

PLACING AGREEMENT
relating to the firm placing and
conditional placing of Ordinary Shares
of LightwaveRF plc

LightwaveRF plc (1)
and
Shore Capital Stockbrokers Limited (2)
and
Shore Capital and Corporate Limited (3)

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Documents in the Agreed Form

- 1 Applications for Admission
- 2 Press Announcement
- 3 Placing Results Announcement
- 4 Verification Notes and Supporting Materials
- 5 Investor Presentation
- 6 Company Placing List
- 7 Share certificates (if required pursuant to clause 6.1(b))

THIS AGREEMENT is dated 16 August 2019

PARTIES:

- (1) **LIGHTWAVERF PLC** (registered in England and Wales No. 06690180) whose registered office is at Birmingham Science Park Aston Faraday Wharf, Holt Street, Birmingham, England, B7 4BB (the "Company"); and
- (2) **SHORE CAPITAL STOCKBROKERS LIMITED** (registered in England and Wales No. 01850105) whose registered office is at Bond Street House, 14 Clifford Street, London W1S 4JU (the "Shore Capital Stockbrokers").
- (3) **SHORE CAPITAL AND CORPORATE LIMITED** (registered in England and Wales No. 02083043) whose registered office is at Bond Street House, 14 Clifford Street, London W1S 4JU ("Shore Capital and Corporate").

THE PARTIES AGREE as follows:

1 DEFINITIONS AND INTERPRETATION

- 1.1 Words defined in Schedule 4 have, where used in this Agreement, the meanings given to them in that Schedule.
- 1.2 In this Agreement, unless the context otherwise requires:
 - (a) a reference to a clause, paragraph or Schedule is to a clause of, paragraph of, or Schedule to, this Agreement;
 - (b) a reference to the singular includes the plural and vice versa, and a reference to any gender includes every gender;
 - (c) a reference to a person includes any person, individual, firm, company, government, state or agency of a state, local or municipal authority, government or regulatory body or any undertaking, joint venture, association or partnership (whether or not having separate legal personality and irrespective of the jurisdiction or law under which it was incorporated or exists);
 - (d) a reference to a company includes any company or body corporate irrespective of the jurisdiction or law under which it was incorporated or exists;
 - (e) the expressions "accounting reference date", "accounting reference period", "allotment", "debenture", "group undertaking", "transfer" and "undertaking" shall have the same meanings in this Agreement as are attributed to them by the Companies Acts;
 - (f) the expressions:
 - (i) "holding company" shall mean a holding company (as defined by section 1159 CA 2006) or a parent undertaking (as defined by section 1162 CA 2006); and
 - (ii) "subsidiary" shall mean a subsidiary (as defined by section 1159 CA 2006) or a subsidiary undertaking (as defined by section 1162 CA 2006) and "subsidiaries" shall be construed accordingly;
 - (g) "includes" or "including" means including without limitation;
 - (h) a reference to a statute or a provision of a statute includes any statutory instrument, regulations or other subordinate legislation made from time to time under that statute or that provision;

- (i) a reference to a statute or a provision of a statute includes any amendment, consolidation, or re-enactment of that statute or that provision in force from time to time and includes any statute or statutory provision which it amends, consolidates or re-enacts; and
 - (j) a reference to the time of day is to London time.
- 1.3 A person shall be deemed to be connected with another if that person is connected with such other within the meaning of section 1122 CTA 2010.
- 1.4 The headings in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.
- 1.5 The Schedules form part of this Agreement and have the same force and effect as if set out in the body of this Agreement. Any reference to this Agreement includes the Schedules.
- 1.6 References to any document in the "**Agreed Form**" means that document in the form of the draft or proof agreed by the Company and the Broker and signed on their behalf for the purposes of identification with such alterations as may subsequently be agreed by them or on their behalf.
- 1.7 Except where the context otherwise requires, "material" and "materially" mean material in the context of the Placing in the reasonable opinion of the Broker.

2 APPOINTMENT OF THE BROKER

- 2.1 The Company irrevocably appoints the Broker (and the Broker hereby accepts such appointment) as its agent to make the Placing on the terms of this Agreement and the Placing Documents.
- 2.2 The appointment in clause 2.1 confers on the Broker on behalf of the Company all powers, authorities and discretions which are necessary for, or reasonably incidental to, such appointment.
- 2.3 The Company will ratify and confirm everything lawfully and properly done by the Broker or any of its agents or delegates in the exercise of the powers, authorities and discretions conferred by this Agreement.
- 2.4 The Company will be solely responsible for the content of the Placing Documents, the Circular and any other press announcements or disclosure documents used in connection with the Placing. The Company agrees with, and acknowledges to, the Broker that the Broker and its professional advisers shall not be responsible to the Company for verifying the accuracy and/or fairness of any information published in the Placing Documents or the Circular or otherwise published by the Company in connection with the Placing.

3 APPLICATIONS FOR ADMISSION

- 3.1 The Company will, through the Broker, make the Applications for Admission.
- 3.2 The Company will use its reasonable endeavours to obtain:
 - (a) First Admission on or before 20 August 2019 (and in any event not later than the First Long Stop Date); and
 - (b) Second Admission on or before 17 October 2019 (and in any event not later than the Second Long Stop Date);

and will, at its own expense, supply or procure to be supplied all such information, give all such undertakings, execute all such documents, pay all such fees and do or procure

to be done all such things as may properly be required by the London Stock Exchange in connection with the Applications for Admission or in order to comply with the AIM Rules, FSMA and MAR.

- 3.3 The Broker will provide the Company with all reasonable assistance in connection with the Applications for Admission.

4 PRESS ANNOUNCEMENT AND CIRCULAR

- 4.1 At or as soon as practicable after 7:00 a.m. on 16 August 2019, the Broker and the Company shall procure the release of the Press Announcement to a Regulatory Information Service.

- 4.2 As soon as practicable following the release of the Press Announcement:

- (a) the Company shall procure delivery to the London Stock Exchange of one copy of the Circular as required by Rule 20 of the AIM Rules;
- (b) the Company shall make the Circular available on its website as required by Rule 20 of the AIM Rules; and
- (c) the Company shall procure the posting of the Circular and the Proxy Forms to the holders of Ordinary Shares and shall convene the Meeting at which the Resolutions are to be proposed.

- 4.3 As soon as practicable following the conclusion of the Meeting, the Company shall, if the Resolutions have been passed, procure that an announcement is released to a Regulatory Information Service which announcement shall state, among other things, that the Resolutions have been duly passed and the Broker's approval shall be required in respect of the form and content of such announcement (such approval not to be unreasonably withheld or delayed).

5 THE PLACING

- 5.1 In carrying out its obligations under this clause 5.1, the Broker is relying on the indemnities, Warranties and undertakings contained in this Agreement.

- 5.2 The Company shall give all such assistance and provide all such information as the Broker may reasonably require for the making and implementation of the Placing and will do (or procure to be done) all such things and execute (or procure to be executed) all such documents as may be necessary or desirable in the reasonable opinion of the Broker to be done or executed by the Company or by its officers, employees or agents in connection with the Placing.

- 5.3 Except where the Company expressly instructs the Broker otherwise, the Broker is entitled to assume that instructions (whether or not in writing and however communicated) have been properly authorised by the Company if they are given by an individual or person who is or purports to be and is reasonably believed by the Broker to be a Director.

- 5.4 As agent for the Company, the Broker will use its reasonable endeavours to procure Placees to subscribe for the Placing Shares. The Placing is not underwritten and therefore the Broker will be under no obligation to subscribe for or make any payment in respect of any Placing Shares for which it is unable to procure Placees. The Broker will consult with the Company as to the identity and proposed allocation of the potential Placees.

- 5.5 Subscriptions for Placing Shares under clauses 5.10 to 5.12 will be made in cash at the Issue Price and otherwise on the terms of this Agreement and the Placing Documents.

Overseas securities laws

- 5.6 The Placing Shares have not been and will not be registered under the Securities Act and each of the Broker and the Company undertakes to the other that it will not offer or sell any of the Placing Shares within the US or to, or for the account or benefit of, any US Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.
- 5.7 The Company warrants and undertakes to the Broker that:
- (a) neither it nor any affiliate (as defined in Rule 501(b) under the Securities Act), nor any person acting on its or their behalf, has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with any offer or sale of the Placing Shares in the United States; and
 - (b) neither it nor any affiliate (as defined in Rule 405 under the Securities Act), nor any person acting on its or their behalf, has engaged or will engage in any directed selling efforts (as defined in Regulation S) with respect to the Placing Shares.
- 5.8 The Company will not allot any of the Placing Shares under the Placing in circumstances where such allotment would constitute a breach of applicable overseas securities laws and the Broker shall not do any act or thing which would constitute a breach of applicable overseas securities laws.

No offer to the public

- 5.9 The Broker and the Company may only offer or sell any Placing Shares in the United Kingdom before First Admission (in respect of the Firm Placing Shares) and Second Admission (in respect of the Conditional Placing Shares) becomes effective:
- (a) to Qualified Investors; or
 - (b) otherwise in circumstances which will not result in an offer of transferable securities to the public within the meaning of section 102B of FSMA.

