



THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
NEW ARTICLES OF ASSOCIATION
of
STRATA TECHNOLOGY LIMITED

(adopted by special resolution on 12th February 1999)

Preliminary

1. In these Articles:-

- 1.1 'the Act' means the Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force.
- 1.2 'Table A' means Table A in the Companies (Tables A - F) Regulations 1985 as amended by the Companies (Tables A - F) (Amendment) Regulations 1985.
- 2.1 The regulations contained in or incorporated in Table A shall apply to the Company save insofar as they are excluded or varied hereby or are inconsistent herewith and such regulations (save as so excluded varied or inconsistent) and the Articles hereinafter contained shall be the regulations of the Company.
- 2.2 Regulations 54, 64, 73-80 (inclusive), 85, 86, 94-98 (inclusive) 101 and 118 of Table A shall not apply to the Company.

Share capital

- 3.1 The share capital of the Company is £1,000,000 divided into 60,000 A Ordinary Shares of £1 each, and 940,000 B Ordinary Shares of £1 each.
- 3.2 The rights attaching to the A Ordinary Shares and the B Ordinary Shares shall be as follows:-
 - 3.2.1 **Income**
 - 3.2.1.1 The profits which the Company may determine to distribute in respect of any financial year shall be distributed amongst the holders of the A Ordinary Shares and the B Ordinary Shares (pari passu as if the same constituted one class of share).
 - 3.2.1.2 Every dividend shall be distributed to the appropriate members pro-rata according to the amounts paid up or credited as paid up on the shares held by them respectively and shall accrue on a daily basis.

- 3.2.1.3 A person shall be deemed for the purposes of these Articles to hold shares if he has an interest in them. Schedule 13 Part I and section 324 of the Act shall apply for the purposes of these Articles in determining whether or not a person has an interest in shares.

3.2.2 Capital

On a return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall be distributed amongst the holders of the A Ordinary Shares and B Ordinary Shares (pari passu as if the same constituted one class of share) in proportion to the amounts paid up or credited as paid up on the A Ordinary Shares and B Ordinary Shares held by them respectively.

3.3. Further Issue of Shares

- 3.3.1 In accordance with Section 91(1) of the Act Sections 89(1) and 90(1) to (6) inclusive of the Act shall not apply to the Company.

- 3.3.2 Unless otherwise determined by ordinary resolution of the Company in general meeting:-

3.3.2.1 any unissued or new A Ordinary Shares created from time to time shall before they are issued or offered to any other person be offered to the holders of the A Ordinary Shares in proportion as nearly as may be to the number of the existing A Ordinary Shares held by them respectively;

3.3.2.2 any unissued or new B Ordinary Shares created from time to time shall before they are issued or offered to any other person be offered to the holders of the B Ordinary Shares in proportion as nearly as may be to the number of the existing B Ordinary Shares held by them respectively.

- 3.3.3 Subject to the provisions of Article 3.3.2 any unissued or new A Ordinary Shares or B Ordinary Shares created from time to time shall be under the control of the directors who may allot, grant options over or otherwise dispose of the same to such persons, on such terms and in such manner as they think fit.

Lien

4. The lien conferred by regulation 8 of Table A shall apply to all shares of the Company whether fully paid or not and to all shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder thereof or one of several joint holders.

Calls

5. The liability of any member in default in respect of a call shall be increased by the addition at the end of the first sentence of regulation 18 in Table A of the words 'and all expenses that may have been incurred by the Company by reason of such non-payment.'

Transfer of Shares

- 6.1 The directors shall refuse to register any transfer of shares made in contravention of the provisions of these Articles but (subject to Regulation 24 of Table A) shall not otherwise be entitled to refuse to register any transfer of shares. For the purpose of ensuring that a particular transfer of shares is permitted under the provisions of these Articles, the directors may request the transferor, or the person named as transferee

in any transfer lodged for registration, to furnish the Company with such information and evidence as the directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the directors within a period of 28 days after such request the directors shall be entitled to refuse to register the transfer in question.

