

Company number: 11688515

WRITTEN RESOLUTION

of

SPACE AUDIT SYSTEMS LIMITED (Company)

Passed: 22 MAY 2019

WEDNESDAY



The following resolutions were duly passed as special resolutions on the above date by way of written resolution under Chapter 2 of Part 13 of the Companies Act 2006.

SPECIAL RESOLUTIONS

THAT, the draft Articles of Association of the Company attached to this Resolution be adopted as the Articles of Association of the Company in substitution for the existing Articles of Association.

THAT, in accordance with section 551 of the Companies Act 2006 (CA 2006), the directors of the Company be generally and unconditionally authorised to allot: 199 'A' Ordinary Shares of £1 each in the capital of the Company up to an aggregate nominal amount of £199 each having the rights and subject to the restrictions set out in the articles. Unless renewed, varied or revoked by the Company, this authority shall expire on the day one year from the date of this resolution save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted and the Directors may allot shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this section has expired.

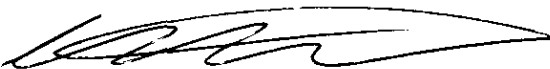
THAT, the draft Shareholders Agreement attached to this Resolution be entered into by the Company.

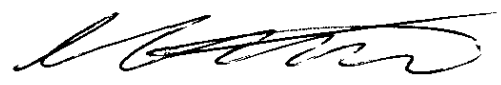
THAT, the draft Consultancy Agreement attached to this Resolution be entered into by the Company.

THAT, the draft Assignment of Intellectual Property Rights Agreement attached to this Resolution be entered into by the Company.

THAT David Dancaster, Andrew Pollard and Martin Taylor be appointed as directors of the Company.

THAT Colin Dalziel be appointed as a non-executive director of the Company.

Signed 
Director



Nathan Leadbetter

Company number:11688515

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

SPACE AUDIT SYSTEMS LIMITED

(Adopted by special resolution passed on [22 MAY] 2019)

1. INTERPRETATION

The following definitions and rules of interpretation apply in these Articles.

1.1 Definitions:

Academic: Nathan Leadbetter.

Academic Director: the director of the Company appointed by the Academic(s) under Article 13.4.

Act: the Companies Act 2006, in force from time to time.

Asset Sale: the disposal by the Company of all, or a substantial part of, its business and assets.

Associate: in relation to any person:

- a. any person who is an associate of that person. The question of whether (or not) a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986; or
- b. any member of the same Group.

Bad Leaver: a Departing Employee Shareholder, where that cessation occurs in circumstances where the Employee Shareholder is guilty of any fraud or dishonesty.

Board: the board of Directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these Articles.

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

Company: Space Audit Systems Limited.

Consent:

- a. consent given by the University Director and the Investor Director either by written notice to the Company or by the University Director and the Investor Director signing the Company's board minutes recording the relevant decision; or
- b. written notice to the Company signed by any officer of the University and any director or secretary of the Investor.

Controlling Interest: an interest in shares giving the holder control of the Company within the meaning of section 1124 of the Corporation Taxes Act 2010.

Director: a director of the Company from time to time.

Departing Employee Shareholder: an Employee Shareholder who ceases to be a consultant to, or director or employee of, the Company (or any other Group Company) and does not continue as, or become, a consultant to, or director or employee of, any other Group Company.

Employee Shareholder: a Shareholder who is, or has been, a consultant, a director or an employee of the Company and shall include the Academic.

Encumbrance: any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including, without limitation, any retention of title claim), conflicting claim or ownership or any other encumbrance of any nature (whether or not perfected, other than liens arising by operation of law).

Good Leaver: a Departing Employee Shareholder who is not a Bad Leaver.

Group: in relation to a company, that company, any subsidiary or any holding company from time to time of that company, and any subsidiary from time to time of a holding company of that company. Each company in a Group is a Group Company.

holding company: has the meaning given in *Article 1.7*.

Independent Expert: the president, for the time being, of the Institute of Chartered Accountants in England and Wales (acting as an expert and not as an arbitrator).