Bookbuild

- 5.10 Following completion of the Bookbuild (having regard to the consultation provision contained in clause 5.4 above), by no later than 5:30pm on 16 August 2019 (or such later time as the parties may agree), the Company and the Broker shall agree in writing:
- (a) the allocation of Firm Placing Shares and Conditional Placing Shares to the Placees;
 - (b) the final aggregate number of Placing Shares; and
 - (c) the proceeds of the Placing due to the Company (before Expenses),
- following which:
- (d) the Broker shall notify the Company and the Registrars of the names and addresses of the:
 - (i) Firm Placees procured by it to subscribe for Firm Placing Shares specifying those Firm Placing Shares which are to be Certificated Shares and those which are to be Uncertificated Shares and, with respect to the latter, specifying the participant ID and member account ID of the CREST account of the Broker (or other such person as the Broker shall nominate)

to which such shares are to be credited to be held as nominee for such Firm Places; and

- (ii) Conditional Places procured by it to subscribe for Conditional Placing Shares specifying those Conditional Placing Shares which are to be Certificated Shares and those which are to be Uncertificated Shares and, with respect to the latter, specifying the participant ID and member account ID of the CREST account of the Broker (or other such person as the Broker shall nominate) to which such shares are to be credited to be held as nominee for such Conditional Places; and
- (e) the Company shall release promptly the Placing Results Announcement through a Regulatory Information Service and in any event by not later than 8:00am on the Business Day following the date of the Press Announcement (or such later time as the parties may agree in writing).

Allotment of Firm Placing Shares

- 5.11 As soon as practicable following receipt of the notification from the Broker referred to in clause 5.10(d)(i) above, the Company will allot by a resolution of the Directors of the Company (or duly authorised committee thereof), conditionally only on First Admission, the Firm Placing Shares for cash at the Issue Price and otherwise on the terms of this Agreement to the Firm Places.

Allotment of Conditional Placing Shares

- 5.12 As soon as practicable following receipt of the notification from the Broker referred to in clause 5.10(d)(ii) above and the passing at the Meeting of the Resolutions by the relevant majorities, the Company will allot by a resolution of the board of Directors of the Company (or duly authorised committee thereof), conditionally only on Second Admission, the Conditional Placing Shares for cash at the Issue Price and otherwise on the terms of this Agreement to the Conditional Places.

6 SETTLEMENT

- 6.1 The Company shall procure that:

- (a) each person to whom:
 - (i) Firm Placing Shares are allotted pursuant to clause 5.11; and
 - (ii) Conditional Placing Shares are allotted pursuant to clause 5.12,is registered as the holder of such shares (without registration fee) as soon as practicable following First Admission (in respect of the Firm Placing Shares) and Second Admission (in respect of the Conditional Placing Shares); and
- (b) definitive share certificates (in Agreed Form) which the Broker has notified the Company are to be issued in certificated form are despatched by the Registrars as soon as practicable and in any event by no later than the date stated in the Placing Results Announcement (in respect of the Placing Shares).

- 6.2 The Placing Shares will be allotted and issued fully paid:

- (a) subject to the articles of association of the Company and the terms and conditions set out in the Placing Documents (in respect of the Placing); and
- (b) on terms that they will, when issued, rank *pari passu* in all respects with the Ordinary Shares then in issue including the right to receive all dividends and other distributions declared, paid or made after First Admission (in respect of the Firm

Placing Shares) and Second Admission (in respect of the Conditional Placing Shares) on the ordinary share capital of the Company,

together with all rights attaching to them and free from all liens, charges and encumbrances of any kind.

- 6.3 In the event that there is a failure within the CREST system on the day of First Admission (in respect of the Firm Placing Shares) or Second Admission (in respect of the Conditional Placing Shares), the Company shall procure that definitive share certificates in the names of such persons entitled to such shares as the Broker shall specify in respect of the Firm Placing Shares and/or the Conditional Placing Shares (as appropriate) are despatched to those persons as soon as practicable after First Admission (in respect of the Firm Placing Shares) and Second Admission (in respect of the Conditional Placing).
- 6.4 The Broker shall hold the Placing Shares (in uncertificated form) pursuant to this clause 6 in its CREST account as notified to the Company on trust for the Placees of such Placing Shares, until the transfer of legal title to the Placees has been effected through CREST.
- 6.5 The Company confirms that it has instructed the Registrars to act in such capacity in connection with the Placing and will provide them with all necessary authorisations and information to enable the Registrars to perform their duties in connection with the Placing as contemplated by this Agreement, the Placing Documents, the Circular and any agreements between the Company and the Registrars.

Payment of proceeds

- 6.6 As soon as reasonably practicable after:
- (a) First Admission and in any event by no later than the Business Day after the date of First Admission, subject to the Company complying with its obligations under clauses 6.1 and 6.3, the Broker will pay to the Company a sum representing the aggregate Issue Price of the Firm Placing Shares subscribed by or acquired by the Firm Placees and in respect of which the Broker has received proceeds in full from the respective Firm Placees less the amounts deducted by the Broker in accordance with clauses 7.4 and 7.6 as the Broker may determine and less the fees of BPE Solicitors LLP in the sum of £50,923.04 which the Broker will remit to such account as BPE Solicitors LLP shall have notified to the Broker; and
 - (b) Second Admission and in any event by no later than the Business Day after the date of Second Admission, subject to the Company complying with its obligations under clauses 6.1 and 6.3, the Broker will pay to the Company a sum representing the aggregate Issue Price of the Conditional Placing Shares subscribed by the Conditional Placees and in respect of which the Broker has received proceeds in full from the respective Conditional Placees less the amounts deducted by the Broker in accordance with clauses 7.5 and 7.6 as the Broker may determine and less the fees of BPE Solicitors LLP in the sum of £18,000.00 which the Broker will remit to such account as BPE Solicitors LLP shall have notified to the Broker.
- 6.7 The payments referred to in clause 6.6 will be made in cleared funds available on the relevant day to the following account:



- 6.8 Payment under this clause 6 will constitute a complete discharge for the Broker of its obligations under clause 5.4 of this Agreement (save that the Broker will continue to use

its reasonable endeavours to pursue Placees for any late payments in respect of Placing Shares subscribed for pursuant to the Placing).

7 COMMISSIONS, FEES AND EXPENSES

Commissions and fees

7.1 Subject to clauses 11.3 and 11.6, the Company will pay to the Broker:

- (a) a commission of:
 - (i) five per cent. of the gross proceeds raised under the Firm Placing in respect of Broker Placees; and
 - (ii) one per cent. of the gross proceeds raised under the Firm Placing in respect of Company Placees; and
 - (iii) five per cent. of the gross proceeds raised under the Conditional Placing in respect of Broker Placees; and
 - (iv) one per cent. of the gross proceeds raised under the Conditional Placing in respect of Company Placees;
- (b) a corporate finance fee of £55,000 plus VAT (in accordance with clause 3.1.3 of the Broker's Engagement Letter); and
- (c) the Expenses referred to in clause 7.3 below.

For the avoidance of doubt, the Broker shall not be entitled to commission on gross proceeds which are raised under the Firm Subscription or the Conditional Subscription.

Expenses

- 7.2 All Expenses will be paid by the Company.
- 7.3 The Company will promptly on the Broker's request reimburse the Broker the amount of any Expenses which the Broker has paid or incurred on behalf of the Company as evidenced by appropriate receipts/invoices, including the Broker's legal fees (subject to any cap or limit set out in the Broker's Engagement Letter).

Payment of commissions, fees and expenses

- 7.4 The commissions referred to in clauses 7.1(a)(i) and 7.1(a)(ii) and the expenses referred to in clause 7.1(c) (unless deducted from the Firm Placing proceeds in accordance with clauses 6.6(a) and 7.6) will be paid on the day the Broker makes payment under clause 6.6(a) (or, if earlier and, if appropriate, on the Business Day immediately following the day on which this Agreement determines in accordance with clause 11.3), in all cases for value on the relevant day.
- 7.5 The commissions referred to in clauses 7.1(a)(iii) and 7.1(a)(iv) and the corporate finance fee referred to in clause 7.1(b) (unless deducted from the Conditional Placing proceeds in accordance with clauses 6.6(b) and 7.6) will be paid on the day the Broker makes payment under clause 6.6(b) for value on the relevant day.
- 7.6 The Broker will be entitled to deduct from the amount payable by it to the Company pursuant to clause 6.6 all commissions and Expenses payable by the Company (other than those Expenses which are being met directly by the Company) provided always that the commissions referred to in clauses 7.1(a)(iii) to 7.1(a)(iv) and the corporate finance fee referred to in clause 7.1(b) will only be deducted from the proceeds of the Conditional Placing.

