

*The Companies Act 1985*

COMPANY LIMITED BY SHARES

## ARTICLES OF ASSOCIATION

of

**SHORTRIDGE LTD**

(Amended by special resolution passed on 19 April 2023)

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28/04/2023

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### PRELIMINARY

- 1.(a) Subject as hereinafter provided the regulations contained in Table A of the Companies (Tables A to F) (Amendment) Regulations 1985 (hereinafter referred to as "Table A"), and made pursuant to the provisions of the Companies Act (hereinafter referred to as "The Act") shall apply to the Company.
- (b) Regulations 24,35,40,73,74,75 and 77 to 81 inclusive of Table A shall not apply to the Company.
- (c) The expressions "relevant securities" and "equity securities", wheresoever appearing herein, shall bear the meanings ascribed to them by the Act.

### SHARES

2. Except as otherwise provided in these Articles, the ordinary shares of £1 each (**Ordinary Shares**), the A ordinary shares of £1 each (**A Shares**), the B ordinary shares of £1 each (**B Shares**) and the C ordinary shares of £1 each (**C Shares**) in the capital of the Company shall rank *pari passu* in all respects but shall constitute separate classes of shares.
3. The holders of Ordinary Shares shall be entitled to receive notice of and to attend, speak at and vote at any general meetings of the Company. The holders of A Shares, B Shares and/or C Shares shall not be entitled to receive notice of or to attend, speak at or vote at any general meetings of the Company.
- 4.(a) Subject to Articles 4(b) and 4(c), any dividend declared by the Company will be distributed among the holders of the Ordinary Shares and the A Shares (*pari passu* as if they constituted Shares of the same class) *pro rata* to their respective holdings of Ordinary Shares and A Shares. The holders of the B Shares and the C Shares shall have no right to receive any dividend by virtue of, or in respect of, their holdings of such shares, save where expressly stated otherwise in these Articles.
- (b) The Directors or the Company by ordinary resolution may direct that any dividend is paid either in respect of the Ordinary Shares to the exclusion of the A Shares or in respect of the A Shares to the exclusion of the Ordinary Shares.
- (c) Where a dividend is declared in respect of each of the Ordinary Shares and the A Shares, the Directors or the Company by ordinary resolution may differentiate between the Ordinary Shares and the A Shares as to the amount or percentage of dividend payable.

- (d) Each dividend shall be distributed to the appropriate Shareholders pro rata according to the number of Shares held by them respectively and shall accrue daily (assuming a 365 day year) as well after as before the commencement of a winding up.
5. On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), the assets of the Company remaining after the payment of its liabilities shall be applied (to the extent that the Company is lawfully able to do so) in the following order of priority:
- (a) first, in paying to the holders of the Ordinary Shares and the holders of the A Shares in respect of each Ordinary Share and each A Share held a sum equal to £10,000,000 divided by the number of Ordinary Shares and A Shares in issue together with a sum equal to any arrears and accruals of any dividend in respect of that Ordinary Share or A Share calculated down to (and including) the date of the return of capital and, if there is a shortfall of assets remaining to satisfy such payments in full, the remaining assets shall be distributed to the holders of the Ordinary Shares and the A Shares pro rata to the aggregate amounts due under this Article 5(a) to each such Ordinary Share or A Share held;
- (b) second, in paying to the holders of the B Shares in respect of each B Share held:
- (i) if the aggregate amount available to be paid to the holders of Shares pursuant to this Article 5 (**Total Proceeds**) is £10,000,000 or more and is equal to or less than £15,000,000, a sum equal to 1% of the Total Proceeds divided by the number of B Shares in issue; or
- (ii) if the Total Proceeds are greater than £15,000,000, a sum equal to 1.5% of the Total Proceeds divided by the number of B Shares in issue,
- any payment pursuant to this Article 5(b) being the **B Shares Amount**;
- (c) third, if the Total Proceeds are greater than £10,000,000 (the amount by which the Total Proceeds exceed the sum of £10,000,000 being the Excess Amount), in paying to the holders of the C Shares in respect of each C Share held a sum equal to 20% of the amount by which the Excess Amount exceeds the B Shares Amount, divided by the number of C Shares in issue; and
- (d) thereafter, in distributing the balance among the holders of the Ordinary Shares and the holders of the A Shares pro rata to the number of Ordinary Shares and A Shares held, as if they all constituted shares of the same class.

