (30) minutes after the time specified for board meeting in the notice of the meeting then it shall be adjourned for at least two (2) Business Days at the same time and place.

## **20 PARTICIPATION IN DIRECTORS' MEETINGS**

- 20.1 Subject to the articles, directors **"participate"** in a directors' meeting, or part of a directors' meeting, when:
- (a) the meeting has been called and takes place in accordance with the articles; and
  - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 20.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other and, for the avoidance of doubt, any or all of the directors can take part in a directors' meeting by way of a video or web conference or conference telephone, or similar equipment.
- 20.3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

## **21 CHAIRING OF DIRECTORS' MEETINGS**

- 21.1 Subject to the terms of any shareholders' agreement in force from time to time, the shareholders may appoint a director to chair their meetings.
- 21.2 The person so appointed for the time being is known as the "**chairman**".
- 21.3 The chairman is not entitled to a second or casting vote.
- 21.4 Subject to the terms of any shareholders' agreement in force from time to time, the directors may terminate the chairman's appointment at any time.

## **22 DIRECTORS' INTERESTS**

- 22.1 Subject to the Companies Acts and to the disclosure of his interests in accordance with the Companies Acts, a director, notwithstanding his office, may:
- (a) be counted as participating in the decision-making process for quorum or voting purposes in circumstances where a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the Company in which the director is interested (whether directly or indirectly); and
  - (b) enter into or otherwise be interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested and he shall not be liable to account to the Company for any profit, remuneration or other benefit derived from any such office, employment, contract, arrangement, transaction or proposal and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any such interest or benefit.

## **23 RECORDS OF DECISIONS TO BE KEPT**

The directors must ensure that the Company keeps a record, in writing, for at least ten (10) years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

## **24 DIRECTORS' DISCRETION TO MAKE FURTHER RULES**

Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

## **25 REMOVAL OF DIRECTORS**

- 25.1 A director nominated by the Founders or the Preferred Shareholders shall be removed by the nominating shareholder giving notice to the Company and each other shareholder. The removal takes effect on the date on which the notice is received by the Company or, if a later date is given in the notice, on that date.
- 25.2 A person ceases to be a director as soon as:
- (a) that person ceases to be a director by virtue of any provision of the Companies Act or is prohibited from being a director by law;

- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three (3) months; or
- (e) notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

## **26 DIRECTORS' REMUNERATION**

- 26.1 Subject to the terms of any shareholders' agreement in force from time to time, directors may undertake any services for the Company that the directors decide.
- 26.2 Subject to the terms of any shareholders' agreement in force from time to time, directors are entitled to such remuneration as the directors determine:
- (a) for their services to the Company as directors; and
  - (b) for any other service which they undertake for the Company.
- 26.3 Subject to the articles, a director's remuneration may:
- (a) take any form; and
  - (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- 26.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- 26.5 Unless the directors decide otherwise, directors are not accountable to the Company for any remuneration which they receive as directors or other officers or employees of the Company's Subsidiaries or of any other body corporate in which the Company is interested.

## **27 DIRECTORS' EXPENSES**

Subject to the terms of any shareholders' agreement in force from time to time, the Company may pay any reasonable expenses which the directors properly incur in connection with their attendance at:

- (a) meetings of directors or committees of directors;
- (b) general meetings; or
- (c) separate meetings of the holders of any class of Shares or of debentures of the Company;



or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

## **28 ALTERNATE DIRECTORS**

28.1 Subject to the terms of any shareholders' agreement in force from time to time, any director (the "**appointor**") may appoint as an alternate any director of a shareholder or of any subsidiary of a shareholder, or any other person 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.

28.2 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.

28.3 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.

28.4 Subject to the articles, an alternate may act as an alternate director to one director only and has the same rights, in relation to any decision of the directors as the alternate's appointor.

28.5 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, each alternate director shall be entitled to receive notice of all directors' meetings.

28.6 Subject to the articles, 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); and
- (b) may otherwise participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision and is not participating).