6.2 For the purposes of these Articles:-

- 6.2.1 'Privileged Relation' in relation to a member means the spouse or widow or widower of the member and the member's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the member's children;
- 6.2.2 'Family Trust' in relation to any member means a trust which does not permit any of the settled property or the income therefrom to be applied otherwise than for the benefit of that member and/or a Privileged Relation of that member and under which no power of control is capable of being exercised over the votes of any shares which are the subject of the trust by any person other than the trustees or such member or his Privileged Relations;
- 6.2.3 'settlor' includes a testator or an intestate in relation to a Family Trust arising respectively under a testamentary disposition or an intestacy of a deceased member.
- 6.3.1 Notwithstanding any other provision in these Articles any of the B Ordinary Shareholders may at any time transfer (or by will bequeath or otherwise dispose of on death) all or any shares held by him to a Privileged Relation or to trustees to be held upon a Family Trust **PROVIDED THAT** any transfer of shares to trustees to be held upon a Family Trust made during the lifetime of such member may only be made with the consent in writing of the holders of 75% of the A Ordinary Shares.
- 6.3.2 Where the consent of the requisite majority of the holders of A Ordinary Shares is requested to a transfer to a Family Trust such consent shall be given when the holders are satisfied:-
- 6.3.2.1 with the terms of the trust instrument and in particular with the powers of the trustees;
 - 6.3.2.2 with the identity of the proposed trustees;
 - 6.3.2.3 that the proposed transfer will not result in 50% or more in the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
 - 6.3.2.4 that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.

6.4 Where any shares are held by trustees upon a Family Trust or by a Privileged Relation:-

- 6.4.1 on any change of trustees such shares may be transferred to the new trustees of that Family Trust;
- 6.4.2 such shares may be transferred at any time to the settlor or to another Family Trust of the settlor or to any Privileged Relation of the settlor; and
- 6.4.3 if and whenever any such shares cease to be held upon a Family Trust or by a Privileged Relation (otherwise than in consequence of a transfer to the

settlor or to another Family Trust of the settlor or to any Privileged Relation of the settlor) a Transfer Notice (as hereinafter defined) shall be deemed to have been given in respect of the relevant shares (as hereinafter defined) by the holders thereof and such shares may not otherwise be transferred;

- 6.4.4 for the purposes of this Article the expression 'relevant shares' means and includes the shares originally transferred to the trustees and any additional shares issued or transferred to the trustees or a Privileged Relation by virtue of the holding of the relevant shares or any of them.
- 6.5 Notwithstanding any other provision of these Articles any A Ordinary Shares may with the consent of all of the A Ordinary Shareholders who are directors be transferred to any person who shall have been appointed a director.
- 6.6 Save as otherwise provided in these Articles every member who desires to transfer any A Ordinary Shares ("the Vendor") shall give to the Company notice in writing of such desire (a "Transfer Notice"). Subject as hereinafter mentioned a Transfer Notice shall constitute the Company the Vendor's agent for the sale of the shares specified therein ("the Sale Shares") in one or more lots at the discretion of the directors to all the holders of A Ordinary Shares other than the Vendor ("the Offerees") at the Sale Price (as hereinafter defined) PROVIDED THAT:-
- 6.6.1 if the Vendor is a director, the Offerees and the Accepting Offerees (as hereinafter defined) shall, in order of priority, be firstly the other directors who are holders of A Ordinary Shares and secondly, if and to the extent that a purchaser or purchasers shall not be found from the other directors who are holders of A Ordinary Shares for all of the Sale Shares in accordance with the procedures set out in these Articles, the Offerees and Accepting Offerees shall be the other holders of A Ordinary Shares and the procedures set out in Article 6.10 shall be repeated as necessary;
- 6.6.2 if the Vendor is not a director, the Offerees and the Accepting Offerees shall, in order of priority, be firstly the other holders of A Ordinary Shares who are not directors and secondly, if and to the extent that a purchaser or purchasers shall not be found from such other holders of A Ordinary Shares for all of the Sale Shares in accordance with the procedures set out in these Articles, the Offerees and Accepting Offerees shall be the other holders of A Ordinary Shares who are directors and the procedures set out in Article 6.10 shall be repeated as necessary.
- 6.7 The Sale Price shall be the price agreed by the Vendor and the directors or, if the Vendor and the directors are unable to agree a price within 28 days of the Transfer Notice being given, the price which the auditors for the time being of the Company ("the Auditors") (acting as an expert and not as an arbitrator) shall by writing under their hand certify to be in their opinion a fair value thereof ignoring in the case of any Sale Shares which are A Ordinary Shares any value which may be attributed to them by virtue of the voting rights attaching to them.
- 6.8 The Transfer Notice may contain a provision ("An All Only Provision") that unless all the shares comprised therein are sold to the Offerees pursuant to these Articles none shall be sold to the Offerees and an All Only Provision shall be binding on the Company and the Offerees.
- 6.9 If the Auditors are asked to certify the fair value as aforesaid their certificate shall be delivered to the Company and as soon as the Company receives the certificate it shall furnish a certified copy thereof to the Vendor and the Vendor shall be entitled by notice in writing given to the Company within 10 days of the service upon him of the certified copy to cancel the Company's authority to sell the Sale Shares. The cost of obtaining the certificate shall be borne by the Company unless the Vendor shall give notice of cancellation as aforesaid in which case the Vendor shall bear the cost.

