

Company No. 07967446

Articles of Association of AAP Education Limited

Incorporated 28th February 2012

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

AAP EDUCATION LIMITED

Adopted by written resolution passed on 6th June 2023

1. **PRELIMINARY**

The model articles of association for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 in force on the date when these Articles become binding on the Company ("Model Articles") apply to the Company except in so far as they are excluded or varied by these Articles.

2. **INTERPRETATION**

2.1 In these Articles the following expressions have the following meanings unless inconsistent with the context:

"2006 Act"	the Companies Act 2006 (as amended from time to time)
"these Articles"	these Articles of Association as amended from time to time
"Board"	the board of directors of the Company
"Board Consent"	the consent in writing of the directors given (i) after consideration of the relevant matter at a duly convened meeting of the directors, or (ii) by way of a written resolution of the directors duly passed in accordance with these Articles (and reference in this definition to the directors shall not include any committee or subcommittee of it or any delegation made by the directors);
"electronic means"	has the meaning given in section 1168 of the 2006 Act
"eligible directors"	has the meaning given in Model Article 8(3)
"Escape Studios"	The higher education provider operated by the Company (which shall include any other brand under which the Company may operate regulated by the Office for Students)
"Group"	the Company and any subsidiary or holding company of the Company and any other subsidiary of any such holding company and "Group Company" shall be construed accordingly;
"Majority Shareholder"	a shareholder or shareholders together holding a majority of the voting rights in the Company

(within the meaning of section 1159(1) of and paragraph (2) of Schedule 6 to the 2006 Act)

"Majority Consent" **Shareholder** the consent in writing of the Majority Shareholder

"Statutes" the Companies Acts as defined in section 2 of the 2006 Act and every other statute, order, regulation or other subordinate legislation in force from time to time relating to companies and affecting the Company

"United Kingdom" Great Britain and Northern Ireland

2.2 Unless the context otherwise requires, words or expressions contained in these Articles bear the same meaning as in the Statutes but excluding any statutory modification of the same not in force when these Articles become binding on the Company.

2.3 References to any statute or statutory provision include, unless the context otherwise requires, a reference to that statute or statutory provision as modified, replaced, re-enacted or consolidated and in force from time to time and any subordinate legislation made under the relevant statute or statutory provision.

3. **NAME, OBJECTS AND POWERS**

3.1 The name of the Company shall be AAP Education Limited.

3.2 The Company's registered office shall be in England.

3.3 The objects ("the Objects") for which the Company is established is the advancement of education and learning in the United Kingdom and elsewhere and (without prejudice to the generality of the foregoing) in pursuance thereof:

3.3.1 to establish, carry on and conduct a higher education institution with to the extent so authorised its own degree awarding powers and university or university college title;

3.3.2 to provide courses of instruction leading to the award of degrees or other appropriate qualifications;

3.3.3 to provide professional education and training, apprenticeship provision and continuing professional development whether or not leading to a qualification recognised by a professional body;

3.3.4 to grant other awards including diplomas and certificates by means of assessment including examination and other forms of test and assessment;

3.3.5 to advance knowledge and learning and to provide education and training; and

3.3.6 to provide for the needs of students of the Company.

3.4 In furtherance of the above Objects the Company shall have the following powers ("**the Powers**"):

3.4.1 to provide on such terms as the Company shall think fit and to admit students to facilities for instruction, study, training and research both

full-time and part-time having regard to the educational and training needs of the public;