Investor: Caparo plc.

Investor Director: the director of the Company nominated by the Investor under *Article 13.3*.

Listing: the successful application and admission of all or any of the shares in the capital of the Company, or securities representing such shares (including American depositary receipts, American depositary shares and/or other instruments to the Official List of the UK Listing Authority or on the AIM market operated by the London Stock Exchange plc, or the Nasdaq National Stock Market of the Nasdaq Stock Market Inc., or to any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000 (as amended)).

A Ordinary Shares: the A Ordinary shares of £1.00 each in the capital of the Company.

Original Subscription Price: In relation to any Share, the amount paid up or credited as paid up on it, including the full amount of any premium at which such Share was issued (regardless of whether such premium is applied for any purpose after that).

Parent Undertaking: has the meaning given in *Article 1.7*

Realisation Price: the value of each A Ordinary Share in issue immediately before a Listing or Sale (as the case may be) and:

- a. in relation to a Listing, shall be determined by reference to the price per share at which A Ordinary Shares in the Company are to be offered for sale, placed or otherwise marketed pursuant to the Listing; and

- b. in relation to a Sale, shall be determined by reference to the price per share at which A Ordinary Shares in the Company are to be sold.

Relevant Securities: any shares or other securities convertible into, or carrying the right to subscribe for those shares, issued by the Company after the date on which these Articles are adopted, but excluding:

- a. the grant of options to subscribe for A Ordinary Shares under a Share Option Plan (and the issue of the Shares on exercise of those options);
- b. any Shares which the Company is required to issue by reason of a right specifically attached to Shares under these Articles; and
- c. the Shares proposed to be issued under the investment agreement made between University of Wolverhampton (1) the Company (2) Caparo plc (3) and the Academic (4) on or around the date of the adoption of these articles.

Sale: an Asset Sale or a Share Sale.

Sale Shares: the Shares specified or deemed to be specified for sale in a Transfer Notice or a Deemed Transfer Notice.

Seller: the transferor of Shares pursuant to a Transfer Notice.

Shares: the A Ordinary Shares from time to time.

Share Sale: the sale of (or the grant of a right to acquire or to dispose of) any of the Shares (in one transaction or as a series of transactions) which will result in the buyer of those Shares (or grantee of that right) and persons acting in concert with him together acquiring a Controlling Interest in the Company, except where the shareholders and the proportion of Shares held by each of them following completion of the Sale are the same as the Shareholders and their shareholdings in the Company immediately before the sale.

Shareholder: a holder of Shares in the Company.

Subsidiary: has the meaning given in *Article 1.7*.

Termination Date:

- a. where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires; or
- b. where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served; or
- c. where an Employee Shareholder dies, the date of his death; or
- d. where the Employee Shareholder concerned is a director but not an employee, the date on which his service agreement with the Company is terminated or the date on which he ceases to hold office whichever is the earlier,

and in any other case, the date on which the consultancy agreement or employment agreement is terminated.

Transfer Notice: a notice in writing given by any Shareholder to the Company where that Shareholder desires, or is required by these Articles, to transfer (or enter into an agreement to transfer) any Shares. Where such notice is deemed to have been served, it shall be referred to as a Deemed Transfer Notice:

University: University of Wolverhampton.

University Director: the directors of the Company nominated by the University under *Article 13.2*.

1.2 Headings in these Articles shall not affect the interpretation of these Articles.

1.3 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.

1.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.

1.5 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.

1.6 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.

1.7 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of:

- (a) another person (or its nominee), by way of security or in connection with the taking of security; or
- (b) its nominee.

1.8 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

1.9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

1.10 Save as otherwise specifically provided in these Articles:

- (a) words and expressions which have particular meanings in the Act (to the extent in force from time to time) shall have the same meanings in these Articles; and
- (b) subject to *Article 1.10(a)*, words and expressions which have particular meanings in Table A shall have the same meanings in these Articles.

