

Company No: 2710654

The Companies Act 1985

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COMPANY LIMITED BY SHARES

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SPECIAL RESOLUTION

of

THREXSYS LIMITED

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Passed 25th March 1996

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AT an Extraordinary General Meeting of the Company, duly convened and held on 25th March 1996 the following resolution was duly passed as a special resolution:

RESOLUTION

1. That, with effect from the passing of this resolution:-
  - 1.1 the authorised share capital of the Company be and is hereby increased from £831,022.70 to £1,620,275.00 by the creation of 1,225,856 new Ordinary shares of 10 pence each and 6,666,667 new "A" Preferred Ordinary shares of 10p each;
  - 1.2 pursuant to the provisions of section 80 of the Companies Act 1985, the Directors be and are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities as defined by such section provided that:-

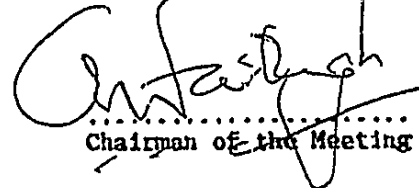


1.2.1 the maximum amount of such securities which may be allotted under this authority (within the meaning of that section) is £789,252.30; and

1.2.2 this authority shall, unless it is (prior to its expiry) duly revoked or varied or is renewed, expire on 28th February 2001 save that the Company may, before such expiry, make an offer or agreement which will or may require relevant securities to be allotted after such expiry; and

1.2.3 pursuant to the provisions of section 95 of the Companies Act 1985, the Directors be and are hereby empowered to allot equity securities (as defined in section 94 of that Act) pursuant to the general authority given to them for the purposes of section 80 of that Act on 20th March 1996 as if section 89(1) of that Act did not apply to any such allotment and the Company may make an offer or agreement which will or may require equity securities to be allotted after the expiry of the power granted by this resolution

1.3 the regulations contained in the document produced to the meeting be approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing Articles of Association of the Company.

  
.....  
Chairman of the Meeting

Certificate No.: 2710654

The Companies Act 1985

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COMPANY LIMITED BY SHARES  
\_\_\_\_\_

NEW

ARTICLES OF ASSOCIATION

-of-

THEREXSYS LIMITED

(Adopted by Special Resolution passed on 25th March 1996)

\_\_\_\_\_  
Incorporated on 29th April 1992  
\_\_\_\_\_

Evershed Wells & Hind  
Solicitors  
10 Newhall Street  
Birmingham B3 3LX

LIBRARY, COMPANY  
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*Adopted by the  
Apt on 15/8/96*

*Adopted by  
A. M. M. as  
Company Secretary*

The Companies Act 1985

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COMPANY LIMITED BY SHARES

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NEW

ARTICLES OF ASSOCIATION

-of-

THEREXSYS LIMITED\* ..

(Adopted by Special Resolution passed on 25th March 1996)

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PRELIMINARY

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1. The Articles hereinafter contained and, subject as hereinafter provided, the regulations (hereinafter referred to as "Table A") contained in Table A of The Companies (Tables A to F) Regulations 1985 as amended by The Companies (Tables A to F) (Amendment) Regulations 1985 shall constitute the regulations of the Company. In the case of any variation or inconsistency between these Articles and the regulations in Table A, the provisions of these Articles shall prevail.
2. Regulations 24, 40, 50, 54, 73 to 78 (inclusive), 80, 81, 88, 89, 94 to 97 (inclusive), 111 and 115 of Table A shall not apply to the Company.
3.
  - 3.1 In regulation 1 of Table A the words "and in the articles adopting the same" shall be inserted after the words "In these regulations" and the words "or in the articles adopting the same" shall be inserted after the words "contained in these regulations".
  - 3.2 In regulation 2 of Table A references in the third line to an ordinary resolution shall be amended to refer to a special resolution.

\*NOTE: By special resolution dated 1st December 1992 the Company changed its name to Therexsys Limited from Therapeutic Expression Systems Limited on 15th December 1992.

3.3 In these Articles the following words shall have the following meanings:-

"Abingworth" shall mean Abingworth Bioventures SICAV

"the Act" shall mean the Companies Act 1985;

"A" Preferred Ordinary Shares" shall mean the "A" preferred ordinary shares of 10 pence each in the capital of the Company;

"the Auditors" shall mean the auditors of the Company from time to time;

"business day" shall mean a day on which Clearing Banks in London are open for a full range of banking transactions;

"BIL" shall mean Biotechnology Investments Limited

"Clearing bank" shall mean a bank which is a member of CHAPS and Town Clearing Company Limited

"Connected Entity" means:-

- (1) in relation to any Investor, any subsidiary or holding company of, and any subsidiary of the holding company of, that Investor, any person, company, fund, unit trust or limited partnership managed, controlled or advised by any such person or controlled or advised by the relevant Investor or its manager or adviser or any unit trust holder partner or participant or manager or adviser (or any of their employees) of any of the above; and

