

Company Number: 06452539

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

SHED K.M. HOLDING LIMITED

(the “Company”)

(Adopted by written special resolution on 7 November 2022)

SHED K.M. HOLDING LIMITED

ARTICLES OF ASSOCIATION

1. DEFINITIONS AND INTERPRETATION

- 1.1. In these articles ("**Articles**") unless the context otherwise requires the following expressions will have the following meanings:

"the Act"	means the Companies Act 2006 (as amended);
"the Companies Acts"	has the meaning given by section 2 of the Companies Act 2006 which may, by virtue of that or any other such enactment, be cited together with the Act as the "Companies Acts" (with or without the addition of an indication of the date of any such enactment);
"Compulsory Transfer Notice"	means a transfer notice deemed to be given pursuant to Articles 7.14, 7.15 or 7.22.2;
"Connected"	has the meaning given in section 1122 of the Corporation Tax Act 2010;
"Control"	has the meaning given in section 995 of the Income Tax Act 2007;
"Date of Adoption"	the date of the adoption of these Articles;
"Director"	means a director of the Company;
"the Directors"	means the board of directors of the Company;
"Employee"	means a <i>bona fide</i> employee of a member of the Group;
"Employee Council"	means the body mentioned in Article 10;
"Employees' Share Scheme"	has the meaning given in section 1166 of the Act;
"the Group"	means the Company and any other company which is for the time being both a subsidiary of the Company and under the Control of the Company;
"HMRC"	means Her Majesty's Revenue and Customs;
"ITEPA"	means the Income Tax (Earnings and Pensions) Act 2003;
"Leaves"	means ceases to hold employment within the Group;
"Leaving Date"	means, in relation to an Employee or former Employee, the date on which he or she Leaves;
"the Model Articles"	means 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;
"securities"	has the meaning given in section 420 of ITEPA;
"Share Incentive Plan"	means a share incentive plan approved by HMRC pursuant to section 488 and Schedule 2 of ITEPA;
"Shares"	means shares in the capital of the Company;
"Statutory Market Value"	means, in relation to any Shares, the market value of such Shares determined in accordance with Part 8 of the Taxation of Chargeable Gains Act 1992 (as amended or re-enacted from time to time);
"Transferee"	means a person who agrees to acquire Shares in accordance with these Articles;
"Transfer Notice"	means, in respect of any Shares, a notice given or deemed to be given to the Company that the holder of such Shares wishes, or is obliged, to offer such Shares for sale and transfer in accordance with the provisions of these Articles;
"Transfer Price"	means the price per Share at which Transfer Shares may be sold and transferred as determined in accordance with these Articles;
"Transfer Shares"	means Shares which are the subject of a Transfer Notice;
"Transferor"	means a person wishing, or obliged, to offer Shares for sale and transfer pursuant to these Articles;
"the Trust"	means the Shed K.M. Employee Ownership Trust established by the Trust Deed;
"the Trust Deed"	means the trust deed dated on or around the Date of Adoption between the Company and Shed K.M. Trustee Company Limited, a company registered in England & Wales with company number 14299448 (being the original trustee of the Trust), which established the Trust (as amended from time to time);
"the Trustee"	means the trustee or trustees from time to time of the Trust (and references to the Trustee shall be construed as referring only to such person or persons acting in their capacity as trustee of that trust);
"Voluntary Transfer Notice"	means a Transfer Notice voluntarily given pursuant to Article 7.5;

1.2. For the purposes of these Articles:

- 1.2.1. a person shall not be treated as ceasing to hold office or employment within the Group unless and until he or she is no longer an employee or director of any member of the Group;

- 1.2.2. references to any statute order or regulation includes a reference to such statute as amended, modified, re-enacted or replaced from time to time;
- 1.2.3. words and phrases which are defined or referred to in or for the purposes of the Companies Acts have the same meanings in these Articles unless they are already defined within the Articles or the context otherwise requires;
- 1.2.4. headings are for ease of reference and shall not affect the interpretation of these Articles.

