

Company Number: 4529904

**MATERIAL STATE LIMITED**



Minutes of a meeting of the board of directors held at The Innovation Centre Sheffield on the 23<sup>rd</sup> day of July 2004 at 4.00 pm.

**Present:**

1. The Chairman declared the meeting quorate and open and reported that the business of the meeting was to attend to certain formalities relating to the proposed transfer of shares to Prof. Peter Waldron and Dr. Roger Crouch
2. Pursuant to section 317 of the Companies Act 1985 Prof. Peter Waldron declared his interest in the matter to be discussed at the meeting by virtue of being a shareholder of the Company.
3. The following transfers of ordinary shares of £1 each in the Company were produced to the meeting and **IT WAS RESOLVED** that they be approved and (subject to their being stamped) registered, and the new certificates be sealed and issued to the transferees accordingly.

Transferor	Transferee	No of Shares
Sheffield University Enterprises Limited	Prof. Peter Waldron	876
Sheffield University Enterprises Limited	Dr. Roger Crouch	876

**4. WRITTEN RESOLUTION**

There was produced to the Meeting a written resolution to pass the requisite resolutions to adopt new articles of association. **IT WAS NOTED** that the drafts containing the proposed changes to the Articles of Association were attached to the written resolution.

**IT WAS RESOLVED** that the written resolution be and it is approved and that the Company Secretary be and he is instructed to send it to each shareholder for signature.

The Meeting was then adjourned.

Upon resumption of the Meeting, the written resolution, duly signed by all shareholders, was produced to the Meeting and **IT WAS NOTED** that the resolutions referred to in it had been duly passed.

**5. FILING**

**IT WAS RESOLVED** that the Company Secretary be and he is instructed to prepare and file at Companies House:

- 5.1 the written resolution referred to in paragraph 4;
- 5.2 a reprint of the Articles of Association of the Company;
- 5.3 Form 287.

- 6.** There being no further business the meeting was declared closed.

A handwritten signature in black ink, appearing to be 'R. D. [unclear]', written over a horizontal line.

CHAIRMAN

Company Number: 4529904

**MATERIAL STATE LIMITED**

COMPANIES HOUSE

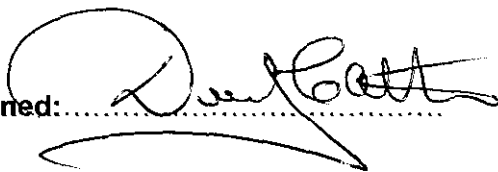
13/10/04

We being all the members of the Company entitled to attend and vote at an extraordinary general meeting of the Company resolve as follows:

**SPECIAL RESOLUTIONS**

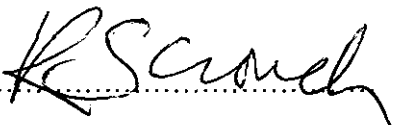
1. That 1248 of the ordinary shares issued to and currently held by SUEL be re-classified as 1248 'A' Ordinary Shares of £1 each such shares having the rights set out in the Articles of Association of the Company as proposed to be amended by Resolution 4 below.
2. That the Directors be and they hereby are authorised pursuant to s80 of the Companies Act 1985 at any time during the period of 5 years from the date of this Resolution to allot or grant rights to subscribe for shares up to the amount of the authorised share capital of the Company at the date of the passing of this Resolution.
3. That pursuant to s95 of the Companies Act 1985, the Directors be authorised to allot equity securities (as defined by s94(2) of the Companies Act 1985) as if s89(1) of the Companies Act 1985 did not apply thereto.
4. That the regulations contained in the printed document attached hereto be and hereby are adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company.

Signed:.....



Dated:.....23 July 2004

Signed:.....



Dated:.....23 July 2004

Signed:.....



Dated:.... 23 July 2004

**Company Number: 4529904**

**THE COMPANIES ACT 1985**

**COMPANY LIMITED BY SHARES**

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**NEW ARTICLES OF ASSOCIATION**

**Of**

**MATERIAL STATE LIMITED**

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(adopted by Special Resolution passed on 23 July 2004)

## 1. DEFINITIONS

COMPANIES HOUSE

13/10/04

- 1.1 Unless the context otherwise requires in these Articles and in the regulations of Table A that apply to the Company the following words and expressions shall bear the meanings set opposite them:

**"Accountants"** means the accountants appointed by the shareholders, or if no agreement is reached within 14 days of a written notice served by a shareholder on the other shareholders, then it shall mean the firm of accountants selected by the President for the time being of the Institute of Chartered Accountants in England and Wales following a request from any shareholder;

**"the Act"** the Companies Act 1985 as amended;

**"A Ordinary Share"** a Cumulative Participating Preferred Ordinary Share of £1 in the capital of the Company as hereinafter provided;

**"A Ordinary Shareholder"** a holder for the time being of A Ordinary Shares;

**"Board"** means all the Directors of the Company from time to time;

**"Connected Person"** in relation to a body corporate as defined in Section 839 of the Income and Corporation Taxes Act 1988 and in relation to a person, that person and his spouse (if any);

