

THE COMPANIES ACTS 1985 TO 1989

2733820

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

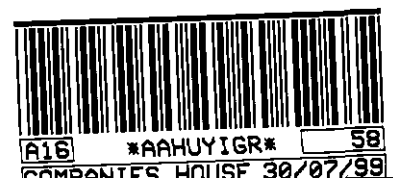
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OXFORD SEMICONDUCTOR LIMITED

(As amended by a Special Resolution passed
on 20 April 1998)

PRELIMINARY

1. The regulations contained or incorporated in Table A in the Companies (Tables A to F) Regulations 1985 as amended (which Table is hereinafter referred to as "Table A") shall, except as hereinafter provided and so far as the same are not inconsistent with the provisions of these Articles, apply to and constitute the regulations of the Company.
2. Regulations 8, 11, 23, 24, 30, 40, 53, 54, 65 to 69, 73 to 75, 81 to 84, 95, 97 and 112 of Table A shall not apply to the Company.
3. In these Articles, unless the subject or context otherwise requires, the words standing in the first column of the following table shall bear the



meanings set opposite to them respectively in the second column thereof:-

Definitions

Words

Meanings

"the Act"

the Companies Act 1985
including any statutory
modification or re-enactment
thereof for the time being in
force;

"these Articles"

these Articles of Association as
duly altered from time to time;

"the Auditors"

the auditors of the
Company for the time being;

"the Board"

the board of directors
of the Company for the time
being;

"the Group"

the Company and its
subsidiaries (if any) from time
to time;

"the Memorandum"

the Memorandum of
Association for the time being of
the Company;

"the Office"

the registered office
for the time being of the
Company;

"Ordinary Shares"

Ordinary Shares of

£1 each in the capital of the Company;

"Representatives"

means, in relation to a member, any person or persons who have become entitled to his shares in consequence of his death, bankruptcy or mental incapacity;

"the Seal"

the common seal of the Company;

"the Statutes"

the Act and every other Act of Parliament for the time being in force concerning companies or their officers and which affect the Company.

Writing shall include printing and lithography and any other mode or modes of representing or reproducing words in a visible form;

Words importing the singular number only shall include the plural number and vice versa;

Words importing a specific gender only shall include both genders; and

Words importing persons shall include corporations.

4. Subject as aforesaid, any words or expressions defined in the Statutes shall, except where the subject or context forbids, bear the same meaning in these Articles.

PRIVATE COMPANY

5. The Company is a private company within the meaning of the Act and accordingly any offer to the public of any shares in or debentures of the Company (whether for cash or otherwise) or allotment of or agreement to allot (whether for cash or otherwise) any such shares or debentures with a view to all or any of those shares or debentures being offered for sale to the public is prohibited.

SHARE CAPITAL

- 6.1 The share capital of the Company is £120,000 divided into 12,000,000 Ordinary Shares of 1p each.
- 6.2 Subject to the Act, all or any of the special rights for the time being attached to any class of shares may from to time (whether or not the Company is being wound up) be altered with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of that class. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be one or more persons holding or representing by proxy not less than two-thirds of the issued shares of the class, that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, that any holder of shares of the class present in person or by proxy may demand a poll and that at any adjourned meeting of such holders one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum and for the purposes of such adjourned meeting one holder present in person or by proxy may constitute a meeting.

ISSUE OF SHARES

7. Subject as otherwise provided in these Articles and to any direction or authority contained in the resolution of the Company creating or authorising the same, the Directors are unconditionally authorised for

the purposes of Section 80 of the Act to allot, grant options, rights of subscription or conversion over or otherwise dispose of unissued shares to such persons (whether existing shareholders or not), at such times, and on such terms and conditions as they think proper provided however that the authority hereby granted to the Directors:-

- 7.1 shall not permit the Directors to allot, grant options, rights of subscription or conversion over or otherwise dispose of shares to an amount of more than the unissued share capital at the date of adoption of these Articles or (if such authority is renewed by the Company in General Meeting) the amount specified in the resolution for such renewal or variation;
- 7.2 shall expire:-
 - 7.2.1 not more than five years from the date of the adoption of these Articles; or
 - 7.2.2 (if such authority is renewed or varied by the Company in General Meeting) on the date specified in the resolution on which the renewed or varied authority shall expire;
- 7.3 may be renewed, revoked or varied at any time by the Company in General Meeting.

In accordance with Section 91 of the Act Sections 89 (1), and 90 (1) to 90 (6) of the Act shall be excluded from applying to the Company.

