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SHAREHOLDERS AGREEMENT

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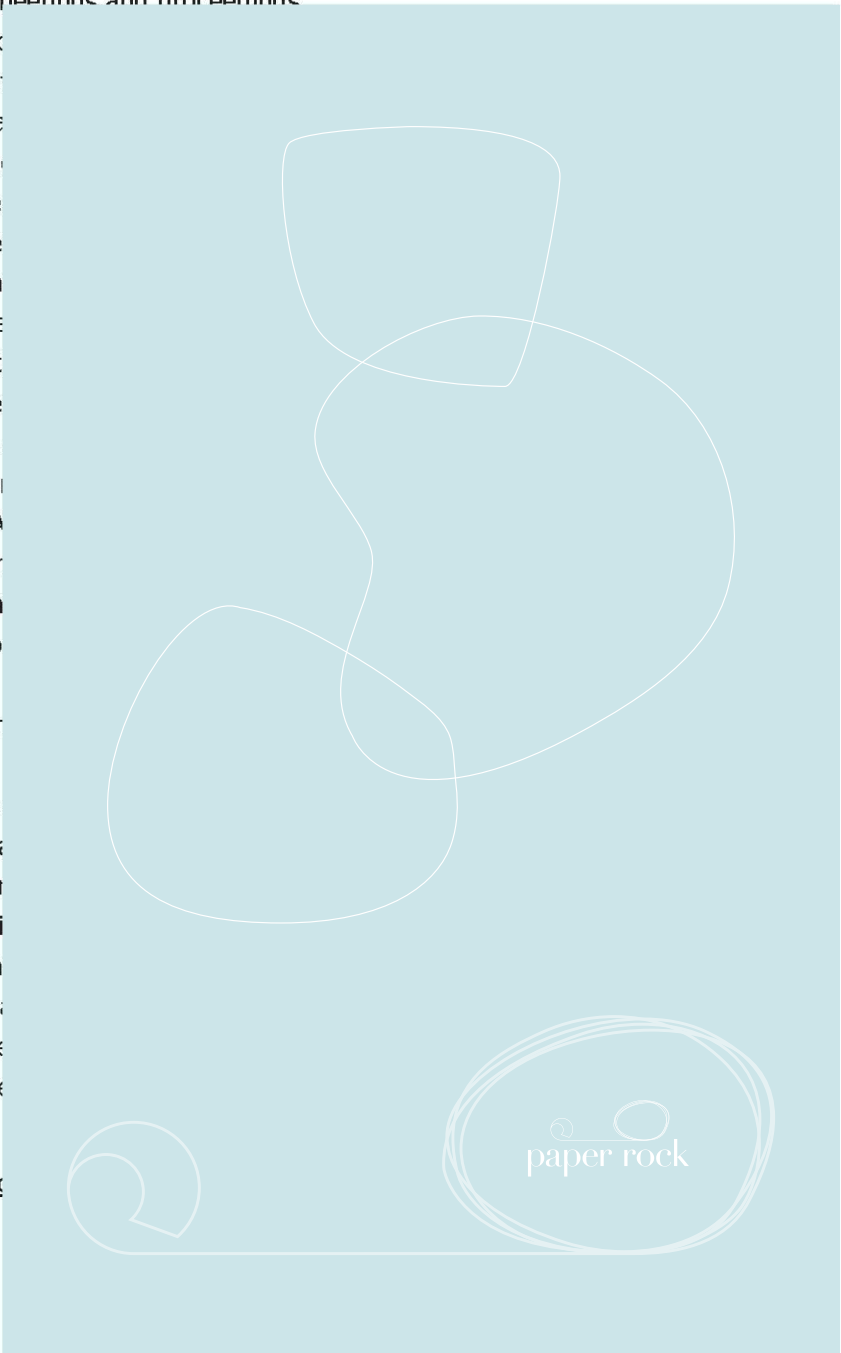
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SHAREHOLDERS AGREEMENT

DATED

Between:

1. The persons named in Part 2 of Schedule 1 (the **Founders**);
2. The persons named in Part 3 of Schedule 1 (the **Investors** and each an **Investor**); and
3. [FULL C number **Compa** company DRESS] (the

INTRODUCTION

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1 Interpret

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Close Relation means a spouse, civil partner, parent, sibling, child or grandchild (including a step or adopted parent, sibling, child or grandchild).

Companies Act means the Companies Act 2006.