VAT

- 7.7 Where, pursuant to any provision of clauses 7.1 to 7.3, a sum (a "**Relevant Sum**") is to be paid or reimbursed to the Broker in respect of any cost or expense paid or incurred by the Broker and that cost or expense includes an amount in respect of value added tax (the "**VAT Element**"), the Company will pay an amount to the Broker in respect of the VAT Element determined as follows:
- (a) if the Relevant Sum constitutes for value added tax purposes payment to the Broker for the supply by it of goods or services to the Company, a sum equal to the proportion of the VAT Element that the Broker certifies as representing irrecoverable input tax in the hands of the Broker, that certificate to be conclusive except in the case of manifest error; and
 - (b) if the Relevant Sum constitutes for value added tax purposes the reimbursement of a cost or expense incurred by the Broker as agent for the Company, a sum equal to the whole of the VAT Element,

and where a sum equal to the VAT Element has been reimbursed to the Broker under clause 7.7(b) above, the Broker will provide the Company with a VAT invoice in respect of the supply to which the Relevant Sum relates, naming the Company as the recipient of the supply and issued either by the Broker or, if the Broker has treated the relevant cost or expense as a disbursement for value added tax purposes, by the person making the supply.

- 7.8 If the performance by the Broker of any of its obligations under this Agreement represents for value added tax purposes the making by the Broker of any supply of goods or services to the Company that is taxable at a positive rate, the Company will pay to the Broker, in addition to the amounts otherwise payable by the Company to the Broker pursuant to this Agreement, an amount equal to the value added tax chargeable on any supply, that payment to be made within 14 days of the Broker's request and against production by the Broker of a VAT invoice.

8 WARRANTIES AND UNDERTAKINGS

Warranties

- 8.1 The Company warrants to the Broker in the terms set out in Schedule 1 at the date of this Agreement and at all times during the period prior to Second Admission as if repeated by reference to the facts and circumstances at all such times.
- 8.2 Where any Warranty is expressed to be qualified by reference to the awareness and/or knowledge and/or information and/or belief of any person or words to similar effect, it is deemed to include a statement to the effect that the Warranty has been made after such person making, or after such person being satisfied that there have been made by others properly qualified to do so, all such enquiries and investigations as could reasonably be expected to be made by such person in the context of the Placing.
- 8.3 The Company accepts that the Broker is entering into this Agreement in reliance upon each of the Warranties.
- 8.4 The Broker will not be entitled to make a claim under the Warranties unless it shall have given written notice thereof to the Company on or before the date that is three months after the publication of the interim accounts of the Group for the period ending 31 March 2020.

Undertakings

- 8.5 The Company will make reasonable enquiries (including enquiries of the Directors) during the period prior to Second Admission to ascertain whether any of the Warranties has become or is likely to become untrue, inaccurate or misleading. If the Company becomes aware that any of the Warranties was or may have been when given, or has become or is likely to become, untrue, inaccurate or misleading in any respect by reference to the facts or circumstances from time to time subsisting, it will notify the Broker immediately.
- 8.6 The Company will notify the Broker immediately of any event which may cause any of the Conditions not to be capable of being satisfied in accordance with its terms and following any such event the Company will make such announcement to a Regulatory Information Service as the Broker may reasonably determine.
- 8.7 Provided that the Broker remains the Company's nominated adviser or broker at that time, the Company will not, and will procure that no Group Company will, between the date of this Agreement and the date falling twelve months after Second Admission (or if Second Admission does not occur, First Admission), enter into, or incur any obligation to make, any commitment or agreement, or put itself in a position where it is obliged to announce that any commitment or agreement may be entered into or made, which in either case is or might be material in the context of the Placing without the prior written approval of the Broker (such approval not to be unreasonably withheld or delayed).
- 8.8 The Broker shall be entitled to make for itself or on behalf of any Indemnified Person any announcement concerning the Placing as may, in its reasonable opinion, be necessary in order to comply with section 397 of FSMA.
- 8.9 The Company undertakes to and covenants with the Broker that it will not take any action or omit to take any action which may, in the reasonable opinion of the Broker having taken legal advice:
- (a) jeopardise:
 - (i) the Company being a qualifying company under Part 5 of the Income Tax Act 2007 (Enterprise Investment Scheme); or
 - (ii) the general requirements in Chapter 3 of Part 5 of the Income Tax Act 2007 being met in respect of the Qualifying EIS Shares, or
 - (b) result in the EIS income tax relief under Part 5 of the Income Tax Act 2007 claimed in respect of the Qualifying EIS Shares being withdrawn.
- 8.10 The Company undertakes to and covenants with the Broker that it will not take any action or omit to take any action which may, in the reasonable opinion of the Broker having taken legal advice:
- (a) jeopardise applicable Placing Shares being treated as a qualifying holding under Part 6 of the Income Tax Act 2007 (Venture Capital Trusts); or
 - (b) result in the VCT income tax relief under Part 6 of the Income Tax Act 2007 claimed in respect of applicable Placing Shares being withdrawn.

9 INDEMNITY

General indemnity

- 9.1 The Company hereby unconditionally and irrevocably agrees, as a continuing obligation, to indemnify and keep indemnified each Indemnified Person, to the fullest extent permitted by law, from and against all Liabilities which that Indemnified Person may suffer or incur in any jurisdiction which arise out of or in connection with, directly or indirectly,

the Placing. These include (without limitation) any Liabilities which arise, directly or indirectly, out of or in connection with:

- (a) the issue, publication, approval or content of any of the Placing Documents and the Circular and any such document not containing, or being alleged not to contain, all the information required to be contained therein by any law or regulation or any statement in such document being, or being alleged to be, untrue, incorrect, incomplete or misleading; or
- (b) the breach, or alleged breach, by the Company (and/or, in the case of clause 9.1(b)(ii), any Director) of:
 - (i) any of the Warranties or any other obligation of the Company contained in this Agreement; or
 - (ii) FSMA, the Companies Acts, the AIM Rules, the CREST Regulations, MAR, or any other laws or regulations (whether of governmental or regulatory bodies or otherwise) of any jurisdiction which are relevant or applicable to the Placing or the performance of this Agreement; or
- (c) the allotment and issue of the Placing Shares; or
- (d) the provision by an Indemnified Person of services to the Company in connection with the Placing; or
- (e) the Broker's role as nominated adviser pursuant to the AIM Rules and its Nominated Adviser Agreement with the Company; or
- (f) the making or implementation of the Placing.

9.2 The indemnities in clause 9.1 do not extend to any Liabilities to the extent that:

- (a) they arise from the gross negligence, fraud or wilful default of an Indemnified Person; or
- (b) they arise from a material breach by the Broker of its obligations under this Agreement or the Broker's Engagement Letter; or
- (c) they arise from a breach by an Indemnified Person of its duties or obligations under FSMA or the regulatory system as defined in the rules and regulations of the FCA (or, where applicable, the PRA), MAR or under any other requirements of law or regulation relating to the Placing; or
- (d) such indemnities are prohibited by Rule 2.1.2R of the Conduct of Business Sourcebook ("COBS") of the FCA Handbook or otherwise by applicable law.

Conduct and settlement

9.3 If the Broker becomes aware of any actual or potential Claim which may give rise to a Liability on the part of the Company under clause 9.1, the Broker shall promptly give written notice to the Company together with reasonable details of the nature of such Claim (provided that the failure by the Broker to so notify the Company shall not relieve the Company from the obligation to indemnify the Indemnified Person). The Broker and any relevant Indemnified Person will, to the extent reasonable and practicable in the circumstances, and subject to any requirement imposed by an insurer of the Broker or the relevant Indemnified Person, consult with the Company and keep the Company informed in relation to any Claim under clause 9.1 including allowing the Company and/or its professional advisers access to all relevant documents (provided that the Broker and any relevant Indemnified Person shall be under no obligation to provide the Company with a copy of any document which is or may be privileged in the context of any such action or claim).

- 9.4 Subject always to any requirement imposed by an insurer of the Company, the Company will not, without the prior written consent of the Broker (not to be unreasonably withheld or delayed), settle or compromise or consent to the entry of any judgment with respect to any Claim in respect of which a Claim may be brought by an Indemnified Person under clause 9.1 where an Indemnified Person is an actual or potential party to such Claim unless such settlement, compromise or consent includes an unconditional release of such Indemnified Person from all Liabilities arising out of or in connection with such Claim.

Gross-up

- 9.5 The Company undertakes with each Indemnified Person that:
- (a) if HM Revenue and Customs or any other Taxation Authority in any jurisdiction brings into any charge to Tax any sum payable under the indemnities contained in clause 9.1 then, save to the extent that such Tax is included in the sum payable under the indemnity, the amount so payable will be increased by such amount as will ensure that the person to whom payment is made will retain, after deduction of the Tax so chargeable, the amount it would have retained had no such Tax been payable;
 - (b) all sums payable under clause 9.1 will be paid in full, free and clear of all deductions or withholdings, unless the deduction or withholding is required by law, in which event the Company will pay such additional amount as will be required to ensure that the person to whom payment is made will receive the net amount equal to the full amount which would have been received by it had not such deduction or withholding been made; and
 - (c) if, following such payment, the recipient receives and is entitled to keep a Tax credit, the recipient shall repay to the Company such amount as shall ensure that the recipient is in no better or worse position than if no payment had been required under clause 9.5(b).