TRANSFER OF SHARES

- 8. The instrument of transfer of any fully paid share shall be executed by or on behalf of the transferor but need not be executed by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. In the case of a partly paid share, the instrument of transfer must also be executed by or on behalf of the transferee.

9. Except as hereinafter provided no share in the Company or any interest in or right attaching to any share in the Company shall be transferred, disposed of, charged or encumbered or be the subject of any agreement to do any of these things unless and until the rights of pre-emption hereinafter conferred shall have been exhausted.
- 10.1 Every member who desires to transfer shares (hereinafter called "the Vendor") shall give notice in writing (hereinafter called "the Transfer Notice") to the Company of his desire. No Transfer Notice shall relate to more than one class of share. The Transfer Notice shall constitute the Company his agent for the sale of shares specified therein (hereinafter called "the Sale Shares") in one or more lots, at the discretion of the Directors, at such price (hereinafter referred to as "the Transfer Price") as may be agreed between the Vendor and the Directors or in default of agreement such price as the Auditors shall certify in writing to be their opinion of the Fair Value (as defined in Article 10.18) thereof.
- 10.2 The Auditors shall certify the Fair Value of the Sale Shares valuing the Sale Shares as a rateable proportion of the total value of all the issued Ordinary Shares which value shall not be discounted or enhanced by reference to the number of Sale Shares.
- 10.3 If the Auditors are asked to certify the Fair Value as aforesaid they shall act as experts and not as arbitrators but they shall in such certificate also state the reasons upon which they rely in certifying such price. The Company shall as soon as it receives the Auditors' certificate furnish a certified copy thereof to the Vendor. Following the service upon him of the Auditors' certificate the Vendor shall (except in the case of a deemed Transfer Notice) have ten days in which to cancel the Company's authority to sell the Sale Shares. The cost of obtaining the Auditors' certificate shall be borne by the Company unless the Vendor shall give notice of cancellation as aforesaid in which case he shall bear the said cost.
- 10.4 The Transfer Notice may contain a provision that unless all the shares comprised therein are sold pursuant to this Article none shall be sold (such provision being referred to in this Article as a "Total Transfer

Condition") and any such provision shall be binding on the Company. Save as otherwise provided in this Article a Transfer Notice shall not be withdrawn except with the consent of all the other holders of Ordinary Shares.

10.5 Within seven days after the date on which the Transfer Price is agreed or certified or, if the Transfer Notice is capable of being cancelled, within seven days after the expiry of the period allowed pursuant to Article 10.3 for cancellation, the Sale Shares shall be offered for purchase at the Transfer Price to the members of the Company (other than the Vendor) or persons nominated by them in accordance with Article 10.6 in proportion to the number of shares then held by them respectively. Every such offer shall be made in writing and shall specify:-

- (a) the total number of Sale Shares;
- (b) the number of Sale Shares offered to the member ("Pro-Rata Entitlement");
- (c) whether or not the Transfer Notice contained a Total Transfer Condition; and
- (d) a period (being not less than fourteen days and not more than twenty one days) within which the offer must be accepted or shall lapse, and shall be accompanied by a form of application for use by the member or his nominee in applying for that member's Pro-Rata Entitlement and (in the case of the member only) for any shares in excess of that entitlement which he wishes to purchase.

10.6 If a member does not wish to apply for his full Pro-Rata Entitlement he shall be entitled to nominate in writing any person to apply for all or any part of his Pro-Rata Entitlement by completing the form of application referred to above appropriately.

10.7 Upon the expiry of the offer period referred to in Article 10.5 the Directors shall allocate the Sale Shares in the following manner:-

- (a) to each member who has agreed to purchase shares, his Pro-Rata Entitlement or such lesser number of Sale Shares for which he may have applied;
- (b) if any member has applied for less than his Pro-Rata Entitlement, the excess shall be allocated as follows:-
 - (i) if a member has made a nomination pursuant to Article 10.6 then such nominee shall be allocated the number of shares applied for by him provided that if the nominee is not a member of the Company the Directors shall be entitled in their absolute discretion to refuse to allocate such shares to him and shall be entitled to allocate the excess in accordance with paragraph (ii);
 - (ii) if any Sale Shares remain unallocated after the provisions of paragraph (i) shall have been applied then the excess shall be allocated to the members who have applied for any part of such excess in proportion to the number of shares then held by them respectively (but without allocating to any member a greater number of Sale Shares than the maximum number applied for by him);
 - (iii) any remaining excess shall be apportioned by applying paragraph (ii) without taking account of any member whose application has already been satisfied in full.

