
DATED 15 July **2010**

THE MANAGERS (1)
and
THE OTHER SHAREHOLDERS (2)
and
FSU INVESTMENTS LIMITED (3)

INVESTMENT AGREEMENT
relating to FSU Investments Limited

MILLS & REEVE

THIS AGREEMENT is made on 15 July 2010 BETWEEN:

- (1) each of the persons whose details are set out at Part A, Schedule 1 ("Managers");
- (2) each of the persons whose details are set out at Part B, Schedule 1 ("Other Shareholders"); and
- (3) **FSU INVESTMENTS LIMITED**, a company registered in England and Wales (company number 7168088) whose registered office is Francis House, 112 Hills Road, Cambridge CB2 1PH ("Company").

WHEREAS:

- (A) The Company (particulars of which are set out in Part A of Schedule 2) is a private company limited by shares incorporated in England under the Companies Act 2006 on 24 February 2010.
- (B) Conditional on the conditions precedent set out at clause 2.1, the Managers and the Other Shareholders have agreed to subscribe an aggregate sum of £758,923.50 for Ordinary Shares in the Company at a price per share of £0.10 upon the terms and subject to the conditions contained in this Agreement.
- (C) The Managers and the Other Shareholders have agreed to hold their Shares on the terms and subject to the conditions of this Agreement.

NOW IT IS HEREBY AGREED as follows:

1 **Definitions**

1.1 In this Agreement the following expressions shall have the following meanings:

"**Articles**" means the articles of association of the Company;

"**Auditors**" means the auditors of the Company for the time being or, if the Company has lawfully not appointed auditors, its accountants for the time being, or, if in either case such firm is unable or unwilling to act in any particular case, such firm of chartered accountants as may be agreed between the directors of the Company and the proposing transferor (as defined in Article 10.1) or, in default of agreement, as may be appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales or any successor body;

"**Board**" means the board of directors of the Company as from time to time constituted;

"**Business Days**" means any day from Monday to Friday (inclusive) other than public holidays in the United Kingdom during normal working hours;

"**Completion**" means the completion of the matters set out in clause 3;

"**Confidential Information**" means trade secrets and information equivalent to the same (including but not limited to formulae, processes, marketing plans, sales forecasts, financial information, inventions, designs, information relating to research activities, methods, knowledge of and know-how) in connection with the business and/or the Intellectual Property Rights of the Company and the customers, suppliers,

~~employees, directors and other agents of the Company and which are for the time being confidential to the Company;~~

"Employee Member" means a holder of Shares who is or has been a director and/or an employee of and/or a consultant to the Company or any of Group Company;

"Family Trust" means any trust which permits the settled property or the income therefrom to be applied only for the benefit of:

- (a) the settlor and/or a Privileged Relation of that settlor; or
- (b) any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income therefrom when the trust is created but may become so interested if there are no other beneficiaries from time to time except another such charity or charities),

and under which no power of control is capable of being exercised over the votes of any Shares which are the subject of the trust by any person other than the trustees or the settlor or the Privileged Relations of the settlor. For the purposes of this definition **"settlor"** includes a testator or an intestate in relation to a Family Trust arising respectively under a settlement, testamentary disposition or an intestacy of a deceased shareholder;

"Group" means collectively the Company and every company which is from time to time a subsidiary or holding company of the Company or a subsidiary of any such holding company and the terms **"Group Company"** and **"member of the Group"** shall be construed accordingly;

"Indebtedness" means the aggregate of each of (i) all bank overdrafts and bank loans, (ii) the capital amounts on both hire purchase and finance lease agreements, (iii) capitalised interest on each of (i) and (ii) above, (iv) any and all liabilities or potential liabilities under letters of credit or guarantees; (v) debt purchase and factoring liabilities, and (vii) any amounts payable or potentially payable on any conditional sale, deferred subscription or other similar agreements or arrangements;

"Intellectual Property Rights" means all patents, registered designs, trade marks and service marks (whether registered or not), copyright, design right, and all similar property rights including those subsisting (in any part of the world) in inventions, designs, drawings, performances, computer programs, semiconductor topographies, confidential information, business names, domain names, websites, goodwill and the style of presentation of goods or services and in applications for protection thereof;

"Offer" means the recommended cash offer made by the Company to acquire all of the Schumann Shares (as such term is used in the Offer Document) on the terms and subject to the conditions to be set out in the Offer Document;

"Offer Document" means the document to be sent to Schumann Shareholders (as such term is used in the Offer Document) containing and setting out the terms and conditions of the Offer;

"Ordinary Shares" means the ordinary shares of £0.10 each in the capital of the Company (as sub-divided pursuant to the Written Resolution);

