
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): July 10, 2015

Celsus Therapeutics Plc

(Exact Name of Registrant as Specified in its Charter)

England and Wales
(State or Other Jurisdiction
of Incorporation)

001-36288
(Commission
File Number)

98-1034922
(IRS Employer
Identification No.)

The Gridiron Building
One Pancras Square
C/O Pearl Cohen Zedek Latzer Baratz UK LLP
London, N1C 4AG, United Kingdom
(Address of Principal Executive Offices)

Registrant's telephone number, including area code +44-203-318-3004

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

Share Exchange Agreement

On July 10, 2015, Celsus Therapeutics Plc, a company organized under the laws of England and Wales (the “Company”), entered into a Share Exchange Agreement (the “Acquisition Agreement”) with RPC Pharma Limited, a Maltese corporation (“RPC”), the sole shareholder of Volution Immuno Pharmaceuticals SA (“Volution”), a private, Swiss-based, clinical stage biotechnology company that is focused on developing anti-complement and anti-inflammatory molecules as treatments for a wide range of rare and orphan conditions in the autoimmune and inflammatory diseases sectors.

Upon the terms and subject to the satisfaction of the conditions described in the Acquisition Agreement, including approval of the transaction by the Company’s shareholders, the Company will acquire the entire issued share capital of Volution, with Volution becoming a wholly-owned subsidiary of the Company (the “Acquisition”).

RPC, as the sole Volution shareholder, will receive shares of the Company’s ordinary shares, par value £0.01 (“Ordinary Shares”), in exchange for shares of Volution at the exchange ratio set forth in the Acquisition Agreement. Under this exchange ratio described in the Acquisition Agreement, immediately following the Acquisition, RPC, the former sole Volution shareholder, will own 91.68% of the aggregate number of Company Ordinary Shares on a fully diluted basis, and the securityholders of the Company as of immediately prior to the Acquisition will own 8.32% of the aggregate number of Company Ordinary Shares on a fully diluted basis. The exchange ratio takes into account, among other things, the shares issuable upon exercise of options and warrants of the Company outstanding as of immediately prior to the effective time of the Acquisition.

Following the Acquisition, the Company’s Chief Executive Officer, Gur Roshwalb, M.D., will be the combined company’s Chief Executive Officer, and the Company’s corporate headquarters will be located at 24 West 40th Street, 8th Floor, New York, NY 10018. Additionally, following the Acquisition, the board of directors of the combined company will consist of Ray Prudo, as Executive Chairman, and Clive Richardson of Volution, and Mark Cohen, as Vice Chairman, Gur Roshwalb, Allan Shaw, David Sidransky and Johnson Lau of Celsus.

The Acquisition Agreement contains customary representations, warranties and covenants made by the Company and Volution, including covenants relating to the Company’s and Volution’s conduct of their respective businesses between the date of signing the Acquisition Agreement and the closing of the Acquisition.

The authorization and issuance of the Company Ordinary Shares in the Acquisition, changing the name of the Company to Akari Therapeutics Plc and the election of the new Volution appointed directors are subject to approval by the Company’s shareholders. The Acquisition is subject to other customary closing conditions, including, among other things, the approval by NASDAQ of the listing application to list the Company’s American depository shares (“ADSs”) representing the Ordinary Shares to be issued to RPC, no general suspension of trading of the New York Stock Exchange or the NASDAQ stock market, the board of directors of RPC being satisfied that the Company can be financed at levels and on terms satisfactory to them, neither the Company nor RPC having accepted a Third Party Offer (as defined therein) and the Company’s ADSs remaining listed on the NASDAQ Capital Market.

The Acquisition Agreement may be terminated only (i) if the conditions are not satisfied by the date which is four months from the date of the Acquisition Agreement (or such later date agreed between the Company and RPC); (ii) by one party if there has been a material breach of the warranties given by the other at signing; (iii) by one party if an event occurs in relation to the other party which would have been a material breach of warranty by the other party had its warranties been repeated at all times up to the effective time of the Acquisition; or (iv) by one party if there is a material breach of the conduct provisions applicable between signing and the effective time of the Acquisition Agreement by the other party. Upon termination of the Acquisition Agreement for the Company’s failure to obtain the required approval of its shareholders, or if the Company’s board removes its recommendation of the transaction, the Company is obligated to pay RPC a termination fee of \$6,000,000. If the Acquisition Agreement is terminated because one party accepts a Third Party Offer (as defined therein), such party is obliged to pay a termination fee of \$6,000,000 to the other party. If RPC terminates the Acquisition Agreement because its board is not satisfied that the Company can be financed at levels and on terms satisfactory to it and that party accepts a Third Party Offer within 6 months of such termination, RPC is obliged to pay a termination fee of \$6,000,000 to the Company.

Lock-Up Agreement

As a condition to the closing of the Acquisition, RPC, Volution's sole shareholder will enter into a lock-up agreement, pursuant to which such RPC will agree not to sell or transfer, or engage in swap or similar transactions with respect to, the Company's Ordinary Shares, including, as applicable, shares received in the Acquisition and issuable upon exercise of certain warrants and options from the completion of the Acquisition until 180 days from the completion of the Acquisition.

Relationship Agreement

As a condition to the closing of the Acquisition, the Company and RPC entered into a Relationship Agreement, which provides, subject to closing of the Acquisition, the right for RPC to appoint the following number of directors to the Company's board of Directors in relation to the percentage of the Company's Ordinary Shares held in aggregate by RPC from time to time: (i) two class A directors if RPC holds 25% or more of the Company's Ordinary Shares; (ii) one class A director if RPC holds 10% or more but less than 25% of the Company's Ordinary Shares; and (iii) no Directors if RPC holds less than 10% of the Company's Ordinary Shares.

Additionally, where such right to appoint a director falls away, RPC is obliged to procure the resignation of the relevant director as soon as practicably possible thereafter at no cost to the Company. Unless otherwise agreed by the Company's board of directors, the directors appointed by RPC shall be class A directors.

Subject to such designated directors meeting NASDAQ and SEC requirements to sit on such committees, each of the audit committee, nomination committee and the compensation committee of the Company shall comprise at least one director designated to serve on such committee by RPC. Appointments by RPC are subject to NASDAQ and SEC requirements from time to time.

Working Capital Agreement

Prior to the closing of the Acquisition, Volution and certain shareholders are expected to provide one or more working capital advances, which will be contracted on the same or similar terms to the working capital advance agreement to provide funding for Volution's working capital up to the closing of the Acquisition for an amount up to \$4,000,000 in the aggregate. The key terms of the working capital advances will be as follows: interest on sums advanced will accrue at 3% per annum on the amounts outstanding from time to time; and the advance is expected to be repayable shortly after completion of the Acquisition. Accordingly, it is expected that when the funding is repaid, Volution will be a wholly-owned subsidiary of the Company and the repayment will be funded by the combined company.

Other

The Acquisition Agreement has been included to provide the Company's shareholders with information regarding its terms. The assertions embodied in the representations and warranties contained in the Acquisition Agreement are qualified by information in confidential disclosure schedules delivered by the parties in connection with the signing of the Acquisition Agreement. Moreover, certain representations and warranties contained in the Acquisition Agreement were made as of a specified date; may have been made for the purposes of allocating contractual risk between the parties to the Acquisition Agreement; and may be subject to contractual standards of materiality different from what might be viewed as material to the Company's shareholders. Accordingly, the representations and warranties in the Acquisition Agreement should not be relied on by any persons as characterizations of the actual state of facts and circumstances of the Company at the time they were made and should consider the information in the Acquisition Agreement in conjunction with the entirety of the factual disclosure about the Company in the Company's public reports filed with the SEC. Information concerning the subject matter of the representations and warranties may change after the date of the Acquisition Agreement, which subsequent information may or may not be fully reflected in the Company's public disclosures. The Acquisition Agreement should not be read alone, but should instead be read in conjunction with each other and other information regarding the Company.

Item 3.02 Unregistered Sales of Equity Securities.

Pursuant to the Acquisition Agreement, the Company will issue Company Ordinary Shares to RPC, the sole shareholder of Volution. The number of Ordinary Shares to be issued, the nature of the transaction and the nature and amount of consideration received by the Company are described in Item 1.01 of this Form 8-K, which is incorporated by reference into this Item 3.02.

The shares to be issued by the Company in the Acquisition will be issued in a private placement exempt from registration under Section 4(a)(2) of the Act and Regulation S promulgated thereunder, because the offer and sale of such securities will be made to a non-U.S. person (as that term is defined in Regulation S under the Act) in an offshore transaction.

Item 5.01 Changes in Control of Registrant.

The completion of the Acquisition will constitute a change in control of the Company. The Acquisition is described in Item 1.01 of this Form 8-K, which is incorporated by reference into this Item 5.01.

Item 5.02 Departure of Directors of Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The Acquisition Agreement provides that at and immediately after the effective time of the Acquisition, the officers of the combined company will include Gur Roshwalb, M.D., Chief Executive Officer, Dov Elefant, Chief Financial Officer, and Clive Richardson, Chief Operations Officer. Ray Prudo, M.D. will become the Company's Executive Chairman. Upon completion of the Acquisition, Gur Roshwalb, M.D. will continue to assume the role of Principal Executive Officer of the Company and the duties of Principal Financial and Accounting Officer will continue to be performed by Dov Elefant.

Ray Prudo, M.D., age 70, has been an active investor and developer of healthcare companies for 25 years. Dr. Prudo has been Founder, Chairman, and Chief Executive Officer of Volution and its predecessor company, Varleigh Immuno Pharmaceuticals, since inception in 2008. He is currently a board member of several UK healthcare companies. Dr. Prudo holds an MBBS from the University of London, and an FRCP(C) from the Royal College of Physicians and Surgeons of Canada.

Clive Richardson, age 50, is currently Head of Operations for Volution, a position he has held since January 2014. Prior his current position, Mr. Richardson served as consultant to Varleigh Immuno Pharmaceuticals since inception in 2008. Prior to working for Volution and Varleigh, Mr. Richardson served as a member of the board of directors for a range of international healthcare companies, including CIS Healthcare Ltd. and Clinisys Ltd. Mr. Richardson was formerly Head of Equities Research for Investec Bank, and worked as a strategy consultant for L.E.K. Consulting. Mr Richardson holds an M.A. in Zoology from Trinity College, Oxford University.

Additionally, following the Acquisition, the board of directors of the combined company will consist of Ray Prudo, as Executive Chairman, and Clive Richardson of Volution, and Mark Cohen, as Vice Chairman, Gur Roshwalb, Allan Shaw, David Sidransky and Johnson Lau of Celsus.

Additional Information and Where to Find It

In connection with the Acquisition, the Company plans to file with the SEC a proxy statement of the Company, as well as other relevant documents concerning the proposed transaction. SHAREHOLDERS ARE URGED TO READ THE PROXY STATEMENT REGARDING THE ACQUISITION WHEN IT BECOMES AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. A free copy of the proxy statement and other filings containing information about the Company and Volution may be obtained at the SEC's Internet site (<http://www.sec.gov>). You will also be able to obtain these documents, free of charge, from the Company at <http://www.celsustx.com/> under the heading "Investor Relations."

The Company and Volution and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the Company's shareholders in connection with the Acquisition. Additional information regarding the interests of those participants and other persons who may be deemed participants in the Acquisition may be obtained by reading the proxy statement regarding the Acquisition when it becomes available. Free copies of this document may be obtained as described in the preceding paragraph. This Form 8-K shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
2.1*	Share Exchange Agreement, dated as of July 10, 2015, by and between Celsus Therapeutics Plc and RPC Pharma Limited.
10.1	Relationship Agreement, dated as of July 10, 2015, by and between Celsus Therapeutics Plc and RPC Pharma Limited.
10.2	Form of Working Capital Agreement, by and between Celsus Therapeutics Plc and RPC Pharma Limited.
10.3	Form of Lock-Up Agreement, by and among Celsus Therapeutics Plc and RPC Pharma Limited.
*	All schedules and exhibits to the Share Exchange Agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished to the Securities and Exchange Commission upon request.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CELSUS THERAPEUTICS PLC

By: /s/ Gur Roshwalb
Name: Gur Roshwalb
Title: Chief Executive Officer

Date: July 13, 2015

DATED JULY 10, 2015

(1) RPC PHARMA LIMITED

-and-

(2) CELSUS THERAPEUTICS PLC

**SHARE EXCHANGE
AGREEMENT**

relating to

the acquisition of the entire issued share capital
of Volution Immuno Pharmaceuticals SA

THIS AGREEMENT is made on July 10, 2015

BETWEEN:

- (1) **RPC PHARMA LIMITED** a company registered in Malta with number C 71159 whose registered office is at Regent House, Office 21, Bisazza Street, Sliema SLM1640, Malta ("**Seller**");
- (2) **CELSUS THERAPEUTICS PLC** a company registered in England with number 05252842 whose registered office is at 42-50 Hersham Road, Walton-on-Thames, Surrey, KT12 1RZ ("**Celsus**").

BACKGROUND:

The Company is incorporated in Switzerland. The Company is wholly owned by the Seller. The Seller has agreed to sell the Volution Shares and Celsus has agreed to purchase the Volution Shares on the terms set out in this agreement.

IT IS HEREBY AGREED:

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this agreement the following words and expressions shall (except where the context otherwise requires) have the following meanings:
 - 1.1.1 "**Accounts Date**" means 31 December 2014;
 - 1.1.2 "**Acquisition**" means the acquisition of the entire issued share capital of the Company by Celsus on the terms of this agreement;
 - 1.1.3 "**Acquisition Dispute**" means any dispute or claim arising out of or in connection with this agreement;
 - 1.1.4 "**Acquisition Documents**" means this agreement, the Celsus Disclosure Letter, the Volution Disclosure Letter and all other documents to be entered into to give effect to the transactions contemplated therein;
 - 1.1.5 "**Acquisition Proposal**" means any offer, proposal, inquiry or indication of interest contemplating or otherwise relating to any Acquisition Transaction;
 - 1.1.6 "**Acquisition Transaction**" means any transaction or series of transactions involving:
 - 1.1.6.1 any merger, consolidation, amalgamation, share exchange, business combination, issuance of securities, acquisition of securities, tender offer, exchange offer or other similar transaction relating to Celsus (or any part of the Celsus Group) or the Seller (or any part of the Volution Group) (as the case may be);
 - 1.1.6.2 any sale, lease, exchange, transfer, license, acquisition or disposition of any business or businesses or assets that constitute or account for 15% or more of the consolidated net revenues, net income or assets of Celsus (or any part of the Celsus Group) or the Seller (or any part of the Volution Group) (as the case may be); or
 - 1.1.6.3 any liquidation or dissolution of Celsus (or any part of its Group) or the Seller (or any part of its Group) (as the case may be);
 - 1.1.7 "**Actual Cash**" means the sum of Celsus cash available at the date of this agreement in actual (unrestricted and restricted) cash in bank and on hand less Unpaid Payables;
 - 1.1.8 "**Approved Person**" means a person nominated by the Seller (following consultation with Celsus) to join the Board who meets the legal and regulatory requirements for a board member of a NASDAQ listed company;
 - 1.1.9 "**Authority**" means any supra-national, national or sub-national authority, commission, department, agency, regulator, regulatory body, court, tribunal or arbitrator in any relevant jurisdiction;