Confidential Information means information which a Shareholder obtains or receives as a result of negotiating or entering into this Agreement or information relating to the business,

customers, financial affairs, assets and liabilities of [the Company] [the Group] or of any other Shareholder.

Control of a person means, directly or indirectly:

- (a) the ownership of more than 50% of the shares in issue or other equity interests or capital of such person; or
- (b) the power to direct the management or policies of such person, whether through

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[the Company] which is determined, by an employment tribunal or a court of competent jurisdiction from which there is no right to appeal or from which the right to appeal has expired, to be wrongful or constructive; or

- (e) in the case of a consultant, the unlawful termination of the consultancy agreement by [the Company] [the relevant Group Company] as determined by a court of competent jurisdiction from which there is no right to appeal or from which the right to appeal has expired,

or otherwise who the Board determines is a Good Leaver in its absolute discretion with (if the Investor Director is then appointed) the approval of the Investor Director.

Governmental Authority means any supranational, national, federal, state, county, municipal or local government and any department, commission, authority, administrative or judicial body or court, tribunal, agency or entity exercising any executive, legislative, judicial, regulatory, taxing, administrative, importing or other governmental or quasi-governmental authority, whether of the United Kingdom or elsewhere.

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- (i) a Close Relation of such individual;
- (ii) the trustee or trustees of any Family Trust of such individual; or
- (iii) any person that, directly or indirectly, is Controlled by that individual or by a Close Relation of such individual, in either case solely or together with one or more of that individual's Close Relations; or

(b) in relation to a company, any person that, directly or indirectly, Controls or is Controlled by or is under common Control with that company,

provided that [the Company shall not] [no Group Company shall] be regarded under this Agreement as being a Related Party of any Shareholder.

Related Party Agreement means any agreement between [the Company] [any Group Company] and a Shareholder or a Related Party of a Shareholder.

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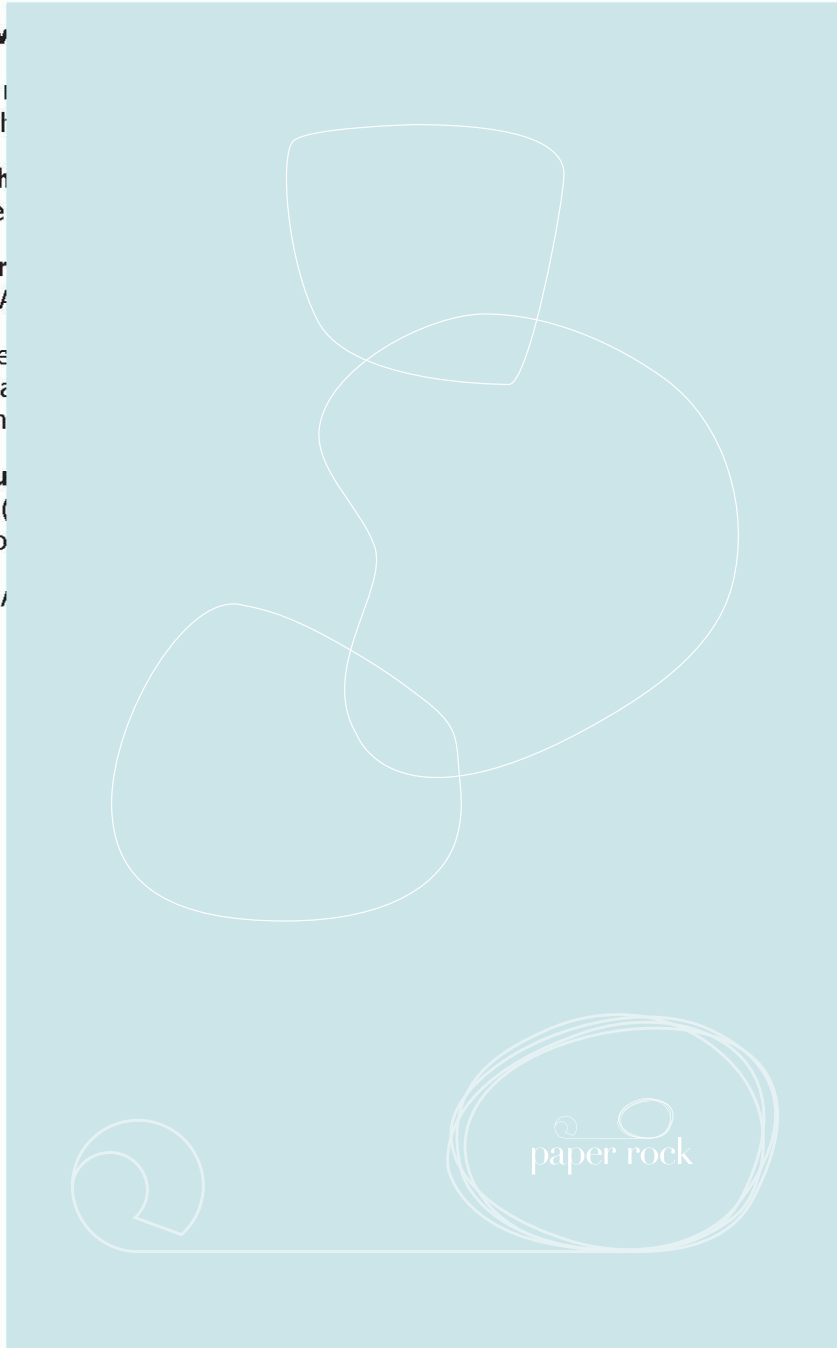
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(f) reference to a document **in the agreed form** is to a document in the form agreed and initialled by or on behalf of the Parties for the purpose of identification;

