

Company Number: 02649780

THE COMPANIES ACTS 1985-1989

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

-of-

SNOWDROP SYSTEMS LIMITED

(Passed 23rd March 2001)

The following Special Resolution was duly passed by the Shareholders of the Company at an Extraordinary General Meeting.

THAT:

The attached draft Articles be adopted as the Articles of Association of the Company.



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Director



THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- of -

SNOWDROP SYSTEMS LIMITED

(adopted by Special Resolution on 23rd March 2001)

Table A

1. Subject as hereinafter provided, the regulations contained or incorporated in Table A in The Companies (Tables A to F) Regulations 1985 (hereinafter referred to as "Table A") shall apply to the Company.
2. Regulations 8, 24, 64, 73 to 77 and 113 of Table A shall not apply to the Company.

Private Company

3. The Company is a private company and accordingly no offer or invitation shall be made to the public (whether for cash or otherwise) to subscribe for any shares in or debentures of the Company, nor shall the Company allot or agree to allot (whether for cash or otherwise) any shares in or debentures of the Company with a view to all or any of those shares or debentures being offered for sale to the public.

Share Capital

4. At the date of the adoption of these Articles the capital of the Company is £160,000 divided into 100,000 Ordinary Shares of £1 each and 60,000 Preference Shares of £1 each.
5. In these Articles, unless the context requires otherwise, references to shares of a particular class shall include shares created and/or issued after the date of adoption of these Articles and ranking pari passu in all respects (or in all respects save only as to the date from which such shares rank for dividend) with the shares of the relevant class then in issue.
6. The Ordinary Shares and the Preference Shares shall rank pari passu in all respects save that the Preference Shares shall carry no voting rights nor rights to any dividend.
7.
 - 7.1. The Directors may allot, grant options over, or otherwise deal with or dispose of any relevant securities (as defined by section 80(2) of the Companies Act 1985) of the Company to such persons and generally on such terms and conditions as the Directors think proper.
 - 7.2. The general authority conferred by Article 7.1 shall extend to the amount of the authorised share capital of the Company at the date of adoption of these Articles. The said authority will expire on the fifth anniversary of the date of adoption of these Articles unless renewed, varied or revoked by the Company in general meeting in accordance with section 80 or section 80A of the Act. This authority supersedes all previous authorities.

- 7.3. The Directors shall be entitled under the general authority conferred by Article 7.1 to make any time before the expiry of such authority any offer or agreement which will or might require relevant securities of the Company to be allotted after the expiry of such authority.
8. By virtue of section 91(1) of the Companies Act 1985, sections 89(1) and 90(1) to 90(6) inclusive of that Act shall not apply to the Company.

Liens

9. The Company shall have a first and paramount lien on every share (whether or not it is a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share and the Company shall also have a first and paramount lien on all shares (whether fully paid or not) standing registered in the name of any member whether solely or one of two or more joint holders for all moneys presently payable by him or his estate to the Company; but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien (if any) on a share shall extend to all dividends payable thereon.

Transfer of Shares

10.

- 10.1. The following expressions shall have the following respective meanings in this Article:

"Auditors" means the Auditors of the Company from time to time;

"Board" means the Board of Directors of the Company or any

duly appointed committee thereof; and

"Fair Price" means the open market value of the relevant shares between a willing seller and a willing third party buyer at the date of the Transfer Notice (as defined in Article 10.4) without any premium or discount by reference to the percentage of the shares being sold or transferred.

10.2. The provisions of this Article shall apply in relation to any transfer, or proposed transfer of shares in the Company or any interest in such shares.

10.3. Except as permitted by this Article 10 or with the prior written consent of all the members, no member shall:

10.3.1. transfer any shares;

10.3.2. grant, declare, create or dispose of any right or interest in any shares; or

10.3.3. create or permit to exist any pledge, lien, charge or other encumbrance over any shares.

10.4. A member wishing to transfer any shares ("**Seller**") shall first give to the Company notice in writing (a "**Transfer Notice**") of any proposed transfer. A Transfer Notice shall contain details of the shares proposed to be transferred ("**Sale Shares**") and the proposed price per Share. The Transfer Notice shall constitute the Company the Seller's agent for the sale of the Sale Shares. Except as hereinafter provided the Transfer Notice shall be irrevocable.