- (ii) in addition in relation to BIL, any of Rothschild Asset Management Limited, NM Rothschild & Sons Limited, NM Rothschild & Sons (CI) Limited, NM Rothschild Asset Management (CI) Limited; and
- (iii) in relation to CRCT or MRC, any subsidiary or any company limited by guarantee in respect of which MRC or CRCT (as the case may require) has the right to appoint or remove a majority of its board of directors or governing body; and
- (iv) any nominee, custodian or trustee of any of the above; and
- (v) in addition in relation to Sofinnova SA a transfer to Sofinnova Capital FCPR;
- (vi) in addition in relation to Sofinnova Capital FCPR a transfer to Sofinnova SA; and
- (vii) in addition in relation to NEA any limited partnership of which the general partner is itself a limited partnership of which in excess of fifty per cent (50%) of the general partners are also general partners of the general partner of NEA

"Controlling Interest" means shares (or the beneficial interest in shares) which in aggregate confer on the holders thereof 50 per cent. or more of the total voting rights at general meetings of the Company conferred by all the shares in issue at the relevant time.

"CRCT" shall mean Cancer Research Campaign Technology Limited

"Investor Director" shall mean a Director appointed by Abingworth BIL or Schroders pursuant to Article 26

"Investor" shall mean Abingworth BIL or Schroders for so long as each such person or a Connected Entity of such person is a member of the Company and any other member designated as an "Investor" by notice in writing to the Company by the relevant Investor and to whom such Investor has transferred in excess of fifty per cent (50%) of its holding of Shares held at the date of adoption of these Articles or subscribed pursuant to the Subscription Agreement and who shall from the date of such notice act as Investor in substitution for the Investor serving such notice;

"MRC" shall mean the Medical Research Council

"NEA" shall mean New Enterprise Associates V Limited Partnership

"Ordinary Shares" shall mean the ordinary shares of 10p each in the capital of the Company;

"Preferred Ordinary Shares" shall mean the preferred ordinary shares of 10 pence each in the capital of the Company;

"Schroders" shall mean Schroder International Trust Company Limited and Schroder Venture Managers Inc jointly as trustee and general partner respectively of the three Schroder funds which are a party to the Subscription Agreement

"Shares" shall mean any shares in the equity share capital of the Company;

"Specified Price" shall mean a price per Share at least equal to the highest price offered or paid or payable by the proposed transferee or transferees or his or their nominees for any other Share including an amount equal to

the relevant proportion of any other consideration (whether in cash or otherwise) received or receivable by the holders of such other Shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for such other Shares PROVIDED ALWAYS if any part of the price per share is payable otherwise than in cash any member may at their option elect to take a price per share of such cash sum as may be agreed between them; AND PROVIDED FURTHER in the event of disagreement, the calculation of the Specified Price shall be referred to the Auditors (acting as expert and not as arbitrator) for determination whose decision shall be final and binding;

"the Subscription Agreement" shall mean an agreement dated 30th November 1993 and made between (1) the Company (2) Dr R.K. Craig (3) the Existing Investors and (4) the New Investors (as each such expression is defined therein);

"subsidiary" and "holding company" shall mean the subsidiary and/or the holding company as respectively defined in section 736 of the Act

3.3 In these regulations, where the context so permits, words importing the singular number only shall include the plural number, and vice versa, words importing the masculine gender only shall include the feminine gender, words importing persons shall include corporations and references to amounts paid up or credited as paid up on shares shall, for the avoidance of doubt, include any premium paid on any share.

3.4 Any words or expressions defined in the Act shall, save where specifically defined herein or inconsistent with the context, have the same meaning in these Articles.



## SHARE CAPITAL

4.
  - 4.1 The share capital of the Company at the time of the adoption of these Articles is £1,620,275.00 divided into 5,949,999 Preferred Ordinary Shares 6,666,667 "A" Preferred Ordinary Shares and 3,586,084 Ordinary Shares.
  - 4.2 Subject to the provisions of the Subscription Agreement Articles 6 and 7 and the provisions of the Act, all the unissued shares for the time being in the capital of the Company shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to such persons, at such times and on such terms and conditions as they think proper, provided that no shares shall be issued at a discount.
  - 4.3 The words "or by special resolution" shall be inserted after the words "as may be provided by the articles" in regulation 3 of Table A.
5. The rights, as regards participation in the profits and assets of the Company, attaching to the Shares shall be as follows:-
  - 5.1 Subject to any special rights which may be attached to any other class of shares, the profits of the Company available for distribution and resolved to be distributed shall, subject to the provisions of the Act, be distributed by way of dividend pro rata among the holders of the Ordinary Shares, the "A" Preferred Ordinary Shares and the Preferred Ordinary Shares at the same rate per share and as if they constituted a single class of share.
  - 5.2 On a return of assets on a winding-up or otherwise, the assets of the Company available for distribution among the members shall be applied:-

5.2.1 first in repaying to the holders of the Preferred Ordinary Shares and the "A" Preferred Ordinary Shares (rateably according to the number of shares held as if they constituted a single class of share) the amounts paid up (including for the avoidance of doubt any premium) on such shares calculated up to the date of commencement of the winding-up (in the case of a winding-up) or the return of capital (in any other case);

5.2.2 secondly, in repaying to the holders of the Ordinary Shares the amounts paid up (including for the avoidance of doubt any premium) on such shares calculated up to the date of commencement of the winding up (in the case of a winding up) or the return of capital (in any other case); and

5.2.3 the balance of such assets shall belong to and be distributed among the holders of the Ordinary Shares, the "A" Preferred Ordinary Shares and the Preferred Ordinary Shares rateably according to the number of such shares held by such holders.