(g) **connected** has the same meaning as in sections 1122 and 1123 of the Corporation Tax Act 2010);

- (h) **directly or indirectly** means directly or indirectly through one or more intermediate persons or through contractual or other arrangements and **direct or indirect** shall be construed accordingly;
 - (i) **include, including** and **in particular** are to be construed as illustrative and not so as to limit the sense of any word, definition, phrase or term preceding them;
 - (j) **other** and **otherwise** are to be construed as illustrative and not so as to limit the scope of any words preceding them where a wider construction is possible;
 - (k) "subsidiary" as created (for the purposes of section 1159(1)(b) of the Companies Act 2006) or any other company or entity of any kind or any way of security interest;
 - (l) "associate" means a person who is connected with a Shareholder; and
 - (m) "allow" means to permit or allow that.
- 1.3 Clauses 1.1 to 1.2 require the Shareholders to agree to the terms of the Shareholders Agreement otherwise than in writing.
- 2 Business**
- 2.1 The business of the Company shall be the business set out in the Business Plan.
- 2.2 The Business Plan shall be approved by the Shareholders.
- 3 Directors**
- 3.1 Immediately after the completion of the Issuance, the Board shall consist of a total of [NUMBER] Directors.
- (a) [NUMBER] Directors shall be appointed by the Shareholders.
 - (b) [NUMBER] Directors shall be appointed by the Issuance.
- 3.2 [The maximum number of Directors shall not exceed [NUMBER].]
- 3.3 The Issuance shall be subject to the following conditions, in addition to the consent of the Issuance Agent:
- (a) from to time to time;
 - (b) otherwise, to the Issuance Agent;
 - (c) otherwise, to the Issuance Agent.
- 3.4 For so long as the Issuance is in effect, each Shareholder shall have the right at all times:
- (a) to appoint and maintain in office [one] individual as such Shareholder may from to time nominate as a Director;
 - (b) to remove any Director so appointed; and
 - (c) upon removal of any such Director whether by the appointing Shareholder or otherwise, to appoint another Director.

