

Company No. 07538488

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

SPECTRAL EDGE LIMITED

(Passed on 6<sup>th</sup> August 2012)

The following resolutions were duly passed as a written resolution pursuant to Chapter 2 of Part 13 of the Companies Act 2006 on 6<sup>th</sup> August 2012 by the requisite members of the Company in the case of the first as an ordinary written resolution, and in the case of the second as a special written resolution

**ORDINARY RESOLUTION**

- (A) THAT in accordance with section 618(1)(a) of the Companies Act 2006 each of the 100 ordinary shares of £1 00 each in issue in the capital of the Company be subdivided into 1,000 ordinary shares of £0 10 each having the rights set out in the articles of association of the Company to be adopted pursuant to resolution (B) below

**SPECIAL RESOLUTION**

- (B) THAT new articles of association in the form attached hereto and, for identification purposes only, initialled on the front page by any director of the Company, be hereby adopted in substitution for and to the exclusion of all other articles of association of the Company



Director / Secretary

THURSDAY



\*A1FFH5W9\*

A11

16/08/2012

#52

COMPANIES HOUSE

Company Number 07538488

THE COMPANIES ACT 2006

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PRIVATE COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

OF

SPECTRAL EDGE LIMITED

(Adopted by Special Written Resolution  
passed on 6<sup>th</sup> August 2012)

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16/08/2012  
COMPANIES HOUSE

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MILLS & REEVE

## INTRODUCTION

### 1 Interpretation

1.1 In these Articles, unless the context requires otherwise

**"appointor"** has the meaning given in article 13.1,

**"Articles"** means the company's articles of association for the time being in force,

**"associated company"** means any subsidiary or holding company of the company or any other subsidiary of the company's holding 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 19.1) 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,

**"Bad Leaver"** means a Founder who ceases to be a director or employee of or consultant to the company (whether or not paid) or any of its subsidiaries in circumstances in which he is not a Good Leaver and does not continue as either a director, employee or consultant in relation to any of them,

**"business day"** means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business,

**"CA 2006"** means the Companies Act 2006,

**"eligible director"** means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter),

**"Employee Member"** means a holder of shares in the company who is or has been a director and/or an employee of or a consultant to the company or any of its subsidiaries,

**"Family Trust"** means a 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 member,

**"Founders"** means each of Graham Finlayson, Mark Drew, David Connah and Roberto Montagna,

**"Good Leaver"** means a Founder who ceases to be a director or employee of or consultant (whether or not paid) to the company or any of its subsidiaries at any time after the third anniversary of the date of adoption of these Articles and does not continue as either a director, employee or consultant in relation to any of them, provided that during the period of three years following the date of adoption of these Articles

- (a) he has continued to develop Intellectual Property relevant to the business of the company,
- (b) to the extent that any such Intellectual Property is not owned by the company, he has assigned or procured the assignment of all such Intellectual Property to the company, and
- (c) he has not either solely or jointly with or as agent for any person, directly or indirectly carried on or been engaged or interested in or in any way assisted in the manufacture or supply of any goods or the supply of any services competing with any goods or services which have been manufactured or supplied in the normal course of the business by the company and in the field of image fusion,

**"Intellectual Property"** all patents, registered designs, trade marks and service marks (whether registered or not), copyright, design rights, know-how and all similar intellectual property rights in any part of the world, and all inventions, discoveries, improvements, processes, techniques, designs, drawings, performances, copyright works (including computer programs), proprietary confidential information (including trade secrets), business or brand names, domain names, goodwill or the style of presentation of goods or services and all applications and rights to apply for or for the protection of any of the foregoing,

**"Model Articles"** means the model articles for private companies limited by shares contained in Schedule 1 of The Companies (Model Articles) Regulations 2008 (S/2008/3229) as at the date of adoption of these Articles,

**"Permitted Transfer"** means transfer of shares authorised by Article 20 and **"Permitted Transferee"** shall be construed accordingly