28.7 No alternate may be counted as more than one director for such purposes.

28.8 Subject to the articles, a director who is also an alternate director has an additional vote at a directors' meeting on behalf of each appointor who is:

- (a) not participating in the directors' meeting; and
- (b) would have been an eligible director if he were participating in it.

No alternate may be counted as more than one director for the purpose of determining whether a quorum is present.

28.9 Subject to any other decision by the directors, 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.

#### **PART 4**

#### **SHARES AND DISTRIBUTIONS**

#### **29 ALL SHARES TO BE FULLY PAID UP**

29.1 No Share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue.

#### **30 DIRECTORS' POWERS TO ALLOT SHARES**

In accordance with the provisions of section 550 of the Companies Act 2006 and subject to the terms of any shareholders' agreement in force from time to time, the directors may exercise any power of the Company:

- (a) to allot Shares; or
- (b) to grant rights to subscribe for or to convert any security into such Shares,

and any such allotment may be made as if section 561 of the Companies Act 2006 (*existing shareholders' right of pre-emption*) did not apply to such allotment.

#### **31 COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS**

Except as required by law, no person is to be recognised by the Company as holding any Share upon any trust, and except as otherwise required by law or the articles, the Company is not in any way to be bound by or recognise any interest in a Share other than the holder's absolute ownership of it and all the rights attaching to it.

## **32 SHARE CERTIFICATES**

- 32.1 The Company must issue each shareholder, free of charge, with one or more certificates in respect of the Shares which that shareholder holds.
- 32.2 Every certificate must specify:
- (a) in respect of how many Shares, of what class, it is issued;
  - (b) the nominal value of those Shares;
  - (c) that the Shares are fully paid; and
  - (d) any distinguishing numbers assigned to them.
- 32.3 No certificate may be issued in respect of shares of more than one class.
- 32.4 If more than one person holds a share, only one certificate may be issued in respect of it.
- 32.5 Certificates must:
- (a) have affixed to them the Company's common seal; or
  - (b) be otherwise executed in accordance with the Companies Acts.

## **33 REPLACEMENT SHARE CERTIFICATES**

- 33.1 If a certificate issued in respect of a shareholder's Shares is:
- (a) damaged or defaced; or
  - (b) said to be lost, stolen or destroyed;
- that shareholder is entitled to be issued with a replacement certificate in respect of the same Shares.
- 33.2 A shareholder exercising the right to be issued with such a replacement certificate:
- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
  - (b) must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
  - (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

## **34 SHARE TRANSFERS**

- 34.1 Subject to the terms of any shareholders' agreement in force from time to time, Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.

- 34.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 34.3 The Company may retain any instrument of transfer which is registered.
- 34.4 The transferor remains the holder of a Share until the transferee's name is entered in the register of members as holder of it.
- 34.5 Subject to the terms of any shareholders' agreement in force from time to time, the directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

### **35 TRANSMISSION OF SHARES**

- 35.1 If title to a Share passes to a transmittee, the Company may only recognise the transmittee as having any title to that share.
- 35.2 A transmittee who produces such evidence of entitlement to Shares as the directors may properly require:
- (a) may, subject to the articles, choose either to become the holder of those Shares or to have them transferred to another person; and
  - (b) subject to the articles, and pending any transfer of the Shares to another person, has the same rights as the holder had.
- 35.3 But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of Shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those Shares.

### **36 EXERCISE OF TRANSMITTEES' RIGHTS**

- 36.1 Transmittees who wish to become the holders of Shares to which they have become entitled must notify the Company in writing of that wish.
- 36.2 If the transmittee wishes to have a Share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- 36.3 Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

### **37 TRANSMITTEES BOUND BY PRIOR NOTICES**

If a notice is given to a shareholder in respect of Shares and a transmittee is entitled to those Shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members.

### **38 PROCEDURE FOR DECLARING DIVIDENDS**

- 38.1 Subject to the terms of any shareholders' agreement in force from time to time, the Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 38.2 A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- 38.3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- 38.4 Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which Shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of Shares on the date of the resolution or decision to declare or pay it.