settlor or to another Family Trust of the settlor or to any Privileged Relation of the settlor) a Transfer Notice (as hereinafter defined) shall be deemed to have been given in respect of the relevant shares (as hereinafter defined) by the holders thereof and such shares may not otherwise be transferred;

- 6.4.4 for the purposes of this Article the expression 'relevant shares' means and includes the shares originally transferred to the trustees and any additional shares issued or transferred to the trustees or a Privileged Relation by virtue of the holding of the relevant shares or any of them.
- 6.5 Notwithstanding any other provision of these Articles any A Ordinary Shares may with the consent of all of the A Ordinary Shareholders who are directors be transferred to any person who shall have been appointed a director.
- 6.6 Save as otherwise provided in these Articles every member who desires to transfer any A Ordinary Shares ("the Vendor") shall give to the Company notice in writing of such desire (a "Transfer Notice"). Subject as hereinafter mentioned a Transfer Notice shall constitute the Company the Vendor's agent for the sale of the shares specified therein ("the Sale Shares") in one or more lots at the discretion of the directors to all the holders of A Ordinary Shares other than the Vendor ("the Offerees") at the Sale Price (as hereinafter defined) PROVIDED THAT:-
- 6.6.1 if the Vendor is a director, the Offerees and the Accepting Offerees (as hereinafter defined) shall, in order of priority, be firstly the other directors who are holders of A Ordinary Shares and secondly, if and to the extent that a purchaser or purchasers shall not be found from the other directors who are holders of A Ordinary Shares for all of the Sale Shares in accordance with the procedures set out in these Articles, the Offerees and Accepting Offerees shall be the other holders of A Ordinary Shares and the procedures set out in Article 6.10 shall be repeated as necessary;
- 6.6.2 if the Vendor is not a director, the Offerees and the Accepting Offerees shall, in order of priority, be firstly the other holders of A Ordinary Shares who are not directors and secondly, if and to the extent that a purchaser or purchasers shall not be found from such other holders of A Ordinary Shares for all of the Sale Shares in accordance with the procedures set out in these Articles, the Offerees and Accepting Offerees shall be the other holders of A Ordinary Shares who are directors and the procedures set out in Article 6.10 shall be repeated as necessary.
- 6.7 The Sale Price shall be the price agreed by the Vendor and the directors or, if the Vendor and the directors are unable to agree a price within 28 days of the Transfer Notice being given, the price which the auditors for the time being of the Company ("the Auditors") (acting as an expert and not as an arbitrator) shall by writing under their hand certify to be in their opinion a fair value thereof ignoring in the case of any Sale Shares which are A Ordinary Shares any value which may be attributed to them by virtue of the voting rights attaching to them.
- 6.8 The Transfer Notice may contain a provision ("An All Only Provision") that unless all the shares comprised therein are sold to the Offerees pursuant to these Articles none shall be sold to the Offerees and an All Only Provision shall be binding on the Company and the Offerees.
- 6.9 If the Auditors are asked to certify the fair value as aforesaid their certificate shall be delivered to the Company and as soon as the Company receives the certificate it shall furnish a certified copy thereof to the Vendor and the Vendor shall be entitled by notice in writing given to the Company within 10 days of the service upon him of the certified copy to cancel the Company's authority to sell the Sale Shares. The cost of obtaining the certificate shall be borne by the Company unless the Vendor shall give notice of cancellation as aforesaid in which case the Vendor shall bear the cost.