~~"Permitted Transfer" means a transfer of Shares authorised by clause 11 and "Permitted Transferee" shall be construed accordingly;~~

"Privileged Relation" in relation to a shareholder means the spouse or civil partner or widow or widower of the shareholder and the shareholder's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the shareholder's children;

"Rights" means rights to subscribe for, or to convert any security into, any Shares;

"Security Interest" means a mortgage, lien, pledge, charge, hypothecation or other security interest but excluding:

- (c) any lien arising in the ordinary course of business to secure amounts which are not material;
- (d) any unpaid vendor's or supplier's lien arising in the ordinary course of business to secure amounts due in respect of goods or services sold or supplied; and
- (e) liens arising by operation of law including a banker's lien;

"Shareholder Director" means a director appointed in accordance with clause 5.1;

"Shareholder Majority" means the holders of at least 75% in nominal value of the issued Shares;

"shareholders" means the Managers, the Other Shareholders and any other holders of Shares from time to time who become bound by the terms of this Agreement and the term **"shareholder"** shall be construed accordingly;

"Shares" means the Ordinary Shares;

"Written Resolution" means a written resolution in the form set out at Schedule 4.

- 1.2 The expressions "holding company" and "subsidiary" shall have the meanings ascribed thereto by section 1159 Companies Act 2006.
- 1.3 The clause and Schedule headings in this Agreement are for convenience only and shall not affect the construction or interpretation hereof.
- 1.4 References to clauses and Schedules are to clauses of and Schedules to this Agreement.
- 1.5 References to the parties hereto include their respective successors in title, assigns, estates and legal personal representatives.
- 1.6 Words importing the singular include the plural and vice versa and words importing a gender include every gender and references to persons include bodies corporate or unincorporate.
- 1.7 References in this Agreement to any statute or statutory provision shall be deemed to include reference to any statute or statutory instrument which amends, extends, consolidates or replaces the same and to any other regulation, instrument or other subordinate legislation made thereunder.

~~1.8 All agreements, obligations and liabilities on the part of the Managers are joint and several and shall be construed accordingly, unless expressly provided otherwise.~~

1.9 Where a shareholder has a right to appoint a Shareholder Director but has not so appointed any Shareholder Director for the time being, references in this Agreement to the "consent" or "approval" of the Shareholder Director shall be to the shareholder appointing such Shareholder Director. The "consent" or "approval" of the appointing shareholder shall be given by written notice to the Company signed by or on behalf of such shareholder.

2 Conditions Precedent to Completion

2.1 Completion of this Agreement is conditional on:

2.1.1 the Written Resolution having been passed on or before Completion; and

2.1.2 the Offer being declared unconditional in all respects before Completion.

3 Completion

3.1 Following the execution of this Agreement and subject to the matters in clause 2.1 being effected, the following steps shall be taken in the order prescribed:

3.1.1 a Board meeting shall be convened at which the following matters will be dealt with:

(i) the Managers shall subscribe in cash for an aggregate of 7,237,438 Ordinary Shares for an aggregate subscription price of £723,743.80 and a price per share of £0.10 in the numbers and for the aggregate subscription amounts set out at Part A, Schedule 1;

(ii) the Other Shareholders shall subscribe in cash for an aggregate of 351,797 Ordinary Shares for an aggregate subscription price of £35,719.70 and a price per share of £0.10 in the numbers and for the aggregate subscription amounts set out at Part B, Schedule 1; and

(iii) the Company shall forthwith following such subscriptions allot and issue credited as fully paid each and all of the Ordinary Shares referred to in clauses 3.1.1(i) and 3.1.1(ii) respectively, make the necessary entries in its register of members and issue to each of the Managers and the Other Shareholders the appropriate certificates for such shares.

3.2 Following Completion the Managers and the Other Shareholders each agree to hold their Shares (and any additional Shares acquired by them after Completion) on the terms and subject to the conditions of this Agreement.

4 Funding Purpose

4.1 The Company and the Managers hereby undertake to and covenant with the Other Shareholders that the subscription monies paid to the Company by the Managers and the Other Shareholders as set out in this Agreement will be applied by the Company solely and exclusively on the development and expansion of the business

of the Group, and in particular to fund the Group's working capital requirements, or as otherwise agreed by a Shareholder Majority.