Claims against an Indemnified Person

- 9.6 The Company will procure that no Claim will be made by any Group Company against any Indemnified Person to recover any Losses which any Group Company may suffer or incur arising out of or in connection with the Placing or the performance by the Broker of its obligations or services under this Agreement save to the extent that such Losses result from:
- (a) the gross negligence, fraud or wilful default of an Indemnified Person; or
 - (b) a material breach by the Broker of its obligations under this Agreement; or
 - (c) a breach by an Indemnified Person of its duties or obligations under FSMA or the regulatory system as defined in the rules and regulations of the FCA (or, where applicable, the PRA), MAR, or under any other requirements of law or regulation relating to the Placing.

10 CONDITIONS TO PLACING

Conditions to Firm Placing

- 10.1 The obligations of the Broker under clauses 5 and 6 in respect of the Firm Placing are conditional upon:
- (a) the Company delivering to the Broker the documents listed in Schedule 2 by not later than the date of this Agreement;

- (b) the Press Announcement having been released to a Regulatory Information Service by not later than 7:30 a.m. on 16 August 2019 (or as soon as reasonably practicable thereafter);
 - (c) the Placing Results Announcement having been released to a Regulatory Information Service by not later than 8:00 a.m. on the Business Day following the date of the Press Announcement (or as soon as reasonably practicable thereafter);
 - (d) the Company delivering to the Broker on the day prior to the expected date of First Admission (and by no later than 5:00 p.m. on that day) a certificate in the form set out in Schedule 3;
 - (e) the Application for Admission in respect of the Firm Placing Shares having been submitted to the London Stock Exchange by not later than 5:00 p.m. on the third Business Day prior to the expected date of First Admission;
 - (f) the Company allotting the Firm Placing Shares, prior to and conditional only on First Admission, in accordance with the terms of this Agreement;
 - (g) First Admission taking place by not later than the First Long Stop Date; and
 - (h) the Broker not having terminated this Agreement in accordance with clause 11.1.
- 10.2 The Broker will be entitled, in its absolute discretion and on such terms as it thinks appropriate, to waive fulfilment, in whole or in part, of any or all of the Firm Placing Conditions (to the extent permitted by law or regulations) by giving notice in writing to the Company.
- 10.3 The Broker and the Company may agree in writing to extend the time and/or date by which any of the Firm Placing Conditions are required to be fulfilled to no later than the First Long Stop Date.
- 10.4 The Company will use all reasonable endeavours to procure that each of the Firm Placing Conditions is fulfilled by the time and/or date referred to therein or by such later time and/or date (if any) as may be agreed by the Broker pursuant to clause 10.3. For the purposes of the condition set out in clause 10.1(d), the Company shall make due and careful enquiries to ensure that the confirmations given in its certificate are true, accurate and not misleading.
- 10.5 If the time for fulfilment or waiver of any of the Firm Placing Conditions is extended pursuant to clause 10.3, references in this Agreement to the time specified for the fulfilment of a Firm Placing Condition are to the time as so extended.

Conditions to Conditional Placing

- 10.6 The obligations of the Broker under clauses 5 and 6 in respect of the Conditional Placing are conditional upon:
- (a) the Circular being sent to the London Stock Exchange in accordance with Rule 20 of the AIM Rules;
 - (b) the Company complying with its obligations under clause 4 and the AIM Rules as to the publication and availability of the Circular;
 - (c) the posting of the Circular and the Proxy Forms in accordance with clause 4;
 - (d) the Panel Waiver being granted by the Panel;

- (e) the passing without amendment (or with such amendments as the Broker may agree) of the Resolutions at the Meeting on or before 16 October 2019 (or such other date as the Broker may agree);
 - (f) the Company allotting the Conditional Placing Shares as soon as reasonably practicable after the passing of the Resolutions, conditional only on Second Admission, in accordance with the terms of this Agreement;
 - (g) the Company delivering to the Broker on the day prior to the expected date of Second Admission (and by no later than 5:00 p.m. on that day) a certificate in the form set out in Schedule 3;
 - (h) First Admission having taken place prior to the date of Second Admission;
 - (i) Second Admission taking place by not later than the Second Long Stop Date;
 - (j) the Application for Admission in respect of the Conditional Placing Shares having been submitted to the London Stock Exchange by not later than 5:00 p.m. on the third Business Day prior to the expected date of Second Admission; and
 - (k) the Broker not having terminated this Agreement in accordance with clause 11.4.
- 10.7 To the extent permitted by law or regulations, the Broker will be entitled, in its absolute discretion and on such terms as it thinks appropriate, to waive fulfilment, in whole or in part, of any or all of the Conditional Placing Conditions by giving notice in writing to the Company.
- 10.8 The Broker and the Company may agree in writing to extend the time and/or date by which any of the Conditional Placing Conditions are required to be fulfilled to no later than the Second Long Stop Date.
- 10.9 The Company will use all reasonable endeavours to procure that each of the Conditional Placing Conditions is fulfilled by the time and/or date referred to therein or by such later time and/or date (if any) as may be agreed by the Broker pursuant to clause 10.8. For the purposes of the conditions set out in clause 10.6, the Company shall make due and careful enquiries to ensure that the confirmations given in its certificate are true, accurate and not misleading.
- 10.10 If the time for fulfilment or waiver of any of the Conditional Placing Conditions is extended pursuant to clause 10.8, references in this Agreement to the time specified for the fulfilment of a Conditional Placing Condition is to the time as so extended.
- 10.11 The Broker shall comply with its obligations under clause 5.4 pending satisfaction of the Firm Placing Conditions and the Conditional Placing Conditions.

11 TERMINATION

Termination of this Agreement prior to First Admission

- 11.1 If, at any time before First Admission, the Broker becomes aware that any of the events described in clause 11.2 have occurred, it may in its absolute discretion terminate this Agreement, notice of such termination to be then communicated as soon as is practicable to any Director, and the provisions of clause 11.3 will apply.
- 11.2 The events which will entitle the Broker to terminate this Agreement in respect of its obligations relating to the placing of the Firm Placing Shares under clause 11.1 are:
- (a) any of the Warranties or any statement made in any of the Placing Documents or the Circular being untrue, inaccurate or misleading in any material respect when made or becoming untrue, inaccurate or misleading in any material respect

by reference to the facts and circumstances existing from time to time or any matter arising which might reasonably be expected to give rise to a Claim under clause 9 which individually or collectively the Broker (acting reasonably) considers to be material and adverse in the context of the Placing; or

- (b) a material breach or material breaches by the Company of any of its obligations under this Agreement (to the extent such obligations fall to be performed prior to First Admission) which individually or collectively the Broker (acting reasonably) considers to be material and adverse in the context of the Placing; or
- (c) any material adverse change in the context of the Placing, whether or not foreseeable at the date of this Agreement, in, or any development involving a prospective material adverse change in or affecting, the condition, financial or otherwise, or the earnings or business affairs or business prospects of the Group, whether or not arising in the ordinary course of business; or
- (d) any of the following:
 - (i) the suspension of trading in securities generally on the London Stock Exchange or trading is limited or minimum prices established on the London Stock Exchange; or
 - (ii) the declaration of a banking moratorium in London or any material disruption to commercial banking or securities settlement or clearance services in the UK; or
 - (iii) any change, or development involving a prospective change, in national or international financial, economic, political, industrial or market conditions or currency exchange rates or exchange controls, or any incident of terrorism or outbreak or escalation of hostilities or any declaration by the UK or the US of a national emergency or war or any other calamity or crisis,

which events described in clause 11.2(d) above the Broker in its reasonable opinion considers to be likely to have an adverse effect on the financial or trading position or the business or prospects of the Group which is material in the context of Group as a whole or which renders the Placing impracticable or inadvisable.

Consequences of failure to complete

11.3 If any of the Firm Placing Conditions has not been fulfilled (or waived by the Broker pursuant to clause 10.2) in all respects on or before the time and/or date specified in clause 10.3 or become incapable of being satisfied, or this Agreement is terminated in accordance with clause 11.1, then this Agreement will immediately cease and determine and:

- (a) no party to this Agreement will have any claim against any other party, except for accrued rights or obligations under this Agreement;
- (b) the Company will forthwith pay to the Broker the Expenses that are payable by it in accordance with clause 7.3 but the commissions referred to in clause 7.1(a)(i) to (iv) (inclusive) and the corporate finance fee referred to in clause 7.1(b) above shall not be payable;
- (c) the Applications for Admission will be withdrawn and the parties will procure that First Admission will not become effective and, if so requested by the Broker, the Company shall make a press announcement in a form reasonably required by the Broker;
- (d) any monies received from Placees will be returned; and

- (e) the provisions of clauses 1 (*definitions and interpretation*), 7 (*commissions, fees and expenses*) (subject to this clause 11.3), 9 (*indemnity*), 12 (*notices*), 13 (*general*) and 14 (*governing law and jurisdiction*) will remain in full force and effect.