2. ADOPTION OF TABLE A

2.1 The model articles for private companies limited by shares set out in the Companies (Model Articles) Regulations 2008 (*SI 2008/3229*) shall apply to the Company except as they are varied or excluded by, or are inconsistent with, the following Articles.

3. SHARE CAPITAL

3.1 The authorised share capital of the Company at the date of adoption of these Articles is £200, divided into 200 A Ordinary Shares.

3.2 Unless the context requires otherwise, references in these Articles to shares of a particular class shall include Shares created and/or issued after the date of adoption of these Articles and ranking *pari passu* in all respects (or in all respects except only as to the date from which those Shares rank for dividend) with the Shares of the relevant class then in issue.

4. ISSUE OF SHARES: PRE-EMPTION

4.1 Subject to the remaining provisions of this *Article 4.*, the Directors are generally and unconditionally

authorised for the purpose of section 551 of the Act to exercise any power of the Company to:

- (a) offer, allot or grant rights to subscribe for; or
- (b) convert securities into; or
- (c) otherwise deal in, or dispose of,

any Shares (or any other Relevant Securities in the Company) to any person, at any time and subject to any terms and conditions as the Directors think proper.

4.2 The authority referred to in *Article 4.1*:

- (a) shall be limited to a maximum nominal amount of Shares equal to the amount of the authorised but unissued share capital of the Company immediately following the date on which these Articles are adopted;
- (b) shall only apply insofar as the Company in general meeting has not renewed, waived or revoked it; and
- (c) may only be exercised for a period of five years commencing on the date on which these Articles are adopted, save that the Directors may make an offer or agreement which would, or might, require relevant securities to be allotted after the expiry of such authority (and the Directors may allot relevant securities in pursuance of an offer or agreement as if such authority had not expired).

4.3 In accordance with section 568 of the Act, sections 561 and 562 of the Act shall not apply to an allotment of Relevant Securities made by the Company.

4.4 Unless otherwise agreed by special resolution passed in accordance with section 283 of the Act, if the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to all Shareholders on the same terms, and at the same price, as those Relevant Securities are being offered to other persons on a *pari passu* and *pro rata* basis to the number of Shares held by those holders (as nearly as possible without involving fractions). The offer:

- (a) shall be in writing and give details of the number and subscription price of the Relevant Securities; and
- (b) may stipulate that any Shareholder who wishes to subscribe for a number of Relevant Securities in excess of the proportion to which each is entitled shall, in its acceptance, state the number of excess Relevant Securities (**Excess Securities**) for which they wish to subscribe.

4.5 Any Relevant Securities not accepted by Shareholders pursuant to the offer made to them in accordance with *Article 4.4* shall be used for satisfying any requests for Excess Securities made pursuant to *Article 4.4*. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants *pro rata* to the number of Shares held by the applicants immediately before the offer was made to Shareholders in accordance with *Article 4.4* (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him). After that allotment, any Excess Securities remaining shall be offered, subject to *Article 4.6*, to any other person as the Directors may determine, at the same price and on the same terms as the offer to the Shareholders.

4.6 Subject to *Article 4.4*, and *Article 4.5* and to sections 549 to 551 (inclusive) of the Act, any Relevant Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper. Any such allotment shall require Consent.

4.7 No Shares shall be allotted to any employee, Director, prospective employee or director unless such person has entered into a joint election with the Company under section 43 of the Income Tax (Earnings and Pensions) Act 2003 (**Section 431 Election**).

5. VOTING AND CLASS RIGHTS

5.1 The A Ordinary Shares shall confer on each holder of A Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company, and each A Ordinary Share shall carry one vote per shares.

5.2 Where Shares confer a right to vote, votes may be exercised:

(a) on a show of hands by every Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case, each Shareholder holding Shares with votes shall have one vote); or

(b) on a poll by every Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case, each Shareholder holding Shares with votes shall have one vote).

6. TRANSFER OF SHARES: GENERAL

6.1 In *Article 6.*, *Article 7.* and *Article 9.* reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share.

6.2 No Share may be transferred unless the transfer is made in accordance with these Articles.

6.3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed to have served a Transfer Notice immediately in respect of all Shares held by him.

