

## KERONITE PLC

At an Annual General Meeting of the above-named Company duly convened and held at Keronite Plc, Granta Park, Great Abingdon, Cambridge CB1 6GP on 26 October 2006 the following resolution was duly passed as a Special Resolution of the Company:

### SPECIAL RESOLUTION

10 THAT the Articles of Association of the Company be amended in the following way:

10.1 Insert the following new definitions immediately below the definition of "Companies Act":

"Controlling Interest"

an interest (within the meaning of schedule 13 Part I and section 324 Companies Act) in Shares in the Company conferring in aggregate more than 24.9% of the total voting rights normally exercisable at a general meeting of the Company

"Bad Leaver"

means a person who holds shares in the Company and is or has been a director and/or employee of the Company who ceases to be a director or employee of the Company as a result of dismissal for gross misconduct subject to that decision not being overturned by an employment tribunal or by reason of his resignation in circumstances where the Company would properly have been entitled to dismiss him for gross misconduct

"Early Leaver"

means a Manager who is not a Bad Leaver but who holds shares in the Company and ceases to be a director or employee of the Company for any reason whatsoever (other than where the termination is at the instance of the Company) at any time during the period from [to insert date of passing the Resolutions] until the date three years following that date



"the EIS Subscription Deed"

means the subscription deed relating to EIS investors dated on or around the date hereof between (1) Keronite Plc, (2) the Keronite

	Directors (as defined therein) and (3) the Investors (as defined therein);
"Good Leaver"	means a person who holds shares in the Company and is or has been a director and/or employee of the Company who ceases to be a director or employee of the Company and who does not fall within the definition of Early Leaver or Bad Leaver
"Investors"	means those entities that are Investors (as that term is defined in the EIS Subscription Deed, the Non EIS/VCT Subscription Deed and the VCT Subscription Deed)
"Investor Director"	means a Director appointed by an Investor Majority pursuant to the terms of the EIS Subscription Deed, the Non EIS/VCT Subscription Deed and the VCT Subscription Deed
"Investor Majority"	means Investors holding more than fifty per cent (50%) in aggregate of all the Ordinary Shares held by the Investors from time to time
"Manager"	means Ulf Brasen of 1 Noirmont, Cobbetts Hill, Weybridge KT13 0UB, Lars Olrik of 12 Prebend Gardens, Chiswick, London, W4 1TW, Dr Pavel Shashkov of 2 Fairfield Way, Linton, Cambridge CB1 6XP, Amanda Thorneycroft of 18 Great Groves, Goffs Oak, Hertfordshire EN7 6SX and Dr Stephen Hutchins of 92 High Street, Earith, Cambridgeshire PE28 3PN.
"the Non-EIS/VCT Subscription Deed"	means the subscription deed relating to non-EIS/VCT investors dated on or around the date hereof between (1) Keronite Plc, (2) the Keronite Directors (as defined therein), (3) the Investors (as defined therein) and (4) Mirenwest Limited;
"Termination Date"	means, in the case of: <ul style="list-style-type: none"> <li>(a) a Bad Leaver the date on which his contract of employment was terminated</li> </ul>

by the Company as a result of dismissal for fraud, wilful concealment or gross misconduct or if applicable, the date when such dismissal was upheld by a relevant court or tribunal or, if applicable, the date of his resignation

- (b) an Early Leaver and a Good Leaver the date on which he ceased to be a director or employee of the Company

"the VCT Subscription Deed" means the subscription deed relating to VCT investors dated on or around the date hereof between (1) Keronite Plc, (2) the Keronite Directors (as defined therein) and (3) the Investors (as defined therein);

10.2 Delete the words "(otherwise than pursuant to Article 17.1.1)" from the first line of Article 17.1.2.

10.3 Delete in its entirety Article 44.2 and replace with the following as a new Article 44.2:

Tag Along

44.2.1 If the effect of any transfer of shares by a member would, if completed, result in the transferee together with persons acting in concert or connected with that transferee obtaining a Controlling Interest, the vendor shall procure the making, by the proposed transferee of the vendor's shares, of a Come Along Offer to all of the other holders of shares. Every holder or recipient of such offer, on receipt of a Come Along Offer, shall be bound within 20 Business Days of the date of such offer (which date shall be specified therein) either to accept or reject such offer in writing (and in default of so doing shall be deemed to have rejected the offer). Until such Come Along Offer has been made and completed the Board shall not sanction the making and registration of the relevant transfer or transfers.

44.2.2 "Come Along Offer" means an unconditional offer, open for acceptance for not less than 20 Business Days, to purchase Shares held by the recipients of a Come Along Offer or shares which recipients may subscribe free from all liens, charges and encumbrances at a price per share equal to the highest price

per share (exclusive of stamp duty, stamp duty reserve tax and commission) paid or to be paid by any transferee referred to in **Article 44.2.1** (or any person with whom such transferee is connected with or with whom such transferee is acting in concert) for shares (inclusive of the shares giving rise to the obligation to make the Come Along Offer) within the period of one year prior to and on the proposed date of completion of such transfer of shares.