5.3 In the event of the sale of in excess of fifty per cent (50%) of the issued share capital of the Company (pursuant to Article 13.8 or otherwise) whether to a private purchaser or purchasers or to an institution or to the public the proceeds of such sale shall be apportioned amongst the selling shareholders at the option of the holders of not less than a simple majority in number of the Preferred Ordinary Shares and the "A" Preferred Ordinary Shares (as if they constituted a single class of share) exercised by notice in writing to the Company, either rateably according to the number of such shares held by the holders or as if such proceeds fell to be distributed on a return of capital in accordance with Article 5.2.

5.4 Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with the Articles on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative shall have one vote and on a poll every member who is present in person or by a proxy or (being a corporation) is present by a representative shall (except as hereinafter provided) have one vote for every share in the capital of the Company of which he is the holder

6. No shares shall be issued to any infant, bankrupt or person of unsound mind.

7. The Company is a private company to which Section 81 of the Act applies and accordingly:-

7.1 any offer to the public (whether for cash or otherwise) of any shares in or debentures of the Company; and

7.2 any allotment of, or agreement to allot, (whether for cash or otherwise) any shares in or debentures of the Company with a view to all or any of those shares or debentures being offered for sale to the public is prohibited.

#### LIEN

8. In regulation 8 of Table A the words and brackets "(not being a fully paid share)" shall be omitted.

#### VARIATION OF CLASS RIGHTS

9. 9.1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of

a winding-up with the consent in writing of the holders of more than three fourths of the issued shares of the class or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of that class but not otherwise. To every such separate meeting all the provisions of these Articles relating to General Meetings of the Company or the proceedings thereat shall mutatis mutandis apply except that the necessary quorum shall be one person at least holding or representing by proxy not less than one third in nominal amount of the issued shares of the class and that the holders of the class shall on a poll have one vote in respect of every share of the class held by them respectively;

- 9.2 The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.

#### TRANSFER OF SHARES

10. Any direction (by way of renunciation, nomination or otherwise) by a member entitled to an allotment of shares, to the effect that such shares or any of them be allotted or issued to some person other than himself or to a Connected Company, shall for the purpose of these Articles be deemed a transfer.
11. 11.1 The directors may in their absolute discretion and without assigning any reason therefor refuse to register the transfer of an Ordinary Share which is not fully paid to a person of whom they do not approve, and may also refuse to register the transfer of a Share where the Company has a lien on such Share. They may also refuse to register a transfer unless:-

- 11.1.1 it is lodged at the registered office of the Company or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;
  - 11.1.2 it is in respect of only one class of share; and
  - 11.1.3 it is in favour of not more than four transferees.
- 11.2 No Shares may be transferred to any infant, bankrupt or person of unsound mind.
- 11.3 The directors shall not register a transfer of any Ordinary Shares save as permitted by Article 12 without the prior written consent of a majority in nominal value of the holders of the Preferred Ordinary Shares Provided always that such consent shall not be required in the case of a transfer pursuant to Article 13 by a member to an existing member or to a new member who is to become an employee of the Company with the consent of a majority of the directors of the Company (such majority to include an Investor Director) or where the transfer is pursuant to Article 13.4 and the Company has not within the periods limited for acceptance found members willing to purchase such shares.
- 12.
  - 12.1 Subject to the provisions of Articles 11, 12.3 and 14.3:-
    - 12.1.1 A holder of Ordinary Shares may at any time transfer all or any of such shares:-
      - 12.1.1.1 in the case of an individual whether as Settlor (as hereinafter defined) or otherwise howsoever:-

(a) to a Privileged Relation (as hereinafter defined); or

(b) to trustees to be held on Family Trust (as hereinafter defined); or

12.1.1.2 to a nominee of the holder or where the holder is a nominee for any other person to that person or to another nominee for him Provided that in any such case the transferor certifies to the Company that no beneficial interest in the share passes by reason of the transfer.

12.1.1.3 in the case of Dimitris Kioussis only, and subject always to Articles 12.3 and 14.3, to John William Griffin.

12.1.2 Where shares are held by trustees upon Family Trust (as hereinafter defined);-

12.1.2.1 such shares may on any change of trustees be transferred to the new trustees; or

12.1.2.2 such shares may at any time be transferred to any person to whom under this Article 12.1 they could have been transferred by the Settlor if he had been holder thereof.