6.4 Any transfer of a Share by way of sale that is required to be made under *Article 6.*, *Article 7.* and *Article 9.* shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.

6.5 The Directors may refuse to register a transfer if:

(a) it is a transfer of a Share to a bankrupt, a minor or a person of unsound mind; or

(b) the transfer is to an employee, Director or prospective employee or director and that person has not entered into a Section 431 Election with the Company.

6.6 The Directors may, as a condition to the registration of any transfer of Shares in the Company, require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between any of the Shareholders and the Company in such form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any condition is imposed in accordance with this *Article 6.6*, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

6.7 To enable the Directors to determine whether or not there has been any disposal of Shares in the capital of the Company (or any interest in Shares in the capital of the Company) in breach of these Articles, the Directors may, and shall if so requested in writing by the University Director and the Investor Director, require any holder, or the legal personal representatives of any deceased holder, or any person named as transferee in any transfer lodged for registration or any other person who the Directors may reasonably believe to have information relevant to that purpose, to provide to the Company with any information and evidence that the Directors request regarding any matter which they deem relevant to that purpose. If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares in the capital of the Company in writing of that fact and the following shall occur:

(a) the relevant Shares shall cease to confer on the holder of them (or any proxy) any rights:

(i) to vote, whether on a show of hands or on a poll, and whether exercisable at a general meeting of the Company or at any separate meeting of the class in question. These rights shall not cease if, as a result of such cessation, the Company would become a subsidiary of an University or the Investor; or
(ii) to receive dividends or other distributions otherwise attaching to those Shares or to any further shares in the capital of the Company issued in respect of those Shares, or in pursuance of an offer made to the relevant holder; and

(b) the holder may be required, at any time following receipt of the notice, to transfer some or all of its Shares to any person(s) at the price that the Directors may require by notice in writing to that holder.

The rights referred to in *Article 6.7(a)* may be reinstated by the Board subject to the Consent or, if earlier, shall be reinstated on the completion of any transfer referred to in *Article 6.7(b)*.

6.8 Where the Board requires a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within 10 Business Days of a written demand being made, a Deemed Transfer Notice shall be given at the end of that period. If a Transfer Notice is required to be given, or is deemed to have been given, under these Articles, the Transfer Notice shall be treated as having specified that:

(a) the Transfer Price of the Sale Shares shall be as agreed between the Board (any Director with whom the Seller is connected (within the meaning of section 252 of the Act) not voting) and the Seller, or, failing agreement within 10 Business Days after the date on which the Board becomes aware that a Deemed Transfer Notice has been given, the Transfer Price shall be the fair value of the Sale Shares (determined in accordance with *Article 8.*);

(b) there is no Minimum Transfer Condition (as defined in *Article 7.2(d)*) in relation to the Sale Shares; and

(c) the Seller wishes to transfer all of the Shares held by it.

7. TRANSFER OF SHARES SUBJECT TO PRE-EMPTION

7.1 Except where the provisions of *Article 9.*, *Article 11.* and *Article 12* apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this *Article 7.*

7.2 A Seller shall, before transferring or agreeing to transfer any Shares, deliver a Transfer Notice to the Company specifying:

(a) the number of Sale Shares he wishes to sell;

(b) if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee;

(c) the price (in cash) at which he wishes to transfer the Sale Shares (which, if no cash price is agreed between the Seller and the Board (including the University Director and Investor Director), will be deemed to be the fair value of the Sale Shares (determined in accordance with *Article 8.*) (**Transfer Price**); and

(d) whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold to Shareholders (**Minimum Transfer Condition**).

7.3 Once given (or deemed to have been given under) these Articles, a Transfer Notice may not be withdrawn except with Consent.

7.4 A Transfer Notice appoints the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

7.5 As soon as practicable following the later of:

(a) receipt of a Transfer Notice; or

(b) where the Transfer Price has not been specified, or a Deemed Transfer Notice has been served, the determination of the Transfer Price under *Article 8*,

the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in *Article 7.6* to *Article 7.8*. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.