- 1.1.10 **“Board”** means the board of directors of Celsus from time to time;
- 1.1.11 **“Board Changes”** means appointments and resignations from the Board such that, following the Board Changes, the Board is constituted as follows:
- 1.1.11.1 Allan Shaw (or such other Approved Person as the Seller shall notify Celsus in writing prior to the Definitive Proxy Date) as a class A board member who shall also be Chairman of the Audit Committee;
 - 1.1.11.2 David Sidransky (or such other Approved Person as the Seller shall notify Celsus in writing prior to the Definitive Proxy Date) as a class A board member who shall also be Chairman of the Compensation Committee;
 - 1.1.11.3 Johnson Lau (or such other Approved Person as the Seller shall notify Celsus in writing prior to the Definitive Proxy Date) as a class A board member who shall also be a member of both the Compensation Committee and the Audit Committee;
 - 1.1.11.4 Ray Prudo as a class C board member and Executive Chairman;
 - 1.1.11.5 Mark Cohen shall be as a class C board member Vice Chairman and Chairman of the Governance and Nominating Committee;
 - 1.1.11.6 Clive Richardson as a class B director; and
 - 1.1.11.7 Gur Roshwalb as a class B director,
- (each such appointment subject to the terms of the Company’s articles of association);
- 1.1.12 **“Business Day”** means any day, other than a Saturday or Sunday or public holiday in New York, London or Geneva;
- 1.1.13 **“Celsus ADSs”** means American Depositary Shares, each representing 10 Celsus Shares;
- 1.1.14 **“Celsus Balance Sheet”** has the meaning in paragraph 8.1 of schedule 3;
- 1.1.15 **“Celsus Data Room”** means the virtual data room operated and managed by Celsus which contains agreements, notices, schedules, consents, certificates and other documents and information that relates to the Celsus Group and which have, in each case, been made available to the Seller and its representatives and advisers at their request, of which an index is attached to the Celsus Disclosure Letter;
- 1.1.16 **“Celsus Disclosure Letter”** means the letter of the same date as this agreement from Celsus to the Seller making certain exceptions to the Celsus Warranties;
- 1.1.17 **“Celsus Group”** means Celsus and each member of its group as constituted immediately prior to Completion and each a **“Celsus Group Company”**;
- 1.1.18 **“Celsus Financials”** has the meaning in paragraph 8.1 of schedule 3;
- 1.1.19 **“Celsus Fundamental Covenants”** means those obligations of Celsus set out in clauses 5.1 to 5.9 (inclusive);
- 1.1.20 **“Celsus Resolutions”** means the resolutions set out in the notice of general meeting of Celsus contained in the Proxy Statement and **“Resolutions”** shall be construed accordingly;
- 1.1.21 **“Celsus SEC Documents”** means each report, registration statement, proxy statement and other statements, reports, certifications, schedules, exhibits forms and other documents filed by Celsus with the SEC since 31 December 2013 including all amendments or updates thereto;
- 1.1.22 **“Celsus Shareholders”** means registered holders of Celsus Shares immediately prior to Completion;

- 1.1.23 **“Celsus Shares”** means ordinary shares of £0.01 pence each in the capital of Celsus Therapeutics plc;
- 1.1.24 **“Celsus Warranties”** means those warranties to be given by Celsus in schedule 3;
- 1.1.25 **“Claim”** means (i) a claim against the Seller for breach of any of the Seller Warranties or (ii) a claim against Celsus for breach of any of the Celsus Warranties (as the case may be);
- 1.1.26 **“Company”** means Volution Immuno Pharmaceuticals SA, Place Des Eaux Vives 6, Case Postale 3461, Geneve 3 1211, Switzerland;
- 1.1.27 **“Company Balance Sheet”** has the meaning in paragraph 8.1 of schedule 2;
- 1.1.28 **“Company Financials”** has the meaning in paragraph 8.1 of schedule 2;
- 1.1.29 **“Completion”** means the performance of the obligations to complete the sale and purchase of the Volution Shares in accordance with clause 9;
- 1.1.30 **“Completion Date”** means the date on which Completion occurs;
- 1.1.31 **“Conditions”** means the conditions set out in clause 7;
- 1.1.32 **“Consideration”** means the allotment of Celsus Shares as consideration for the sale and purchase of the Volution Shares as stated in clause 5;
- 1.1.33 **“Consideration Shares”** shall have the meaning set out in clause 5.2;
- 1.1.34 **“Continuing Provisions”** means clauses 1, 10, 11, 12, 13, 14 and 15 of this agreement;
- 1.1.35 **“Coversin”** means a recombinant small protein derived from a native protein discovered in the saliva of the Ornithodoros moubata tick;
- 1.1.36 **“Deed of Undertaking”** means the deed containing covenants in the agreed form to be given by the directors of Celsus at the date of this agreement in respect of endeavouring to procure the passing of the Celsus Resolutions;
- 1.1.37 **“Definitive Proxy Date”** means 2 Business Days before the definitive Proxy Statement is filed with the SEC;
- 1.1.38 **“Documents and Records”** means the Company’s documents, records, notebooks, results, agreements, calculations in each case whether electronic or in hard copy;
- 1.1.39 **“Disclosed”** means fairly disclosed (with sufficient detail to enable a reasonable person to understand the scope and nature of the matter being disclosed) in either the Volution Disclosure Letter/Volution Data Room or the Celsus Disclosure Letter/Celsus Data Room (as the case may be);
- 1.1.40 **“Encumbrance”** means any mortgage, security interest, loan, equity, claim, charge, pledge, lien, option, restriction, third party rights, assignment, right to acquire, right of pre-emption or any other form of right, interest, preference, security, encumbrance of any nature in favour of a third party or any agreement, arrangement or obligation to create any of them;
- 1.1.41 **“Exchange Act”** has the meaning in paragraph 8.1 of schedule 2;
- 1.1.42 **“Fully Diluted Share Capital”** means the share capital of a company taking into account its issued share capital and assuming that all warrants, options or other like instruments which require (conditionally or otherwise) a company to issue additional share capital are issued in full but without regard to the Offering;
- 1.1.43 **“Increased Warrant Shares”** has the meaning in clause 5.9;

- 1.1.44 **“IP”** means:
- 1.1.44.1 patent and patent applications, including the subject matter disclosed or covered by the patent applications or patents, concepts, inventions, intellectual property, methods, processes, composition of matters, data and all rights therein (including royalty and enforcement, defence and rights of any kind), know-how, trade secrets, show-how, copyright and related rights, moral rights, registered designs, design rights, database rights, semiconductor topography rights, trade marks and service marks, trade names, business names, brand names, get-up, logos, domain names and URLs, rights in unfair competition, goodwill and rights to sue for passing-off and any other intellectual property rights (in each case, whether or not registered, and including all applications to register and rights to apply to register any of them and all rights to sue for any past or present infringement of them or misappropriation, theft or other unauthorised use); and
 - 1.1.44.2 all rights or forms of protection having equivalent or similar effect in any jurisdiction;
- 1.1.45 **“IP Licenses Out”** has the meaning in paragraph 16.7 of schedule 2;
- 1.1.46 **“Licensed-in IP”** has the meaning in paragraph 16.1 of schedule 2;
- 1.1.47 **“Litigation”** has the meaning in paragraph 27.1 of schedule 2;
- 1.1.48 **“Lock-in Agreement”** means the agreement in the agreed form between Celsus and the Seller in relation to certain restrictions on selling the Consideration Shares;
- 1.1.49 **“Longstop Date”** means the date which is four months following the date of this agreement;
- 1.1.50 **“Material Contract”** has the meaning in paragraph 20.1 of schedule 2;
- 1.1.51 **“NASDAQ”** has the meaning in clause 7.1.7;
- 1.1.52 **“NASDAQ Listing Application”** has the meaning in clause 8.1.1;
- 1.1.53 **“Offering”** means the proposed offering of Celsus Shares which it is intended will take place as soon as practicable following the Completion Date;
- 1.1.54 **“Owned IP”** has the meaning in paragraph 16.1 of schedule 2;
- 1.1.55 **“Pre-closing Period”** means the period of time from the date of this agreement until Completion;
- 1.1.56 **“Product”** means Coversin; any formulation of Coversin; any material or product, or process, method, related to, containing or derived from Coversin; and any product, material, process or method which incorporates or relies on any of the Company’s IP;
- 1.1.57 **“Proxy Statement”** means a proxy statement relating to the general meeting to be held by Celsus in order to consider the resolution detailed at clause 7.1.1;
- 1.1.58 **“Reorganisation Steps Plan”** means the reorganisation steps plan in the agreed form;
- 1.1.59 **“Resignation Letter”** means a resignation letter in the agreed form to be entered into by a Board director following the nomination of an Approved Person by the Buyer pursuant to clause 8.1.4.2 and effective from Completion;
- 1.1.60 **“SEC”** means the United States Securities and Exchange Commission;
- 1.1.61 **“Securities Act”** has the meaning in paragraph 1.5 of schedule 2;
- 1.1.62 **“Seller Fundamental Covenants”** means those covenants in clauses 2.2 and 2.3;
- 1.1.63 **“Seller Warranties”** means those warranties in schedule 2;

- 1.1.64 **“Service Contracts”** means the service contracts in the agreed form between Celsus and each of Gur Roshwalb, Dov Elefant, Clive Richardson, Miles Nunn and Wynne Weston Davis;
- 1.1.65 **“Tax”** means all taxes, levies, duties, imposts, charges and withholdings of any nature whatsoever imposed by any governmental or regulatory authority, body or instrumentality, including (without limitation) taxes on gross or net income, profits or gains, taxes on receipts, sales, use, occupation, franchise, transfer, value added and personal property and social security taxes together with all penalties, charges, additions to tax and interest relating to any of them whether in the United States, United Kingdom, Switzerland or Israel or elsewhere and whenever imposed;
- 1.1.66 **“Tax Authority”** means any governmental entity or authority whatsoever competent to impose Tax whether in the United States, the United Kingdom, Switzerland or Israel or elsewhere;
- 1.1.67 **“Third Party Offer”** means a third party offer for Celsus or the Company (as the case may be).
- 1.1.68 **“Transaction Fees”** means the sum of any costs and fees including the professional and/or advisory fees incurred and either unbilled or billed and outstanding and to be paid by any Celsus Group Company in respect of the period to and including the Completion Date in connection with the transactions contemplated by this agreement (including without limitation, the Offering);
- 1.1.69 **“Unpaid Payables”** means the sum of the unpaid payables of Celsus at the date of this agreement but excluding Transaction Fees in the agreed form and referred to in item 10 of schedule 7;
- 1.1.70 **“US dollars” or “US\$”** means United States dollars or otherwise the lawful currency for the time being of the United States of America;
- 1.1.71 **“US GAAP”** has the meaning in paragraph 8.1 of schedule 2;
- 1.1.72 **“US Person”** has the meaning in paragraph 1.7 of schedule 2;
- 1.1.73 **“Volution Data Room”** means the virtual data room operated and managed by the Seller which contains agreements, notices, schedules, consents, certificates and other documents and information that relates to the Volution Group Companies and which have, in each case, been made available to Celsus and its representatives and advisers at their request, of which an index is attached to the Volution Disclosure Letter;
- 1.1.74 **“Volution Disclosure Letter”** means the letter of the same date as this agreement from the Seller to Celsus making certain exceptions to the Seller Warranties;
- 1.1.75 **“Volution Group”** means the Company and its subsidiary, Volution Immuno Pharmaceutical (UK) Limited and a **“Volution Group Company”**;
- 1.1.76 **“Volution Shares”** means the 1,001,750 shares of 1 Swiss franc each in the capital of the Company being the entire issued share capital of the Company which are to be acquired by Celsus in accordance with this agreement;
- 1.1.77 **“Volution Shareholders”** means Dr. Ray Prudo, Dr. Stuart Ungar, David Neep, David Byrne, Dr. James Hill and Nigel Brooksby, being the shareholders of the Company prior to completion of the Volution Reorganisation; and
- 1.1.78 **“Volution Reorganisation”** means the reorganisation set out in the Reorganisation Steps Plan;
- 1.1.79 **“Warranties”** means the Celsus Warranties and the Seller Warranties;
- 1.1.80 **“Warrant Adjustment”** has the meaning given in clause 5.10;

- 1.1.81 **“Warrant Instrument”** the instrument constituting the Warrants;
- 1.1.82 **“Warrant Shares”** has the meaning in the Warrant Instrument;
- 1.1.83 **“Warrants”** means the warrants to subscribe for shares in the capital of Celsus dated 4 April 2012 held by Iroquois Master Fund Ltd. and Alpha Capital Anstalt;
- 1.1.84 **“Warrant Period”** means the period of time during which the Warrants are outstanding;
- 1.1.85 **“Working Capital Advance”** means one or more advances made by Volution Shareholders (or a subset thereof) to the Company in order to fund the Company’s working capital requirements for a sum of up to US\$4,000,000 prior to the Completion Date pursuant to the terms of the agreement between such parties dated on or about the date of this agreement or on the same or similar terms.
- 1.2 In this agreement (unless the context requires otherwise):
- 1.2.1 the terms “company”, “body corporate”, “subsidiary”, “holding company”, “undertaking”, “subsidiary undertaking”, “parent undertaking”, “debenture”, “paid up” and “officer” have the meanings given to them in the Companies Act 2006; but, for the purposes of section 1159(1) of the Companies Act 2006, a company shall be treated as a member of another company if any shares in that other company are registered in the name of either (a) a person by way of security (where the company has provided the security) or (b) a person as nominee for the company;
- 1.2.2 the term “group” or “Group”, in relation to a body corporate, means the body corporate, any other body corporate which is its holding company or subsidiary, and any other body corporate which is a subsidiary of that holding company;
- 1.2.3 reference to a document or agreement being in the ‘agreed form’ shall mean the relevant document in the form initialled by the Seller and Celsus for the purposes of identification;
- 1.2.4 a person shall be deemed to be connected with another if that person is so connected within the meaning of section 1122 CTA 2010; and
- 1.2.5 “including”, “includes” or “in particular” means including, includes or in particular without limitation.
- 1.3 In this agreement (unless the context requires otherwise), any reference to:
- 1.3.1 any gender includes all genders, and the singular includes the plural (and vice versa);
- 1.3.2 a company includes any company, corporation or body corporate, or any other entity having a separate legal personality; a person includes an individual, company, partnership, unincorporated association or Authority (whether or not having a separate legal personality); and any professional firm or company includes any firm or company effectively succeeding to the whole, or substantially the whole, of its practice or business;
- 1.3.3 any time of day or date is to that time or date in London;
- 1.3.4 a day shall be a period of 24 hours running from midnight to midnight, and days shall be to calendar days unless Business Days are specified;
- 1.3.5 a month or a year shall be to a calendar month or a calendar year respectively;
- 1.3.6 “law” or “laws” includes all applicable laws (whether civil, criminal or administrative), common laws or civil codes, legislation, subordinate legislation, treaties, regulations, directives and bye-laws in any jurisdiction, in each case for the time being in force (whether before, on or after the date of this agreement);

- 1.3.7 legislation or a legislative provision includes the legislation or legislative provision as amended or re-enacted, any legislation or legislative provision which it amends or re-enacts and any subordinate legislation, in each case for the time being in force (whether before, on or after the date of this agreement);
- 1.3.8 any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than England, be deemed to include what most nearly approximates to such English term in such other jurisdiction; and any reference to any specific English law shall be deemed to include any equivalent or similar law in any other jurisdiction; and
- 1.3.9 writing or written includes any method of representing or reproducing words in a legible form.
- 1.4 For the purposes of applying a reference to a monetary sum expressed in any currency, an amount in a different currency shall be deemed to be an amount converted at the closing mid-point spot rate for a transaction between the relevant currencies as quoted by HSBC Bank plc as at the close of business on the Business Day immediately preceding the date of this agreement.
- 1.5 Unless the context requires otherwise, any reference in this agreement to a clause or schedule is to a clause of or schedule to this agreement, any reference to a part or paragraph is to a part or paragraph of a schedule to this agreement, any reference within a schedule to a part is to a part of that schedule, and any reference within a part of a schedule to a paragraph is to a paragraph of that part of that schedule.
- 1.6 This agreement incorporates the schedules to it.
- 1.7 The contents list, headings and any descriptive notes are for ease of reference only and shall not affect the construction or interpretation of this agreement.
- 2. SALE OF VOLUTION SHARES**
- 2.1 The Seller shall sell the Volution Shares and Celsus shall purchase such Volution Shares upon and subject to the terms and conditions of this agreement.
- 2.2 The Seller covenants that the Seller shall sell and Celsus will acquire sole and exclusive ownership of the Volution Shares with full title guarantee free from all Encumbrances whatsoever and together with all rights now or attaching to them at Completion including the right to all dividends declared, made or paid on or after the Completion Date.
- 2.3 The Seller:
- 2.3.1 covenants with Celsus that it has the right to transfer or to procure the transfer of the full legal and beneficial interest in its Volution Shares to Celsus on the terms set out in this agreement;
- 2.3.2 covenants with Celsus that it shall at its own expense do everything required by Celsus from time to time in order to vest any of the Volution Shares in Celsus; and
- 2.3.3 waives any right of pre-emption or other restriction on transfer in respect of the Volution Shares or any of them, and agrees to procure on Completion the irrevocable waiver of any such right or restriction conferred on any other person.
- 3. WARRANTIES**
- 3.1 The Seller warrants to Celsus that the statements set out in schedule 2:
- 3.1.1 are true and accurate as at the date of this agreement; and
- 3.1.2 will be true and accurate immediately before Completion.

