

No 2808613

THE COMPANIES ACTS 1985 and 1989

Company Limited by Shares

RESOLUTIONS

of

CHEMWARE SYSTEMS LIMITED

Passed 22 December 1995

At an Extraordinary General Meeting of Chemware Systems Limited, duly convened and held on 22 December 1995, the following Resolution was duly passed as a Special Resolution:

Resolution

THAT the New Articles of Association in the form of the draft produced to the meeting and signed by the Chairman for identification be and are hereby adopted as the new articles of association of the Company in replacement and in substitution for the existing Articles of Association of the Company.

Norman S. Miller

Director

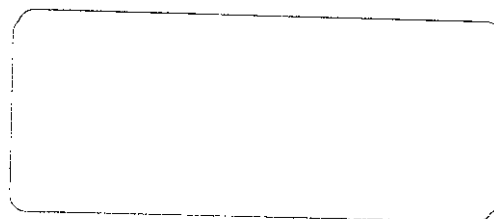


No 2808613

ARTICLES OF ASSOCIATION
of
CHEMWARE SYSTEMS LIMITED

(as adopted by Special Resolution passed on 22 December 1995)

Incorporated 13 April 1993



20.12.95
Ref: 11/E8376.3/VC:36848.6/snn

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THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
of
CHEMWARE SYSTEMS LIMITED

(as adopted by Special Resolution passed on 22 December 1995)

1 Preliminary

The regulations in Table A (as set out in the Schedule to the Companies (Tables A to F) Regulations 1985 SI 1985 No. 805 as amended) shall apply to the Company, save in so far as the Articles set out below disapply, modify or are inconsistent with them, to the exclusion of the Table A contained in any other enactment. References to Regulations are to Regulations in Table A.

2 Definitions

In these Articles the following words and expressions shall have the meanings set out below:

the Act	the Companies Act 1985 including every statutory modification or re-enactment thereof for the time being in force
the Auditors	the auditors for the time being of the Company
the Directors	the directors for the time being of the Company or a quorum of such directors present at a meeting of the directors
the Holding Company	Episys Limited, registered in England, no 2196307
a Member of the same Group	as regards any company, a company which is for the time being a holding company or a subsidiary of that company or of any such holding company

the Minority Shareholders	such members of the Company for the time being, other than the Holding Company, who together hold at least 25 per cent in nominal amount of the issued equity shares in the Company
Permitted Transfer	a transfer of shares authorised by Article 4
Transfer Notice	a written notice in accordance with Article 5 that a member desires to transfer his shares

3 Share Capital

Subject to the provisions of the Act, all unissued shares shall be at the disposal of the Directors and they may allot, grant rights, options or warrants to subscribe or otherwise dispose of them to such persons, at such times, and on such terms as they think proper.

4 Transfer of Shares

Subject to the provisions of Regulation 24 any shares (other than any shares in respect of which the holder shall have been required by the Directors under these Articles to give a Transfer Notice or shall have been deemed to have given a Transfer Notice) may at any time be transferred to any person with the prior consent in writing of holders of shares entitled to cast 95% of the votes exercisable on a poll at a general meeting of the Company (which consent may be granted unconditionally or subject to terms or conditions and in the latter case any share so transferred shall be held subject to such terms and conditions notified in writing to the transferee prior to registration of the transfer).