7.6 The Board shall offer the Sale Shares to all Shareholders specified in the offer other than the Seller (**Continuing Shareholders**), inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (inclusive) (**First Offer Period**) for the maximum number of Sale Shares they wish to buy.

If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under *Article 7.6* and *Article 7.7* shall be conditional on the fulfilment of the Minimum Transfer Condition.

If, at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder in the proportion which his existing holding of Shares bears to the total number of Shares held by those Continuing Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.

If only some of the Sale Shares are allocated in accordance with *Article 7.6*, but there are applications for Sale Shares that have not been satisfied, those Sale Shares shall be allocated to the relevant applicant(s) in accordance with the procedure set out in this *Article 7.6*.

If, at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance (**Initial Surplus Shares**) shall be dealt with in accordance with *Article 7.7*.

7.7 At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares to all the Continuing Shareholders, inviting them to apply in writing within the period from the date of the offer to the date 5 Business Days after the date of the offer (inclusive) (**Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.

If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for exceeds the number of Initial Surplus Shares, the Board shall allocate the remaining Initial Surplus Shares to each Continuing Shareholder in the proportion that his existing holding of Shares bears to the total number of Shares (including Sale Shares) held by those Continuing Shareholders who have applied for Initial Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy.

If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications. The balance (**Second Surplus Shares**) shall be offered to any other person in accordance with *Article 7.10*.

7.8 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for is

less than the number of Sale Shares, the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under *Article 7.6* and *Article 7.7* stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

If:

(a) the Transfer Notice does not include a Minimum Transfer Condition; and

(b) allocations have been made in respect of all the Sale Shares,

the Board shall, when no further offers are required to be made under *Article 7.6* and *Article 7.7*, give written notice of allocation (**Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (**Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 5 Business Days not more than 15 Business Days after the date of the Allocation Notice).

7.9 On the service of an Allocation Notice, the Seller shall, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.

If the Seller fails to comply with this *Article 7.9*:

(a) the Chairman of the Company (or, failing him, one of the Directors, or some other person nominated by a resolution of the Board) may, on behalf of the Seller:

(i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;

(ii) receive the Transfer Price and give a good discharge for it; and

(iii) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and

(b) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company.

7.10 If an Allocation Notice does not relate to all the Sale Shares then, subject to *Article 7.11* and within 4 weeks following service of the Allocation Notice, the Seller may transfer the Second Surplus Shares to any person at a price at least equal to the Transfer Price. The sale of the Second Surplus Shares in accordance with this *Article 7.10* shall continue to be subject to any Minimum Transfer Condition.

7.11 The Seller's right to transfer Shares under *Article 7.10* does not apply if the Board reasonably considers that:

(a) the transferee is a person (or a nominee for a person) who the University Director Investor Director the Directors determine, in their absolute discretion, is a competitor with (or an Associate of a competitor with) the business of the Company or with a Subsidiary Undertaking of the Company; or

(b) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or

(c) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board to enable it to form the opinion mentioned above.

7.12 The restrictions imposed by this *Article 7.1* may be waived in relation to any proposed transfer of Shares with Consent.

8. VALUATION

8.1 If no Transfer Price is specified in a Transfer Notice, or if a Deemed Transfer Notice is served, then, on service of the Transfer Notice or, in the case of a Deemed Transfer Notice, on the date on which the Board first has actual knowledge of the facts giving rise to the service of such a notice, the Board shall either:

- (a) appoint an Independent Expert to determine the fair value of the Sale Shares; or
- (b) if the fair value has been determined by an Independent Expert within the preceding 12 weeks, specify that the fair value of the Sale Shares shall be calculated by dividing that fair value by the number of Sale Shares to which it related and multiplying such fair value by the number of Sale Shares the subject of the Transfer Notice.

8.2 The fair value of the Sale Shares shall be determined by the Independent Expert on the following assumptions and bases:

- (a) valuing each of the Sale Shares as a proportion of the total value of all of the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;
- (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- (c) the sale is to be on arms' length terms between a willing seller and a willing buyer;
- (d) the Sale Shares are sold free of encumbrances;
- (e) the sale is taking place on the date the Independent Expert was requested to determine the fair value; and
- (f) taking account of any other factors that the Independent Expert reasonably believe should be taken into account.