2. APPLICATION OF THE MODEL ARTICLES

- 2.1. The Model Articles shall apply to the Company save as expressly excluded or modified by these Articles or as are inconsistent with the provisions of these Articles.
- 2.2. Model Articles 14(1) – 14(4), 26, 27(2) shall not apply.

3. PRIVATE LIMITED COMPANY

- 3.1. The Company is a private company and no shares or debentures of the Company may be offered for sale to the public.

4. SHARE CAPITAL

- 4.1. The share capital of the Company at the date of the adoption of these Articles is £1,080.00 divided into 1,080 Ordinary Shares of £1.00 each

5. MATTERS REQUIRING SPECIAL CONSENT

- 5.1. The following matters shall each require either the prior consent in writing of members together holding Shares representing at least 75 per cent of the issued equity share capital of the Company or the passing of a special resolution of the members of the Company at a general meeting of the company:
 - 5.1.1. the grant of any right to subscribe for Shares or shares in the capital of any other member of the Group otherwise than pursuant to an Employees' Share Scheme;
 - 5.1.2. an issue of any Shares or shares in the capital of any other member of the Group otherwise than pursuant to the exercise of a right granted as mentioned in Article 5.1.1 above and authorised pursuant to this Article 5.1 or a right granted as mentioned in Article 5.2.1 below and authorised pursuant to Article 5.2;
 - 5.1.3. the transfer of any Shares (not being a transfer permitted by Article 7.4) to any person other than an existing member of the Company;
 - 5.1.4. any alteration to these Articles;
 - 5.1.5. any alteration to the share capital of the Company;
 - 5.1.6. a winding-up of the Company or of any other member of the Group (other than a company which is dormant);

- 5.1.7. any change of status of the Company to a public limited company or application for any shares in the Company or in any parent undertaking of the Company to be dealt in on a public market;
 - 5.1.8. any substantial change in the nature of the business of the Company;
 - 5.1.9. the removal of Shed K.M. Trustee Company Limited as trustee of the Trust; and
 - 5.1.10. the appointment of any person, other than Shed K.M. Trustee Company Limited, as trustee of the Trust.
- 5.2. The following matters shall each require either the prior consent in writing of members together holding Shares representing at least 50 per cent of the issued equity share capital of the Company or the passing of an ordinary resolution of the members of the Company at a general meeting of the company:
- 5.2.1. the grant of any right to subscribe for Shares or shares in the capital of any other member of the Group pursuant to an Employees' Share Scheme;
 - 5.2.2. the acquisition by the Company or by any other member of the Group (other than by the Trustee) of an interest in the equity share capital of the Company;
 - 5.2.3. the payment of dividends;
 - 5.2.4. the payment to an Employee or Employees of a bonus out of the profits of the Company which would otherwise be available for distribution (as mentioned in section 830 of the Act);
 - 5.2.5. any change in the auditors, registered office or year end of the Company;
 - 5.2.6. the appointment or removal of directors of any subsidiary;
 - 5.2.7. any alteration of or addition to the Trust Deed.

6. LIEN ON SHARES

- 6.1. The Company shall have a first and paramount lien on all Shares (whether or not such shares are fully-paid) registered in the name of a person indebted or under liability to the Company (whether such person is the sole holder of the shares or one of two or more joint holders) for all moneys (whether presently payable or not) payable at a fixed time or called, and to all distributions and other moneys and property attributable to such shares.
- 6.2. The Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article 6.
- 6.3. The Company's lien on a Share shall extend to any amounts presently payable to the Company by the registered holder of such share or if such registered holder has died, his or her estate.