5 The Shareholder Directors

- 5.1 For so long as he (together with his Privileged Relation(s) or trustees of his Family Trust(s)) shall hold Shares, each of the Managers shall be entitled to appoint at any time and from time to time by the delivery of a written notice to the Company one person (who may be himself) as a director of the Company ("**Shareholder Director**"), subject to the prior approval of the Board as to the identity of such Shareholder Director. Each Manager shall be entitled to remove such person from office by giving written notice of such to the Company and the Company shall give effect to the provisions of any such notice.
- 5.2 Each Shareholder Director shall be entitled to appoint any person to be his alternate director who shall not be removed except by the person(s) who appointed him.
- 5.3 Each Shareholder Director shall be entitled to disclose to his appointing shareholder such information concerning the Company as he thinks fit. Each Shareholder Director shall be able to give and receive such information as the appointing shareholder shall think fit to and from his legal and financial advisers from time to time.
- 5.4 The Company will pay to each Shareholder Director:
- 5.4.1 such fee as may be agreed between the Company and the appointing shareholder plus VAT (if applicable); and
- 5.4.2 all reasonable out-of-pocket travel expenses including VAT thereon (where applicable and upon provision of receipts where reasonably obtainable) incurred in connection with the performance of his duties on behalf of the Company and his attendance at Board meetings.
- 5.5 The parties agree that the maximum number of directors appointed to the Board from time to time (including the Shareholder Directors) shall be nine directors.

6 Future transactions

- 6.1 Each of the Managers shall exercise all voting rights and powers of control available to him in relation to the Company to procure that, save with the prior written consent of a Shareholder Majority, the Company shall not effect or propose any of the matters referred to in Schedule 3.
- 6.2 As a separate obligation, severable from the obligations in clause 6.1, the Company agrees that, save with the prior written consent of a Shareholder Majority, it shall not effect or propose any of the matters referred to in Schedule 3.
- 6.3 A Shareholder Director shall be authorised to communicate the consent of his appointing shareholder to any of the matters referred to in this Agreement.

7 Post completion undertakings

- 7.1 The Company hereby undertakes to and covenants with the shareholders, and the Managers each hereby undertake to and covenant with the Other Shareholders to

~~exercise all rights and powers they may have whether as directors or shareholders or otherwise to procure, that each Group Company shall:~~

7.1.1 conduct its business materially in accordance with any business plan relating to the Group or such Group Company; and

7.1.2 ensure that any expansion, development or evolution of the business of the Group will be carried out by the Company or any Group Company or any subsidiary or joint venture approved under clauses 6.1 and 6.2 and paragraph 2, Schedule 3.

8 Board meetings and reports

8.1 The Company undertakes to and covenants with the shareholders, and the Managers each hereby undertake to and covenant with the Other Shareholders to exercise all rights and powers they may have whether as directors or shareholders or otherwise to procure that:

8.1.1 a meeting of the Board shall be convened and held at least four times per annum unless otherwise agreed by the Shareholder Directors;

8.1.2 not less than seven clear Business Days' prior written notice of any meeting of the Board (unless otherwise agreed with the Shareholder Directors) shall be given to the Shareholder Directors or their alternates and every such notice shall be accompanied by a written agenda specifying the business of such meeting and copies of all papers that shall be relevant for such meeting;

8.1.3 the Company shall issue to the shareholders:

(i) the audited annual report and accounts of the Company and audited consolidated accounts of any member of the Group in respect of each accounting period together with the relevant audit and management letters and all correspondence between the Company and the auditors of the Company, completed and approved by the Board, within six months after the end of the accounting period to which such audited accounts relate; and

(ii) minutes of all meetings of the Board or any committee of the Board.

8.2 Subject to the provisions of the Companies Act 2006, each director (whether or not a Shareholder Director) shall have one vote in respect of any matter to be determined by the Board. In the event of an equality of votes, the chairman of the Board shall have a casting vote. The first chairman of the Board shall be Gordon Smith.

8.3 The Managers shall, at the Company's expense, be entitled (with their respective financial and accounting advisers) to examine the books and accounts of the Company upon reasonable notice given at any time and the Company shall supply the shareholders with all information relating to the business affairs and financial position of the Company as the shareholders may from time to time reasonably require.

9 Share allotments

9.1 Subject to the written consent of a Shareholder Majority to dis-apply the pre-emption rights set out in this clause 9.1, all Shares which the Board proposes to issue shall be dealt with in accordance with the following provisions of this clause 9.1:

9.1.1 any Shares proposed to be issued shall first be offered to the shareholders in proportion to the number of existing Shares held by them respectively, unless the Company shall by special resolution otherwise direct;

9.1.2 each such offer shall be made by notice specifying the total number of Shares being offered to the shareholders as a whole, the proportionate entitlement of the shareholder to whom the offer is made and the price per Share (which shall be the same for each Share) and shall require each shareholder to state in writing within a period (not being less than fourteen days) specified in the notice whether he is willing to take any and, if so, what maximum number of the said Shares he is willing to take up (up to his proportionate entitlement);