- 3.4.2 to assess the performance of persons by examinations and by other means;
- 3.4.3 to provide, upon such terms as the Company shall think fit, such libraries, reading rooms, museums, laboratories and workshops, galleries, club rooms, premises for sports, playing fields, refectories and residential accommodation and such furniture, fixtures, apparatus, equipment, books, publications and other things as are suitable or convenient for any purposes of the Company;
- 3.4.4 on the grounds of examination or study or research or other evidence of achievement or as a recognition of service to the Company or as a mark of distinction and respect to grant to persons approved by the Company such licences, certificates, credits, academic distinctions or awards (including without limitation on a joint or dual basis) as the Company may think fit and to withhold or withdraw the same if the Company shall consider that there are good grounds for such withholding or withdrawal;
- 3.4.5 to participate as the Company may think fit in arrangements made with any university or provider of higher or further education or with any other body having the appropriate powers whereby students of the Company may become qualified to receive any degrees or other academic qualifications of such body;
- 3.4.6 to establish such relationships with universities or other educational providers or institutions or any other body as may be thought desirable or expedient including the recognition of courses or parts of courses of, or taught at, those universities and educational providers or institutions or other bodies;
- 3.4.7 to provide or cause to be provided accommodation and related facilities for staff and students;
- 3.4.8 to establish subsidiary undertakings, companies and trusts, and to accept appointment as trustee, and to enter into joint ventures and partnerships, to subscribe, underwrite, purchase or otherwise acquire, and to hold, dispose of, and deal with, any shares or other securities in subsidiary undertakings of the Company, joint ventures or partnerships or other companies for any purpose which may directly or indirectly further all or any of the Objects;
- 3.4.9 to give indemnity for, or to guarantee, support or secure whether by personal covenant or by any such mortgage, charge, or lien, or by all such methods, the performance of all or any of the obligations (including the repayment or payment of the principal and premium of, and interest on, any securities) undertaken on behalf of the Company by any of the Company's subsidiary undertakings, joint ventures, partnerships and other companies, organisations and associations whether incorporated or not for any purpose which may directly or indirectly further all or any of the Objects and Powers;
- 3.4.10 to enter into any arrangements with any government or authority, supreme, municipal, local or otherwise, that may seem conducive to all or any of the Objects and to obtain from any such government or authority any rights, privileges, licences, contracts and concessions; and to carry out, exercise and comply with any such arrangements, rights, privileges, licences, contracts and concessions;

- 3.4.11 to grant, lend or advance money or give credit to such persons or companies, organisations or associations whether incorporated or not, on such terms as may be thought fit, with or without security, and otherwise to assist any person or company, organisations or associations for any purpose which may seem directly or indirectly to further all or any of the Objects and Powers;
- 3.4.12 to solicit, receive and accept grants, financial assistance, donations, endowments, gifts (both inter vivos and testamentary) and loans of money, rents, hereditaments and other property whatsoever, real or personal, subject or not to any specific trusts or conditions;
- 3.4.13 to borrow and raise money and secure or discharge any debt or obligation of or binding on the Company in such manner as may be thought fit, and in particular, but without limiting the generality of the foregoing, by mortgages of or charges upon the undertaking and all or an of the real and personal property (present and future) of the Company, or by the creation and issue of bonds, debentures, debenture stock or other obligations or securities of any description;
- 3.4.14 to undertake, execute and perform any trust or conditions affecting any property of any description of the Company whether acquired by gift or otherwise;
- 3.4.15 to invest funds of the Company not immediately required for its purposes in or upon such investments, securities or property as it may think fit;
- 3.4.16 to employ and engage the services of such persons as are considered necessary for furthering the Objects;
- 3.4.17 to grant, continue and pay such salaries and pensions in respect of services as may from time to time be thought proper and to establish, maintain or contribute to contributory or non-contributory pension, life assurance or superannuation funds or arrangements for the benefit of, or provide donations, gratuities, pensions and allowances to persons employed or formerly employed by the Company or any subsidiary undertaking of the Company or their dependants and to make payment towards insurance of such persons, and to do any of these things either alone or in conjunction with or through any other company, trust or fund;
- 3.4.18 to found or maintain fellowships, exhibitions, scholarships, bursaries, studentships and prizes and similar encouragements to academic work;
- 3.4.19 to promote, arrange, organise and conduct seminars, conferences, lectures, classes and courses of study, instruction and training for persons whether or not being students of the Company and to provide opportunities and facilities for persons to undertake study and research;
- 3.4.20 to license, deal in, develop and in any way turn to account any processes, inventions, discoveries, patents, copyrights, designs, trademarks or written or other material in which the Company or any student or member of the staff may have been involved and to apply for patents and copyrights and other protections in respect thereof;
- 3.4.21 to prepare, edit, print, publish, issue, acquire, circulate and distribute books, papers, periodicals and other literary material, pictures, prints, photography, films, recordings, electronic documents and mechanical and other models and equipment and to establish, form, promote, conduct and maintain collections, displays and exhibitions of literature, statistics, information and other material of an educational nature;

