



**VISURAY PLC**  
**C 52031**

**Advance House, 375 Manwel Dimech Street, Sliema SLM 1058, Malta**

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## **NOTICE AND AGENDA OF EXTRAORDINARY GENERAL MEETING**

In terms of Article 29 of the Articles of Association of the Company, notice is hereby given to all Members of the Company for an Extraordinary General Meeting of the Company to take place at 168 St Christopher Street, Valletta VLT 1467, Malta on the 10<sup>th</sup> May 2017 at 15:00 CET.

Members who hold their shares at the close of business on May 5<sup>th</sup>, 2017 at the latest (record date) are entitled to notice of and to vote at the Annual General Meeting or any adjournment or postponement thereof. The depositary-bank has to confirm that those shares were held at the close of business on May 5<sup>th</sup>, 2017 (record date) by the member.

The purpose of the meeting is to:

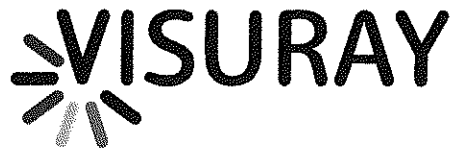
- 1) Insert new articles after the existing article 18 of the Articles of Association and renumber the remaining articles accordingly.

The motivation behind the proposed change is as follows:

Since the successful test of the VR360 last summer and the series of successful VR90 jobs, several companies have approached the Company with the ultimate aim being an acquisition of the Company.

During practical discussions with one of the parties we were made aware that our articles of associations did not provide for a minority squeeze out mechanism. While, these could be implemented by an acquirer following a large acquisition of shares or during a bid, it would delay the process and add legal uncertainty into the equation. We've come to the conclusion that the ability to swiftly conclude a purchase with no legal impediments is key.

After discussions with Maltese authorities we're proposing to incorporate the necessary provisions from the Listing rules/EU takeover directive with small adjustments, due to the fact that the shares are not listed on a stock exchange, into our articles of associations. We're taking the opportunity to include also the section of the listing rules relating to mandatory bids in order to protect non-controlling shareholders. We believe that if the Company were to be subject to



a bid, this is in the best interest of all shareholders as it provides added minority protection.

For more background information please see Appendix 1.

In this regard, the Board is proposing the following extraordinary resolution:

1) To amend article 14 of the Articles of Association to read as follows:

*Subject to Articles 19 - 23 hereunder, all shares in the Company are freely transferable and transfers of shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Directors, subject to the provisions of Article 17 below.*

2) To insert new articles after the existing article 18 of the Articles of Association and renumber the remaining articles accordingly.

The additional articles inserted should read as follows:

#### Takeover Bids

- 19 *The definitions in rule 11.3 of Chapter 11 – Takeover Bids - of the listing rules issued by the Listing Authority appointed in accordance with Article 2 of the Financial Markets Act (Cap 345 of the Laws of Malta) shall apply to the shares issued by the Company in connection with any Takeover Bid as if the shares of the Company were admitted to trading on a regulated market in Malta, insofar as they are not varied hereby.*
- 20 *A member holding more than ninety percent (90%) of the Company's capital carrying voting rights and ninety percent (90%) of the Company's voting rights must notify the Board of Directors of the Company of this situation without delay. The Board of Directors shall promptly notify all the members of the company of this fact upon receiving such notice from a member.*
- 21 *A Takeover Bid or Bid shall mean an offer by an Offeror sent to a member or members of the Company, and copied to the Board of Directors of the Company, to acquire all or some of the Securities held by such member or members, whether mandatory or voluntary, which follows or has, as its objective, the acquisition or Control of the Company.*

#### Mandatory Bid

- 22 *Where a person acquires a Controlling Interest as a result of his own acquisition or the acquisition by persons Acting In Concert with him, such person shall make a Bid as a means of protecting the*



minority Shareholders of the Company. Such a Bid shall be addressed at the earliest opportunity to all holders of those Securities for all their holdings at the equitable price as determined in accordance with Article 23 b) below. Provided that where Control has been acquired following a voluntary Bid made to all the holders of Securities for all their holdings, the obligation to launch a Mandatory Bid shall not apply. Provided further that where Control has been acquired following a bona fide capital raising exercise by the Company where an offer has been made to all the holders of Securities to subscribe for further shares in the Company on equal terms and conditions, the obligation to launch a Mandatory Bid shall not apply.

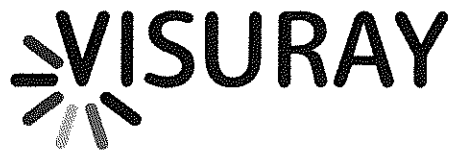
- a) To calculate the threshold required to acquire a Controlling Interest, the voting rights indicated in Listing Rules 11.9.1 to 11.9.3 shall be included and added to the voting rights of the Offeror.
- b) Where acquisition of Control takes place as a result of acquisition of holdings by persons Acting In Concert, the obligation to make a Bid shall lie with the person having the highest percentage of voting rights.
- c) The obligation to make a Bid to all the holders of Securities shall not apply to those Controlling holdings already in existence as at 1 June 2017, provided that any further acquisitions after this date shall trigger the obligation to launch a Mandatory Bid.