**"Privileged Relation"** means in relation to a member means the spouse or widow or widower of the member and the member's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the member's children,

**"relevant officer"** means any director or other officer of the company or an associated company, but excluding in each case any person engaged by the

company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor),

**"Remaining Founder"** means a Founder who is and remains a director or employee of or consultant to the company (whether or not paid) or any of its subsidiaries and **"Remaining Founders"** shall be construed accordingly,

**"Share Plan"** means any scheme for the grant of HM Revenue & Customs approved or unapproved share options or Enterprise Management Incentive share options pursuant to Schedule 5 of the Income Tax (Earnings and Pensions) Act 2003 to employees, officers and/or consultants of the company or any subsidiary of the company established and amended for superseded from time to time,

**"Tag Along Interest"** means an interest in shares conferring in the aggregate 50% or more of the total voting rights conferred by all the issued shares in the company,

**"University"** means the University of East Anglia, and

**"University Group"** means the University and any company, corporate body or other organisation wholly owned directly or indirectly by the University

- 1 2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the CA 2006 have the same meanings in these Articles
- 1 3 Headings in these Articles are for convenience only and shall not affect the construction or interpretation of these Articles
- 1 4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise
- 1 5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of
- 1 5 1 any subordinate legislation from time to time made under it, and
- 1 5 2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts
- 1 6 Any phrase introduced by the terms **"including"**, **"include"**, **"in particular"** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms
- 1 7 The Model Articles apply to the company, except in so far as they are modified or excluded by these Articles
- 1 8 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 44(2), 52 and 53 of the Model Articles do not apply to the company

## **DIRECTORS**

### **Directors' powers and responsibilities**

#### **2 Power to change the name**

- 2 1 The company may change its name by resolution of the directors

### **Decision-making by directors**

#### **3 Directors to take decisions collectively**

- 3 1 Article 7 of the Model Articles is amended by

3 1 1 the insertion of the words "for the time being" at the end of article 7(2)(a),  
and

3 1 2 the insertion in article 7(2) of the words "(for so long as he remains the  
sole director)" after the words "and the director may"

#### **4 Unanimous decisions**

- 4 1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter
- 4 2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing
- 4 3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting

#### **5 Calling a directors' meeting**

- 5 1 Any director may call a directors' meeting by giving not less than 7 days' notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice

#### **6 Quorum for directors' meetings**

- 6 1 Subject to Article 7 of the Model Articles as amended by article 3 and to article 6 2, the quorum for the transaction of business at a meeting of directors is any two eligible directors
- 6 2 For the purposes of any meeting (or part of a meeting) held pursuant to article 9 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director

## **7 No casting vote**

- 7 1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall not have a casting vote

## **8 Transactions or other arrangements with the company**

- 8 1 Subject to the provisions of CA 2006 and provided he has declared the nature and extent of his interest, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company, notwithstanding his office

8 1 1 may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested,

8 1 2 may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director,

8 1 3 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate promoted by the company or in which the company is otherwise (directly or indirectly) interested,

8 1 4 shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 CA 2006)) derives from any such contract, transaction or arrangement or from any office or employment or from any interest in any body corporate which he is permitted to hold or enter into by virtue of articles 8 1 1, 8 1 2 or 8 1 3 and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 CA 2006, and

8 1 5 shall subject to article 9 1, be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) and shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, on any matter referred to in articles 8 1 1 to 8 1 3 (inclusive) or on any resolution which in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever and if he shall vote on any such resolution his vote shall be counted

## **9 Directors' conflicts of interest**

- 9 1 For the purposes of section 175 CA 2006, the directors may authorise any matter proposed to it in accordance with these Articles which would, if not so authorised, involve a breach of duty by a director under that section, including, without limitation, any matter which relates to a situation in which a director has, or can have, an interest which conflicts, or possibly may conflict, with the interests of the company Any such authorisation will be effective only if

9 1 1 any requirement as to quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director, and

9 1 2 the matter was agreed to without their voting or would have been agreed to if their votes had not been counted

The directors may (whether at the time of the giving of the authorisation or subsequently) make any such authorisation subject to any limits or conditions they may expressly impose but such authorisation is otherwise given to the fullest extent permitted. The directors may vary or terminate any such authorisation at any time.

