

Company number 07730831
THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
PRIME PURCHASING ORGANISATION LIMITED
(Adopted by special resolution passed on 22/7/22)

1. Adoption of the Model Articles

- 1.1 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.

2. Interpretation

- 2.1 The following definitions apply in these Articles:

Accepting Shareholders: has the meaning given in article 3.5.

Compulsory Employee Transfer : has the meaning given in article 3.1

Deemed Transfer Notice: a Transfer Notice which is deemed to have been served under article 3.1.

Departing Employee: an individual who ceases to be a director or employee of the Company.

Sale Notice: has the meaning given in article 3.5.

Termination Date:

- a) where employment ceases by virtue of notice given by the employer to the employee, the date on which notice of termination was served;
- b) where an employee dies, the date of his death;
- c) in any other case, the date on which the employment or holding of office is terminated.

Transfer Price: has the meaning given in article 3.2.



3. Compulsory transfers

- 3.1 If a shareholder who is an individual becomes a Departing Employee, a Deemed Transfer Notice shall, unless otherwise agreed by the board, be deemed to have been served on the relevant Termination Date in respect of all shares in the Company owned by that Departing Employee (a **Compulsory Employee Transfer**).
- 3.2 The Transfer Price in respect of a Compulsory Employee Transfer shall be based on:
- (a) a valuation of the Company as the turnover of the Company in the 12 weeks prior to the relevant Termination Date, as determined by the Company's board; and
 - (b) the number of shares held by the Departing Employee, as a proportion of the number of issued shares in the Company as a whole, without any discount for a minority interest.
- 3.3 A Deemed Transfer Notice shall constitute the Company the agent of the Departing Employee for the sale of all the Departing Shareholder's shares at the Transfer Price.
- 3.4 As soon as practicable following the determination of the Transfer Price, the directors of the Company shall offer the Departing Shareholder's shares to the other shareholders at the Transfer Price.
- 3.5 If the one or more of the other shareholders (**Accepting Shareholders**) accept the offer then the Company's board shall issue a notice to the Departing Shareholder and to the Accepting Shareholders (**Sale Notice**) setting a date for the transfer.
- 3.6 On the date specified for completion in the Sale Notice, the Departing Employee shall, against payment from the Accepting Shareholders, transfer the Sale Shares to the Accepting Shareholders.
- 3.7 If the Departing Employee fails to comply with article 3.6: any director (or some other person nominated by a resolution of the directors) may, as agent on behalf of the Departing Employee:
- (a) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the Departing Employee shares to the Accepting Shareholders;
 - (b) receive the Transfer Price and give a good discharge for it; and
 - (c) (subject to the transfer being duly stamped) enter the Accepting Shareholders in the register of shareholders as the holders of the shares purchased by them.

4. Removal of directors

- 4.1 In Article 18 of the Model Articles the following additional paragraph shall be included after subparagraph (f):

"(g) being or having been an employee of the Company, that person ceases to be a employee of the Company, and a majority of the other directors determine by a resolution of the board that that person should cease to be a director."