Termination of this Agreement prior to Second Admission

- 11.4 If, at any time following First Admission but prior to Second Admission, the Broker becomes aware that any of the events described in clause 11.5 have occurred, it may in its absolute discretion terminate this Agreement in respect of its obligations relating to the placing of the Conditional Placing Shares, notice of such termination to be then communicated as soon as is practicable to any Director, and the provisions of clause 11.6 will apply.
- 11.5 The events which will entitle the Broker to terminate this Agreement in respect of its obligations relating to the placing of the Conditional Placing Shares under clause 11.4 are:
 - (a) any of the Warranties or any statement made in any of the Placing Documents or the Circular being untrue, inaccurate or misleading in any material respect when made or becoming untrue, inaccurate or misleading in any material respect by reference to the facts and circumstances existing from time to time or any matter arising which might reasonably be expected to give rise to a Claim under clause 9 which individually or collectively the Broker (acting reasonably) considers to be material and adverse in the context of the Placing; or
 - (b) a material breach or material breaches by the Company of any of its obligations under this Agreement (to the extent such obligations fall to be performed prior to Second Admission) which individually or collectively the Broker (acting reasonably) considers to be material and adverse in the context of the Placing; or
 - (c) any material adverse change in the context of the Placing, whether or not foreseeable at the date of this Agreement, in, or any development involving a prospective material adverse change in or affecting, the condition, financial or otherwise, or the earnings or business affairs or business prospects of the Group, whether or not arising in the ordinary course of business; or
 - (d) any of the following:
 - (i) the suspension of trading in securities generally on the London Stock Exchange or trading is limited or minimum prices established on the London Stock Exchange; or
 - (ii) the declaration of a banking moratorium in London or any material disruption to commercial banking or securities settlement or clearance services in the UK; or
 - (iii) any change, or development involving a prospective change, in national or international financial, economic, political, industrial or market conditions or currency exchange rates or exchange controls, or any incident of terrorism or outbreak or escalation of hostilities or any declaration by the UK or the US of a national emergency or war or any other calamity or crisis,

which events described in clause 11.5(d) above the Broker in its reasonable opinion considers to be likely to have an adverse effect on the financial or trading position or the business or prospects of the Group which is material in the context of Group as a whole or which renders the placing of the Conditional Placing Shares impracticable or inadvisable.

Consequences of failure to complete

- 11.6 If any of the Conditional Placing Conditions have not been fulfilled (or waived by the Broker pursuant to clause 10.7) in all respects on or before the time and/or date specified in clause 10.8 or become incapable of being satisfied, or this Agreement in respect of the placing of the Conditional Placing Shares is terminated in accordance with clause 11.4, then the obligations of the Broker under this Agreement in respect of the Conditional Placing will immediately cease and determine and:
- (a) no party to this Agreement will have any claim against any other party, except for accrued rights or obligations under this Agreement;
 - (b) the Company will forthwith pay to the Broker, in the case of termination pursuant to clauses 11.2(a) and 11.2(b) only, the corporate finance fee referred to in clause 7.1(b) above (together with any applicable VAT) but the commissions referred to in clauses 7.1(a)(iii) to 7.1(a)(iv) (inclusive) above shall not be payable;
 - (c) the Application for Admission in respect of Second Admission will be withdrawn and the parties will procure that Second Admission will not become effective and, if so requested by the Broker, the Company shall make a press announcement in a form reasonably required by the Broker;
 - (d) any monies received from Conditional Placees in respect of the Conditional Placing Shares will be returned; and
 - (e) the provisions of clauses 1 (*definitions and interpretation*), 7 (*commissions, fees and expenses*) (subject to this clause 11.6), 9 (*indemnity*), 12 (*notices*), 13 (*general*) and 14 (*governing law and jurisdiction*) will remain in full force and effect.

12 NOTICES

- 12.1 Any notice, claim or demand to be given or made under this Agreement shall be in writing signed by or on behalf of the person giving it and shall be delivered personally by hand (on any Director) or sent by first class mail, prepaid recorded or special delivery mail, air mail (confirmed by first class mail, recorded or special delivery mail or air mail) to its registered office for the time being.
- 12.2 A notice shall be deemed to have been duly given or made as follows:
- (a) if personally delivered or posted by recorded or special delivery mail, at the time of delivery;
 - (b) if posted by first class mail, at 10:00 a.m. on the second Business Day after the date of posting; and
 - (c) if posted by air mail at 10:00 a.m. on the fifth Business Day after the date of posting;
- provided that in relation to (a) and (d) above, in any case where delivery occurs outside normal business hours of 9:00 a.m. and 5:00 p.m., the notice shall be deemed to have been received at 10:00 a.m. on the next following Business Day.
- 12.3 For the avoidance of doubt, any notice, claim or demand to be given under this Agreement shall not be validly served if sent by electronic mail.
- 12.4 A party may change its notice details on giving notice to the other parties of the change in accordance with this clause 12 provided that such notice shall only be effective on the date falling five Business Days after notice of any such change has been given or such later date (if any) specified in the notice.

13 GENERAL

- 13.1 This Agreement, and any documents referred to in it, constitutes the whole agreement between the parties in connection with the Placing and supersedes and extinguishes any arrangements, understandings or previous agreements or drafts and all previous discussions, correspondence and negotiations between them, whether written or oral, relating to the subject matter they cover.
- 13.2 No purported variation of this Agreement shall be effective unless it is in writing and is duly executed by each party.
- 13.3 This Agreement may be entered into in the form of two or more counterparts each executed by one or more of the parties but, taken together, they shall constitute one and the same instrument.
- 13.4 This Agreement is binding on and enures for the benefit of the successors, assigns or legal personal representatives of the parties and each Indemnified Person.
- 13.5 The benefit of all or any of any party's obligations or any benefit arising under or out of this Agreement shall not be assignable by that party without the prior written consent of the other party.
- 13.6 Except as provided in this clause, no term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999. Each Indemnified Person will have the right under that Act to enforce its rights against the Company under clause 9 provided that:
- (a) the Broker may, by agreement in writing with the Company, vary any of the rights conferred on any other Indemnified Person under clause 9 (without requiring the consent of any such Indemnified Person) and the Broker will be liable to any such Indemnified Person for any of the Broker's acts or omissions under clause 9; and
 - (b) the Broker will have discretion in deciding whether or not to enforce an Indemnified Person's rights under clause 9 and in determining the terms and conditions of such enforcement.
- 13.7 No failure by any party or Indemnified Person to exercise any right or remedy under any provision of this Agreement will operate as a waiver and no single or partial exercise of any right or remedy of any party or Indemnified Person will preclude the further exercise or enforcement of any such right or remedy.
- 13.8 If any provision of this Agreement is or becomes illegal, invalid or unenforceable under the law of any jurisdiction, neither the legality, validity nor enforceability of the remaining parts of this Agreement will be affected or impaired in any way.
- 13.9 The indemnities, warranties and undertakings in this Agreement are in addition to and are not to be construed to limit, affect or prejudice, any other right or remedy available to any person.
- 13.10 If the Company has entered into or enters into any agreement or arrangement with any adviser for the purpose of, or in connection with, the Placing and the terms of which provide that the liability of the adviser to the Company or any other person is excluded or limited in any manner and the Broker or any other Indemnified Person may have joint and/or several liability with such adviser to the Company or to any other person arising out of the performance of its duties under this Agreement then the Company will:
- (a) not be entitled to recover any amounts from the Broker or any other Indemnified Person in excess of what would have been the net amount of such person's liability in the absence of such exclusion or limitation; and

(b) indemnify the Broker and/or any other Indemnified Person in respect of any increased liability to any third party which would not have arisen in the absence of such exclusion or limitation.

13.11 The Broker will not be required to place or to procure that there are placed on deposit any sums of money received by it or any of its agents for the Placing Shares.

14 GOVERNING LAW AND JURISDICTION

14.1 This Agreement and any and all matters (including any contractual or non-contractual obligation) arising out of or in connection with this Agreement, its subject matter or formation shall be governed by and construed in accordance with English law.

14.2 The parties irrevocably submit to the exclusive jurisdiction of the English courts for all purposes relating to this Agreement, its subject matter or formation.

Schedule 1

Warranties

1 THE PLACING DOCUMENTS AND THE CIRCULAR

- 1.1 All statements of fact in the Placing Documents and the Circular are true and accurate in all material respects and not misleading in any material respect. All statements, forecasts, estimates and expressions of opinion, belief, intention and expectation contained in the Placing Documents and the Circular are fairly and honestly given, expressed or held and have been made on reasonable grounds after due and proper consideration and are reasonably based on facts known to the Company.
- 1.2 There are no facts, matters or circumstances known, or which could on reasonable enquiry by the Company have been known, to the Company which are not disclosed in the Placing Documents and the Circular and which by their omission would or might reasonably be considered to:
- (a) be likely to affect the import of the information contained therein in any material respect; or
 - (b) make any statement therein (whether of fact or opinion) inaccurate or misleading in any material respect; or
 - (c) invalidate or qualify in any material respect any assumption made in support of any statement therein (whether of fact or opinion); or
 - (d) be material for disclosure to the Broker in relation to the Placing or a potential subscriber for any of the Placing Shares.