- 3.4.22 to acquire or cause to be acquired (whether by purchase, lease, exchange, hiring or otherwise) any real or personal property and any rights or privileges, and to enter into agreements and arrangements to secure the provision of the same, and to undertake or cause to be undertaken the development, construction, maintenance and alteration of any property, buildings or erections which the Company may think necessary for, conducive or incidental to the furtherance of all or any of the Objects and Powers;
- 3.4.23 to provide for the discipline of staff, students and other persons using any of the facilities of the Company and to regulate such use in such manner as the Company may think fit;
- 3.4.24 to make and publish any regulations and procedures for the government and conduct of the Company and its students, and to alter, amend, vary, add to or rescind any such regulations and procedures as from time to time may be deemed expedient;
- 3.4.25 to prescribe, alter, vary or waive, fees, subscriptions and charges of all descriptions to be levied or made by the Company;
- 3.4.26 to manage, develop, sell, lease, let, mortgage, dispose of or otherwise deal with all or any part of any buildings which may be required for the promotion of the objects of the Company;
- 3.4.27 to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange and other negotiable or transferable instruments;
- 3.4.28 to accept payment in discharge or satisfaction of any debt, obligation or liability to the Company in cash or in shares, with or without deferred or preferred rights in respect of dividend or repayment of capital or otherwise or in any other securities, or in any combination of the above and generally on such terms as may be considered expedient;
- 3.4.29 to pay for any property, assets or rights acquired by the Company and to discharge or satisfy any debt, obligation or liability of the Company, either in case of any other securities which the Company has power to issue or the provision of services or in any combination of the above and generally on such terms as may be considered expedient;
- 3.4.30 to insure the directors against the costs of a successful defence to a criminal prosecution brought against them as directors or against personal liability incurred in respect of any act or omission which is or is alleged to be a breach of trust or breach of duty, unless the directors concerned knew that, or was reckless whether, the act or omission was a breach of trust or breach of duty; and
- 3.4.31 to do all such lawful things as are necessary or advisable or thought fit for the attainment or furtherance of the Objects or any of them.

4. **UNANIMOUS DECISIONS OF DIRECTORS**

A decision of the directors 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. Model Article 8(2) shall not apply to the Company.

5. **CALLING A DIRECTORS' MEETING**

A notice of any directors' meeting must include an agenda and Model Article 9(2) will be amended accordingly.

6. **NUMBER OF DIRECTORS**

6.1 Unless otherwise determined by ordinary resolution the number of directors shall be not fewer than seven among whom directors shall be appointed as follows:

6.1.1 no more than three directors to be appointed and removed by the Majority Shareholder;

6.1.2 at least three independent non-executive directors shall be appointed by the Board under Article 6.7 with the prior approval of the Majority Shareholder being persons having experience of higher education and other relevant skills in the United Kingdom and being independent of the Majority Shareholder (the "Independent Directors");

6.1.3 the Principal of Escape Studios ex officio for the time being; and

6.1.4 the Chief Operating Officer of Escape Studios ex officio for the time being.

6.2 A person shall only be able to become and remain a director for so long as they are not a member. All directors shall meet the "fit and proper" test of a director of a higher education provider as imposed by the Office for Students from time to time.

6.3 In appointing directors under Article 6.1 the board of directors shall ensure that the board of directors has a balanced skills set with appropriate diversity and gender mix.

6.4 An Independent Director shall be elected for a term of three years. A retiring Independent Director shall be eligible for re-election for up to one further term of three years. A third term may be agreed in exceptional circumstances.

6.5 The Board shall use reasonable endeavours to procure that a current student of Escape Studios, chosen by the then current students and approved by the Board, shall be entitled to attend relevant parts of Board meetings (as determined by the Board) as an observer. Each such observer shall remain an observer for the shorter of one academic year (1st August to the following 31st July) or upon them ceasing to be a student of Escape Studios. A student observer shall be eligible for re-election as an observer for a maximum of two further terms.

6.6 The Company shall at the meeting at which any Independent Director retires use its reasonable endeavours to fill up the vacated office by electing a person to it with the prior approval of the Majority Shareholder.

6.7 An Independent Director shall be appointed following a selection process run by a the Board taking account of the need for the Board of directors to have a balanced skillset appropriate for the Company and taking account of gender and diversity balance.

6.8 Any appointment or removal of a director pursuant to Article 6.1 shall be in writing and signed by or on behalf of the appointing member and served on the Company at its registered office, marked for the attention of the secretary (if any) or delivered to a duly convened meeting of the directors. Any such appointment or removal shall take effect when received by the Company or at such later time as shall be specified in the notice.