9.1.3 an offer if not accepted within the period specified in the notice as regards any Shares, will be deemed to be declined as regards those Shares. After the expiration of such period, any Shares deemed to be declined (or actually declined) by the shareholders shall be offered in the proportion aforesaid to the shareholders who have, within the said period, accepted all the Shares offered to them;

9.1.4 pursuant to such offer and further offer made in accordance with this clause 9.1 no fractions of Shares shall be issued and where any shareholder would be entitled to a fraction of a share, the Board shall in its absolute discretion determine how such fractions of Shares shall be allocated amongst the shareholders so as to ensure that only whole Shares are issued;

9.1.5 any Shares not taken up following such offer and further offer made in accordance with this clause 9.1 and any Shares released from the provisions of this clause 9.1 by written consent of a Shareholder Majority shall be under the control of the Board, who may allot Shares or grant Rights to such persons, on such terms, and in such manner as they think fit.

10 Share transfers

10.1 Subject to clauses 10.10, 11 (permitted transfers), 12 (compulsory transfers) or 13 (drag along) any person (hereinafter called "**the proposing transferor**") proposing to transfer any Shares shall give notice in writing (hereinafter called a "**transfer notice**") to the Company that he desires to transfer the same and specifying the price per Share at which he is willing to sell them. The transfer notice shall constitute the Company the agent of the proposing transferor for the sale of all (but not some only) of the Shares comprised in the transfer notice together with all rights then attached thereto to any shareholder(s) willing to purchase the same (hereinafter called "**purchasing members**") at the price specified therein or at the fair value certified in accordance with clause 10.3 (whichever shall be the lower). A transfer notice shall not be revocable except with the sanction of the Board given any time prior to completion of the transfer of the Shares in question, or unless notified in writing to the

~~Company by the proposing transferor not more than three days following receipt by him of notice of the certified fair value of each Share (if relevant) provided such transfer notice has not been served due to a compulsory transfer pursuant to clause 12.~~

- 10.2 The Shares comprised in any transfer notice shall be offered to the shareholders (other than the proposing transferor and any other shareholder who has given or is deemed to have given a transfer notice under this Agreement) as nearly as may be in proportion to the number of Shares held by them respectively. Such offer shall be made by notice in writing (hereinafter called "**the offer notice**") within seven days after the receipt by the Company of the transfer notice. The offer notice shall:
- 10.2.1 state the identity of the proposing transferor, the number of Shares comprised in the transfer notice and the price per Share specified in the transfer notice and inform the shareholders that Shares are offered to them in accordance with the provisions of this clause 10.2;
 - 10.2.2 contain a statement to the effect that the Shares are offered in the first instance in the proportion referred to in the opening sentence of this clause 10.2 but go on to invite each shareholder to state in his reply whether he wishes to purchase more or less Shares than his proportionate entitlement and if so what number; and
 - 10.2.3 state the period in which the offer may be accepted (not being less than twenty-two days or more than forty-two days after the date of the offer notice).

For the purpose of this clause 10 an offer shall be deemed to be accepted (subject to revocation as provided in clause 10.1) on the day on which the acceptance is received by the Company and may, if so specified in the acceptance, be accepted by a shareholder in respect of a lesser number of Shares than his full proportionate entitlement. If all the shareholders do not accept the offer in respect of their respective proportions in full the Shares not so accepted shall be used to satisfy any claims for additional Shares (notified in response to the invitation referred to in clause 10.2.2) as nearly as may be in proportion to the number of Shares already held by the shareholders claiming additional Shares, provided that no shareholder shall be obliged to take more Shares than he shall have applied for. If any Shares shall not be capable of being offered to the shareholders in proportion to their existing holdings, except by way of fractions, the same shall be offered to the relevant shareholders, or some of them, in such proportions as the Board may think fit.

- 10.3 If no price is specified in the transfer notice, then the sale price shall be agreed between the Board and the proposing transferor within 21 days after receipt of the transfer notice. If no such agreement is possible forthwith upon the expiry of such 21 day period the Company shall instruct the Auditors to certify the fair value of the Shares comprised in the transfer notice at the date of that notice and the costs of producing such certificate shall be apportioned among the proposing transferor and the purchasing members (but borne solely by the proposing transferor in the case of any revocation of a transfer notice) and borne by any one or more of them as the Auditors in their absolute discretion shall decide. In certifying the fair value as aforesaid no account shall be taken of the fact (if relevant) that the Shares in question constitute a minority holding. In certifying the fair value the Auditors shall be considered to be acting as expert and not as arbitrator or arbiter and accordingly any provisions of law or statute relating to arbitration shall not apply. Forthwith upon receipt of the certificate of the Auditors, the Company shall by notice in writing inform