- 3.5 Appointment and removal of a Director pursuant to Clause 3.3 or 3.4 shall be by written notice to the Company from the Investors or the relevant Shareholder (as the case may be) and shall take effect upon delivery to the Company or at any meeting of the Board.
- 3.6 Following the removal by the Investors or another Shareholder of a Director appointed pursuant to Clause 3.3 or 3.4, the Investors or such Shareholder (as the case may be) shall indemnify and keep indemnified the Company from and against any claim connected with the individual's removal from office as a Director.
- 3.7 The position of the Director appointed as chair of the Board shall be held by the Director appointed as chair of the Board.
- 3.8 The Company shall pay to the Director appointed as chair of the Board (a) a fee of [X] (including VAT), such fee to be paid in equal instalments of each [X], with the first instalment to be paid on or before [DATE] to [DATE] (b) a fee of [X] (including VAT) as a Director in other business.
- 3.9 The Investors shall be entitled to appoint or remove a Director in accordance with Clause 3.4 save that the Investors shall not be entitled to appoint or remove a Director in accordance with Clause 3.4 if such Director is then appointed or removed in accordance with Clause 3.4.
- 3.10 Subject to Clause 3.4, the Investors shall be entitled to appoint or remove a Director in accordance with Clause 3.4 and to serve as a Director in other business.
- 4 Board**
- 4.1 Meetings of the Board shall be held at such times and places as shall be determined by the Board and shall be held at such times and places as shall be determined by the Board.
- 4.2 Any Director appointed or removed in accordance with Clause 3.4 shall be entitled to attend and speak at any meeting of the Board and to vote at such meeting.
- 4.3 At least a majority of the Directors shall be present at such meeting in person or by an alternate and shall constitute such meeting.
- 4.4 The notice of a meeting of the Board shall include an agenda specifying in reasonable detail the matters to be discussed at the meeting.
- (a) The notice of a meeting of the Board shall include an agenda specifying in reasonable detail the matters to be discussed at the meeting.
- (b) The notice of a meeting of the Board shall include an agenda specifying in reasonable detail the matters to be discussed at the meeting.
- (c) The notice of a meeting of the Board shall include an agenda specifying in reasonable detail the matters to be discussed at the meeting.
- 4.5 Subject to Clause 4.6, the quorum for a meeting of the Board shall be a majority of the Directors then appointed (either in person or by an alternate)[, one of whom (if an Investor Director is then appointed) is the Investor Director or the alternate of the Investor Director].
- 4.6 If a quorum is not present within half an hour from the time appointed for a meeting of the Board or is not present during the meeting at a time when a proposal is to be voted upon,

the meeting shall be adjourned for five Business Days' later at the same time and place. If a quorum is not present at such adjourned meeting within half an hour from the time appointed for the meeting or during the meeting at a time when a proposal is to be voted upon, the director(s) present (either in person or by an alternate) shall constitute the quorum for the adjourned meeting and the business of the meeting shall proceed.

4.7 A meeting of the Board may be validly held notwithstanding that the Directors participating are not present at the same place provided that all of the Directors participating in the meeting, whether in person or by proxy, audio, video, or any other means of electronic communication, participating is, through a visual link through a video conference, audio conference, or any other means of electronic communication, participating is,

4.8 Any Director who is unable to attend, may be represented by a proxy, in accordance with the provisions of the Articles to the effect.

4.9 A resolution of the Board may be passed at a meeting of the Board or by a Director or Directors acting by proxy, and shall have the same effect as if passed at a meeting of the Board.

4.10 The chair of the Board is the Director who presides at the meeting, and the other Directors shall be members of the Board. The chair of the meeting shall be the Director who presides at the meeting, and the other Directors shall be members of the Board.

4.11 A resolution of the Board may be passed at a meeting of the Board or by a Director or Directors acting by proxy, and shall have the same effect as if passed at a meeting of the Board.

5 Shareholders

5.1 The quorum for a meeting of the Shareholders shall be a majority of the Shareholders present in person or by proxy, and shall include the Shareholders who are entitled to vote at the meeting.

5.2 If a quorum is not present at a meeting of the Shareholders at the time appointed for the meeting or during the meeting at a time when a proposal is to be voted upon, the meeting shall be adjourned for five Business Days' later at the same time and place. If a quorum is not present at such adjourned meeting within half an hour from the time appointed for the meeting or during the meeting at a time when a proposal is to be voted upon, the meeting shall be adjourned for five Business Days' later at the same time and place.

5.3 At a general meeting of the Shareholders, a Shareholder may be represented by a proxy, in accordance with the provisions of the Articles to the effect.

(b) A Shareholder who is unable to attend, may be represented by a proxy, in accordance with the provisions of the Articles to the effect.

5.4 The chair of the meeting shall be the Director who presides at the meeting, and the other Directors shall be members of the Board. The chair of the meeting shall be the Director who presides at the meeting, and the other Directors shall be members of the Board. The chair shall not have a second or casting vote.

6 Conduct of the Business

6.1 Save as provided in this Agreement, the Board shall have responsibility for the day to day management of the Business.