For the purposes of the Articles, a conflict of interest includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests.

9 2 A director shall be under no duty to the company with respect to any information which he obtains or has obtained otherwise than as a director of the company and in respect of which he owes a duty of confidentiality to another person. However, to the extent that his relationship with that other person gives rise to a conflict of interest or possible conflict of interest, this Article applies only if the existence of that relationship has been approved by the directors pursuant to article 9 1. In particular, the director shall not be in breach of the general duties he owes to the company by virtue of sections 171 to 177 CA 2006 because he fails

9 2 1 to disclose any such information to the board or to any director or other officer or employee of the company, and/or

9 2 2 to use or apply any such information in performing his duties as a director of the company

9 3 Where the existence of a director's relationship with another person has been approved by the board pursuant to article 9 1 and his relationship with that person gives rise to a conflict of interest or possible conflict of interest, the director shall not be in breach of the general duties he owes to the company by virtue of sections 171 to 177 CA 2006 because he

9 3 1 absents himself from meetings of the board at which any matter relating to the conflict of interest or possible conflict of interest will or may be discussed or from the discussion of any such matter at a meeting or otherwise, and/or

9 3 2 makes arrangements not to receive documents and information relating to any matter which gives rise to the conflict of interest or possible conflict of interest sent or supplied by the company and/or for such documents and information to be received and read by a professional adviser,

for so long as he reasonably believes such conflict of interest or possible conflict of interest subsists



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**10     Records of decisions to be kept**

- 10 1    Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye

## **Appointment of directors**

### **11 Appointment of directors**

- 11 1 In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director
- 11 2 For so long as the Remaining Founders shall together hold not less than 5% of the company's issued share capital, they 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 as director of the company. The appointing Remaining Founders 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
- 11 3 For so long as the University (and any of its Permitted Transferees) holds shares in the company's issued share capital, it 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 as director of the company ("**University Director**") The University 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
- 11 4 Notwithstanding Article 11 3 for so long as the University (and any of its Permitted Transferees) holds any shares in the capital of the company it shall have the right to appoint an observer ("**University Observer**") who shall be entitled to
- 11 4 1 receive notice of each board meeting of the company together with the agenda and all accompanying documents and papers provided to the directors which shall be despatched to such observer at the same time as the same are despatched to the directors, and
- 11 4 2 attend and speak (but not vote) at any board meeting of the company
- The University may at any time and from time to time by giving written notice to the company remove any University Observer and appoint another person in his place. No fees or expenses shall be payable in respect of any University Observer
- 11 5 For so long as he is the holder of at least 4% of the company's issued share capital Graham Finlayson shall be entitled to act as an observer at meetings of directors and meetings of any committee of the directors. The observer shall be entitled to receive notice of, and attend and speak at, all meetings of directors and meetings of any committee of the directors and to receive copies of all board papers as if he were a director, but shall not be entitled to vote on any resolutions proposed

### **12 Directors' expenses**

- 12 1 Article 20 of the Model Articles is amended by the insertion of the words "(including alternate directors) and the secretary (if any)" before the words "properly incur"

### **13     Appointment and removal of alternate directors**

- 13 1   Any director ("**appointor**") may appoint as an alternate any other director, or any other person approved by resolution of the directors, to
- 13 1 1       exercise that director's powers, and
- 13 1 2       carry out that director's responsibilities
- in relation to the taking of decisions by the directors, in the absence of the alternate's appointor
- 13 2   Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors
- 13 3   The notice must
- 13 3 1       identify the proposed alternate, and
- 13 3 2       in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice

