

Company Number: 5474163

THE COMPANIES ACT 1985 AND 1989

PUBLIC COMPANY LIMITED BY SHARES

RENEURON GROUP PLC
(the "Company")

At the 2006 Annual General Meeting of the Company held at offices of Morrison & Foerster, City Point, One Ropemaker Street, London EC2Y 9AW on 21 September 2006 at 10.00 am the following resolutions 1-7 and 9 were passed as ordinary resolutions of the Company and resolutions 8 and 10 – 12 were passed as a special resolution of the Company:

Ordinary Business

1. To receive and adopt the Company's Annual Report and Accounts for the financial year ended 31 March 2006 and the Report of the Independent Auditors on those accounts.
2. To reappoint as a Director Professor Trevor Mervyn Jones who is retiring in accordance with article 114 of the Company's articles of association and who being eligible is offering himself for reappointment.
3. To reappoint as a Director Michael Elliot Hunt who is retiring in accordance with article 114 of the Company's articles of association and who being eligible is offering himself for reappointment.
4. To reappoint as a Director Dr John David Sinden who is retiring in accordance with article 114 of the Company's articles of association and who being eligible is offering himself for reappointment.
5. To reappoint as a Director Mark James Docherty who is retiring in accordance with article 114 of the Company's articles of association and who being eligible is offering himself for reappointment.
6. To reappoint as a Director Dr Paul Bernard Harper who is retiring in accordance with article 114 of the Company's articles of association and who being eligible is offering himself for reappointment.
7. To reappoint PricewaterhouseCoopers LLP as auditors of the Company from the conclusion of the meeting until the conclusion of the next Annual General Meeting of the Company at which accounts are laid and to authorise the Directors to determine their remuneration.



Special Business

8. That:

(a) each Ordinary Share of 10 pence in nominal value be subdivided into one new Ordinary Share of 1 pence in nominal value and one new Deferred Share of 9 pence in nominal value (each having the rights as set out in the articles of association of the Company) such that the 300,000,000 Ordinary Shares of 10 pence each in nominal value comprising the existing authorised share capital of the Company be subdivided into 300,000,000 new Ordinary Shares of 1 pence each in nominal value and 300,000,000 Deferred Shares of 9 pence each in nominal value; and

(b) the articles of association of the Company be amended as follows:

(i) the following definition shall be inserted into article 1 (Definitions) of the articles of association:

"Deferred Shares" deferred shares of 9 pence each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;

(ii) the following definition shall be inserted into article 1 (Definitions) of the articles of association in substitution of the existing definition of "Ordinary Shares":

"Ordinary Shares" ordinary shares of 1 pence each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;

(iii) the following article shall be adopted as a new article 4 in substitution of the existing article 4 of the articles of association of the Company

"4 Share Capital

The authorised share capital of the Company is £30,000,000 divided into 300,000,000 Ordinary Shares of 1 pence each and 300,000,000 Deferred Shares of 9 pence each."

(iv) the following article shall be adopted as a new article 18 in substitution of the existing article 18 of the articles of association of the Company:

"18 Reduction in share capital

Subject to the rights of the Deferred Shares, the provisions of the Statutes and to any rights attaching to any shares, the Company may by special resolution reduce its share capital, any capital redemption reserve, share premium account or other undistributable reserve in any manner."

(v) the following article shall be adopted as a new article 19.1 in substitution of the existing article 19.1 of the articles of association of the Company:

"19.1 Subject to the provisions of the Statutes and the AIM Rules and to the rights attaching to existing shares, the Company may purchase, or enter into a contract under which it will or may purchase its own shares, but not unless the purchase or the entering into of such contract has been sanctioned by a special resolution of the members of the Company."

- (vi) the following sentence shall be added to the end of article 86 of the articles of association of the Company:

"Deferred Shares do not have voting rights, save in respect of any resolution of the class of the holders of Deferred Shares in which event each Deferred Share shall carry one vote for the purpose of such class resolution only."

- (vii) the following article shall be adopted as a new article 104.3 in substitution of the existing article 104.3 of the articles of association of the Company:

"104.3 the necessary quorum shall be two persons together holding or representing by proxy at least one-third in nominal amount of the issued shares of the class in question (save that the quorum for a class meeting of the holders of Deferred Shares shall be any two persons together holding (or representing by proxy) any issued Deferred Shares) or, at any adjourned meeting of such holders, shall be one person holding shares of the class in question present in person or by proxy, whatever his or their holdings;"

- (viii) the following article shall be adopted as a new article 225 of the articles of association of the Company:

"225 Deferred Shares

225.1 Notwithstanding any other provision of these Articles to the contrary, Deferred Shares (i) carry no right to payment of any dividend or to receive notice of or to attend, speak or vote at any general meeting of the Company or on a return of capital (whether on a winding up or otherwise) to the repayment of the amount paid up on such Deferred Shares until after the repayment in full of the amount paid up on the Ordinary Shares together with the payment of £30,000,000 on each such Ordinary Share whereupon the Deferred Shares shall carry the right to repayment of the nominal capital paid up thereon and no more; and (ii) shall not be transferable without the consent of the Company.