8.3 The Independent Expert shall be requested to determine the fair value within 20 Business Days of their appointment and notify the Board of their determination.

8.4 Subject to any confidentiality provisions, the Independent Expert may have access to all accounting records or other relevant documents of the Company.

8.5 The Independent Expert's determination shall be final and binding on the parties (in the absence of fraud or manifest error).

8.6 The costs of the Independent Expert shall be borne by the Seller and the transferee in the proportion determined by the Independent Expert in the case of a Transfer Notice and solely by the Seller in the case of a Deemed Transfer Notice.

9. COMPULSORY TRANSFERS

9.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be regarded as giving a Deemed Transfer Notice in relation to such Shares at such time as the Directors determine.

9.2 If a company that is a Shareholder resolves to appoint (or has appointed) a liquidator, administrator or administrative receiver over it (or a material part of its business), that Shareholder shall be regarded as giving a Deemed Transfer Notice in respect of all Shares held by it at such time as the Directors determine.

9.3 If an Employee Shareholder becomes a Departing Employee Shareholder, that Departing Employee Shareholder shall be regarded as giving a Deemed Transfer Notice in respect of all the Shares held by the Departing Employee Shareholder on the Termination Date. In such circumstances the Transfer Price shall be calculated as follows:

(a) where the Departing Employee Shareholder is a Bad Leaver, the lower of fair value (determined in accordance with *Article 8.*) and the nominal value of the Sale Shares; and

(b) where the Departing Employee Shareholder is a Good Leaver, the fair value of the Sale Shares (determined in accordance with *Article 8.*).

9.4 The Departing Employee Shareholder's Shares shall be offered in the following order of priority:

(a) to a person (or persons) as agreed by the University and/or the Investor to take the Departing Employee Shareholder's place, conditionally on that person commencing their employment with the Company;

(b) to any of the other existing Employee Shareholders;

(c) to any other person (or persons) who have Consent and who are approved by the Board; and then

(d) subject to the Act, to the Company.

9.5 All voting rights attached to the Departing Employee Shareholder's Shares, if any, shall be suspended on the Termination Date (**Restricted Shares**). However, the holders of Restricted Shares shall have the right to receive a notice of, and to attend, all general meetings of the Company, but shall have no right to vote either in person or by proxy.

9.6 Voting rights suspended by *Article 9.5* shall be automatically restored before a Listing.

9.7 All voting rights attached to the Restricted Shares transferred under this *Article 9.* shall be automatically restored on completion of the transfer.

10. PERMITTED TRANSFERS

10.1 The Investor and/or the University may transfer any or all of its Shares to any company or organisation wholly owned (directly or indirectly) by either the Investor or the University.

11. MANDATORY OFFER ON CHANGE OF CONTROL

11.1 Except in the case of transfers pursuant to *Article 10.*, after going through the pre-emption procedure set out in *Article 7.*, the provisions of *Article 11.2* shall apply if, in one or a series of related transactions, one or more Sellers propose to transfer any of the Shares (**Proposed Transfer**) which would, if carried out, result in any person (**Buyer**), and any person acting in concert with the Buyer, acquiring a Controlling Interest in the Company.

11.2 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer (**Offer**) to the other Shareholders to buy all of the Company's issued Shares for a consideration in cash per Share that is at least equal to the highest price per Share offered or paid by the Buyer, or any person acting in concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the 6 months preceding the date of the Proposed Transfer (**Specified Price**).

11.3 The Offer shall be given by written notice (**Offer Notice**), at least 5 Business Days (**Offer Period**) before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:

(a) the identity of the Buyer;

- (b) the purchase price and other terms and conditions of payment;
- (c) the Sale Date; and
- (d) the number of Shares proposed to be purchased by the Buyer (**Offer Shares**).