6.2 The Company shall, and the Founders shall procure that the Company shall, at all times:

- (a) conduct the Business on a commercial basis in a proper, lawful and efficient manner for its own benefit;
- (b) transact all business on arms' length terms;
- (c) obtain and maintain all necessary licences and approvals required in order to carry on the Business; and
- (d) maintain its accounting books and records and prepare annual accounts in

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8 Dividends

8.1 Unless otherwise approved as a Reserved Matter, the Parties agree that, in relation to each Financial Year, the Company shall distribute by way of dividend at least [50]% of the profits of the Company available for distribution in accordance with the Companies Act[, but subject to the retention by the Company of such reasonable and proper reserves as approved by the Board for the working capital requirements and other liabilities of the Company.]

8.2 The Company shall procure that each other Group Company shall, so far as it is legally permitted to do so, declare and pay to the Company sufficient and timely dividends to ensure the Company's compliance with Clause 8.1.

9 Allotment of Shares

9.1 Save as provided in Clause 9.5, the Company shall not allot any Shares unless such allotment has been approved as a Reserved Matter and in which case the Company shall comply with the procedure set out in Clauses 9.2 - 9.4 in relation to the allotment of any new Shares (the **New Shares**)

9.2 The Company shall allot New Shares to the holder at the same proportion (including fractions) in proportion to the total number of Shares held by that holder at the time of allotment.

(a) If the number of New Shares to be allotted to a holder is less than 10

(b) If the number of New Shares to be allotted to a holder is greater than the number of Shares held by that holder at the time of allotment

9.3 If accepted, the Company shall allot New Shares to the holder in the number of Shares to be allotted to that holder (or a number of Shares less than that number of Shares) as determined by the Company in its absolute discretion.

9.4 If accepted, the Company shall allot New Shares to the holder in the number of Shares to be allotted to that holder (or a number of Shares less than that number of Shares) as determined by the Company in its absolute discretion. Any New Shares allotted to a holder in accordance with the above provisions shall be allotted to that holder within three months of the date of approval of the allotment of New Shares by the Company.

9.5 Clause 9.1 shall not apply to the allotment of New Shares to a holder if the Company is required to allot New Shares to that holder in accordance with Clause 9.2(a) or 9.2(b).

(b) If the number of New Shares to be allotted to a holder is greater than the number of Shares held by that holder at the time of allotment, the Company shall allot New Shares to that holder in the number of Shares to be allotted to that holder (or a number of Shares less than that number of Shares) as determined by the Company in its absolute discretion.

9.6 No Shareholder shall be entitled to nominate or appoint a Director of the Company in accordance with the provisions of the Articles of Association of the Company.

10 Transfer of Shares
Schedule 1

11 New Shareholders

Unless approved otherwise as a Reserved Matter any person who becomes a Shareholder following the date of this Agreement whether by way of an issue or transfer of Shares shall (as a condition to becoming a Shareholder) be required to execute a Deed of Adherence (with any necessary changes) agreeing to be bound by this Agreement.

12 Reserved Matters

12.1 The Company agrees, so far as it lawfully may, and the Shareholders shall exercise their powers available to them as shareholders and (as appropriate) Directors (subject to their statutory and fiduciary duties as Directors) or under this Agreement to procure, that no Reserved Matter shall be implemented in relation to [the Company] [any Group Company] unless the Company shall have received the prior consent of:

(a) the Investors acting by Investor Majority Consent; and

(b)

12.2 Consent of the Investors acting by Investor Majority Consent has been given in writing by the Investor Majority.

the Shareholders acting by Investor Majority Consent before such matter is implemented (as a meeting or otherwise).

13 Restrictions

13.1 Each Founder shall undertake that he or she shall not, either solely or jointly with any other person, employ or engage any other person

separately as a trustee for each of the Group Companies and either solely or jointly with any other person (company) of any

(a)

Shareholder, carry on business in the United Kingdom]

(b)

the Founder or any other person (whichever is applicable).

business [in the

business, or any Group Company];

business, deal with any person on the Termination Date, or who was at the Termination Date, a client

business, deal with any person on the Termination Date, or who was at the Termination Date, a Key Employee; or

to leave the

service of [the Company] [any Group Company], any person who is at the Termination Date, or who was any time during the 12 months before the Termination Date, a Key Employee; or

(c) at any time after the Termination Date:

(i) represent the Founder as still interested in [the Company] [any Group Company] or its business and affairs; or

- (ii) use, whether on the Founder's own behalf or on behalf of any third party, or divulge to any third party, any Confidential Information.