5 Pre-emption on Transfer

- 5.1 Except in the case of a Permitted Transfer, the right to transfer shares or any interest in shares in the Company shall be subject to the following restrictions and provisions. References in this Article 5 to transferring shares or Sale Shares shall include any interest in and grant of contractual rights or options over or in respect of shares.
- 5.2 Any person ("the Proposing Transferor") proposing to transfer any shares in the capital of the Company ("the Sale Shares") shall be required before effecting, or purporting to effect the transfer, to give a Transfer Notice to the Company that he desires to transfer the Sale Shares and shall state in the Transfer Notice the identity of the person (if known) to whom the Proposing Transferor desires to transfer the beneficial interest in the Sale Shares. The Transfer Notice shall constitute the Company his agent for the sale of the Sale Shares (together with all rights then attached thereto) at the Prescribed Price (as determined in accordance with Articles 5.3 and/or 5.4) during the Prescribed Period (as defined in Article 5.5) to any member or to any other person selected or approved by the Directors on the basis set out in the following provisions of these Articles and shall not be revocable except with the consent of the Directors.
- 5.3 The Prescribed Price (subject to the deduction therefrom where the Prescribed Price has been agreed with the Directors of any dividend or other distribution declared or made after such agreement and prior to the date on which the Transfer Notice was given ("the Notice Date")) shall be the higher of:

- (a) the price per Sale Share agreed not more than one month before the Notice Date between the Proposing Transferor and the Directors as representing the fair value thereof; and
- (b) the price contained in a bona fide offer received from a third party by the Proposing Transferor not more than one month before the Notice Date and which remains open for acceptance in respect of the Sale Shares until at least seven days after the last date for compliance with the pre-emption provisions contained in this Article 5 (but subject to the right of the Directors to satisfy themselves that such offer is bona fide, for the consideration stated in the offer without any deduction, rebate or allowance whatsoever to the purchaser and so open for acceptance).

5.4 If, prior to the giving of the Transfer Notice, the Prescribed Price shall not have been agreed or determined in accordance with Article 5.3, upon the giving of the Transfer Notice the Directors shall refer the matter to the Auditors and the Auditors shall determine and certify the sum per share considered by them to be the market value thereof calculated by valuing the Company as a going concern and multiplying such value by the proportion that the Sale Shares bear to the issued and paid up share capital in the Company as at the Notice Date and the sum per share so determined and certified shall be the Prescribed Price. The Auditors shall act hereunder as experts and not as arbitrators and their determination shall be final and binding on all persons concerned and, in the absence of fraud, they shall be under no liability to any such person by reason of their determination or certificate or by anything done or omitted to be done by them for the purpose thereof or in connection therewith. The fees payable to the Auditors for acting under these Articles shall be paid by the Proposed Transferor and the Company in equal shares.

5.5 If the Prescribed Price was agreed as provided in Article 5.3, the Prescribed Period shall commence on the Notice Date and expire 12 weeks thereafter. If the Prescribed Price is to be determined in accordance with Article 5.4, the Prescribed Period shall commence on the Notice Date and shall expire two months after the date on which the Auditors shall have notified the Directors of their determination of the Prescribed Price. Pending such determination the Directors shall defer the making of the offer mentioned in Article 5.6.

5.6 All shares included in any Transfer Notice shall by notice in writing be offered by the Company forthwith on receipt (subject to Article 5.5) of the relative Transfer Notice to members for purchase at the Prescribed Price on the terms that in case of competition the Sale Shares shall be sold to the acceptors in proportion (as nearly as may be without involving fractions or increasing the number sold to any member beyond that applied for by him) to their existing holdings of shares of the same class as the Sale Shares. Such offer:

- (a) shall stipulate a time not exceeding 28 days within which it must be accepted or in default will lapse; and
- (b) shall stipulate that any members who desire to purchase a number of Sale Shares in excess of the proportion to which each is entitled shall in their acceptance state how many excess Sale Shares they wish to purchase and any shares not accepted by other members shall be used for satisfying the requests for excess Sale Shares pro rata to the existing shares of the same class as the Sale Shares respectively held by such members making such requests.