**"Director"** a director for the time being of the Company;

**"Family Trust"** means a trust (whether arising under a settlement inter vivos or a testamentary disposition made by any person or on an intestacy) under which the only persons being (or capable of being) beneficiaries are the individual Beneficial Owner and/or his Privileged Relations, and no power of control over the voting powers conferred by such shares is for the time being exercisable by or subject to the consent of any person other than the trustees as trustees or the individual Beneficial Owner or his Privileged Relations;

**"Member"** means a holder of any Share as stated in its Register of Members from time to time;

**"Ordinary Share"** an ordinary share of £1 in the capital of the Company as hereinafter provided;

**"Ordinary Shareholder"** a holder for the time being of Ordinary Shares;

**"Persons acting in concert"** shall have the meaning ascribed to it in the City Code on Takeovers and Mergers;

**"Privileged Relation"** means in relation to a Member a parent or spouse of that Member and all lineal descendants of that Member (including for this purpose any step-child, adopted child or illegitimate child or any such Member or his lineal descendants) or any person who is married to any such lineal descendant;

**"Shares"** shares in the capital of the Company;

**"Shareholder"** means a registered holder of any Shares;

**"Table A"** Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended and in force at the date of adoption of these Articles;

**"Transfer Notice"** means a notice as defined in Article 11.1.1.

- 1.2 Unless the context otherwise requires, words and expressions contained in these Articles and the regulations of Table A apply to the Company and bear the same meaning as in the Act but excluding any statutory modification of it not in force when these regulations became binding on the Company.
- 1.3 The singular shall include the plural, and vice versa.
- 1.4 One gender shall include the other genders and words importing natural persons shall also include corporations.
- 1.5 The expression "Shareholder" includes his personal representatives.
- 1.6 The headings shall not affect the construction hereof and in the interpretation of these Articles.

## **2. TABLE A**

- 2.1 The Regulations contained in Table A shall apply to the Company save insofar as they are excluded or modified by these Articles.

2.2 Regulations 8, 24, 73 to 80 (inclusive) and 87, 94 to 97 (inclusive) and 101 of Table A shall not apply to the Company.

2.3 Sections 89-94 of the Act shall apply to the Company.

### **3. SHARE CAPITAL**

3.1 The share capital of the Company at the date of adoption of these Articles is £5,000 divided into 3,752 Ordinary Shares, and 1248 A Ordinary Shares each having the respective rights set out in Article 3.2 hereof and except to the extent expressly set out in the Articles, the A Ordinary Shares, and Ordinary Shares shall rank *pari passu*.

### **3.2 INCOME AND RIGHTS**

3.2.1 The profits of the Company available by law for distribution in respect of any financial year shall be applied in the following manner and order of priority in paying:

3.2.1.1 **FIRSTLY** without any resolution of the Directors, to the holders of the A Ordinary Shares a cumulative dividend ("A Ordinary Dividend") of a sum (net of any associated tax credit) equal to twentyfive per cent of the Net Profit (as defined in Article 3.2.2) of the Company and its subsidiaries for each financial year of the Company;

3.2.1.2 **SECONDLY** (if the directors recommend such payment) to the holders of the Ordinary Shares a dividend on each Ordinary Share as the Directors may determine for such year.

3.2.2 "Net Profit" shall mean a sum equal to the net profit of the Company (and if the Company has any subsidiary or subsidiaries, the consolidated net profit) for the financial year in question as disclosed by the audited (consolidated) profit and loss account but:

3.2.2.1 before extraordinary items but after exceptional items;

3.2.2.2 before charging taxation; and

3.2.2.3 before making any provision for any dividends or any transfer to reserves.

3.2.3 The A Ordinary Dividend shall accrue from day to day and be paid yearly out of the profits of the Company available for distribution within 14 days after the Company's Annual General Meeting or within 4 months of the Company's relevant financial year end whichever is the earlier.

3.2.4 The Company shall procure the distribution to the Company in respect of each such financial year, whether by way of dividend, reduction of capital, liquidation of subsidiaries or otherwise, of sufficient of the profits of its subsidiaries to enable the Company to pay the A Ordinary Dividend.

3.2.5 In the event that whether by reason of law or otherwise the Company is unable to pay in full on any relevant date any dividend to the holders of any A Ordinary Shares which would otherwise require to be paid pursuant to Article 3.2.1 on that date referred to in this Article 3.2.5 as "the relevant dividend" then:

3.2.5.1 on the dates dividends are due ("dividend dates") the Company shall pay to the holders of the relevant Shares ("the relevant holders") on account of the relevant dividend the maximum sum (if any) which can then consistently with any such principle of law, be properly paid by the Company;

3.2.5.2 the Company shall pay on every succeeding dividend date to the relevant holders on account of the outstanding balance of the relevant dividend the maximum sum which on each such succeeding dividend date can consistently with any such principle of law, be properly paid by the Company until the relevant dividend shall have been paid in full;

3.2.5.3 no dividends shall be declared or paid on any other class of shares in respect of any financial period of



the Company unless and until the A Ordinary Dividend shall have been actually paid in full in respect of that financial period and in respect of all previous financial periods of the Company, in the order of priority set out in Article 3.2.1 above.