### **14     Rights and responsibilities of alternate directors**

- 14 1   An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor(s)
- 14 2   Except as the Articles specify otherwise, alternate directors
- 14 2 1       are deemed for all purposes to be directors,
- 14 2 2       are liable for their own acts and omissions,
- 14 2 3       are subject to the same restrictions as their appointors, and
- 14 2 4       are not deemed to be agents of or for their appointors
- and, in particular, each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member
- 14 3   A person who is an alternate director but not a director
- 14 3 1       may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating),
- 14 3 2       may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate), and

- 14 3 3 shall not be counted as more than one director for the purposes of articles 14 3 1 and 14 3 2
- 14 4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present
- 14 5 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but is not entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company
- 15 Termination of alternate directorship**
- 15 1 An alternate director's appointment as an alternate terminates
- 15 1 1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate,
- 15 1 2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director,
- 15 1 3 on the death of the alternate's appointor, or
- 15 1 4 when the alternate's appointor's appointment as a director terminates
- 16 Secretary**
- 16 1 The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors

## **SHARES AND DISTRIBUTIONS**

### **Shares**

- 17 Directors' authority to allot shares**
- 17 1 Save to the extent authorised by these articles, or authorised from time to time by an ordinary resolution of the shareholders, the directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the company
- 17 2 The directors of the company are generally and unconditionally authorised in accordance with section 551 CA 2006 to exercise all the powers of the company
- 17 2 1 to allot shares in the company, and/or

- 17 2 2 to grant rights to subscribe for or to convert any security into shares in the company ("**Rights**")

up to an aggregate nominal amount of £1,000 for a period of five years from the date of incorporation of the company save that in accordance with s551(7) CA 2006 the company may before the expiry of such period make an offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the directors may allot shares or grant Rights pursuant to such offer or agreement as if this authority had not expired

## **18 Pre-emption rights**

- 18 1 Subject to the provisions of article 17 2 and save (i) in respect of any shares to be allotted to an Employee Member pursuant to any Share Plan or (ii) with the passing of a special resolution to dis-apply this article 18 1, all shares which the directors propose to issue shall be dealt with in accordance with the following provisions of this article 18 1

- 18 1 1 any shares proposed to be issued shall first be offered to all the members in proportion to the number of existing shares held by them respectively,

- 18 1 2 each such offer shall be made by notice specifying the total number of shares being offered to the members as a whole, the proportionate entitlement of the member to whom the offer is made and the price per share (which shall be the same for each share) and shall require each member 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),

- 18 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 so deemed to be declined (or actually declined) by the members shall be offered in the proportion aforesaid to the members who have, within the said period, accepted all the shares offered to them,

- 18 1 4 pursuant to such offer and further offer made in accordance with this article 18 1 no fractions of shares shall be issued and where any member would be entitled to a fraction of a share, the directors shall in their absolute discretion determine how such fractions of shares shall be allocated amongst the members so as to ensure that only whole shares are issued,

- 18 1 5 any shares not taken up following such offer and further offer made in accordance with this article 18 1 and any shares released from the provisions of this article 18 1 by special resolution in accordance with this article 18 1 shall be under the control of the directors, who may allot shares or grant Rights to such persons, on such terms, and in such manner as they think fit provided that the price per share shall not be lower than the price at which the shares were offered to the members pursuant to this article 18 1

- 18 2 Pursuant to section 567 CA 2006, the provisions of section 561 CA 2006 (existing shareholders' right of pre-emption) and section 562 CA 2006 (communication of pre-emption offers to shareholders) shall not apply to an allotment of equity securities (as defined in section 560 CA 2006) made by the company