7. TRANSFERS OF SHARES

- 7.1. No Share or any interest in a Share may be transferred otherwise than in accordance with the provisions of this Article 7 and Model Article 26 shall have effect subject to the following provisions of these Articles.
- 7.2. For the purpose of ensuring that a transfer of Shares is duly authorised or required under these Articles, the Directors may require any member or legal representatives of any deceased member or any person named as transferee in any transfer lodged for registration or such other person as the Directors may reasonably believe to have information relevant to such purpose, to furnish to the Company such information and evidence as the Directors may think fit regarding any matter which they deem relevant to such purpose including (but not limited to) the names, addresses and interests of all persons respectively having interests in the Shares from time to time registered in that member's name. Failing such information and evidence being furnished to the satisfaction of the Directors within a period of 28 days after such request, the Directors may refuse to register the transfer in question.
- 7.3. Subject to Article 7.2, the Directors shall be bound to register a transfer of any Share made in accordance with the following provisions of this Article 7 but may otherwise refuse to register the transfer of a Share and, if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

Permitted Transfers

- 7.4. Any Share may at any time be transferred without restriction as to price or otherwise;
- 7.4.1. to the Trustee;
 - 7.4.2. by the Trustee to any individual who is within the class of beneficiaries of the Trust;
 - 7.4.3. by the Trustee to the trustee or trustee of any other trust for the benefit of persons who are employees of members of the Group and which is an Employees' Share Scheme;
 - 7.4.4. to the trustee or trustees of a Share Incentive Plan;
 - 7.4.5. by the trustee or trustees of a Share Incentive Plan to any individual pursuant to and in accordance with the rules of such Share Incentive Plan;
 - 7.4.6. to any person appointed as the Trustee upon a change of trustee, or upon the appointment of a new trustee, of the Trust;
 - 7.4.7. to any person appointed as trustee upon a change of trustee, or the appointment of a new trustee, of a Share Incentive Plan;
 - 7.4.8. to any person appointed as trustee of any such other trust as mentioned in Article 7.4.3 above upon a change of trustee, or the appointment of a new trustee, of such trust;
 - 7.4.9. by the trustee of any such other trust as mentioned in Article 7.4.3 above to a person who is an employee of a member of the Group pursuant to a right to acquire Shares granted to that person under an Employees' Share Scheme;

- 7.4.10. to the trustee of any such other trust as mentioned in Article 7.4.3; or
- 7.4.11. subject to the Companies Acts, to the Company for cancellation or to be held in treasury.

Voluntary Transfers

- 7.5. Subject to Article 7.18, any person wishing to transfer a Share or any interest in a Share otherwise than as mentioned in Article 7.4 must give to the Company a Transfer Notice in writing in respect of such Share. A Voluntary Transfer Notice, once given, may not be withdrawn without the agreement of the Directors. A Voluntary Transfer Notice may be given subject to a condition that it shall be revoked if either:
 - 7.5.1. the Transferor and the Directors cannot reach agreement as to the Transfer Price (as mentioned in Article 7.19.1); or
 - 7.5.2. offers are not received by the Directors for all of the Transfer Shares.

Effect of a Transfer Notice

- 7.6. A Transfer Notice shall constitute the Company as agent of the Transferor for the sale and transfer of the Shares in respect of which such Transfer Notice is given or is deemed to be given at a price per Share determined in accordance with the following provisions of these Articles.
- 7.7. The Directors shall, within 14 days beginning with the date on which the Transfer Notice is given or is deemed to be given, first offer the Transfer Shares to the Trustee, and if and insofar as the Trustee does not, within the period of 21 days following receipt of such offer, accept such offer in respect of any of the Transfer Shares:
 - 7.7.1. offer the Transfer Shares for sale at the Transfer Price to any one or more of the following persons (and, if more than one, in such proportions as the Directors may determine):
 - (a) the trustee or trustees of any Share Incentive Plan established by the Company;
 - (b) any one or more Employees;
 - (c) the trustee or trustees of any such other trust as is mentioned in Article 7.4.3;
 - (d) the Company; or
 - 7.7.2. offer the Transfer Shares, or the balance remaining of the Transfer Shares, to all of the holders of Shares (other than the Transferor) by making an offer of such Shares to each of such holders in proportion to or as nearly as may be in proportion to their respective holdings of Shares ("a **General Offer**"); or
 - 7.7.3. offer a proportion of the Transfer Shares as mentioned in Article 7.7.1 above and make a General Offer in respect of the balance of the Transfer Shares.
- 7.8. If a General Offer is made, the Directors shall also invite each holder of Shares to state in his reply to the General Offer the number of additional Shares (if any) in excess of his proportion which such holder desires to purchase. If any holder of Shares does not accept the General