For the purposes of clause 3.1.2, any express or implied reference to the date of this agreement in schedule 2 shall be construed as a reference to the Completion Date (and in relation to paragraph 16.2 of schedule 2 reference to “schedule 8” shall be to an updated schedule as at immediately prior to Completion, and delivered to Celsus at that time and, for the purposes of identification only, initialled by or on behalf of Celsus and the Seller).

3.2 Celsus warrants to the Seller that the statements set out in schedule 3:

3.2.1 are true and accurate as at the date of this agreement; and

3.2.2 will be true and accurate immediately before Completion.

For the purposes of clause 3.2.2, any express or implied reference to the date of this agreement in schedule 3 shall be construed as a reference to the Completion Date.

3.3 Each of the Warranties is separate and independent and, unless otherwise expressly provided, the beneficiary of such Warranties shall have a separate claim and right of action in respect of every breach of every Warranty.

3.4 Where a Seller Warranty is qualified by a reference (however expressed) to the knowledge or awareness of the Seller, the Seller shall be deemed to know or be aware of anything which is known to Clive Richardson, Wynne Weston Davies, Miles Nunn, Dr. Ray Prudo and Clare Craig.

3.5 Where a Celsus Warranty is qualified by a reference (however expressed) to the knowledge or awareness of Celsus, Celsus shall be deemed to know or be aware of anything which is known to any of the directors of Celsus.

3.6 Celsus warrants that:

3.6.1 the following statements are true and accurate at the date hereof:

3.6.1.1 Celsus has cash at bank and in hand of not less than \$2,500,000; and

3.6.1.2 the Unpaid Payables is an accurate statement of all amounts, excluding Transaction Fees which are either incurred by Celsus but not invoiced or which have been invoiced to Celsus and not paid.

3.6.2 the following statements will be true and accurate immediately before Completion:

3.6.2.1 the warranty given in clause 3.6.1.2 was materially accurate at the date of this agreement; and

3.6.2.2 the expenditure made or incurred by Celsus since the date of this agreement has been materially consistent with the Celsus cashflow forecast in the Celsus Data Room,

where “materially accurate” and “materially consistent” shall mean within twenty (20) percent.

3.7 No limitations (including those limitations set out in clause 4 and schedule 5) shall apply to any claim made by the Seller pursuant to clause 3.6.

4. LIMITATIONS

4.1 The liability under the Seller Fundamental Covenants and the liability of the Seller in respect of any Claim shall be limited as set out in schedule 4.

4.2 The liability under the Celsus Fundamental Covenants and the liability of the Celsus in respect of any Claim shall be limited as set out in schedule 5.

4.3 Nothing shall operate to exclude or limit any liability of any party that arises or is delayed as a result of the fraud of any that party.

5. CONSIDERATION

- 5.1 The Consideration for the sale of the Volution Shares to be sold by the Seller shall be the allotment and issue, credited as fully paid, to the Seller of Celsus Shares.
- 5.2 Celsus shall issue such number of fully paid up Celsus Shares to the Seller (the “**Consideration Shares**”) so that, once issued:
 - 5.2.1 the Consideration Shares so issued represent 91.68% of Celsus’ Fully Diluted Share Capital at Completion; and
 - 5.2.2 the Celsus Shares held by Celsus Shareholders immediately prior to the issue of the Consideration Shares represent 8.32% of Celsus’ Fully Diluted Share Capital.
- 5.3 The Consideration Shares shall rank *pari passu* in all respects with the Celsus Shares in issue immediately prior to Completion and shall otherwise have the rights and be subject to the restrictions set out Celsus’ articles of association.
- 5.4 Celsus covenants with the Seller as follows:
 - 5.4.1 that the Fully Diluted Share Capital of Celsus at the date of this agreement is as described in Part B of Schedule 1;
 - 5.4.2 the Consideration Shares will represent 91.68 per cent of Celsus’ Fully Diluted Share Capital upon Completion;
 - 5.4.3 that, subject only to the passing of the Celsus Resolutions, it has the right to allot, issue and vest in the Seller the full legal and beneficial interest in the Consideration Shares on the terms set out in this agreement; and
 - 5.4.4 that on or after Completion it will, at its own cost and expense, execute and do (or procure to be executed and done by any other necessary party) all such deeds, documents, acts and things as the Seller may from time to time reasonably require in order to vest any of the Consideration Shares in the Seller.
- 5.5 The Consideration Shares shall be issued free from all Encumbrances.
- 5.6 Celsus shall use all reasonable endeavours to ensure that all Consideration Shares are approved for listing (subject to notice of issuance) on NASDAQ on or as soon as reasonably practicable after their allotment.
- 5.7 Celsus will not consolidate, sub-divide or reorganise its share capital, declare, make or pay any dividend or other distribution or make or agree to make any issue of shares, options or any other securities, exchangeable for or convertible into, or substantially similar to, Celsus Shares or of any rights or securities arising from or attached to any Celsus Shares during or by reference to any period before the issue of the Consideration Shares.
- 5.8 Without the following modifying, amending or affecting such Seller’s right to rely on the truth, accuracy and completeness of all of Celsus’ representations and warranties contained in this agreement or in any Acquisition Document, the Seller understands that the purchase of Celsus Shares involves substantial risk. The Seller has experience as an investor in securities of companies and acknowledges that the Seller can bear the economic risk of its investment in the Celsus Shares and has such knowledge and experience in financial or business matters to be capable of evaluating the merits and risks of this investment in the Celsus Shares and protecting the Seller’s own interests in connection with this investment.
- 5.9 If during the Warrant Period, any holder or holders of the Warrants challenges the value at which the Consideration Shares are issued pursuant to clause 2(b)(iv) of the Warrant Instrument and, as a result of that challenge, the number of Warrant Shares is increased pursuant to clause 2(c) of the Warrant Instrument, (such increase in the number of Warrant Shares being the “**Increased Warrant**”

Shares”), immediately following exercise of the Warrants, Celsus shall issue such number of additional fully paid up Consideration Shares to the Seller as is equal to 11 times the Increased Warrant Shares.

5.10 If after the Completion Date and during the Warrant Period, Celsus shall issue ordinary shares (other than the Consideration Shares) at a price per share lower than the exercise price of the Warrants (such exercise price having been adjusted to take account of any adjustment required because of the issue of the Consideration Shares) and such Celsus share issue triggers an adjustment to the exercise price and/or the number of ordinary shares underlying such Warrants (the **“Warrant Adjustment”**), Celsus shall issue a warrant to the Seller giving the Seller the non-transferable right (conditional only on exercise of the Warrants) to purchase a number of ordinary shares equal to the additional number of ordinary shares that are issued to the holders of the Warrants due to the Warrant Adjustment and exercised. The exercise price of the warrant to be issued to the Seller pursuant to this clause 5.10 shall be:

5.10.1 where the holder of the Warrants exercises the cashless exercise option in the Warrant Instrument, the nominal value of the ordinary shares; and

5.10.2 otherwise at an exercise price equal to the adjusted exercise price of the Warrants.

6. SIGNING DAY DOCUMENTS

6.1 The documents listed in column (1) of Schedule 7 are to be entered into on the date of this agreement by the persons listed in column (2) of Schedule 7. The Seller and Celsus shall use their respective endeavours to ensure that all such documentation is duly entered into by such parties.

6.2 On the date of this agreement, Celsus shall provide bank statements to the Seller to demonstrate that, on the date of this agreement, Celsus has Actual Cash of not less than US\$2,500,000.

7. CONDITIONS

7.1 Without prejudice to clauses 3 and 8 the sale and purchase of the Volution Shares and the issue of the Consideration Shares are conditional on:

7.1.1 the passing of the Celsus Resolutions at the next convened non-annual general meeting of Celsus (or any adjournment thereof provided the adjourned meeting takes place before the Longstop date);

7.1.2 the approval of the NASDAQ Listing Application;

7.1.3 there shall not have occurred any general suspension of trading on the New York Stock Exchange, the NASDAQ Stock Market or any general bank moratorium;

7.1.4 the board of the Seller being satisfied that Celsus can be financed at levels and on terms satisfactory to the Seller’s board;

7.1.5 the board of Celsus not withdrawing its recommendation to Celsus Shareholders to vote in favour of the Resolutions in the absence of an event giving rise to the right of Celsus to exercise its termination right pursuant to clause 8.6 or the board of Celsus recommending, or having accepted, a Third Party Offer for Celsus;

7.1.6 the board of the Seller not having accepted a Third Party Offer for the Company; and

7.1.7 that the existing Celsus ADSs remain (and have been continually between the date of this agreement and Completion) listed on The NASDAQ Capital Market (**“NASDAQ”**).

7.2 If the Conditions shall not have been satisfied by the Longstop Date (or such later date and/or time as the parties to this agreement may agree), the provisions of this agreement other than the Continuing Provisions shall cease to have effect and the obligations of the parties to it shall cease and determine without liability on any party (save for any antecedent breach) on the Business Day immediately following the Longstop Date, unless one of the Conditions is incapable of being satisfied by the Longstop Date, in which case the provisions of this agreement other than the

Continuing Provisions shall automatically cease to have effect and the obligations of the parties to it shall automatically cease and determine without liability on any party (save for any antecedent breach).

- 7.3 Celsus and the Seller shall each use their respective reasonable endeavours to satisfy the Conditions as soon as possible and in any case on or before the Longstop Date or such later date as may be agreed in writing between the parties, it being acknowledged that Celsus shall have primary responsibility for procuring satisfaction of the Conditions in clauses 7.1.1, 7.1.2 and 7.1.7.
- 7.4 Without prejudice to the generality of clause 7.3 above, Celsus shall procure: (i) the filing of the preliminary Proxy Statement with the SEC no later than 15 Business Days following the date of this agreement and (ii) the filing with the SEC and the posting of the definitive Proxy Statement to the Celsus' shareholders, each as soon as reasonably practicable and in any event within 10 Business Days after notification from the SEC that it has completed its review and shall ensure that the Celsus Resolutions are put to its shareholders at a duly convened general meeting no later than 45 days after posting and shall use all reasonable endeavours to procure the passing of the Celsus Resolutions. Celsus shall keep the Seller informed about any matter, circumstance or thing (including without limitation any correspondence from the SEC) that might arise during the process being the subject matter of this clause.

8. PRE-COMPLETION MATTERS

8.1 Operations pending Completion

Pending Completion, the Seller shall procure that each Volution Group Company shall, subject to clause 8.3, continue to operate in the ordinary course of business consistent with past practice, while maintaining its Documents and Records, preserving the value of its assets, goodwill and current business relationships and maintaining its trading and financial position, and in accordance with all applicable laws.

8.2 Restrictions pending Completion

Pending Completion, the Seller shall procure that (subject to clause 8.3 and to the extent permitted by applicable competition laws) no Volution Group Company shall or shall agree to (whether conditionally or not):

- 8.2.1 change its issued share capital in any way (including the creation of new shares, the redemption or repurchase of shares or any reduction of capital) or any rights attached to any of its shares;
- 8.2.2 change any existing or grant any new option or right to subscribe for any shares or other securities convertible into shares;
- 8.2.3 declare, pay or make any dividend or other distribution or capitalise any reserves;
- 8.2.4 change its constitutional or governing documents;
- 8.2.5 pass any resolution of its shareholders or any class of its shareholders;
- 8.2.6 change its auditors, the date to which its annual accounts are prepared or its accounting policies, principles, estimation techniques, measurement bases, practices or procedures;
- 8.2.7 enter into any kind of insolvency process or any arrangement with its creditors generally;
- 8.2.8 undertake any merger, demerger or any other kind of business combination or reorganisation;
- 8.2.9 acquire or dispose of:
 - 8.2.9.1 any shares or any other interest in any company, business or partnership;
 - 8.2.9.2 any real estate or interest in real estate;

- 8.2.9.3 any material IP; or
- 8.2.9.4 any other material asset;
- 8.2.10 grant any interest, licence, option in any material IP or Product it owns;
- 8.2.11 cancel, abandon, or fail to renew or respond to any registration of any material registered IP it owns;
- 8.2.12 create any Encumbrance over any of its material assets or undertaking;
- 8.2.13 enter into, amend or terminate any agreement or arrangement with the Seller or any Volution Shareholder or any of their respective connected persons;
- 8.2.14 waive any amounts owed to it by, or any rights it has against, the Seller, any Volution Shareholder or any of their respective connected persons;
- 8.2.15 enter into, amend or terminate any joint venture or partnership arrangement;
- 8.2.16 enter into, amend or terminate any material contract or arrangement, including any contract or arrangement that:
 - 8.2.16.1 involves expenditure or liabilities in excess of US\$2,000,000;
 - 8.2.16.2 relates to the Company's IP or any Product;
- 8.2.17 incur any capital expenditure which, when aggregated with all capital expenditure incurred by it and all other Volution Group Companies since the date of this agreement, exceeds US\$2,000,000;
- 8.2.18 incur any borrowings (except borrowings in the ordinary course of business not exceeding US\$100,000 under facilities available to it at the date of this agreement (as set out in the Volution Disclosure Letter));
- 8.2.19 make any loan;
- 8.2.20 give any guarantee or indemnity in relation to the obligations or liabilities of any other person;
- 8.2.21 cancel or fail to renew any of its insurance policies or do or omit to do anything which would make any such policy void or voidable;
- 8.2.22 commence or settle any dispute or legal or arbitral proceedings involving an amount in excess of US\$100,000 (except when required by insurers or for routine debt collection in the ordinary course of business), or waive any right in relation to any such dispute or proceedings;
- 8.2.23 engage, or (except for serious misconduct) dismiss or give notice of dismissal to, any employee whose basic salary is in excess of US\$200,000 per annum;
- 8.2.24 make any material changes to the terms and conditions of employment (including remuneration and benefits) of any of its officers or employees; or
- 8.2.25 make any disclosure to, agreement with or filings with any Authority.

8.3 Permitted actions

Clauses 8.1 and 8.2 shall not restrict or prevent any Volution Group Company from doing anything:

- 8.3.1 to drawdown the Working Capital Advance in accordance with its terms;
- 8.3.2 to implement the Volution Reorganisation in accordance with the Reorganisation Steps Plan;
- 8.3.3 required by, or to give effect to, any Acquisition Document;
- 8.3.4 with Celsus' prior written consent; or

8.3.5 to comply with any applicable law (provided always that, where practicable, before taking any action which would otherwise be a breach of this agreement in order to comply with applicable law, the Seller shall provide notice of the intended action to Celsus and take account of Celsus reasonable requests and comments in relation to the proposed course of action).

8.4 Information and access

Pending Completion, the Seller shall procure that each Volution Group Company shall:

- 8.4.1 keep Celsus informed about matters of material importance to its business;
- 8.4.2 promptly provide such information about its business, assets and affairs to Celsus as it reasonably requests; and
- 8.4.3 (subject to reasonable prior notice having been given) allow Celsus and its representatives reasonable access to its premises, books and records and senior personnel during normal business hours.

8.5 Restrictions on Celsus

Celsus covenants with the Seller in terms of the provisions of clauses 8.1 to 8.4 (inclusive) as if it was named in place of the Company therein save that:

- 8.5.1 with the consent of the Seller (not to be unreasonably withheld or delayed) Celsus may abandon certain IP assets;
- 8.5.2 Celsus may terminate the employment of certain employees provided that any termination payments which are in excess of their legal entitlement are agreed with the Seller;
- 8.5.3 Celsus may grant options over up to 2,928,310 Celsus Shares from its existing share options pool;
- 8.5.4 Celsus will put in place tail directors and officers insurance on such terms as are reasonably available in the market; and
- 8.5.5 Celsus will undertake certain activities in connection with the transactions contemplated by this agreement and the Offering in coordination with the Seller.

8.6 Celsus pre-completion termination

Celsus may terminate this agreement at any time before Completion by notice to the Seller if Celsus considers, acting reasonably, that:

- 8.6.1 there has been a material breach of any Seller Warranty;
- 8.6.2 something has occurred which would have been a material breach of any Seller Warranty if the Seller Warranties given by the Seller had been repeated at all times up to Completion by reference to the circumstances then subsisting; or
- 8.6.3 there has been a material breach by the Seller of clause 8.1 or 8.2.

8.7 Seller pre-completion termination

The Seller may terminate this agreement at any time before Completion by notice to Celsus if the Seller considers, acting reasonably, that:

- 8.7.1 there has been a material breach of any Celsus Warranty;
- 8.7.2 something has occurred which would have been a material breach of any Celsus Warranty if the Celsus Warranties had been repeated at all times up to Completion by reference to the circumstances then subsisting; or
- 8.7.3 there has been a material breach by Celsus of clause 8.1 or 8.2.