12.1.3 Notwithstanding anything to the contrary contained in these Articles, any Ordinary Share registered in the name of MRC or CRCT or any Preferred Ordinary Share may be transferred at any time by a holder of any such share;

12.1.3.1 to a Connected Entity;

12.1.3.2 by any Connected Entity to the relevant transferor or to another company which is a Connected Entity in relation to such transferor;

12.1.3.3 by any transferor which is a body corporate or Connected Entity or Investor to its underlying investors partners, managers or advisers in accordance with the articles of association, partnership deed, trust deed or other document constituting such transferor or Connected Entity

12.1.4 Any share in the capital of the Company may be transferred to any person with the prior written consent of all of the members of the Company. Any such consent may be unconditional or subject to any terms and conditions and in the latter case any share so transferred shall be held subject to such terms and conditions

12.1.5 Any share in the capital of the Company may be transferred at any time by a member to the Company upon a purchase by the Company of such share pursuant to the provisions of Chapter VII of the Act.

12.1.6 Any share comprised in a transfer notice (as defined in Article 13.1) may be transferred by a member to any other member who has agreed to purchase the same through and in accordance with the procedure prescribed in Article 13

12.1.7 If and whenever any Shares shall have been transferred to a Family Trust and such shares then become to be held by the trustees other than upon Family Trusts (save for a transfer in accordance with Article 12.1.1) the trustees shall be bound to notify the directors for the time being of the Company in writing that such event has occurred and the trustees shall, if so requested in writing by the directors so to do (such request to be served on the trustees within three (3) months of notification of such occurrence), to give a transfer notice in respect of the shares concerned PROVIDED ALWAYS that prior to operating the procedure set out in Article 13 the original transferor shall be offered the shares comprised in such transfer notice

12.1.8 If any person to whom shares have been transferred pursuant to Article 12.1.1 shall cease to be a Privileged Relation of such transferor, such person shall be bound if and when requested in writing by the directors to give a transfer notice in respect of the shares concerned PROVIDED ALWAYS that prior to operating the procedure set out in Article 13 the original transferor shall be offered the shares comprised in such transfer notice

12.1.9 For the purposes of this Article 12.1:-

12.1.9.1 "Privileged Relation" in relation to a holder means the spouse of the holder, their children and grandchildren (including, in each case, adopted and step-children);



12.1.9.2 "Family Trust" in relation to a holder means a trust under which no immediate beneficial interest in the shares in question is for the time being vested in any person other than the holder or his Privileged Relation in that no power of control over the voting powers conferred by such shares is for the time being exercisable by or subject to the consent of any person other than the trustees as trustees of such holder or his Privileged Relation;

12.1.9.3 "Settlor" includes a testator an intestate and a disposition by a Settlor on Family Trust includes trusts arising respectively under a testamentary disposition or an intestacy.

12.2 Subject to the provisions of Articles 11.3 and 12.3 the directors shall register a transfer made in accordance with the foregoing provisions of this Article but, save as aforesaid, none of the Ordinary Shares or the Preferred Ordinary Shares shall be transferred except with the approval of the directors (including for the avoidance of doubt an Investor Director). The directors shall have an absolute discretion in giving or withholding such approval and need not assign any reason therefor.

12.3 Any shares transferred to John William Griffin pursuant to Article 12.1.1.3 shall only be transferable by him to Dimitris Kioussis or a Privileged Relation of Dimitris Kioussis or in accordance with Article 13 but not otherwise.

13. Except in the case of a transfer of shares expressly authorised by Articles 12.1.1 to 12.1.5 (inclusive) or by Articles 12.1.7 or 12.1.8, the right to transfer Preferred Ordinary Shares or Ordinary Shares in the Company shall be subject to the following restrictions, namely:-

13.1 Before transferring any interest in any Preferred Ordinary Shares or Ordinary Shares the person proposing to transfer the same (hereinafter called "the proposing transferor") shall give a notice in writing (hereinafter called a "transfer notice") to the Company that he desires to transfer the same and the transfer notice shall constitute the Company his agent for the sale of the Shares therein mentioned (together with all rights then attached thereto) at the prescribed price (as hereinafter defined in Article 13.5) to any members selected in accordance with the following provisions of this Article 13.- The proposing transferor may, unless the transfer notice has been given or deemed to have been given pursuant to the provisions of Article 14, withdraw the transfer notice within 14 days after any Auditors' certificate is issued in connection with the transfer notice under Article 13.5 but save as aforesaid a transfer notice once given or deemed to be given shall not be revocable except with the consent of the directors.

