

Company No 12063449

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

SLS IT RECRUITMENT LIMITED ("Company")

Adopted on 17 February 2023

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ARTICLES OF ASSOCIATION  
OF  
SLS IT RECRUITMENT LIMITED  
(Adopted by special resolution passed on 17 February 2023)

Introduction

1. Interpretation

1.1 In these Articles, the following words have the following meanings:

director: a director of the Company.

A Director: has the meaning given to it at article 11.1.

Adoption Date: 17 February 2023.

A Share: an ordinary share of £1 in the capital of the Company designated as an A share and A Shares shall be construed accordingly.

A Shareholder: a holder of A Shares from time to time and A Shareholders shall be construed accordingly.

Articles: the Company's articles of association for the time being in force.

Bad Leaver: a Departing Shareholder who is not a Good Leaver.

Board: the board of directors of the Company at any time and from time to time.

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for normal banking business.

CA 2006: the Companies Act 2006.

Change of Control means the acquisition (by any means) by a Third Party Purchaser of any interest in any shares if, upon completion of that acquisition, that Third Party Purchaser (together with any person connected with or acting in concert with that Third Party Purchaser) would be entitled to exercise more than 50% of the total voting rights normally exercisable at any general meeting of the Company.

Conflict: a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.

Continuing Shareholder and Continuing Shareholders: has the meaning given in article 15.7.

Controlling Interest: an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010.

Deemed Transfer Notice: a Transfer Notice that is deemed to have been served under any provisions of these Articles.

Departing Employee Shareholder: an Employee Shareholder who ceases to be a director or employee of the Company (other than by reason of death).

Departing Shareholder: has the meaning given to it at article 18.1.

Eligible Director: 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).

Eligible A Director: an A Director who would be entitled to vote on the matter at a meeting of directors (but excluding any A Director whose vote is not to be counted in respect of the particular matter).

Employee Shareholder: other than the Founder Shareholder, a shareholder who is, or has been, a director and/or an employee of the Company.

E Share: an ordinary share of £1 in the capital of the Company designated as an E Share and which shall include all such shares as are further divided into, and designated as, numerical sub-classes i.e. a share designated as a E1 ordinary share of £1 each in the capital of the Company shall be a E1 Share and so on and a reference to E Shares shall be construed accordingly.

E Shareholder: a holder of an E Share (of any sub-class) and E Shareholders shall be construed accordingly.

Exit Event: means the earlier to occur of:

- (a) the date and time at which an agreement referred to in the definition of Sale is completed;
- (b) the date and time at which a Listing takes place; and
- (c) a return of assets on liquidation or similar (except on a redemption or purchase by the Company of any shares) (Winding Up).

Exit Proceeds means:

- (a) in the event of a Listing, the market value of the Listing Shares determined by reference to the price per share at which such shares are to be offered for sale, placed or otherwise marketed pursuant to the arrangements relating to the Listing, all as determined by the merchant bank or, if none, the broker appointed by the Board to advise in connection with the Listing;
- (b) in the event of a Sale:
  - (i) if the shares are to be sold by private treaty (as distinct from a public offer) and the consideration is a fixed cash sum payable in full on completion of the Sale, the total amount of such cash sum;
  - (ii) if a written offer has been made for a cash consideration or, if the Sale is pursuant to any other public cash offer or public offer accompanied by a cash alternative, the total cash consideration or cash alternative price for all the shares of the Company;
  - (iii) if the Sale is by private treaty or public offer and the consideration is the issue of securities (not accompanied by a cash alternative):
    - (A) if the securities will rank *pari passu* with a class of securities already

admitted to the Official List (in the case of a sale by private treaty), the value attributed to such consideration in the related sale agreement setting out the terms of such sale or, (in the case of a Sale following a public offer or failing any such attribution in the sale agreement) by reference to the value of such consideration determined by reference to the average middle market quotation of such securities over the period of 5 Business Days ending 3 days prior to the day on which the Sale is completed; or

- (B) if the securities are not of such a class, the value of the relevant consideration as determined by the shareholders or, in the absence of such agreement prior to the Sale, such value as is reported on by the Valuer and addressed to (and at the cost, pro-rata to the number of such shares held by them respectively) the shareholders;
- (iv) to the extent that the Sale includes an element of non-contingent and clearly quantified deferred consideration which is of a determinable finite amount and where there is a fixed date for payment, its value shall be the present value of such deferred consideration discounted for delay and any applicable insolvency or other default risk to be determined by the Valuer in a report obtained for the purpose and addressed to (and at the cost, pro-rata to the number of such shares held by them respectively) the shareholders; and
- (v) to the extent that paragraphs (i) to (iv) (inclusive) above are not applicable, the value of the relevant consideration determined by the shareholders or, in the absence of such agreement prior to the Sale, such value as is reported on by the Valuer in a report obtained for the purpose and addressed to (and at the cost, pro-rata to the number of such shares held by them respectively) the shareholders,

in each case net of the transaction costs reasonably and properly incurred by the holders of shares in relation to the Listing or Sale (as applicable); or

- a) in the event of a Winding Up, the surplus assets of the Company remaining after payment of its debts and liabilities and of the costs and charges of its Winding Up.

