

Company No 6539484

THURSDAY



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06/01/2011
COMPANIES HOUSE

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

RESOLUTION IN WRITING

of

SCENTRICS INFORMATION SECURITY TECHNOLOGIES LIMITED

On the 23 day of December 2010 the following special resolution was duly passed as a written resolution in accordance with Chapter 2, Part 13 of the Companies Act 2006 by the requisite majority of the members of the Company

SPECIAL RESOLUTION

THAT

The articles of association of the Company be amended as follows

- 1 By the insertion of the following text in the second line of article 4 4 between the words 'terms' and 'be'

"(i) be approved by a resolution of the board of directors, and (ii)"

- 2 By the insertion of the following text after article 4 6

"4 7 Regulation 6 of Table A is modified by the deletion of the phrase "sealed with the seal" and the substitution for that phrase of "issued under the seal, which may be affixed or printed on it, or shall be signed by two directors of the Company or by a director and the secretary of the Company or by one director in the presence of a witness who attests his signature, or shall be issued in such other manner as the directors may approve" ",

- 3 Article 5 is deleted and replaced as follows

"5. Transfer of shares

Any transfer of any shares issued by the Company shall require the approval of the board prior to the completion of any such transfer,

other than in respect of a transfer in accordance with regulations 29 – 31 of Table A "

4 By the insertion of the following text at the end of article 6 3

"A proxy may be chairman and regulation 43 of Table A is modified accordingly."

5 By the insertion of the following text after article 6 6

"6 7 Subject to any rights or restrictions attached to any shares, on a vote on a resolution

6 7 1 on a show of hands at a meeting

(a) every member present (not being present by proxy) and entitled to vote on the resolution has one vote, and

(b) every proxy present who has been duly appointed by a member entitled to vote on the resolution has one vote, except where

(i) that proxy has been duly appointed by more than one member entitled to vote on the resolution, and

(ii) the proxy has been instructed

(A) by one or more of those members to vote for the resolution and by one or more of those members to vote against the resolution, or

(B) by one or more of those members to vote in the same way on the resolution (whether for or against) and one or more of those members has permitted the proxy discretion as to how to vote,

in which case, the proxy has one vote for and one vote against the resolution, and

6 7 2 on a poll taken at a meeting, every member present and entitled to vote on the resolution has one vote in respect of each share held by the relevant member

Regulation 54 of Table A does not apply

6 8 The accidental omission to give notice of a general meeting or to send, supply or make available any document or information relating to a meeting to, or the non receipt of any such notice, document or information by, a person entitled to receive any such notice, document

or information shall not invalidate the proceedings at that meeting
Regulation 39 of Table A does not apply "

6 Article 8 4 is deleted and replaced as follows

"8 4 Subject to article 8.5, the members may appoint and remove directors
at any time by ordinary resolution

8 5 Epona Trustees Limited as trustee of the Vanma Trust shall be entitled
to appoint such number of directors (each a "**Trust Director**") as shall
constitute a majority of the board "

7 By the insertion of the following text after article 11 2

"11 2A The quorum for the transaction of the business of the directors shall be
two directors, at least one of whom must be a Trust Director A person
who holds office only as an alternate director shall, if his appointor is
not present, be counted in the quorum

11.2B Any one or more Trust Directors present at any meeting of the board
shall, between such Trust Directors, exercise sufficient voting rights to
constitute a majority of the voting rights at such meeting "

8 The words "be modified accordingly" are deleted from the last line of article
11 3 and replaced with the words "not apply"

9 By the insertion of the following text after article 15 2

"16. Company name

Subject to the 2006 Act, the directors may by resolution change the
name of the Company

17. Drag along rights

In this article 17

"Drag Sale" means the transfer (whether through a single transaction
or a series of related transactions) of shares issued by the company by
a person or persons (the "**Proposed Drag Seller(s)**") which, if
registered, would result in a person or persons (the "**Proposed Drag
Buyer(s)**") holding 50 per cent or more of the shares of the Company
for the time being in issue,

"Encumbrances" means any claim, charge, mortgage, lien, option,
equity, power of sale, hypothecation, usufruct, retention of title, right
of pre-emption, right of first refusal or other third-party rights or
security interest of any kind or an agreement, arrangement or
obligation to create any of the foregoing,