- 5.7 Any shares not accepted by any of the members pursuant to the foregoing provisions of these Articles within the period ending on the date which is 28 days after the Notice Date or, if later, 28 days after the date of determination of the Prescribed Price ("the Relevant Date") may be offered by the Directors to such persons as they may think fit for purchase at the Prescribed Price, provided that no shares in the Company may be sold to a person who is not then already a member, in the circumstances described in Article 5.10(c), except in accordance with the provisions of that Article.
- 5.8 If the Company shall within the Prescribed Period find members or such other persons as aforesaid (each such person being hereinafter called "a Purchaser") to purchase the Sale Shares or any of them and give notice in writing thereof to the Proposing Transferor he shall be bound, upon payment to him of the Prescribed Price, to transfer such shares to the respective Purchaser(s), provided that, if the Transfer Notice shall state that the Proposing Transferor is not willing to transfer some only of the Sale Shares (which he shall not be entitled to do if he is required by virtue of any provision of these Articles other than this Article 5 to give a Transfer Notice), this provision shall not apply unless the Company shall have found Purchasers for all of the Sale Shares. Every notice given by the Company under this Article 5.8 shall state the name and address of each Purchaser and the number of Sale Shares agreed to be purchased by him and the purchase shall be completed at a place and time to be appointed by the Directors not being less than three days nor more than ten days after the date of the notice.
- 5.9 If a Proposing Transferor shall fail or refuse to transfer any Sale Shares to a Purchaser(s) hereunder the Directors may authorise some person to execute and deliver on his behalf the necessary transfer and the Company may receive the purchase money in trust for the Proposing Transferor and cause the Purchaser(s) to be registered as the holder of such shares. The receipt of the Company for the purchase money shall constitute a good discharge to the Purchaser(s) (who shall not be bound to see to the application thereof) 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. The Company shall not pay the purchase money to the Proposing Transferor until he shall have delivered his share certificate(s) or a suitable indemnity and the necessary transfers to the Company.
- 5.10 If the Company shall not within the Prescribed Period find Purchasers willing to purchase any or all of the Sale Shares and gives notice in writing thereof to the Proposing Transferor, or if the Company shall within the Prescribed Period give to the Proposing Transferor notice in writing that the Company has no prospect of finding Purchasers, the Proposing Transferor at any time during a period of 90 days after the end of the Prescribed Period shall be at liberty (subject only to the provisions of Regulation 24) to transfer those Sale Shares for which the Company has not within the Prescribed Period given notice that it has found (or has given notice that it has no prospect of finding) Purchasers to any person by way of a bona fide sale at any price not being less than the Prescribed Price (after deducting, where appropriate, any dividend or other distribution declared or made after the date of the Transfer Notice and to be retained by the Proposing Transferor) provided that:
- (a) if the Transfer Notice shall state that the Proposing Transferor is not willing to transfer part only of the Sale Shares he shall only be entitled to transfer all the unsold Sale Shares under this Article; and

- (b) the Directors may require to be satisfied that the Sale Shares are being transferred under this Article pursuant to a bona fide sale for the consideration stated in the Transfer Notice without any deduction, rebate or allowance whatsoever to the purchaser and if not so satisfied may refuse to register the instrument of transfer; and
- (c) in the case of any transfer (not being a Permitted Transfer) of Sale Shares which includes more than 10% in nominal amount of the shares held by the Proposing Transferor, the Proposing Transferor will not sell any such Sale Shares under this Article unless the proposed purchaser(s) of such shares in relation to each other holder of shares:
 - (i) shall have offered to purchase from each such other holder (at the Prescribed Price as agreed or determined in accordance with Articles 5.3 and 5.4), such proportion of the shares in the Company held by each such other holder as is equal to the proportion which the Sale Shares being sold by the Proposing Transferor under this Article bears to the total holding of shares (including the shares to be sold) held by the Proposing Transferor; and
 - (ii) shall, in respect of any holder of shares which wishes to take up the offer referred to in paragraph (i) above, acquire from such holder the shares in question at the relevant price simultaneously with the acquisition from the Proposing Transferor of the Sale Shares to be sold.

6 Bare Nominees

For the avoidance of doubt and without limitation, no share (other than any share so held on the date of adoption of these Articles) shall be held by any member as a bare nominee for and no interest in any share shall be sold to any person unless a transfer of such share to such person would rank as a Permitted Transfer. If the foregoing provision shall be infringed the holder of such share shall be bound to give a Transfer Notice in respect thereof.