Fair Value: in relation to Sale Shares, as determined in accordance with article 19.4.

Founder Shareholder: Sarah Lampkin.

Good Leaver: a shareholder who becomes a Departing Shareholder by reason of:

- (a) death;
- (b) permanent disability or permanent incapacity;
- (c) any other reason that the Majority Shareholder determines shall be a Good Leaver reason.

holding company: has the meaning given in article 1.5.

Interested Director: has the meaning given in article 9.1.

Listing means the admission to or permission to deal on any Recognised Investment Exchange (as defined under Part XVIII of the Financial Services and Markets Act 2000) becoming unconditionally effective in relation to all or any of the issued share capital of the Company.

Listing Shares means the shares of the Company which are the subject of the Listing.

Majority Shareholder: the holder(s) of more than 75% of the A Shares in issue from time to time.

Majority Shareholder Consent: the written consent of the Majority Shareholder.

Model Articles: the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles and reference to a numbered Model Article is a reference to that article of the Model Articles.

Permitted Group: in relation to a company, any wholly owned subsidiary of that company, any company of which it is a subsidiary (its holding company) and any other subsidiaries of any such holding company; and each company in a Permitted Group is a member of the Permitted Group. Unless the context otherwise requires, the application of the definition of Permitted Group to a company at any time will apply to the company as it is at that time.

Permitted Transfer: a transfer of shares made in accordance with article 17.

Purchase Notice: has the meaning given in article 16.2.

Sale means, other than as a result of an intra-group reorganisation, the making of one or more agreements, (whether conditional or not), for the disposal, transfer, purchase, subscription or renunciation of any part of the share capital of the Company giving rise to a Change of Control and for these purposes disposal shall mean a sale, transfer, assignment or other disposition whereby a person ceases to be the absolute beneficial owner or otherwise.

Sale Price: has the meaning given in article 16.1(b).

Sale Shares: has the meaning given in article 16.1.

Seller: has the meaning given in article 16.1.

shareholder: a holder of shares from time to time and shareholders shall be construed accordingly.

shares: shares in the capital of the Company of any class.

subsidiary: has the meaning given in article 1.5.

Termination Date: where employment ceases by virtue of notice given by the employer to the employee, the date on which notice of termination was served;

- (a) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;
- (b) where an Employee Shareholder dies, the date of his death;
- (c) where the Employee Shareholder concerned is a director but not an employee, the date on which his service agreement (or other terms of appointment) with the Company is terminated; or
- (d) in any other case, the date on which the employment or holding of office is terminated.

Third Party Purchaser means a person or persons who are not shareholders as at the Adoption Date.

Transfer Notice: has the meaning given to it at article 16.1.

Valuer: the Company's accountants from time or, if they decline to act, an independent firm of chartered accountants of repute appointed by the shareholders in accordance with article 19.

Writing or written: the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall 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 shall have those meanings in these Articles.
- 1.3 Headings in these Articles are used 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 A reference to a holding company or a subsidiary means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the CA 2006 [and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of:
  - (a) another person (or its nominee), by way of security or in connection with the taking of security; or
  - (b) its nominee.
- 1.6 Unless expressly provided otherwise, a reference to any legislation or legislative provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.7 A reference to any legislation or legislative provision shall include all subordinate legislation made from time to time under that legislation or legislative provision.
- 1.8 Any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
2. Adoption of the Model Articles
  - 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
  - 2.2 Model Articles 6(2), 7, 8, 9(1), 11 to 14 (inclusive), 16, 17, 22, 26(5), 27 to 29 (inclusive), 36, 38, 39, 43, 44(2), 49 and 50 to 53 (inclusive) shall not apply to the Company.