## 19 Transfer of shares

- 19 1 Subject to articles 19 10, 20 (permitted transfers), 21 (compulsory transfers) 22 (drag along) or 23 (tag 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 members willing to purchase the same (hereinafter called "**purchasing members**") at the price specified therein, the price agreed between the proposing transferor and the directors or at the fair value certified in accordance with article 19 3 (whichever shall be the lower). A transfer notice shall not be revocable except with the sanction of the directors 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)
- 19 2 The shares comprised in any transfer notice shall be offered to the members (other than the proposing transferor) 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
- 19 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 members that shares are offered to them in accordance with the provisions of this article 19 2,
- 19 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 article 19 2 but go on to invite each member to state in his reply whether he wishes to purchase more or less shares than his proportionate entitlement and if so what number, and
- 19 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 article an offer shall be deemed to be accepted (subject to revocation as provided in article 19 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 member in respect of a lesser number of shares than his full proportionate entitlement. If all the members 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 article 19 2 2) as nearly as may be in proportion to the number of shares already held by the members claiming additional shares, provided that no member 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 members in proportion to their existing holdings, except by way of fractions, the same shall be offered to the relevant members, or some of them, in such proportions as the directors may think fit.

- 19.3 If the directors do not agree with the price specified in the transfer notice, then the sale price shall be agreed between the directors 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 company (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 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 all members of the sale price at which the shares comprised in the transfer notice are offered for sale.
- 19.4 If purchasing members shall be found for all the shares comprised in the transfer notice within the appropriate period specified in article 19.2, the company shall not later than seven days after the expiry of such appropriate period give notice in writing ("**the sale notice**") to the proposing transferor specifying the purchasing members and the number of shares to be purchased by each purchasing member and the proposing transferor shall be bound upon payment of the price due in respect of all the shares comprised in the transfer notice to transfer the shares to the purchasing members.
- 19.5 If in any case the proposing transferor after having become bound as aforesaid makes default in transferring any shares the company may receive the purchase money on his behalf, and may authorise some person to execute a transfer of such shares on behalf of and as attorney for the proposing transferor in favour of the purchasing members. The receipt of the company for the purchase money shall be a good discharge to the purchasing members. The company shall pay the purchase money into a separate bank account and shall hold the same on trust for the proposing transferor.
- 19.6 If the company shall not have found purchasing members for some or all of the shares comprised in the transfer notice within the appropriate period specified in article 19.2, then the proposing transferor shall, during the period of thirty days next following the expiry of the time so specified, be at liberty to transfer all (but not some only) of the shares comprised in the transfer notice that remain unsold to any person or persons provided that the price per share obtained upon such share transfer shall in no circumstances be less than the price per share at which the shares were offered to the members pursuant to article 19.2 and the proposing transferor shall upon request furnish such information to the directors as they shall require in relation to the price per share obtained as aforesaid. The directors may require to be satisfied that such shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without deduction, rebate or allowance whatsoever to the purchaser, and if not so satisfied, may refuse to register the instrument of transfer.

19 7 Any transfer or purported transfer of a share made otherwise than in accordance with the foregoing provisions of articles 19 1 to 19 6 (inclusive) or articles 19 10, 20 (permitted transfers), 21 (compulsory transfers) 22 (drag along) or 23 (tag along) shall be null and void and of no effect

19 8 If and when required by notice in writing by the holder or holders of (in aggregate) a majority in nominal value of the other shares in the company so to do ("**the transfer call notice**") a member who transfers or purports to transfer any share in the company in breach of the provisions of these Articles shall be bound to give a transfer notice in respect of the shares which he has transferred or purported to transfer in breach of these Articles

In the event of such member failing to serve a transfer notice within five days of the date of the transfer call notice such member shall be deemed to have given a transfer notice at the expiration of such period of five days and to have specified therein as the price per share the fair value of each share to be certified in accordance with article 19 3 The provisions of articles 19 1 to 19 6 (inclusive) shall apply mutatis mutandis A transfer notice given or deemed given under this article 19 8 shall be irrevocable unless the directors give their consent to the contrary

19 9 The directors may, in their absolute discretion decline to register any transfer which would otherwise be permitted under the foregoing provisions of this article 19 if it is a transfer of a share on which the company has a lien or of a share to a person of whom they shall not approve