13.2 Each of the undertakings and covenants in Clause 13.1 is:

- (a) a separate undertaking by each Founder and shall be enforceable by each Investor and the Company separately and independently of its right to enforce any one or more of the undertakings and covenants in Clause 13.1; and

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13.3 Nothing

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14 Confidential Information

14.1 Subject to the purpose and obligations of the Company, the Founder shall be under a duty to disclose Confidential Information to the Company for the purpose of performing its obligations.

14.2 Clause 14.1 shall not apply to Confidential Information disclosed in

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14.3 Prior to the extent of the disclosure of Confidential Information required by Clause 14.2(c) and to

- (a) inform the Party to which such Confidential Information relates of the requirement for the disclosure and the Confidential Information required to be disclosed;

- (b) take all such steps as may be reasonable and practicable in the circumstances to agree the extent and content of the required disclosure of Confidential Information with the Party to which such Confidential Information relates before the disclosure is made; and

- (c) consult with the Party to which such Confidential Information relates and take such steps as permitted by applicable law and regulation with regard to the avoidance or limitation of the required disclosure.

14.4 To the extent that a Shareholder is not permitted by applicable law or regulation to inform the Party to which such Confidential Information relates prior to disclosing Confidential Information pursuant to Clause 14.2(c), that Shareholder shall inform that Party of such disclosure as soon as the Shareholder is legally permitted to do so.

14.5 This Clause

15 Article

15.1 The Parties acknowledge that there may be a discrepancy between the Shareholder's records and the records of the Company. In the event of a discrepancy, the Shareholder shall procure the necessary documents to resolve the discrepancy.

15.2 Each Shareholder shall be bound by the terms of the Articles of Association of the Company as amended from time to time.

16 Duration

16.1 This Agreement shall be valid and binding on the Parties from the date of the following:

- (a) the date of the execution of this Agreement by the Shareholder; and
- (b) the date of the execution of this Agreement by the Company; and
- (c) the date of the execution of this Agreement by the other Parties.

16.2 Subject to the provisions of Clause 16.1, this Agreement shall be valid and binding on the date of the following:

16.3 The following cases shall apply:

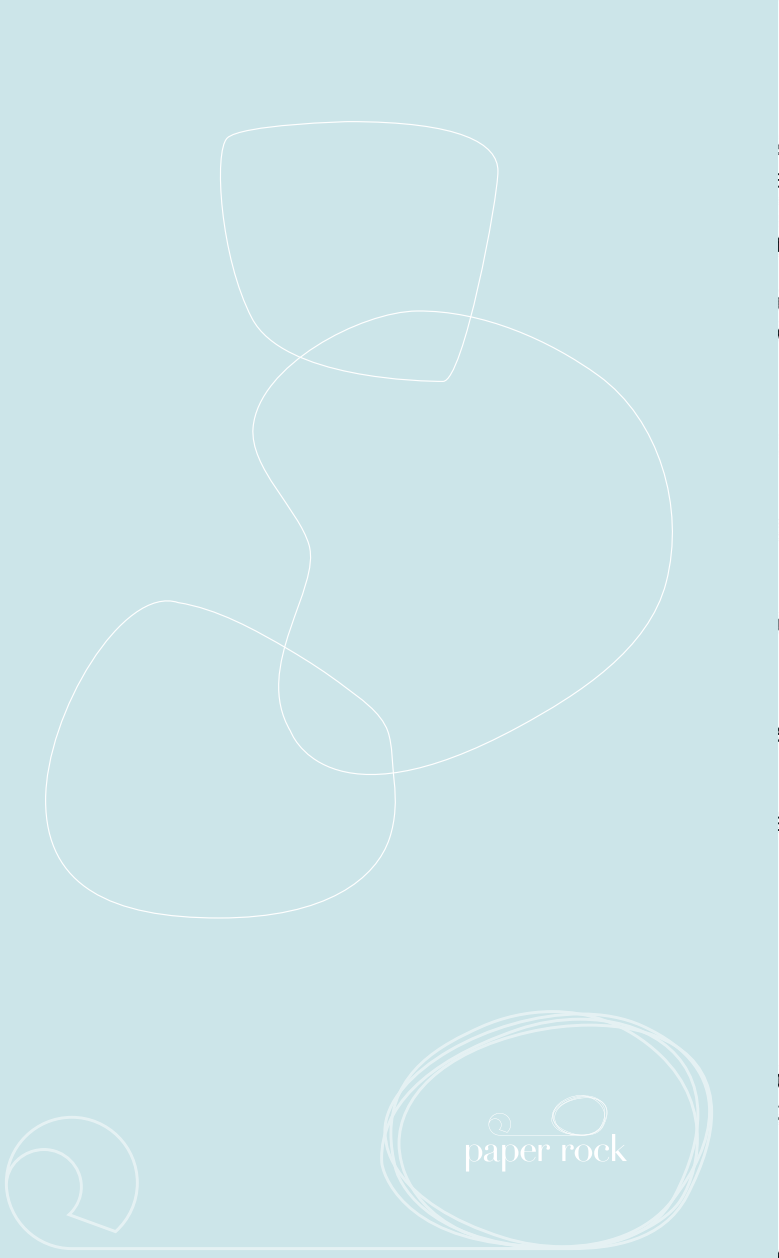
- (a) the date of the execution of this Agreement by the Shareholder; and
- (b) the date of the execution of this Agreement by the Company; and
- (c) the date of the execution of this Agreement by the other Parties.