#### **4. THE BOARD**

- 4.1 The board shall consist of no more than four directors one of whom shall be appointed by the A Ordinary Shareholder.
- 4.2 Any director appointed by the A Ordinary Shareholder from time to time may be removed by his appointer and another directed appointed in his place.

#### **5. ADJOURNED MEETINGS**

- 5.1 If a meeting is adjourned under Regulation 41 of Table A because a quorum is not present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the shareholders present shall form a quorum, and Regulation 41 of Table A shall be modified accordingly.

#### **6. POLLS**

A poll may be demanded by the Chairman or by any shareholder present in person or by proxy and having the right to vote at the meeting and Regulation 46(b) of Table A shall be modified accordingly.

#### **7. DIRECTORS**

- 7.1 A Director including an alternate director shall not require a share qualification, but nevertheless shall be entitled to attend and speak at any general meeting of, and at any separate meeting of the holders of any class of shares in, the Company.
- 7.2 A Director (including an alternate Director) who has duly declared his interest therein may vote as a Director in regard to any contract or arrangement in which he is interested or upon any matter arising thereout, and if he shall so vote his vote shall be counted, and he shall be counted in the quorum when any such contract or arrangement is under consideration.

- 7.3 The Directors may exercise all the powers of the Company to borrow or raise money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and, subject to provisions of the Companies Act 1985, to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party (including any member).
- 7.4 The Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an additional Director.
- 7.5 A member or members holding a majority in nominal amount of the issued shares for the time being in the Company shall have power from time to time and at any time to appoint any person or persons as a director or directors, either to fill a casual vacancy or as an addition to the existing directors and to remove from office any director howsoever appointed. Every such appointment or removal shall be in writing and signed by or on behalf of the member or members making the same and shall take effect on delivery at the registered office of the Company.
- 7.6 No Director shall be required to vacate his office as a Director and no person shall be disqualified from being appointed as a Director by reason of his attaining or having attained the age of seventy. The quorum for the transaction of business of the directors shall unless otherwise determined by ordinary resolution of the Company be two of whom one shall be the director appointed by the A Ordinary Shareholder. Regulations 64 and 89 in Table A shall be modified accordingly.
- 7.7 Any Director who, being so requested by the Directors, performs special or extraordinary services on behalf of the Company, or who travels to or resides in any place other than where he usually resides for the purpose of discharging his duties, may be paid such extra remuneration (whether by way of lump sum, salary, commission or participation in profits or otherwise) as the Directors may determine.
- 7.8 A meeting of the Directors may be validly held notwithstanding that all of the Directors are not present at the same place and at the same time provided that:

7.8.1 a quorum of the Directors at the time of the meeting are in direct communication with each other whether by way of telephone, audio-visual link or other form of telecommunication; and

7.8.2 a quorum of the Directors entitled to attend a meeting of the Directors agree to the holding of the meeting in this manner.

Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the Chairman of the meeting is located.

7.9 The Directors may grant retirement pensions or annuities or other gratuities or allowances, including allowances on death, to any person or to the widow of or dependants of any person in respect of services rendered by him to the Company whether as managing director or in any other office or employment under the Company or indirectly as an officer or employee of any subsidiary company of the Company or any predecessor in business of the Company or of any such subsidiary, notwithstanding that he may be or may have been a Director of the Company and the Company may make payments towards insurance or trusts for such purposes in respect of such person and may include rights in respect of such pensions, annuities and allowances in the terms of engagement of any such person.

## **8. INSURANCE**

If the Directors so determine the Company shall purchase and maintain policies of insurance providing insurance cover up to such limit or limits as the Directors may decide for the Directors or any of them and any other officer or auditor of the Company against liability to the Company for any loss caused by reason of the negligence, default, breach of duty or breach of trust by any Director or other officer or auditor.

## **9. TRANSFER OF SHARES**

9.1 The Directors shall not register any transfer of Shares to any person who is a minor, or who for any other reason does not have legal capacity to transfer shares, or otherwise except pursuant to a transfer permitted by the following provisions of these Articles.

9.2 For the purposes of:

- 9.2.1 ensuring that a transfer of Shares is permitted under these Articles; or
- 9.2.2 ensuring that no circumstances have arisen whereby a Shareholder may be bound or required to give or is deemed to have given a Transfer Notice; or
- 9.2.3 ascertaining when a Transfer Notice should have been or is deemed to have been given under these Articles;

the Directors may from time to time require any Member, the legal personal representatives of any deceased Member ("PRs"), the trustee in bankruptcy of any Member ("Trustee in Bankruptcy"), the receiver, administrative receiver or liquidator of any corporate Member, or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the Directors may reasonably require relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the Directors within 7 clear days after request the Directors shall be entitled to refuse to register the transfer in question or (where no transfer is in question) may resolve to require by notice in writing that a Transfer Notice be given in respect of the Shares concerned. If such information or evidence discloses to the reasonable satisfaction of the Directors that circumstances have arisen whereby a Shareholder may be bound or required to give or be deemed to have given a Transfer Notice the Directors may resolve by notice in writing to require that a Transfer Notice be given in respect of the Shares concerned. Any such resolutions of the Directors shall be binding upon the Shareholders concerned who shall be bound to give a Transfer Notice in respect of the Shares concerned forthwith upon receipt of the said notice from the Directors.

