

Notice of annual general meeting

NOTICE IS HEREBY GIVEN that the annual general meeting of ReNeuron Group plc (incorporated and registered in England and Wales with registered no. 5474163) (the "Company") will be held at the offices of Covington & Burling LLP, 265 Strand, London WC2R 1BH on 12 September 2018 at 10.00 a.m. to consider and, if thought fit, pass the following resolutions, of which Resolutions 1 to 7 and 9 will be proposed as ordinary resolutions and Resolutions 8 and 10 will be proposed as special resolutions.

Ordinary business

1. To receive and adopt the Company's Annual Report and Accounts for the financial year ended 31 March 2018 and the Directors' Report, and the Independent Auditors' Report on those accounts.
2. To reappoint as a Director Olav Hellebø, who is retiring by rotation in accordance with Article 122 of the Company's articles of association and who, being eligible, is offering himself for reappointment.
3. To reappoint as a Director Michael Hunt, who is retiring by rotation in accordance with Article 122 of the Company's articles of association and who, being eligible, is offering himself for reappointment.
4. To reappoint as a Director Dr Tim Corn, who is retiring by rotation in accordance with Article 122 of the Company's articles of association and who, being eligible, is offering himself for reappointment.
5. To reappoint Dr Claudia D'Augusta as a Director, who having been appointed by the Board since the last annual general meeting of the Company, is retiring in accordance with Article 114 of the Company's articles of association and who, being eligible, is offering herself for reappointment.
6. To reappoint PricewaterhouseCoopers LLP as auditors of the Company from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the Company at which accounts are laid and to authorise the Directors to determine the remuneration of the auditors.

Special business

7. That the Directors of the Company be and are hereby generally and unconditionally authorised, pursuant to Section 551 of the Companies Act 2006 (the "2006 Act") to:
 - (a) allot Ordinary shares and to grant rights to subscribe for or to convert any security into Ordinary shares in the Company (all of which shares and rights are hereafter referred to as "Relevant Securities") representing up to £105,487 in nominal value in aggregate of shares; and
 - (b) allot Relevant Securities (other than pursuant to paragraph (a) above) representing up to £105,487 in nominal value in aggregate of shares in connection with a rights issue, open offer, scrip dividend, scheme or other pre-emptive offer to holders of Ordinary shares where such issue, offer, dividend, scheme or other allotment is proportionate (as nearly as may be) to the respective number of Ordinary shares held by them on a fixed record date (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with legal or practical problems under the laws of any overseas territory, the requirements of any regulatory body or any stock exchange in any territory, in relation to fractional entitlements, or any other matter which the Directors consider merits any such exclusion or other arrangements),

provided that in each case such authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) 15 months after the date of the passing of this resolution or at the conclusion of the next annual general meeting of the Company following the passing of this resolution, whichever occurs first, save that the Company may before such expiry, variation or revocation make an offer or agreement which would or might require such Relevant Securities to be allotted after such expiry, variation or revocation and the Directors may allot Relevant Securities pursuant to such an offer or agreement as if the authority conferred hereby had not expired or been varied or revoked.

8. That the Directors are hereby empowered pursuant to Section 570 of the 2006 Act:
 - (a) subject to and conditionally upon the passing of Resolution 7 to allot equity securities (as defined by Section 560 of the 2006 Act) for cash pursuant to the authority conferred by Resolution 7 as if Section 561 of the 2006 Act did not apply to such allotment; and
 - (b) to sell Ordinary shares if, immediately before such sale, such shares are held as treasury shares (within the meaning of Section 724 of the 2006 Act) as if Section 561 of the 2006 Act did not apply to such sale, provided that such powers:
 - (1) shall be limited to:
 - (i) the allotment of equity securities (or sale of Ordinary shares) representing up to £105,487 in nominal value in aggregate of shares pursuant to the authority conferred by paragraph (b) of Resolution 7; and
 - (ii) the allotment of equity securities (or sale of Ordinary shares), otherwise than pursuant to sub-paragraph (i) above, representing up to £31,646 in nominal value in aggregate of shares (and including, for the avoidance of doubt, in connection with the grant of options (or other rights to acquire Ordinary shares) in accordance with the rules of the Company's share option schemes (as varied from time to time) or otherwise to employees, consultants and/or Directors of the Company and/or any of its subsidiaries); and
 - (2) shall expire 15 months after the passing of this resolution or at the conclusion of the next annual general meeting of the Company following the passing of this resolution, whichever occurs first, but so that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require equity securities to be allotted (or Ordinary shares to be sold) after such expiry, revocation or variation and the Directors may allot equity securities (or sell Ordinary shares) in pursuance of such offer or agreement as if such powers had not expired or been revoked or varied.
9. That the establishment of the ReNeuron Group plc US Incentive Stock Option Plan, the principal provisions of which are set out in summary in Appendix I be and is hereby approved and the Directors be and are hereby authorised to do all acts and all things necessary to establish and carry it into effect.
10. That with effect from the conclusion of the annual general meeting, the draft articles of association produced to the annual general meeting and for the purpose of identification initialled by the Chairman, be adopted as the new articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.