6.9 In respect of a director who is appointed by the Majority Shareholder under Article 6.1.1, the Majority Shareholder undertakes to indemnify the Company against all losses, claims, damages, awards and reasonable costs and expenses which the Company suffer or incur by reason of a claim brought by such director by reason of his or her removal from office by the Majority Shareholder in accordance with Article 6.1.1.

6.10 The directors may invite persons to attend directors meetings and contribute to the discussions but have no vote.

6.11 No director shall be entitled to appoint any alternate director.

7. QUORUM FOR DIRECTORS' MEETINGS

7.1 The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than three (two of which must be appointed under Article 6.1.1.).

7.2 If there is no quorum present at any meeting of the Directors within one hour after the time fixed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall be adjourned to such date and time (not being earlier than 14 days after the date of the original meeting) and place as the Chair determines.

7.3 Model Articles 11(2) and 11(3) shall not apply to the Company.

8. CHAIRING OF DIRECTORS' MEETINGS

8.1 The directors (with the approval of the Majority Shareholder) shall appoint one director to chair meetings of the Directors (being one of the Independent Directors) and may remove from office such person however appointed. The person so appointed for the time being is known as the Chair.

8.2 The Board may appoint other Directors (being an Independent Director) as deputy or assistant chairs to chair Directors' meetings in the Chair's absence and may remove such persons however appointed.

8.3 If neither the Chair, nor his or her deputy or assistant has participated in a meeting within ten minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair it.

8.4 The Chair or other director chairing the meeting shall not have a second or casting vote.

8.5 Model Articles 12 and 13 shall not apply to the Company.

9. DIRECTORS' INTERESTS

9.1 Subject to these Articles and the 2006 Act, and provided that he or she has disclosed to the directors the nature and extent of any interest of his or hers, a director:

9.1.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;

9.1.2 may hold any other office or employment with the Company (other than the office of auditor);

- 9.1.3 may be a director or other officer of, or employed by, or be a party to any transaction or arrangement with or otherwise interested in any body corporate in which the Company is in any way interested;
 - 9.1.4 may, or any firm or company of which he is a member or director may, act in a professional capacity for the Company or any body corporate in which the Company is in any way interested (other than as auditor); and/or
 - 9.1.5 shall not be accountable to the Company for any benefit which he or she receives or profits made as a result of anything permitted by **Articles 9.1.1 to 9.1.4** and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
- 9.2 Except for a vote under section 175(4) of the 2006 Act authorising any conflict of interest which a director or any other interested director may have or where the terms of authorisation of such conflict provide that a director may not vote in situations prescribed by the directors when granting such authorisation, a director will be entitled to participate in the decision making process for voting and quorum purposes on any of the matters referred to in **Articles 9.1.1 to 9.1.4** and in any of the circumstances set out in Model Articles 14(3) and 14(4).
- 9.3 For the purposes of these Articles references to decision making process includes any directors' meeting or part of a directors meeting.
- 9.4 For the purposes of **Article 9.1**:
- 9.4.1 a general notice given in accordance with the 2006 Act is to be treated as a sufficient declaration of interest; and
 - 9.4.2 a director is not required to declare an interest either where he is not aware of such interest or is not aware of the transaction or arrangement in question.
- 9.5 Model Articles 14(1), 14(2) and 14(5) shall not apply to the Company.

10. **DIRECTORS DUTIES AND DELEGATION OF DIRECTORS POWERS**

- 10.1 The directors have a duty to comply with the Office for Students' conditions of registration under the regulatory framework as amended from time to time, including provision of information such as reportable events pursuant to condition F3.
- 10.2 The directors may delegate any of their powers (and revoke any delegation in whole or part or alter the terms and conditions of any delegation) to any person or committee consisting of at least two persons including at least one or more directors and such other persons (if any) not being directors co-opted on to such committee as the directors think fit provided that the number of co-opted persons not being directors shall be less than one half of the total number of members of such committee. Any such delegation may be made subject to any conditions the directors may impose and may be collateral to their own powers and may be revoked or altered. Subject to any such conditions the proceedings of a committee shall be governed by the Articles regulating the proceedings of directors so far as they are capable of applying.

The overall responsibility and accountability of any actions or decisions taken by the committees; boards or persons to whom the directors have delegated its responsibilities lies with the directors.