10.8 If any of the Sale Shares shall not be capable of being offered or allocated as aforesaid without involving fractions, the same shall be offered to or allocated amongst the members or their nominees, or some of them, in such proportions as may be determined by lots drawn in respect thereof, and the lots shall be drawn in such manner as the Directors shall think fit.

10.9 If the Transfer Notice in question contained a Total Transfer Condition then no offer of Sale Shares made by the Directors pursuant to this Article shall be capable of acceptance until all of the Sale Shares shall have been accepted by the members (or any of them) or their nominees. If by the foregoing procedure the Directors shall not receive acceptances in respect of all the Sale Shares within the period(s) of the aforesaid offer(s) they shall forthwith give notice in writing of that fact to the Vendor. The Directors shall then be entitled within 14 days of the date of service of that notice to nominate (by giving notice in writing to the Vendor) any person or persons to purchase all of the Sale Shares in respect of which acceptances have not been received at the Transfer Price.

10.10 If by the foregoing procedure the Directors shall not have received acceptances in respect of all the Sale Shares and shall not have nominated any person to purchase any of the Sale Shares not accepted by the members or their nominees then none of the Sale Shares shall be sold to the members or any person nominated by a member or by the Directors pursuant to this Article. The Vendor may then within a period of 6 months after the expiry of the 14 day period referred to in Article 10.9. sell all (but not some only) of the Sale Shares to any person or persons at any price which is not less than the Transfer Price.

10.11 If the Directors shall receive acceptances pursuant to the provisions of this Article in respect of all the Sale Shares either from the members or from any person or persons nominated by a member or by the Directors, they shall forthwith give notice in writing as hereinafter mentioned to the Vendor and to the person or persons who have agreed to purchase the same ("Purchaser" or "Purchasers") and the Vendor shall thereupon become bound upon payment of the Transfer Price to the Vendor (whose receipt shall be a good discharge to the Purchaser, the Company and the Directors therefor none of whom shall be bound to see to the application thereof) to transfer to each Purchaser those Sale Shares accepted by him. Every such notice shall state the name and address of each Purchaser, the number of Sale Shares agreed to be purchased by him and the place and time appointed by the

Directors for the completion of the purchase (being not less than 7 days nor more than 28 days after the date of the said notice and not being at a place outside England). Subject to the giving of such notice the purchase shall be completed at the time and place appointed by the Directors.

10.12 If the Transfer Notice in question did not contain a Total Transfer Condition and if by the foregoing procedure the Directors shall receive acceptances in respect of none or part only of the Sale Shares within the period(s) of the aforesaid offer(s) they shall forthwith give notice in writing of that fact to the Vendor. The Directors shall then be entitled within 14 days of the date of service of that notice to nominate (by giving notice in writing to the Vendor) any person or persons to purchase all or any of the Sale Shares in respect of which acceptances have not been received at the Transfer Price.

10.13 The Vendor, at the end of the 14 day period referred to in Article 10.12:-

- (a) shall thereupon become bound upon payment of the Transfer Price to transfer to each Purchaser (if any) those Sale Shares accepted by him and the provisions of Article 10.11 shall apply mutatis mutandis thereto;
- (b) may within a period of 6 months after the expiry of the said 14 day period sell all or any of those Sale Shares which have not been accepted as aforesaid to any person or persons at any price which is not less than the Transfer Price.

10.14 If a Vendor, having become bound to transfer any Sale Shares pursuant to this Article, makes default in transferring the same the Directors may authorise some person (who is (as security for the performance of the Vendor's obligations) hereby irrevocably and unconditionally appointed as the attorney of the Vendor for the purpose) to execute the necessary instrument of transfer of such Sale Shares and may deliver it on his behalf and the Company may receive the purchase money and shall thereupon (subject to such instrument being duly stamped) cause the transferee to be registered as the holder of such Sale Shares and

shall hold such purchase money on behalf of the Vendor. The Company shall not be bound to earn or pay interest on any money so held and shall not pay such money to the Vendor until he shall have delivered his share certificates (or an appropriate indemnity in respect of any lost certificates) to the Company. The receipt of the Company for such purchase money shall be a good discharge to the transferee who shall not be bound to see to the application thereof, and after the name of the transferee has been entered in the register of members in purported exercise of the aforesaid power the validity of the proceedings shall not be questioned by any person.