11.4 If the Buyer fails to make the Offer to all of the Company's Shareholders, the Seller shall not be entitled to complete the sale and the Company shall not register any transfer intended to effect that sale.

11.5 If the Offer is accepted by any Shareholder (**Accepting Shareholder**) within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.

11.6 The Proposed Transfer is subject to the pre-emption provisions of *Article 7.*, but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions.

12. DRAG ALONG

12.1 If the University and the Investor acting together (**Selling Shareholders**) wish to transfer all of their interest in Shares (**Sellers' Shares**) to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Selling Shareholders may require all the other Shareholders (**Called Shareholders**) to sell and transfer all their shares to the Proposed Buyer (or as the Proposed Buyer directs in accordance with the provisions of this Article (**Drag Along Option**)).

12.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify that:

- (a) the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this *Article 12.*;
- (b) the person to whom the Called Shares are to be transferred;
- (c) the consideration payable for the Called Shares calculated in accordance with *Article 12.4*; and
- (d) the proposed date of the transfer.

12.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 20 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

12.4 The Called Shareholders shall sell each Called Share for the amount that they would be entitled to receive if the total consideration proposed to be paid by the third party purchaser were distributed to the holders of the Called Shares and the Sellers' Shares pro rata to their shareholdings.

12.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this *Article 12.*

12.6 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Sellers' Shares unless:

- (a) all of the Called Shareholders and the Selling Shareholders agree otherwise; or
- (b) that date is less than 5 Business Days after the Drag Along Notice, in which case completion of the sale shall be delayed until the 10th Business Day after service of the Drag Along Notice.

12.7 The rights of pre-emption set out in these Articles shall not apply to any transfer of shares to a Proposed Buyer (or as it may direct) pursuant to a sale for which a Drag Along Notice has been duly served.

12.8 Within 10 Business Days of the Proposed Buyer serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificate (or a suitable indemnity for any lost share certificate) to the Company. On the expiration of that 10 Business Day period, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due pursuant to *Article 12.4* to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to *Article 12.4* in trust for the Called Shareholders without any obligation to pay interest.

12.9 To the extent that the Proposed Buyer has not, on the expiration of the 10 Business Day period referred to in *Article 12.8*, put the Company in funds to pay the consideration due pursuant to *Article 12.4*, the Called Shareholders shall be entitled to the return of the stock transfer form and share certificate (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this *Article 12* in respect of their Shares.

12.10 If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be their agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this *Article 12.10*.

12.11 Following the issue of a Drag Along Notice, on any person becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company, or on the conversion of any convertible security of the Company (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice. The New Shareholder shall then be bound to sell and transfer all Shares acquired by it to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this *Article 12* shall apply with the necessary changes to the New Shareholder, except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

13. DIRECTORS AND INVESTOR DIRECTORS

13.1 Unless and until the Company in general meeting determines otherwise, the number of directors shall not be less than four and no more than 10.

13.2 The University shall for so long as it holds at least 49% of the issued Shares in the Company, be entitled to nominate two persons to act as a Director of the Company from time to time. The other Shareholders shall not vote their Shares so as to remove any Director appointed pursuant to this *Article 13.2* from office. The University shall be entitled to remove its University Director from office and appoint another person to act in his place.

13.3 The Investor shall for so long as it holds at least 24% of the issued Shares in the Company, be entitled to nominate one person to act as a Director of the Company from time to time. The other Shareholders shall not vote their Shares so as to remove any Director appointed pursuant to this *Article 13.3* from office. The Investor shall be entitled to remove its Investor Director from office and appoint another person to act in his place.

13.4 The Academic shall for so long as they hold in aggregate at least 24% of the issued Shares in the Company, be entitled to nominate one person to act as a Director of the Company from time to time. The other Shareholders shall not vote their Shares so as to remove any Director appointed pursuant to this *Article 13.4* from

office. The Academic shall be entitled to remove its Academic Director from office and appoint another person to act in his place.

13.5 Any appointment or removal of a University Director or an Investor Director or an Academic Director under *Article 13* take effect at the time that the notice is received at the Company's registered office or produced to a Board meeting.