11. TERMINATION OF DIRECTOR'S APPOINTMENT

11.1 In addition to the circumstances set out in Model Article 18 (a) to (f) (inclusive) the office of a director shall be vacated if:

11.1.1 he or she is removed by the Majority Shareholder pursuant to Article 6.1;

11.1.2 he or she ceases to be a director by virtue of any provision of these Articles; or

11.1.3 he or she shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his or her office be vacated; or

11.1.4 he or she brings or threatens to or does bring either him or herself or the Company into disrepute and the Directors resolve that his or her office be vacated; or

11.1.5 the directors resolve that it is in the interests of the Company that the office of a director be vacated.

12. DIRECTORS' PENSIONS AND GRATUITIES

In addition to the provisions of Model Article 19(3)(b), the directors may exercise all the powers of the Company to give and provide pensions, annuities, gratuities or any other benefits whatsoever to or for present or former directors or employees (or their dependants) of the Company or any subsidiary undertaking (as defined in section 1162 of the 2006 Act) or associated undertaking (as defined in section 479(4) of the 2006 Act) of the Company and the directors shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

13. SHARES

13.1 The directors are prohibited from exercising any of the powers conferred upon them by section 550 of the 2006 Act.

13.2 In accordance with section 567(1) and (2) of the 2006 Act, sections 561(1) and 562 (1) to (5) (inclusive) of that Act shall not apply to the Company.

13.3 No shares in the Company shall be allotted, sold or transferred out of treasury and no rights to subscribe for or convert any security into shares in the Company shall be granted, without the prior consent in writing of the Majority Shareholder nor shall any share be issued at a discount or issued in breach of these Articles or the 2006 Act.

13.4 Model Article 21 shall not apply to the Company.

14. TRANSFER OF SHARES

Model Article 26(5) shall be amended by the addition of the following words: "The directors may not refuse to register the transfer of a share made with the prior written approval of the Majority Shareholder. In any other case" before the words "the directors may refuse to register".

15. TRANSMITEES BOUND BY PRIOR NOTICES

Model Article 29 shall be amended by the insertion of the words ", or the name of any person nominated under Model Article 27(2), "after the words "the transmittee's name".

16. **NOTICE OF GENERAL MEETINGS**

Every notice convening a general meeting shall:

- 16.1 comply with section 325(1) of the 2006 Act as to giving information to shareholders relating to their right to appoint proxies; and
- 16.2 be given in accordance with section 308 of the 2006 Act, that is in hard copy form, electronic form or by means of a website.

17. **PROCEEDINGS AT GENERAL MEETINGS**

- 17.1 The Chair shall chair general meetings if present and willing to do so.
- 17.2 If the Chair is unwilling to chair the meeting or is not present within 10 minutes of the time at which a meeting was due to start:
 - 17.2.1 the deputy chair (if any) shall chair the meeting if present and willing to do so; or
 - 17.2.2 if there is no deputy chair willing to chair the meeting, the Majority Shareholder must appoint a person to chair the meeting, and the appointment of the chair of the Meeting must be the first business of the meeting.
- 17.3 The person chairing a meeting in accordance with this Article is referred to as "the Chair of the Meeting".
- 17.4 If a quorum is not present within half an hour of the time at which a general meeting is due to start or if, during a general meeting, a quorum ceases to be present the Chair of the Meeting must adjourn it.
- 17.5 When adjourning the general meeting the Chair of the Meeting must specify that the meeting is adjourned either:
 - 17.5.1 to the same day, place and time the following week; or
 - 17.5.2 to another day, place and time to be decided by the directors.
- 17.6 Model Articles 39 and 41 shall not apply to the Company.

18. **WRITTEN RESOLUTIONS**

- 18.1 A written resolution, proposed in accordance with section 288(3) of the 2006 Act, will lapse if it is not passed before the end of the period of 28 days beginning with the circulation date.
- 18.2 For the purposes of this **Article 18** "circulation date" is the date on which copies of the written resolution are sent or submitted to shareholders or, if copies are sent or submitted on different days, to the first of those days.

19. **COMPANY COMMUNICATION PROVISIONS**

- 19.1 Where:
 - 19.1.1 a document or information is sent by post (whether in hard copy or electronic form); and
 - 19.1.2 the Company is able to show that it was properly addressed, prepaid and posted,

it is deemed to have been received by the intended recipient 3 days after it was posted if to an address in the United Kingdom or 5 days if to an address outside of the United Kingdom provided that such post shall be first class recorded delivery if within the United Kingdom or by international courier if outside of the United Kingdom.

