

**THE COMPANIES ACT 1985**

**RESOLUTION IN WRITING**

**of the Members of**

**Key-Tech (Scotland) Limited (the "Company")**

**(Registered No. SC171778)**

The following resolution in writing is hereby passed as a special resolution of the Company in terms of section 381A of the Companies Act 1985 by all those members of the Company who as at the date of the resolution are entitled to vote thereon:-

"That:-

Pursuant to sections 155 (4) and 157 (1) of the Companies Act 1985 the shareholders of the Company have examined the auditor's report and the declaration made by the directors of Company and which are attached to this resolution and are satisfied to approve the grant of financial assistance by the Company, pursuant to Key-Tech Electronic Systems Limited (the Purchaser) acquiring the entire issued share capital of the Company (the "Acquisition"), by the Company entering into:


1. an agreement between the Royal Bank of Scotland plc (the "Bank") and the Company relating to terms and conditions upon which the Bank are to lend £350,000 to the Company (the "£350,000 Loan");
2. an agreement between the Bank and the Company relating to terms and conditions upon which the Bank are to lend £103,000 to the Company (the "103,000 Loan");
3. an Invoice Discounting Agreement between the Company and Royal Bank of Scotland Corporate Services Limited ("RBSCS") whereby RBSCS will purchase certain specifically prescribed debts of the Company (the "Invoice Discounting Agreement");
4. an execution copy of a bond and floating charge by the Company in favour of RBSCS over whole of the property and assets of the Company (including uncalled capital) which are or may be from time to time be while the floating charge is in force comprised in the property and undertaking of the Company in security of all the Company's liabilities to the RBSCS of any kind and in any currency (whether present or future actual or contingent and whether incurred alone or jointly with another) together with RBSCS's charges and commission, interest and expenses; (the "RBSCS Bond and Floating Charge");
5. a Temporary and Conditional Release and Ranking Agreement relating to the ranking of the Bank and RBSCS security over the assets of the Company and the treatment of the debts under the terms of the RBS Bond and Floating Charge and the floating charge dated 11<sup>th</sup> August 2000 granted by the




Company to the Bank (the "Ranking Agreement");

6. a standard security by in favour of the Bank over the property owned by the Company at Interscot House, Milfield Road, Michelston Industrial Estate, Kirkcaldy, in security of all sums of principal, interest and charges which are now or may in future become due by the Company to the Bank, whether alone or jointly with any other person (the "Standard Security"); and
7. a loan agreement (the "Loan Agreement") between the Company and the Key-Tech Electronic Systems Limited whereby the Company agrees to lend the Purchaser £750,000 under the specific instruction that the loan funds will be used to fund part of the purchase price to be paid to the Vendors in relation to the Transaction and the professional fees of the Purchaser and certain of the shareholders of the Company in connection with the Transaction (the "Loan").


All to be entered into and agreed pursuant to Key-Tech Electronic Systems Limited acquiring the entire issued share capital of the Company."

 as attorney for Gavin James Brown  
Gavin James Brown


Date: 12/05/05

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Dr James Brown

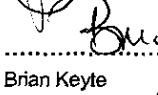
Date: 12/05/05

 as attorney for Marjorie Brown  
Marjorie Brown


Date: 12/05/05

 as attorney for Dr Karyn Marjorie Brown  
Dr Karyn Marjorie Brown

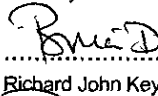
Date: 12/05/05

 as attorney for Brian Keyte  
Brian Keyte


Date: 12<sup>th</sup> May 2005

 as attorney for Rita Keyte  
Rita Keyte

Date: 12<sup>th</sup> May 2005

 as attorney for Richard John Keyte  
Richard John Keyte

Date: 12<sup>th</sup> May 2005

 as attorney for Susie Louise Keyte  
Susie Louise Keyte

Date: 12<sup>th</sup> May 2005

## DIRECTORS' STATEMENT

Key-Tech (Scotland) Limited (the "Company")

### BOARD MEMORANDUM

Memorandum in connection with the proposed arrangement whereby the Company will give financial assistance for the acquisition of its own shares, particulars of which are given in the statutory declaration made by the Directors this day pursuant to section 155(6) of the Companies Act 1985 (the Act).

1. As at the close of business on 11<sup>th</sup> May 2005 the aggregate of the Company's assets as stated in its accounting records exceeded the aggregate of its liabilities as so stated.
2. From our knowledge of the likely course of the Company's business, the directors have formed the opinion that the aggregate of the Company's assets will exceed the aggregate of its liabilities immediately before the proposed financial assistance is given and that the extent to which the giving of such assistance will reduce the net assets of the company does not exceed the distributable profits of the Company as determined on the basis of its last annual financial statements made up to 30<sup>th</sup> April 2004 (and after taking account of distributions made since that date).

Signed on behalf of the Board

  
.....  
Director

Date: 12/05/05 .....