

27.11.02

Number: 3486675

THE COMPANIES ACT 1985 (as amended)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

-of-

PHOQUS PHARMACEUTICALS LIMITED

(adopted by special resolution passed on 7 November 2002)



## 1. PRELIMINARY

1.1 The regulations contained in Table A in the Companies (Tables A-F) Regulations 1985 (as amended prior to the adoption of these Articles) ("Table A") shall apply to the Company, except to the extent they are excluded or varied by or are inconsistent with these Articles.

1.2 The Company is a private company limited by shares and any offer to the public of shares in or debentures of the Company or any allotment of or agreement to allot shares in or debentures of the Company with a view to their being offered for sale to the public is prohibited.

1.3 In these Articles, the expression the "Act" means the Companies Act 1985, but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

1.4 In these Articles, the expression "Majority Shareholder" means any member holding a majority in nominal value of the ordinary shares of the Company in issue at the time in question.

## 2. SHARES

2.1 All unissued shares which are comprised in the authorised share capital of the Company at the date of adoption of these Articles shall be under the control of the directors and, for the purposes of section 80 of the Act, the directors are unconditionally authorised to exercise all powers of the Company to allot, grant options over or convert any security into or otherwise dispose of such shares to such persons and on such terms as they think fit at any time or times during the period of five years from that date and the directors may after that period allot or grant options over or convert any security into or otherwise dispose of any such shares under this

authority in pursuance of an offer or agreement made by the Company before the expiry of that period.

2.2 In exercising the authority in Article 2.1, the directors shall not be required to have regard to sections 89(1) and 90(1) to (6) inclusive of the Act, which sections shall be excluded from applying to the Company.

2.3 The authority contained in Article 2.1 may not be exercised without the prior written consent of the Majority Shareholder (if any).

### **3. TRANSFERS OF SHARES**

Regulation 24 of Table A shall not apply to the Company. The directors shall not decline to register and they shall be obliged to register immediately, any transfer of a share by the Majority Shareholder (if any) or the registration of which is required by notice in writing from the Majority Shareholder. The directors may, in their absolute discretion and without assigning any reason, decline to register any other transfer of any share, whether or not it is a fully paid share.

### **4. GENERAL MEETINGS**

4.1 In every notice convening a general meeting there shall appear a statement that a member entitled to attend and vote is entitled to appoint a proxy and the proxy need not be a member of the Company. Regulation 38 of Table A shall be modified accordingly.

4.2 A resolution in writing executed pursuant to Regulation 53 of Table A which is expressed to be a special resolution or an extraordinary resolution shall have effect accordingly.

4.3 If and for so long as the Company has only one member and that member takes any decision which is required to be taken in general meeting or by means of a written resolution, that decision shall be as valid and effectual as if agreed by the Company in general meeting. This Article 4.3 shall not apply to resolutions passed pursuant to section 303 and 391 of the Act.

4.4 Any decision taken by a sole member pursuant to Article 4.3 shall be recorded in writing and delivered by that member to the Company for entry in the Company's minute book.

### **5. VOTES OF MEMBERS**

5.1 A proxy shall be entitled to a vote on a show of hands and Regulation 54 of Table A shall be modified accordingly.

5.2 The words "unless the directors determine otherwise" shall be inserted at the beginning of Regulation 57 of Table A.

### **6. DIRECTORS**

6.1 There shall be no maximum number of directors and the minimum number of directors shall be one. Regulations 64 and 90 of Table A shall not apply to the Company. If there is a sole director he may exercise all powers, discretions and authorities vested in the directors by these Articles and by Table A and in such case the quorum for a transaction of the business of the directors shall be one. Regulation 89 of Table A shall be modified accordingly.

6.2 The Majority Shareholder (if any) shall be entitled to (1) appoint any person or persons as a director of directors either as (an) additional director(s) or to fill any vacancy and (2) remove from office any director, regardless of how he was appointed. Any such appointment or removal shall be effected by an instrument in writing signed by the Majority Shareholder and deposited at the office. Regulation 81 of Table A shall be modified accordingly.

6.3 Any director who has been appointed by the directors in accordance with Regulation 79 of Table A may hold office for such period as the directors determine at the time of his appointment. Regulation 79 shall be modified accordingly.

6.4 The directors may exercise all powers of the Company to borrow without limit as to amounts and upon such terms and in such manner as they think fit and, subject (in the case of any security convertible into shares) to section 80 of the Act, to grant any mortgage, charge or security over its undertaking in property and uncalled capital or any part of the same and to issue debentures, debenture stock or any other securities whether outright or for security for any debt, liability or obligation of the Company on any third party.

6.5 Regulations 73 to 76 (retirement of directors by rotation) shall not apply to the Company. Accordingly, the last sentence of Regulation 84 of Table A shall be omitted, the words "and may also determine the rotation in which any additional directors are to retire" shall be omitted from Regulation 78 of Table A and the second and third sentences of Regulation 79 of Table A shall be omitted.

6.6 Subject to a director complying with the provisions of section 317 of the Act, he shall be entitled to vote at a meeting of the directors in respect of any contract or arrangement in which he is interested and if he does so his vote shall be counted and he may be taken into account in ascertaining whether a quorum is present. Regulation 94 of Table A shall be construed accordingly.

6.7 All or any of the directors or of the members of any committee of the Board may participate in a meeting of the Board or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear and speak to each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. 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.

## 7. INDEMNITY

Every director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under sections 144 and 727 of the Act, in which relief is granted to him by the Court, and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation to that office. This Article shall only have effect in so far as its provisions are not avoided by section 310 of the Act.