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- 6.10 Upon the price being fixed as aforesaid and provided the Vendor shall not give a valid notice of cancellation the Company shall forthwith offer the Sale Shares to the Offerees pro rata as nearly as may be in proportion to the existing numbers of A Ordinary Shares held by the Offerees, giving details of the number and the Sale Price of such Sale Shares. The Company shall invite each Offeree to state in writing within 21 days from the date of the notice whether he is willing to purchase any of the Sale Shares so offered to him and if so, the maximum thereof which he is willing to purchase. If at the expiration of the said period of 21 days there are any Sale Shares offered which any of the Offerees have not so stated their willingness to purchase the Company shall offer such Sale Shares to the Offerees as have stated in writing their willingness to purchase all the Sale Shares previously offered to them ("the Accepting Offerees"). Such remaining shares shall be offered pro rata as nearly as may be in proportion to existing numbers of A Ordinary Shares then held by the Accepting Offerees which offer shall remain open for a further period of 21 days. The offer notice shall set out all the terms of the offer including whether an All Only Provision has been imposed.
- 6.11 If the Company shall not have found a purchaser or purchasers from the holders of the A Ordinary Shares for all of the Sale Shares pursuant to the above provisions of these Articles the remaining Sale Shares shall be offered to all the holders of B Ordinary Shares pro rata as nearly as may be in proportion to the existing number of B Ordinary Shares held by them and the procedures set out in Article 6.10 shall apply with regard to offers of the remaining Sale Shares made to the holders of the B Ordinary Shares.
- 6.12 The provisions of Articles 6.6 to 6.11 shall apply, mutatis mutandis, in the case of every member who desires to transfer any B Ordinary Shares in which case they shall first be offered to all the holders of B Ordinary Shares other than the Vendor and if and to the extent that the Company shall not have found a purchaser or purchasers from amongst the holders of the B Ordinary Shares for all or any of the Sale Shares the remaining Sale Shares shall be offered to the holders of the A Ordinary Shares pro rata as nearly as may be in proportion to the existing number of A Ordinary Shares held by them and the procedures set out in Article 6.10 shall apply with regard to offers of the remaining Sale Shares made to the holders of the A Ordinary Shares.
- 6.13 If the Company shall, pursuant to the above provisions of these Articles find a member or members of the Company willing to purchase all or any of the Sale Shares the Vendor shall be bound upon receipt of the Sale Price to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers (unless an All Only Provision has been imposed)) to such member or members. If the Vendor shall make default in so doing the Company shall if so required by the member or members willing to purchase such Sale Shares receive and give a good discharge for the purchase money on behalf of the Vendor and shall authorise some person to execute transfers of the Sale Shares in favour of the purchasers and shall enter the names of the purchasers in the register or members as the holder of such Sale Shares as shall have been transferred as aforesaid.
- 6.14 If the Company shall not have found a member or members of the Company willing to purchase all or any of the Sale Shares pursuant to the foregoing provisions of these Articles the Vendor shall at any time within 6 months after the final offer by the Company to its members be at liberty to sell and transfer all (but not some only) of the Sale Shares as have not been so sold to any person at a price being not less than the Sale Price.
- 6.15 If at any time any member who is an employee or director of the Company shall cease to be an employee of the Company for whatever reason (including retirement, death, resignation or dismissal) then (unless the directors resolve otherwise at the relevant time) there shall be deemed to have been given by him on the date of such cessation a Transfer Notice in respect of all the shares in the Company which he

and/or any Privileged Relation or Family Trust shall then hold and the provisions of Articles 6.6 to 6.14 shall apply to such deemed Transfer Notice PROVIDED THAT;

6.15.1 the Vendor shall not be entitled to give a notice of cancellation pursuant to Article 6.9;

6.15.2 the deemed Transfer Notice shall not contain an All Only Provision.

