

THE COMPANIES ACT 1985

WRITTEN RESOLUTION OF THE MEMBERS

IRIS TECHNOLOGY LIMITED

NO. 214445

PASSED: 4 MARCH 2003

We, the undersigned being the secretary of IRIS Technology Limited (the "Company") declare the following ordinary and special resolutions to have been passed as ordinary and special resolutions of the members of the Company pursuant to Section 381A of the Companies Act 1985 on the above date:

Special Resolution

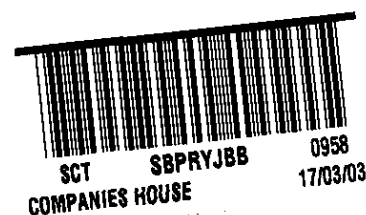
- "1. That the authorised share capital of the Company be increased from £40,000 to £57,416.30 by the creation of an additional 174,163 Ordinary Shares of 10p each having the rights conferred upon such shares by the articles of association of the Company from time to time (the "Articles").

Ordinary Resolution

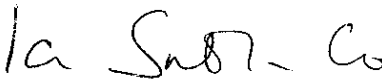
2. That, pursuant to article 12 of the Articles, the maximum amount of shares that may be allotted by the directors or in respect of which rights may be granted by the directors pursuant to the authority conferred upon them by article 12 be fixed as the amount of shares in the authorised but unissued share capital of the Company as increased by resolution no. 1.

Special Resolutions

3. That the articles of association of the Company be amended by the addition of new articles 32 to 34 in the form contained in the Schedule annexed to this written resolution.



4. That the articles of association of the Company be amended by the deletion in the last line of article 11 of the word "before" and the substitution of the word "after".


.....
Iain Smith & Company

SCHEDULE

This is the Schedule referred to in the foregoing written resolution of the members of Iris Technology Limited.

Articles 32 - 34

32. Notwithstanding anything in these Articles, no sale or transfer of any Ordinary Shares which would result, if made and registered, in the Acquisition of a Controlling Interest shall be made or registered unless before the transfer is lodged for registration the proposed transferee or transferees or his or their nominees has or have offered to purchase all the Ordinary Shares in issue on terms no less favourable overall to those offered to the holders of the shares being acquired at the Specified Price.
33. For the purposes of Article 32 only:-
- 33.1 the expression "Specified Price" means the consideration (in cash or otherwise) per share equal to that offered or paid or payable by the proposed transferee for the shares being acquired plus the relevant proportion of any other consideration (whether or not in cash) received or receivable by the holders of such shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable plus all arrears and accruals of the dividends on such share calculated down to the date of the sale or transfer;
- 33.2 the expression "transfer", "transferor" and "transferee" shall include respectively the renunciation of a renounceable letter of allotment, the original allottee and the renouncee under any such letter of allotment; and
- 33.3 in the event of disagreement upon the terms on which the shares are to be acquired and/or the Specified Price the matter shall be referred to a chartered accountant (acting as an expert and not as arbitrator) nominated by the parties concerned (or in the event of disagreement as to nomination appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales) whose decision shall be final and binding and whose costs shall be borne in the manner laid down by such expert.

COMPULSORY PURCHASE

34. If an offeror for the shares in the Company has made offers to all the members of the Company which are acceptable to the holders of at least 60% of the Ordinary Shares and receives valid acceptances which would on completion

result in such offeror becoming the holder of not less than 60% of the Ordinary Shares then:-

- 34.1 such offeror may give notice to any non-accepting holder of Ordinary Shares requiring him to accept the offer and transfer his shares with full title guarantee within 14 days and stating that, in default of such acceptance, he shall be deemed to have accepted such offer in respect of all Ordinary Shares held by him and irrevocably to waive any pre-emption rights he may have in relation to any shares the subject of such offer;
- 34.2 upon the expiry of such notice each recipient thereof should be obliged to transfer his Ordinary Shares with full title guarantee and to deliver to the offeror (or as he may direct) an executed share transfer form and share certificate(s) in respect of the shares which are the subject of the notice together with an executed waiver of pre-emption rights as appropriate;
- 34.3 if any such member fails to comply with the matters referred to in Article 34.2, he shall be deemed to have appointed any director of the Company to be his agent and attorney to execute such documents on his behalf and, against receipt by the Company (on trust for such member) of the appropriate purchase monies, to deliver such executed transfer(s) and pre-emption waiver(s) (if appropriate) to the offeror and it shall be no impediment to completion of the transfer that such member's share certificate(s) has/have not been produced;
- 34.4 after such offeror or his nominee has been registered as the holder of shares transferred in accordance with this Article 34, the validity of such transaction shall not be questioned by any persons; and
- 34.5 it shall be obligatory for the Directors to register any duly stamped transfer of a share made pursuant to this Article 34.

This Article 34 shall also apply in relation to any shares which any person may be entitled to acquire pursuant to any option scheme of the Company and which option shall be exercisable as a result of the sale of shares referred to in this Article.

A member shall not be compelled to sell his shares pursuant to this article 34 unless the sale of shares to the offeror by the holders of at least 60% of the Ordinary Shares is a *bona fide* arms length sale to a person who is not a member of the Company or beneficially interested in any shares in the Company or Connected With (as defined below) any member or person beneficially interested in any shares.

For the purposes of this article 34, "Connected With" has the meaning ascribed to it in Section 839 of the Income and Corporation Taxes Act 1988 save that there shall be deemed to be control for that purpose whenever either Section 416 or Section 840 of that Act would so require.


.....
Iain Smith & Company