If assets are returned to shareholders under this Article 5 more than once, any previous payments under this Article 5 shall be taken into account when computing the amounts to be paid to shareholders on any occasion.

- 6.(a) On a Share Sale, the Sale Proceeds shall be distributed in the order of priority set out in Article 5. The Directors shall not register any transfer of Shares if the Sale Proceeds are not distributed in that manner (save in respect of any Shares not sold in connection with that Share Sale).
- (b) On an Asset Sale, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in Article 5, provided always that if it is not lawful

for the Company to distribute its surplus assets in accordance with the provisions of these Articles, each Shareholder shall (to the extent lawful and within its control) take any reasonable action required by the Directors (including, but without prejudice to the generality of this Article 6(b), such action as may be necessary to put the Company into voluntary liquidation so that Article 5 applies).

- (c) On a Listing, the Sale Proceeds shall be distributed in the order of priority set out in Article 5.
- (d) Where, on a Share Sale or an Asset Sale, any of the Sale Proceeds are payable on deferred terms (whether as a result of being held by way of retention or otherwise):
  - (i) on a Share Sale, the Directors may register the transfer of the relevant Shares, provided that the Sale Proceeds due on the date of completion of the Share Sale have been distributed in the order of priority set out in Article 5;
  - (ii) any distribution pursuant to Article 6(a) or (as the case may be) Article 6(b) will be deferred in the same proportion; and
  - (iii) each Shareholder shall take any reasonable action (to the extent lawful and within its control) required by the Directors to ensure that the balance of the Sale Proceeds are distributed in the order of priority set out in Article 5.
- (e) For the purpose of this Article 6 the following terms shall have the following meanings:
  - (i) **Asset Sale** means an unconditional agreement being entered into for the sale, to a person who is not, or persons none of whom is then, connected (within the meaning of section 993 Income Tax Act 2007) with any of the Company's shareholders, of the whole or a substantial part of the business and assets of the Company and its subsidiaries (if any);
  - (ii) **Listing** means the successful application and admission of all or any of the shares in the capital of the Company to the Official List of the Financial Conduct Authority or the AIM market operated by the London Stock Exchange plc or to any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000);
  - (iii) **Sale Proceeds** means:
    - (aa) in the case of a Share Sale, the proceeds of the Share Sale (whether in cash, securities issued by the buyer or some other form) before deducting any fees, commission or other expenses, provided that if the Share Sale relates to less than 100% of the Company's issued share capital, the Sale Proceeds will be calculated by multiplying the proceeds by  $1/X$ , where  $X$  is the fraction of the Company's issued share capital which was the subject of the Share Sale;
    - (bb) in the case of an Asset Sale, means the proceeds of the Asset Sale (whether in cash, securities issued by the buyer or some other form) before deducting any fees, commission or other expenses, provided that if the Asset Sale does not relate to the whole of the business and assets of the Company and its subsidiaries (if any), the Sale Proceeds will be calculated by multiplying the proceeds by  $1/X$ , where  $X$  is the

fraction of the business and assets which was the subject of the Asset Sale; and

- (cc) in the case of a Listing, means the value of the Company immediately before the Listing determined by reference to the price per share at which shares in the Company are to be offered for sale, placed or otherwise marketed pursuant to the Listing before deducting any fees, commission or other expenses;
  - (iv) **Share Sale** means the Company coming under the control (within the meaning of section 719 Income Tax (Earnings and Pensions) Act 2003) of a person who is not, or persons acting in concert (as defined in the City Code on Takeovers and Mergers) none of whom is, then connected (within the meaning of section 993 Income Tax Act 2007) with any of the Company's shareholders as a result of either a general offer to acquire the whole of the Company's issued share capital which is made on a condition such that, if it is satisfied, the person making the offer will have control of the Company or the negotiation of a share sale and purchase agreement with the shareholders of the Company which contemplates that the person making the offer will obtain control of the Company upon completion.
- 7.(a) If the holders of the Ordinary Shares in issue for the time being (the **Selling Shareholders**) wish to transfer all of their interest in Ordinary Shares (**Sellers' Shares**) to a person who is not, or persons acting in concert (as defined in the City Code on Takeovers and Mergers) none of whom is, then connected (within the meaning of section 993 Income Tax Act 2007) with any of the Company's shareholders pursuant to either a general offer to acquire the whole of the Company's issued share capital which is made on a condition that, if it is satisfied, the person making the offer will have control of the Company or the negotiation of a share sale and purchase agreement with the shareholders of the Company which contemplates that the person making the offer will obtain control of the Company upon completion (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the holders of B Shares and C Shares on the date of the request (**Called Shareholders**) to sell and transfer all their interest in Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this Article 7.
- (b) The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a **Drag Along Notice**), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:
- (i) that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this Article 7;
  - (ii) (the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
  - (iii) the consideration payable for the Called Shares calculated in accordance with Article 7(d); and
  - (iv) the proposed date of completion of transfer of the Called Shares.
- (c) Once given, a Drag Along Notice may not be revoked. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the

transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 56 days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

