

Strictly Private & Confidential

**SHAREHOLDER'S IRREVOCABLE UNDERTAKING  
(NON ACCEPTANCE)**

To: FSU Investments Limited  
Francis House  
112 Hills Road  
Cambridge  
CB2 1PH

For the attention of: The Directors

and

Vollman Brothers ("**Vollman**")  
1 Cornhill  
London  
EC3V 3ND

For the attention of: Bill Kendall

15 JULY 2010

Dear Sirs

**Proposed offer for SDI Group plc (the "Offeree")**

I/We, *Bfb Associates, LLC*, are aware that FSU Investments Limited (the "Offeror"), is proposing (subject to paragraph 5(b) below) to make an offer to acquire all the issued and to be issued ordinary shares of the Offeree (other than any held by the Offeror) substantially on the terms and conditions set out in the attached draft press announcement (the "**Press Announcement**"), together with such additional terms and conditions as may be required to comply with the City Code on Takeovers and Mergers (the "**City Code**") and any other applicable law or regulation (the "**Offer**"). In consideration of the Offeror proceeding with the Offer as outlined in this document, I/we agree with the Offeror and Vollman as follows:

**1 Warranties and undertakings**

I/We represent, warrant and undertake that:

- (a) I am/we are the registered holder(s) of *1,887,318* ordinary shares of 1p each of the Offeree (the "**Existing Shares**");
- (b) I/we have the full power and authority (and will at all times continue to have all relevant authority) to enter into and perform this undertaking in accordance with its terms without the need for any sanction or permission from any third party;
- (c) I/we:
  - (i) have read, understood and agreed to the terms and conditions contained in this document;
  - (ii) am/are not relying on any information or representation and accordingly agree that neither the Company nor any person responsible solely or jointly for this document shall have any liability for any such other information or representation;

- (iii) have taken all appropriate professional advice before entering into this document; and
- (iv) I am aware of the special risks involved in participating in a transaction of this nature;
- (d) I/we have observed the laws of all relevant jurisdictions, obtained any requisite consents and complied with all applicable formalities.
- (e) the invitation under the Offer may be made to me under the laws of the relevant jurisdiction and I have not taken or omitted to take any action which would otherwise result in the Company acting in breach of any applicable legal or regulatory requirement in respect of the Offer;
- (f) I have not received or sent copies or originals of any documents related to the Offer in, into or from Canada, Australia, New Zealand, South Africa or Japan and have not otherwise utilised in connection with the Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of Canada, Australia, New Zealand, South Africa or Japan, the documents relating to the Offer have not been mailed or otherwise sent in, into or from Canada, Australia, New Zealand, South Africa or Japan and I am accepting the Offer from outside Canada, Australia, New Zealand, South Africa or Japan; and
- (g) I am not, so far as I am aware, acting in concert with any person for the purposes of the City Code in relation to the Offer.

## 2 Undertakings in respect of the Existing Shares and any Further Shares

I/We irrevocably undertake that:

- (a) I/we shall **NOT** accept or procure the acceptance of the Offer in respect of any of the Existing Shares;
- (b) if I/we become the registered holder(s) of, or otherwise become interested in any other shares or securities of the Offeree issued or unconditionally allotted to me/us or in which I/we may otherwise become interested after the date of this undertaking ("**Further Shares**") to which the Offer may relate I/we shall **NOT** accept or procure the acceptance of the Offer in respect of any Further Shares; and
- (c) I/we will **NOT**, prior to the closing or lapsing of the Offer or its withdrawal:
  - (i) accept any offer in respect of or sell, transfer, encumber, charge, grant any option over or otherwise dispose of any interest in any of the Existing Shares or any Further Shares; and
  - (ii) other than with the Offeror, enter into any agreement or arrangement or incur or allow to arise any obligation (conditional or unconditional) to do any of the acts referred to in paragraph 2(c)(i) above.

## 3 Documentation

- (a) I/we consent to the issue of the Press Announcement incorporating references to me/us and to this undertaking in the terms set out in the attached draft Press Announcement, subject to any material amendments which may be agreed with me/us.
- (b) I/we understand and agree that particulars of this undertaking and disclosable holdings of, and dealings in, relevant securities of the Offeree will be contained in the

Offer Document and that copies of this undertaking will be available for inspection until the end of the offer period (as defined in the City Code).

- (c) I/we will promptly supply to the Offeror or Vollman as each may request all information required to be contained in the Offer Document in respect of me/us and my/our interests and dealings in order to comply with the requirements of the City Code (including in particular Rules 24 and 26) and any other applicable law or regulation and to expedite the preparation and despatch of the Offer Document. I/We will immediately notify you in writing of any change in the accuracy or import of any such information previously given to you.