2 DISCLOSURE

- 2.1 All factual information supplied to the Broker for the purposes of the Placing (including, without limitation, the certificate(s) from the Company in the form set out in Schedule 3) was when given and remains true and accurate in all material respects and not incomplete or misleading in any material respect and all statements, forecasts, estimates and expressions of opinion, belief, intention and expectation so supplied are fairly and honestly given, expressed or held and have been made on reasonable grounds after due and proper consideration and are reasonably based on facts known to the Company.
- 2.2 So far as the Company is aware, having made all reasonable enquiries, there is no information other than that contained in the Press Announcement which the Company is required by the AIM Rules or FSMA to publish, whether to correct a misleading impression as to the market in or the price or value of the Ordinary Shares or to avoid behaviour which could constitute market abuse (for the purposes of MAR) or which is otherwise relevant to the London Stock Exchange in considering the Applications for Admission.

3 FINANCIAL RECORDS

- 3.1 Save as disclosed or stated in them, the Accounts:
- (a) have been prepared in accordance with all relevant statutes and under the historical cost convention and comply with all other applicable legal requirements and International Financial Reporting Standards including, without limitation, all applicable International Accounting Standards and statements issued by the Standing Interpretations Committee and the International Financial Reporting Interpretation Committee;
 - (b) give a true and fair view, in accordance with the relevant financial reporting framework, of the state of affairs of the Group as at the Accounts Date and of the profit and loss of each Group Company for the period ended on that date;

- (c) disclose all the assets of each Group Company as at the Accounts Date and none of the values placed in the Accounts on any of those assets was in excess of its market value at the Accounts Date; and
- (d) contain adequate provision or reserve for all liabilities and for all capital and revenue commitments of each Group Company as at the Accounts Date.

3.2 The Interim Accounts:

- (a) have been prepared in accordance with International Financial Reporting Standards and comply with the requirements of the Companies Act and all applicable laws and regulations; and
- (b) set out the assets, liabilities and reserves of the Group, as required and appropriate for unaudited accounts.

3.3 The Management Accounts have been prepared with due care and attention and give a reasonable view of the assets and liabilities of the Group as at their date and of the profits and losses for the period in respect of which they have been prepared.

4 CURRENT FINANCIAL PERIOD

4.1 Since the Accounts Date and save as disclosed in any announcement made via a Regulatory Information Service by the Company:

- (a) the Group has carried on business in the ordinary and usual course and there has been no material adverse change, nor any development likely to give rise to a material adverse change, in the financial or trading position or prospects of the Group and no material depletion in the net assets of the Group;
- (b) no member of the Group has acquired or disposed of or agreed to acquire or dispose of any business, company or asset or assumed or acquired any liability (including any contingent liability) other than in the ordinary and usual course of trading;
- (c) no member of the Group has entered into any contract or commitment of an unusual or onerous nature or which could involve an obligation of a material nature or magnitude which might be material for disclosure;
- (d) no dividend or other distribution (as defined in Part VI Income and Corporation Taxes Act 1988) has been, or is treated as having been, declared, made or paid by any member of the Group; and
- (e) the Company has not incurred any material liability for Tax otherwise than in the ordinary and usual course of business and no Group Company has been involved in any transaction which has resulted in or could result in any material Tax Liability otherwise than in the ordinary and usual course of trading.

4.2 The Company has notified a Regulatory Information Service of all information required to be notified by it in accordance with the AIM Rules and has complied in all respects with all the requirements of the AIM Rules applicable to the Company (including the disclosure and notification requirements) and any requests for disclosure made by the London Stock Exchange.

5 WORKING CAPITAL

5.1 There are no circumstances now subsisting or (so far as the Company is aware) likely to come about which are likely to lead to the Group not having adequate working capital to finance its operations, after taking account of the net proceeds of the Subscription and the Placing and its existing and available bank facilities, for a period of 12 months from the date of this Agreement.

6 ANNOUNCEMENTS

- 6.1 In the 12 months prior to First Admission and in the period between First Admission and Second Admission, the Company has made all necessary announcements as required by the AIM Rules and the rules of the London Stock Exchange. All such announcements were true and accurate in all material respects and not misleading in any material respect. All statements, forecasts, estimates and expressions of opinion, intention or expectation contained in such announcements were honestly held by the Directors and were fairly based and were made on reasonable grounds after due and proper consideration and enquiry.

7 FACILITIES

- 7.1 All of the Group's Facilities are in full force and effect. No event has occurred or, so far as the Company is aware, is likely to occur in the period of 12 months after Second Admission which (with the giving of notice or the lapse of time or both or the making of any relevant determination by any bank or lender) will or, so far as the Company is aware, is likely to cause any Facilities to be demanded by the lender in whole or in part prior to its stated date of maturity or cause the relevant bank's or lender's commitment thereunder to be cancelled or reduced. All undrawn amounts under such Facilities are capable of drawdown and all conditions precedent to such drawdown have been met or can be met by the Company.
- 7.2 There is nothing known to the Company which might give it cause to expect that repayment might be demanded under any of the Group's Facilities or that any undrawn amount thereof might not be available for drawing.

8 NO DEFAULT OR BREACH

- 8.1 No event has occurred or, so far as the Company is aware, is likely to occur which constitutes or results in or would with the giving of notice and/or lapse of time and/or the satisfaction of any other conditions constitute or result in a default or termination event or the acceleration or breach of any obligation, or the creation of any security interest or encumbrance over the Group's assets, under any agreement, instrument or arrangement to which any member of the Group is a party or by which it or any of its properties, revenues or assets are bound and which would in any such case have a material adverse effect on the businesses, assets, financial or trading position or prospects of the Group as a whole.
- 8.2 The Placing, First Admission and Second Admission will not result in any material breach of any agreement or arrangement to which any Group Company is a party or by which such company or any of its property is bound and will not, to any material extent, exceed or infringe any restrictions or the terms of any contract, obligation or commitment by or binding on any Group Company, or result in the imposition or variation of any rights or obligations of any Group Company.
- 8.3 Neither the creation, allotment and issue of the Firm Placing Shares, (subject to the passing of the Resolutions) the Conditional Placing Shares and their associated transactions nor the performance of this Agreement by the Company will infringe or exceed any borrowing limits, powers or restrictions of, or the terms of any contract (to a material extent), indenture, security obligation, commitment, applicable law, regulation or arrangement binding on any member of the Group.

9 TAX

- 9.1 There are no Tax matters which are or, so far as the Company is aware, are likely to become the subject of dispute with any Taxation Authority and which would or might be material to the Group.

10 INSOLVENCY

- 10.1 No Group Company has taken any action nor, so far as the Company is aware, have any other steps been taken or legal proceedings started or threatened against any Group Company for its winding up or dissolution or any analogous proceedings in any jurisdiction or for it to enter into any arrangement or composition for the benefit of creditors, or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of it or any of its properties, revenues or assets.

11 LITIGATION

- 11.1 No Group Company nor any Director, nor any other person for whom the Group is or may be vicariously liable, has any claim outstanding against them or is engaged in any litigation or arbitration, prosecution or other proceedings or governmental, regulatory or official investigation or inquiry which individually or collectively is of material importance to the Group and so far as the Company is aware, no such litigation, arbitration, prosecution or other proceedings or governmental or official investigation or inquiry are threatened or pending nor are there any circumstances which are likely to give rise to any of the same.

12 EMPLOYMENT

- 12.1 No Director, officer, or senior management employee of any Group Company has given or been given notice terminating his contract of employment and no such person has threatened or, so far as the Company is aware, is expected to give such notice within the period of three months following the date of this Agreement.

13 INSURANCE

- 13.1 Each Group Company has at all material times been insured or is covered by a policy of insurance in the name of a third party, to levels which are considered by the Company, acting reasonably, to be adequate against all risks which the Group might reasonably be expected to insure in the particular circumstances of the business carried on by it. All such insurances are in full force and effect and not void or voidable and, so far as the Company is aware, there is no material insurance claim pending, threatened or outstanding against any Group Company and all premiums due in respect of all insurances have been duly paid.

14 LICENCES AND OTHER LEGAL REQUIREMENTS

- 14.1 The Group holds all licences, permissions, authorisations, approvals and consents required for the carrying on of its business (including, but not limited to, any licences or authorisations required by the FCA) and such licences, permissions, authorisations, approvals and consents are in full force and effect and there are no circumstances known to the Company which indicate that any of such licences, permissions, authorisations, approvals or consents may be revoked or not renewed, in whole or in part, in the ordinary course of events and each Group Company has complied in all material respects with all laws applicable to its business.
- 14.2 The publication and distribution of the Placing Documents and the Circular, the issue of the Placing Shares and the granting of permission to admit the Placing Shares to trading on AIM will (subject to the passing of the Resolutions) comply in all respects with CA 2006, FSMA, the AIM Rules, MAR and all other relevant laws and regulations of the United Kingdom and all agreements which are material to the Group's business to which each Group Company is a party or by which it is bound and will not exceed or infringe any restrictions or the terms of any contract, obligation or commitment by or binding upon any such company's boards of directors which is material to the Group's business, or result in the imposition of variation of any rights or obligations on any such company.
- 14.3 Neither any Group Company nor any of its officers has received notice of any criminal, illegal, unlawful or unauthorised act or breach of any obligation or duty (whether imposed

pursuant to statute, contract, its memorandum and articles of association or otherwise) which is reasonably likely to lead to any material future liability or punishment of any Group Company, and no claim that any such officer or company has committed any such act or breach, or is liable, remains outstanding and, so far as the Company is aware, neither any Group Company nor any of its officers has committed any such criminal, illegal, unlawful or unauthorised act or breach.