Offer in respect of his respective proportion in full, the Shares not so accepted shall be used to satisfy requests for additional Shares as nearly as may be in proportion to the number of Shares already held by those holders who have made such requests respectively, provided that no holder shall be obliged to purchase more Shares than he shall have applied for. If any Shares shall not be capable of being so offered without fractions of those Shares being offered to the holders of Shares in proportion to their existing holdings, such Shares shall be offered to the holders of Shares, or some of them, in such proportions or in such manner as the Directors shall determine.

- 7.9. If or to the extent that any offer or offers made as mentioned in Article 7.7.1 is or are not accepted in respect of all of the Transfer Shares within 28 days of such offer or offers having been made, the Directors shall make a General Offer in respect of the balance of such Shares.
- 7.10. A General Offer shall be open for acceptance for 60 days or such shorter period as the Directors may determine from the date on which it is made and insofar as it is not then accepted, it shall lapse.
- 7.11. If after the expiry of any such General Offer any Shares remain unsold or if any Transferee fails to complete his purchase of Shares within 28 days of the time from his date of acceptance of any such offer, the Directors may offer such Shares for sale at the Transfer Price to any such other person or persons as the Directors may determine PROVIDED ALWAYS that, if any such person is not already a member of the Company, the admission of such person or persons as a member of the Company is, in the opinion of the Directors, in the best interests of the Company.
- 7.12. If any such offer to purchase Transfer Shares is accepted in respect of any number of Transfer Shares, the Transferor shall (save, in the case of a Voluntary Transfer Notice, if a condition imposed as mentioned in Article 7.5 is not satisfied) be bound to accept such offer and to transfer such Shares in accordance with, and subject to, the provisions of this Article 7.
- 7.13. If in any case the Transferor, after having become bound to sell any Transfer Shares, defaults in transferring them, the Company may receive the purchase money on his behalf, and the Transferor shall be deemed to have appointed as his agent any Director for the purpose of authorising such Director to execute a transfer of such Shares on behalf of the Transferor in favour of the Transferee. The receipt of the Company for the purchase money shall be a good discharge to the Transferee and such purchase monies shall be paid by the Company into a separate bank account in the name of the Transferor.

Compulsory Transfer Notice

- 7.14. If any holder of Shares, being an Employee, Leaves, he or she ("the **Relevant Person**") shall thereupon be deemed to have given a Transfer Notice (as mentioned in Article 7.5) in respect of all of the Shares which he then holds on the Leaving Date of the Relevant Person.
- 7.15. If any person not being an Employee ("the **Newly-Acquiring Shareholder**") acquires Shares in pursuance of rights or interests obtained by that, or any other, person at a time when that, or such other, person ("the **Relevant Person**") was an Employee, the Newly-Acquiring Shareholder shall, upon acquiring such Shares, be deemed to have given a Transfer Notice in respect of all such Shares on the Leaving Date of the Relevant Person.
- 7.16. The provisions of Articles 7.5 to 7.13 (inclusive) shall apply in relation to any transfer of Shares made pursuant to the application of Articles 7.14, 7.15 and 7.22.2.

- 7.17. If no willing purchaser can be found from amongst the persons to whom the Transfer Shares have been offered by the Directors for any of the Transfer Shares in respect of which a Compulsory Transfer Notice is given or deemed to be given, the balance remaining of the Transfer Shares shall, subject to Article 8, remain registered in the name of the Transferor but the Company shall have the right, exercisable at any time, to require the Transferor to sell and transfer such Shares to a willing purchaser at the Transfer Price.
- 7.18. If on any occasion a Compulsory Transfer Notice is deemed to be given in respect of any Shares, any Voluntary Transfer Notice previously given or deemed to be given in respect of such Shares shall cease to be of any effect so that the provisions of this Article 7 shall apply in relation to such Compulsory Transfer Notice and shall cease to apply in relation to such Voluntary Transfer Notice.