### **39 PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS**

- 39.1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:
- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
  - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;
  - (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
  - (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.
- 39.2 In the articles, "**distribution recipient**" means, in respect of a Share in respect of which a dividend or other sum is payable:
- (a) the holder of the share; or
  - (b) if the Share has two or more joint holders, whichever of them is named first in the register of members; or
  - (c) if the holder is no longer entitled to the Share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

### **40 NO INTEREST ON DISTRIBUTIONS**

- 40.1 The Company may not pay interest on any dividend or other sum payable in respect of a Share unless otherwise provided by:

- (a) the terms on which the Share was issued; or
- (b) the provisions of another agreement between the holder of that Share and the Company.

#### **41 UNCLAIMED DISTRIBUTIONS**

##### **41.1 All dividends or other sums which are:**

- (a) payable in respect of Shares; and
- (b) unclaimed after having been declared or become payable;

may be invested or otherwise made use of by the directors for the benefit of the Company until claimed.

##### **41.2 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it, if:**

- (a) twelve (12) years have passed from the date on which a dividend or other sum became due for payment; and
- (b) the distribution recipient has not claimed it;

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

#### **42 NON-CASH DISTRIBUTIONS**

##### **42.1 Subject to the terms of issue of the Share in question and the terms of any shareholders' agreement in force from time to time, the Company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a Share by transferring non-cash assets of equivalent value (including, without limitation, Shares or other securities in any company).**

##### **42.2 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:**

- (a) fixing the value of any assets;
- (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
- (c) vesting any assets in trustees.

#### **43 WAIVER OF DISTRIBUTIONS**

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a Share by giving the Company notice in writing to that effect, but if:

- (a) the Share has more than one holder; or

- (b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders; or otherwise;

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

#### **44 AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS**

44.1 Subject to the articles and the terms of any shareholders' agreement in force from time to time, the directors may, if they are so authorised by an ordinary resolution:

- (a) decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve; and
- (b) appropriate any sum which they so decide to capitalise (a "**capitalised sum**") to the persons who would have been entitled to it if it were distributed by way of dividend (the "**persons entitled**") and in the same proportions.

44.2 Capitalised sums must be applied:

- (a) on behalf of the persons entitled; and
- (b) in the same proportions as a dividend would have been distributed to them.

44.3 Any capitalised sum may be applied in paying up new Shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

44.4 A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct.

44.5 Subject to the articles and the terms of any shareholders' agreement in force from time to time, the directors may:

- (a) apply capitalised sums in accordance with articles 44.3 and 44.4 partly in one way and partly in another;
- (b) make such arrangements as they think fit to deal with Shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
- (c) authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of Shares and debentures to them under this article.

## **PART 5**

### **DECISION MAKING BY SHAREHOLDERS**

#### **45 ATTENDANCE AND SPEAKING AT GENERAL MEETINGS**

- 45.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 45.2 A person is able to exercise the right to vote at a general meeting when:
- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
  - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 45.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 45.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- 45.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

#### **46 QUORUM FOR GENERAL MEETINGS**

- 46.1 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.
- 46.2 Subject to the terms of any shareholders' agreement in force from time to time, the quorum for a meeting of shareholders shall be a majority of the holders of the Preferred Shares, a majority of the holders of the Ordinary Shares, the Ordinary Director (or his or her alternate) and the Preferred Director (or his or her alternate).

#### **47 CHAIRING GENERAL MEETINGS**

- 47.1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- 47.2 If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:
- (a) the directors present; or
  - (b) (if no directors are present), the meeting;



must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

- 47.3 The person chairing a meeting in accordance with this article is referred to as **"the chairman of the meeting"**.

#### **48 ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS**

- 48.1 Directors may attend and speak at general meetings, whether or not they are shareholders.

- 48.2 The chairman of the meeting may permit other persons who are not:

- (a) shareholders of the Company; or
- (b) otherwise entitled to exercise the rights of shareholders in relation to general meetings;

to attend and speak at a general meeting.