225.2 Each holder of Deferred Shares shall be deemed to have conferred irrevocable authority on the Company at any time to appoint any person for and on behalf of such holder, to:

- (a) receive notice of, attend, vote and sign any written resolution of any meeting of the class of Deferred Shares;*
- (b) agree and execute any transfer of (and/or any agreement to re-purchase transfer or otherwise dispose of) some or all of the Deferred Shares to such person(s) as the Company may determine (including, without limitation, the Company itself);*
- (c) purchase or cancel all of the Deferred Shares then in issue for not more than one penny for all such Deferred Shares; and/or*
- (d) receive any consideration payable upon a transfer or re-purchase made pursuant to (c) above, in each case without obtaining the sanction of the holder, or holders, of such Deferred Shares, and in*

respect of any transfer and/or purchase; and to retain the certificate(s) for such Deferred Shares.

225.3 *The Company may at its option re-purchase all of the Deferred Shares then in issue, at a price not exceeding one penny (in aggregate) for all such Deferred Shares redeemed at any one time.*

225.4 *Notwithstanding the provisions of Article 19, the entering into a contract to purchase, and the purchase of, Deferred Shares shall not require the sanction of an extraordinary resolution passed at a meeting of the holders of the Deferred Shares.*

225.5 *In the event of any conflict or inconsistency between this article 225 and any other provision of these Articles, this article 225 shall prevail in respect of any matter relating to the Deferred Shares.'*

9. That in substitution for all existing authorities, the Directors of the Company be and are hereby generally and unconditionally authorised, pursuant to section 80 of the Companies Act 1985 (the "Act") to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of £2,003,953.01 (or, in the event that Resolution 8 is not passed, £20,039,530.10) provided that, other than (a) allotments made in connection with the proposed Placing of up to 100,000,000 Ordinary Shares; (b) allotments made pursuant to the terms of the Existing Options; (c) allotments made pursuant to the terms of the Warrants (as may be amended from time to time (including, without limitation, any amendment as may be approved at the Warrant Holders Meeting)); (d) allotments made pursuant to the terms of the StemCells Agreement; and (e) allotments made in connection with the exercise of the RN Warrants; ((a), (b), (c), (d) and (e) together, the "Proposed Allotments"), such authority shall be limited to the allotment of relevant securities up to an aggregate nominal amount equal to £332,015.66 (or, in the event that Resolution 8 is not passed, £3,320,156.60) and provided that the authority shall expire on 21 December 2007, being the date 15 months after the date of the passing of this resolution or, if earlier, at the conclusion of the next annual general meeting of the Company, save that the Directors may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority had not expired.

10. That in substitution for all existing authorities and subject to the passing of resolution 9 above, the Directors be and are hereby generally empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94(2) of the Act) pursuant to the general authority conferred on them for the purposes of section 80 of the Act by resolution 9 above, as if section 89(1) of the Act did not apply to any such allotment provided that such power shall be limited to:

- (i) the Proposed Allotments;
- (ii) the allotment of equity securities in connection with an issue to holders of Ordinary Shares (and, if so determined by the Board, the holders of Warrants) (whether by way of a rights issue, open offer or otherwise) where such issue, offer or other allotment of equity securities to holders of Ordinary Shares (and, if so determined by the Board, holders of Warrants) is proportionate (as nearly as may be) to the respective number of Ordinary Shares held by them (and, if

so determined by the Board, the number of Ordinary Shares as would be held by them if all outstanding Warrants then held by them were exercised in full and Ordinary Shares were then issued thereunder to such holders of Warrants) on a fixed record date (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with legal or practical problems under the laws of any overseas territory or the requirements of any regulatory body or any stock exchange in any territory or in relation to fractional entitlements or the terms of the Warrants);

- (iii) the allotment of equity securities in connection with the grant of options over Ordinary Shares in the capital of the Company in accordance with the rules of the Share Option Scheme or Non-Executive Share Option Scheme (or otherwise to the employees, consultants and/or directors of the Company and/or its subsidiaries) and having an aggregate nominal value of up to £99,604.70 (or, in the event that Resolution 8 is not passed, £996,047); and
- (iv) the allotment (otherwise than pursuant to paragraphs ((i) to (iii) (inclusive)) of equity securities having an aggregate nominal value of £99,604.70 (or, in the event that Resolution 8 is not passed, £996,047),

provided that such authority shall expire on 21 December 2007, being the date 15 months after the date of the passing of this resolution or, if earlier, at the conclusion of the next annual general meeting of the Company, save that the Directors may before such expiry make an offer or agreement which would or might require such equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the authority had not expired.

- 11. That conditional on the passing of Resolution 8, the Company be generally and unconditionally authorised in accordance with its articles of association and generally to make off-market purchases (within the meaning of section 163(1) of the Act) of all issued Deferred Shares pursuant to the terms of a draft contract produced to the meeting and initialled by the Chairman for the purposes of identification (the "Contract") the terms of which Contract are hereby approved for the purposes of section 164 of the Act and generally. The authority hereby conferred shall expire on 21 March 2008, being the date 18 months after the passing of this resolution or, if earlier, the conclusion of the next annual general meeting of the Company.
- 12. That the Warrant Holders Resolution be approved, and subject only to the passing of the Warrant Holders Resolution at the Warrant Holders Meeting, that the terms of the Warrant Instrument be amended in accordance with the Warrant Holders Resolution.



Director