Transfer Price

- 7.19. The Transfer Price shall:
- 7.19.1. if the Transfer Notice is a Voluntary Transfer Notice, be such price as the Transferor and Transferee and the Directors may agree or, in the absence of such agreement, the market value of the Transfer Shares at the time of transfer of the Transfer Shares, determined as mentioned in Articles 7.20 or 7.21; or
 - 7.19.2. if the Transfer Notice is a Compulsory Transfer Notice, be (subject to Article 7.21), the market value of the Transfer Shares at the Leaving Date or, if the Shares are transferred pursuant to the Company exercising its right under Article 7.17, at the time of transfer of the Transfer Shares, determined (in either case) as mentioned in Article 7.20.

Valuation of a Share

- 7.20. Subject to Article 7.21, the Directors shall, when required pursuant to Article 7.19, obtain the expert opinion of an independent adviser (not being the auditors of any member of the Group) nominated by the Directors and who, in their opinion, is appropriately qualified to value shares in unquoted companies, as to the Statutory Market Value of the Shares at that time (the "**Expert Opinion**"). The market value of any Shares at a given time shall be the amount certified in writing to the Directors to be the Statutory Market Value of the Shares in the relevant Expert Opinion. The costs of obtaining an Expert Opinion shall be borne by the Company.
- 7.21. If for any purpose the Company has reached agreement with HMRC as to what is the Statutory Market Value of a Share as at the relevant time, the Directors may determine that such Statutory Market Value shall be taken to be the market value of Shares for the purposes of Article 7.19 and, in this event, for the purposes of Article 7.20, obtaining the agreement of HMRC shall be considered to be the obtaining of an Expert Opinion on the date on which the agreement of HMRC was given.

Transmission of Shares

- 7.22. In the application of Regulations 27 to 29 of the Model Articles to the Company:
- 7.22.1. any person becoming entitled to a Share in consequence of the death or bankruptcy of a holder of a Share shall give a Transfer Notice in respect of such Share before he elects in respect of that Share to be registered himself or to execute a transfer;

- 7.22.2. if a person so becoming entitled shall not have given a Transfer Notice in respect of any Share within three months of the death or bankruptcy, the Directors may at any time thereafter give notice requiring such a person within 14 working days to give a Transfer Notice in respect of all of the Shares to which he has so become entitled and for which he has not previously given a Transfer Notice and if it does not do so he shall at the end of such 14 day period be deemed to have given a Transfer Notice in respect of those Shares in relation to which he has still not given a Transfer Notice.

8. SUSPENSION OF VOTING RIGHTS AFTER A MEMBER LEAVES

- 8.1. Shares held by an Employee who acquired such Shares pursuant to a right or opportunity made available by reason of the office or employment of such person with any member of the Group shall, if such person Leaves, immediately cease to carry any right to vote on a resolution of members or to attend or be counted in the quorum at a general meeting of members of the Company.
- 8.2. The suspension of voting rights, and of the right to attend and be counted in the quorum at a general meeting of members of the Company, attaching to Shares held by a former Employee shall cease to have effect when such Shares are transferred to any other person or persons pursuant to the provisions of Article 7.

9. EMPLOYEE COUNCIL

- 9.1. The Directors shall, within three months of the date of adoption of these Articles, procure the establishment of a body of Employees and at least one Director to be known as the Employee Council of which:
- 9.1.1. the selection and appointment and removal of its members; and
- 9.1.2. the governance and regulation of its affairs

are conducted in accordance with a written set of rules initially approved by ordinary resolution of the members of the Company and which may from time to time be amended or added to by ordinary resolution of the members of the Company.

10. DIRECTORS

- 10.1. The minimum number of Directors shall be two (2).
- 10.2. The maximum number of Directors shall be five (5).
- 10.3. The Directors from time to time may choose any one of their number to act as Chairman of the Company.
- 10.4. If the numbers of votes for and against a proposal at a meeting of the Directors are equal, the Chairman has a casting vote.