- 14.4 The statutory books, accounting records and other records of whatsoever kind of each Group Company have been properly maintained in all material respects, are up to date and contain accurate records of all matters that ought to be dealt with in them and no notice or allegation that any of the same is incorrect or should be rectified has been received.
- 14.5 All material returns, particulars, resolutions and other documents required by law to be filed with or delivered to Companies House or any other governmental or regulatory authority have been properly and correctly made up and duly filed or delivered by or on behalf of each Group Company.
- 14.6 Each Group Company has conducted and is conducting its business in compliance with the material and relevant laws and regulations of those countries where it operates including all anti-corruption laws including, without limitation and to the extent applicable, the UK Bribery Act 2010 and the United States Foreign Corrupt Practices Act 1977.

15 INTELLECTUAL PROPERTY

- 15.1 The Company has taken all steps reasonably necessary to protect all patents, registered designs, trade marks and service marks, trade names, copyright, confidential information, design rights and all similar property rights currently used by the Group which are material to its business ("**Intellectual Property Rights**"); all agreements whereby the Group is authorised to use any Intellectual Property Rights belonging to a third party or where it authorises a third party to use its proprietary Intellectual Property Rights are in full force and effect and all fees and royalties due thereunder have been paid and no event has occurred or is about to occur which would or could entitle any third party to terminate such agreements prematurely nor, so far as the Company is aware, has there been any infringement by the Company of Intellectual Property Rights held by third parties or any infringement by third parties of Intellectual Property Rights owned by the Group which would have a material adverse effect on the business, assets or prospects of the Group.

16 ORDINARY SHARES

- 16.1 Save as announced on a Regulatory Information Service, or as disclosed in the Accounts, there are in force no options or other agreements which call for the issue of, or afford to any person the right to call for the issue of, any shares or other securities of any member of the Group.
- 16.2 The issued share capital of the Company as at the date of this Agreement is 105,012,018 Ordinary Shares, all of which are admitted to trading on AIM.
- 16.3 None of the Shareholders will after First Admission or Second Admission have any rights, in their capacity as such, in relation to the Company other than as set out in the Articles of Association of the Company.
- 16.4 The Ordinary Shares are, and will following First Admission and Second Admission, a participating security (as defined in the CREST Regulations) in CREST.

17 CAPACITY

- 17.1 The Company has been duly incorporated and is validly existing as a public limited company under the laws of England and Wales with registered number 06690180. Each other member of the Group has been duly incorporated and validly exists as a body corporate under the laws of its jurisdiction of incorporation.

- 17.2 Subject to the passing of the Resolutions at the Meeting, the Company has power under its articles of association and its shareholder authorities to create, allot and issue the Placing Shares and the Subscription Shares and to effect the Placing in the manner proposed and to pay the commissions, fees and expenses provided for in this Agreement and to enter into and perform this Agreement without any sanction or consent by members of the Company or any class of them, and all other authorisations, approvals, consents and licences (other than any clearance from HM Revenue & Customs in respect of EIS income tax relief under Part 5 of the Income Tax Act 2007 or VCT income tax relief under Part 6 of the Income Tax Act 2007) required in order to issue the Placing Shares and the Subscription Shares, to effect the Placing, and to enter into this Agreement by the Company will have been obtained and will remain in full force and effect.
- 17.3 This Agreement and all other agreements to be entered into by the Company and the Directors in connection with the Placing have been duly authorised, executed and delivered on behalf of the Company and, assuming due authorisation, execution and delivery by the other parties thereto, constitute valid and binding obligations of the Company, enforceable against each of them in accordance with their respective terms.

18 COMPLIANCE WITH SECURITIES LAWS

UK securities laws and regulations

- 18.1 The Company has complied and will continue to comply with its obligations under the AIM Rules, the rules and regulations of the London Stock Exchange and MAR.

US securities laws

- 18.2 Neither the Company nor any of its affiliates (as defined in Rule 501(b) under the Securities Act) nor any person (other than the Broker) acting on its or their behalf has made or will make, directly or indirectly, offers or sales of any securities, or has solicited or will solicit offers to buy, or otherwise has negotiated or will negotiate in respect of, any security of the same or similar class as the Placing Shares, in circumstances that would require the registration of the Placing Shares under the Securities Act.
- 18.3 Neither the Company nor any of its Affiliates nor any person acting on its or their behalf, has engaged or will engage in any "**directed selling efforts**" (as defined in Rule 902(c) under Regulation S) with respect to the Placing Shares.
- 18.4 The Company is a "**foreign issuer**" (as such term is defined in Regulation S) and there is no "**substantial US market interest**" (as defined in Rule 902(j) of Regulation S) in the Ordinary Shares or any securities of the Company of the same class as the Ordinary Shares.

19 MATERIAL CONTRACTS

- 19.1 As regards each contract that is material to the Group's business ("**Material Contract**"):
- (a) no Group Company nor any other party to such contract has given notice to terminate the same;
 - (b) there is no ground for termination or repudiation of any such contract on grounds of breach by any Group Company;
 - (c) no Group Company is, and so far as the Company is aware, no other party to such contract is in breach of the same and so far as the Company is aware there are no circumstances which might result in such a breach.
- 19.2 Each Material Contract is valid and legally binding on the Company and, so far as the Company is aware, valid and legally binding on each of the counterparties thereto and each such party's obligations under that contract are enforceable in accordance with their respective terms.

Schedule 2

Documents for Delivery

Original documents

- 1 One original of the Application for Admission in respect of First Admission, signed by a duly authorised officer of the Company.

Certified copy documents

- 2 One copy of the Verification Notes signed by all of the Directors (together with access made available to the Supporting Materials).

Draft documents

- 3 A draft of each of the Press Announcement and the Placing Results Announcement.

Copy documents

- 4 One copy of the board minutes of the Company to approve the Placing, the Press Announcement and the allotment of the Firm Placing Shares and the Firm Subscription Shares.
- 5 One copy of the Investor Presentation.

Schedule 3

Form of Certificate

[Letterhead of the Company]

Shore Capital Stockbrokers Limited and Shore Capital and Corporate Limited
Bond Street House
14 Clifford Street
London W1S 4JU
For the attention of: Tom Griffiths

Dated..... 2019

Dear Sirs,

LightwaveRF plc – Placing of new Ordinary Shares

We refer to the firm placing and conditional placing agreement dated.....2019 entered into between us in relation to the Placing (the "**Placing Agreement**"). Words and expressions defined in the Placing Agreement have the same meanings where used in this letter.

We confirm that:

- 1 each of the Conditions (other than the Condition specified in clauses 10.1(g) or 10.6(i) (as appropriate)) has been fulfilled in accordance with its terms;
- 2 the Company has complied with its obligations under the Placing Agreement to the extent that the same fall to be performed prior to First Admission or Second Admission (as appropriate); and
- 3 none of the Warranties was untrue, inaccurate or misleading in any material respect at the date of the Placing Agreement or has at any time since that date become untrue, inaccurate or misleading in any material respect by reference to the facts and circumstances existing since that date.

Without prejudice to the rights of the parties under the Placing Agreement in respect of or in relation to the subject matter of this letter, this letter is delivered for information purposes only and expressly on the basis that neither the delivery of this letter nor its contents constitute an independent actionable representation, warranty or statement in respect of the matters referred to in this letter.