- 2.3 Model Article 20 shall be amended by the insertion of the words "(including alternate directors and the secretary)" before the words "properly incur".
- 2.4 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.5 Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Model Article 31(1)(d) shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

## Directors

### 3. Directors' meetings

- 3.1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with article 4.
- 3.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 3.3 Questions arising at any meeting shall be decided by a majority of votes PROVIDED THAT:
  - (a) for a resolution to be passed, the A Director or A Directors together (if more than one) must have voted in favour of such resolution;
  - (b) in the case of an equality of votes, the chairperson of the Board shall have a second or casting vote; and
  - (c) the A Director, or the A Directors acting together (if more than one) shall, if they so elect, have the number of votes in relation to resolutions of the Board which exceed by one the number of votes in aggregate of the other directors.

### 4. Unanimous decisions of directors

- 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 a directors' meeting to vote on the matter in accordance with article 7.

### 5. Number of directors

The number of directors shall not be less than one. A sole director shall have all the powers, duties and discretions conferred on or vested in the directors by these Articles.



6. Calling a directors' meeting

- 6.1 Any A Director or, where there is no A Director at any time and from time to time, any director may call a meeting of directors by giving not less than seven Business Days' notice of the meeting to each director or by authorising the Company secretary (if any) to give such notice.
- 6.2 Notice of any directors' meeting must be accompanied by:
- (a) an agenda specifying in reasonable detail the matters to be raised at the meeting; and
  - (b) copies of any papers to be discussed at the meeting.
- 6.3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors agree in writing.

7. Quorum for directors' meetings

- 7.1 Subject to article 7.4, the quorum at any meeting of the directors (including adjourned meetings) shall be two directors, one of whom shall be an A Director where an A Director has been appointed. Where there is a sole director of the Company, the quorum shall be one director.
- 7.2 No business shall be conducted at any meeting of the directors unless a quorum is present at the beginning of the meeting and also when that business is voted on.
- 7.3 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for 5 Business Days at the same time and place.
- 7.4 For the purposes of any meeting (or part of a meeting) held pursuant to article 9 to authorise a Conflict, if there is only one Eligible Director in office other than the Interested Director(s) the quorum for such meeting (or part of a meeting) shall be one Eligible Director.

8. Chairing of directors' meetings

The chairperson shall have a casting vote. If the chairperson for the time being is unable to attend any meeting of the board of directors, the shareholder who appointed the chairperson shall be entitled to appoint another of its nominated directors to act as chair at the meeting.

9. Directors' interests

- 9.1 For the purposes of section 175 of the CA 2006, the shareholders (and not the directors) shall have the power to authorise, by resolution and in accordance with the provisions of these Articles, any Conflict proposed to them by any director which would, if not so authorised, involve a director (the Interested Director) breaching their duty under section 175 of the CA 2006 to avoid conflicts of interest.
- 9.2 The Interested Director must provide the shareholders with such details as are necessary for the shareholders to decide whether or not to authorise the Conflict, together with such additional information as may be requested by the shareholders.

- 9.3 Any authorisation by the shareholders of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):
- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
  - (c) provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
  - (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the shareholders think fit;
  - (e) provide that, where the Interested Director obtains, or has obtained (through the Interested Director's involvement in the Conflict and otherwise than through their position as a director of the Company) information that is confidential to a third party, the Interested Director will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
  - (f) permit the Interested Director to absent themselves from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 9.4 Where the shareholders authorise a Conflict:
- (a) the Interested Director will be obliged to conduct themselves in accordance with any terms and conditions imposed by the shareholders in relation to the Conflict; and
  - (b) the Interested Director will not infringe any duty they owe to the Company by virtue of sections 171 to 177 of the CA 2006, provided they act in accordance with such terms and conditions (if any) as the shareholders impose in respect of their authorisation.
- 9.5 The shareholders may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
- 9.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which the director derives from or in connection with a relationship involving a Conflict which has been authorised by the shareholders in accordance with these Articles (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 9.7 Subject to sections 177(5) and 177(6) of the CA 2006, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of the director's interest to the other directors before the Company enters into the transaction or arrangement in accordance with the CA 2006.