13.6 The University Director, Academic Director and the Investor Director shall be entitled to be appointed to any committee of the Board established from time to time.

13.7 Any person who is independent of the University and the Investor, willing to act as a director, and is permitted by law to do so, may be appointed to be a non-executive director by:

- (a) ordinary resolution; or
- (b) a decision of the directors.

14. DISQUALIFICATION AND PROCEEDINGS AT MEETINGS OF DIRECTORS

14.1 The office of Director shall be vacated if:

(a) he is convicted of a criminal offence (other than a minor motoring offence) and the Directors resolve that his office should be vacated; or

(b) in the case of Directors, other than the University Director, Academic Director and the Investor Director, if a majority of his co-Directors serve notice on him in writing, removing him from office.

14.2 Notwithstanding any provision of these Articles to the contrary, any person appointed as a Director may appoint any person he thinks fit to be his alternate Director. The appointment of an alternate Director shall not require approval by a resolution of the Directors.

14.3 Meetings of the Board shall take place at least 3 times each year, with a period of not more than 16 weeks between any two meetings. At least 10 Business Days' advance notice of such meeting shall be given to each Director (except with Consent, when board meetings may take place less frequently or on shorter notice).

14.4 The quorum for the transaction of business at any meeting shall be 3 Directors, one of which shall be the Investor Director or his alternate. If the necessary quorum is not present within half an hour from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Directors determine. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed.

14.5 Any Director who participates in the proceedings of a meeting by means of a communication device (including, without limitation, a telephone) that allows all the other Directors present at the meeting (whether in person, alternate or using a communication device) to hear that Director at all times, and that Director to hear all other Directors present at the meeting (by whatever means) at all times, shall be deemed to be present at the meeting and counted in the quorum. A meeting held by these means shall be deemed to take place where the largest number of participants is assembled. In the absence of a majority, the Chairman's location shall be deemed to be the place of the meeting.

14.6 A Director may vote at a Board meeting, and form part of a quorum present at that meeting, in relation to any matter in which he has, directly or indirectly, an interest or duty which conflicts (or may conflict) with the interests of the Company, provided that he has previously disclosed the nature of such duty or interest to the Directors..

14.7 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the chairman shall have a second or casting vote.

15. LIEN

A lien in favour of the Company shall apply to all Shares of the Company whether fully paid or not, and to all Shares registered in the name of any person indebted or under liability to the Company, whether he is the sole registered holder of the Shares or one of several joint holders.

16. INDEMNITY

16.1 Subject to the Act, but without prejudice to any indemnity to which a director may otherwise be entitled, each director or other officer of the Company (other than any person (whether an officer or not) engaged by the Company as auditor) shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a director or other officer of the Company or any company that is a trustee of an occupational pension scheme (as defined in section 235(6) of the Act) in the actual or purported execution and/or discharge of his duties, or in relation thereto including any liability incurred by him in defending any civil or criminal proceedings, in which judgement is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs.

16.2 The Company may buy and maintain insurance against any liability falling upon its Directors or other officers or auditors which arises out of their respective duties to the Company, or in relation to its affairs.

17. DATA PROTECTION

17.1 Each of the Shareholders and Directors (from time to time) consent to the processing of their personal data by the Company, its shareholders and directors (each a **Recipient**) for due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually.

17.2 *The personal data that may be processed for such purposes under this Article 17. shall include any information which may have a bearing on the prudence or commercial merits of investing, or disposing of any shares (or other investment or security) in the Company. Other than as required by law, court order or any regulated authority, that personal data shall not be disclosed by a Recipient or any other person, except to:*

- (a) its Parent Undertaking;
- (b) to Subsidiary Undertakings of that Parent Undertaking (**Recipient Group Companies**); and
- (c) to employees, directors and professional advisors of that Recipient or the Recipient Group Companies.

17.3 Each of the Shareholders and Directors (from time to time) consent to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient, both within and outside the European Economic Area, for the purposes stated above, where it is necessary or desirable to do so.