- 10.15 If a member, being a Director of the Company or being employed by the Company, ceases to be a Director of the Company or to be so employed then he (which expression for the purposes of this paragraph shall be deemed, where appropriate, to include his Representatives) shall be deemed, upon such cessation, to have immediately given a Transfer Notice in respect of all the shares which shall then be registered in his name.
- 10.16 If a person acquires Ordinary Shares in pursuance of a right or interest acquired by a Director or employee of the Company or any other company under its control and at the time at which he is registered as the holder of such shares such person is not employed by or is not a Director of the Company or any other company under its control, he shall, upon being registered, be deemed to have given a Transfer Notice in respect of the Ordinary Shares registered in his name.
- 10.17 A deemed Transfer Notice shall be deemed not to contain a Total Transfer Condition and shall not be revocable.
- 10.18 For the purposes of this Article the expression "Fair Value" shall mean the fair value of the relevant shares on the basis of a sale between a willing buyer and a willing seller and of a going concern business.
- 10.19 Save in relation to any Transfer Notice which is deemed to have been given pursuant to Article 10.15 or Article 10.16 the provisions of this Article may be waived in whole or in part in any particular case with

the consent in writing of all the holders of Ordinary Shares for the time being.

LIEN

11. The Company shall have a first and paramount lien upon all shares (whether fully paid or not) registered in the name of any member, either alone or jointly with any other person, for his debts, liabilities and engagements, howsoever arising whether solely or jointly with any other person, to or with the Company, and such lien shall extend to any amount payable in respect of it and all dividends from time to time declared in respect of such shares.
12. The net proceeds of a sale pursuant to Regulations 9 and 10 of Table A, after payment of costs, shall be applied in payment of so much of the sum for which the lien exists which is presently payable and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares immediately before the date of sale.

PROCEEDINGS AT GENERAL MEETINGS

13. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of declaring a dividend, the consideration of the Accounts, the Balance Sheets, the Reports of the Directors and Auditors, the election of Directors in the place of those retiring and the voting of remuneration or extra remuneration to the Directors and the appointment of, and the fixing of the remuneration of, the Auditors.
14. No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business. Two persons, being members present in person or by

proxy or being corporations by duly authorised representatives shall be a quorum.

15. At any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is, before or on the declaration of the result of the show of hands, demanded by any member present in person or by proxy. Regulation 46 of Table A shall be modified accordingly.
16. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business, other than the question of which a poll has been demanded.
17. Subject to the provisions of the Act a resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at General Meetings (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a General Meeting of the Company duly convened and held. Such resolution may consist of several documents in the like form, each signed by one or more members.

VOTES OF MEMBERS

18. Subject to any rights or restrictions for the time being attached to any class or any classes of shares or as specifically provided in these Articles every member present in person or by proxy shall have one vote on a show of hands and one vote for each share of which he is the holder on a poll. Where a member is himself a proxy for another member or members, then in such case he shall on a show of hands have one vote for himself as a member and one vote for each member for whom he is a proxy.

DIRECTORS

19. Subject to the restrictions contained elsewhere in these Articles the fees of the Directors shall from time to time be determined by the Company in General Meeting and shall be divided among the Directors in such

proportion and manner as the resolution by the Company in General Meeting shall specify. Any director who is appointed to an executive office or who serves on any committee or who otherwise performs services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director may be paid such remuneration by way of salary, percentage or profits or otherwise as the Directors may from time to time determine.

20. The Directors shall be entitled to be repaid all such reasonable expenses as they may incur in attending and returning from meetings of the Directors, or of committees of the Directors, or General Meetings, or which they may otherwise incur, whether in the United Kingdom or abroad, in or about the business of the Company.

BORROWING POWERS

21. Subject to the Act the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability, guarantee or obligation of the Company, or of any third party.

POWERS AND DUTIES OF DIRECTORS

22. Subject to making such disclosure and declaration of his interest as is required by the Statutes, a Director may contract with and participate in the profits of any contract with the Company as if he were not a Director.
23. A Director may hold any other office or place of profit under the Company, other than that of Auditor and/or Secretary if he be a sole Director, at such remuneration and upon such terms as the Directors may determine. Any Director may act by himself or his firm in a professional capacity for the Company, other than as Auditor, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

DISQUALIFICATION OF DIRECTORS

24. Notwithstanding his interest a Director may vote on any matter in which he is interested and be included for the purpose of a quorum at any meeting at which the same is considered and he may retain for his own benefit all profits and advantages accruing to him. Regulation 94 shall be modified accordingly.