- 9.8 Subject to sections 182(5) and 182(6) of the CA 2006, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of the director's interest to the other directors as soon as is reasonably practicable in accordance with the CA 2006, unless the interest has already been declared under article 9.7.
- 9.9 Subject, where applicable, to any terms, limits or conditions imposed by the shareholders in accordance with article 9.3, and provided a director has declared the nature and extent of their interest in accordance with the requirements of the CA 2006, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- (a) may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;
  - (b) shall be an Eligible Director for the purposes of any proposed decision of the directors in respect of such transaction or arrangement or proposed transaction or arrangement in which the relevant director is interested;
  - (c) shall be entitled to vote at a meeting of directors or participate in any unanimous decision in respect of such transaction or arrangement or proposed transaction or arrangement in which the relevant director is interested;
  - (d) may act by themselves or their firm in a professional capacity for the Company (otherwise than as auditor) and they or their firm shall be entitled to remuneration for professional services as if they were not a director;
  - (e) 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 in which the Company is otherwise (directly or indirectly) interested; and
  - (f) shall not, save as the relevant director may otherwise agree, be accountable to the Company for any benefit which they (or a person connected with them (as defined in section 252 of the CA 2006)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate 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 their duty under section 176 of the CA 2006.
10. Records of decisions to be kept
- Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in a form that enables the Company to retain a copy of such decisions.
11. Appointment and removal of directors
- 11.1 The Majority Shareholder may at any time and from time to time be entitled to appoint any person to be a director by notice in writing to the Company and to nominate whether or not such appointed director shall be an A Director for the purposes of these Articles (such nominated person being an A Director). Any person appointed as a director in accordance with this article 11.1 and not so nominated as an A Director shall be a director for the purposes of these Articles.

- 11.2 The Majority Shareholder may by notice in writing to the Company remove from office any person appointed as a director (including an A Director) in accordance with article 11.1.
- 11.3 Other than the Founder Shareholder, any director who is an employee of the Company and who ceases to be an employee shall be removed from office from the date their employment ceases.
- 11.4 The right to appoint an A Director under this article shall be a class right attaching to the A Shares.
- 11.5 No A Director shall be appointed or removed otherwise than pursuant to these Articles, save as provided by law.

#### Shares

#### 12. Share capital

- 12.1 Except as otherwise provided in these Articles, the A Shares and each sub-class of the E Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.
- 12.2 No share of any class nor any right to subscribe for or to convert any security into a share of any class shall be allotted or granted otherwise than to the holder of a share of that same class.
- 12.3 On the transfer of any share as permitted by these Articles:
  - (a) a share transferred to a non-shareholder shall remain of the same class as before the transfer; and
  - (b) a share transferred to a shareholder shall automatically be redesignated on transfer as a share of the same class as those shares already held by the shareholder.

If no shares of a class remain in issue following a redesignation under this article, these Articles shall be read as if they do not include any reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, shareholders of that class or directors appointed by that class.

- 12.4 No variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, all the provisions of these Articles as to general meetings of the Company shall *mutatis mutandis* apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative. For the purpose of this article, one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.
- 12.5 The Company shall immediately cancel any shares acquired under Chapter 4 of Part 18 of the CA 2006.

#### 13. Exit Event

Upon the occurrence of an Exit Event, the Exit Proceeds shall be applied in the following manner and order of priority:

- (a) where there are E Shares in issue:
  - (i) there shall be paid to each E Shareholder an amount equal to 0.5% of the Exit Proceeds multiplied by the number of E Shares held by them; and
  - (ii) the balance of the Exit Proceeds shall be paid to the holders of A Shares and where more than one on a pro-rata basis according to the number of A Shares held by them; or
- (b) where there are no E Shares in issue, the Exit Proceeds shall be paid to the holders of A Shares and where more than one on a pro-rata basis according to the number of A Shares held by them.

#### 14. Dividends

- 14.1 Subject to the provisions of the CA 2006 and to the remaining provisions of this article 14, the Company may, with Majority Shareholder Consent, upon the recommendation of the directors, declare a dividend.
- 14.2 Subject to article 14.4 below, every general meeting at which a dividend is declared shall, with Majority Shareholder Consent, direct that such dividend be paid in respect of one or more classes of shares to the exclusion of the other classes or in respect of all classes of shares.
- 14.3 Subject to article 14.4 below, where a dividend is declared in respect of more than one class of shares the Company may, with Majority Shareholder Consent, differentiate between such classes as to the amount or percentage of dividend payable, but in default the shares in each such classes shall be deemed to rank pari passu in all respects as if they constituted one class of shares.
- 14.4 No dividend shall be declared in respect of any class of shares in circumstances where the directors recommend that no dividend should be declared nor shall any dividend be declared in respect of any class which exceeds the amount recommended by the directors in respect of that class.
- 14.5 When paying interim dividends the directors may, with Majority Shareholder Consent, make payments in respect of one or more classes of shares to the exclusion of the other classes or to all classes of shares. When making such payments the directors may, with Majority Shareholder Consent, differentiate between the classes in respect of which payments are being made as to the amount or percentage of dividend payable. Article 30 of the Model Articles shall be varied accordingly.

#### 15. Share transfers: general

- 15.1 In these Articles, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share.
- 15.2 No share shall be transferred unless the transfer is made in accordance with these Articles or with Majority Shareholder Consent.