- 9.3 A Transfer Notice shall be deemed to be given (if not actually given) at the expiry of seven days after the Directors have required the same to be given pursuant to Article 9.2 and the provisions of these Articles relating to Transfer Notices shall take effect accordingly.
- 9.4 A Transfer Notice given or deemed to be given pursuant to these Articles shall not be capable of revocation (except with the written approval of the Board). Subject as provided to the contrary in these Articles, the provisions of

Article 11 shall apply to any Transfer Notice given or deemed to be given under or pursuant to these Articles.

- 9.5 In any case where a Shareholder (or his PRs) has or have been required to give or has or have been deemed to have given a Transfer Notice pursuant to the provisions of these Articles and subsequently become(s) the holder of further Shares by virtue of the holding of any Shares comprised in such Transfer Notice (whether by way of rights or bonus issue conversion transfer or otherwise howsoever) a majority of the Directors may at any time determine in their absolute discretion that the Shareholder (or his PRs) shall be deemed to have served a Transfer Notice pursuant to this Article 9 or Article 11 or 12 (as appropriate) in respect of such further Shares.

## **10. PERMITTED TRANSFERS**

### **10.1 Nominees**

10.1.1 Any Shares may be transferred by their beneficial owner ("Beneficial Owner") to a person shown to the reasonable satisfaction of the Directors to be a nominee for the Beneficial Owner only.

10.1.2 Where any Shares have been transferred to a nominee pursuant to Article 10.1.1 any such nominee may transfer any Shares so transferred to the Beneficial Owner or to another person shown to the reasonable satisfaction of the Directors to be a nominee for the Beneficial Owner only.

10.1.3 Where a person to whom any Shares have been transferred as a nominee pursuant to this Article 10.1 ceases to hold such Shares as nominee for the Beneficial Owner only he shall forthwith transfer such Shares to the Beneficial Owner or to another person shown to the reasonable satisfaction of the Directors to be a nominee for the Beneficial Owner only and in default of doing so he shall be deemed to have given a Transfer Notice in respect thereof PROVIDED THAT the price shall be the issue price (including any premium).

### **10.2 To Privileged Relations and Trustees**

10.2.1 Any Shares may be transferred by a Beneficial Owner who is an individual:

10.2.1.1 to a Privileged Relation of such Beneficial Owner;

10.2.1.2 to trustees to be held upon Family Trusts.

10.2.2 Where any Shares have been transferred to Privileged Relations or trustees pursuant to Article 10.2.1 the Privileged Relation or the trustees as the case may be may transfer any such Shares to a person or persons shown to the reasonable satisfaction of the Directors to be:

10.2.2.1 the trustees for the time being (on a change of trustee) of the Family Trusts in questions and/or;

10.2.2.2 the Beneficial Owner or any Privileged Relation of the Beneficial Owner.

In any case where a Member proposing to transfer Shares under this Article 10.2 holds those Shares as a result of an earlier transfer authorised under this Article 10.2 from another member ("Original Member") the Member proposing to transfer such Shares may only transfer those Shares to a person to whom the Original Member could have transferred such Shares under this Article 10.2.

10.3 Where Shares are held by trustees on a Family Trust and any such Shares cease to be held upon Family Trusts (otherwise than in consequence of a transfer authorised under Article 10.2.2) the trustees shall forthwith transfer such Shares to a transferee permitted under Article 10.2.2 and in default of doing so the trustees shall be deemed to have given a Transfer Notice in respect of the Shares in question PROVIDED THAT the price shall be the issue price (including any premium).

#### 10.4 **Other Permitted Transfers**

10.4.1 Any Shares or any interest in any Shares may be transferred at any time to any person with the written consent of the holders of not less than 90 per cent in nominal value of the issued Shares for the time being.

10.4.2 The restrictions on transfer contained in these Articles shall not apply to any transfer pursuant to Article 13 of these Articles.

## **11. PRE-EMPTION RIGHTS ON TRANSFER**

11.1 Except in the case of a transfer permitted by Article 10, the right to transfer or otherwise dispose of any Share or any interest in or arising from any Share (or an option, warrant or other like right to acquire any Share (whether by subscription or otherwise) being deemed to be an interest in a Share for this purpose) shall be subject to the following restrictions and provisions, namely:

11.1.1 before transferring or disposing of any Share or any interest in or arising from any Share or any rights attaching to any Share, the person proposing to transfer or dispose of the same ("Proposing Transferor") shall give a notice in writing ("Transfer Notice") to the Company specifying the Shares, interest and/or rights of which the Proposing Transferor wishes to dispose. Notwithstanding that a Transfer Notice specifies that the Proposing Transferor wishes to dispose only of an interest in or arising from, and/or any right(s) attaching to, such Shares the Transfer Notice shall (regardless of any provisions in the Transfer Notice to the contrary) unconditionally constitute the Company the agent of the Proposing Transferor for the sale of all the legal title to, beneficial ownership of and all interests and rights attaching to the Shares referred to in the Transfer Notice ("Sale Shares") at the Sale Price in accordance with the provisions of this Article. Except in the case of any Transfer Notice which a Member is bound to give or is deemed to have given pursuant to these Articles ("Mandatory Transfer Notice"), a Transfer Notice may include a condition ("Total Transfer Condition") that if all the Sale Shares are not sold to Shareholders then none shall be so sold. If a Total Transfer Condition is included then any offer of Sale Shares shall be made subject to Article 11.1.6;