#### **Squeeze-Out and Sell-Out Rights**

23 Following a Bid made to all the holders of the Company's Securities for all of their Securities, the following shall apply:

- a) Where the Offeror holds Securities representing not less than ninety percent (90%) of the capital carrying voting rights and ninety percent (90%) of the voting rights in the Company, or where, following acceptance of the Bid, the Offeror has acquired or has firmly contracted to acquire Securities representing not less than ninety percent (90%) of the Company's capital carrying voting rights and ninety percent of the voting rights comprised in the Bid, the Offeror has the right to require all the holders of the remaining Securities to sell him those Securities at a fair price and shall take the same form as the consideration offered in the Bid or, alternatively, in cash.
- b) In order to establish a fair price the Offeror must appoint an independent Expert to draw up a report determining the price considered to be a fair and reasonable value of those Securities, which price must however be equivalent to or higher than the equitable price. The equitable price is the highest price paid for the security by the Offeror or persons Acting in Concert with the Offeror during the previous six (6) months.
- c) To calculate the threshold referred to in a) above, the voting rights indicated in Listing Rules 11.9.1 to 11.9.3 shall be included and added to the voting rights of the Offeror.
- d) If the Offeror wishes to exercise the right of squeeze-out he shall do so within three (3) months at the end of the time allowed for acceptance of the Bid.
- e) A holder of remaining Securities may require the Offeror to buy his Securities from him at a fair price under the same circumstances as provided for in b) above.

3.) To authorise the Board of Directors and/or the Company Secretary to register with the Registrar of Companies in Malta, a revised and updated



Memorandum and Articles of Association containing the changes approved in the Extraordinary General Meeting.

Any member entitled to attend and vote at a general meeting of the Company may appoint another person as his proxy to attend and to vote in his stead and a proxy so appointed shall have the same right as that member to speak at the meeting and to demand a poll.

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end.

By order of the Board of Directors  
Date: April 12, 2017



C 52031

**PROXY FORM**  
**(please see below for appropriate and valid instructions)**

I/We \_\_\_\_\_ of \_\_\_\_\_

—  
residing at \_\_\_\_\_ being a member/members of the  
above-named company, hereby appoint The Malta Stock Exchange, Garrison Chapel,  
Castille Place, Valletta VLT 1063, Malta or \_\_\_\_\_ as  
my/our proxy to vote for me/us on my/our behalf at the extraordinary general meeting of  
the company to be held on the 10<sup>th</sup> day of May 2017, at 15.00 CET and at any adjournment  
thereof.

IN FAVOUR	AGAINST
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Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

This form is to be used in **favour of/against** \* the resolution. Unless otherwise instructed,  
the proxy will vote in favour.

\*Strike out whichever is not desired.

**This Form should be sent to the bank holding your shares and asking them to forward this through the proper channels (corporate action). In no event should it be sent directly to the company. Typically should be sent at least two weeks prior to the meeting date.**



## APPENDIX 1

### Background Information

Since the last shareholder update we've made a lot of headway improving the VR90 by making it smaller and increasing its temperature rating. We believe that these changes will improve the adoption rate of the technology by the industry. We also would like to take this opportunity to provide our shareholders with a technical update and the reasons why we've received a lot of industry interest lately.

The Board of the Company believes that the X-ray technology platform, that we have successfully developed, will be a critical must have technology for the oil service industry in the future. This is because when it comes to inspection and characterization of oil wells and their surroundings, the physics of X-rays are superior to existing ultrasound technology. While ultrasound technology is still being incrementally improved, these improvements are marginal due to the laws of physics. This is not the case with X-rays as we believe we have barely scratched the surface of what can be achieved with X-rays with the VR90 and the upcoming VR360 tool. With experience many other innovations and improvements will be added to the X-Ray platform we have exclusively developed. We, and many others in the industry, see its potential in Logging While Drilling (LWD), conventional formation evaluation and other types of Well Integrity Applications. While X-rays are not a cure all, it is our belief that together with existing technology they offer game changing solutions to customers.

What gives us a key advantage is being the first to offer a commercial downhole X-ray service. It has given us a wealth of experience and understanding of the physics in the environment of oil or gas wells, that has never been investigated before. We've made sure to protect the ideas we've come up with over the last 18 months with a list of broad technology patents. We've been especially active lately as no less than 8 patents have been filed or are in the process of being filed this last couple of months. Coupled with other already published patents, we believe it is impossible for any company to enter the downhole X-ray domain without infringing one or several of our patents. We believe this hard reality is sinking in in the minds of the industry and is the making us an interesting party to team up with.



To summarize, the Company offers the combination of a strong IP portfolio, leading industry experience and a short time to market/first mover advantage for a successful acquirer. From our recent experience, and what we can see from publicly available information, we believe that we are at least five to seven years ahead of anyone else within the X-ray domain. The amount of risk, time, money and resources needed to develop the technology is difficult to stomach even for the large industry players.

The oil service industry at large is facing margin pressure from its customers and it is only with the introduction of radically new technology, that it will be able to continue to command good margins. In the absence of new technology, the industry just gets more and more commoditized with continued pressure on margins. This pressure has led to an industry consolidation, which we believe will continue as the players try to differentiate and improve their service offering by offering a "one stop shop" to entice customers. In our view the business model of the large players has been to invest in incrementally improving existing technology and to buy new game changing technology companies outright.

Over the next few years, leading oilfield service companies who do not have X-ray technology in their portfolio will suffer market share erosion and find out in their scramble to develop the technology, that it will take years to catch-up.

This is why we offer the great value proposition of a fast, low risk access to the technology. Without wanting to sound presumptuous we believe that the Company offers great strategic and financial value to whoever ends up acquiring it. We also believe time is on our side as we continue to add value.