For the avoidance of doubt, the price payable in accordance with this Article shall be the price per Share equal to that offered, paid or payable by the proposed transferee or any person acting in concert for the Shares which pre-empted the Come Along Offer ("the Specified Shares") plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Specified 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 the Specified Shares (and, in the event of disagreement, the calculation of the price payable in accordance with this Article may be referred, by any party, to the Auditor (or at the discretion of the Auditor, a person nominated by the President for the time being of the Chartered Accountants of England and Wales) for determination (such Auditor acting as an expert and not an arbiter).

#### Drag along

- 44.2.3 If holders of in aggregate 60% of the issued shares (in **Articles 44.2.3 to 44.2.5** the "Vendors") wish to transfer their shares in the Company (the "Offer") to any person (the "Purchaser"), then the Vendors shall also have the option to require all of the other holders of shares, and any persons who become holders of shares upon exercise of any options, warrants or other rights to subscribe for shares which exist at the date of the Offer, to transfer all their shares in the Company to the Purchaser, or as the Purchaser directs, by giving notice (the "Drag Along Notice") to that effect to all such other holders (the "Called Shareholders") specifying that the Called Shareholders are, or will, in accordance with these **Articles 44.2.3 to 44.2.5**, be required to transfer their shares pursuant to **Articles 44.2.3 to 44.2.5** free from all liens,

charges and encumbrances and the price (the "Proposed Price") at which such shares are proposed to be transferred.

44.2.4 The Drag Along Notice shall specify that the Called Shareholders are required to transfer all the Shares held by them ("the Drag Along Shares") in accordance with the terms of Articles 44.2.3 to 44.2.5 and the Drag Along Notice shall include details of the Purchaser and the proposed date of transfer. For the avoidance of doubt and notwithstanding the price detailed in the Drag Along Notice, the price at which the Called Shareholders shall be obliged to sell their holding of Drag Along Shares shall be the price per Share equal to that offered, paid or payable to the Vendors or any person acting in concert with them for the Shares pursuant to the Offer ("the Offer Shares") plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the Vendors or any person acting in concert with them 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 the Offer Shares (and, in the event of disagreement, the calculation of the Proposed Price may be referred, by any party, to the Auditor (or at the discretion of the Auditor, a person nominated by the President for the time being of the Chartered Accountants of England and Wales) for determination (such Auditor acting as an expert and not an arbiter). Completion of the sale of the Drag Along Shares shall take place on the same date as the date proposed for completion of the sale of the Offer Shares unless:

44.2.4.1 all of the Called Shareholders and the Selling Shareholders agree otherwise; or

44.2.4.2 that date is less than 3 days after the Drag Along Notice where it shall be deferred until the third day after the Drag Along Notice; or

44.2.4.3 the calculation of the Proposed Price has been referred for determination in accordance with this Article, in which case completion of the sale of the Drag Along Shares and the Offer Shares shall both be deferred until the third day after the date on which determination is made.

- 44.2.5 If the Called Shareholders (or any of them) shall make default in transferring their shares pursuant to **Articles 44.2.3 and 44.2.4**, the Company may receive the purchase money on his behalf and may at the direction of the directors of the Company who have not been appointed by and/or who are not nominees of the proposing transferor authorise some person to execute a transfer of such shares on behalf of and as attorney for the proposing transferor in favour of the purchasing members. For the purposes of authorising an individual to execute a transfer as attorney a meeting of the board shall be treated as quorate and a resolution shall be capable of being duly passed without the need for the directors appointed or nominated by the proposing transferor being present, represented or voting.

The receipt of the Company for the purchase money shall be a good discharge to the purchasing members. The Company shall pay the purchase money into a separate bank account and shall hold the same on trust for the proposing transferor.

#### Bad Leaver

- 44.2.6 Unless otherwise agreed in writing by the Investor Majority, notice in writing shall be deemed to have been served on a Bad Leaver ("Bad Leaver Notice") on the Termination Date in respect of all shares held by the Bad Leaver immediately before such cessation.
- 44.2.7 Notwithstanding any other provision of these Articles, unless each of the Directors agrees otherwise in relation to any shares, any member holding shares in respect of which Bad Leaver Notice is deemed to have been given shall not be entitled to exercise any voting rights at general meetings of the Company in respect of those shares on and from the date of the relevant Bad Leaver Notice until the entry in the register of members of the Company of another person as the holder of those shares.
- 44.2.8 If a Bad Leaver Notice is deemed to have been given pursuant to Article 44.2.6 then the shares held by the Bad Leaver shall be deemed to be offered to the board of Directors and the board of Directors (acting always with the approval of at least one of the Investor Directors or where there are no Investor Directors appointed with the approval of an Investor Majority) shall within 6 months of the Termination Date determine at