- 15.3 Subject to article 15.4, the directors must register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.
- 15.4 The directors may (and shall, if so requested to do so by the Majority Shareholder), as a condition to the registration of any transfer of shares in the Company require the transferee to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of any shareholders' agreement (or similar document) in force between the shareholders in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this article 15.4, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.
- 15.5 To enable the directors to determine whether or not there has been a transfer of shares in the Company in breach of these Articles, the directors may from time to time require (and shall, if so requested to do so by the Majority Shareholder), any shareholder to provide the Company with such information and evidence as they may reasonably require relevant to that purpose. If a shareholder fails to provide information or evidence in respect of any shares registered in its name to the reasonable satisfaction of such directors within 14 days of their request, the directors may serve a notice on the shareholder stating that the shareholder shall not in relation to all shares held by that shareholder be entitled to be present or to vote in person or by proxy at any general meeting of the Company or any meeting of the holders of shares of that class, or to vote on a written resolution of the shareholders or to receive dividends on the shares until such evidence or information has been provided to the directors' satisfaction. The directors may reinstate these rights at any time.
- 15.6 Any transfer of shares by way of a sale that is required to be made under article 16, article 17, article 18, article 20 or article 21 shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.
16. Pre-emption rights on the transfer of shares
- 16.1 Except where the provisions of article 17, 18, 20 and 21 apply, a shareholder (Seller) wishing to transfer all (but not some only) of its shares (Sale Shares) must give a Transfer Notice to the Company giving details of the proposed transfer including:
- (a) the identity of the proposed buyer; and
  - (b) the price (in cash) at which it proposes to sell the Sale Shares (Sale Price).
- 16.2 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.
- 16.3 Once given, a Transfer Notice may only be withdrawn by the Seller where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value is less than the Proposed Sale Price. In such case, the Seller may, within 10 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice.

- 16.4 The Transfer Price for each Sale Share the subject of a Transfer Notice shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Seller and the Board or, in default of agreement within 20 Business Days of the date of service of the Transfer Notice, the Fair Value of each Sale Share determined in accordance with article 19.
- 16.5 As soon as practicable following the determination of the Transfer Price, the directors shall (unless the Transfer Notice is withdrawn in accordance with article 16.3) offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 16 at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.
- 16.6 The directors shall offer the Sale Shares to the Company, inviting it to apply in writing within the period from the date of the offer to the date 60 Business Days after the offer (both dates inclusive) (the First Offer Period) for the maximum number of Sale Shares it wishes to buy. The balance (the Initial Surplus Shares) shall be dealt with in accordance with article 16.7.
- 16.7 At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares (if any) to the Founder Shareholder or such other shareholder as the Founder Shareholder shall nominated (the Continuing Shareholders), inviting them to apply in writing within the period from the date of the offer to the date 60 Business Days after the offer (both dates inclusive) (the Second Offer Period) for the maximum number of Initial Surplus Shares they wish to buy.
- 16.8 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to each Continuing Shareholder who has applied for Initial Surplus Shares in the proportion that the Continuing Shareholder's existing holding of shares (including any Sale Shares) bears to the total number of shares (including any Sale Shares) held by those Continuing Shareholders who have applied for Initial Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements among the Continuing Shareholders shall be determined by the Board). No allocation shall be made to a Continuing Shareholder of more than the maximum number of Initial Surplus Shares which it has stated it is willing to buy.
- 16.9 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications.
- 16.10 If allocations under article 15.6 to article 16.9 have been made in respect of some or all of the Sale Shares, the Board shall give written notice of allocation (an Allocation Notice) to the Seller, the Founder Shareholder and each Continuing Shareholder to whom Sale Shares have been allocated (each an Applicant). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to them (Consideration) and the place and time for completion of the transfer of the Sale Shares (which shall be at least 10 Business Days, but not more than 20 Business Days, after the date of the Allocation Notice).

16.11 On the date specified for completion in the Allocation Notice, the Seller shall, against payment of the Consideration, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with the requirements specified in the Allocation Notice.

16.12 If the Seller fails to comply with article 16.11:

- (a) the chairperson of the Company (or, failing the chairperson, one of the other directors, or some other person nominated by a resolution of the Board) may, as agent on behalf of the Seller:
  - (i) complete, execute and deliver in the Seller's name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
  - (ii) receive the Consideration and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Consideration);
  - (iii) (subject to the transfers being duly stamped) enter the Applicants in the register of members as the holders of the Sale Shares purchased by them;
- (b) the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller until the Seller has delivered its certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the Board may reasonably require to prove good title to those Sale Shares, to the Company; and
- (c) the Seller has failed or refused to provide promptly information available to the Seller and reasonably requested by the Board to enable it to form the opinion mentioned above.