19 July 2018

By order of the Board



Michael Hunt
Company Secretary

Registered office
Pencoed Business Park
Pencoed
Bridgend
CF35 5HY
United Kingdom

Notice of annual general meeting

continued

Notes

- (1) In this Notice "Ordinary shares" shall mean Ordinary shares in the capital of the Company, having a nominal value of 1.0 pence per share.
- (2) A shareholder entitled to attend and vote at the meeting is also entitled to appoint one or more proxies to attend, speak and vote on a show of hands and on a poll instead of him or her. A proxy need not be a member of the Company. Where a shareholder appoints more than one proxy, each proxy must be appointed in respect of different shares comprised in his or her shareholding which must be identified on the Form of Proxy. Each such proxy will have the right to vote on a poll in respect of the number of votes attaching to the number of shares in respect of which the proxy has been appointed. Where more than one joint shareholder purports to appoint a proxy in respect of the same shares, only the appointment by the most senior shareholder will be accepted as determined by the order in which their names appear in the Company's register of members. If you wish your proxy to speak at the meeting, you should appoint a proxy other than the Chairman of the meeting and give your instructions to that proxy.
- (3) A corporation which is a shareholder may appoint one or more corporate representatives who have one vote each on a show of hands and otherwise may exercise on behalf of the shareholder all of its powers as a shareholder provided that they do not do so in different ways in respect of the same shares.
- (4) To be effective, an instrument appointing a proxy and any authority under which it is executed (or a notarially certified copy of such authority) must be deposited at the offices of Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, by no later than 10.00 a.m. on 10 September 2018 except that should the meeting be adjourned, such deposit may be made not later than 48 hours before the time of the adjourned meeting, provided that the Directors may in their discretion determine that in calculating any such period no account shall be taken of any day that is not a working day. A Form of Proxy is enclosed with this Notice. Shareholders who intend to appoint more than one proxy may photocopy the Form of Proxy prior to completion. Alternatively, additional Forms of Proxy may be obtained by contacting Computershare Investor Services PLC on 0370 707 1272. The Forms of Proxy should be returned in the same envelope and each should indicate that it is one of more than one appointments being made. Completion and return of the Form of Proxy will not preclude shareholders from attending and voting in person at the meeting.
- (5) A "Vote withheld" option has been included on the Form of Proxy. The legal effect of choosing the "Vote withheld" option on any resolution is that the shareholder concerned will be treated as not having voted on the relevant resolution. The number of votes in respect of which there are abstentions will, however, be counted and recorded, but disregarded in calculating the number of votes for or against each resolution.
- (6) In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the register of members of the Company as at the close of business on the day which is two working days before the day of the meeting shall be entitled to attend or vote (whether in person or by proxy) at the meeting in respect of the number of shares registered in their names at the relevant time. Changes after the relevant time will be disregarded in determining the rights of any person to attend or vote at the meeting.
- (7) A copy of the Company's proposed US Incentive Stock Option Plan to be adopted pursuant to Resolution 9 will be available for inspection free of charge during normal business hours on any business day at the Company's registered office, Pencoed Business Park, Pencoed, Bridgend, Wales CF35 5HY and at the offices of Covington & Burling LLP, 265 Strand, London WC2R 1BH from the date of this Notice until the time of the annual general meeting and at the place of the annual general meeting for at least 15 minutes prior to and during the annual general meeting.
- (8) A copy of the new articles of association of the Company to be adopted pursuant to Resolution 10, marked up to show the changes being proposed, will be available for inspection free of charge during normal business hours on any business day at the Company's registered office, Pencoed Business Park, Pencoed, Bridgend, Wales CF35 5HY and at the offices of Covington & Burling LLP, 265 Strand, London WC2R 1BH from the date of this Notice until the time of the annual general meeting and at the place of the annual general meeting for at least 15 minutes prior to and during the annual general meeting.

Explanatory notes to the business of the annual general meeting

Resolution 1

The Company's Annual Report and Accounts for the financial year ended on 31 March 2018 and the Directors' Report and the Independent Auditors' Report on those accounts will be presented to shareholders for approval.