8.8 Notification of changes

Each party shall notify the other (“**Notified Party**”) promptly if it becomes aware of anything which may give the Notified Party a right to terminate this agreement under clause 8.6 or 8.7 (as the case may be). Any notification shall contain, so far as is practicable, sufficient detail to enable the Notified Party to make a reasonable assessment of the situation and its likely effect. If requested by the Notified Party, Celsus or the Seller (as the case may be) shall promptly use its reasonable endeavours to prevent, remedy or otherwise minimise the effects of anything so notified.

8.9 Non-Solicitation by the Seller

The Seller shall immediately cease and cause to be terminated any existing discussions with any person that relate to any Acquisition Proposal and during the Pre-Closing Period, the Seller will not and procure that no Volution Group Company will directly or indirectly:

- 8.9.1 solicit, initiate, knowingly encourage, induce or facilitate the making, submission or announcement of any Acquisition Proposal or take any action that would reasonably be expected to lead to an Acquisition Proposal;
- 8.9.2 furnish any non-public information regarding any Volution Group Company to any person in connection with or in response to an Acquisition Proposal or an inquiry or indication of interest that could lead to an Acquisition Proposal;
- 8.9.3 engage in discussions or negotiations with any person with respect to any Acquisition Proposal;
- 8.9.4 approve, endorse or recommend any Acquisition Proposal; or
- 8.9.5 enter into any letter of intent or similar document or any agreement contemplating or otherwise relating to any Acquisition Transaction

provided this clause 8.9 will not prohibit the Seller from:

- 8.9.6 furnishing information regarding any Volution Group Company to, or entering into discussions with, any person in response to an Acquisition Proposal that, after consultation with a financial advisor and outside legal counsel, the Board of the Seller determines in good faith is, or would reasonably be expected to result in, a Third Party Offer (and is not withdrawn); and
- 8.9.7 taking any action which the Board of the Seller concludes in good faith, after having taken into account the advice of its outside legal counsel, that is required in order for the Board of the Seller to comply with its fiduciary duties to the Seller’s shareholders.

8.10 Non-Solicitation by Celsus

- 8.10.1 During the Pre-Closing Period, Celsus will not and procure that none of its subsidiaries will directly or indirectly:
 - 8.10.1.1 solicit, initiate, knowingly encourage, induce or facilitate the making, submission or announcement of any Acquisition Proposal or take any action that would reasonably be expected to lead to an Acquisition Proposal;
 - 8.10.1.2 furnish any non-public information regarding the Celsus Group to any person in connection with or in response to an Acquisition Proposal or an inquiry or indication of interest that could lead to an Acquisition Proposal;
 - 8.10.1.3 engage in discussions or negotiations with any person with respect to any Acquisition Proposal;
 - 8.10.1.4 approve, endorse or recommend any Acquisition Proposal; or

8.10.1.5 enter into any letter of intent or similar document or any agreement contemplating or otherwise relating to any Acquisition Transaction;

provided, however, this clause 8.10 will not prohibit Celsus from:

8.10.1.6 furnishing non-public information regarding the Celsus Group to, or entering into discussions with, any person in response to an Acquisition Proposal that, after consultation with a financial advisor and outside legal counsel, the Board determines in good faith is, or would reasonably be expected to result in, a Third Party Offer (and is not withdrawn); and

8.10.1.7 taking any action which the Board concludes in good faith, after having taken into account the advice of its outside legal counsel, that is required in order for the Board to comply with its fiduciary obligations to Celsus' shareholders.

8.10.2 Celsus will immediately cease and cause to be terminated any existing discussions with any person that relate to any Acquisition Proposal.

8.11 Listing of Celsus Shares

Celsus will promptly (i) to the extent required by the rules and regulations of NASDAQ, prepare and submit to NASDAQ a notification form for the listing of the Celsus ADSs representing the Consideration Shares, pay any fee required in connection therewith and use its commercially reasonable efforts to cause such Celsus ADSs to be approved for listing (subject to notice of issuance), and (ii) to the extent required by Nasdaq Marketplace Rule 5110, file an initial listing application for the Celsus ADSs representing the Consideration Shares on NASDAQ (the "**Nasdaq Listing Application**"), pay any fee required in connection therewith and use its commercially reasonable efforts to cause such Nasdaq Listing Application to be conditionally approved prior to Completion. The Seller will cooperate with Celsus as reasonably requested by Celsus to cause the Nasdaq Listing Application to be approved by NASDAQ and will promptly furnish to Celsus all information concerning the Volution Group Companies and their shareholders that may be required or reasonably requested in connection with any action contemplated by this clause.

8.12 Offering

8.12.1 The parties will cooperate with each other in the structure and preparation of documentation for the Offering.

8.12.2 The Working Capital Advance shall be repaid by Celsus to the Volution Shareholders (or the relevant subset thereof) from the proceeds of the Offering no later than seven (7) days from the Offering.

8.13 SEC Documents

Celsus shall timely file with the SEC all reports and other documents required to be filed under the Securities Act or the Exchange Act. All such reports and documents (i) shall not, as of the date of such filing, contain any untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, and (ii) shall comply as to form, in all material respects, with the applicable rules and regulations of the SEC. Celsus agrees to provide to the Seller copies of all reports and other documents filed or furnished under the Securities Act or Exchange Act with the SEC by it between the date hereof and the Completion, to the extent such reports and other documentation are not publicly available on EDGAR, within two (2) days after the date such reports or other documents are filed or furnished with the SEC.

8.14 Board Changes

8.14.1 Subject to clause 8.14.2, with effect from Completion the Board shall be constituted by those individuals set out in the Board Changes.

8.14.2 The Seller can notify Celsus in writing of any Approved Person the Seller wishes to nominate as a Board director in place of Messrs Shaw, Sidransky or Lau (or any combination of them) prior to the Definitive Proxy Date, and Celsus shall procure that the relevant Board director enters into a Resignation Letter to take effect on Completion.

9. COMPLETION

- 9.1 Completion shall take place at the offices of Celsus's solicitors (or such other place as the parties may agree) on the first Business Day after the day on which the Conditions have become satisfied.
- 9.2 On the date of Completion, the parties shall comply with their respective obligations set out in schedule 6.
- 9.3 The Seller and Celsus each confirm their respective agreement that, as soon as reasonably practicable after Completion, Volution Immuno Pharmaceutical (UK) Limited will undergo a reorganisation of its contracts, assets and liabilities and subsequently be made dormant and, following expiry of the necessary time periods, will be wound up and dissolved.

10. EFFECT OF TERMINATION

- 10.1 If this agreement terminates automatically under clause 7.2, or is terminated pursuant to clauses 8.6 or 8.7, then each party's further rights, obligations and liabilities under this agreement shall cease immediately on termination, except for:
- 10.1.1 each party's accrued rights (including the right to claim any remedy for breach or non-performance), obligations and liabilities as at the date of termination; and
- 10.1.2 each party's continuing rights, obligations and liabilities under the Continuing Provisions.
- 10.2 Provided that this agreement has not previously been terminated because of the condition set out in clause 7.1.5 not being satisfied or is incapable of being satisfied, if this agreement terminates because of Celsus' failure to satisfy the condition set out in clause 7.1.1 by the Longstop Date Celsus shall pay to the Seller a termination fee equal to the Seller's reasonably incurred professional fees incurred in connection with the negotiation of this agreement and the transactions contemplated by this agreement within three days of a written demand to do so and provision of reasonable evidence of the fees incurred by the Seller.
- 10.3 If this agreement terminates because of the condition set out in clause 7.1.6 not being satisfied or incapable of being satisfied, the Seller shall pay to Celsus a termination fee of US\$6,000,000 within ten days of a written demand to do so by Celsus.
- 10.4 If this agreement terminates because of the condition set out in clause 7.1.5 not being satisfied or incapable of being satisfied, Celsus shall pay to the Seller a termination fee of US\$6,000,000 within ten days of a written demand to do so by the Seller.
- 10.5 If this agreement terminates because in the opinion of the Seller's board, the condition set out in clause 7.1.4 is not satisfied and the Seller accepts a Third Party Offer for the Company (or undertakes any transaction of substantially the same commercial effect) within 6 months of such termination, the Seller shall pay to Celsus a termination fee of US\$6,000,000 within ten days of a written demand to do so by Celsus.

11. GENERAL

- 11.1 No variation of this agreement shall be valid unless made in writing and signed by or on behalf of each of the parties to this agreement.
- 11.2 No failure or delay by Celsus or the Seller or time or indulgence given by any of them in or before exercising any remedy or right under or in relation to this agreement shall operate as a waiver of the same nor shall any single or partial exercise of any remedy or right preclude any further exercise of the same or the exercise of any other remedy or right.

- 11.3 No waiver by any party of any requirement of this agreement or of any remedy or right under this agreement shall have effect unless given by notice in writing signed by such party. No waiver of any particular breach of the provisions of this agreement shall operate as a waiver of any repetition of such breach.
- 11.4 This agreement may be executed in any number of counterparts each of which when executed by one or more of the parties hereto shall constitute an original but all of which shall constitute one and the same instrument.
- 11.5 This agreement shall remain in full force and effect so far as concerns any matter remaining to be performed at Completion even though Completion shall have taken place.
- 11.6 A person who is not a party to this agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of this agreement.

12. COSTS

- 12.1 Except as set forth in clauses 10.2, 10.3, 10.4, 10.5, 12.2 and 12.3, all fees and expenses incurred in connection with this agreement and the transactions contemplated by this agreement will be paid by the party incurring such expenses, whether or not Completion occurs.
- 12.2 The Seller shall be responsible for any stamp duty or similar transfer taxes payable as a result of the transactions contemplated by this agreement.
- 12.3 Upon the completion of the Offering, Celsus shall pay to the Seller from the proceeds of the Offering all expenses incurred by the Seller in connection with this agreement.

13. NOTICES

Any notice to be given pursuant to the terms of this agreement shall be given in writing to the party due to receive such notice at its registered office from time to time or such other address as may have been notified to the other parties in accordance with this clause 12. Notice shall be delivered personally or sent by first class prepaid recorded delivery or registered post (airmail if overseas) and shall be deemed to be given in the case of delivery personally on delivery and in the case of posting (in the absence of evidence of earlier receipt) 48 hours after posting (six days if sent by airmail).

14. AGENT FOR SERVICE

- 14.1 In this clause 14, “**Seller’s Agent**” means McDermott, Will and Emery UK LLP of 110 Bishopsgate, London EC2N 4AY (marked for the attention of Nicholas Azis) (or any substitute agent appointed pursuant to clause 14.3).
- 14.2 The Seller:
- 14.2.1 (subject to clause 14.3) irrevocably appoints the Seller’s Agent as its agent to accept service on its behalf of (a) notices and (b) process in any legal action or proceedings before the courts of England and Wales relating to any Acquisition Dispute;
- 14.2.2 irrevocably agrees that any notice to be given to it is deemed to have been properly given if it is given to the Seller’s Agent in accordance with the provisions of clause 13 (whether or not such Notice is forwarded to or received by the Seller; and
- 14.2.3 irrevocably agrees that failure by the Seller’s Agent to notify it of the process will not invalidate the legal action or proceedings concerned.
- 14.3 If, for any reason, the Seller’s Agent ceases to be able to act as agent or no longer has a postal address in the United Kingdom, the Seller shall immediately:
- 14.3.1 (subject to this clause 14.3) irrevocably appoint a substitute agent with a postal address in the United Kingdom; and

14.3.2 notify Celsus of the name, relevant contact (where appropriate) and postal and email addresses of the substitute agent.

Such appointment and notice shall be effective on the fifth Business Day after the date on which the notice given pursuant to clause 14.3.2 is deemed to have been served or delivered in accordance with clause 13.

15. GOVERNING LAW, JURISDICTION AND LANGUAGE

15.1 This agreement and any Acquisition Dispute are governed by and shall be construed in accordance with English Law.

15.2 Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any Acquisition Dispute.

15.3 Each party irrevocably agrees that any process in any legal action or proceedings relating to any Acquisition Dispute may be served on it in accordance with the provisions of clauses 13 and 14.

IN WITNESS of which the parties or their duly authorised representatives have executed this agreement on the date specified above.

SCHEDULE 1: PART A — PARTICULARS OF THE SELLER

(1) Seller	(2) Number of Volution Shares
RPC Pharma Limited	1,001,750 shares of 1 Swiss franc each

PART B — PARTICULARS OF CELSUS

Number of Celsus Shares in issue:	55,636,283
Number of Celsus Shares under option:	2,791,690 issued
Number of Celsus Shares subject to warrant instruments:	3,712,070
Number of Celsus Shares to be put under option between the date of this agreement and Completion:	up to 3,073,310
Total (Fully Diluted Share Capital)	65,213,353*

* assumes all shares to be put under option are put under option and that new options are granted in respect of any options which lapse or expire.

SCHEDULE 2: SELLER WARRANTIES

1. The Seller
- 1.1 The Seller is validly existing and is a company duly incorporated and registered under the law of its jurisdiction of incorporation.
- 1.2 The Seller has the legal right, full power and authority and all necessary consents and authorisations to enter into and perform its obligations under this agreement and each other Acquisition Document to which it is or will be party.
- 1.3 This agreement and each other Acquisition Document to which the Seller is or will be party constitutes, or will when executed constitute, legal, valid and binding obligations on the Seller and will be enforceable in accordance with their respective terms (assuming that each such Acquisition Document has been properly executed by the other parties to it and that their entry into it has been duly authorised).
- 1.4 The entry into and performance of its obligations under this agreement and each other Acquisition Document by the Seller will not:
 - 1.4.1 conflict with or breach any provision of its constitutional documents;
 - 1.4.2 breach any agreement or instrument to which it is party or by which it is bound and which is material in the context of the Acquisition;
 - 1.4.3 conflict with or breach any applicable law or any requirement of any Authority to which it is subject or submits and which is material in the context of the Acquisition; or
 - 1.4.4 require the consent, approval or authorisation of any Authority.
- 1.5 The Celsus Shares to be issued to the Seller are being acquired for investment for the Seller's own account, not as a nominee or agent, in the ordinary course of business, and not with a view to the public resale or distribution thereof within the meaning of the Securities Act of 1933, as amended ("**Securities Act**").
- 1.6 The Seller does not have any agreement or understanding, whether or not legally binding, direct or indirect, with any other Person, to sell or otherwise distribute any Celsus Shares.
- 1.7 The Seller is not a "U.S. Person" as defined by Rule 902 of Regulation S promulgated under the Securities Act, was not formed (if an entity) by a "U.S. Person" as defined by United States jurisdiction, and was not formed for the purpose of investing in securities not registered under the Securities Act. The Seller is not acquiring the Celsus Shares for the benefit of a "**U.S. Person**" as defined by Rule 902 of Regulation S. On the date hereof, the Seller was outside the United States. The Seller acknowledges, agrees and covenants that it will not engage in hedging transactions with regard to Celsus Shares prior to the expiration of the distribution compliance period specified in Rule 903 of Regulation S promulgated under the Securities Act, unless in compliance with the Securities Act. Absent another exemption from registration, the Seller will not resell Celsus Shares to "U.S. Persons" or within the United States, unless pursuant to registration of such Celsus Shares under the Securities Act.
- 1.8 The Seller understands that the issuance and sale thereto of Celsus Shares will not be registered under the Securities Act on the ground that such issuance and sale will be exempt from registration under the Securities Act pursuant to Regulation S promulgated under the Securities Act and that Celsus's reliance on such exemption is based on the Seller's representations set forth herein.
- 1.9 The Seller understands that the Celsus Shares have not been registered under the Securities Act and the Seller will not sell, offer to sell, assign, pledge, hypothecate or otherwise transfer any of the Celsus Shares during the 180 days following Completion. The Seller agrees that Celsus may place stop transfer orders with Celsus's transfer agent with respect to the Celsus Shares in order to implement the restrictions on transfer set forth in this agreement.