#### **49 ADJOURNMENT**

- 49.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

- 49.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:

- (a) the meeting consents to an adjournment; or
- (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

- 49.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

- 49.4 When adjourning a general meeting, the chairman of the meeting must:

- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors; and
- (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

- 49.5 If the continuation of an adjourned meeting is to take place more than fourteen (14) days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):

- (a) to the same persons to whom notice of the Company's general meetings is required to be given; and

(b) containing the same information which such notice is required to contain.

49.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

## **50 DECISIONS**

Subject to the terms of any shareholders' agreement in force from time to time, resolutions proposed at a general meeting of the Company (on a show of hands or on a poll) or by written resolution shall be passed by a simple majority.

## **51 VOTING**

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.

## **52 ERRORS AND DISPUTES**

52.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

52.2 Any such objection must be referred to the chairman of the meeting, whose decision is final.

## **53 POLL VOTES**

53.1 A poll on a resolution may be demanded:

- (a) in advance of the general meeting where it is to be put to the vote; or
- (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

53.2 A poll may be demanded by:

- (a) the chairman of the meeting;
- (b) the directors; or
- (c) any holder of Preferred Shares.

53.3 A demand for a poll may be withdrawn if:

- (a) the poll has not yet been taken; and
- (b) the chairman of the meeting consents to the withdrawal.

53.4 Polls must be taken immediately and in such manner as the chairman of the meeting directs.

## **54 CONTENT OF PROXY NOTICES**

54.1 Proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which:

- (a) states the name and address of the shareholder appointing the proxy;
- (b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
- (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
- (d) is delivered to the Company in accordance with the articles and any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate.

54.2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

54.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

54.4 Unless a proxy notice indicates otherwise, it must be treated as:

- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
- (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

## **55 DELIVERY OF PROXY NOTICES**

55.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.

55.2 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

55.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

55.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

## **56 AMENDMENTS TO RESOLUTIONS**

56.1 An ordinary resolution to be proposed at a general meeting may be amended by an ordinary resolution if:

- (a) notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine); and
  - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 56.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
  - (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
  - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 56.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

## **PART 6**

### **ADMINISTRATIVE ARRANGEMENTS**

#### **57 MEANS OF COMMUNICATION TO BE USED**

- 57.1 Subject to the articles, anything sent or supplied by or to the Company under the articles may be sent or supplied in any way in which the Companies Act provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.
- 57.2 A document or information sent or supplied by the Company in electronic form shall be deemed to have been received by the intended recipient on the day following that on which the document or information was sent. Proof that a document or information in electronic form was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators from time to time shall be conclusive evidence that the document or information was served.
- 57.3 Where a document or information is sent by post (whether in hard copy or electronic form) to an address outside the United Kingdom, it is deemed to have been received by the intended recipient at the expiration of seven days after it was posted.
- 57.4 Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- 57.5 A director may agree with the Company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than provided for in the articles.

## **58 COMPANY SEALS**

- 58.1 Any common seal may only be used by the authority of the directors.
- 58.2 The directors may decide by what means and in what form any common seal is to be used.
- 58.3 Unless otherwise decided by the directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- 58.4 For the purposes of this article, an authorised person is:
- (a) any director of the Company;
  - (b) the company secretary (if any); or
  - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

## **59 NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS**

Except as provided by law or the terms of any shareholders' agreement in force from time to time, or authorised by the directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a shareholder.

## **60 PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS**

Subject to the terms of any shareholders' agreement in force from time to time, the directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its Subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that Subsidiary.

## **61 DIRECTORS' INDEMNITY AND INSURANCE**

- 61.1 Subject to paragraph 61.2 and the terms of any shareholders' agreement in force from time to time, a relevant director of the Company or an associated company may be indemnified out of the Company's assets against:
- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company;
  - (b) any liability incurred by that director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006); and
  - (c) any other liability incurred by that director as an officer of the Company or an associated company.

61.2 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.

61.3 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant director in respect of any relevant loss.

61.4 In this article:

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate;
- (b) a **"relevant director"** means any director or former director of the Company or an associated company; and
- (c) a **"relevant loss"** means any loss or liability which has been or may be incurred by a relevant director in connection with that director'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.