#### 4 Voting Rights

- (a) From (and including) the date of this undertaking to (and including) the date on which the Offer ceases to be open for acceptance:
  - (i) I/we will exercise, or procure the exercise of, the voting rights attached to the Existing Shares or any Further Shares on a Relevant Resolution (as defined in paragraph 4(c) below) only in accordance with the Offeror's directions; and
  - (ii) I/we will exercise, or procure the exercise of, the rights attached to the Existing Shares and any Further Shares in order to requisition or join in requisitioning any general or class meeting of shareholders of the Offeree for the purposes of considering a Relevant Resolution and to require the Offeree pursuant to section 314 Companies Act 2006 to give notice of such a resolution only in accordance with the Offeror's directions.
- (b) For the purpose of casting votes or causing votes to be cast on a Relevant Resolution pursuant to paragraph 4(a) above, I/we will cause to be executed and delivered to the Offeror promptly any form of proxy required by the Offeror appointing a person nominated by the Offeror to attend and vote at the relevant general meeting of the Offeree.
- (c) A "Relevant Resolution" means:
  - (i) a resolution (whether or not amended) proposed at a general or class meeting of shareholders of the Offeree, or at an adjourned meeting, the passing of which would be a step towards implementation of the Offer or the passing of which, or failure to pass which might result in any condition of the Offer not being fulfilled or which might impede or frustrate the Offer;
  - (ii) a resolution to adjourn a general or class meeting of shareholders of the Offeree, the business of which includes the consideration of a resolution of the kind referred to in sub-paragraph 4(c)(i) above; and
  - (iii) a resolution to amend any resolution of the kind referred to in sub-paragraphs 4(c)(i) and (ii) above.

#### 5 The Offer

- (a) Subject to paragraph 5(b) below, the Offeror agrees to make the Offer, provided that the Press Announcement is released substantially in the form attached (or such other form as may be required to comply with the requirements of the Panel on Takeovers and Mergers (the "Panel") or any other legal or regulatory authority) by not later than 5.00 pm (London time) on the second day following the date of this undertaking (or on such later date as the Offeror and Offeree may agree). The release of the Press Announcement is at the Offeror's sole discretion.
- (b) If after the Offeror releases the Press Announcement the Panel consents to the Offeror not making the Offer in consequence of:

- (i) an event or circumstance occurring or becoming known to the Offeror in consequence of which the Offeror is no longer required by the City Code to proceed with the Offer; or
- (ii) the Offeror becoming aware that any condition of the Offer as set out in the Press Announcement has or may become incapable of being fulfilled,

the Offeror shall not be obliged to make the Offer.

- (c) All obligations in this undertaking will forthwith lapse:
  - (i) if the Press Announcement has not been released by 5 p.m. (London time) on the second day following the date of this undertaking (or such later date as the Offeror and Offeree may agree);
  - (ii) on the withdrawal or lapsing of the Offer; or
  - (iii) if the Offer is not made in the circumstances referred to in paragraph 5(b) above.
- (d) If this undertaking lapses, or if the Offeror's obligation to make the Offer does not become unconditional, I/we will have no claim against the Offeror.

## **6 Delisting and Re-registration**

- (a) I/We understand if the Offer becomes or is declared unconditional in all respects the Offeror will procure the making of an application for the cancellation of the admission of the Offeree shares to trading on AIM and will take steps to procure that the Offeree is re-registered as a private company.
- (b) In connection with such cancellation or re-registration I/we hereby undertake to exercise, or procure the exercise of, the voting rights attaching to the Existing Shares and any Further Shares on any resolutions relating to such matters only in accordance with the directions of the Offeror and this undertaking (subject to paragraph 5(c) above) shall continue to apply for a period of 6 months from the date hereof.

## **7 Specific Performance**

I/We recognise and acknowledge that if I/we should fail to act in accordance with my/our obligations in this undertaking, or should otherwise be in breach of any of those obligations, damages would not be an adequate remedy and that the Offeror shall be entitled to the remedies of injunction, specific performance and other equitable relief and that no proof of special damages shall be necessary for the enforcement of this undertaking.

## **8 Confirmations**

I/We confirm that:

- (a) in executing this document I/we are not a customer of Vollman for the purposes of the Rules of The Financial Services Authority and that accordingly Vollman does not owe me/us any of the duties which it owes to its customers;
- (b) I/we are not acting in concert with any person for the purposes of the City Code in relation to the Offer.

## **9 Interpretation and general**

- (a) In this undertaking:

- (i) the expression the "Offer" shall (where appropriate) extend to any increased or revised offer by the Offeror for all or any of the issued ordinary shares of the Offeree which represents, on such basis as Vollman may reasonably consider appropriate, no diminution in the value of the consideration offered under the terms set out in the Press Announcement;
  - (ii) references to the "Offer Document" shall (where appropriate) include and extend to any related or ancillary document including any such document required to comply with any applicable law or regulation; and
  - (iii) references to "Existing Shares" and "Further Shares" shall include and extend to any other shares or securities of the Offeree attributable to or derived from the Existing Shares or Further Shares and any securities issued in respect of the Existing Shares or Further Shares or into which the Existing Shares or Further Shares may be converted as a result of any reorganisation of the share capital of the Offeree.
- (b) Any time, date or period mentioned in this undertaking may be extended by mutual agreement between the parties hereto or otherwise as provided herein but as regards any time, date or period originally fixed or so extended as aforesaid time shall be of the essence.
- (c) No term of this undertaking is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this undertaking.

**10 Governing law**

- (a) This undertaking shall be governed by and interpreted in accordance with English law.
- (b) I/We hereby submit to the exclusive jurisdiction of the High Court of Justice in England.

Dated: 15 JULY 2010

EXECUTED AS A DEED

by the said BAG Associates, LLC )  
Ben S. Saco )

in the presence of: )

Witness signature:

Witness name:

Address:

Occupation:

C.P.J. Larkin  
Christopher Larkin  
11 Bridle Lane  
Bell Canyon  
CA 91307  
Ex. Vice President