- (d) The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Buyer were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Article 5.
- (e) Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares (**Completion Date**) unless:
  - (i) all of the Called Shareholders and the Selling Shareholders otherwise agree; or
  - (ii) that date is less than 7 days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place on the 7th day after the date of service of the Drag Along Notice.
- (f) On the Completion Date the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof) to the Company. On the Completion Date the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to Article 7(d) to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to Article 7(d) shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 7(d) in trust for the Called Shareholders without any obligation to pay interest.
- (g) To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the amounts due pursuant to Article 7(d), the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 7 in respect of their Shares.
- (h) If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by them (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be their agent and attorney to execute and deliver all necessary transfers on their behalf (and to do all such other things as may be necessary or desirable to complete the transfer of the Called Shares), against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such 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 any transfer of Shares under this Article 7.

- (i) Upon any person, following the issue of a Drag Along Notice, becoming a holder of B Shares or C Shares (or increasing an existing shareholding of B Shares or C Shares) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Shares acquired by them to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this Article 7 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares.
- 8.(a) Subject to the provisions of Table A and to the following provisions of these Articles, the Directors shall have authority to exercise any power of the Company to offer, allot or otherwise dispose of any shares in the Company, or any relevant securities, to such persons, at such times and generally on such terms and conditions as they think proper provided that (insofar as the Company in General Meeting shall not have varied, renewed or revoked the said authority):
  - (i) The Directors shall not be authorised to make any offer or allotment of shares in the Company, or grant any right to subscribe for, or to convert any securities into, shares in the Company if such allotment, or an allotment in pursuance of such offer or right, would or might result in the aggregate of the shares or stock in issue exceeding, in nominal value, the amount of the Authorised Share Capital of the Company for the time being, and such limitation shall determine the maximum amount of the relevant securities which at any time remain to be allotted by the Directors hereunder.
  - (ii) The period within which the said authority to allot relevant securities may be exercised shall be limited to five years, commencing upon the date of the incorporation of the Company.
- (b) Any offer or agreement in respect of relevant securities, which is made prior to the expiration of such authority and in all other respects within the terms of such authority, shall be authorised to be made, notwithstanding that such offer or agreement would be or might require relevant securities to be allotted after the expiration of such authority and, accordingly, the Directors may at any time allot any relevant securities in pursuance of such offer or agreement.
- 9. Section 89(1) and Section 90(1) to (6) of the Act shall not apply to any allotment of equity securities by the Company. The shares comprised in the initial allotment by the Company shall be at the disposal of the Directors as they think proper but thereafter, unless otherwise determined by Special Resolution of the Company in General Meeting, any relevant securities shall, before they are allotted on any terms to any person, be first offered on the same or more favourable terms to each person who holds share in the Company in the proportion which is, as nearly as practicable, equal to the proportion in nominal value held by him of the aggregate of such shares in total.

Such offer shall be made by notice in writing specifying the number of shares offered and the period, being not less than twenty one days, within which the offer, if not accepted, will be deemed to have been declined. After expiration of such period, or on receipt of notice of the acceptance or refusal of every offer so made, the Directors may, subject to these Articles, dispose of such securities as have not been taken up

in such manner as they think proper. The Directors may, in like manner, dispose of any such securities as aforesaid, which by reason of the proportion borne by them to the number of persons entitled to such offer as aforesaid or by reason of any other difficulty in apportioning the same, cannot in the opinion of the Directors be conveniently offered in the manner hereinbefore provided.

10.(a) No share shall be issued at a discount.

(b) The Company shall not have power to issue share warrants to bearer.

(c) Any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.

11. Subject to the provisions of Part V of the Act-

(a) The Company may purchase any of its own shares, provided that the terms of any contract under which the Company will or may become entitled or obliged to purchase its own shares shall be authorised by Special Resolution of the Company in General Meeting before the Company enters into the contract.