The directors shall not otherwise refuse to register a transfer of shares made pursuant to articles 19 1 to 19 6 (inclusive) or articles 19 10, 20 (permitted transfers), 21 (compulsory transfers) 22 (drag along) or 23 (tag along)

19 10 The provisions of articles 19 1 to 19 9 (inclusive) may be waived in any particular case with the prior written consent of the holders of 75% of the issued shares

## **20 Permitted transfers**

20 1 Notwithstanding any other provisions of these Articles

20 1 1 any member (being an individual) may at any time transfer all or any shares held by him

(i) to a Privileged Relation, or

(ii) to trustees to be held upon a Family Trust of which he is the settlor,

provided, in each case, that if such member is a Founder (other than David Connah), the shares to be transferred have become Protected Shares in accordance with article 21,

20 1 2 where any shares are held by trustees upon a Family Trust

(i) on any change of trustees such shares may be transferred to the new trustees of that Family Trust,



- (ii) such shares may be transferred at any time to the settlor or to another Family Trust of which he is the settlor or to any Privileged Relation of the settlor,
- 20 1 3 any member being a corporation may at any time transfer all (but save with the prior consent in writing of a majority of the directors, not some only) of the shares held by it
  - (i) to any subsidiary of the member, or
  - (ii) to any company of which the member is a subsidiary or any subsidiary of any such company,
- 20 1 4 the University may transfer any or all of its shares in the company to any member of the University Group for any reason whatsoever (and vice versa) and any shares in the capital of the company may be freely transferred within the University Group

and the directors shall, save as may be required by law, register any transfer to which this article 20 applies

## 21 Compulsory transfers

- 21 1 All of the shares held by each of the Founders (other than David Connah) on the date of adoption of these Articles ("**Original Shares**") which have not become Protected Shares (as defined below) shall be subject to the compulsory transfer provisions of article 21 2 The Original Shares shall become "**Protected Shares**" by reference to the following formula

$$V = N \times \frac{T}{36}$$

where

V is the number of Protected Shares,

N is the total number of Original Shares held by the Founder, and

T is the number of complete months which have elapsed from the date of adoption of these Articles

- 21 2 If at any time a Founder (other than David Connah) becomes a Bad Leaver, a transfer notice shall be deemed to have been immediately given in respect of all Original Shares held by such Founder which have not become Protected Shares at such date The sale price of the shares the subject of a deemed transfer notice shall be the nominal value of such shares
- 21 3 If a Founder (other than David Connah) has become a Bad Leaver, the board may with the consent of the University Director exercise its discretion to

- 21 3 1 waive (wholly or partially) the provisions of article 21 2 so that there shall be no deemed transfer notice in respect of some or all of such Founder's Original Shares, and/or
- 21 3 2 increase the sale price of the shares the subject of a deemed transfer notice to the issue price paid for such shares or fair value determined in accordance with article 19 3
- 21 4 If a Founder is adjudicated as bankrupt or makes any voluntary arrangement or composition with his creditors (each a "**Compulsory Event**") a deemed transfer notice shall be deemed to have been immediately given in respect of
  - 21 4 1 all shares registered in the name of such Founder immediately before such Compulsory Event,
  - 21 4 2 all shares held immediately before such Compulsory Event by the Founder's Permitted Transferees (other than shares which the directors are satisfied were not acquired by such holders either directly or indirectly from the Founder or by reason of their connection with the Founder, and the decision of the board in this respect will be final), and
  - 21 4 3 all Shares acquired by the Founder or his Permitted Transferees after the Compulsory Event under any Share Plan
- 21 5 On the happening of a Compulsory Event the board may with the consent of the University Director exercise its discretion to waive (wholly or partially) the provisions of Article 21 4 so that there shall be no deemed transfer notice in respect of some or all of such Founder's shares
- 21 6 Where there is a deemed transfer notice following a Compulsory Event the sale price of the shares the subject of a deemed transfer notice shall be the higher of
  - 21 6 1 fair value as agreed by the board and the relevant Founder within 30 days of the happening of the relevant Compulsory Event, or
  - 21 6 2 the price certified by the Auditors in accordance with Article 19 3
- 21 7 If and whenever a Privileged Relation to whom shares have been transferred ceases to be a Privileged Relation of the shareholder who made the transfer, a transfer notice shall be deemed to have been given in respect of the Relevant Shares (as hereinafter defined) by the holders thereof and such shares may not otherwise be transferred
- 21 8 If and whenever any shares held by trustees upon a Family Trust cease to be so held upon a Family Trust (otherwise than in consequence of a transfer to the settlor, to any Privileged Relation of the settlor or other permitted transfer) or there ceases to be any beneficiaries of the Family Trust other than a charity or charities a transfer notice shall be deemed to have been given in respect of the Relevant Shares (as hereinafter defined) by the holders thereof and such shares may not otherwise be transferred
- 21 9 For the purposes of articles 21 7 and 21 8 the expression "**Relevant Shares**" means and includes the shares originally transferred to the trustees or Privileged Relation