11.1.2 except in the case of a Mandatory Transfer Notice, the Transfer Notice may state, in addition to details of the Sale Shares:

11.1.2.1 the name or names of a person or persons ("Proposing Transferee") to whom the Sale Shares (or an interest or right or arising from the sale Shares) are proposed to be transferred if the Sale Shares are not acquired by Purchasers (as defined in Article 11.1.7); and

11.1.2.2 the entire consideration per Sale Share for which any such transfer or transfers will be made (and, if any of the said consideration is not a cash price expressed in pounds sterling, a cash price per Sale Share which is so expressed and which is reasonably commensurate with the entire consideration);

and in such event, subject to the Directors being satisfied (and to that end being provided with such evidence as they may reasonably require) that the price is a bona fide price (not inflated for particular reasons) agreed between the Proposing Transferor and the Proposing Transferee at arms length and in good faith, such price shall, subject to Article 11.1.3, be the Sale Price (subject to the deduction of any net dividend or other distribution declared or made after such agreement and prior to the sale of the Sale Shares).

11.1.3 In the case of a Mandatory Transfer Notice or a Transfer Notice which does not state the further details referred to in Article 11.1.2.2 or in any case which does not fall within Article 11.1.2:

11.1.3.1 if not more than 15 days after the date on which the Transfer Notice was given or was deemed to be given the Proposing Transferor and the Directors have agreed a price per Sale Share as representing the fair value of the Sale Shares or as being acceptable to the Proposing Transferor, then such price shall be the Sale Price (subject to the deduction of any net dividend or other distribution declared or made after such agreement and prior to the sale of the Sale Shares);

11.1.3.2 otherwise, upon the expiry of 15 days after the date on which the Transfer Notice was given (or the date on which the Company became aware that the same had been deemed or had become required to be given) the Directors shall request the Accountants to determine and report the sum per share considered by them to be the fair value of the Sale Shares. The sum per share so determined and reported shall be the Sale Price (subject to the deduction of



any net dividend or other distribution declared or made after such agreement and prior to the sale of the Sale Shares). The Accountants shall act at the cost and expense of the Company as experts and not as arbitrators and their determination shall (in the absence of manifest error) be final. For the purposes of these Articles, the fair value of Sale Shares shall be their market value as between a willing buyer and a willing seller (but disregarding any discount that might attach to the Sale Shares if they constitute a minority interest and any transfer restrictions which apply to the Sale Shares pursuant to these Articles).

- 11.1.4 Subject to Article 11.1.5, Sale Shares shall be offered in writing by the Company to all Shareholders (other than the Proposing Transferor and any permitted transferee of the Proposing Transferor under Article 12).
- 11.1.5 The Company shall not be required to, and shall not, offer any Sale Shares to any person who remains a Member but who has been deemed to have given a Mandatory Transfer Notice on or prior to the date on which any such offer as is referred to in Article 11.1.4 is made.
- 11.1.6 Any such offer as is required to be made by the Company pursuant to Article 11.1.4 shall state that the offer must be accepted within 30<sup>1</sup> days or in default will lapse. Following any such offer, if acceptances are received in respect of an aggregate number of Shares in excess of that offered, the number of Sale Shares shall be allocated amongst those who have accepted the same in proportion to the number of Shares held by each acceptor PROVIDED THAT no acceptor shall be obliged to acquire more Sale Shares than the number for which he has applied and so that the provisions of this Article shall continue to apply mutates mutandis until all Shares which any such acceptor would but for this proviso have acquired on the proportionate basis specified above have been allocated accordingly.

- 11.1.7 If a Transfer Notice validly contains a Total Transfer Condition then any such offer as aforesaid shall be conditional upon such condition being satisfied and no acceptance of an offer of Sale Shares will become effective unless such condition is satisfied.
- 11.1.8 If pursuant to Article 11.1.4 the Company find Shareholders ("Purchasers") to purchase some or (if Article 11.1.6 shall apply) all of the Sale Shares and gives notice in writing of the same to the Proposing Transferor he shall be bound, upon payment of the Sale Price, to transfer such Sale Shares to the respective Purchasers. Every such notice shall state the name and address of the Purchaser or Purchasers and the number of the Sale Shares agreed to be purchased by him or them and the purchase shall be completed at a place and time to be appointed by the Directors not being less than three days nor more than ten days after the date of such notice.
- 11.1.9 If a Proposing Transferor fails or refuses to transfer any Sale Shares to a Purchaser, the Directors shall authorise some person to execute and deliver on his behalf the necessary transfer and all other documents deeds and other instruments necessary or proper in connection with such transfer and the Company may receive the purchase money in trust for the Proposing Transferor and cause the Purchaser to be registered as the holder of such Sale Shares. The receipt of the Company for the purchase money shall be a good discharge to the Purchaser (who shall be bound to see to its application) and after the Purchaser has been registered in purported exercise of the powers set out in this Article 11.1.8 the validity of the proceedings shall not be questioned by any person.
- 11.1.10 If by the procedure set out above the Company does not find Purchasers willing to purchase some or (or if Article 11.1.6 shall apply) all of the Sale Shares, the Company shall give notice in writing of that fact to the Proposing Transferor within 7 days after the last date for acceptances pursuant to the preceding provisions of this Article 11. Subject to the proviso below, the Proposing Transferor, at any time up the expiration of 30 days after the date of such notice shall be at liberty to transfer those of the Sale Shares not purchased by Purchasers or all the Sale Shares (as the case may be) to the