16.4 Termination of this Agreement by any Party shall be subject to the provisions of Clause 16.1 and shall not be subject to any prior notice.

17 Entire Agreement

17.1 The Agreement shall constitute the entire agreement between the Parties in relation to the subject matter of this Agreement and shall supersede any previous agreement, arrangement or understanding (whether in writing or not) between the Parties relating to its subject matter.

17.2 Each Party acknowledges that it, in entering into this Agreement, it has not relied upon and that it shall have no remedy or right of action (including the right of rescission or termination) in respect of any statement, representation, warranty or promise that is not set out in this Agreement.



17.3 This Clause 17 shall not exclude the liability of a Party for fraud or fraudulent misrepresentation.

18 Relationship of the Shareholders

18.1 No Shareholder shall represent itself as the agent or legal representative of any other Shareholder for any purpose whatsoever.

18.2 Nothing in this Agreement is intended, or shall be deemed, to constitute a partnership between

19 Assign

19.1 Subject may:

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- (b)
- (c)
- (d)

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20.1 Subject nt shall be effective (investor) holding at least one (one) share. This shall be binding on all of th

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21 Waiver

21.1 No waiv it has under this Agr

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22 Severance

22.1 If any provision of this Agreement (or any part of any provision) shall be held to be illegal, invalid or unenforceable, the remainder of this Agreement shall remain in force.

22.2 If any illegal, invalid or unenforceable provision would be legal, valid or enforceable if some part of it were deleted or modified, that provision shall apply with whatever modification is necessary to give effect to the commercial intention of the Parties.



23 Costs

Save as may be provided otherwise in the Subscription Agreement, each Party shall bear its own costs incurred in relation to the preparation, negotiation and performance of this Agreement.

24 Notices

24.1 A notice or other communication given under this Agreement:

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- (b)
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- (b) in the case of delivery by email, that the notice was sent by email to the email address of the relevant Party stated above; or

- (c) in the case of delivery by post, that the envelope containing the notice was properly addressed to the relevant Party and posted.



24.5 This Clause 0 does not apply to the service of any proceedings or other documents in any legal action.

25 Third party rights

This Agreement is made for the benefit of the Parties and is not intended to benefit, or be enforceable by, anyone else (including under the Contracts (Rights of Third Parties) Act 1999).

26 Counterparty

This Agreement shall be executed and had effect as if each Party

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27 Governing Law

27.1 This Agreement shall be governed by the law of England and Wales and the English courts shall have jurisdiction to settle any dispute arising out of or in connection with this Agreement.