2. The Volution Shares
 - 2.1 The content of Schedule 1 Part A (*Particulars of Volution*) is true, complete and accurate in all respects and not misleading.
 - 2.2 The Seller is the sole legal and beneficial owner of the Volution Shares.
 - 2.3 There is no Encumbrance affecting any of the Volution Shares, nor any agreement to create any such Encumbrance.
 - 2.4 The Volution Shares constitute the whole of the issued share capital of the Company. The Volution Shares have been properly issued and are fully paid up.
3. The Group Companies
 - 3.1 Each Volution Group Company is a company duly incorporated and registered under the law of its jurisdiction of incorporation.
 - 3.2 All the issued shares (or other securities) in each member of the Volution Group are legally and beneficially owned by the Company or another member of the Volution Group and have been properly issued and are fully paid up. There is no Encumbrance affecting any of the shares (or other securities) in any Volution Group Company, nor any agreement to create any such Encumbrance.
 - 3.3 No person has any right (whether contingent or otherwise) to require any Volution Group Company:
 - 3.3.1 to allot, or grant rights to subscribe for, shares in any Volution Group Company; or
 - 3.3.2 to convert any existing securities into, or to issue securities that have rights to convert into, shares in any Volution Group Company.
4. Interests in other companies, etc
 - 4.1 No Volution Group Company is the legal or beneficial owner of, or has agreed to acquire, any shares, securities or other interests in any company (other than another Volution Group Company).
 - 4.2 No Volution Group Company is, or has agreed to become, a member of any partnership, joint venture or consortium (other than recognised trade associations).
5. Branches, etc

No Volution Group Company has any branch, agency or permanent establishment outside its jurisdiction of incorporation.
6. Constitutional and corporate documents
 - 6.1 The Seller has Disclosed the current constitutional documents of each Volution Group Company.
 - 6.2 The registers and minute books required to be maintained by each Volution Group Company under the law of its jurisdiction of incorporation are in its possession or under its control and are up to date in all material respects. No Volution Group Company has received written notice that any of them should be rectified.
7. Insolvency
 - 7.1 Neither the Seller nor any Volution Group Company is insolvent under the law of its jurisdiction of incorporation, and it is not unable to pay its debts as they fall due, nor has it stopped paying its debts as they fall due.
 - 7.2 No arrangement or compromise has been made by the Seller or any Volution Group Company with its creditors.
 - 7.3 No liquidator, provisional liquidator, administrator, receiver, administrative receiver or similar officer has been appointed in relation to the Seller or any Volution Group Company or any of their assets nor has any application or notice of intention to appoint any such person been made.

7.4 No resolution has been passed, proceedings commenced or order made for the winding-up or any other reorganisation or restructuring of the Seller or any Volution Group Company.

7.5 Disclosure: Company Information.

The information relating to each Volution Group Company to be supplied by or on behalf of Seller for inclusion or incorporation in the Proxy Statement will not, on the date the Proxy Statement is first mailed to the Celsus shareholders or at the time of the Celsus shareholders' meeting to approve the transactions contemplated herein (as applicable), contain any untrue statement of any material fact, or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not false or misleading at the time and in light of the circumstances under which such statement is made. Notwithstanding the foregoing, no representation is made by Seller with respect to the information that has been or will be supplied by Celsus or any of their representatives for inclusion in the Proxy Statement.

8. Accounts

8.1 The audited consolidated financial statements (including any related notes thereto) representing the financial condition of the Company and its predecessor as of December 31, 2013 and December 31, 2014 (collectively, the "**Company Financials**"), (i) complied, or will comply as to form in all material respects prior to the filing of the Proxy Statement, with the published rules and regulations of the SEC with respect thereto, (ii) were prepared in accordance with United States generally accepted accounting principles ("**US GAAP**") applied on a consistent basis throughout the periods involved (except as may be indicated in the notes thereto or, in the case of unaudited interim financial statements, as may be permitted by the SEC on Form 10-Q under the US Securities Exchange Act of 1934 as amended ("**Exchange Act**")), (iii) fairly presented the consolidated financial position of the Company, its predecessor and its subsidiary as at the respective dates thereof and the consolidated results of its operations and cash flows for the periods indicated, except that the unaudited interim financial statements were or are subject to normal and recurring year-end adjustments which were not, or are not expected to be, material in amount, and (iv) are consistent with, and have been prepared from, the books and records of the Company. The Company has not effected any securitization transactions or "off-balance sheet arrangements" (as defined in Item 303(c) of SEC Regulation S-K) since December 31, 2013. The balance sheet of the Company as of December 31, 2014 is hereinafter referred to as the "**Company Balance Sheet**". Notwithstanding the foregoing, consolidated unaudited financial statements are subject to normal recurring year-end adjustments (the effect of which will not, individual or in the aggregate, be material) and the absence of footnotes.

8.2 Save for the Working Capital Advance and as Disclosed in the Company Financials, no Volution Group Company has any liabilities (absolute, accrued, contingent or otherwise) of a nature required to be disclosed on a balance sheet or in the related notes to the consolidated financial statements prepared in accordance with US GAAP which are, individually or in the aggregate, material to the business, results of operations or financial condition of the Volution Group Companies taken as a whole, except liabilities (i) provided for in the Company Balance Sheet, (ii) incurred in connection with the transactions contemplated in this agreement, (iii) described on the Volution Disclosure Letter, or (iv) incurred since the date of the Company Balance Sheet in the ordinary course of business consistent with past practices.

9. Period since the Accounts Date

Since the Accounts Date:

9.1 no Volution Group Company has declared, paid or made a dividend or other distribution;

9.2 no resolution of the members of any Volution Group Company has been passed (other than resolutions relating to routine business at annual general meetings and in relation to the Volution Reorganisation);

- 9.3 the Volution Group Companies have operated in the ordinary course of business consistent with past practice;
- 9.4 no Volution Group Company has acquired or disposed of a business as a going concern;
- 9.5 there has not been any material change by any Volution Group Company in its accounting methods, principles or practices, except as required by concurrent changes in US GAAP or as disclosed in the notes to the Company Financials;
- 9.6 no Volution Group Company has undertaken any revaluation of any of its assets or the writing off or writing down of any notes or accounts receivable other than in the ordinary course of business; and
- 9.7 no Volution Group Company has acquired or disposed of any fixed asset with a book value in excess of US\$100,000 nor incurred capital expenditure in excess of US\$500,000 in aggregate.
10. Funding
- 10.1 Save for the Working Capital Advance, the Volution Data Room contain details of any overdraft, loan, debt factoring or discounting, hire purchase, finance lease or other financial facilities currently available to or drawdown by any Volution Group Company.
- 10.2 No Volution Group Company has issued any loan capital (including debentures, loan notes and loan stock) that remains in issue. No Volution Group Company has agreed to issue any such loan capital in the future.
11. Grants and state aid
- No Volution Group Company has received grants, subsidies, allowances, loan payments, guarantees or other financial assistance from any authority.
12. Assets
- For the purposes of this paragraph, a “**material asset**” means an asset comprising or relating to the Products, the Company’s IP and Documents and Records.
- 12.1 Each Volution Group Company has the sole and exclusive ownership of (including all rights, title and interest in and to) all of its material assets, free from any Encumbrance, other than those:
- 12.1.1 disposed of in the ordinary course of business;
- 12.1.2 subject to hire purchase or finance lease agreements; or
- 12.1.3 acquired subject to retention of title clauses.
- 12.2 All material assets are in the possession of or under the control of the Volution Group Companies (save where held by a third party in the ordinary course of business).
13. Debtors
- No Volution Group Company is owed any sums other than trade receivables incurred in the ordinary course of business.
14. Real property
- 14.1 The property at 4th Floor, 76 Wimpole Street, London W1 comprises all the land and buildings owned or occupied by any Group Company (“**Property**”).
- 14.2 In relation to the lease under which the Property is held (which is disclosed in the Volution Data Room):
- 14.2.1 the rents and other monies due and payable under it have been paid; and
- 14.2.2 no Volution Group Company is in material breach of its obligations under such lease (which breach remains outstanding at the date of this agreement).

15. Insurance

The Volution Data Room contains summary details of the insurance policies maintained by or on behalf of any Volution Group Company. The premiums due in respect of such policies have been paid.

16. IP and Product

In this schedule where “material” is used in relation to IP, it shall mean: (i) any IP relating to, comprising or derived from Coversin or any of the processes, methods or formulations relating to Coversin; or (ii) any other IP which is material.

16.1 The Volution Data Room contains all material details of the IP owned by the Company (“**Owned IP**”) and IP owned by another person which the Company has a subsisting licence, permission or other contractual right (whether in writing or otherwise) to use (“**Licensed In IP**”) which is, in each case, material to the Volution Group.

16.2 Schedule 8 contains a complete and accurate list of all of the Company’s pending and in force patents and pending patent applications as at the date of this agreement.

16.3 No licence payments are payable in respect of Licensed In IP by the Volution Group.

16.4 Save as set out in the Volution Disclosure Letter, no person is entitled to any royalty, commission, payment, in connection with any of the Owned IP or the Products.

16.5 The Company is the sole and exclusive legal and beneficial owner of (and, where registered, the sole registered owner of) the entire right, title and interest in and to each item of material Owned IP and each Product free from Encumbrances.

16.6 The Volution Data Room contains:

16.6.1 copies of all subsisting material licences, permissions or other contractual rights (whether in writing or otherwise) granting any Volution Group Company rights to use IP owned by another person; and

16.6.2 details of any disputes with or allegations made by any person relating to the ownership of any Owned IP or Licensed-In IP which disputes or allegations are subsisting or occurred within the last 3 years.

16.7 Save for Academic Research Agreements, there are no subsisting licences, permissions or other contractual rights (whether in writing or otherwise) by which the Company has granted third parties rights to use any material Owned IP or material Licensed-In IP (“**IP Licences Out**”) and the Company is not under any obligation (whether contingent or otherwise) to grant any. In this warranty, Academic Research Agreements means material transfer agreements with academic institutions for academic and scientific research purposes only.

16.8 The Company:

16.8.1 only employs and has only employed its non-administrative employees; and

16.8.2 only uses and has only used third party researchers, developers, independent contractors, freelancers and consultants,

who are or were engaged in the material research and development activities of the Volution Group on terms pursuant to which all of the IP in the work which they carry out or produce vests solely in the relevant Volution Group Company, both legally and beneficially, and they have waived all moral rights they may have in the work.

16.9 None of the material Owned IP or the material Licensed-In IP is currently subject to a challenge, opposition or attack or the subject of any claim for ownership or compensation. The Company has not received any written notice in the last 3 years that any Owned IP or Licensed-In IP is likely to be subject to challenge, opposition or attack or any claim for ownership or compensation.

- 16.10 There is no actual or, so far as the Seller is aware, threatened infringement or unauthorised use by any person of any material Owned IP or material Licensed-In IP. So far as the Seller is aware, there are no circumstances which are likely to give rise to any such actual or threatened infringement or unauthorised use.
- 16.11 There are no existing, pending or so far as the Seller is aware threatened claims against any Volution Group Company in respect of any infringement of any third party's IP, and so far as the Seller is aware:
- 16.11.1 no such claims have been made or threatened; and
- 16.11.2 the activities of the Volution Group Companies do not infringe any third party's IP.
- 16.12 The Volution Data Room contains details of all material completed preclinical and clinical trials conducted by any Volution Group Company.
- 16.13 The animal and other preclinical studies and clinical trials for Coversin conducted by the relevant Volution Group Company were, and if still pending are, so far as the Seller is aware, being conducted in all material respects in compliance with all laws and in accordance with their protocols, procedures and controls.
17. Data protection
- No Volution Group Company has received:
- 17.1.1 any written notice from any authority alleging non-compliance with any applicable law relating to processing of personal data and privacy; or
- 17.1.2 any written complaint from any individual about its use of his personal data.
18. Confidential information, Documents and Records
- 18.1 There has been no material misuse of any Volution Group Company's confidential information.
- 18.2 No Volution Group Company has received any written notice alleging any misuse of any third party's confidential information.
- 18.3 The Documents and Records contain all material information in writing necessary to evidence the development and ownership of the Owned IP and each Product.
19. Guarantees
- No Volution Group Company is a party to any guarantee, security, indemnity, agreement or other commitment in respect of any obligation or liability of any person other than a Group Company.
20. Key contracts
- 20.1 The Volution Data Room contains copies of each material agreement under which IP was acquired or licensed or developed, each a ("**Material Contract**").
- 20.2 No Volution Group Company has received written notice from any counterparty to any Material Contract that it is in material breach of such contract (being a breach that would have a material adverse effect on the Group Companies taken as a whole).
- 20.3 So far as the Seller is aware, no counterparty to any Material Contract is in material breach of it (being a breach that would have a material adverse effect on the Volution Group Companies taken as a whole).
- 20.4 No Volution Group Company has received written notice from any counterparty to a Material Contract that it intends to terminate it.

21. Powers of attorney
- No Volution Group Company has given any power of attorney which remains in force save in relation to powers of attorney given in the ordinary course of business to professional agents in relation to the Company's IP filings for the purpose of patent administration.
22. Employees and terms of employment
- 22.1 The Volution Data Room contains:
- 22.1.1 copies of the contracts of employment/engagement of each officer, employee or consultant of any Volution Group Company.
- 22.1.2 copies of the share incentive schemes, share option schemes or profit sharing, bonus or other incentive schemes applicable to any of the Volution Group Companies' employees or consultants.
- 22.2 No Volution Group Company owes anything to its employees other than remuneration for the current pay period, accrued holiday pay for the current holiday year, accrued bonuses for the current bonus period and expenses claims.
- 22.3 Save as part of the negotiation of the arrangements for the transition of the consultants and employees of members of the Volution Group to become employees of Celsus, no Volution Group Company is under any obligation to make any material change in the basis of remuneration or other benefits paid or provided to any of its officers, employees or consultants.
- 22.4 No Volution Group Company has any obligation to make a payment on redundancy or layoff in excess of that required by applicable statutory requirements or any applicable collective bargaining agreement, and no Volution Group Company operates any discretionary practice of making such excess payments.
23. Employees
- 23.1 No Volution Group Company has given notice of termination or retirement to, or received notice of resignation from, any officers, employees or consultants which is outstanding.
- 23.2 No Volution Group Company has made any offer of employment to anyone which is outstanding.
- 23.3 No Volution Group Company has any current grievance or disciplinary proceedings or appeals in respect of any employee.
- 23.4 Save as Disclosed, no Volution officer, employee or consultant will become entitled to any payment or other benefit in excess of US\$100,000, or be entitled to give notice to terminate his employment, solely as a result of Completion.
- 23.5 Each past and present employee of or consultant to any Volution Group Company has been employed or engaged on terms which provide that all right, title and interest in any IP developed by them (including rights to receive royalties or payments) vest exclusively in a Volution Group Company.
24. Employment disputes
- There is no claim against or dispute with any Volution Group Company from any of its employees or former employees and, so far as the Seller is aware, none is pending or threatened.
25. Pension benefits
- Other than any obligation of any Volution Group Company as employer under applicable social security or similar laws of any applicable jurisdiction to make regular and recurring contributions (such as payroll taxes) to public social security institutions, there is not in operation, and no Group Company contributes to, any agreement, arrangement, scheme or practice for the payment of any pensions, allowances, lump sums or other benefits on death or retirement for or in respect of any of its current or former employees or officers.

26. Compliance with laws

Each Volution Group Company conducts its business in all material respects in accordance with the applicable laws of any jurisdiction in which it is incorporated or carries on business.

27. Litigation

27.1 No Volution Group Company is involved in any civil, criminal or arbitration proceedings that are likely to have a material adverse effect on the Volution Group Companies taken as a whole (“**Litigation**”).

27.2 So far as the Seller is aware:

27.2.1 there is no Litigation pending or threatened by or against any Volution Group Company; and

27.2.2 there are no circumstances likely to give rise to any such Litigation.

28. Judgments, etc

There is no outstanding judgment, order, ruling or decision by any Authority against any Volution Group Company.

29. Tax compliance

29.1 Each Volution Group Company has:

29.1.1 submitted all relevant Tax returns (which were accurate and complete in all material respects) to the relevant Tax Authorities by the requisite dates;

29.1.2 discharged (by the due date) its liability to make any payment of Tax which has fallen due without incurring penalties, fines, surcharges or interest;

29.1.3 properly made all deductions and withholdings on account of Tax required to be made in respect of any payment made or benefit provided before the date of this agreement, and has to the extent required by law in its jurisdiction of incorporation properly accounted for all such deductions and withholdings; and

29.1.4 maintained, and has in its possession or under its control, all records and documentation that it is required to maintain for the purposes of any Tax (and the same are complete and accurate in all material respects).

