

LINARO LIMITED
(the "Company")

MINUTES OF A MEETING OF THE
DIRECTORS OF THE COMPANY HELD
AT LOCKTON HOUSE, CLARENDON ROAD,
CAMBRIDGE CB2 8FH ON 5 MAY 2011 AT 5.25 PM

PRESENT:

George Grey (Chairman)
Mike Muller (ARM)
Ari Rauch (TI)
Mark Ireland (IBM – Club Director)

IN ATTENDANCE:

Stephen Doel
Adam Crossley

1. **NOTICE AND QUORUM**

The Chairman reported that notice of the meeting had been given to all of the directors of the Company and that the meeting was quorate.

2. **PURPOSE OF THE MEETING AND DOCUMENTS**

- 2.1 It was noted that the purpose of the meeting was to consider and, if thought appropriate, approve the following:
- 2.1.1 the 2011/2012 budget for the Company ("**Budget**");
 - 2.1.2 the renewal of International Business Machines Corporation ("**IBM**") as a Club Member (the "**IBM Renewal**");
 - 2.1.3 the entry by the Company into a Canonical Collaboration Agreement (the "**Collaboration Agreement**");
 - 2.1.4 the appointment of Deloitte LLP as auditors of the Company; and
 - 2.1.5 a proposed Company employee bonus scheme structure (the "**Bonus Scheme**").

- 2.2 The following documents were produced to the meeting:
- 2.2.1 board minutes of the Company from the previous board meeting held on 11 January 2011;
 - 2.2.2 a presentation on, amongst other things, the Budget, the Collaboration Agreement and the Bonus Scheme (the "**Presentation**"); and
 - 2.2.3 a renewal letter between the Company and IBM in relation to the IBM Renewal (the "**Renewal Letter**").

3. **DIRECTORS' DUTIES AND DECLARATIONS OF INTEREST**

- 3.1 The directors were reminded that they needed to comply with their duties to the Company, including the duties set out in sections 171 to 177 Companies Act 2006. These included a duty to declare interests in proposed transactions and arrangements with the Company and a separate and independent statutory obligation to declare interests in existing transactions and arrangements with the Company.
- 3.2 In accordance with section 177 of the Companies Act 2006 Mark Ireland declared his interest in the IBM Renewal by virtue of his employment by IBM.
- 3.3 Each director was reminded that he also needed to comply with his duty to avoid a situation in which he has, or could have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, unless authorised either by directors independent of the conflict, as permitted by the Companies Act 2006 and the Articles or in one of the other ways permitted by the legislation.

4. **APPROVAL OF PREVIOUS BOARD MINUTES**

- 4.1 Board minutes from the previous board meeting held on 11 January 2011 were produced to the meeting and approved.

5. **BUDGET**

- 5.1 The part of the Presentation relating to the Budget was made to the meeting.
- 5.2 It was noted that under Article 24.2.3.9 of the articles of association of the Company (the "**Articles**") the Board may, by Super Majority Board Resolution, approve and adopt the Budget.
- 5.3 After due and careful consideration and having regard (amongst other matters) to the factors set out in section 172 (1) Companies Act 2006, **IT WAS RESOLVED BY A SUPER MAJORITY BOARD RESOLUTION** that the approval and adoption of the Budget was likely to promote the success of the Company for the benefit of its members as a whole and that the Budget be approved and adopted provided that it would be reviewed by the Board each quarter having regard to the number of new membership applications.

5.4 It was noted that when the Company was established ARM had made a loan to the Company and that the Company would have to make provision to start to repay the loan. The Chairman confirmed that he would budget to start to repay this from the beginning of the Company's next financial year.

6. **IBM RENEWAL**

6.1 It was noted that under the terms of the subscription agreement between the Company and IBM dated 4 June 2010, IBM was entitled to extend its membership as a Club Member for a further 12 months with the written agreement of the Company.

6.2 The Renewal Letter was produced to the meeting and it was proposed that the membership of IBM be extended for a further 12 months on the terms of the Renewal Letter.

6.3 It was noted that the IBM Renewal would also enable Mark Ireland to continue his role as Club Director for the remainder of his 12 month term (subject to the terms of the Membership Rules);

6.4 It was noted that under Article 24.2.3.2 of the Articles the Board may, by Super Majority Board Resolution, admit a person as a Club Member.

6.5 After due and careful consideration and having regard (amongst other matters) to the factors set out in section 172 (1) Companies Act 2006, **IT WAS RESOLVED BY A SUPER MAJORITY BOARD RESOLUTION** that:

6.5.1 the IBM Renewal was likely to promote the success of the Company for the benefit of its members as a whole and that the IBM Renewal be approved; and

6.5.2 the Chief Operating Officer or Chief Executive Officer be authorised on behalf of the Company to sign the Renewal Letter.

7. **COLLABORATION AGREEMENT**

7.1 The part of the Presentation relating to the Collaboration Agreement was made to the meeting.

7.2 It was noted that the purpose of the Collaboration Agreement was to amend the existing relationship with Canonical to provide software engineering resource, restructuring the fees and bonuses payable, and the levels of secondees being provided.

7.3 It was noted that under Article 24.2.4.2 of the Articles, the Board may approve the entry into of any agreement or arrangement pursuant to which the Company may be required to expend in excess of £250,000.

7.4 After due and careful consideration and having regard (amongst other matters) to the factors set out in section 172 (1) Companies Act 2006, **IT WAS RESOLVED** that

7.4.1 The entry by the Company into the Collaboration Agreement be approved; and