17. Permitted transfers

17.1 The Founder Shareholder may at any time transfer all (but not some only) of her shares in the Company without being required to follow the steps set out in article 16.

17.2 A shareholder holding shares in the Company as a result of a Permitted Transfer made after the date of adoption of these Articles by the Founder Shareholder under the provisions of article 17.1 may at any time transfer all (but not some only) of its shares back to the Founder Shareholder, without being required to follow the steps set out in article 16.

17.3 Any shares may be transferred at any time with the prior unanimous consent of the Majority Shareholder.

17.4 Any shareholder may at any time, with Majority Shareholder Consent, transfer shares to the Company in accordance with the Act and these Articles.

18. Compulsory transfers

18.1 Save where the Majority Shareholder with Majority Shareholder Consent determines otherwise and other than in relation to the Founder Shareholder, a shareholder (a Departing Shareholder), is deemed to have served a Transfer Notice under article 15.1 immediately before any of the following (Transfer Event):



- (a) the death of that shareholder;
- (b) an order being made by the court or the adjudicator for the bankruptcy of that shareholder, or a petition being presented or an application being made for an adjudication for such bankruptcy which petition or application is not withdrawn or dismissed within 10 Business Days of being presented or made;
- (c) that shareholder circulating a proposal in relation to, or taking any other steps with a view to, making an arrangement or composition in satisfaction of his creditors generally;
- (d) that shareholder being unable to pay his debts as they fall due (within the meaning of section 268 Insolvency Act 1968);
- (e) any step being taken for the appointment of a receiver, manager or administrative receiver over all or any material part of that shareholder's assets, or any other steps being taken to enforce any Encumbrance over all or any material part of that shareholder's assets or any shares held by that shareholder;
- (f) any proceedings or orders equivalent or analogous to any of those described in articles 17.1(a) to 17.1(e) above occurring in respect of that shareholder under the law of any jurisdiction outside England and Wales;
- (g) that shareholder becomes of unsound mind such that he lacks capacity under the Mental Capacity Act 2005, or becomes a patient under any statute relating to mental health;
- (h) where that shareholder is an Employee Shareholder, that shareholder becoming a Departing Employee Shareholder. For the purpose of this article 17.1(h), the Transfer Notice is deemed to have been served on the relevant Termination Date; or
- (i) that shareholder materially breaching any provision of these Articles or any agreement entered into by the shareholders and the Company from time to time which breach, if capable of remedy, has not been remedied within 10 Business Days of a notice from a Majority Shareholder to that shareholder requesting such remedy.

18.2 A Deemed Transfer Notice has the same effect as a Transfer Notice and the provisions of article 16 shall apply, except that:

- (a) the Deemed Transfer Notice shall be treated as having specified that the Seller wishes to transfer all the shares held by him (including any shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of shares pursuant to the relevant Deemed Transfer Notice);
- (b) the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for those Sale Shares;
- (c) notwithstanding any other provisions of these Articles, the Transfer Price shall where the Departing Shareholder is:
  - (i) a Bad Leaver, be restricted to a maximum of the aggregate of the lower of:
    - (A) the aggregate nominal value of such Sale Shares; and
    - (B) the aggregate Fair Value of such Sale Shares; or

- (ii) a Good Leaver, be the aggregate of the Fair Value of such Sale Shares, determined by the Valuers in accordance with article 19;
  - (d) the Seller does not have a right to withdraw the Deemed Transfer Notice following a valuation.
- 18.3 Forthwith upon a Transfer Notice being deemed to be served under article 18.1, the shares subject to the relevant Deemed Transfer Notice (Restricted Shares) shall cease to confer on the holder of them any rights:
- (a) to attend and vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of shares and such holder shall not be required in order to form a quorum at a meeting of the shareholders; and
  - (b) to participate in any future issue of shares,
- and where that holder is also a director, such holder shall cease to be required in order to form a quorum at a meeting of the directors or to be entitled to exercise any vote at such meeting.
- 18.4 If the Seller fails to complete a transfer of Sale Shares as required under this article 18, the Company is irrevocably authorised to appoint itself as agent to transfer the Sale Shares on the Seller's behalf and to do anything else that the Company may reasonably require to complete the sale, and the Company may receive the purchase price in trust for the Seller (without any obligation to pay interest).
19. Valuation
- 19.1 If a Valuer is to be appointed to determine the Fair Value of any Sale Shares in accordance with these Articles and the Company's accountants decline to produce such determination, the Company and the Seller shall use all reasonable endeavours to reach agreement regarding the identity of the person to be appointed as the Valuer and to agree the terms of appointment with the Valuer. Neither party shall unreasonably withhold its agreement to the terms of appointment proposed by the Valuer or the other party.
- 19.2 If the parties fail to agree on a Valuer and their terms of appointment within 10 Business Days of either party serving details of a proposed Valuer on the other, then either party shall be entitled to request the President of the Institute of Chartered Accountants to appoint the Valuer.
- 19.3 The Valuer shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the parties in writing of their determination.
- 19.4 The fair value for any Sale Share shall be the price per share determined in writing by the Valuer on the following basis and assumptions (the Fair Value):
- (a) valuing the Company at the date of the service of the Transfer Notice or Deemed Transfer Notice (as the case may be) and taking into account the events giving rise to such service and the following matters (such valuation of the Company being the Company Value);
    - (i) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;