7 Compulsory Transfers - General

- 7.1 A person entitled to a share in consequence of the death or bankruptcy of a member shall be bound at any time, if and when required in writing by the Directors so to do, to give a Transfer Notice in respect of such share.
- 7.2 Without prejudice to Article 7.1, if a share remains registered in the name of a deceased member for longer than one year after the date of his death the Directors may require the legal personal representatives of such deceased member either to effect a transfer of such shares (including for such purpose an election to be registered in respect thereof) being a Permitted Transfer or to show to the satisfaction of the Directors that a Permitted Transfer will be effected up to or promptly upon the completion of the administration of the estate of the deceased member or (failing compliance with either of the foregoing within one month or such longer period as the Directors may allow for the purpose) to give a Transfer Notice in respect of such share.

8 Proceedings at General Meetings

- 8.1 No resolution shall be voted on and no other business shall be transacted at any meeting unless a quorum is present when such vote is taken or other business is transacted and no resolution or transaction shall be effective unless a quorum is so present. The first sentence of Regulation 40 shall be modified accordingly.
- 8.2 A resolution in writing shall not be effective to do anything required by law to be done in general meeting. In the case of a member which is a corporation, the resolution may be signed on behalf of that corporation by any two of its Directors or by one of its Directors and its Secretary. Regulation 53 shall be modified accordingly.

9 Number and appointment of Directors

- 9.1 Unless otherwise determined by special resolution of the Company, the Board shall consist of a director nominated by the Holding Company (the "A' Director") and two directors nominated by the Minority Shareholders (the "B' Directors") together with (if so appointed under Article 9.5) one or more but not more than two other Directors ("Ordinary Director(s)"). Regulation 64 shall not apply.
- 9.2 The Holding Company shall be entitled at any time or times to remove from office any 'A' Director so appointed pursuant to Article 9.1 and to appoint a new person in his place.
- 9.3 The Minority Shareholders shall be entitled at any time or times to remove from office to any 'B' Director appointed pursuant to Article 9.1 and to appoint a new person in his place.
- 9.4 All appointments and removals in pursuance of this Article 9 shall be in writing addressed to the Secretary and signed and shall be delivered at the office and take effect immediately upon such delivery or as and from such date (if any) thereafter as may be specified.
- 9.5 The Board shall have power at any time and from time to time to appoint any person to be an Ordinary Director, either to fill a casual vacancy among the Ordinary Directors or as an additional Ordinary but so that the total number of Ordinary Directors shall not exceed the maximum number fixed by or in accordance with these Articles.
- 9.6 An Ordinary Director appointed by the Board in accordance with Article 9.5 may be removed as an Ordinary Director by unanimous resolution of the other members of the Board. Such removal shall be without prejudice to any claim such Ordinary Director may have for damages for breach of any contract or service between him and the Company.

10 Alternate Directors

- 10.1 The same person may be appointed as the alternate director of more than one Director.
- 10.2 Subject to the provisions of these Articles, an alternate director shall be entitled to attend and vote at all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member at which his appointor is not personally

present and generally at such meeting to perform all the functions of his appointor as a Director. Regulation 66 shall be modified accordingly.

- 10.3 A person appointed as an alternate director who is not a Director is not and shall not be deemed to be a Director by reason of such appointment and except as provided in these Articles shall not have power to act as a Director. An alternate director shall owe the Company the same fiduciary duties and duty of care and skill in the performance of his office as are owed by a Director. Subject as provided in Article 9.5, the provisions of these Articles relating to whether or not a Director may vote or be counted in the quorum on resolutions concerning matters in which such Director has an interest or duty and to the disclosure of any such interest or duty shall accordingly apply mutatis mutandis to every such alternate director. The provisions of Regulations 85 and 86 (as modified by these Articles) shall apply to alternate directors except that paragraph (b) of Regulation 85 shall extend to the Company in addition to the bodies corporate referred to in that paragraph. An alternate director shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of his appointor except in relation to matters in which he acted (or failed to act) on the direction or at the request of his appointor. Regulation 69 shall not apply.