Resolutions 2, 3 and 4

Article 122 of the Company's articles of association requires that at every annual general meeting of the Company at least one third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one third) shall retire from office by rotation and that all Directors holding office at the start of business on the date of this Notice, and who also held office at the time of both of the two immediately preceding annual general meetings and did not retire at either such meeting, shall retire from office and shall be counted in the number required to retire at the annual general meeting. Having so retired by rotation in accordance with Article 122, the following Directors are standing for reappointment by the shareholders at the annual general meeting:

- Olav Hellebø, who is the Chief Executive Officer of the Company;
- Michael Hunt, who is the Chief Financial Officer of the Company;
- Dr Tim Corn, who is a Non-executive Director of the Company.

Resolution 5

In accordance with Article 114 of the Company's articles of association, every Director who has been appointed since the last annual general meeting of the Company is required to retire from office. Dr Claudia D'Augusta, having been appointed as a Director since the last annual general meeting therefore retires, and being eligible, offers herself for reappointment by the shareholders at the annual General Meeting.

Resolution 6

At every annual general meeting at which accounts are presented to shareholders, the Company is required to appoint auditors to serve until the next such annual general meeting. PricewaterhouseCoopers LLP have confirmed that they are willing to continue as the Company's auditors for the next financial year. The Company's shareholders are asked to reappoint them and to authorise the Directors to determine their remuneration, which will, in accordance with the Company's practice concerning good corporate governance, be subject to the recommendation of the Audit Committee.

Resolution 7

This resolution seeks to authorise the Directors to allot shares, subject to the normal pre-emption rights reserved to shareholders contained in the 2006 Act. The Investment Association ("IA") regards as routine a request by a company seeking an annual authority to allot new shares in an amount of up to a third of the existing issued share capital. In addition, the IA will also regard as routine a request for authority to allot up to a further third of the existing issued share capital provided such additional third is reserved for fully pre-emptive rights issues. Resolution 7 seeks to reflect the spirit of the IA's recommendations, though sub-paragraph (b) of Resolution 7 covers a broader range of offers, issues and allotments. The limits imposed under sub-paragraphs (a) and (b) of Resolution 7 each represent one third of the existing issued share capital of the Company.

Explanatory notes to the business of the annual general meeting

continued

Resolution 8

Pursuant to Section 561 of the 2006 Act existing shareholders of the Company have a right of pre-emption in relation to future issues of shares. Sub-paragraph (1)(i) of Resolution 8 allows the disapplication of pre-emption rights to allow the issue of shares to existing shareholders, for example, by way of a rights issue or open offer. The limit imposed in respect of the general disapplication pursuant to sub-paragraph 1(ii) of Resolution 8 represents 10% of the existing issued share capital of the Company. The Directors consider it important that they have the authority set out in sub-paragraph (1)(ii), which would allow them to issue shares in connection with the grant of options (or other rights to acquire Ordinary shares) in accordance with the rules of the Company's share option schemes and more generally for other purposes.

Resolution 9

The Company is seeking shareholder approval for a new US Incentive Stock Option Plan (the "ISO Plan") for the Group's US employees. The ISO Plan provides for employees to be granted options to acquire ordinary shares in the Company, including options that are intended to qualify as "incentive stock options" under Section 422 of the US Internal Revenue Code of 1986. Incentive stock options may offer tax-favoured compensation to participants who are US taxpayers. In order for incentive stock options to be granted under the ISO Plan, the ISO Plan must be approved by the shareholders of the Company within 12 months prior to or after the date the ISO Plan is adopted. A more detailed summary of the main features of the ISO Plan is set out in Appendix I to this document. The Remuneration Committee considers that the ISO Plan is designed to provide an appropriate incentive for employees to encourage them to acquire shares in the Company.

Resolution 10

Pursuant to Resolution 10, the Company is proposing to adopt new articles of association in substitution for the existing articles of association, principally for the purposes of increasing the cap on the annual aggregate fees that may be paid to Directors for their services as Directors (which has not been revised for many years) and enabling the Company to take advantage of developments in the use of electronic communications since the Company's current articles of association were first adopted. It is anticipated that the use of electronic communications will allow the Company to reduce paper usage (as well as printing and posting costs) and it is better for many shareholders who can choose and access just the information they need from the website at any time. A summary of the proposed substantive amendments to the Company's existing articles of association is included at Appendix II hereto.