- (ii) the sale is to be on arms' length terms between a willing seller and a willing buyer;
    - (iii) the Sale Shares are sold free of all Encumbrances;
    - (iv) adopting consistent accounting policies with the financial statements for the previous year;
    - (v) to take account of any other factors that the Valuer reasonably believes should be taken into account; and
  - (b) valuing each of the Sale Shares in accordance with article 13 as if reference to Exit Proceeds in that article was a reference to Company Value.
- 19.5 The parties are entitled to make submissions to the Valuer including oral submissions and will provide (or procure that the Company provides) the Valuer with such assistance and documents as the Valuer reasonably requires for the purpose of reaching a decision, subject to the Valuer agreeing to give such confidentiality undertakings as the shareholders may reasonably require.
- 19.6 To the extent not provided for by this article 19, the Valuer may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary) instructing professional advisers to assist them in reaching their valuation.
- 19.7 The Valuer shall act as expert and not as arbitrator and their written determination shall be final and binding on the shareholders in the absence of manifest error or fraud.
- 19.8 Each party shall bear its own costs in relation to the reference to the Valuer. The Valuer's fees and costs properly incurred by them in arriving at their valuation (including any fees and costs of any advisers appointed by the Valuer) shall be borne by the Company and the Seller equally or in such other proportions as the Valuer shall determine.
20. Tag along
- 20.1 If the Majority Shareholder (Proposed Seller) proposes to transfer all (but not some only) of their respective shares to a bona fide purchaser on arm's length terms (Proposed Transfer) and such transfer would, if carried out, result in such person (Proposed Buyer) acquiring a Controlling Interest in the Company, the following provisions of this article 19 shall apply.
- 20.2 Before making a Proposed Transfer, the Proposed Seller shall procure that the Proposed Buyer makes an offer (Offer) to the remaining shareholders of the Company to purchase all of the remaining shares in issue for a consideration in cash per share calculated in accordance with article 13 (Specified Price).
- 20.3 The Offer shall be made by written notice (Offer Notice), at least 28 days before the proposed transfer date (Transfer Date). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- (a) the identity of the Proposed Buyer;
  - (b) the Specified Price and other terms and conditions of payment;
  - (c) the Transfer Date; and

- (d) the number of shares proposed to be purchased by the Buyer (Offer Shares).
- 20.4 If the Proposed Buyer fails to make the Offer in accordance with article 20.2 and article 20.3, the Proposed Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of shares effected in accordance with the Proposed Transfer.
- 20.5 If the Offer is accepted by the remaining shareholders in writing within 14 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by such shareholders.
- 20.6 Neither the Proposed Transfer nor is the purchase of the Offer Shares subject to the rights of pre-emption set out in article 16.
- 21. Drag along
  - 21.1 If the Majority Shareholder (Drag Along Seller) wishes to transfer all (but not some only) of their shares to a bona fide purchaser on arm's length terms (Proposed Buyer), the Drag Along Seller may require all other holders of shares in the Company (Called Shareholders) to sell and transfer their shares (Called Shares) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article (Drag Along Option).
  - 21.2 The Drag Along Seller may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (Drag Along Notice) at any time before the transfer of the A Shares to the Proposed Buyer. The Drag Along Notice shall specify:
    - (a) that the Called Shareholders is required to transfer all of its Called Shares pursuant to this article 21;
    - (b) the person to whom the Called Shares are to be transferred;
    - (c) the purchase price payable for the Called Shares which shall, be calculated in accordance with article 13; and
    - (d) the proposed date of the transfer.
  - 21.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Drag Along Seller has not sold their shares to the Proposed Buyer within 14 Business Days of serving the Drag Along Notice. The Drag Along Seller may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
  - 21.4 No Drag Along Notice shall require the Called Shareholders to agree to any terms except those specifically set out in this article 21.
  - 21.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Drag Along Seller's shares unless:
    - (a) the Drag Along Seller and the Called Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by them; or