13.2 All Shares mentioned in any transfer notice shall be offered within 21 days of agreement of the prescribed price or (if later) the receipt of any certificate given by the Auditors pursuant to Article 13.6 for sale by the Company at the prescribed price to all members (other than (a) the member by whom or in respect of whose Shares the transfer be given and (b) any member to whom under the provisions of Article 11.2 Shares may not be transferred) on the terms that:

13.2.1 in case of competition for Shares the Shares so offered shall be sold to the members accepting the offer in proportion as nearly as may be to their aggregate existing holdings of Shares and in the case of competition for any other class of Shares such Shares shall be offered to the members accepting the offer in proportion as nearly as may be to their aggregate existing holding of Shares of any class. The directors' (including for the avoidance of doubt an Investor Director) decision as to the number of Shares which shall be "in proportion as nearly as may be to their aggregate existing holdings of Shares of whatever class" (as the case may require) shall be conclusive final and binding on the parties hereto;

13.2.2 in the event that a holder of Shares to whom an offer falls to be made pursuant to the provisions of this Article 13.2 declines to accept all of the Shares offered to him such Shares shall be re-offered in like manner and upon the same terms to those holders of Shares who accepted all the Shares previously offered to them and such re-offering shall invite the holders so offered to apply for additional Shares to their respective proportional entitlement with the intention that any Shares not accepted by the members on such re-offering shall be used to satisfy such additional demand (if any) as nearly as may be in the proportion which the relevant members' existing holding of Shares bears to the aggregate number of Shares.

All offers of Shares under this Article 13.2 shall be made by notice in writing and every such offer shall limit a time (not being less than 30 days) within which the offer must be accepted or in default will lapse. Any Shares not accepted by any of the members pursuant to the foregoing provisions of these Articles by the end of the last of the relevant periods under Article 13.2 may be offered by the directors during the period of thirty (30) days following the expiry of the last of such periods to such persons as they may think fit for the purchase at the prescribed price.

- 13.3      13.3.1      If the Company shall after making offers in accordance with the provisions of Article 13.2 within the periods limited for acceptance find members or such other persons as aforesaid (hereinafter called "purchasers") willing to purchase the Shares concerned or any of them and shall give notice in writing thereof to the proposing transferor he shall be bound, upon payment of the prescribed price, to transfer such Shares to the respective purchasers thereof. Every such notice shall state the name and address of the purchaser and the number of Shares agreed to be purchased by him and the purchase shall be completed at a place and time to be appointed by the directors not being less than 7 days nor more than 21 days after the date of such notice or (where necessary) so soon thereafter as the prescribed price shall have been determined. Provided always that if the transfer notice shall state that the proposing transferor is not willing to transfer part only of his Shares comprised in the transfer notice the foregoing provisions of this Article 13.3.1 shall not apply unless the Company shall have found purchasers for in aggregate the whole of such shares.

13.3.2 If in any case a proposing transferor after having become bound to transfer any Shares to a purchaser pursuant to this Article 13 or Articles 12 or 14 shall make default in transferring such shares the directors may authorise some person to execute on behalf of and as attorney for the proposing transferor any necessary transfers and may receive the purchase money and shall thereupon cause the name of the purchaser to be entered in the register of members as the holder of such Shares and hold the purchase money in trust for the proposing transferor. The receipt of the Company for the purchase money shall be a good discharge to the purchaser (who shall not be bound to see to the application thereof) and after the name of the purchaser has been entered in the register of members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

13.4 If the Company shall not within the periods limited for acceptance find purchasers willing to purchase any or (if the transfer notice states that the proposing transferor is not willing to transfer part only of his Shares) all the Shares and give notice in writing thereof to the proposing transferor in accordance with Article 13.3.1 or if the Company shall within such period give to the proposing transferor notice in writing that the Company has no prospect of finding purchasers for such Shares, or any of them, the proposing transferor at any time thereafter up to the expiration of three months after the latest of the periods limited for acceptance shall be at liberty to transfer those Shares for which the Company has not given notice that it has found (or has given notice that it has no prospect of finding) purchasers to any person and at any price (not being less than the prescribed price) but subject to the provisions of Articles 11.1 and 11.2.

13.5 The expression "the prescribed price" shall mean the higher of such sum (apportioned per share) as shall be agreed between the proposing transferor and the directors (including for the avoidance of doubt an Investor Director) and the price contained in a bona fide offer received from a third party by the proposing transferor not more than one month before the date of the transfer notice and which remains open for acceptance in respect of the Shares mentioned in the transfer notice until at least seven days after the last date for compliance with the pre-emption provisions contained in this Article 13 (but subject to the right of the directors to satisfy themselves and determine that such offer is bona fide, for the consideration stated in the offer without any deduction, rebate or allowance whatsoever to the purchaser and so open for acceptance) or in default of agreement or determination as aforesaid as certified in writing pursuant to the provisions of Article 13.6 as being the market value of the Shares comprised in the transfer notice Provided that for the purposes of determining the market value of the shares concerned no discount shall be applied solely by reason of the fact (if it is the case) that the Shares to which the prescribed price relates is a minority holding of Shares and Provided further that, for the avoidance of doubt, upon the sale of the entire issued equity share capital of the Company or a listing of any of the share capital of the Company on any exchange which is a Recognised Investment Exchange for the purposes of the Financial Services Act 1986, the Preferred Ordinary Shares, the "A" Preferred Ordinary Shares and the Ordinary Shares shall be deemed to rank pari passu in all respects.