"Proposed Drag Buyer" has the meaning given to it in the definition
of Drag Sale,

"**Proposed Drag Seller(s)**" has the meaning given to it in the definition of Drag Sale,

"**Relevant Proportion**" has the meaning given to it in article 17 1,

"**Subsequent Dragged Shares**" has the meaning given to it in article 17.12

17 1 If a Drag Sale is proposed, the proposed Drag Buyer(s) or the Proposed Drag Seller(s) may, following execution of a binding agreement (whether conditional or unconditional) for the sale of shares issued by the company to a proposed Drag Buyer (the "**Sale Agreement**"), by serving a notice in writing (a "**Drag Notice**") on each holder of shares in the Company who is not a party to the Sale Agreement (each a "**Dragged Seller**"), require that Dragged Seller to transfer the same proportion of the shares registered in its name (the "**Drag Shares**") as the proportion of shares to be transferred by the Proposed Drag Seller(s) bears to the total number of shares held by the Proposed Drag Seller(s) prior to the transfer (and if this leads to a fractional entitlement the number of Ordinary Shares should be rounded up to the nearest whole number) (the "**Relevant Proportion**") to one or more persons identified in the Drag Notice (each a "**Drag Buyer**") at the consideration indicated in article 17 2 (the "**Drag Price**") on the date indicated in the Drag Notice (the "**Drag Completion Date**"), being not less than seven days after the date of the Drag Notice and not prior to the date of completion of the Sale Agreement, and on the terms set out in this Article 17 If the Sale Agreement does not complete, the Drag Notice shall lapse and the provisions of this article 17 shall cease to apply in relation to that Drag Notice

17 2 The consideration for each Drag Share shall

17 2 1 be equal to the highest consideration offered for each share in the Sale Agreement, and

17 2.2 subject to articles 17.3 and 17 7, be in the same form as that offered for each share in the Sale Agreement, shall be paid at the same time as the consideration is payable under the Sale Agreement (or, if later, on the Drag Completion Date) and shall be subject to the same payment terms

17 3 Each Dragged Seller shall pay its pro rata share (as a deduction from the gross pre-tax proceeds to be received, without prejudice to any other deductions lawfully required to be made) of the costs incurred by the Proposed Drag Seller(s) in connection with the proposed Sale and the transfer of the Drag Shares, to the extent that such costs have been incurred on

behalf of the Proposed Drag Seller(s) and all of the Dragged Sellers

17.4 Each Dragged Seller shall transfer the legal and beneficial title to its Drag Shares to the Drag Buyer(s) on the terms set out in this article 17, by delivering to the Company on behalf of the Drag Buyer(s) on or before the Drag Completion Date

17.4.1 duly executed stock transfer form(s) in respect of the Drag Shares registered in its name,

17.4.2 the relevant share certificate(s) (or an indemnity in respect thereof in a form satisfactory to the directors), and

17.4.3 a duly executed sale agreement or form of acceptance in a form agreed by the Majority Investors under which the Dragged Seller will provide representations and warranties with respect to its title to, and ownership of, the relevant shares and will transfer on the Drag Completion Date the legal and beneficial title to its Drag Shares to the Drag Buyer free from all Encumbrances and with full title guarantee,

and, to the extent required by the Majority Investors, shall sign such other documents to effect the issue of any shares, debt instruments or other securities to the Dragged Seller

17.5 The Drag Buyer Group will pay to the Company the aggregate Drag Price due in respect of all of the Drag Shares on or prior to the Drag Completion Date. Thereafter, the Company shall release the aggregate Drag Price due to each Dragged Seller under this article 17 in respect of its Drag Shares following delivery to the Company by that Dragged Seller of the documents required under article 17.4

17.6 If a Dragged Seller fails to comply with its obligations under article 17.4 (a "**Defaulting Dragged Seller**"), the directors may authorise any director to execute, complete and deliver as agent for and on behalf of that Dragged Seller each of the documents referred to in article 17.4. Subject to due stamping, the directors shall authorise registration of the transfer(s), after which the validity of such transfer(s) shall not be questioned by any person. If, under article 17.3.1 and for the purposes of articles 17.2 and 17.13, the "consideration" includes an offer to subscribe for or acquire any share, debt instrument or other security in the capital of any member of the Drag Buyer Group as an alternative (whether in whole or in part), the director so authorised shall have full and unfettered discretion to elect which alternative to accept in respect of each Defaulting Dragged Seller (and may elect for different alternatives for

different Defaulting Dragged Sellers) and neither the directors nor the director so authorised shall have any liability to such Defaulting Dragged Sellers in relation thereto