10.5. In any case where a Transfer Notice is served pursuant to Article 10.4, the Directors may within 14 days of receipt of the Transfer Notice resolve to recommend that the Company should purchase all or some of the Sale Shares. In this case, the Board shall:

10.5.1. draw up a draft contract of purchase which provides for completion of the purchase of the relevant Sale Shares on the expiration of seven days after the passing of the Special Resolution hereinafter mentioned at a price agreed between the Seller and the Board within 30 days of receipt of the Transfer Notice or certified by the Auditors pursuant to Article 10.7. Without prejudice to his right to revoke the Transfer Notice under Article 10.8, the Seller is deemed by virtue of his having become a member of the Company to have agreed:

- (i) to such contract;
- (ii) to have appointed any person nominated by the Board to execute such contract on his behalf; and
- (iii) that he shall transfer the relevant Sale Shares to the Company at completion.

10.5.2. convene an extraordinary general meeting of the Company to consider a special resolution to authorise such contract of purchase, such meeting to be held not later than 30 days after the date on which the transfer price is finally determined. The Board shall procure that the relevant requirements of Sections 162-177 of the Companies Act 1985 relating to the

purchase by a company of its own shares are complied with.

10.6. In the event that the Board resolves that the Company should not purchase some or all of the Sale Shares, the Company shall by written notice offer the Sale Shares to the members (apart from the Seller) at such price as shall be agreed between the Seller and the Board within 30 days of receipt of the Transfer Notice or failing agreement as certified by the Auditors pursuant to Article 10.7. A member may give written notice ("**Acceptance**") that he wishes to buy some or all of the Sale Shares to the Company within thirty (30) days of despatch of the offer by the Company. In the event that Acceptances are received for a number of Shares in excess of the number of Sale Shares, the Sale Shares shall be allocated to the members by the Board as nearly as practicable in the proportion which the number of shares held by each member bears to the total number of shares excluding the Sale Sales (provided that no member is allocated more Sale Shares than he has applied for) and notice ("an **Allocation Notice**") of such allocations shall be sent to the Seller and each member to whom Sale Shares have been allocated ("**Purchaser**"). The obligations of the Seller and Purchaser(s) to complete such purchase shall be subject to the provisions of Articles 10.10 and 10.11.

10.7. If the Seller and the Board are unable to agree the purchase price of the Sale Shares within 30 days of receipt of the Transfer Notice, then the Board shall be entitled to refer the question of the purchase price to the Auditors to certify the Fair Price thereof. The following principles shall apply:

10.7.1. the Seller and the Directors shall procure that there is made available to the Auditors such information relating to the Company as they reasonably require in order to determine

the Fair Price;

- 10.7.2. in certifying the Fair Price, the Auditors shall take into account all factors they consider to be relevant;
 - 10.7.3. the Auditors shall be deemed to be acting as experts and not arbitrators and their decision shall be final and binding;
 - 10.7.4. the Auditors shall deliver their certificate ("**Certificate**") of the Fair Price to the Seller and the Company within 14 days of the referral pursuant to Article 10.7; and
 - 10.7.5. the cost of obtaining the Certificate shall be borne by the Seller and the Company equally unless the Seller shall give notice of revocation pursuant to Article 10.8, in which case the Seller shall bear the said cost.
- 10.8. If the Seller is not willing to accept the Fair Price determined by the Auditors, then it shall be entitled to revoke the Transfer Notice by notice in writing given to the Purchaser(s) and the Company within a period of thirty (30) days after the date of the issue of the Certificate. In the event of such revocation, the Seller shall not be entitled to transfer the Sale Shares or any of them without first serving a further Transfer Notice and otherwise complying with this Article.
- 10.9. Subject to Article 10.8, the Purchaser(s) shall purchase from the Seller the Sale Shares at the agreed or (as the case may be) Fair Price. Completion of the sale and purchase of the Sale Shares shall take place within thirty (30) days of the despatch of the relevant Allocation Notice when all (but not part only unless the Seller, Purchaser and the Board shall so agree) of the following business shall be transacted:

10.9.1. the Seller shall deliver to the Purchaser(s) duly completed share transfer forms and share certificates in respect of the Sale Shares being transferred and shall take any action as may be necessary or requisite to enable the Purchaser(s) to become the registered and beneficial owner of such Sale Shares; and

10.9.2. against compliance with Article 10.9.1, the Purchaser(s) shall pay or procure the payment to the Seller of the agreed price (or the Fair Price determined by the Auditors, as the case may be) for such Sale Shares.