13.6 Within 14 days after the transfer notice has been given the prescribed price shall be agreed between the proposing transferor and the directors or determined by the directors as aforesaid (in each case including for the avoidance of

doubt an Investor Director) or in default of agreement or determination (or if the transfer notice has been deemed to have been given pursuant to Article 14) the calculation of the prescribed price shall be referred to the Auditors acting as experts and not as arbitrators whose decision thereon shall be certified in writing to the proposing transferor and the directors and be binding on them. The Auditors shall be entitled, if thought fit, to obtain professional valuations of any of the Company's assets. The fees and expenses of the Auditors (including expenses of any such valuation) shall be borne as to one-half by the proposing transferor and as to the balance among the purchasers of the shares sold pursuant to the transfer notice in proportion to the numbers of the Shares purchased by them respectively or if there are no such purchasers or if the proposing transferor withdraws the transfer notice pursuant to Article 13.1 such remaining half shall also be borne by the proposing transferor. Where a transfer notice shall be deemed to have been given pursuant to Article 14 one half of such fees and expenses shall be borne amongst the purchasers of the shares sold pursuant to the transfer notice in proportion to the numbers of the Shares purchased by them respectively and one half by the Company or if no such purchasers can be found, by the Company only.

13.7

Subject to Article 5.3 and, for the avoidance of doubt the provisions of Article 13.1, but notwithstanding any of the other provisions of these Articles no person who is not a shareholder on the date of adoption of these Articles or a person who obtains such shareholding pursuant to the Subscription Agreement ("Outside Person") (either alone or together with another person or persons) shall be entitled or permitted to acquire (and no share may be transferred if as a result any Outside Person would acquire) a Controlling Interest in the Company other than pursuant to a transfer pursuant to Articles 12.1.1 to 12.1.5 (inclusive) unless that person makes a written offer (open for acceptance for

a period of at least 21 days and with adequate security as to the performance of its obligations) to all the holders of Shares to purchase all the Shares held by them on bona fide terms no less favourable than those which the Outside Person has offered to or agreed with the person(s) from whom the Controlling Interest is proposed to be acquired or by whom the Controlling Interest is proposed to be transferred.

13.8 Subject to Article 5.3, and, for the avoidance of doubt the provisions of Article 13.1 where a member or members being the registered holder(s) of not less than seventy five per cent (75%) of the issued Shares find a person willing to make an offer ("the Offer") to purchase the whole of the issued share capital of the Company (including for the avoidance of doubt not only Shares held by members at the date that the Offer is made, but also Shares held by any person who at the date of the Offer holds an option under the Therexsys Sharesave Scheme or any other option granted by the Company and who becomes a member at any time within a period of six (6) months following a Sale (as hereinafter defined) due to exercise of his option ("an Exercising Member") such member or members may by notice in writing to the Company and each of the other members including an Exercising Member require such other members to concur in a bona fide arm's length sale of the entire issued share capital of the Company to the proposed transferee at the Specified Price ("a Sale") and Provided Further that the proposed transfer is upon no less favourable terms to those offered to the member or members being the registered holder(s) of seventy five per cent (75%) of the Shares aforesaid.

13.9 In any case where a member is required to join in with a bona fide arm's length sale of the whole of the issued share capital of the Company pursuant to Article 13.8 above, if such member shall default in transferring the



shares registered in his name the Company may, and if such member is an Exercising Member the Company shall, authorise any director of the Company or some other person to execute on behalf of, and as attorney for, the member in default or the Exercising Member (as the case may be) any necessary transfer and may receive the purchase money for the Shares registered in the defaulting member's or the Exercising Member's name and the directors shall thereupon be authorised to cause the name of the proposed transferee to be registered in the register of members as the holder of the Shares in question and to hold the proceeds of sale (less any costs or expenses incurred by the Company in relation thereto in the case of a defaulting member only) on trust for the said member. The receipt of the Company for the purchase money shall be a good and efficient discharge to the proposed transferee (who shall not be bound to see to the application thereof) and after the name of the proposed transferee has been entered in the register of members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

13.10 For the avoidance of doubt the provisions of Article 12.2, Articles 13.1 to 13.9 (inclusive) and Article 14 shall not apply to any transfer of "A" Preferred Ordinary Shares which will be freely transferable at any price to any person and upon such other terms as the transferor thereof, in its absolute discretion, deems appropriate.

14. 14.1 A member who is a director or an employee of, or a consultant to, the Company or any of its subsidiaries (hereinafter an "original member") and any member whose interest in any Shares derives directly or indirectly from a transfer made by an original member (save in relation to any such original member's holding of "A" Preferred Ordinary Shares) and permitted by Article 12.1.1 or 12.1.2 shall, if such original member ceases to be a director of

and (if an employee or consultant only) to be employed by or engaged to provide services under a contract with services to, the Company or any of its subsidiaries:-

14.1.1 be bound where such cessation is by reason of the original member's death, disability, ill health, reaching retirement age or the termination of his employment or engagement (as the case may require) in circumstances where it has been legally established by a court of competent jurisdiction that he has a successful claim against the Company or any of its subsidiaries for breach of contract or wrongful dismissal, if the holder or holders of a majority in nominal value of the Preferred Ordinary Shares at their option by notice in writing to the member(s) concerned so required, to give a Transfer Notice pursuant to the provisions of Article 13 in respect of all (and not part only) of the Shares then registered in his or their respective names (other than any "A" Preferred Ordinary Shares") provided that, for the avoidance of doubt, the provisions of Article 13.5 as to the prescribed price shall apply;

