

17 - 12 - 97

THE COMPANIES ACT 1985 AND 1989

AZTECEQUAL LIMITED
(Reg. No. 3464985)

WRITTEN RESOLUTIONS

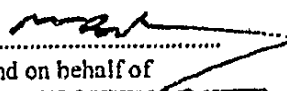
We, the undersigned being the sole member for the time being of the above-named Company being entitled to receive notice of and to attend and vote at general meetings, hereby pass the following resolutions and agree that the said resolutions shall, pursuant to Article 53 of Table A to the Companies Act 1985 incorporated into the Articles of Association of the Company, for all purposes be as valid and effective as if the same had been passed as special resolutions at a general meeting of the Company duly convened and held.

SPECIAL RESOLUTIONS

1. THAT the new Articles of Association in the form attached hereto, be adopted in place of and to the exclusion of the existing Articles of Association of the Company ("Articles").
2. THAT the directors be and are authorised to make the following allotments to the persons identified below pursuant to the founder shareholders agreement relating to the Company of even date with the date of this resolution free from the pre-emption provisions contained in Article 9 of the Articles.

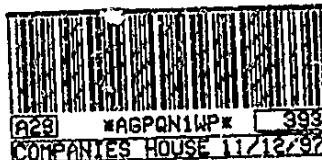
<u>Allottee</u>	<u>No. of Shares</u>
Merlin Equity Limited	778,000 shares
Professor William Shaw	180,000 shares
Dr. Ann Lewendon	20,000 shares
Dr. William Primrose	20,000 shares

Date: 4 December 1997


For and on behalf of
MERLIN EQUITY LIMITED

We hereby certify that
this is a true and complete
copy of the original.


Ann Leim



17 - 12 - 97

ADOPTED ON 4 DECEMBER 1997

AZTECEQUAL LIMITED

ARTICLES OF ASSOCIATION



Arnheim & Co.

Correspondent Law Firm of Price Waterhouse

No 1 London Bridge, London SE1 9QL Tel: 0171 939 1660 Fax: 0171 939 1661

Company No: 3464985

**THE COMPANIES ACTS 1985 AND 1989
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION OF AZTECEQUAL LIMITED**

Adopted by special resolution passed on 4 December 1997

A SHARE CAPITAL

- 1 The authorised share capital of the Company at the date of adoption of these Articles is £1,000 divided into 1,000,000 Ordinary Shares of 0.1p each ("Ordinary Shares" or "Shares").

B RIGHTS OF THE ORDINARY SHARES

2 Restrictions on transfer

2.1 The Ordinary Shares and any interest therein shall not be transferable except:-

2.1.1 with the written consent of the "B" Directors;

2.1.2 on and after the earlier of (i) the admission of any of the Company's shares to the Official List of The London Stock Exchange Limited ("the Stock Exchange") and (ii) the granting of an application by the Company for the dealing in any of the Company's shares on any other public securities market (including the Alternative Investment Market) (each a "Listing");

2.1.3 when a transfer is required by Article 3;

2.1.4 pursuant to an offer required to be made by Article 4;

2.1.5 to the trustees of a trust of which the only beneficiaries (and the only persons capable of being beneficiaries) are the Ordinary Shareholder who established such trust and who is transferring the relevant Ordinary Shares and/or his spouse and/or lineal descendants by blood or adoption provided that the trustees of any such trust shall not themselves be entitled to transfer any Ordinary Shares or any

interests therein pursuant to this Article 2.1.5, other than to replacement trustees of the same trust or otherwise in accordance with this Article 2;

2.1.6 as a transfer made upon the death of a Shareholder to his executors, administrators or beneficiaries after the expiry of the two month period referred to in Article 3 without the "B" Directors having exercised their rights thereunder provided that such executors, administrators or beneficiaries shall not themselves be entitled to transfer any Ordinary Shares or any interests therein pursuant to this Article 2.1.6 other than, in the case of executives and administrators, to the relevant beneficiaries or otherwise in accordance with this Article 2;

2.1.7 by Merlin Ventures Limited or any of its subsidiaries or to any partnership (or to the partners of any such partnership) of which any of them is general partner, manager or adviser or to any unit trust or other fund of which any of them is trustee, manager or adviser or to any unit trust or other fund of which any of them is trustee, manager or adviser or any unit trust, partnership or other fund, the managers of which are advised by any of them (the "Defined Group") or to any nominee or trustee for any member of the Defined Group (whether on a change of nominee or trustee or otherwise);

2.1.8 by members of the Defined Group to the holders of units in, or partners in or members of or investors in any such unit trust or fund referred to in Article 2.1.7; or

2.1.9 by any member of the Defined Group to or otherwise in relation to any co-investment or carried interest scheme operated by them for the benefit of their executives and staff.