- 17 7 Each Defaulting Dragged Seller shall surrender its share certificate(s) relating to its Drag Shares (or provide an indemnity in respect thereof in a form satisfactory to the directors) to the Company On, but not before, such surrender or provision, the Defaulting Dragged Seller shall be entitled to the aggregate Drag Price for its Drag Shares transferred on its behalf without interest and to a new share certificate relating to its remaining holding of shares Payment to the Dragged Seller(s) shall be made in such manner as is agreed between the Company and the Dragged Seller(s) and in the absence of such agreement, by cheque to the relevant Dragged Seller's last known address Receipt of the aggregate Drag Price for the Drag Shares so transferred shall constitute an implied warranty from the relevant Dragged Seller(s) in favour of the Drag Buyer(s) that the legal and beneficial title to the relevant Drag Shares was transferred free from all Encumbrances and with full title guarantee
- 17 8 The Ordinary Shareholders acknowledge and agree that the authority conferred under article 17 6 is necessary as security for the performance by the Dragged Seller(s) of their obligations under this article 17
- 17 9 Subject to article 17 10, unless the relevant Drag Buyer otherwise agrees in writing, any Drag Shares held by a Dragged Seller on the date of a Drag Notice shall cease to confer the right to receive notice of or to attend or vote at any general meeting of the Company or (subject to the 2006 Act) at any meeting of the holders of any class of shares in the capital of the Company or for the purposes of a written resolution of the Company with automatic effect from the date of the Drag Notice (or the date of acquisition of such shares, if later) and the relevant shares shall not be counted in determining the total number of votes which may be cast at any such meeting or required for the purposes of a written resolution or for the purposes of any other consent required under these articles
- 17 10 The rights referred to in article 17 9 shall be restored immediately upon the Company registering a transfer of the Drag Shares in accordance with this article 17

18. Tag along rights

In this article 18

"**Relevant Proportion**" has the meaning given to it in article 18 1 1,

"**Tag Beneficiaries**" has the meaning given to it in article 18 1 1,

"**Tag Buyer**" has the meaning given to it in the definition of Tag Sale,

"**Tag Completion Date**" has the meaning given to it in article 18 6 3;

"**Tag Deficit**" has the meaning given to it in article 18 5,

"**Tag Sale**" means the transfer (whether through a single transaction or a series of related transactions) of shares by a person or persons (the "**Tag Seller(s)**") which, if registered, would result in a person or persons (the "**Tag Buyer(s)**") holding 50 per cent or more of the shares of the Company for the time being in issue,

"**Tag Seller(s)**" has the meaning given to it in the definition of Tag Sale,

"**Tag Transfer Shares**" has the meaning given to it in article 18 4

18 1 If a Tag Sale is proposed, no transfer of shares pursuant to the Tag Sale may be made unless

18 1 1 the Tag Buyer makes an offer (the "**Tag Offer**") in writing to the Company as agent for and on behalf of the holders of shares other than the Tag Seller(s) (the "**Tag Beneficiaries**") to buy the same proportion of the shares held by each of the Tag Beneficiaries (together with any shares which may be allotted in the period during which the Tag Offer is open for acceptance (the "**Tag Offer Period**") or upon the Tag Offer becoming unconditional, pursuant to the exercise or conversion of options over, or rights to subscribe for securities convertible into, shares which, in each case, were in existence at the date of the Tag Offer (together the "**Tag Securities**")) as the proportion of shares to be transferred by the Tag Seller(s) bears to the total number of shares held by the Tag Seller(s) prior to the transfer (the "**Relevant Proportion**") on the terms set out in this article 18 and the Tag Offer is or has become wholly unconditional, or

18 1 2 a Drag Notice is served in accordance with article 17

18 2 The terms of the Tag Offer shall be that

18 2 1 it shall be open for acceptance for not less than seven days, and shall be deemed to have been rejected if not accepted in accordance with the terms of the Tag Offer within the Tag Offer Period,