Appendix I

SUMMARY OF THE PRINCIPAL TERMS OF THE PROPOSED RENEURON GROUP PLC US INCENTIVE STOCK OPTION PLAN (THE "ISO PLAN")

The ISO Plan provides for eligible employees to be granted options to acquire ordinary shares in the Company (each, an "Option"), including options that are intended to be incentive stock options within the meaning of Section 422 of the US Internal Revenue Code of 1986 (each, an "Incentive Stock Option") and options that are not intended to be incentive stock options (each, a "Nonqualified Stock Option"). To the extent that any Option does not qualify as an Incentive Stock Option, it shall be deemed a Nonqualified Stock Option. At the end of a performance period, an Option will normally vest and become exercisable. The vesting of the Option may be subject to the satisfaction of performance conditions. Shares will not be issued or transferred until after the Option has been exercised.

1. Eligibility and grant procedure

Executive Directors and other employees of the Company and its subsidiaries (the "Group") may be chosen to participate in the ISO Plan at the discretion of the Remuneration Committee (the "Committee").

Options can be granted by the Committee at any time following the adoption date except that no Options may be granted while the Company is in a closed period.

No Options can be granted more than ten years following the earlier of the date the ISO Plan is adopted by the Company or is approved by shareholders.

Options can only be granted to individuals who are employed with the Group on the date the Option is granted

No consideration is required for the grant of Options.

The ISO Plan is administered by the Committee.

2. Plan limits

The maximum aggregate number of shares available to be issued through Options under the ISO Plan is a number of shares that represents 3% of the total issued share capital outstanding at the date the ISO Plan is adopted by the Committee. Each share available for issuance through an Option under the ISO Plan may be issued through an Incentive Stock Option.

3. Individual limit

Each Option shall be designated in the applicable award agreement as either an Incentive Stock Option or a Nonqualified Stock Option. However, notwithstanding such designation, to the extent that the aggregate fair market value of the shares with respect to which Incentive Stock Options are exercisable for the first time by the grantee during any calendar year exceeds \$100,000, such Options shall be treated as Nonqualified Stock Options. For the purposes of this rule, the fair market value of the shares shall be determined as of the time the Option with respect to such shares is granted.

4. Exercise price

The exercise price of an Option shall be not less than the fair value of the shares subject to the Option at the date of grant of the Option. The exercise price of an Incentive Stock Option granted to an employee who owns more than 10% of the total combined voting power of all classes of stock of the Company or any of its subsidiaries shall be not less than 110% of the fair value of the shares subject to the Incentive Stock Option at the date of grant of the Incentive Stock Option.

5. Performance conditions

An Option may be subject to performance conditions, which the Committee anticipates will be measured over three years. To the extent that the performance conditions are not satisfied, the Option will lapse.

6. Cessation of employment

Options granted to participants will typically lapse on cessation of employment unless the participant leaves by reason of injury, ill-health or disability, redundancy, retirement, the employing Company being transferred outside the Group, being employed in an undertaking or part of an undertaking which is transferred outside of the Group or in other circumstances at the discretion of the Committee ("Good Leavers").

Good Leavers will be able to exercise their Options during the period of three months from the date of cessation of employment.

If an employee dies, his or her Option will vest and be exercisable during the period of 12 months from the date of death.

Appendix I continued

In the aforementioned circumstances, the Committee will determine the extent to which an Option shall vest having regard to the extent that the performance conditions are met by that date, and the proportion of the performance period that has elapsed and any other factors they consider relevant.

If a participant leaves the Group otherwise than by reason of death or becoming a Good Leaver, Options will lapse on cessation of employment.

Notwithstanding the above, no Option shall be exercisable on or after the tenth anniversary of its grant date, and an Incentive Stock Option granted to an employee who owns more than 10% of the total combined voting power of all classes of stock of the Company or any of its subsidiaries shall not be exercisable on or after the fifth anniversary of its grant date.

7. Change of control or other early vesting events

In the event of a change of control of the Company, the Committee may determine, with the acquiring company's agreement, that an Option shall be replaced with an equivalent Option over shares in another company (generally the acquiring company). Where the original Option was subject to performance conditions, any such replacement Options would (unless the acquiring company decides otherwise) be subject to performance conditions which the acquiring company considers equivalent to those applicable to the original Options.

If no replacement Option is granted, the Committee will determine the extent to which an Option vests having regard to the extent that the performance conditions are met at the date of the change of control and the proportion of the performance period that has elapsed. Any unvested or unexercised portion of an Option will be cancelled upon a change of control of the Company unless the Committee determines otherwise.

Options will also vest early on a voluntary winding-up of the Company. The Committee will determine the extent to which an Option will vest having regard to the extent that the performance conditions are met by that date and the proportion of the performance period that has elapsed. Any unvested or unexercised portion of an Option will be cancelled upon a voluntary winding-up of the Company unless the Committee determines otherwise.