2.2 In giving their consent for the purposes of Article 2.1.1, the 'B' Directors may place such conditions as they shall in their absolute discretion see fit, including as to any initial pre-emptive offer to other shareholders of the Company as they may deem appropriate or otherwise whatsoever.

3 Compulsory transfer

3.1 If an Ordinary Shareholder who is an employee or consultant of the Company or any of its subsidiaries, or an employee of or consultant to the Company or any of its subsidiaries who transferred Ordinary Shares to a trust in accordance with Article 2.1.5, ceases for any

reason whatsoever to be employed or, as appropriate, retained by the Company or any of its subsidiaries, then the "B" Directors shall have the right, within the period of 2 months from the date of such cessation, to require that such Ordinary Shareholder (or his personal representatives in case of death) and/or the trustees of any such trust referred to in Article 2.1.5 established by him ("Compulsory Transferor") transfers his (or their) entire holding of Ordinary Shares (free from all liens, charges, encumbrances and third party rights whatsoever and together with all rights then attaching thereto) to such person(s) and in such manner as the "B" Directors shall nominate.

3.2 The price at which transfers shall be made in accordance with Article 3.1 shall be:-

3.2.1 (subject to Article 3.2.2) at either the price agreed between the "B" Directors and the Compulsory Transferor or, if no agreement is reached within 14 days of the exercise of such right by the "B" Directors, the price certified by the auditors of the Company to be the market value of such Ordinary Shares at the date of such cessation; or

3.2.2 if the relevant Ordinary Shareholder resigned his employment or, as appropriate, consultancy (other than by reason of permanent ill health or permanent disability) or his contract of employment or consultancy was summarily terminated by the Company in accordance with its terms, at the nominal amount plus any cash premium paid on subscription therefor and/or, where appropriate, at the amount paid on any transfer to him of such Ordinary Shares or, in all such cases if less, the amount provided for in Article 3.2.1.

3.3 The Compulsory Transferor shall deliver a duly executed stock transfer form and the relative share certificate to the Company within 14 days of agreement or certification of the price in accordance with Article 3.2 in exchange for payment of such price.

3.4 If a Compulsory Transferor fails to transfer such Ordinary Shares in accordance with Article 3.3 the directors may (and will if so requested by the "B" Directors) authorise any person to execute and deliver on his behalf the necessary stock transfer form and the Company shall receive the purchase money in trust for the Compulsory Transferor and cause the purchaser to be registered as the holder of such shares (subject to payment of any stamp duty). The receipt of the Company for the purchase money shall be a good discharge to the purchaser (who shall not be bound to see the application thereof). The Compulsory Transferor shall in such case be bound to deliver up his certificate for such

Ordinary Shares to the Company whereupon he shall be entitled to receive the purchase price therefore without interest.

3.5 For as long as the circumstances of this Article 3 apply, no shares may be transferred or put up for transfer pursuant to Article 2.

3.6 The provisions of Article 3.1 shall not apply, in the case of Professor W Shaw, Dr. A Lewendon and Dr. W Primrose ("the Inventors"), to any of the Shares issued and allotted to each such person on the date of the adoption of these Articles, except in circumstances where any such person resigns his or her employment or consultancy (as appropriate) with the Company (other than by reason of permanent ill health or permanent disability) or his or her contract of employment or consultancy is summarily terminated by the Company in accordance with its terms.

4 Right to receive an offer in the event of a Sale

4.1 If a transfer of any Ordinary Shares would result if made and registered in a person (and any other person who in relation to him is a connected person as defined in Section 839 Income and Corporation Taxes Act 1988) holding or increasing a holding of more than 50 per cent of the issued Ordinary Shares in terms of nominal value (a "Sale") then before such transfer is registered by the Company, the proposed transferee must have made an offer in writing to acquire all the Ordinary Shares on exactly the same terms as it is proposing to acquire such Ordinary Shares, except that:-

4.1.1 such offer must be open for acceptance for at least 21 days; and

4.1.2 if the proposed transferee has acquired any other Ordinary Shares within the period of six months prior to the date of such offer for a greater consideration than the terms of such offer shall be increased to equal such greater consideration.