18 2 2 any acceptance of the Tag Offer shall be irrevocable,

18 2.3 the consideration for each Tag Security shall be equal to the highest consideration offered for each B Ordinary Share pursuant to the Tag Sale,

18 2.4 subject to article 18 3, the consideration offered in respect of the Tag Securities shall be in the same form as that offered for the shares pursuant to the Tag Sale and shall be subject to the same payment terms, and

18 2.5 each Tagging Shareholder

(a) shall pay its pro rata share (as a deduction from the gross pre-tax proceeds to be received, without prejudice to any other deductions lawfully required to be made) of the costs incurred by the Tag Seller(s) in connection with the Tag Sale and the transfer of the Tag Securities, to the extent that such costs have been incurred on behalf of the Tag Seller(s) and all of the Tagging Shareholders; and

(b) agrees that, in order to accept the Tag Offer, it will be required (pursuant to article 18 7) to transfer the legal and beneficial title to its Tag Transfer Shares together with all rights attaching to them, free from all Encumbrances and with full title guarantee, and that it may also be required to give such other warranties, indemnities, covenants and undertakings as are agreed to by the Tag Seller(s) pursuant to the Tag Sale provided that any potential liability thereunder shall be several

18 3 The Tag Offer may be conditional on acceptances which would, if the relevant transfers were registered, result in the Tag Buyer Group holding or increasing its aggregate shareholding in the Company to a specified number or proportion of the shares in issue. If the relevant condition is not satisfied (taking into account any shares transferred or proposed to be transferred pursuant to article 18 5) or waived by the Tag Buyer, no shares may be transferred pursuant to this article 18 (including the shares whose proposed transfer led to the Tag Offer)

18 4 The Company shall notify the holders of Tag Securities of the terms of the Tag Offer promptly upon receiving notice of the same from the Tag Buyer Group, following which any such holder who wishes to transfer Tag Securities to the Tag Buyer Group pursuant to the Tag Offer (a "Tagging Shareholder") shall serve notice on the Company to that effect (the "Tag Notice") at any time before the Tag Offer Period closes (the

"**Tag Closing Date**") stating the number of Tag Securities it wishes to transfer, which may be some or all of (but which may not exceed) the Relevant Proportion of its Tag Securities (the "**Tag Transfer Shares**")

18 5 If the total number of Tag Transfer Shares set out in all Tag Notices is less than the total number of Tag Securities subject to the Tag Offer (the difference between the total number of Tag Transfer Shares set out in all Tag Notices and the total number of Tag Securities subject to the Tag Offer being the "**Tag Deficit**"), the Company shall notify the Tag Seller(s) who shall be entitled (but not obliged) to transfer up to such number of shares as equals the Tag Deficit in addition to the shares proposed to be sold by the Tag Seller(s) pursuant to the Tag Sale

18 6 Within three days after the Tag Closing Date

18 6 1 the Company shall notify the Tag Buyer(s) in writing of the names and addresses of the Tagging Shareholders who have accepted the Tag Offer and the number of shares which each Tagging Shareholder wishes to transfer pursuant to the Tag Offer,

18 6 2 the Company shall notify each Tagging Shareholder in writing of the identity of the relevant member(s) of the Tag Buyer(s) to which it shall transfer its Tag Transfer Shares, and

18 6 3 each of the Company's notifications above shall indicate the date, time and place on which the sale and purchase of the Tag Transfer Shares is to be completed (the "**Tag Completion Date**")

18 7 Each Tagging Shareholder shall transfer the legal and beneficial title to its Tag Transfer Shares to the relevant member of the Tag Buyer Group on the terms set out in this article 18, by delivering to the Company on or before the Tag Completion Date.

18 7 1 duly executed stock transfer form(s) in respect of the Tag Transfer Shares registered in its name,

18 7 2 the relevant share certificate(s) (or an indemnity in respect thereof in a form satisfactory to the board), and

18 7 3 a duly executed sale agreement or form of acceptance in a form agreed by the board, in accordance with article 18 2 5(b),

and, to the extent required by the board, shall sign such other documents as are signed by the Tag Seller(s) pursuant to the Tag Sale, all against payment on the Tag Completion Date of the aggregate consideration due to it under the Tag Offer "



for **The Bailey Partnership Ltd.**

Company Secretary