11 Delegation of Directors' Powers

- 11.1 The Directors may delegate any of their powers or discretions to any committee of two or more persons, who may include persons who are not Directors whether with or without voting rights or with qualified voting rights provided that (i) the committee shall include an 'A' Director (ii) more than half of the persons for the time being appointed as members of the committee shall be Directors and (iii) no resolution of the committee shall be effective unless a majority of the members of the committee who are present at the meeting when the resolution is passed or (if such resolution is in writing) sign or approve such resolution are Directors or their alternate directors acting as such. The Directors may from time to time impose regulations to govern the proceedings of any such committee. References in Table A or these Articles to committees of Directors shall be construed as including references to any such committee whether or not consisting only of Directors. Regulation 72 shall be modified accordingly.
- 11.2 Subject to any conditions imposed by the Directors in relation to the delegation of powers or discretions to a committee of Directors, the proceedings of a committee with two or more members shall be governed by any regulations imposed by the Directors pursuant to Article 11.1 and, except where they conflict with such regulations, by the provisions of these Articles regulating the Proceedings of Directors (including without limitation Regulations 92 and 94 (as modified by these Articles)) so far as they are capable of applying but so that references in such provisions to Directors shall be construed as references to any member of such committee (whether or not a Director). The last sentence of Regulation 72 shall not apply.
- 11.3 Any member of a committee of Directors who is not a Director may be paid such remuneration or fees as the Directors may determine and may be paid such travelling, hotel and other expenses (if any) properly incurred by him in connection with his attendance at meetings of the committee or otherwise in connection with the discharge of his duties as such member as the Directors (or any Director authorised in that behalf by the Directors) may approve.

12 Appointment and Retirement of Directors

- 12.1 The Directors shall not be subject to retirement by rotation. Regulations 73 to 75 shall not apply and references in any other Regulation to Directors retiring by rotation shall be disregarded.
- 12.2 No Director shall be required to retire or vacate his office or be ineligible for re-appointment as a Director nor shall any person be ineligible for appointment as a Director by reason of his having attained any particular age. Section 293 of the Act shall not apply.

13 Disqualification and Removal of Directors

The office of a Director shall be vacated if he shall in writing offer to resign and the Directors shall resolve to accept such offer. Regulation 81 shall be modified accordingly.

14 Directors' Appointments and Interests

- 14.1 Subject to the provisions of the Act, and provided that he has disclosed to the Directors the nature and extent of any material interest, a Director may notwithstanding his office hold and be remunerated in respect of any office or place of profit under the Company and he or any firm of which he is a member may act in a professional capacity for the Company and be remunerated therefor and shall not by reason of his office be accountable to the Company for any benefit which he derives from any such office or place of profit. Regulations 84 and 85 shall be modified accordingly.
- 14.2 For the purposes of Regulation 85 (as modified by these Articles) a Director shall be deemed to be interested in any transaction or arrangement (if he would not otherwise be so interested) in which he is treated as interested for the purposes of Section 317 of the Act. In the case of any transaction or arrangement with the Company in which the Director is interested before it is made or entered into, a general notice given by a Director and which otherwise complies with paragraph (a) of Regulation 86 shall not be a disclosure as provided in that paragraph unless it relates to a specified company or firm of which he is a member or a specified person who is connected with the Director within the meaning of Section 346 of the Act. Regulation 86 shall be modified accordingly.
- 14.3 References in this Article and in Regulations 85 and 86 (as modified by these Articles) to transactions or arrangements shall include contracts, guarantees and indemnities (whether or not constituting a transaction or arrangement). Regulations 85 and 86 shall be modified accordingly.