and any additional shares issued or transferred to the trustees or Privileged Relation by virtue of the holding of the relevant shares or any of them

- 21 10 A transfer notice given or deemed given under this article 21 shall be irrevocable unless the directors give their consent to the contrary

## **22 Drag along**

- 22 1 If an offer or offers in writing are made by or on behalf of any person ("**Offeror**") for the entire issued share capital of the company ("**Qualifying Offer**") and the holders of at least 65% in nominal value of the issued shares wish to accept such offer (such persons being referred to in this article 22 as "**Accepting Shareholders**"), the provisions of this article 22 shall apply
- 22 2 The Accepting Shareholders may give written notice ("**Drag Along Notice**") to the remaining members ("**Other Shareholders**") of their wish to accept the Qualifying Offer and the Other Shareholders shall thereupon become bound to accept the Qualifying Offer and to transfer the shares registered in their names to the Offeror (or his nominee) with full title guarantee on the date specified by the Accepting Shareholders at the consideration per share payable by the Offeror. The Accepting Shareholders may specify more than one date in the Drag Along Notice if necessary for ensuring that any rights to acquire shares become exercisable
- 22 3 If any Other Shareholder makes default in transferring their shares under article 22 2 within 5 business days of being required to do so, the directors shall authorise some person to execute any necessary transfer(s) of the shares held by such Other Shareholder and indemnities for lost share certificates (if appropriate) on such other Shareholder's behalf in favour of the Offeror and, where the Qualifying Offer provides for any election to be made between any forms of consideration to make the relevant election on behalf of that Other Shareholder against receipt by the company (on trust for such Other Shareholder) of the consideration payable for the shares transferred, shall enter the name of the Offeror in the Register of Members as the holder of such shares
- 22 4 References in this article to "Other Shareholders" include those persons who acquire shares pursuant to the exercise of options or other rights held at the date of acceptance of the Qualifying Offer by the Accepting Shareholders. The obligation on members to accept the Qualifying Offer in article 22 1 shall extend to those shares acquired pursuant to such options or other rights
- 22 5 For the avoidance of doubt, in the event of a Qualifying Offer accepted by the Accepting Shareholders under article 22 1 the pre-emption rights contained in articles 19 1 to 19 6 (inclusive) shall not apply

## **23 Tag along**

- 23 1 Save for any permitted transfer under article 20, no sale or transfer of the legal or beneficial interest in any shares in the company may be made or validly registered if as a result of such sale or transfer and registration thereof either
- 23 1 1 a Tag Along Interest would be obtained in the company by any person or group of persons acting in concert, or

23 1 2 where any person or group of persons acting in concert already own a Tag Along Interest, such Tag Along Interest is increased by a further 1 per cent

unless the proposed transferee or transferees or his or their nominees are independent third party bona fide purchasers acting in good faith and has or have offered to purchase the entire issued and to be issued shares in the company at the Specified Price (calculated as set out below)