4.2 Article 4.1 shall not apply to any transfer:-

4.2.1 to which the provisions of Articles 2.1.7 to 2.1.9 apply; or

4.2.2 made with the consent of the holders of 90 per cent of the Ordinary Shares.

4.3 Where Shareholders between them representing 85 per cent of the issued equity share capital of the Company accept an offer made to them or giving rise to an offer under

Article 4.1, the remaining such Shareholders shall, except to the extent the 'B' Directors may determine otherwise, be bound to transfer their Shares in accordance with such offer to the offeror and in default the directors may (and will if so requested by the 'B' Directors) authorise any person to execute and deliver on his behalf the necessary stock transfer form and the Company shall receive the purchase money in trust for each such defaulting Shareholder ("Defaulting Shareholder") and cause the offeror to be registered as the holder of such Shares (subject to the payment of stamp duty). The receipt by the Company for the purchase price shall be a good discharge to the offeror (who shall not be bound to see the application thereof). Each Defaulting Shareholder shall in such case be bound to deliver up his certificate for his Shares to the Company whereupon he shall be entitled to receive the purchase price therefor without interest.

5 Right to appoint Directors

- 5.1 For so long as Merlin Ventures Limited or its subsidiaries or any members of the Defined Group continue to hold Ordinary Shares, the holders of a majority of such Ordinary Shares in terms of nominal value shall be entitled to appoint and remove two directors ("the "B" Directors"). Such appointment or removal shall be made either by resolution of the directors at the request of such Shareholder(s) or by notice in writing from such Shareholder(s) to the Company.
- 5.2 For so long as the Inventors continue to hold more than 5 per cent. of the Ordinary Shares in issue the holders of a majority of such Ordinary Shares in terms of nominal value shall be entitled to appoint and remove two directors and the provisions of Article 5.1 shall apply to such directors mutatis mutandis.

C GENERAL PROVISIONS

6 Table A

- 6.1 The regulations contained in Table A in the Schedule to the Companies (Table A to F) Regulations 1985 (as amended) ("Table A") shall apply to the Company save insofar as they are excluded or modified hereby. No other regulations contained in any statute, statutory instrument or other subordinate legislation shall apply as the regulations or the articles of the Company.
- 6.2 The regulations of Table A numbered 24, 38, 60, 61, 64, 73, 74, 75, 76, 77, 78, 80, 81, 90, 94, 95, 96, 97, 98, 115 and 118 shall not apply. The regulations of Table A numbered 35,

37, 46, 53, 57, 59, 62, 68, 79, 88, 89, 91, 92, 93, 110, 112 and 116 shall be modified. Subject to such exclusions and modifications, and in addition to the remaining regulations of Table A, the provisions hereof shall be the articles of association of the Company.

- 6.3 Where an ordinary resolution of the Company is expressed to be required for any purpose, a special or extraordinary resolution shall also be effective, and where an extraordinary resolution is expressed to be required for any purpose, a special resolution shall also be effective.

7 Private company

The Company is a private company limited by shares and accordingly any invitation to the public to subscribe for any Shares or debentures of the Company is prohibited.

8 Authority to issue Shares

- 8.1 The directors shall have unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any unissued Shares of the Company (whether forming part of the original or any increased share capital) to such persons, at such times and generally on such terms and conditions as the directors may determine. Further, the directors shall have general and unconditional authority pursuant to section 80 of the Companies Act 1985 (the "Act") to exercise all or any of the powers of the Company to allot relevant securities (within the meaning of that section) for a period expiring on the fifth anniversary of the date of adoption of these Articles unless previously renewed, varied or revoked by the Company in general meeting, and the maximum amount of relevant securities which may be allotted pursuant to such authority shall be the authorised but as yet unissued share capital of the Company at the date of adoption of these Articles, or where the authority is renewed, at the date of that renewal.
- 8.2 The directors shall be entitled, pursuant to the authority conferred by Article 8.1 or under any renewal of such authority, to make at any time prior to its expiry, any offer or agreement which would or might require relevant securities of the Company to be allotted after the expiry of such authority and to allot relevant securities pursuant to any such offer or agreement.

9 Pre-emption rights on issue of Shares

9.1 The pre-emption provisions of section 89(1) of the Act and the provisions of sub-sections (1) to (6) inclusive of section 90 of the Act shall not apply to any allotment of the Company's equity securities.