Proposing Transferee or, where the Transfer Notice is a Mandatory Transfer Notice or does not contain details of a Proposing Transferee, to any one person on a bona fide sale at any price not being less than the Sale Price PROVIDED THAT the Directors may require the Proposing Transferor to provide evidence to them (to their reasonable satisfaction) that such Sale Shares are being transferred in pursuance of a bona fide sale to the purchaser and for the consideration stated in the transfer without any deduction, rebate, allowance or indulgent terms whatsoever and, if not so satisfied, may refuse to register the instrument of transfer.

- 11.1.11 For the avoidance of doubt, any Share transferred shall remain classified as such Share was originally designated immediately before such transfer and such Share shall not convert into shares of another class upon transfer.

## **12. TRANSFERS ON DEATH OR BANKRUPTCY**

- 12.1 If a Shareholder dies or is declared bankrupt ("Relevant Individual") and:

- 12.1.1 the Relevant Individual is a holder of Shares (whether solely or jointly with any other person); and/or
- 12.1.2 the Relevant Individual has established a Family Trust which holds Shares; and/or
- 12.1.3 any Shareholder holds Shares as the nominee of the Relevant Individual; and/or
- 12.1.4 Shares are held by a Privileged Relation or other permitted transferee of the Relevant Individual (other than shares held by such Privileged Relation at the date of adoption of these Articles); and/or
- 12.1.5 Shares are held by a company the majority of the issued share capital of which is beneficially owned by the Relevant Individual or a Privileged Relation, Family Trust or other permitted transferee of the Relevant Individual;

then upon the date of death or the date upon which the bankruptcy order is granted ("Cessation Date") there shall be deemed to have been served a

Transfer Notice by any of the holders of Shares referred to in this Article 12 (or their PRs in the case of their death) ("Compulsory Vendors") in respect of all their Shares in the Company (however acquired). Such Shares shall be offered to the Shareholders (other than the Compulsory Vendors) in accordance with the provisions of Article 11 which shall apply mutatis mutandis except to the extent that they are varied by the following provisions of this Article 12.

- 12.2 A Transfer Notice shall be deemed to have been given under this Article 12 on the Cessation Date ("Deemed Notice Date").
- 12.3 The price for the Sale Shares shall be the Market Value of the Sale Shares.
- 12.4 For the purposes of Article 12.3 the "Market Value" shall be the price agreed between the Compulsory Vendors and the Director(s) or, if they fail to agree a price within 21 days of the Deemed Notice Date, the price certified by the Accountants pursuant to Article 11.1.3.2 acting as experts and not as arbitrators to be the market value of the Sale Shares upon the Cessation Date. The costs of the Accountants shall be borne as determined by the Accountants.

### **13. DRAG ALONG/TAG ALONG RIGHTS**

- 13.1 No sale or transfer shall be made or registered if the same would result in a person or persons acting in concert who are not Members at the date of adoption of these Articles ("Purchasing Group") holding or increasing their shareholding in the Company to 50% or more of the Shares, unless before the sale is made or the transfer is lodged for registration, the Purchasing Group has made a written offer, which shall have remained open for at least 21 days, to purchase all the Shares in issue immediately before such sale or transfer at the Third Party Price.
- 13.2 For the purposes of this Article 13 the expression "Third Party Price" shall mean the price per Share which has been offered for each Share whose proposed transfer has led to the offer plus a sum equal to any arrears or accruals of dividend. In the event of disagreement as to the Third Party Price the matter shall be referred to the Accountants (acting as experts and not as

arbitrators) for determination. The costs of the Accountants shall be borne equally by the parties concerned and their decision shall be final and binding.

- 13.3 If transfers under Article 13.1 result in members of the Purchasing Group holding or increasing their shareholding to 80% or more of the Shares, the members of the Purchasing Group may by written notice to the Company served within 60 days after the last of such transfers require the Company as agent for the Purchasing Group to serve notices (each a "Compulsory Purchase Notice") on each of the other Shareholders holding Shares ("Minority Shareholders") requiring them to sell their Shares to one or more persons identified as members of the Purchasing Group at the Third Party Price (PROVIDED THAT if the Third Party Price is based on consideration paid or agreed pursuant to a transaction between Connected Persons or between persons acting in concert the consideration payable shall, if higher, be the Market Value certified in accordance with Article 12.4). The Company shall serve the Compulsory Purchase Notices forthwith and for 28 days from the service of the Compulsory Purchase Notices the Minority Shareholders shall not be entitled to transfer their Shares to anyone except the Purchasing Group or persons identified by them.
- 13.4 The Purchasing Group shall complete the purchase of all the Shares in respect of which a Compulsory Purchase Notice has been given at the same time and, in any event, no later than 21 days after the date of the service of such Compulsory Purchase Notices. The consideration shall be payable in full without any set off. Any transfer pursuant to a Compulsory Purchase Notice shall not require the proposing transferor to give a Transfer Notice. The Directors shall not register any transfer, and no member of the Purchasing Group shall be entitled to exercise or direct the exercise of any rights in respect of any Shares to be transferred pursuant to this Article 13, until in each case the member of the Purchasing Group has fulfilled all his obligations pursuant to this Article 13.4.
- 13.5 If on the expiration of 28 days after the service of the Compulsory Purchase Notices a Minority Shareholder has not transferred his Shares to any member of the Purchasing Group against payment of the price for them, the Directors may authorise some person to execute and deliver on his behalf any necessary transfer in favour of the relevant member(s) of the Purchasing Group and the Directors shall receive the consideration in respect of such

