

**SENSE-SONIC LIMITED**  
(the "Company")

**MINUTES** of the Meeting of the Board of Directors of the Company held at *The Middlewood Way Tynerington* on *19 June* 2002 at *10.45 am/pm*.

Present :

*St Anthony Jolliffe - Chairman*  
*Andrew Luff*  
*Neville Fairhurst*  
*Richard Tadman*  
*John Houldcroft*

In attendance :

*Simon Bernard*  
*Mark Warburton - Galileo Innovation plc*

1. Chairman & Quorum

*St Anthony* was appointed Chairman of the Meeting and confirmed that a quorum was present and that a notice of the Meeting had been given to all the Directors.

2. Directors' interest

In accordance with Section 317 of the Act, the directors each declared, where applicable, their respective personal interests, including their interests as Directors and/or shareholders of any other company or party to any of the transactions outlined above. It was noted that pursuant to the Company's Articles of Association the directors were permitted to vote and to count as part of the quorum on all matters to be discussed notwithstanding their interests.

3. Purpose of the Meeting

The Chairman reported as follows:

- 3.1 that terms had been agreed between the Company and Galileo Innovation plc (the "Lender") regarding the putting into place of a cash deposit of £700,000 with Barclays Bank plc ("Barclays") by the Lender (the "Cash Deposit") to guarantee the Company's overdraft facility with Barclays Bank plc and of the Company giving the Lender security for the Cash Deposit. The purpose of the meeting was to consider and if thought fit to approve the execution of various documents by the Company in connection with the Lender providing the Cash Deposit and the Company giving security to the Lender.

3.2 It was reported to the Board that a cash deposit agreement would be entered into by the Company and the Lender (the "**Cash Deposit Agreement**") whereby the Lender would make available the Cash Deposit to the Company upon the terms and conditions set out therein.

3.3 The Chairman advised the Board that it was a condition precedent to the availability of the Cash Deposit that the Company enter into the Cash Deposit Agreement, and the following documents (together the "**Documents**"):

3.3.1 a debenture in favour of the Lenders (the "**Debenture**"); and

3.3.2 an agreement with Barclays relating to the terms and conditions on which the Cash Deposit is held ("**Deposit Agreement**").

3.4 The Chairman further advised the Board that an additional condition precedent to the availability of the Cash Deposit was the receipt by the Lender of a letter in the agreed form from Paul Davidson providing various undertakings to (a) transfer 5% of the entire issued share capital of the Company to the Lender for no consideration, (b) procure that the Company enters into a consultancy agreement with the Lender on the agreed terms, (c) procure that the Company grants warrants to the Lender in respect of 3% of the Company's entire issued share capital and (d) procure the appointment of Sir Anthony Jolliffe as a director of the Company.

3.4 Finally the Chairman confirmed that the primary purpose of the Meeting was to approve the terms of the Documents and the compliance by the Company with its obligations under the Documents.

#### 4. Documents produced

4.1 The Documents were then produced at the Meeting and the terms of the Documents were carefully considered and it was noted generally that the Company was to undertake various liabilities and obligations in connection with them and that:

4.1.1 the Cash Deposit is repayable on demand by the Lender and no interest is payable by the Company on the Cash Deposit save in the event of default;

4.1.2 pursuant to the Debenture the Company would create both fixed and floating charges over all its property assets and undertaking both present and future to secure the repayment of all the obligations and liabilities owed by the Company to the Lender; and

4.1.3 pursuant to the Deposit Agreement, Barclays and the Lender would regulate how the Cash Deposit is held including the rate of interest payable and terms of repayment/withdrawal/application.

#### 5. Execution and delivery of relevant documents

The Chairman reported that in order for the Documents to be entered into by the Company the Board must have formed its bona fide opinion that it is of commercial

benefit to enter into the Documents and that the entering into of the Documents was in the best interests of the Company. Accordingly the terms of the Documents were carefully considered and **IT WAS UNANIMOUSLY RESOLVED THAT:**

- 5.1 it was in the good faith and judgment of all the directors, so to assure the continuation and financial well being of the Company, for the commercial benefit, and in the best interests of the Company to enter into the Documents;
- 5.2 the execution and delivery of each of the Documents and the exercise by the Company of its rights and the performance by the Company of its obligations under the Documents would not contravene any provision of the Memorandum and Articles of Association of the Company or any agreement or any obligations of the Company;
- 5.3 the terms of the Documents be and are hereby approved;
- 5.4 any two directors or any director and the secretary of the Company be authorised to execute such of the Documents as required to be executed as deeds on behalf of the Company and if any Documents require execution under hand any director of the Company be authorised to execute the same under hand, in each case, with such amendments thereto as such officers shall in their absolute discretion think fit; and
- 5.5 any director or the secretary either singly or with another director be authorised on behalf of the Company to execute and do all such acts, deeds, documents, certificates and notices as he may consider expedient in connection with the execution or performance by the Company of the Documents or any other agreement or document in connection therewith.

6. **Filing**

The Secretary was instructed to complete appropriate entries in the books of the Company and arrange for all necessary forms and documents to be completed and filed with the Registrar of Companies within 15 days of the meeting.

7. **Conclusion**

There being no further business the meeting closed.

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Chairman