14.1.2 be bound if the holder or holders of a majority in nominal value of the Preferred Ordinary Shares at their option by notice in writing to the member(s) concerned so required, by such cessation as for reason other than those set out in Article 14.1.1, to give a Transfer Notice pursuant to Article 13 in respect of all of the Shares registered in his or their respective names (other than any "A" Preferred Ordinary Shares") provided always that:-

14.1.2.1 where such cessation occurs at any time before 23rd July 1994 or, if later, within the period of two years from the date upon which the original member became registered as the holder of the Shares in question, or such cessation results from the breach of such original members' contract for service or of employment with the Company or its subsidiaries such original member or in circumstances where such original member enters into any contractual arrangements whether of employment, consultancy or otherwise with a direct competitor of the Company ("a breaching or competing leaver") the prescribed price referred to in Article 13.5 shall be the lower of the sum subscribed for such shares (including any premium) and the market value calculated in accordance with the provisions of Article 13.5; and

14.1.2.2 where such cessation occurs after 23rd July 1994 or more than two years following the date referred to in Article 14.1.2.1 (as the case may require) and the original member is a breaching or competing leaver the provisions of Article 13.5 as to the prescribed price shall apply

PROVIDED ALWAYS that in any such case the holder or holders of a majority in nominal value of the Preferred Ordinary Shares shall only be entitled to require service of a Transfer Notice in accordance with this Article 14.1 within twelve (12) months of such cessation AND PROVIDED FURTHER, for the avoidance of doubt, that the provisions of this Article 14.1 shall not apply to any member in respect of his or their holding of "A" Preferred Ordinary Shares.

- 14.2      14.2.1      Subject to the provisions of Article 12, a person entitled to a Share in consequence of the bankruptcy of a member shall be bound at any time, if and when required in writing by a majority in value of the holders of the Preferred Ordinary Shares so to do, to give a transfer notice in respect of all the Shares then registered in the name of the bankrupt member.
- 14.2.2      Subject to the provisions of Article 12, a person entitled to a Share in consequence of the death of a member shall be bound at any time after the expiration of one year from the date of such death, if and when required in writing by a majority in value of the holders of the Preferred Ordinary Shares so to do, to give a transfer notice in respect of all the Shares then registered in the name of the deceased member.
- 14.2.3      Subject to the provisions of Article 12, a member which is a body corporate shall be bound at any time after it has gone into liquidation (not being a liquidation for the purposes only of amalgamation or reconstruction) or similar status in the country of its incorporation, if and when required in writing by a majority in value of the holders of the Preferred Ordinary Shares so to do, to give a transfer notice in respect of all the Shares then registered in the name of such member.
- 14.2.4      If a member has derived its interest in the Shares registered in its name by reason of a transfer pursuant to Article 12.1.3 (whether directly or by a series of transfers) upon

ceasing to be a Connected Company it shall be the duty of such Connected Company to notify the directors of that such event has occurred and such member shall either transfer all of the Shares then registered in its name to another Connected Company of the relevant transferor pursuant to Article 12.1.3.3 or in default thereof within a period of 20 business days of it ceasing to be a Connected Company shall serve a transfer notice in accordance with Article 13

14.3 If at any time any Shares have been transferred to John William Griffin pursuant to Article 12.1.1.3 he shall upon the death of Dimitris Kioussis at the request of an Investor Director forthwith transfer any such Shares which remain registered in his name to the personal representatives or estate of Dr Kioussis.

14.4 In any case where a transfer notice has been duly required to be given under this Article 14 in respect of any Shares and such transfer notice is not given within a period of 20 business days of the due date, such transfer notice shall be deemed to have been given at the expiration of the said period.

#### PROCEEDINGS AT GENERAL MEETINGS

15. No business shall be transacted at any Meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.

16. The words "and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the member or members present in person or by proxy shall be a quorum and will constitute a valid meeting for all purposes" shall be inserted immediately following the words "as the directors may determine" in regulation 41 of Table A.

17. A poll may be demanded at any General Meeting by the Chairman or by any member present in person or by proxy and entitled to vote. Regulation 46 of Table A shall be altered accordingly.

18. 18.1 The words and figures "Subject to regulation 51 of these regulations" shall be inserted before the words "A poll shall be taken" in regulation 49 of Table A.

18.2 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall not be entitled to a casting vote in addition to any other vote he may have.

#### VOTES OF MEMBERS

19. A member shall not be entitled to appoint more than one proxy to attend on the same occasion and accordingly the final sentence of regulation 59 of Table A shall not apply to the Company. Any such proxy shall be entitled to cast the votes to which he is entitled in different ways.