10.10. If the Seller, his personal representatives or trustee in bankruptcy makes a default in transferring the Sale Shares as aforesaid then the Board may authorise some person to execute and deliver on behalf of the Seller the necessary transfer(s) and the Company may receive the price for the Sale Shares in trust for the Seller and cause the Purchaser(s) to be registered as the holder of the Sale Shares. The receipt of the Company for the price of the Sale Shares shall constitute a good and valid discharge to the Purchaser(s) and after the Purchaser(s) has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

10.11. Subject to Article 10.13, if the members do not exercise their rights of purchase under Article 10.6 in respect of any or all of the Sale Shares, the Seller shall be entitled to transfer the Sale Shares (or such that remain) on a bona fide arm's length sale to a third party ("**Third Party Purchaser**") at a price being not less than the purchase price set out in the Transfer Notice (or, if lower, any price agreed by the Seller and the

Board pursuant to Article 10.6 or, if lower, the Fair Price determined by the Auditors) provided that:

10.11.1. the Third Party Purchaser (or any shareholder therein) is not directly or indirectly a substantial competitor of the Company; and

10.11.2. such transfer shall have been completed within a period of one hundred and eighty (180) days after the latest of: (i) the date of the Transfer Notice or (ii) if the question of the purchase price shall have been referred to the Auditors, the issue of the Certificate.

10.12. In respect of transfers pursuant to Article 10.11 the Directors may require to be satisfied in such manner as they may reasonably require that the Sale Shares are being sold in good faith pursuant to a bona fide sale for the consideration specified above without any deduction, rebate or allowance whatsoever to the Third Party Purchaser and that the condition imposed by Article 10.11.1 has been met and if not so satisfied on any point may refuse to register the transfer.

10.13. In the event of a person becoming entitled to shares on the death or bankruptcy of a member then a Transfer Notice in accordance with Article 10.4 shall be deemed to have been given by such person to the Company in respect of all the shares to which such person is entitled.

11.

11.1. A member shall not transfer any shares if as a result of the transfer the proposed transferee (whether or not a member) would either alone or acting in concert, obtain control of the Company unless such proposed transferee shall have also made an offer in writing to the other

members to purchase all the shares held by them on the same terms (including price per share) which offer shall be expressed to be irrevocable and open for acceptance by the other members for a period of 30 days.

- 11.2. If any member agrees to accept an offer in respect of their shares from any person (whether or not a member) and as a result thereof such person makes an offer to acquire all the issued shares in the capital of the Company pursuant to and in accordance with Article 11.1, all members holding shares shall be bound to accept the same and to transfer all the shares held by them to the offeror in accordance with the terms of the offer and in default of so doing the provisions of Article 10.10 as to the procedure on a default in transferring shares shall apply, mutatis mutandis, thereto such that an officer of the Company or other person nominated by the Board shall be deemed to be the duly appointed attorney of the defaulting member with full power to execute, complete and deliver in the name and on behalf of the defaulting member, a transfer of his shares to the offeror and otherwise in accordance with Article 10.10.
12. Except where a transfer is specifically authorised by these Articles, no transfer of any share in the capital of the Company shall be made or registered without the previous sanction of the Directors who may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any share, whether or not it is a fully paid share.
13. The Directors shall register any transfer made pursuant to Article 10 or 11 other than the transfer of shares on which the Company has a lien.

Meetings

14. In accordance with section 372(3) of the Companies Act 1985 in every notice calling a General Meeting of the Company there shall apply with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company. Regulation 38 of Table A shall be modified accordingly and the second sentence of Regulation 59 of Table A shall not apply to the Company.
15. In Regulation 41 of Table A there shall be added at the end: "If at any adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved."

Directors

16. Unless and until the Company in general meeting shall otherwise determine, there shall be no maximum number of Directors and the minimum number of Directors shall be one. If and so long as there is a sole Director he may exercise all the powers and authorities vested in the Directors by these Articles and by Table A and Regulation 89 of Table A shall be modified accordingly.
17. The Company shall not be subject to section 293 of the Companies Act 1985, and accordingly any person may be appointed or elected as a Director, whatever his age, and no Director shall be required to vacate his office of Director by reason of his attaining or having attained the age of seventy years or any other age.
18. No person shall be elected a Director at any general meeting unless:

- 18.1. he is recommended by the Directors; or
- 18.2. not less than fourteen or more than thirty-five clear days before the date of the meeting a notice in writing signed by a member qualified to vote at the meeting has been given to the Company of the intention to propose that person for election, together with a notice in writing signed by that person of his willingness to be elected.
19. A Director shall not be required to hold any share qualification but shall nevertheless be entitled to receive notice of and to attend at all general meetings of the Company and at all separate general meetings of the holders of any class of shares in the capital of the Company.