23 2 If any part of the Specified Price is to be paid except by cash then the University may, at its option, elect to take a price per share of such cash sum as may be agreed by it and the proposed transferee having regard to the transaction as a whole

23 3 In this article 23 the "**Specified Price**" means

23 3 1 the consideration (in cash or otherwise) per share equal to that offered or paid or payable by the proposed transferee or his or their nominees for the shares of the relevant class being acquired, plus

23 3 2 the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of such other shares of the relevant class which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable, plus all arrears and accruals of the dividends on such share calculated down to the date of the sale or transfer

In the event of disagreement the calculation of the Specified Price shall be referred to the Auditors for determination whose decision shall be final and binding. If the University reasonably considers that the proposed transfer is not bona fide arms length and representing a reasonable market value for the shares the Specified Price shall be an amount determined by the Auditors as being a fair value for such shares in accordance (mutatis mutandis) with the provisions of article 19 3

## **24 Transmission of shares**

24 1 Article 27(3) of the Model Articles is amended by the insertion of the words ", subject to article 11," after the word "But"

## **25 Transmittees bound by prior notices**

25 1 Article 29 of the Model Articles is amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name"

# **DECISION MAKING BY SHAREHOLDERS**

## **Voting at general meetings**

## **26 Poll votes**

26 1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 CA 2006) present and entitled to vote at the meeting

- 26 2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article

## **27 Proxies**

- 27 1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"
- 27 2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article

## **ADMINISTRATIVE ARRANGEMENTS**

### **28 Means of communication to be used**

- 28 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient
- 28 1 1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five]business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider),
- 28 1 2 if properly addressed and delivered by hand, when it was given or left at the appropriate address,
- 28 1 3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and
- 28 1 4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

For the purposes of this article, no account shall be taken of any part of a day that is not a Business Day

- 28 2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by CA 2006

## **Directors' indemnity and insurance**

### **29     Indemnity**

29 1     Subject to the provisions of, and so far as may be consistent with, the Companies Acts and any other provision of law, but without prejudice to any indemnity to which a relevant officer may otherwise be entitled, the company shall indemnify every relevant officer out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties and/or the actual or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in relation to any proceedings, whether civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as a relevant officer PROVIDED that in the case of any director, any such indemnity shall not apply to any liability of that director

29 1 1     to the company or to any of its associated companies,

29 1 2     to pay any fine imposed in criminal proceedings or any sum payable to a regulatory authority by way of penalty in respect of non-compliance with any requirement of a regulatory nature (however arising), or

29 1 3     incurred

(i)       in defending any criminal proceedings in which he is convicted or any civil proceedings brought by the company, or any of its associated companies, in which judgment is given against him, or

(ii)       in connection with any application under any statute for relief from liability in respect of any such act or omission in which the court refuses to grant him relief

in each case where the conviction, judgment or refusal of relief by the court is final within the meaning stated in section 234 CA 2006

29 2     Every director shall be entitled to have funds provided to him by the company to meet expenditure incurred or to be incurred in connection with any proceedings (whether civil or criminal) brought by any party which relate to anything done or omitted or alleged to have been done or omitted by him as a director, provided that he will be obliged to repay such amounts no later than

29 2 1     in the event he is convicted in proceedings, the date when the conviction becomes final,

29 2 2     in the event of judgment being given against him in proceedings, the date when the judgment becomes final, or

29 2 3     in the event of the court refusing to grant him relief on any application under any statute for relief from liability, the date when refusal becomes final

in each case where the conviction, judgment or refusal by the court is final within the meaning stated in section 234 CA 2006

**30     Insurance**

- 30 1     The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss
- 30 2     In this article a “**relevant loss**” means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer’s duties or powers in relation to the company, any associated company or any pension fund or employees’ share scheme of the company or associated company