(b) The Company shall be authorised, in respect of the redemption or purchase of any of its own shares, to give such financial assistance, or to make such payments out of capital as may be permissible in accordance with the Act, provided that any such assistance or payment shall first be approved by Special Resolution of the Company in General Meeting.

## **LIEN**

12. In regulation 8 of Table A, the words "(not being fully paid share)" shall be omitted. The Company shall have a first and paramount lien on all shares standing registered in the name of any person (whether he be the sole registered holder thereof or one of two or more joint holders) for all moneys presently payable by him or his estate to the Company.

## **TRANSFER OF SHARES**

13. The Directors may, in their absolute discretion and without any reason therefor, decline to register any transfer of any share, whether or not it is fully paid share.

## **PROCEEDING AT GENERAL MEETINGS**

14. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the directors and auditors, the election of directors in the place of those retiring and the appointment of, and the fixing of the remuneration of, the auditors. In regulation 38 of Table A, immediately after the words "place of meeting and" there shall be inserted the words "in the case of special business".

15. At the end regulation 38 of Table A there shall be inserted the following: "In every notice of a general meeting there shall appear the statement referred to in Section 372(3) of the Act, in relation to the right of members to appoint proxies".

16.(a) No business shall be transacted at any Meeting unless a quorum is present. Two members entitled to attend at that Meeting, present in person, or by proxy or (in the

case of a corporation) a duly authorised representative shall be a quorum. At the end of regulation 41 of Table A there shall be inserted the following: "If within half an hour from the time appointed for the holding of an adjourned meeting a quorum is not present, the members present shall be a quorum".

- (b) In regulation 59 of Table A, the second sentence shall be omitted.
- 17. Subject to the provisions of the Act, a resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their respective representatives) shall be as valid and effective as if the same had been passed at a general meeting of the company duly convened and held.

## **APPOINTMENT AND REMOVAL OF DIRECTORS**

- 18. The first Directors will be the person or persons named in the statement delivered to the Registrar of Companies in accordance with section 10 of the Act. The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director.
- 19. In addition and without prejudice to the provisions of Section 303 of the Act, the Company may by Ordinary Resolution remove any Director before the expiration of his period of office. Subject to the provisions of Table A and Section 303(2) of the Act, the Company may by Ordinary Resolution appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director. In regulation 38 of Table A the words "or a resolution appointing a person as a Director" shall be omitted.
- 20. The office of a Director shall be vacated of –
  - (a) he ceases to be a Director by virtue of any provisions of the Acts or he becomes prohibited by law from being a Director; or
  - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - (c) he is, or may be, suffering from mental disorder and, in relation thereto, he is admitted to hospital for treatment or an order is made by any court having jurisdiction in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;
  - (d) he resigns his office by notice to the Company.

## **PROCEEDINGS OF DIRECTORS**

- 21.(a) If and so long as there shall be one Director only he shall be entitled to exercise all the powers and shall carry out all the duties assigned to Directors and the provisions of these Articles and the regulations of Table A shall be construed accordingly.
- (b) In regulation 64 of Table A for the word "two" there shall be substituted the word "one" and in the first sentence of regulation 89 of Table A for the word "two" there shall be substituted the word "one".



22. An appointment or removal of an alternate Director may be effected at any time by notice in writing to the Company given by his appointor. An alternate Director may also be removed from his office by not less than twenty four hours notice in writing to the Company and to the appointor given by a majority of his co-Directors. This Article shall have effect in substitution for regulation 68 of Table A which shall not apply to the Company.

### **BORROWING POWERS**

23. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and, subject to Section 80 of the Act, to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

### **DIRECTORS' INTERESTS**

24. A Director may vote in respect of any contract or arrangement in which he, or any person with whom he is connected, is interested and be counted in the quorum present at any meeting of the Directors or, if otherwise so entitled, at any General Meeting of the Company at which any such contract or arrangement is proposed or considered, and if he shall so vote, his vote shall be counted. This Article shall have effect in substitution for regulations 94 to 98 inclusive of Table A, which regulations shall not apply to the Company.

### **INDEMNITY**

25. Subject to the provisions of Section 310 of The Act, and in addition to such indemnity as is contained in regulation 118 of Table A, every Director, Secretary or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred by him in or about the execution and discharge of the duties of his office.

### **SECRETARY**

26. The first Secretary or Secretaries of the Company shall be the person or persons named as such in the statement delivered under Section 10 of the Act.