15 Proceedings of Directors

- 15.1 Notice of meetings of directors must (unless waived) be given to each director of the Company at least two business days prior to the date of such meeting. Questions arising at a meeting shall be decided by a majority of votes and the 'A' Director present in person or by his alternate shall be entitled to three votes plus one additional vote for each Ordinary Director so present at the meeting and the 'B' Director(s) so present shall be entitled in aggregate to two votes. If the same person is the alternate director for more than one director he shall be entitled in the absence of two or more of his appointors to separate votes on behalf of each such

appointor on a cumulative basis in addition (if he is himself a director) to his own vote. Regulation 88 shall be modified accordingly.

- 15.2 No meeting shall be quorate unless an 'A' Director and a 'B' Director are present in persons or by their respective alternates. If a person is present at a meeting of directors as an alternate director (whether or not he is also a director) and provided that at least one other person is personally present and (apart from this Article) counted in the quorum, he shall, if his appointor or, if he is the alternate director for more than one director, any of his appointors is not personally present, be counted in the quorum, and for the purpose of voting separately in respect of such appointor or, as the case may be, each of such appointor's on a cumulative basis in addition (if he is himself a director) to being counted in the quorum as such director. Regulation 89 shall be modified accordingly. If a quorum is not present at a duly convened meeting the meeting shall be re-convened one week later at the same place and time and any two directors present shall constitute a quorum at such re-convened meeting.
- 15.3 If the same person is the alternate director for more than one Director he shall be entitled in the absence of two or more of his appointors to separate votes on behalf of each such appointor on a cumulative basis in addition (if he is himself a Director) to his own vote. Regulation 88 shall be modified accordingly.
- 15.4 A Director who is also an alternate director, if his appointor is not present, shall be counted only once in identifying the number of Directors for the purposes of the quorum for the transaction of the business of the Directors. Regulation 89 shall be modified accordingly.
- 15.5 Regulation 92 shall apply to resolutions in writing of Directors and extend to include alternate directors, and shall be modified accordingly.
- 15.6 Any Director or alternate director who attends a meeting of Directors by telephone or other conference facility shall be deemed to be personally present at such meeting for all purposes of these Articles and shall be counted in the quorum accordingly.
- 15.7 Subject to the provisions of the Act, a Director may vote at a meeting of Directors on any resolution on which he would otherwise be prohibited from voting by Regulation 94 (including a resolution for the approval of an alternate director appointed by him) provided that before such resolution is moved he discloses to the meeting or is deemed pursuant to Regulation 86 (as modified by these Articles) to have disclosed the nature and extent of his interest. Regulation 94 shall be modified accordingly.
- 15.8 If an alternate director has an interest in a matter for the purposes of Regulation 94 only because he is treated as having an interest of his appointor or one of his appointors and such alternate director is himself a Director and/or is also an alternate director for any other Director or Directors not personally present at the meeting, Regulation 94 (as modified by Article 15.7) shall apply separately to each of the votes to which he is entitled on a cumulative basis and (notwithstanding that he is so treated as having an interest and provided he is not otherwise precluded from voting) he may vote and shall be counted in the quorum in respect of his office as Director and as alternate director for such other Director or Directors. Regulations 94 (as modified as aforesaid) and 95 shall be modified accordingly.
- 15.9 All or any of the Directors may participate in a meeting of the Directors or any committee of the Directors by means of a conference telephone or any communication equipment which allows all persons participating in the Meeting to hear 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.

16 Accounts

A member, subject to such conditions and regulations as the Directors may determine having regard to any obligation binding upon the Company to keep confidential information supplied to it by other persons, may inspect personally or by his agent at any time and from time to time any account or book or document of the Company (and take and retain copies thereof). Regulation 109 shall not apply.

17 Indemnity

- 17.1 Without prejudice to any indemnity to which such officer may otherwise be entitled, every Director, Auditor, Secretary or other officer of the Company shall be indemnified by the Company against all costs, charges, losses, expenses, and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court. Regulation 118 shall not apply.
- 17.2 The Company may purchase and maintain for any Director, Secretary or other officer of the Company insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.
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