29.2 In the last three years, no Volution Group Company has been subject to any dispute, investigation or non-routine audit or visit by any Tax Authority, and no Tax Authority has indicated that it intends to make such an investigation or non-routine audit or visit.

30. VAT

30.1 Each Volution Group Company is registered as a taxable person for the purposes of VAT in the jurisdiction in which it was incorporated and is not liable to account for VAT (whether as principal, agent or otherwise) in any other jurisdiction.

30.2 In the last three years, each Volution Group Company has complied in all material respects with applicable laws relating to VAT, and has made and obtained correct and up-to-date records and documentation for the purposes of such laws.

31. Volution Reorganisation

31.1 The Volution Reorganisation has been completed and all steps and actions contemplated therein perfected.

31.2 All consents and clearances required for the Volution Reorganisation were obtained on an unconditional basis.

31.3 No Tax is payable by any Volution Group Company as a result of the Volution Reorganisation.

SCHEDULE 3: CELSUS WARRANTIES

1. Celsus
 - 1.1 Celsus is validly existing and is a company duly incorporated and registered under the law of its jurisdiction of incorporation.
 - 1.2 Celsus has the legal right, full power and authority and all necessary consents and authorisations to enter into and perform its obligations under this agreement and each other Acquisition Document to which it is or will be party.
 - 1.3 This agreement and each other Acquisition Document to which Celsus is or will be party constitutes, or will when executed constitute, legal, valid and binding obligations on Celsus and will be enforceable in accordance with their respective terms (assuming that each such Acquisition Document has been properly executed by the other parties to it and that their entry into it has been duly authorised).
 - 1.4 The entry into and performance of its obligations under this agreement and each other Acquisition Document by Celsus will not:
 - 1.4.1 conflict with or breach any provision of its constitutional documents;
 - 1.4.2 breach any agreement or instrument to which it is party or by which it is bound and which is material in the context of the Acquisition;
 - 1.4.3 conflict with or breach any applicable law or any requirement of any Authority to which it is subject or submits and which is material in the context of the Acquisition; or
 - 1.4.4 require the consent, approval or authorisation of any Authority.
 2. The Celsus Shares
 - 2.1 The content of Schedule 1 Part B (*Particulars of Celsus*) is true, complete and accurate in all respects and not misleading.
 3. The Celsus Group Companies
 - 3.1 Each Celsus Group Company is a company duly incorporated and registered under the law of its jurisdiction of incorporation.
 - 3.2 All the issued shares (or other securities) in each member of the Celsus Group are legally and beneficially owned by Celsus or another member of the Celsus Group and have been properly issued and are fully paid up. There is no Encumbrance affecting any of the shares (or other securities) in any Celsus Group Company, nor any agreement to create any such Encumbrance.
 - 3.3 The Celsus Data Room contains details all rights (whether contingent or otherwise) to require any Celsus Group Company:
 - 3.3.1 to allot, or grant rights to subscribe for, shares in any Celsus Group Company; or
 - 3.3.2 to convert any existing securities into, or to issue securities that have rights to convert into, shares in any Celsus Group Company.
 4. Interests in other companies, etc
 - 4.1 No Celsus Group Company is the legal or beneficial owner of, or has agreed to acquire, any shares, securities or other interests in any company (other than another Celsus Group Company).
 - 4.2 No Celsus Group Company is, or has agreed to become, a member of any partnership, joint venture or consortium (other than recognised trade associations).
 5. Branches, etc

No Celsus Group Company has any branch, agency or permanent establishment outside its jurisdiction of incorporation.
-

6. Constitutional and corporate documents

- 6.1 Celsus has Disclosed the current constitutional documents of each Celsus Group Company.
- 6.2 The registers and minute books required to be maintained by each Celsus Group Company under the law of its jurisdiction of incorporation are in its possession or under its control and are up to date in all material respects. No Celsus Group Company has received written notice that any of them should be rectified.

7. Insolvency

- 7.1 No Celsus Group Company is insolvent under the law of its jurisdiction of incorporation, and it is not unable to pay its debts as they fall due, nor has it stopped paying its debts as they fall due.
- 7.2 No arrangement or compromise has been made by any Celsus Group Company with its creditors.
- 7.3 No liquidator, provisional liquidator, administrator, receiver, administrative receiver or similar officer has been appointed in relation to any Celsus Group Company or any of their assets nor has any application or notice of intention to appoint any such person been made.
- 7.4 No resolution has been passed, proceedings commenced or order made for the winding-up or any other reorganisation or restructuring of any Celsus Group Company.

7.5 Disclosure; Company Information.

The information relating to each Celsus Group Company in the Proxy Statement will not, on the date the Proxy Statement, as applicable, is first mailed to the Celsus shareholders or at the time of the Celsus shareholders' meeting to approve the transactions contemplated herein, contain any untrue statement of any material fact, or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not false or misleading at the time and in light of the circumstances under which such statement is made. Notwithstanding the foregoing, no representation is made by the Celsus with respect to the information that has been or will be supplied by the Seller or any of their representatives for inclusion in the Proxy Statement.

8. Accounts

- 8.1 The audited consolidated financial statements (including any related notes thereto) representing the financial condition of Celsus and its predecessor as of December 31, 2013 and December 31, 2014 (collectively, the "**Celsus Financials**"), (i) complied, or will comply as to form in all material respects prior to the filing of the Proxy Statement, with the published rules and regulations of the SEC with respect thereto, (ii) were prepared in accordance with US GAAP applied on a consistent basis throughout the periods involved (except as may be indicated in the notes thereto or, in the case of unaudited interim financial statements, as may be permitted by the SEC on Form 10-Q under the Exchange Act, (iii) fairly presented the consolidated financial position of Celsus, its predecessor and each of its subsidiaries as at the respective dates thereof and the consolidated results of its operations and cash flows for the periods indicated, except that the unaudited interim financial statements were or are subject to normal and recurring year-end adjustments which were not, or are not expected to be, material in amount, and (iv) are consistent with, and have been prepared from, the books and records of Celsus. Celsus has not effected any securitization transactions or "off-balance sheet arrangements" (as defined in Item 303(c) of SEC Regulation S-K) since December 31, 2013. The balance sheet of Celsus as of December 31, 2014 is hereinafter referred to as the "**Celsus Balance Sheet**". Notwithstanding the foregoing, consolidated unaudited financial statements are subject to normal recurring year-end adjustments (the effect of which will not, individual or in the aggregate, be material) and the absence of footnotes.

- 8.2 Save as Disclosed in the Celsus Financials, no Celsus Group Company has any liabilities (absolute, accrued, contingent or otherwise) of a nature required to be disclosed on a balance sheet or in the related notes to the consolidated financial statements prepared in accordance with US GAAP which are, individually or in the aggregate, material to the business, results of operations or financial

condition of the Celsus Group Companies taken as a whole, except liabilities (i) provided for in the Celsus Balance Sheet, (ii) incurred in connection with the transactions contemplated in this agreement, (iii) described on the Celsus Disclosure Letter, or (iv) incurred since the date of the Celsus Balance Sheet in the ordinary course of business consistent with past practices.

9. Period since the Accounts Date

Since the Accounts Date:

- 9.1 no Celsus Group Company has declared, paid or made a dividend or other distribution;
- 9.2 no resolution of the members of any Celsus Group Company has been passed (other than resolutions relating to routine business at annual general meetings);
- 9.3 the Celsus Group Companies have operated in the ordinary course of business consistent with past practice;
- 9.4 no Celsus Group Company has acquired or disposed of a business as a going concern;
- 9.5 there has not been any material change by any Celsus Group Company in its accounting methods, principles or practices, except as required by concurrent changes in US GAAP or as disclosed in the notes to the Celsus Financials;
- 9.6 no Celsus Group Company has undertaken any revaluation of any of its assets or the writing off or writing down of any notes or accounts receivable other than in the ordinary course of business; and
- 9.7 no Celsus Group Company has acquired or disposed of any fixed asset with a book value in excess of US\$100,000 nor incurred capital expenditure in excess of US\$500,000 in aggregate.

10. Funding

- 10.1 The Celsus Data Room contain details of any overdraft, loan, debt factoring or discounting, hire purchase, finance lease or other financial facilities currently available to or drawdown by any Celsus Group Company.
- 10.2 No Celsus Group Company has issued any loan capital (including debentures, loan notes and loan stock) that remains in issue. No Celsus Group Company has agreed to issue any such loan capital in the future.

11. Grants and state aid

No Celsus Group Company has received grants, subsidies, allowances, loan payments, guarantees or other financial assistance from any authority.

12. Assets

- 12.1 Each Celsus Group Company has the sole and exclusive ownership of (including all rights, title and interest in and to) all of its material assets, free from any Encumbrance, other than those:
 - 12.1.1 disposed of in the ordinary course of business;
 - 12.1.2 subject to hire purchase or finance lease agreements; or
 - 12.1.3 acquired subject to retention of title clauses.
- 12.2 All material assets are in the possession of or under the control of the Celsus Group Companies (save where held by a third party in the ordinary course of business).

13. Debtors

No Celsus Group Company is owed any sums other than trade receivables incurred in the ordinary course of business.

14. Real property
- 14.1 Particulars of all the land and buildings owned or occupied by any Celsus Group Company (or in which any Celsus Group Company has any interest or liability (“**Celsus Property**”)) are contained in the Celsus Data Room.
- 14.2 In relation to any lease under which the Celsus Property is occupied (which is disclosed in the Celsus Data Room):
- 14.2.1 the rents and other monies due and payable under it have been paid; and
- 14.2.2 no Celsus Group Company is in material breach of its obligations under such lease (which breach remains outstanding at the date of this agreement).
15. Insurance
- The Celsus Data Room contains summary details of the insurance policies maintained by or on behalf of any Celsus Group Company. The premiums due in respect of such policies have been paid.
16. IP
- No Celsus Group Company has any material liability in relation to any IP nor any actual, pending or, so far as Celsus is aware, threatened dispute, infringement nor unauthorised use of any IP.
17. Data protection
- No Celsus Group Company has received:
- 17.1.1 any written notice from any authority alleging non-compliance with any applicable law relating to processing of personal data and privacy; or
- 17.1.2 any written complaint from any individual about its use of his personal data.
18. Confidential information
- 18.1 There has been no material misuse of any Celsus Group Company’s confidential information.
- 18.2 No Celsus Group Company has received any written notice alleging any misuse of any third party’s confidential information.
19. Guarantees
- No Celsus Group Company is a party to any guarantee, security, indemnity, agreement or other commitment in respect of any obligation or liability of any person other than a Celsus Group Company.
20. Key contracts
- 20.1 No Celsus Group Company has received written notice from any counterparty to any contract that it is in material breach of such contract (being a breach that would have a material adverse effect on the Celsus Group Companies taken as a whole).
- 20.2 So far as Celsus is aware, no counterparty to any contract is in material breach of it (being a breach that would have a material adverse effect on the Celsus Group Companies taken as a whole).
- 20.3 No Celsus Group Company has received written notice from any counterparty to a contract that it intends to terminate it.
21. Powers of attorney
- No Celsus Group Company has given any power of attorney which remains in force.

22. Employees and terms of employment

22.1 The Celsus Data Room contains:

22.1.1 copies of the contracts of employment/engagement of each officer, employee or consultant of any Celsus Group Company.

22.1.2 copies of the share incentive schemes, share option schemes or profit sharing, bonus or other incentive schemes applicable to any of the Celsus Group Companies' employees or consultants.

22.2 No Celsus Group Company owes anything to its employees other than remuneration for the current pay period, accrued holiday pay for the current holiday year, accrued bonuses for the current bonus period and expenses claims.

22.3 No Celsus Group Company is under any obligation to make any material change in the basis of remuneration or other benefits paid or provided to any of its officers, employees or consultants.

22.4 No Celsus Group Company has any obligation to make a payment on redundancy or layoff in excess of that required by applicable statutory requirements or any applicable collective bargaining agreement, and no Celsus Group Company operates any discretionary practice of making such excess payments.

23. Employees

23.1 No Celsus Group Company has given notice of termination or retirement to, or received notice of resignation from, any officers, employees or consultants which is outstanding.

23.2 No Celsus Group Company has made any offer of employment to anyone which is outstanding.

23.3 No Celsus Group Company has any current grievance or disciplinary proceedings or appeals in respect of any employee.

23.4 No Celsus officer, employee or consultant will become entitled to any payment or other benefit, or be entitled to give notice to terminate his employment, solely as a result of Completion.

24. Employment disputes

There is no claim against or dispute with any Celsus Group Company from any of its employees or former employees and, so far as Celsus is aware, none is pending or threatened.

25. Pension benefits

Other than any obligation of any Celsus Group Company as employer under applicable social security or similar laws of any applicable jurisdiction to make regular and recurring contributions (such as payroll taxes) to public social security institutions, there is not in operation, and no Celsus Group Company contributes to, any agreement, arrangement, scheme or practice for the payment of any pensions, allowances, lump sums or other benefits on death or retirement for or in respect of any of its current or former employees or officers.

26. Compliance with laws

Each Celsus Group Company conducts its business in all material respects in accordance with the applicable laws of any jurisdiction in which it is incorporated or carries on business.

27. Litigation

27.1 No Celsus Group Company is involved in any civil, criminal or arbitration proceedings that are likely to have a material adverse effect on the Celsus Group Companies taken as a whole ("**Litigation**").

- 27.2 So far as Celsus is aware:
- 27.2.1 there is no Litigation pending or threatened by or against any Celsus Group Company; and
 - 27.2.2 there are no circumstances likely to give rise to any such Litigation.
28. Judgments, etc
- There is no outstanding judgment, order, ruling or decision by any Authority against any Celsus Group Company.
29. Tax compliance
- 29.1 Each Celsus Group Company has:
- 29.1.1 submitted all relevant Tax returns (which were accurate and complete in all material respects) to the relevant Tax Authorities by the requisite dates;
 - 29.1.2 discharged (by the due date) its liability to make any payment of Tax which has fallen due without incurring penalties, fines, surcharges or interest;
 - 29.1.3 properly made all deductions and withholdings on account of Tax required to be made in respect of any payment made or benefit provided before the date of this agreement, and has to the extent required by law in its jurisdiction of incorporation properly accounted for all such deductions and withholdings; and
 - 29.1.4 maintained, and has in its possession or under its control, all records and documentation that it is required to maintain for the purposes of any Tax (and the same are complete and accurate in all material respects).
- 29.2 In the last three years, no Celsus Group Company has been subject to any dispute, investigation or non-routine audit or visit by any Tax Authority, and no Tax Authority has indicated that it intends to make such an investigation or non-routine audit or visit.
30. VAT
- 30.1 Each Celsus Group Company is registered as a taxable person for the purposes of VAT in the jurisdiction in which it was incorporated and is not liable to account for VAT (whether as principal, agent or otherwise) in any other jurisdiction.
- 30.2 In the last three years, each Celsus Group Company has complied in all material respects with applicable laws relating to VAT, and has made and obtained correct and up-to-date records and documentation for the purposes of such laws.
31. SEC Filings: No Undisclosed Liabilities.
- 31.1 All Celsus SEC Documents have been timely filed and, as of the time a Celsus SEC Document was filed with the SEC (or, if amended or superseded by a filing prior to the date of this agreement, then on the date of such filing): (i) each of the Celsus SEC Documents complied in all material respects with the applicable requirements of the Exchange Act and (ii) none of the Celsus SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of the date of this agreement, there are no outstanding or unresolved comments received from SEC staff with respect to the Celsus SEC Documents. To Celsus' knowledge, none of the Celsus SEC Documents is the subject of ongoing SEC review or investigation, other than any review or investigation initiated as a result of the transactions contemplated by this agreement.
- 31.2 Each Celsus Group Company maintains disclosure controls and procedures required by Rule 13a-15 or 15d-15 under the Exchange Act. Such disclosure controls and procedures are designed to ensure that all material information concerning Celsus required to be disclosed by Celsus in the reports that it is required to file, submit or furnish under the Exchange Act is recorded, processed, summarized

and reported on a timely basis to the individuals responsible for the preparation of such reports. Since the most recent filing of a periodic report with the SEC by Celsus, there have been no significant changes in Celsus' internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act), or in other factors that could significantly affect its disclosure controls and procedures.