Shares and shall (subject to the transfer being duly stamped) cause the name of the relevant member(s) of the Purchasing Group to be entered into the register of members of the Company as the holder of the relevant Shares. The Company shall hold the consideration in trust for the Minority Shareholder but shall not be bound to earn or pay interest on it. The receipt of the Company for the consideration shall be a good receipt for the price of the relevant Shares, but the Purchasing Group shall not be discharged from procuring that the Company applies the money in payment to the Minority Shareholder against delivery by the Minority Shareholder of the certificate in respect of the Shares or an indemnity in respect of the same. After the name of the member of the Purchasing Group has been entered in the register of members of the Company in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

### **13 MATTERS REQUIRING CONSENT**

13.1 Except with the consent or sanction on the part of the holders of the A Ordinary Shares as is required for a variation of the special rights attached to such shares:

13.1.1 The Company shall not modify or vary the rights attaching to the A Ordinary shares; and

13.1.2 The Company shall not issue any further A Ordinary Shares or shares ranking as regards participation in the profits or assets of the Company in priority to or pari passu with the A Ordinary Shares.

DATED

23 July

2004

- (1) SHEFFIELD UNIVERSITY ENTERPRISES  
LIMITED
- (2) PROF. PETER WALDRON
- (3) DR. ROGER CROUCH

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**SHARE SALE AGREEMENT**

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**THIS AGREEMENT** is made the 23<sup>rd</sup> day of July 2004

**BETWEEN:**

- (1) The persons whose names and addresses are set out in column 1 of Schedule 1 (the "Purchasers"); and
- (2) **SHEFFIELD UNIVERSITY ENTERPRISES LIMITED** (registered number 04801730) whose registered office is at The Innovation Centre, 217 Portobello, Sheffield S1 4DP (the "Vendor").

**WHEREBY IT IS AGREED** as follows:

**1. INTERPRETATION**

- 1.1 In this agreement the following words and expressions have the following meanings:

"Company" means Material State Limited;

"Completion" means completion of the purchase of the Shares in accordance with clause 4;

"Shares" means 1752 issued Ordinary Shares of £1.00 each of the Company;

- 1.2 All references in this agreement to a statutory provision shall be construed as including references to:

- 1.2.1 any statutory modification, consolidation re-enactment (whether before or after the date of this agreement) for the time being in force;

- 1.2.2 all statutory instruments or orders made pursuant to a statutory provision; and

- 1.2.3 any statutory provisions of which a statutory provision is a consolidation, re-enactment or modification.

- 1.3 Any reference in this agreement to the "Vendor" includes their respective personal representatives.

- 1.4 Clause headings in this agreement are for ease of reference only and do not affect the construction of any provision.

## **2. AGREEMENT FOR SALE**

Subject to the terms and conditions of this agreement, the Vendor shall sell with full title guarantee and the Purchasers shall purchase the Shares in the proportions specified in Schedule 1 with all rights attaching to them and with effect from the date of this agreement.

## **3. PURCHASE CONSIDERATION**

- 3.1 The purchase consideration for the Shares shall be the sum of £2,632.50
- 3.2 The Vendor shall be entitled to the purchase consideration in the amounts set out in Schedule 1.

## **4. COMPLETION**

- 4.1 Completion of the purchase of the Shares shall take place at the offices of the Vendor immediately after the signing of this agreement.
- 4.2 The Vendor shall deliver to the Purchasers duly completed and signed transfers in favour of the Purchasers or as they may direct of the Shares together with the relative share certificates.
- 4.3 There shall be delivered or made available to the Purchasers:
- 4.3.1 the seal and certificate of incorporation of the Company;
  - 4.3.2 the statutory books of the Company, complete and up-to-date;
  - 4.3.3 the appropriate forms to amend the mandates given by the Company to its bankers.
- 4.4 A Board Meeting of the Company shall be held at which:
- 4.4.1 the transfers referred to in clause 4.2 shall be approved (subject to stamping).

- 4.5 Upon completion of the matters referred to in clauses 4.2 to 4.4 the Purchasers shall telegraphically transfer the amount of the purchase consideration for the Shares to the Vendor.