Yours faithfully

.....
Director, duly authorised,
for and on behalf of
LightwaveRF plc

"Conditional Placees" means the persons to subscribe for Conditional Placing Shares pursuant to the Conditional Placing;

"Conditional Placing" means the conditional placing of Conditional Placing Shares on the terms of the Placing Documents;

"Conditional Placing Conditions" means the conditions set out in clause 10.6 of this Agreement;

"Conditional Placing Shares" means a minimum of 2,857,142 new Ordinary Shares (being £200,000 at the Issue Price rounded down) to be issued by the Company pursuant to the Conditional Placing;

"Conditional Subscription" means the direct subscription for the Conditional Subscription Shares;

"Conditional Subscription Shares" means 2,764,617 Ordinary Shares pursuant to the Conditional Subscription;

"Conditions" means the conditions set out in clause 10.1 of this Agreement;

"CREST" means the relevant system (as defined in the CREST Regulations) of which Euroclear is the Operator (as defined in the CREST Regulations);

"CREST Regulations" means the Uncertificated Securities Regulations 2001;

"CTA 2010" means the Corporation Tax Act 2010;

"Deferred Settlement Shares" means 1,428,571 Ordinary Shares (being £100,000 at the Issue Price rounded down) forming part of the Conditional Subscription;

"Directors" means the existing directors for the time being of the Company, being Kevin Edwards, Jason Elliott, Barry Gamble, Steven Harris, Michael Lord and John Shermer as at the date of this Agreement;

"Euroclear" means Euroclear UK & Ireland Limited, a company incorporated in England and Wales, being the Operator of CREST;

"Expenses" means all properly incurred costs, charges and expenses of, or incidental to, the Placing, the Applications for Admission and the arrangements referred to in, or contemplated by, this Agreement including, without limitation, all expenses in connection with the preparation and printing of any documents in relation to the Placing, any filing fees and other expenses in connection with the qualification of the Ordinary Shares to be offered and sold in any jurisdiction, the costs and expenses of the Registrars and any transfer agent, custodian or depository, and the Company's and the Broker's legal fees and other professional fees, disbursements and expenses subject in each case to any cap or limit on the same set out in the Broker's Engagement Letter;

"Facilities" means all of the Group's term loans, overdraft facilities, and invoice discounting arrangements;

"FCA" means the UK's Financial Conduct Authority;

"FCA Handbook" means the Financial Conduct Authority Handbook, produced by the FCA;

"Firm Placees" means the persons to subscribe for Firm Placing Shares pursuant to the Firm Placing;

"Firm Placing" means the firm placing of Firm Placing Shares on the terms of the Placing Documents;

"Firm Placing Conditions" means the conditions set out in clause 10.1 of this Agreement;

"Firm Placing Shares" means up to 10,000,000 new Ordinary Shares to be issued by the Company pursuant to the Firm Placing;

"Firm Subscription" means the direct subscription for the Firm Subscription Shares;

"Firm Subscription Shares" means 5,806,811 Ordinary Shares pursuant to the Firm Subscription;

"First Admission" means the admission of the Firm Placing Shares and the Firm Subscription Shares to trading on AIM becoming effective in accordance with the AIM Rules;

"First Long Stop Date" means by 8:00 a.m. on 30 August 2019;

"FSMA" means the Financial Services and Markets Act 2000;

"Group" means the Company and its subsidiaries and subsidiary undertakings and **"Group Company"** means any member of the Group;

"Indemnified Person" means each and any of the Broker and each of its Affiliates, whether present or future;

"Interim Accounts" means the unaudited interim financial statements of the Group in respect of the six months ended 31 March 2019;

"Investor Presentation" means the presentation materials in Agreed Form prepared by the Company and used by it in meetings with institutional and other investors in connection with the Placing prior to the date of this Agreement;

"Issue Price" means 7 pence in cash per Placing Share;

"Liabilities" means all Claims which may be alleged, threatened, made or brought by or against or otherwise involve an Indemnified Person and all Losses which may be suffered or incurred by an Indemnified Person, including (without limitation) all Losses which an Indemnified Person may incur in investigating, considering, responding to, preparing for, disputing, defending, settling or appearing as a witness in any Claim or potential Claim (whether or not such Indemnified Person is an actual or potential party to such Claim) or in establishing its right to be indemnified pursuant to clause 9 of this Agreement;

"London Stock Exchange" means London Stock Exchange plc;

"Losses" means any and all losses, liabilities, damages, compensation, awards, costs, charges, fines, penalties, expenses (including reasonable legal expenses), actions, proceedings, claims and demands;

"Management Accounts" means the unaudited management accounts relating to the Group for the period from the Accounts Date to 30 June 2019;

"MAR" means the Market Abuse Regulation (596/2014);

"Meeting" means the general meeting of the Company (notice of which will be incorporated in the Circular) to be convened for 11:00 a.m. on 16 October 2019 (or such other date as the Broker may agree) or any adjournment thereof;

"Nominated Adviser Agreement" means the nominated adviser agreement entered into between the Company and the Broker on 26 June 2019;

"Ordinary Shares" means ordinary shares of five pence each in the capital of the Company;

"Panel" means the Panel on Takeovers and Mergers;

"Panel Waiver" means the waiver to be granted by the Panel (subject to the passing of the Whitewash Resolution) in respect of the obligation of the Concert Party to make a mandatory offer under Rule 9 of the City Code on Takeovers and Mergers;

"Placees" means the Firm Placees and the Conditional Placees;

"Placing" means the Firm Placing and the Conditional Placing;

"Placing Documents" means the Press Announcement, the Investor Presentation and the Placing Results Announcement;

"Placing Results Announcement" means the press announcement in Agreed Form (subject to insertion of the precise number of Placing Shares to be subscribed for by the Placees) giving details of the results of the Placing;

"Placing Shares" means the Firm Placing Shares and/or the Conditional Placing Shares (as the context may require);

"PRA" means the UK's Prudential Regulation Authority;

"Press Announcement" means the press announcement in Agreed Form giving details of the Placing to be released on 16 August 2019;

"Proxy Form" means the form of proxy for use in connection with the Meeting;

"Qualified Investors" has the meaning given to it in section 86(7) of FSMA;

"Qualifying EIS Shares" means any Ordinary Shares which are to be treated as a relevant share for the purposes of Part 5 of the Income Tax Act 2007 (Enterprise Investment Scheme);

"Register" means the register of members of the Company;

"Registrars" means Neville Registrars Limited of Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD (acting in their capacity as registrars);

"Regulation D" means Regulation D under the Securities Act;

"Regulation S" means Regulation S under the Securities Act;

"Regulatory Information Service" means a service approved by the London Stock Exchange for the distribution to the public of announcements and included within the list on the website of the London Stock Exchange;

"Resolutions" means the resolutions (including the Whitewash Resolution), *inter alia*, to give the necessary authority for the creation and allotment of the Conditional Placing Shares and the Conditional Subscription Shares, as set out in the notice convening the Meeting which will be incorporated in the Circular;

"Second Admission" means the admission of the Conditional Placing Shares and the Conditional Subscription Shares (other than the Deferred Settlement Shares) to trading on AIM becoming effective in accordance with the AIM Rules;

"Second Long Stop Date" means by 8:00 a.m. on 31 October 2019;

"Securities Act" means the US Securities Act of 1933 as amended;

"Shareholder" means any holder of Ordinary Shares;

"Subscription Shares" means the Firm Subscription Shares and the Conditional Subscription Shares;

"subsidiary" means a subsidiary as defined in sections 1159 CA 2006 or a subsidiary undertaking as defined in section 1162 CA 2006;

"Supporting Materials" means the supporting materials to the Verification Notes as made available on the BPE ShareFile site;

"Taxation Authority" means HMRC, or any other revenue, customs or fiscal authority, body or person whether statutory, governmental, federal, provincial, state, district, municipal or otherwise and whether of the United Kingdom, or of any other jurisdiction, competent to impose a liability for Tax;

"Tax Liability" means:

- (a) any liability of a Group Company to make an actual payment of Taxes, including an instalment, or in respect of Taxes (including in relation to a group payment arrangement entered into in accordance with section 36 FA 1998), in which case the amount of the Tax Liability shall be the amount of the actual payment;
- (b) the loss, non-availability or reduction of any accounts relief, in which case the amount of the Tax Liability shall be the amount of Taxes paid by the Group Company which would not have been paid but for such loss, non-availability or reduction;

"Tax and Taxes" means:

- (a) all forms of taxation and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, in each case whether of the United Kingdom or elsewhere in the world, whenever imposed and whether chargeable directly or primarily against or attributable directly or primarily to a Group Company, and includes income tax (including income tax or amounts equivalent to or in respect of income tax required to be deducted or withheld from or accounted for in respect of any payment, PAYE, any payments made pursuant to section 455 CTA 2010 or section 207 Finance Act 2004), corporation tax, capital gains tax, inheritance tax, stamp duty, stamp duty reserve tax, stamp duty land tax, VAT, withholding tax, rates, customs and excise duties, aggregate tax, landfill tax, climate change levy, national insurance and other similar liabilities or contributions, amounts payable in consideration for an agreement in connection with an election under sections 171A and 179A TCGA, or section 792 CTA 2009 or for the surrender of group relief, or refunds pursuant to chapter 4 of Part 22 CTA 2010, any repayment of any allowance, credit or similar sum received from HMRC or any other Taxation Authority and any other taxes, levies, duties, charges, imposts or withholdings similar to, corresponding with, or replacing or replaced by any of the foregoing; and
- (b) all charges, interest, penalties, and fines, incidental or relating to any Taxation or result from a failure to comply with the provisions of any enactment relating to Taxation;

"TCGA" means the Taxation of Chargeable Gains Act 1992;

"Uncertificated Shares" means the Placing Shares to be held in uncertificated form in CREST;

"US" or **"United States"** means the United States of America its territories and possessions and any of the United States of America and the District of Columbia and other areas subject to its jurisdiction;

"US Person" has the meaning given to such term in Regulation S;

"VAT" means value added tax;

"Verification Notes" means the notes, in Agreed Form, comprising verification questions and responses thereto;

This Agreement has been entered into on the date set out on page 2.

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.....
Director

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Director

This Agreement has been entered into on the date set out on page 2.

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Director

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