- 31.3 Each Celsus Group Company has established and maintains a system of internal controls over financial reporting (as defined in Rule 13a-15 under the Exchange Act) that is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements in accordance with US GAAP for external purposes and includes policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of such entity, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with US GAAP, and that receipts and expenditures of such entity are being made only in accordance with authorizations of management and directors of such entity, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of such entity's assets that could have a material effect on Celsus' financial statements, and such system of internal controls over financial report is reasonably effective. Celsus has disclosed, based on its most recent evaluation prior to the date of this agreement, to its outside auditors and the audit committee of Celsus' board of directors: (i) any significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting (as defined in Rule 13a-15 under the Exchange Act) which are reasonably likely to adversely affect Celsus' ability to record, process, summarize and report financial information; and (ii) any material fraud, within the knowledge of Celsus, that involves management or other employees who have a significant role in Celsus' internal controls over financial reporting. As of the date hereof, there is no reason to believe that Celsus independent auditors, chief executive officer and chief financial officer will not be able to give the certifications and attestations required pursuant to the rules and regulations adopted pursuant to Section 404 of the Sarbanes-Oxley Act, without qualification, when required. To the knowledge of Celsus, neither Celsus nor any of the Celsus Group Companies nor Celsus' independent auditors have identified or been made aware of: (x) any significant deficiency or material weakness in the design or operation of Celsus' internal controls; (y) any illegal act or fraud, whether or not material, that involves Celsus' management or other employees; or (z) any reasonably credible claim or allegation regarding any of the foregoing.
- 31.4 Each of the principal executive officer of Celsus and the principal financial officer of Celsus (or each former principal executive officer of Celsus and each former principal financial officer of Celsus, as applicable) has made all certifications required by Rule 13a-14 or 15d-14 under the Exchange Act and Sections 302 and 906 of the Sarbanes-Oxley Act, in each case, with respect to the Celsus SEC Documents, and the statements contained in such certifications were complete, correct and accurate on the date such certifications were made. For purposes of this section, "principal executive officer" and "principal financial officer" shall have the meanings given to such terms in the Sarbanes-Oxley Act.

SCHEDULE 4: SELLER LIMITATIONS

1. Monetary limits
 - 1.1 The aggregate liability of the Seller in respect of:
 - 1.1.1 claims which relate to the Seller Fundamental Covenants shall not exceed US\$25,000,000; and
 - 1.1.2 all other Claims shall not exceed US\$10,000,000.
 - 1.2 The Seller shall not be liable for any Claim unless and until the aggregate liability of the Seller in respect of all Qualifying Claims (as defined in paragraph 1.3 below) exceeds US\$2,000,000 (excluding interest and costs), in which case the Seller shall be liable for both the initial US\$2,000,000 and the excess.
 - 1.3 The Seller shall not be liable for any single Claim until the liability of such claim exceeds US\$250,000 (“**Qualifying Claim**”).
2. Time limits

The Seller shall not be liable for any Claim unless Celsus has given notice to the Seller of such Claim (specifying such reasonable details of the matter or thing giving rise to such Claim as are then readily available to Celsus) before 5.00 pm on the date which is 6 months following Completion.
3. Disclosure

The Seller shall not be liable for any Claim to the extent that the matter or thing giving rise to such Claim has been Disclosed.
4. Accounts

The Sellers shall not be liable for any Claim to the extent that any specific provision, reserve or allowance in respect of the matter or thing giving rise to such Claim has been made in the Company’s audited accounts.
5. No double recovery

The Seller shall not be liable to pay damages or other compensation or reimbursement more than once in respect of the same loss in relation to any Claim.
6. Mitigation

The provisions of this schedule are without prejudice to Celsus common law duty to mitigate its loss in relation to any Claim.

SCHEDULE 5: CELSUS LIMITATIONS

1. Monetary limits
 - 1.1 The aggregate liability of the Celsus in respect of:
 - 1.1.1 claims which relate to the Celsus Fundamental Covenants shall not exceed US\$25,000,000; and
 - 1.1.2 all other Claims shall not exceed US\$10,000,000.
 - 1.2 Celsus shall not be liable for any Claim unless and until the aggregate liability of the Seller in respect of all Qualifying Claims (as defined in paragraph 1.3 below) exceeds US\$2,000,000 (excluding interest and costs), in which case the Seller shall (subject to paragraph 1.1) be liable for both the initial US\$2,000,000 and the excess.
 - 1.3 Celsus shall not be liable for any single Claim until the liability of such claim exceeds US\$250,000 (“**Qualifying Claim**”).
2. Time limits

Celsus shall not be liable for any Claim unless the Seller has given notice to Celsus of such Claim (specifying such reasonable details of the matter or thing giving rise to such Claim as are then readily available to the Seller) before 5.00 pm on the date which is 6 months following Completion.
3. Disclosure

Celsus shall not be liable for any Claim to the extent that the matter or thing giving rise to such Claim has been Disclosed.
4. Accounts

Celsus shall not be liable for any Claim to the extent that any specific provision, reserve or allowance in respect of the matter or thing giving rise to such Claim has been made in Celsus annual audited accounts.
5. No double recovery

Celsus shall not be liable to pay damages or other compensation or reimbursement more than once in respect of the same loss in relation to any Claim.
6. Mitigation

The provisions of this schedule are without prejudice to the Seller’s common law duty to mitigate its loss in relation to any Claim.

SCHEDULE 6: CLOSING DELIVERABLES

Part 1: Seller Closing Deliverables

On Completion, the Seller:

1. shall deliver to Celsus a transfer of the Volution Shares to be sold by it under this agreement in favour of Celsus duly executed by the Seller (or, as the case may be, the registered holder of the relevant Volution Shares) together with the share certificates relating to such Volution Shares;
2. shall deliver the Lock-in Agreement to Celsus;
3. shall deliver such documents as are required to change the name of the Company to such name as the Board shall determine;
4. shall deliver an updated schedule of the Company's patents and patent applications in accordance with clause 3.1; and
5. shall procure the execution of a service contract with Celsus by each of Clive Richardson, Miles Nunn and Wynne Weston Davis in accordance with the heads of terms set out at item 3 of schedule 7.

Part 2: Celsus Closing Deliverables

On Completion, Celsus:

6. shall, conditionally upon the Seller complying with its obligations under this schedule:
 - 6.1 allot and issue to the Seller the number of Consideration Shares due to it pursuant to clause 5;
 - 6.2 procure that the name of the Seller is entered into the Register of Members of Celsus as the holder of the Consideration Shares;
 - 6.3 deliver to the Seller the appropriate definitive certificate(s) for the Celsus Shares;
 - 6.4 deliver to the Seller a statement of cash in bank (unrestricted and restricted) and cash in hand of Celsus; and
 - 6.5 shall procure the entry into a service contract with Celsus by each of Gur Roshwalb and Dov Elefant in accordance with the heads of terms set out at item 3 of schedule 7.

SCHEDULE 7: SIGNING DATE DOCUMENTS

<u>Document</u>	<u>Parties</u>
1. Deeds of Undertaking	(i) Each of the Directors of Celsus and (ii) the Seller
2. Form of Director Letter of Resignation	(i) any resigning director and (ii) Celsus
3. Heads of terms of service contracts in the agreed form	(i) Each of Gur Roshwalb, Dov Elefant, Clive Richardson, Miles Nunn and Wynne Weston Davis and (ii) Celsus
4. Volution Disclosure Letter	(i) Seller (ii) acknowledgement by Celsus
5. Celsus Disclosure Letter	(i) Celsus (ii) acknowledgement by Seller
6. Relationship Agreement	(i) Seller (ii) Celsus
7. Engagement letters	(i) each of MTS and Citibank (ii) Celsus
8. Statement of cash in bank (unrestricted and restricted) and cash in hand of Celsus	(i) Seller (ii) Celsus
9. Schedule of Unpaid Payables in the agreed form	(i) Seller (ii) Celsus

Signed by) /s/ Ray Prudo
for and on behalf of) Ray Prudo
RPC PHARMA LIMITED)
Signed by) /s/ Mark Cohen
for and on behalf of) Mark Cohen
CELSUS THERAPEUTICS PLC)
) /s/ Gur Roshwalb
Gur Roshwalb

DATED July 10, 2015

CELSUS THERAPEUTICS PLC

- AND -

RPC PHARMA LIMITED

RELATIONSHIP AGREEMENT

**McDERMOTT WILL & EMERY UK LLP
110 Bishopsgate
London EC2N 4AY DX 42619 Cheapside**

**Tel: +44 20 7577 6900
Fax: +44 20 7577 6950**

TABLE OF CONTENTS

	Page
1. Interpretation	1
2. Condition	2
3. Composition of the Board committees	2
4. Appointments	2
5. Assignment	2
6. Confidentiality	3
7. Change of law	3
8. Duration	3
9. Severance	3
10. Entire Agreement	4
11. General	4
12. Notices	4
13. Agent for service	5
14. Governing law and jurisdiction	5
15. Counterparts	5

THIS AGREEMENT is made on July 10, 2015

BETWEEN:

- (1) **CELSUS THERAPEUTICS PLC**, a company registered in England and Wales under number 05252842 whose registered office is at 42-50 Hershams Road, Walton-on-Thames, Surrey KT12 1RZ (the “**Company**”); and
- (2) **RPC PHARMA LIMITED** a company registered in Malta whose registered office is at Regent House, Office 21, Bisazza Street, Sliema SLM1640, Malta (“**RPC**”).

WHEREAS:

This Agreement is being entered into to regulate certain aspects of the continuing relationship between the Company and RPC.

IT IS AGREED THAT:

1. Interpretation

1.1 In this Agreement and its Recitals, unless the context otherwise requires, each of the following terms shall have the meaning given below:

“ Act ”	means the Companies Act 2006 (as amended);
“ Approved Person ”	means a person nominated by RPC (following consultation with the Company) to join the Board who meets the legal and regulatory requirements for a board member of a NASDAQ listed company;
“ Articles ”	means the articles of association of the Company in force from time to time;
“ Board ”	means the board of directors of the Company as constituted from time to time;
“ Business Day ”	means a day (other than a Saturday or a Sunday and public holidays) on which the clearing banks are open for business in London and New York;
“ Completion ”	means completion of the share exchange agreement of even date between the Company and RPC relating to the acquisition by the Company of Volution Immuno Pharmaceuticals SA;
“ Completion Date ”	means the date of Completion;
“ Director ”	means a director of the Company from time to time;
“ Group ”	means the Company and its group from time to time and “ Group Member ” shall be construed accordingly;
“ group ”	means in relation to any company, any parent undertaking and any subsidiary undertaking of that company and any subsidiary undertaking of any such parent undertaking from time to time;
“ Ordinary Shares ”	means the issued ordinary shares of 1 pence each in the capital of the Company;
“ Relevant Director ”	means any Director appointed by RPC;
“ RPC Group ”	means RPC and any shareholder of RPC from time to time; and
“ Shares ”	means the entire issued share capital of the Company from time to time including without limitation the Ordinary Shares.

1.2 In this Agreement:

- 1.2.1 the headings are for convenience only and shall not affect its interpretation;
- 1.2.2 expressions defined in the Act shall have the same meanings in this Agreement, unless the context requires otherwise or they are otherwise defined in this Agreement;
- 1.2.3 a reference to a provision of law includes a reference to any provision which from time to time amends, extends, consolidates or replaces that provision and any subordinate legislation made under any such provision;
- 1.2.4 words denoting the singular number shall include the plural, the masculine gender shall include the feminine gender and neuter, and vice versa; and
- 1.2.5 references to persons shall include individuals, corporations (wherever incorporated), unincorporated associates (including partnerships), trusts, any form of governmental body, agency or authority, and any other organisation of any nature (in each case, whether or not having separate legal personality).

2. Condition

This Agreement is conditional upon Completion and shall become effective on the Completion Date.

3. Composition of the Board committees

- 3.1 Subject to such designated Directors meeting NASDAQ and SEC requirements to sit on such committees, each of the audit committee, nomination committee and the remuneration committee of the Company shall comprise at least one Director designated to serve on such committee by RPC.
- 3.2 For the avoidance of doubt, the Directors nominated by RPC pursuant to clause 3.1 shall be an existing member of the Board and nothing in this clause 3 shall give RPC the right to appoint any Directors to the Board in addition to those specified in clause 4.

4. Appointments

- 4.1 Subject to clause 4.2, RPC shall be entitled to appoint the following number of Directors in relation to the percentage of Shares held in aggregate by members of the RPC Group from time to time:
 - 4.1.1 two Directors if members of the RPC Group hold 25 per cent or more of the Shares;
 - 4.1.2 one Director if members of the RPC Group hold 10 per cent or more but less than 25 per cent of the Shares; and
 - 4.1.3 no Directors if members of the RPC Group hold less than 10 per cent of the Shares,provided always that where such right to appoint a Director falls away pursuant to the terms of this clause 4 RPC shall procure the resignation of the relevant Director as soon as practicably possible thereafter at no cost to the Company.
- 4.2 The Directors appointed by RPC shall:
 - 4.2.1 only be nominated for appointment by RPC if they are an Approved Person; and
 - 4.2.2 unless otherwise agreed by the Board, be A class directors (as such term is defined in the Company's articles of association in force at the date of this agreement).

5. Assignment

Subject to the provisions of this Agreement, no party shall assign or in any other way dispose of any of its rights or obligations under this Agreement without the prior written consent of the other party.

6. Confidentiality

- 6.1 Subject to clause 6.3, RPC shall not and shall procure that its directors, officers, employees and agents and advisers shall not and shall procure that any member of the RPC Group and its and their respective directors, officers, employees and agents respective advisers shall not (save as required by applicable law or regulation) disclose to any third party or use for its own or their own commercial purposes any information of a confidential nature relating to any Group Member obtained under the provisions of this Agreement, and for these purposes a professional adviser of any member of the RPC Group shall not be treated as a third party.
- 6.2 Any press release or other media communication to be made by any party relating to the investment of any member of the RPC Group in the Company shall, save as required by law or any applicable regulation or decision of any governmental or regulatory authority, be subject to the prior approval of RPC and the Company, any such approval not to be unreasonably withheld or delayed.
- 6.3 This clause shall not restrict disclosure of information which (a) is in or has come into the public domain otherwise than as a result of a breach by a member of the RPC Group or any of their respective directors, officers, employees, advisers or agents of this clause or of any other duty of confidentiality by any such person; or (b) is already in the possession of any member of the RPC Group on a non-confidential basis at the time that it is first supplied by the Group; or (c) is received by a member of the RPC Group at any time in good faith from a third party who is not bound by any obligation of confidentiality in relation thereto; or (d) has been independently developed by a member of the RPC Group without reference to confidential information supplied by the Group.

7. Change of law

If there is any change in law or applicable regulations which would materially affect the operation of this Agreement, the parties hereto agree to enter into *bona fide* negotiations with a view to agreeing such amendments to this Agreement as the parties shall in good faith determine to be necessary to ensure that notwithstanding such changes the intentions of each as reflected by the provisions of this Agreement are given effect.

8. Duration

This Agreement shall continue in full force and effect for so long as RPC or any member of the RPC Group, individually or collectively, holds 10 per cent or more of the Shares.

9. Severance

- 9.1 If any provision of this Agreement is held to be invalid or unenforceable, then such provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in this Agreement but without invalidating any of the remaining provisions of this Agreement.
- 9.2 In the event that any provision of this Agreement becomes wholly or partly void, unenforceable or for any other reason cannot in whole or in part be put into effect, then the remaining provisions of this Agreement will not be affected. In such event the parties shall co-operate and negotiate in good faith to agree provisions (to replace those which are void, unenforceable or ineffective) which are not void or unenforceable, or which can otherwise be put into effect and which, as far as possible, are legally and commercially the same as those they replace.
- 9.3 In the event that provisions of this Agreement need to be interpreted or supplemented then the interpretation or supplement shall be completed in good faith in such a way that the spirit, contents and purpose of this Agreement are adhered to as far as possible.

10. Entire Agreement

10.1 It is hereby acknowledged that this Agreement constitutes the entire agreement between the parties and supersedes all prior agreements, understandings or arrangements (both oral and written) relating to the subject matter of this Agreement.

10.2 No amendment, change or addition to this Agreement shall be effective or binding on any party unless reduced to writing and executed by all the parties.

11. General

11.1 Each of the parties shall, and shall use all reasonable efforts to procure that any other person shall, do and execute and perform all such further deeds, documents, assurances, acts and things as may reasonably be required to give effect to this Agreement.

11.2 This Agreement shall not be construed as creating any partnership or agency (except to the extent expressly described) relationship between any of the parties.