Takeover

7. In the event that an offer is made for the purchase of all of the A Ordinary Shares and B Ordinary Shares by a person, firm or company who or which is not a member of the Company the A Ordinary Shares and the B Ordinary Shares shall be treated *pari passu* as if the same constituted one class of share.

Voting

- 8.1 Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these Articles, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative not being himself a member, shall have one vote, and on a poll every member who is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall (except as hereinafter provided) have one vote for every £1 in nominal amount of shares in the capital of the Company of which he is the holder.
- 8.2 The B Ordinary Shares shall entitle the holders thereof to a notice of any general meeting of the Company but shall not entitle the holders of such shares to attend or vote at any such general meeting of the Company unless the business of the meeting includes any resolution directly or adversely modifying or abrogating any of the special rights or privileges attached to the B Ordinary Shares in which case the holders thereof shall only be entitled to vote at the relevant meeting in respect of such resolution or resolutions.

Appointment of Directors

- 9.1 The maximum number and minimum number respectively of the directors may be determined from time to time by ordinary resolution. Subject to and in default of any such determination there shall be no maximum number of directors and the minimum number of directors shall be one. Whenever the minimum number of directors is one a sole director shall have authority to exercise all of the powers and discretions by Table A and by these Articles expressed to be vested in the directors generally and Regulation 89 in Table A shall be modified accordingly.
- 9.2 No person shall be appointed as a director at any general meeting unless either:-
- 9.2.1 he is recommended by the directors;
- 9.2.2 not less than 14 nor more than 35 clear days before the date appointed for the general meeting, notice signed by a member qualified to vote at the general meeting has been given to the Company of his intention to propose that person for appointment together with notice signed by that person of his willingness to be appointed.
- 9.3 Subject to Article 9.2 the Company may by ordinary resolution appoint any person who is willing to act to be a director either to fill a vacancy or as an additional director.
- 9.4 The directors may appoint a person who is willing to act as a director either to fill a vacancy or as an additional director PROVIDED THAT the appointment does not cause the number of directors to exceed any number determined in accordance with Article 9.1 as the maximum number of directors for the time being in force.

Proceedings of Directors

- 10.1 Notice of every meeting of the directors shall be given to each director at any address supplied by him to the Company for that purpose whether or not he be present in the United Kingdom PROVIDED THAT any director may waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him.
- 10.2 Subject to the provisions of the Act and PROVIDED THAT he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:-
- 10.2.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;
 - 10.2.2 may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;
 - 10.2.3 may (and any firm or company of which he is a partner or member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;
 - 10.2.4 shall not by reason of his office be accountable to the Company for any benefit which he derives from such office service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and
 - 10.2.5 shall be entitled to vote and be counted in the quorum on any matter concerning the foregoing paragraphs of this Article.
- 10.3 For the purposes of this Article:-
- 10.3.1 a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;
 - 10.3.2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
 - 10.3.3 an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these Articles were adopted) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

Directors' Borrowing Powers

11. The directors may exercise all the powers of the Company to borrow money without limit and upon such terms and in such manner as they think fit, and subject (in the case of any security convertible into shares) to section 80 of the Act to grant any mortgage, charge or standard security over 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 or obligation of the Company or of any third party.

The Seal

12. If the Company has a seal it shall only be used with the authority of the directors or of a committee of directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or second director. The obligation under Regulation 6 of Table A relating to the sealing of share certificates shall apply only if the Company has a seal.

Indemnity

- 13.1 Every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, or in connection with any application under section 144 or section 727 of the Act in which relief is granted to him by the Court, and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto **PROVIDED THAT** this Article shall only have effect insofar as its provisions are not avoided by Section 310 of the Act.
- 13.2 The directors shall have power to purchase and maintain for any director, officer or auditor of the Company any insurance against any such liability as is referred to in Section 310(1) of the Act.

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