Company Number: 7180318

#### LINARO LIMITED

(the "Company")

# MINUTES OF A MEETING OF THE

#### **DIRECTORS OF THE COMPANY**

HELD IN BOSTON, USA, 5<sup>TH</sup> DECEMBER 2012

PRESENT: George Grey (Chairman)

Ian Drew (ARM) Matthew Locke (TI) Björn Ekelund (ST-E)

**IN ATTENDANCE:** Robert Booth

Joseph Bates Bill Mills (TI)

# 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:
  - 2.1.1 review the current business status of Linaro;
  - 2.1.2 review the Company's financial forecast, for the period ending 31<sup>st</sup> May 2013, against its budget and also review the extended forecast for the 2013/2014 financial year;
  - 2.1.3 review Linaro Limited's Report and Consolidated Financial Statements for the year ended 31<sup>st</sup> May 2012, and if thought appropriate delegate approval and signatory powers;
  - 2.1.4 consider and, if thought appropriate, approve the 2012 Bonus proposals;
  - 2.1.5 consider and, if thought appropriate, approve a cost of living increase effective 1<sup>st</sup> January 2013.

- 2.2 The following documents were produced to the meeting:
  - 2.2.1 Minutes of the Company from the previous Board meeting held on 11<sup>th</sup> September 2012;
  - 2.2.2 a presentation on, amongst other things, current Member status, progress on the recruitment of new Members and the Company's latest financial forecasts (the "Presentation").

# 3. DIRECTORS' DUTIES AND DECLARATIONS OF INTEREST

- 3.1 The directors were reminded of their need 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 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

Board minutes from the previous board meeting held on 11<sup>th</sup> September 2012 were produced to the meeting and approved.

# 5. STATUS OF NEW CORE MEMBER DIRECTORSHIP

Rob Booth reported that HiSilcon Technologies Co. Ltd were currently in the process of reviewing potential candidates for their Linaro Board seat. It was anticipated that a candidate would be chosen following the Linaro kick-off meeting to be held in Shenzhen during December.

#### 6. BUSINESS UPDATE

George Grey made the Presentation to the meeting. The Board reviewed, inter alia, the status of discussions with prospective new Members and the formation of the Linaro Networking Group.

# 7. FINANCIAL UPDATE

Rob Booth presented the financial report. The Board noted that the much-improved financial forecast, as compared to Budget for the full 12-month period to 31<sup>st</sup> May 2013, anticipated new Members joining Linaro in the prescribed timeframe and the successful launch of the Linaro Networking Group.

# 8. 2011/12 Report and Consolidated Financial Statements

- 8.1 Rob Booth presented The Company's Report and Consolidated Financial Statements for the year ended 31 May 2012 to the meeting, comprising:
  - 8.1.1 the directors' report;
  - 8.1.2 the independent auditor's report;
  - 8.1.3 a consolidated profit and loss account;
  - 8.1.4 a consolidated balance sheet; and
  - 8.1.5 a company balance sheet; and
  - 8.1.6 the notes to the accounts;
- 8.2 Rob Booth explained that the Report and Consolidated Financial Statements were marked 'DRAFT' by Deloitte, subject to the Board approving, inter alia, the Going Concern statement in the Directors' Report, p2, and the Going Concern note under the Accounting Policies, p9. It was not anticipated that any material changes would be made to the document following the Board's review;
- 8.3 The directors were reminded of their duties when considering the Financial Statements under section 393 of the Companies Act 2006 and that, in particular, the balance sheet must give a true and fair view of the state of affairs of the Company as at the end of the financial year and that the profit and loss account must give a true and fair view of the profit or loss of the Company for the financial year;
- 8.4 After due and careful consideration of the Report and Consolidated Financial Statements and having regard, inter alia, to the factors set out in section 172 (1) Companies Act 2006, IT WAS RESOLVED that, the Going Concern statement in the Directors' Report, p2, and the Going Concern note under the Accounting Policies, p9 be approved and IT WAS RESOLVED that subject to no material changes being made, George Grey

be authorised to sign the Final version of the Annual Report and Financial Statements for the year to 31 May 2012 on behalf of the Board, and that Rob Booth be instructed to file the document at Companies House.

- 8.5 It was agreed that once the appointment of HiSilcon's director was confirmed, an Audit Committee of the Board would be formed, consisting of two directors and the COO, and that the Committee would be responsible for, inter alia, future financial reporting and disclosure and oversight of the external auditors.
- 8.6 **IT WAS RESOLVED** that Deloitte LLP be retained as auditors to Linaro for a further 12 months.

# 9. 2012 BONUS PROPOSALS

- 9.1 George Grey presented the proposal for employee bonuses for the year ending 31<sup>st</sup> December 2012. After due and careful consideration **IT WAS RESOLVED** that the employee bonuses be approved;
- 9.2 Rob Booth and Joseph Bates were requested to adjourn from the meeting. George Grey presented a proposal for the Executive bonuses for the year ending 31<sup>st</sup> December 2012. After due and careful consideration IT WAS RESOLVED that the Executive bonuses be approved;
- 9.3 George Grey was also requested to adjourn from the meeting. Ian Drew presented a proposal for the CEO's bonus for the year ending 31<sup>st</sup> December 2012. After due and careful consideration **IT WAS RESOLVED** that the CEO's bonus be approved;
- 9.1 Messrs. Grey, Booth and Bates re-joined the meeting.

#### 10. 2013 SALARY REVIEWS

10.1 George Grey presented the salary proposals for 2013. After due and careful consideration **IT WAS RESOLVED** that a committee of the board, comprising Ian Drew, Björn Ekelund and Matt Locke would review the proposed 2013 salaries, in the light of 3<sup>rd</sup> party industry comparative data to be provided by Messrs. Grey and Booth, and that the committee would report back to George Grey with their final decisions on the 2013 pay reviews before the end of December.

10.2 It was agreed that once the appointment of HiSilcon's director was confirmed, a Remuneration Committee of the Board would be formed, consisting of two directors and the CEO, and that the Committee would be responsible for, inter alia, the review and approval of future annual bonuses and annual pay reviews. The Remuneration Committee would be provided with updated 3<sup>rd</sup> party comparative data as required.

# 11. 2013 BOARD MEETING DATES

The following dates were agreed for the 2013 Board Meetings;

- Feb 5th 3pm-6pm UK phone call
- Apr 9th 9am-12pm UK in person, Cambridge UK
- Jun 4th 3pm-6pm UK phone call
- Aug tbd Coordinate with APM, in person Cambridge UK
- Oct 8th 3pm-6pm UK phone call
- Dec 3rd 2pm-5pm East Coast, in person Boston, USA

# 12. CLOSE OF MEETING

There being no further business, the Chairman declared the meeting closed.

..... Chairman