## **5. WARRANTIES BY THE VENDOR**

- 5.1 The Vendor warrant to the Purchasers that the Warranties set out in Schedule 3 paragraphs 1.1 – 1.5 are true and accurate in all respects.
- 5.2 Each of the Warranties is without prejudice to any other warranty or undertaking and, except where expressly stated, no clause contained in this agreement governs or limits the extent or application of any other clause.
- 5.3 The rights and remedies of the Purchasers in respect of any breach of the Warranties shall not be affected by completion of the purchase of the Shares, by any investigation made by or on behalf of the Purchasers into the affairs of the Company, by any failure to exercise or delay in exercising any right or remedy or by any other event or matter whatsoever, except a specific and duly authorised written waiver or release.
- 5.4 Without restricting the rights of the Purchasers or the ability of the Purchasers to claim damages on any basis in the event that any of the Warranties is broken or proves to be untrue or misleading, the Vendor hereby covenant to pay, on demand, to the Purchasers:
- 5.4.1 the amount necessary to put the Company into the position which would have existed if the Warranties had not been broken and had been true and not misleading; and
- 5.4.2 all costs and expenses incurred by the Purchasers or the Company directly or indirectly as a result of such breach.
- 5.5 The liability of the Vendor in respect of any claim under the Warranties shall cease on the third anniversary of this agreement, except in respect of matters which have been the subject of a bona fide written claim which is made before the relevant date by or on behalf of the Purchasers to the Vendor giving reasonable details of all material aspects of the claim. Notwithstanding any other provision in this agreement, the above limitation shall not apply to any claim made against the Vendor in the case of any fraud, dishonesty,

wilful misstatement or omission by or on behalf of all or any of the Vendor  
PROVIDED THAT each Vendor shall be solely responsible for his own  
fraudulent dishonest acts or omissions or wilful misstatements or omissions.

## **6. COMMUNICATIONS**

- 6.1 All communications between the parties with respect to this agreement shall be delivered by hand or sent by recorded first class post to the address of the addressee as set out in this agreement or to such other address as the addressee may from time to time have notified for the purpose of this clause.
- 6.2 In proving service by post it shall only be necessary to prove that the communication was contained in an envelope which was duly addressed and posted in accordance with this clause.

**IN WITNESS** whereof the parties have signed this agreement the day and year first before written.

## SCHEDULE 1

### Purchaser holdings and consideration

Purchaser's name and address	Holding of Shares	Amount of the purchase consideration
Peter Waldron	876	£1,316.25
Roger Crouch	876	£1,316.25
<b>TOTALS</b>	<b><u>1752</u></b>	<b><u>£2632.50</u></b>

## **SCHEDULE 2**

### **Details of the Company**

Company Number: 4529904

Date of incorporation: 09 September 2002

Share Capital:

Authorised 5,000

Issued 5,000

Registered office: SUEL Offices, The Innovation Centre, 217 Portobello,  
Sheffield, S1 4DP

Directors: Peter Waldron  
Richard Birtles

Secretary: Ross McMaster

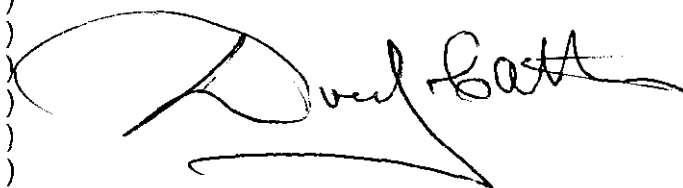
## **SCHEDULE 3**

### **Warranties**

#### **1 Corporate matters**

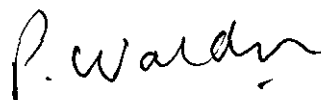
- 1.1 The information relating to the Company contained in Schedule 2 is true and complete in all respects.
- 1.2 The Company does not have and never has had any subsidiaries.
- 1.3 There are no agreements or arrangements in force, other than this agreement, which grant to any person the right to call for the issue, allotment or transfer of any share or loan capital of the Company.
- 1.4 The register of members and other statutory books of the Company have been properly kept and contain an accurate and complete record of the matters with which they should deal; and no notice or allegation that any of them is incorrect or should be rectified, has been received.
- 1.5 All returns, particulars, resolutions and documents required to be filed with the Registrar of Companies in respect of the Company have been duly filed and are correct.

**SIGNED** by the above named **SHEFFIELD** )  
**UNIVERSITY ENTERPRISES LIMITED** by )  
the signatures of: )  
)  
)  
)  
)

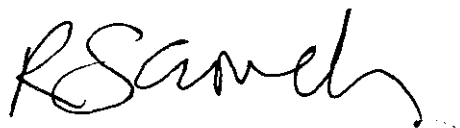
A handwritten signature in black ink, appearing to read "David Gatt". The signature is fluid and cursive, with a large initial "D" and a long, sweeping underline.

Director

**SIGNED** by the above named **PETER** )  
**WALDRON** )  
)  
)  
)

A handwritten signature in black ink, appearing to read "P. Waldron". The signature is cursive and somewhat stylized, with a clear "P." at the beginning.

**SIGNED** by the above named **ROGER** )  
**CROUCH** )  
)  
)  
)

A handwritten signature in black ink, appearing to read "R. Crouch". The signature is cursive, with a large "R" and a long, sweeping underline.