11.3 No relaxation, forbearance, indulgence or delay (together "indulgence") of any party in exercising any right shall be construed as a waiver of the right and shall not affect the ability of that party subsequently to exercise that right or to pursue any remedy, not shall any indulgence constitute a waiver of any other right.

11.4 A person who is not a party to this Agreement may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999, except that clause 6 (Confidentiality) shall be enforceable by any Member of the RPC Group, provided that no consent of a person who is not a party to this Agreement is required for any variation (including any release or compromise in whole or in part of any liability) or termination of this Agreement.

12. Notices

12.1 Any notice or other communication to be given under this Agreement shall be in writing, shall be deemed to have been duly served on, given to or made in relation to a party if it is left at the authorised address of that party, posted by first class post addressed to that party at such address and shall if:

12.1.1 personally delivered, be deemed to have been received at the time of delivery; or

12.1.2 posted to an inland address in the United Kingdom, be deemed to have been received on the second Business Day after the date of posting,

PROVIDED that where, in the case of delivery by hand, delivery occurs after 6.00 pm on a Business Day or on a day which is not a Business Day, receipt shall be deemed to occur at 9.00 am on the next following Business Day.

12.2 For the purposes of this clause the authorised address of each party shall be the address set out below (including the person for whose attention a notice or communication is to be addressed) or such other address (and details) as that party may notify to the others in writing from time to time in accordance with the requirements of this clause:

(a) Celsus Therapeutics PLC
Thames House
Portsmouth Road
Esher
Surrey KT10 5AD

(b) RPC PHARMA LIMITED
Regent House
Office 21
Bisazza Street
Sliema
SLM1640
Malta

13. Agent for service

13.1 In this clause 13, "RPC's Agent" means McDermott, Will and Emery UK LLP of 110 Bishopsgate, London EC2N 4AY (marked for the attention of Nicholas Azis) (or any substitute agent appointed pursuant to clause 13.3).

13.2 RPC:

13.2.1 (subject to clause 13.3) irrevocably appoints RPC's Agent as its agent to accept service on its behalf of (a) notices and (b) process in any legal action or proceedings before the courts of England and Wales relating to any acquisition dispute;

13.2.2 irrevocably agrees that any notice to be given to it is deemed to have been properly given if it is given to RPCs' Agent in accordance with the provisions of clause 12 (whether or not such Notice is forwarded to or received by RPC; and

13.2.3 irrevocably agrees that failure by RPC's Agent to notify it of the process will not invalidate the legal action or proceedings concerned.

13.3 If, for any reason, RPC's Agent ceases to be able to act as agent or no longer has a postal address in the United Kingdom, RPC shall immediately:

13.3.1 (subject to this clause 13.3) irrevocably appoint a substitute agent with a postal address in the United Kingdom; and

13.3.2 Notify the Company of the name, relevant contact (where appropriate) and postal and email address of the substitute agent.

Such appointment and notice shall be effective on the fifth Business day after the date on which the notice given pursuant to clause 13.3.2 is deemed to have been served or delivered in accordance with clause 12.

14. Governing law and jurisdiction

14.1 This Agreement, or any non-contractual obligations arising out of or in connection with it, shall be governed by and construed in accordance with English law.

14.2 The courts of England shall have exclusive jurisdiction to settle any claim, dispute or matter of difference which may arise out of or in connection with this Agreement (including, without limitation, claims for set-off or counterclaim) or the legal relationships established by this Agreement.

15. Counterparts

This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original, but all of which when taken together shall constitute a single instrument.

AS WITNESS the hands of the parties or their duly authorised representatives the day and year first above written.

Signed by)
for and on behalf of)
Celsus Therapeutics PLC) <u>/s/ Gur Roshwalb</u>
Signed by) Gur Roshwalb
for and on behalf of)
RPC Pharma Limited) <u>/s/ Ray Prudo</u>
) Ray Prudo

From: **The Persons** whose names and addresses are set out in Schedule 1 (the “**Shareholders**”)¹

To: **Volution Immuno Pharmaceuticals SA**, a company incorporated and registered in Switzerland with its registered office at Place Des Eaux Vives 6, Case Postale 3461, Geneve 3 1211, Switzerland (the “**Company**”).

_____ 2015

Dear Sirs,

Working Capital Advance between (i) the Shareholders and (ii) the Company

1. The Shareholders are pleased to make available to the Company a working capital advance in the principal sum of up to the amount set out next to each Shareholder’s name in column (3) of Schedule 1 (being an aggregate amount of up to GBP £2,000,000) (the “**Loan**”) on the terms and subject to the conditions of this letter agreement (“**Letter Agreement**”). The Company may draw the Loan in one or more tranches (each, an “**Advance**”) by at least five days’ written notice to the Shareholders (or by such shorter period of notice as the Shareholders may, in their sole discretion, determine) in the form set out in Schedule 2 (a “**Drawdown Notice**”), provided that the Company may not submit a Drawdown Notice if any of the events specified in paragraph 5 below is occurring or has occurred since the date hereof.
2. The Company will repay the Loan together with interest on it no later than seven (7) days from the Offering (as the term is defined in share exchange agreement between RPC Pharma Limited and Celsus Therapeutics PLC to be entered into on or around the date hereof (the “**SEA**”)) or to the extent that the Offering contemplated by the SEA does not complete soon after Completion (as defined in the SEA) or Completion (as defined in the SEA) does not occur then forthwith on demand on the earlier of (i) written notice or (ii) the date falling five (5) years from the date hereof.
3. The principal amount of the Loan outstanding from time to time will carry interest at the rate of three (3) per cent per annum accruing daily and payable in arrears upon repayment of the Loan.
4. The Company will make all payments under or in respect of this Letter Agreement for value on the due date in sterling (the “**Payment Account**”). If any payment becomes due on a day which is not a day for which banks are open for business in London and Geneva, the due date of such payment will be extended to the next day for which banks are open for business in London and Geneva. The Company will make all payments under or in respect of this facility without set-off or counter-claim and free and clear of any withholding or deduction for or on account of tax, save as may be required by law, provided that if the Company is required to make such a deduction or withholding the Company will pay to us such amount as will, after tax has been deducted or withheld, be the same amount as we would have been entitled to receive in the absence of the tax deduction or withholding.

¹ To be determined.

5. Notwithstanding the above provisions of this Letter Agreement, the Loan and all interest on it will become due and payable or repayable forthwith on demand by us if: (i) the Company fails to pay any sum under this Letter Agreement when due; or (ii) the Company is in breach of any provision of this Letter Agreement; or (iii) the Company is in default under any other material financial obligation to any person; or (iv) an administration order is made in relation to the Company or a receiver or manager or administrative receiver (or equivalent insolvency practitioner in Switzerland) is appointed in respect of the Company or any of the Company's assets or any shareholders' resolution is passed for the winding up of the Company or any equivalent action in the Company's jurisdiction is taken; or (v) any petition is presented or any resolution proposed which may lead to any such occurrence referred to in (iv) above; or (vi) any distress or execution is levied on or affects any of the Company's property or assets; or (vii) the Company is unable to pay its debts as they fall due; or (viii) the Company ceases to carry on business; or (ix) any regulatory or other third party consents or authorisations necessary or desirable for the conduct of the Company's business are rejected or withdrawn; (x) any occurrence referred to in any of paragraphs (iii) to (ix) above takes place in relation to any subsidiary company of the Company, or any other event occurs, which we consider is reasonably likely to have a material adverse effect on the business or financial condition of the Company or its ability to perform its obligations hereunder.
6. The Company may make prepayment of the Loan (together with all interest accrued thereon) in whole or in part by payment to the Payment Account at any time upon at least one day's written notice to us.
7. The Company will pay, on demand and on a full indemnity basis, all costs and expenses (and any applicable sale taxes) which we may from time to time incur in connection with enforcement of this Letter Agreement and/or the Loan if the Company is in breach of any provision of this Letter Agreement.
8. Any demand or notice in respect of this Letter Agreement and/or the Loan will be in writing in the English language and (without prejudice to any other effective means of serving it) may be served on the relevant party personally or by commercial courier addressed to the relevant party at its registered office for the time being, or by fax to a fax number which has been specified by that party for the service of notices upon it. Any such demand or notice so delivered personally shall be deemed to have been received immediately upon delivery at such office, any such demand or notice sent by commercial courier shall be deemed to have been received at the time of signature of the courier's delivery receipt and any such notice sent by fax shall be deemed to have been received at the time of transmission in legible form.
9. Time shall be of the essence in respect of the Company's obligations under or in respect of this Letter Agreement but no failure by us to exercise or delay by us in exercising any right or remedy under or in respect of this Letter Agreement shall operate as a waiver of it, nor shall any single partial or defective exercise by us of any such right or remedy preclude any other or further exercise of that or any other right or remedy.
10. Each party shall bear its own legal, accounting and administrative expenses in connection with the transactions contemplated hereby.

11. This Letter Agreement may be executed in counterparts and shall be effective when each party has executed a counterpart. Each counterpart shall constitute an original of this Letter Agreement
12. This Letter Agreement, including any non-contractual obligations arising out of or in connection with this Letter Agreement, shall be governed by and construed in all respects in accordance with the law of England and Wales.
13. To accept the terms of this Letter Agreement which is intended to be binding on both parties, please sign and return the enclosed copy within two days from today's date, failing which this Letter Agreement shall lapse and the Loan will not be made available to you.

Yours faithfully,

Raymond Prudo

Stuart Ungar

David Neep

David Byrne

James Hill

Nigel Brooksby

Agreed and accepted

for and on behalf of **Volusion Immuno Pharmaceuticals SA**

Dated: _____

Schedule 1²

(1) Shareholders Name	(2) Address	(3) ³ Amount (GBP)
Dr. Raymond Prudo	71 Shepherds Hill London N6 5RE	
Dr. Stuart Ungar	Palm House Eastern Shores Abaco Bahamas	
Mr David Neep	Long Roof Hervines Road Amersham Buckinghamshire HP6 5HS	
Mr David Byme	62 Culverden Road London SW12 9LS	
Dr. James Hill	12 St. Georges Road Twickenham TW1 1QR	
Mr Nigel Brooksby	43 The Ridgeway Rothley Leicester LE7 7LE	

² Shareholder participants (and corresponding loan amount) to be determined.

³ To be determined.

**Schedule 2
Drawdown Notice**

From: Volution Immuno Pharmaceuticals SA (the “**Company**”)
To: Dr. Raymond Prudo
Dr. Stuart Ungar
Mr David Neep
Mr David Byrne
Dr. James Hill
Mr Nigel Brooksby
(together the “**Shareholders**”)

Dated: _____ 20__

Dear Sirs

Working Capital Advance between (i) the Shareholders and (ii) the Company (the “Letter Agreement”)

1. We refer to the Letter Agreement. This is a Drawdown Notice. Capitalised but undefined terms in this Drawdown Notice are as set out in the Letter Agreement.

2. We wish to borrow an Advance on the following terms:

Proposed date of Advance: [] (or, if that is not a Business Day, the next Business Day)
Amount: []

3. We confirm that as at date of this Drawdown Notice:

- (a) no event specified in paragraph 5 of the Letter Agreement is occurring or has occurred since the date of the Letter Agreement; and
- (b) we are entitled to submit this Drawdown Notice in accordance with paragraph 1 of the Letter Agreement.

4. The proceeds of the Advance should be credited to [*account*].

5. This Drawdown Notice is irrevocable.

Yours faithfully

for and on behalf of **Volution Immuno Pharmaceuticals SA**

Lock-Up Agreement

[•], 2015

Celsus Therapeutics Plc
24 West 40th Street, 8th Floor
New York, NY 10018

Ladies and Gentlemen:

The undersigned (the "**Shareholder**") understands that Celsus Therapeutics Plc, a company organized under the laws of England and Wales ("**Celsus**"), has entered into a Share Exchange Agreement, dated as of July 10, 2015 (the "**Agreement**"), with RPC Pharma Limited, a company organized under the laws of Malta (the "**Company**"), pursuant to which Celsus will purchase all of the capital stock of Volution Immuno Pharmaceuticals SA ("**Volution**") from the Company, Volution's sole shareholder, in exchange for ordinary shares of Celsus (the "**Acquisition**"). Capitalized terms used but not otherwise defined in this agreement (this "**Lock-Up Agreement**") will have the meanings ascribed to such terms in the Agreement.

As a material inducement to the willingness of each of Celsus and the Company entering into the Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Shareholder agrees that during the period beginning on the Completion Date and continuing until and including the 180 day anniversary of the Completion Date (the "**Restricted Period**"), the Shareholder (or its successors, assigns or designees) will not (A) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Celsus Shares or any securities convertible into or exercisable or exchangeable for Celsus Shares, including without limitation, such other securities of Celsus which may be deemed to be beneficially owned by the Shareholder in accordance with the rules and regulations of the Securities and Exchange Commission and securities of Celsus which may be issued upon exercise of a share option or warrant (collectively, the "**Shareholder's Shares**") or (B) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Celsus Shares or such other securities, whether any such transaction described in clause (A) or (B) above is to be settled by delivery of Celsus Shares or such other securities, in cash or otherwise (the "**Restrictions**").

None of the Restrictions apply to the disposal of any of the Shareholder's Shares or of any interest therein: (i) pursuant to acceptance of any offer (regardless of whether it is recommended by the board of the Company or not) made by any person in force to holders of the same class of shares as the Shareholder's Shares to acquire the whole or any part of the shares of such class; or (ii) pursuant to an irrevocable commitment or undertaking to accept a general offer of the kind referred to in (i); or (iii) pursuant to a scheme of arrangement under Part 26 of the Companies Act 2006 (the "**Act**") providing for the acquisition by any person of the whole or any part of the shares of such class of shares as the Shareholder's Shares; or (iv) to a shareholder of the Shareholder provided that (a) any such disposal (when taken together with all other such disposals to a shareholder of the Shareholder) does not account for more than 70% of the Shareholder's Shares and (b) such person or entity shall enter into a deed prior to the transfer to be bound, mutatis mutandis by the restrictions contained in this Lock Up Agreement; or (v) pursuant to a conversion or redesignation of any of the Shareholder's Shares of one class to become shares of another class (but for the avoidance of doubt the Restrictions shall apply to any such shares issued as a result of such conversion or redesignation).

An attempted transfer in violation of this Lock-Up Agreement will be of no effect and null and void, regardless of whether the purported transferee has any actual or constructive knowledge of the transfer restrictions set forth in this Lock-Up Agreement, and will not be recorded on the share transfer books of Celsus. Celsus may cause the legend set forth below, or a legend substantially equivalent thereto, to be placed upon any certificate(s) or other documents or instruments evidencing ownership of the Shareholder's Shares:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO AND MAY ONLY BE TRANSFERRED IN COMPLIANCE WITH A LOCK-UP AGREEMENT, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THE COMPANY.

The Shareholder hereby represents and warrants that the Shareholder has full power and authority to enter into this Lock-Up Agreement. All authority conferred or agreed to be conferred and any obligations of the Shareholder under this Lock-Up Agreement will be binding upon the successors, assigns, heirs or personal representatives of the Shareholder.

The Shareholder understands that each of Celsus and the Company is relying upon this Lock-Up Agreement in proceeding toward consummation of the Acquisition. The Shareholder further understands that this Lock-Up Agreement is irrevocable and is binding upon the Shareholder's heirs, legal representatives, successors and assigns.

This Lock-Up Agreement and any claim, controversy or dispute arising under or related to this Lock-Up Agreement will be governed by and construed in accordance with English law, without regard to the conflict of laws principles thereof. Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute relating to the Lock-Up Agreement. Each party irrevocably agrees that any process in any legal action or proceedings relating to any dispute relating to the Lock-Up Agreement may be served on it in accordance with the provisions of clauses 13 and 14 of the Agreement.

The Shareholder understands that if the Agreement is terminated in accordance with its terms, the Shareholder will be released from all obligations under this Lock-Up Agreement. This Lock-Up Agreement automatically terminates on the expiry of the Restricted Period.

This Lock-Up Agreement sets out the entire agreement and understanding between the Parties in respect of the subject matter of this Lock-Up Agreement.

This Lock-Up Agreement may be executed in any number of counterparts (including facsimile or PDF), each of which when executed and delivered, shall be deemed an original, but all the counterparts together shall constitute one and the same instrument.

This Lock-Up Agreement has been entered into as on the date stated at the beginning of it.

Signed by)
for and on behalf of)
Celsus Therapeutics Plc	Director
Signed by)
for and on behalf of)
RPC Pharma Limited	Director