

ImmuPharma plc

Explanatory notes of principal changes to the Company's Articles of Association by the adoption of new Articles of Association

At the Company's 2009 AGM on 24 July shareholders will be asked to approve a resolution to adopt new articles of association (the **New Articles**). These are intended to replace the Company's current articles of association (the **Current Articles**). The main reason for the New Articles is to take account of changes in UK company law brought about by the Companies Act 2006 (the **2006 Act**). The 2006 Act, which replaces the Companies Act 1985 is being implemented in stages and will not be fully in force until 1 October 2009. The New Articles will come into effect once the resolution is passed and will reflect those changes in company law brought about by the 2006 Act in force at that time.

The Company is proposing the adoption of the New Articles rather than amendments to the Current Articles due to the extent of the changes. The principal changes being proposed in the New Articles are summarised below. Other changes, which are of a minor, technical or clarifying nature, and also some more minor changes which merely reflect changes made by the 2006 Act, have not been noted.

A copy of the New Articles and a copy of the Current Articles marked up to show the changes are available for inspection at the Company's registered office and at www.immupharma.com in the "For Investors" section. It will also be available at the Annual General Meeting.

Timing of Annual General Meeting

The Current Articles require the Company to hold an Annual General Meeting within 15 months after the date of the previous Annual General Meeting. The 2006 Act requires the Company after the current year to hold its Annual General Meeting within six months from the day following the Company's accounting reference date in each year. The New Articles reflect the requirements of the 2006 Act.

Transfer of Shares

Under the 2006 Act, a company must either register a transfer of shares or give the transferee notice of, and reasons for, its refusal to register a transfer. Any registration of transfer or notice must be made or given as soon as practicable and in any event at the earlier of either the time required by the Rules of the London Stock Exchange or within two months from the date that the transfer is lodged with the Company. The New Articles reflect these requirements.

Types of Meetings

The Current Articles refer to Annual General Meetings and Extraordinary General Meetings. The concept of the Extraordinary General Meeting has not been retained by the 2006 Act. Pursuant to the 2006 Act any general meeting other than an Annual General Meeting shall be referred to as a General Meeting. The New Articles reflect this amendment.

Notice of General Meetings

Under the 2006 Act a General Meeting (other than an Annual General Meeting) to consider a special resolution can be convened on 14 days' notice whereas previously 21 days' notice was required. The Current Articles were amended at last year's Annual General Meeting to reflect this change, and such amendment has been retained in the New Articles.

Conflicts of Interest

Pursuant to the 2006 Act, from 1 October 2008, a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with a company's interest. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation where such appointment conflicts or possibly may conflict with a company's interest. The 2006 Act allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, provided that the company's Articles of Association contain a provision to this effect. The New Articles give the directors authority to approve such situations.

There are safeguards which will apply when directors decide whether to authorise a conflict or potential conflict. First, only directors who do not have an interest in the matter being considered will be able to take the relevant decision. Secondly, the directors will be able to impose limits or conditions when giving such authorisation if they think this is appropriate. Furthermore, in taking the decision the directors will be subject to the general duty to act in good faith and in a way in which they consider will be most likely to promote the company's success.

The New Articles also contain provisions relating to the disclosure of confidential information, attendance at board meetings and availability of board papers. Each of which is intended to protect a director from being in breach of his duties to the company if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has been authorised by the directors.