

THE COMPANIES ACTS 1985 AND 1989

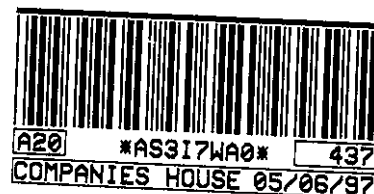
COMPANY LIMITED BY SHARES

SPECIAL RESOLUTIONS

of

ANAGEN PLC

Passed 4 June, 1997



At an Extraordinary General Meeting of the above-named Company, duly convened and held at the offices of Watson, Farley & Williams at 15 Appold Street, London EC2A 2HB on 4 June, 1997 the following Special Resolutions were duly passed:-

SPECIAL RESOLUTIONS

THAT:

- 1 each of the 46,501,000 Ordinary Shares of 10p each in the capital of the Company in issue at the date hereof be and is hereby sub-divided into one New Ordinary share of 0.01p and one Deferred Share of 9.99p, such New Ordinary Shares and Deferred Shares respectively having the rights and being subject to the restrictions set out in the Articles of Association of the Company as amended pursuant to Resolution 3;
- 2 each of the 17,499,000 Ordinary Shares of 10p each in the capital of the Company which are authorised but unissued at the date hereof be and are hereby subdivided into 1,000 New Ordinary Shares of 0.01p, such New Ordinary Shares having the rights and being subject to the restrictions set out in the Articles of Association of the Company as amended pursuant to Resolution 3;
- 3 the Articles of Association of the Company be and they are hereby amended by the deletion of the existing Article 4 and the substitution thereof of the following:
 - "4. The capital of the Company at the date of the adoption of these Articles is £6,400,000 divided into 17,545,501,000 Ordinary Shares of 0.01p each ("Ordinary Shares") and 46,501,000 Deferred Shares of 9.99p each (Deferred Shares). The Deferred Shares shall confer on the holders thereof the following rights subject to the following restrictions:
 - (i) **As regards income**

The holders of Deferred Shares shall not be entitled to received or participate in any dividend in respect of the Deferred Shares held by them respectively:
 - (ii) **As regards capital**

On a return capital, liquidation or otherwise (other than on conversion, redemption or purchase by the Company of any of its own shares) holders of the Deferred

Shares shall be entitled as a class between them pro rata to their holdings of Deferred Shares, to be paid out of the assets of the Company available for distribution among the members after payment to the holders of the Ordinary Shares of the Company then in issue of the amounts paid up thereon, the amount of £0.01p in aggregate. The holders of the Deferred Shares shall not be entitled to any other or further right to participate in the assets of the Company;

(iii) **As regards voting**

The holders of Deferred Shares shall have no right to receive notice of or attend and shall not be entitled to vote at a General Meeting, whether such vote is on a show of hands or on a poll, in respect of the Deferred Shares held by them respectively;

(iv) **Redemption**

The Company shall, subject to the provisions of the applicable laws, be entitled to redeem all the Deferred Shares at any time after the passing of this resolution. The aggregate amount payable to all the holders of the Deferred Shares as a class between them on redemption shall be the amount of £0.01p. Payment of the redemption monies shall be despatched to holders entitled thereto as soon as practicable after the date of redemption provided that entitlements of less than £0.01p per holding may be retained for the benefit of the Company.

(v) **Transfer**

The Directors of the Company reserve the right to suspend the registration of transfers of Deferred Shares at such times and for such periods (not exceeding twenty-eight days in each year) as the Directors may determine.

(vi) **Authorities**

Each holder of the Deferred Shares shall be deemed upon the passing of this Resolution irrevocably to have authorised the Company at any time to appoint a director or directors to execute on behalf of such holder an agreement in respect of the redemption or, transfer of, and a transfer, of the Deferred Shares (including any fractional entitlements to a Deferred Share) to such person including without limitation the Company as the Company may designate, and/or to purchase the same itself in accordance with applicable laws in either such case for an aggregate consideration of £0.01p for all of the Deferred Shares for the time being in issue without obtaining the further sanction of such holder and upon such terms that any such consideration not exceeding £0.01p in respect of any holding of Deferred Shares may be paid to and/or retained for the benefit of the Company, and to execute or sign on behalf of such holders such other documents as may be necessary or appropriate to give effect to the foregoing provisions; and pending such transfer or purchase the Company may refrain from issuing any certificate in respect of such Deferred Shares."


- 4 in addition to and without prejudice to the authority conferred upon the Directors on 25th June, 1996, which shall remain in full force and effect, the Directors be and they are hereby unconditionally authorised to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80 of the Companies Act 1985 (the "Act")) up to a maximum nominal value of £1,553,128 together with (i) the issue of 139,503,000 Subscription Shares (as defined in a circular to shareholders of the Company dated 9 May, 1997 (the "Circular")) to Mr William Cairns and on the terms and subject to the conditions set out therein and (ii) the issue of the Warrants (as defined in the Circular) to subscribe for Ordinary shares of 0.01p each in the Company, provided that this authority shall expire five years from the date of this resolution unless previously renewed, varied or revoked by the Company in general meeting provided always that the Directors shall have authority to allot

relevant securities after such date pursuant to the exercise of subscription rights attaching to the Warrants;

- 5 pursuant to the authorities conferred by Resolution 4 the Directors be and are hereby empowered in accordance with section 95 of the Act to allot equity securities (as defined in section 94 of the Act) for cash, pursuant to the authority conferred on them to allot relevant securities (as defined in section 80 of the Act) by that Resolution, as if section 89(1) of the Act did not apply to the allotment provided that such authority and power shall be for a period expiring at the conclusion of the Annual General Meeting of the Company to be held in 1998 or at the end of a period of fifteen months after the passing of this Resolution, whichever occurs first, unless previously renewed, varied or revoked and provided that such authority and power shall be in substitution for all previous authorities and powers conferred on the directors by virtue of a resolution passed by the shareholders of the Company prior to the date of the passing of this resolution and shall be limited to:-

- (i) the allotments for cash of the Subscription Shares and the Warrants referred to in Resolution 4;
- (ii) the allotment of equity securities in connection with, or pursuant to, an issue or offer by way of rights to the holders of equity securities and other persons entitled to participate in such issue or offer in proportion (as nearly as may be) to the respective numbers of equity securities held or deemed to be held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the directors may consider necessary or expedient; and
- (iii) the allotment for cash (otherwise than as mentioned in paragraph (ii)) of equity securities up to an aggregate nominal amount of £233,203

and provided further that the authority and power conferred by this paragraph shall enable the Company to make any offer or agreement (including but not limited to the Warrants) before the expiry of such authority and power which would or might require equity securities to be allotted after the expiry of such authority and power and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding the expiry of such authority and power.


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Chairman