9.2 The Company shall not allot any equity securities unless:-

9.2.1 such allotment is of Ordinary Shares as nearly as practicable in the same proportions in which they were in issue immediately prior to such allotment; and

9.2.2 such Ordinary shares are first offered to the holders of the Ordinary Shares as nearly as practicable in the proportions in which such persons hold Ordinary Shares immediately prior to such allotment, with such offer being open for acceptance by Ordinary Shareholders for a period of at least 14 days.

9.3 Any Shares which are not accepted by the Ordinary Shareholders under this Article may be allotted to such person(s) as the Directors (including the "B" Directors) shall determine.

10 Purchase of own Shares

10.1 Regulation 35 of Table A shall be modified by the deletion of the words "otherwise than out of distributable profits of the company or the proceeds of a fresh issue of shares" and the substitution for them of the words ", whether out of its distributable profits or out of the proceeds of a fresh issue of Shares or otherwise".

11 Notice of general meetings

11.1 Regulation 37 of Table A shall be modified by the deletion of the words "eight weeks" and the substitution for them of the words "twenty-eight days" and by the insertion of the words "or the "B" Directors acting alone" after the second word of that regulation.

11.2 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or an elective resolution shall be called by at least twenty-one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting, other than a meeting called for the passing of an elective resolution, may be called by shorter notice if it is so agreed:

11.2.1 in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and

11.2.2 in the case of any other meeting, by a majority in number of the members having a right to attend and vote, being (i) a majority together holding not less than such percentage in nominal value of the shares giving the right as has been determined by elective resolution of the members in accordance with the Act, or (ii) if no such elective resolution is in force, a majority together holding not less than ninety-five per cent in nominal value of the shares giving that right.

12 Proceedings at general meetings

12.1 A poll may be demanded by the chairman or by any member present in person or by proxy and entitled to vote and regulation 46 of Table A shall be modified accordingly.

12.2 Regulation 53 of Table A shall be modified by the addition at the end of such regulation of the following sentence: "If such a resolution in writing is described as a special resolution or as an extraordinary resolution or as an elective resolution, it shall have effect accordingly."

12.3 A corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of members of the Company. The person so authorised is entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member.

13 Votes of members

13.1 Regulation 57 of Table A shall be modified by the inclusion after the word "shall" of the phrase ",unless the directors otherwise determine,".

13.2 Regulation 59 of Table A shall be modified by the addition at the end of such regulation of the following sentence: "Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment thereof."

13.3 An instrument appointing a proxy shall be in writing in any form which is usual or which the directors may approve and shall be executed by or on behalf of the appointor.

13.4 Regulation 62 of Table A shall be modified by the deletion in paragraph (a) of the words "deposited at" and by the substitution for them of the words "left at or sent by post or by facsimile transmission to", by the substitution in paragraph (a) of the words "one hour" in place of "48 hours" and by the substitution in paragraph (b) of the words "one hour" in place of "24 hours".

14 Number of directors

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum and the minimum number shall be one.

15 Alternate directors

15.1 An alternate director who is absent from the United Kingdom shall be entitled to receive notice of all meetings of directors and meetings of committees of directors and regulation 66 of Table A shall be modified accordingly.

15.2 Regulation 68 of Table A shall be modified by the addition at the end of such regulation of the following sentence: "Any such notice may be left at or sent by post or facsimile transmission to the office or such other place as may be designated for the purpose by the directors."

16 Borrowing powers of directors

The directors may exercise all the powers of the Company to borrow and raise money and to mortgage and charge all or any part of the undertaking, property and uncalled capital of the Company and, subject to the provisions of the Act, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

17 Appointment and removal of directors

17.1 The directors shall not be subject to retirement by rotation and any references in any regulation of Table A to retirement by rotation shall be disregarded.

17.2 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.

17.3 A person appointed by the directors to fill a vacancy or as an additional director shall not retire from office at the annual general meeting next following his appointment and the last two sentences of regulation 79 of Table A shall be deleted.

17.4 No person shall be or become incapable of being appointed a director by reason only of his having attained the age of seventy or any other age nor shall any special notice be required in connection with the appointment or the approval of the appointment of such person, and no director shall vacate his office at any time by reason only of the fact that he has attained the age of seventy or any other age. Section 293 of the Act shall not apply to the Company.