19.2 Where:

19.2.1 a document or information is sent or supplied by electronic means; and

19.2.2 the Company is able to show that it was properly addressed,

it is deemed to have been received by the intended recipient immediately after it was sent.

19.3 Where a document or information is sent or supplied by means of a website, it is deemed to have been received by the intended recipient:

19.3.1 when the material was first made available on the website; or

19.3.2 if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.

19.4 Pursuant to section 1147(6) of the 2006 Act, subsections (2) (3) and (4) of that section shall be deemed modified by **Articles 19.1, 19.2 and 19.3.**

20. **DIRECTORS' INDEMNITY AND INSURANCE**

20.1 Subject to, and so far as may be permitted by, the 2006 Act and without prejudice to any indemnity to which the person concerned may be otherwise entitled, the Company may indemnify every director, former director, alternate director, secretary or other officer of the Company or of any associated company (as defined in section 256 of the 2006 Act) against any liabilities incurred by him or her in the execution and discharge of his or her duties or the exercise of his or her powers or otherwise in relation to or in connection with his or her duties, powers or office, including any liability which may attach to him or her in respect of any negligence, default, breach of duty or breach of trust in relation to anything done or omitted to be done or alleged to have been done or omitted to be done by him or her as a director, former director, alternate director, secretary or other officer of the Company or of any such associated company.

20.2 Subject to the 2006 Act the directors may purchase and maintain at the cost of the Company insurance cover for or for the benefit of every director, former director, alternate director, secretary or other officer of the Company or of any associated company (as defined in section 256 of the 2006 Act) against any liability which may attach to him or her in respect of any negligence, default, breach of duty or breach of trust by him or her in relation to the Company (or such associated company), including anything done or omitted to be done or alleged to have been done or omitted to be done by him as a director, former director, alternate director, secretary or other officer of the Company or associated company.

20.3 Model Articles 52 and 53 shall not apply to the Company.

21. **RESERVED MATTERS**

21.1 Subject to the provisions of the Act and these Articles the business of the Company shall be managed by the directors who may exercise all the powers of the Company. No alteration of these Articles shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this **Article 21.1** shall not be limited by any

special power given to the directors by these Articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.

- 21.2 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the directors shall from time to time by resolution determine.
- 21.3 The Board shall appoint a person to be the Principal of Escape Studios who shall be chief executive of the Company.
- 21.4 The Board may appoint a person to be the Chief Operating Officer of Escape Studios.
- 21.5 Save with Board Consent the Company shall not take any of the following actions:
 - 21.5.1 enter into any transactions which are not made on a bona fide arm's length basis in the ordinary course of business;
 - 21.5.2 make any material change to the nature of the Company's business;
 - 21.5.3 change the Articles or adopt new Articles;
 - 21.5.4 vary the rights attaching to any class of shares of the Company;
 - 21.5.5 appoint or remove any Director;
 - 21.5.6 enter into any transaction (or series of relates transactions) not expressly agreed in any annual plans or forecasts which could involve the payment by the Company, in cash or otherwise, of amounts in excess of £100,000 in the aggregate in any 12 month period;
 - 21.5.7 the allotment, issue or transfer any shares in the Company other than the transfer, issue or allotment of shares in the Company made at the request of the Majority Shareholder;
 - 21.5.8 create any form of material charge or Encumbrance over any asserts or property of the Company other than in the ordinary course of business;
 - 21.5.9 enter into any arrangement with any revenue authority except in the ordinary course of business;
 - 21.5.10 borrow amounts which when aggregated with all other borrowings (or indebtedness in the nature of borrowings) exceed £100,000 except as envisaged in the annual business plan;
 - 21.5.11 incur any capital expenditure of amounts in excess of £100,000 in the aggregate in any 12 month period except as envisaged in the annual business plan;
 - 21.5.12 change the auditors of the Company;
 - 21.5.13 change the accounting reference date or registered office address of the Company;