#### NUMBER OF DIRECTORS

20. The number of the directors other than alternate directors shall not be less than 2.

#### DIRECTORS

21. A director shall not require a share qualification.

22. Any person may be appointed or elected as a director and no director shall be required to vacate his office by reason of his attaining or having attained the age of seventy years or any other age.

23. In addition and without prejudice to the provisions of Section 303 of the Act, the Company may by extraordinary resolution remove any director from office at any time and may (pursuant to Article 26) by ordinary resolution appoint another director in his stead but such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the Company.

#### APPOINTMENT AND RETIREMENT OF DIRECTORS

24. The directors shall not be liable to retirement by rotation and accordingly the words "and shall not be taken into account in determining the directors who are to retire by rotation at the meeting" in regulation 79 of Table A shall not apply to the Company.
25. Without prejudice to the powers of the directors under regulation 79 of Table A, the Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.
26. 26.1 Each of Abingworth, Schroders, MRC and BIL shall be entitled so long as it or any Connected Entity of it holds not less than 5% of the issued equity share capital of the Company from time to time to appoint any one person as it thinks fit as a director of the Company at any time and from time to time and to remove from office any person so appointed and to appoint another person in his place;
- 26.2 Such appointment or removal shall be effected by a notice in writing signed by or on behalf of Abingworth, Schroders, MRC or BIL (as the case may require) and given to the Company at the Company's registered office.

#### DISQUALIFICATION AND REMOVAL OF DIRECTORS

27. The office of a director shall be vacated if:-

- 27.1 he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
  - 27.2 he becomes bankrupt or insolvent or makes any arrangement or composition with his creditors; or
  - 27.3 he is, or may be, suffering from mental disorder and either:-
    - 27.3.1 he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
    - 27.3.2 an order is made by a Court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
  - 27.4 (not being precluded from so doing by the terms of any contract with the Company) by notice in writing he resigns the office of director; or
  - 27.5 he is removed from office by a resolution duly passed pursuant to Section 303 of the Act or pursuant to Articles 24 or 26.
28. 28.1 Subject to the provisions of the Subscription Agreement, the office of a director (other than one appointed pursuant to Article 26) shall be vacated if he shall be removed from office by notice in writing served upon him signed by a majority of his co-directors but so that if he holds an appointment to an executive office which thereby



automatically determines, such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of contract of service or otherwise between him and the Company.

- 28.2 Subject to Article 28.1 and the Subscription Agreement the majority of the directors shall have the right to appoint further director(s) of the Company.

#### DIRECTORS' GRATUITIES AND PENSIONS

29. The words and figures "Without prejudice to the generality of regulation 70" shall be inserted before the words "The directors may provide benefits" in regulation 87 of Table A.

#### PROCEEDINGS OF DIRECTORS

30. 30.1 The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Unless all directors indicate their willingness to accept shorter notice of a meeting of directors, at least 7 clear days' prior notice of the time and place of each meeting of directors shall be given. Questions arising at any meeting shall be determined by a majority of votes and in the case of equality of votes the Chairman of the meeting shall not have a second or casting vote.
- 30.2 A director may, and the Secretary on the requisition of a director shall, at any time summon a meeting of the directors. Notice of every meeting of the directors shall be given to every director in accordance with the provisions referred to in Article 36, but the non-receipt of notice by any director shall not invalidate the proceedings at any meeting of the directors.

31. The quorum necessary for the transaction of the business of the directors shall be two directors or their respective alternates, of whom one must, save with the prior written consent of BIL and Schroders, be an Investor Director (if such person has been appointed), present throughout the meeting at which the business is to be transacted. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the director or directors and/or alternate director or directors present shall be a quorum and will constitute a valid meeting for all purposes.
32. Any director or member of a committee of the Board may participate in a meeting of the directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and any director or member of a committee participating in a meeting in this manner shall be deemed to be present in person at such meeting.
33. Provided a director declares his interest therein in the manner provided by the Act he may vote as a director at any meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company, and if he shall so vote his vote shall be counted, and he shall be counted in the quorum at any such meeting where such a matter is under consideration.

#### CAPITALISATION OF PROFITS

34. In regulation 110(b) of Table A, the words 'and in the same proportions' and 'in those proportions' shall not apply to the Company

## NOTICES

35. 35.1 Any notice to be given to or by any person pursuant to these Articles shall be in writing provided that a notice to a director need not be in writing if in any case that director indicates that notice in writing is not necessary.
- 35.2 In regulation 112 of Table A, the words "or by telex or facsimile transmission" shall be inserted before the words "or by sending it by" and the words "first class" shall be inserted before the words "post in a prepaid envelope". The provisions of regulation 112 as so varied shall (mutatis mutandis) apply also to notices to directors.
- 35.3 Where a notice is sent by first class post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting at the expiration of 24 hours after the letter containing the same is posted.

## WINDING-UP

36. In regulation 117 of Table A, the words "with the like sanction" shall be inserted immediately before the words "determine how the division".

## GENERAL

37. A person shall be "a person of unsound mind" for the purposes of Articles 6 and 11.2 if he is a person to whom, if he were a Director, the provisions of Article 28.3 would apply.