11. CONFLICTS OF INTEREST

- 11.1. The Directors may authorise, to the fullest extent permitted by law, any matter proposed to them which would otherwise result in a Director infringing his duty under section 175 of the Act to avoid a situation in which such Director has, or can have, a direct or indirect interest that

conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest.

11.2. Authorisation of a matter under Article 11.1 is effective only if:

- 11.2.1. the matter has been proposed to the Directors by its being submitted in writing for consideration at a meeting of the Directors or for the authorisation of the Directors by resolution in writing and in accordance with the Directors' normal procedures or in such other manner as the Directors may approve;
- 11.2.2. any requirement as to quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question and any other interested Director; and
- 11.2.3. the matter has been agreed to without the Director in question and any other interested Director voting or would have been agreed to if their votes had not been counted.

11.3. Any authorisation of a matter under Article 11.1 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.

11.4. The Directors may authorise a matter on such terms and for such duration, or impose such limits or conditions on it, as the Directors may decide and may vary the terms of duration of such an authorisation (including any limits or conditions imposed on such authorisation) or revoke such authorisation. A Director shall comply with any obligations imposed on him by the Directors pursuant to any such authorisation.

11.5. Any terms imposed by the Directors under Article 11.4 may include (without limitation):

- 11.5.1. whether the Director may vote (or be counted in the quorum) at a meeting of the Directors or any committee or sub-committee of the Directors in relation to any resolution relating to the relevant matter;
- 11.5.2. whether the Director is to be given any documents or other information in relation to the relevant matter; and
- 11.5.3. whether the Director is to be excluded from discussions in relation to the relevant matter at a meeting of the Directors or any committee or sub-committee of the Directors or otherwise.

11.6. The Director shall not be required to disclose any confidential information obtained in relation to the relevant matter (other than through his position as a Director of the Company) to the Company or to use to apply it in performing his duties as a Director if to do so would result in a breach of a duty or obligation of confidence owed to him in relation to or in connection with that matter.

11.7. A Director does not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act if he acts in accordance with such terms, limits and conditions (if any) as the Directors may impose in respect of its authorisation of the Director's conflict of interest or possible conflict of interest under Article 11.1.

11.8. A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person Connected with him) derives from any matter authorised by the Directors under Article 11.1 and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.

11.9. In addition, any conflict of interest may be authorised by an ordinary resolution of the shareholders.

11.10. A reference in these Articles to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

12. ANNUAL GENERAL MEETING

12.1. The Company must hold a general meeting as its annual general meeting not less than once in each calendar year beginning 1 January and not more than fifteen months after the last preceding annual general meeting.

12.2. A notice calling an annual general meeting of the Company must state that the meeting is an annual general meeting.

12.3. The members of the Company may require the Company to give, to members of the Company entitled to receive notice of the next annual general meeting, notice of a resolution which may properly be moved and is intended to be moved at that meeting.

12.4. A resolution may properly be moved at an annual general meeting unless:

12.4.1. it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the constitution of the Company or otherwise);

12.4.2. it is defamatory of any person; or

12.4.3. it is frivolous or vexatious.

12.5. The Company shall give notice of a resolution once it has received requests that it do so from members representing at least 5 per cent of the total voting rights of all the members who have a right to vote on the resolution at the annual general meeting to which the requests relate (excluding any voting rights attached to any shares in the Company held as treasury shares).

12.6. A request mentioned in Article 12.5:

12.6.1. may be in hard copy form or in electronic form;

12.6.2. must identify the resolution of which notice is to be given;

12.6.3. must be authenticated by the person or persons making it; and

12.6.4. must be received by the Directors not later than:

(a) 6 weeks before the annual general meeting to which the requests relate;
OR

(b) if later, the time at which notice is given of that meeting.

12.7. If the Company is required to give notice of a resolution, it must send a copy of such resolution to each member of the Company entitled to receive notice of the annual general meeting in the same manner as notice of the meeting and at the same time as, or as soon as reasonably practicable after, it gives notice of the meeting.

- 12.8. The expenses of the Company in complying with the requirements of this Article 12 shall be borne by the Company and not by the members who requested the circulation of the resolution.