8. Rights attaching to shares

Options will not confer any shareholder rights until the Option has been exercised and the participants have been registered as the owners of shares. Participants will therefore have no entitlement to dividends and no voting rights in respect of the shares prior to the Option being exercised.

All shares allotted under the ISO Plan will carry the same rights as any other issued ordinary shares in the Company and application will be made for admission to the AIM market operated by the London Stock Exchange plc of any new shares issued under the ISO Plan.

Options are not pensionable. Gains made on the exercise of Options will not be taken into account when calculating pensionable remuneration.

Options granted under the ISO Plan may not be assigned or transferred except on a participant's death. If a participant ceases employment he will not be entitled to compensation for the loss of his Option.

9. Adjustment of Options

If there is a variation in the share capital of the Company (including without limitation a capitalisation, rights issue, open offer, consolidation, subdivision or reduction of capital, a capital distribution, demerger or other event having a material impact on the value of the shares), the shares under Option and/or the exercise price may be adjusted as the Committee reasonably considers appropriate to reflect that variation.

10. Alterations to the ISO Plan

The Committee may amend the rules of the ISO Plan provided that no amendment may have a material adverse effect on a participant with a subsisting option except with the consent of the participant or participants who hold the majority, by number of shares subject to award, of the subsisting options affected by the amendment.

Any amendment increasing the maximum number of shares that may be issued under the ISO Plan, changing the employees eligible to receive Incentive Stock Options under the ISO Plan, or changing the class of corporation that may be participating subsidiaries will be subject to approval by the shareholders of the Company.

Appendix II

SUMMARY OF THE PROPOSED SUBSTANTIVE AMENDMENTS TO THE COMPANY'S EXISTING ARTICLES OF ASSOCIATION

1. Companies Acts

Since the Company's articles were initially adopted in August 2005, the Companies Act 2006 (the "2006 Act") has been enacted as the primary source of company law for companies registered in England & Wales. The existing articles of association of the Company (the "Existing Articles") continue to make reference to the Companies Act 1985 and the Companies Act 1989, which were largely repealed by the 2006 Act, and the proposed new articles of association of the Company (the "New Articles") have been updated to make reference to the applicable provisions of the 2006 Act now in force.

2. Memorandum

The Company's Existing Articles continue to make reference to the Company's memorandum of association. As of 1 October 2009 all provisions of the Company's memorandum of association are, by virtue of the enactment of the 2006 Act, to be treated as forming part of the Company's articles of association. For this reason the Company is proposing to remove all references to the memorandum of association in the New Articles.

3. Directors' fees

Article 134 of the Company's Existing Articles specifies a cap on the annual sum of fees that may be paid to Directors for their services as Directors of £200,000 per annum in aggregate. Article 134 of the New Articles specifies a cap on the annual sum of fees that may be paid to Directors for their services as Directors of £400,000 per annum in aggregate. The cap in the Existing Articles has been in place for many years and could potentially restrict the Board's ability to appoint the best board members available. The proposed cap of £400,000 is in line with other comparable companies listed on AIM and will provide flexibility to respond to competitive and market conditions and in structuring the fees of individual Directors. The cap in the Existing Articles may also restrict the ability to appoint additional Directors and, therefore, increasing the cap should provide the Board with additional flexibility and facilitate the effective review and management of the composition of the Board. The cap does not apply to the remuneration of the executive Directors, or to any additional fees paid to any other Directors in respect of services that are outside the scope of the ordinary duties of a Director.

4. Strategic reports

The New Articles contain a specific provision, in accordance with the terms of sections 426 and 426A of the 2006 Act, that a strategic report (together with the necessary supplementary material) may be provided to shareholders instead of a copy of the Company's annual report and accounts. This replaces the equivalent provision in the Existing Articles which referred to a summary financial statement under the 2006 Act before the legislation was changed to require the provision of a strategic report to shareholders in place of a summary financial statement.

5. Electronic communications

Provisions of the 2006 Act enable companies to communicate with members by electronic and/or website communications. The New Articles allow communications to members in electronic form and, in addition, they also permit the Company to take advantage of provisions relating to website communications. Before the Company can communicate with a member by means of website communication, the relevant member must be asked individually by the Company to agree that the Company may send or supply documents or information to him by means of a website, and the Company must either have received a positive response or have received no response within the period of 28 days beginning with the date on which the request was sent (the "Consent Letter"). The Company has enclosed a copy of the Consent Letter with this Notice. The Company will notify members (either in writing, or by other permitted means) when a relevant document or information is placed on the website and a member can always request a hard copy version of the document or information.

6. General

Generally the opportunity has been taken to update, as necessary, statutory references included in the New Articles.