17.5 The holder or holders of more than half in nominal value of the shares giving the right to attend and vote at general meetings of the Company may, at any time and from time to time, remove any director from office (other than a "B" Director) or appoint any person to be a director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with these articles as the maximum number of directors. Such removal or appointments shall be effected by notice to the Company signed by or on behalf of such holder or holders (which notice may consist of several documents in the like form each signed by or on behalf of one or more holders) and left at or sent by facsimile transmission to the office or such other place designated by the directors for the purpose. Such removal or appointment shall take effect immediately upon deposit of the notice in accordance with the foregoing provisions of this Article 17.5 or on such later date (if any) as may be specified in the notice.

18 Disqualification and removal of directors

The office of a director shall be vacated if:

18.1 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

18.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or

- 18.3 he becomes, in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as director; or
- 18.4 he resigns his office by notice in writing to the Company; or
- 18.5 he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and his alternate director (if any) shall not during such period have attended any such meetings instead of him, and the directors resolve that his office be vacated; or
- 18.6 (other than in the case of a "B" Director) he is removed from office by notice addressed to him at his last-known address and signed by all his co-directors; or
- 18.7 (other than in the case of a "B" Director) he is removed from office by notice given by a member or members under Article 17.5.

19 Proceedings of directors

- 19.1 Regulation 88 of Table A shall be modified by the exclusion of the third sentence and the substitution of the following sentence: "Every director shall receive notice of a meeting, whether or not he is absent from the United Kingdom."
- 19.2 Any director or his alternate may validly participate in a meeting of the directors or a committee of directors through the medium of conference telephone or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Subject to the Act, all business transacted in such manner by the directors or a committee of the directors shall for the purposes of the articles be deemed to be validly and effectively transacted at a meeting of the directors or of a committee of the directors notwithstanding that fewer than two directors or alternate directors are physically present at the same place. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.
- 19.3 Meetings of the board of directors shall take place no less frequently than once per calendar month and at least five clear working days notice shall be given to each director

provided that with the consent of the "B" Director board meetings may be held less frequently and a shorter period of notice for any board meeting may be given.

- 19.4 If and for so long as there is a sole director, he may exercise all powers conferred on the directors by the articles by resolution in writing signed by him, and regulations 88, 89, 91, 92 and 93 of Table A and Article 20.2 shall not apply.

20 Directors' appointment and interests

Without prejudice to the obligation of any director to disclose his interest in accordance with section 317 of the Act, a director may vote at a 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 and he may be counted in the quorum present at a meeting in relation to any such resolution and if he does so vote his vote shall be counted.

21 Dividends

The directors may deduct from any dividend or other moneys payable to any member on or in respect of a Share any moneys presently payable by him to the Company in respect of that Share.

22 Capitalisation of profits

The directors may, with the authority of an ordinary resolution of the Company, resolve that any Shares allotted under regulation 110 of Table A to any member in respect of a holding by him of any partly paid Shares shall, so long as such Shares remain partly paid, rank for dividends only to the extent that such partly paid shares rank for dividend and regulation 110 of Table A shall be modified accordingly.

23 Notices

- 23.1 Regulation 112 of Table A shall be modified by the deletion of the last sentence and the substitution therefore of the following: "Any member whose registered address is not within the United Kingdom shall be entitled to have notices given to him at that address."

- 23.2 Any notice sent by post to an address within the United Kingdom shall be deemed to have been given within twenty-four hours, if prepaid as first class, and within forty-eight hours, if prepaid as second class, after the same shall have been posted. Any such notice sent by post to an address outside the United Kingdom shall be deemed to have been given within

seventy-two hours, if prepaid as airmail. In proving the giving of notice it shall be sufficient to prove that the envelope containing the same was properly addressed, prepaid and posted. Any notice not sent by post but left at the relevant address shall be deemed to have been given on the day it was so left.

- 23.3 Regulation 116 of Table A shall be modified by the deletion of the words "within the United Kingdom".

24 Indemnity

- 24.1 Subject to the provisions of the Act, but without prejudice to any indemnity to which he may otherwise be entitled, every director, alternate director, secretary, auditor or other officer or employee of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses, damages and liabilities which he may sustain or incur in or about the execution of his duties or the exercise of his powers or otherwise in relation thereto including, without prejudice to the generality of the foregoing, any liability incurred defending any proceedings, whether civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company in which judgement is given in his favour or in which he is acquitted, or which are otherwise disposed of without any finding or admission of material breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.
- 24.2 The directors may exercise all the powers of the Company to purchase and maintain for any director, auditor or other officer (including former directors and other officers) or any other person insurance against liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against.