ROTATION OF DIRECTORS

25. A Director shall not retire by rotation and Regulations 76, 78 and 79 of Table A shall be modified accordingly.

PROCEEDINGS OF DIRECTORS

26. A resolution in writing signed by all the Directors shall be as effective as a resolution passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form, each signed by one or more of the Directors, or their respective alternates (as the case may be).
27. The quorum necessary for the transaction of the business of the Directors shall be three. A Director shall be deemed to be present at a meeting if by any means he can hear all those Directors who are physically present speaking and they can hear him.
28. The Directors shall cause proper minutes to be made of all meetings of the Company and of meetings of the holders of any class of shares in the Company, and also of all appointments of officers and of the proceedings of all meetings of Directors and committees and of the attendance thereat and all business transacted at such meetings.

MANAGING AND EXECUTIVE DIRECTORS

29. The Directors may from time to time appoint one or more of their body to the office of the Managing Director or any other executive office

under the Company and, subject to the terms of any agreement entered into in any particular case, the Directors may at any time revoke such appointment.

30. The Directors may from time to time entrust to and confer upon the Managing Director or any one or more of the Directors as a committee all or any of the powers exercisable by the Directors (excepting the power to make calls, issue, allot or forfeit shares, borrow money or issue debentures) upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers.

ALTERNATE DIRECTORS

- 31.1 Each Director (other than an alternate Director) may at any time appoint any other Director or any person previously approved by a majority of the other Directors to be his alternate Director and at his discretion to remove such alternate Director.
- 31.2 Any appointment or removal of an alternate Director may be made by cable, telegram, telex or letter or in any other manner approved by the Directors sent to or delivered at the registered office of the Company or delivered to a meeting of the Directors. Any cable, telegram, telex or letter shall be confirmed as soon as possible by letter but may be acted upon by the Company meanwhile.
- 31.3 An alternate Director shall (except as regards power to appoint an alternate Director and remuneration) be subject in all respects to the terms and conditions existing with reference to the other Directors.
- 31.4 An alternate Director shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served upon him) be entitled to receive notices of all meetings of the Directors and to attend, speak and vote as a Director at such meetings at which his appointor is not present and generally to perform all the functions of his appointor as a Director in the absence of such appointor.

- 31.5 One person may act as alternate Director to more than one Director, and while he is so acting shall be entitled to a separate vote for each Director he is representing, and if he is himself a Director his vote or votes as an alternate Director shall be in addition to his own vote.
- 31.6 An alternate Director shall not be taken into account in reckoning the minimum or maximum number of Directors allowed for the time being but he shall be counted for the purpose of reckoning whether a quorum is present at any meeting of the Directors attended by him.
- 31.7 An alternate Director may be repaid by the Company such expenses as might properly be repaid to him if he were a Director and he shall be entitled to receive from the Company such proportion (if any) of the remuneration otherwise payable to his appointor as such appointer may by notice in writing to the Company from time to time direct. Save as aforesaid he shall not in respect of such appointment be entitled to receive any remuneration from the Company.
- 31.8 An alternate Director shall be an officer of the Company and shall be alone responsible to the Company for his own acts and defaults and he shall not be deemed to be agent of or for the Director appointing him. An alternate Director shall be entitled to be indemnified by the Company to the same extent as if he were a Director.
- 31.9 The appointment of an alternate Director shall ipso facto determine if his appointor ceases for any reason to be a Director, and on the happening of any event on which if he were a Director he would be liable to vacate that office under these Articles.

NOTICES

32. A notice may be given by the Company to any member either personally or by sending it by post to him at his registered address or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom, supplied by him to the Company for the giving of notice to him or by leaving it at such

address. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected at the expiration of twenty-four hours after the letter containing the same is posted.

INDEMNITY

- 33.1 Subject to the provisions of and so far as may be consistent with the Act, but without prejudice to any indemnity to which a Director may be otherwise entitled, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs charges losses expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties powers or office including (without prejudice to the generality of the foregoing) 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 judgement 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.
- 33.2 Subject to the Act the Company may purchase and maintain for any Director, Auditor, Secretary or other officer of the Company insurance cover against any liability which by virtue of any rule of law may 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 and against all costs charges losses and expenses and liabilities incurred by him and for which he is entitled to be indemnified by the Company by virtue of Article 33.1.