- 21.5.14 prepare accounts otherwise than in accordance with any accounts direction issued by the Office for Students from time to time;
- 21.5.15 change the terms of employment, engagement or arrangement with (a) any employee whose basic salary is in excess of £75,000 per annum from the date of this Agreement or (b) any director;
- 21.5.16 change the Company's name;
- 21.5.17 present any petition for winding up, creditors voluntary arrangement, apply for an administration order or equivalent proceedings in respect of the Company (unless such an order or resolution would be required by fiduciary duty or applicable law);
- 21.5.18 reduce, redeem, purchase or cancel any of the shares of the Company or grant any options, share incentives, bonus schemes or issue shares or any rights to subscribe for shares or any instruments or loans convertible into such shares in the Company;
- 21.5.19 capitalise any sums or make any repayment of any loans or declare and/or pay any distribution or dividend;
- 21.5.20 enter into any arrangement for any joint venture or partnership other than in the ordinary course of business;
- 21.5.21 form or dispose of any subsidiary company;
- 21.5.22 enter into any property transaction with a value/annual rent in excess of £100,000 except as envisaged in the annual business plan;
- 21.5.23 buy or sell any business or other entity or seek to merge with any entity;
- 21.5.24 sell, dispose or lease any material tangible or intangible assets of the Company for a total price or involving an estimate price per transaction in excess of £100,000;
- 21.5.25 provide any loan, mortgage, charge, lien, guarantee or other encumbrance by the Company other than in the ordinary course of business;
- 21.5.26 agree to a licence of any of the intellectual property of the Company other than as envisaged in the annual business plan or in relation to licences of intellectual property arising in the ordinary course of business;
- 21.5.27 enter into any contract that is not envisaged in the annual business plan where such contract is (a) not terminable within six (6) months by the Company and (ii) has an annual value in excess of £100,000 per annum in any 12 month period;

- 21.5.28 commence, settle or defend any action, or proceeding or other litigation brought by or against the Company where the amount involved (including all costs) is likely to exceed £100,000 except for any claim which involves debt collection in the ordinary course of business;
- 21.5.29 establish or amend any pensions scheme except as where required as a matter of law;
- 21.5.30 change the bankers of the Company;
- 21.5.31 approve and adopt the accounts of the Company; and
- 21.5.32 approve and adopt a business plan and budget of AAP both on an annual and five (5) year basis.

provided always that if Majority Shareholder Consent is given to any of the matters or actions referred to above then (unless the Majority Shareholder directs otherwise) the directors shall be required to enact the relevant matter or action and shall not be entitled to refuse, withhold or delay Board Consent under this Article 21.5.

- 21.6 The Company shall provide the Majority Shareholder promptly with such information concerning each the Company and its business as the Majority Shareholder may request from time to time.

22. **ACADEMIC BOARD**

- 22.1 The directors shall, using their powers under the Act, establish and thereafter maintain an Academic Board to act as its academic authority which shall take such measures and act in such a manner as shall best promote the academic and professional work of the Company and safeguard the standards of its awards. The directors shall establish and thereafter maintain regulations governing the composition, powers and responsibilities of the Academic Board.
- 22.2 Any proposal to withdraw a programme of study leading to an award of the Company shall be subject to the approval of the Academic Board. Before implementing such proposal, the directors must demonstrably safeguard the interests and rights of students registered on the programme and the standards of the relevant award.
- 22.3 This **Article 22.3** shall only apply in the event of and for so long as the Company has degree-awarding powers. In that event and for so long as the Company has degree-awarding powers, the directors have a duty to provide the Office for Students with at least 28 days written notice of their intention to directly or indirectly dissolve or otherwise cause the Academic Board's powers or responsibilities to be reduced, before doing so.

24. **STUDENT UNION**

To the extent there is a Student Union of the Company, (the "Student Union") then it shall be independent of, and not controlled by, the Company. The directors have the right to review the Student Union's constitution every five years. No amendment to or rescission of the Student Union's constitution is valid unless and until approved by the directors. The directors shall have the right to appoint two persons to the board of the Student Union.

25 **AUDIT COMMITTEE**

- 25.1 The directors shall, unless they resolve otherwise, establish a committee, to be known as the Audit Committee, to advise on matters relating to the board of directors' audit arrangements and systems of internal control.

26 **RULES OR BY-LAWS**

- 26.1 The directors may from time to time make such rules or by-laws as they may deem necessary or expedient or convenient for the proper conduct and management of the Company regulate:

26.1.1 meetings of the directors and committees in so far as such procedure is not regulated by these Articles;

26.1.2 and, generally, all such matters as are commonly the subject matter of such rules, provided, nevertheless, that no rule or by-law shall be inconsistent with, or shall affect or repeal anything contained in the Memorandum of Association of the Company or these Articles,

The Company shall have power to alter or repeal the rules or by-laws referred to in **Article 26.1** and to make additions thereto.