their sole discretion whether to offer those shares to (i) any person who is or are (an) existing director(s) and/or employee(s) of the Company or a person (whether or not ascertained) who it is proposed should be appointed as a director and/or employee of the Company (whether or not in place of the person by whom the relevant Bad Leaver Notice is deemed to have been given) or (ii) be offered to persons designated by the Board to be held by them upon trust for a new employee as and when appointed or (iii) be purchased by an employee benefit trust established for the benefit of employees of the Company. The price payable for those shares shall be the nominal value of the shares.

#### Early Leaver

44.2.9 Unless otherwise agreed in writing by the Investor Majority, notice in writing shall be deemed to have been served on an Early Leaver ("Early Leaver Notice") on the Termination Date in respect of all shares held by the Early Leaver immediately before such cessation.

44.2.10 If an Early Leaver Notice is deemed to have been given pursuant to Article 44.2.9 then the shares held by the Early Leaver shall be deemed to be offered to the board of Directors and the board of Directors (acting always with the approval of at least one of the Investor Directors or where there are no Investor Directors appointed, with the approval of an Investor Majority) shall within 6 months of the Termination Date determine at their sole discretion whether to offer those shares to (i) any person who is or are (an) existing director(s) and/or employee(s) of the Company or a person (whether or not ascertained) who it is proposed should be appointed as a director and/or employee of the Company (whether or not in place of the person by whom the relevant Early Leaver Notice is deemed to have been given) or (ii) be offered to persons designated by the Board to be held by them upon trust for a new employee as and when appointed or (iii) be purchased by an employee benefit trust established for the benefit of employees of the Company. The price payable for those shares shall be the lower of (i) the price at which those shares were initially purchased by the Early Leaver and (ii) the fair value (as determined in accordance with Article 44.2.11 below).

44.2.11 In the event that the board of Directors (acting always with the approval of at least one of the Investor Directors or where there are no Investor Directors appointed, with the approval of an Investor Majority) consider that the fair value of the shares held by the Early Leaver are likely to be less than the price at which those shares were initially purchased by the Early Leaver, they shall be entitled to instruct the Auditor (or at the discretion of the Auditor, a person nominated by the President for the time being of the Chartered Accountants of England and Wales) (such auditor acting as an expert and not an arbiter) to certify in writing the sum which in his opinion represents the fair value of the shares comprised in the Early Leaver Notice as at the date of the Termination Date on the basis that the value of the said shares shall be that proportion of the value of the whole Company which the number of shares comprised in the Early Leaver Notice bears to the total number of shares issued or under option in the capital of the Company, and no discount or deduction shall be made to take account of a minority holding. The price payable shall be the lower of the price certified by the auditor in accordance with this Article and the price at which those shares were initially purchased by the Early Leaver.

#### Good Leaver

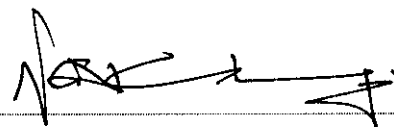
44.2.12 Unless otherwise agreed in writing by the Investor Majority, notice in writing shall be deemed to have been served on a Good Leaver ("Good Leaver Notice") on the Termination Date in respect of all shares held by the Good Leaver immediately before such cessation.

44.2.13 Notwithstanding any other provision of these Articles, unless the board of Directors (acting always with the approval of at least one of the Investor Directors or where there are no Investor Directors appointed, with the approval of an Investor Majority) agrees otherwise in relation to a Good Leaver, any member holding shares in respect of which a Good Leaver Notice is deemed to have been given shall be entitled to receive notice of and to attend general meetings of the Company but shall have no right to: (i) vote thereat in respect of the shares held by them; or (ii) participate in any pre-emption provisions of these Articles; until such time as (i) the Company is listed, (ii) the Company is subject to a takeover



following a takeover offer or (iii) the Good Leaver's holding of shares is acquired pursuant to a Come Along Offer (as that term is defined in Article 44.2.2) or a Drag Along Notice (as that term is defined in Article 44.2.3).

- 44.2.14 Should a member to whom the terms of Articles 44.2.6 to Article 44.2.13 apply refuse to comply with the board of Directors' request to dispose of his shares in accordance with the terms of those Articles, then any Director may execute the instrument of transfer on that member's behalf. In this case the Company shall be deemed to act as an agent of the transferor and shall receive and account for the proceeds of the sale to the transferor less any expenses which the Company may incur in connection with the sale.

A handwritten signature in black ink, appearing to be 'N. K. ...', written over a horizontal line.

Chairman