- (b) that date is less than 10 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 10 Business Day after service of the Drag Along Notice.
- 21.6 Neither the proposed sale of the Drag Along Seller's shares to the Proposed Buyer nor the sale of the Called Shares by the Called Shareholders shall be subject to the rights of pre-emption set out in article 16.
- 21.7 On or before the Completion Date, the Called Shareholders shall execute and deliver a stock transfer form for the Called Shares, together with the relevant share certificate(s) (or a suitable indemnity for any lost share certificate(s)) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to article 21.2 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholder without any obligation to pay interest.
- 21.8 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer form and share certificate(s) (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 21 in respect of its Shares.
- 21.9 If the Called Shareholders do not, on or before the Completion Date, execute and deliver (in accordance with article 21.6) transfer(s) in respect of all of the Called Shares held by it, the Called Shareholders shall be deemed to have irrevocably appointed any person nominated for the purpose by the Seller to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as it may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of shares under this article 21.9.

#### Decision making by shareholders

- 22. Quorum for general meetings
- 22.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy, of whom one shall be an A Shareholder and which must be the Founder Shareholder whilst she continues to hold shares or a duly authorised representative of such holder.
- 22.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

23. Chairing general meetings

The chairperson of the board of directors shall chair general meetings. If the chairperson is unable to attend any general meeting, the shareholder who appointed the chairperson shall be entitled to appoint another of its nominated directors present at the meeting to act as chair at the meeting, and the appointment of the chair of the meeting must be the first business of the meeting.

24. Voting

24.1 The holders of E Shares shall not, in that capacity, be entitled to receive notice of, or to attend and vote, at general meetings of the Company.

24.2 At a general meeting, on a show of hands every A Shareholder who is present in person or by proxy shall have one vote, unless the proxy is themselves a shareholder entitled to vote; on a poll every A Shareholder present in person or by proxy shall have one vote for each share of which they are the holder; and on a vote on a written resolution every A Shareholder has one vote for each share of which they are the holder.

25. Poll votes

25.1 A poll may be demanded at any general meeting by a qualifying A Shareholder present and entitled to vote at the meeting.

25.2 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.

26. Proxies

26.1 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 general meeting (or adjourned meeting) to which they relate".

26.2 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" as a new paragraph at the end of that article.

Administrative arrangements

27. Means of communication to be used

27.1 Subject to article 27.2, any notice, document or other information shall be deemed received by the intended recipient:

- (a) if delivered by hand, at the time the notice, document or other information is left at the address; or

- (b) if sent by pre-paid first class post or other next working day delivery service providing proof of postage, at 9.00 am on the second Business Day after posting.
- 27.2 If deemed receipt under article 27.1 would occur outside Usual Business Hours, the notice, document or other information shall be deemed to have been received when Usual Business Hours next recommence. For the purposes of this article, Usual Business Hours means 9.00 am to 5.30 pm local time on any day which is not a Saturday, Sunday or public holiday in the place of receipt of the notice, document or other information.
- 27.3 To prove service, it is sufficient to prove that:
  - (a) if delivered by hand, the notice was delivered to the correct address; or
  - (b) if sent by post, the envelope containing the notice was properly addressed, paid for and posted.
- 27.4 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the CA 2006.
- 28. Indemnity and insurance
- 28.1 Subject to article 28.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
  - (a) each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by that person as a relevant officer:
    - (i) in the actual or purported execution and/or discharge of the relevant officer's duties, or in relation to them; and
    - (ii) in relation to the Company's activities as a trustee of an occupational pension scheme (as defined in section 235(6) of the CA 2006),

including (in each case) any liability incurred by the relevant officer in defending any civil or criminal proceedings, in which judgment is given in the relevant officer's favour or in which the relevant officer is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on the relevant officer's part or in connection with any application in which the court grants them, in their capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs; and
  - (b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by the relevant officer in connection with any proceedings or application referred to in article 28.1(a) and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.
- 28.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the CA 2006 or by any other provision of law.

28.3 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.

28.4 In this article:

- (a) a "relevant officer " means any director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not that person is also a director or other officer), to the extent the person acts in their capacity as auditor; and
- (b) 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 or any pension fund or employees' share scheme of the Company.