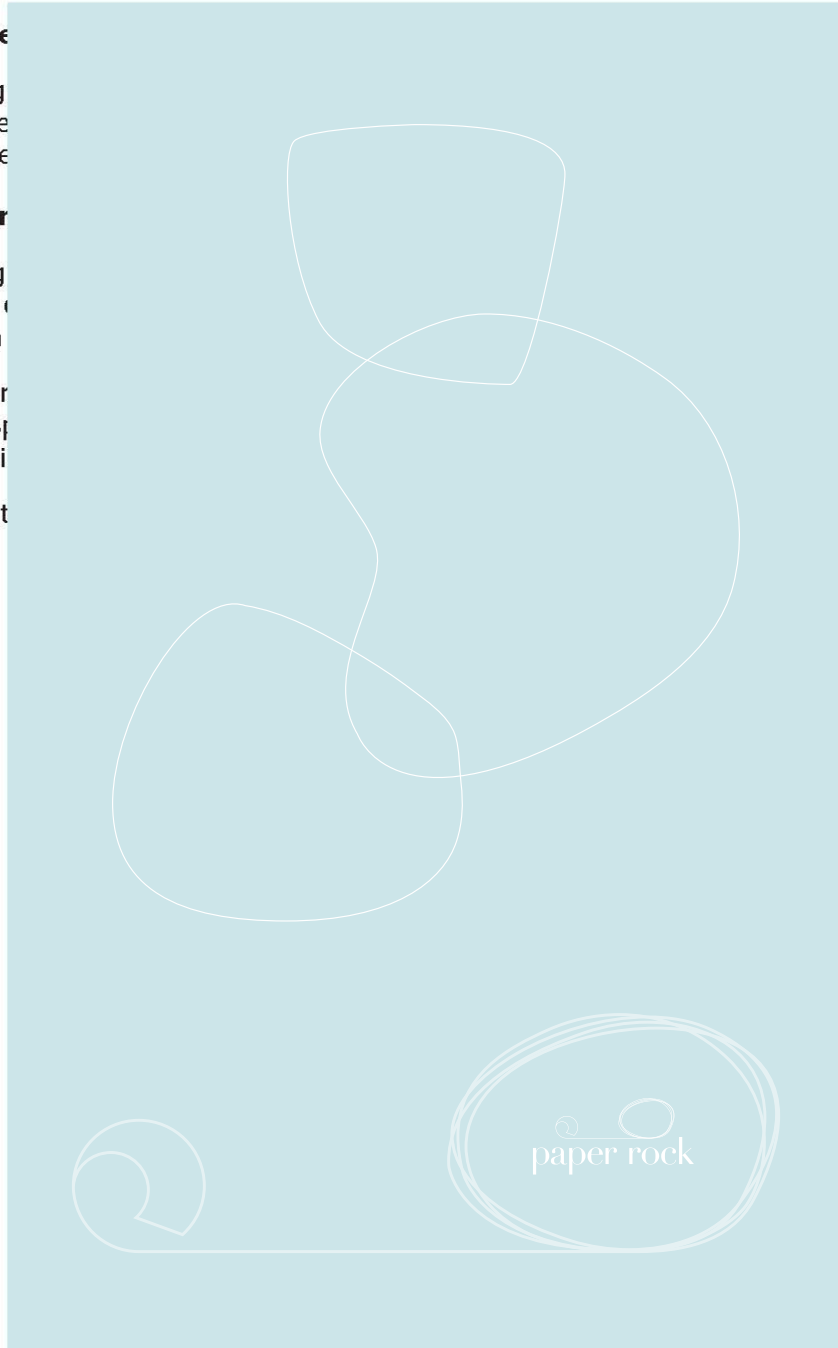
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27.2 The Parties agree to submit to the jurisdiction of the courts of England and Wales in connection with this Agreement.

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This Agreement shall be governed by the law of England and Wales and the English courts shall have jurisdiction to settle any dispute arising out of or in connection with this Agreement.

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Schedule 1 – the Company, the Founders, the Investors and Shareholdings

Part 1 – Details of the Company

The Company

Name: [Name] Limited

Registered number: [Number]

Date of incorporation:

Registered office:

Issued share capital:

Directors:

Secretary:

Accounting reference date:

Charges:

[Other Group Company]

Name:

Registered number:

Date of incorporation:

Registered office:

Issued share capital:

Directors:

Secretary:

Accounting reference date:

Charges:



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Part 2 – the Founders

(1) Name, Address and Email
[Name]
[Address]
[Email]

[Name]
[Address]
[Email]

Part 3 – the Investors

(1) Name, Address and Email
[Name]
[Address]
[Email]
[Name]
[Address]
[Email]

Part 4 – Shareholders

(1) Name	(2) Shares	(3) Percentage
[Founder Name]	[Number]	[Number]%
[Founder Name]	[Number]	[Number]%
[Investor Name]	[Number]	[Number]%
[Investor Name]	[Number]	[Number]%
TOTAL		100.00%



Schedule 2 - Transfers of Shares

1 General

1.1 No Shareholder may transfer or otherwise dispose, and the Directors shall refuse to register a transfer or disposal, of any Shares or any legal or beneficial interest in any Shares whether by way of sale or other form of transfer or otherwise or create any Encumbrance over any Shares except:

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(b)

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(d)

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1.2 The Directors

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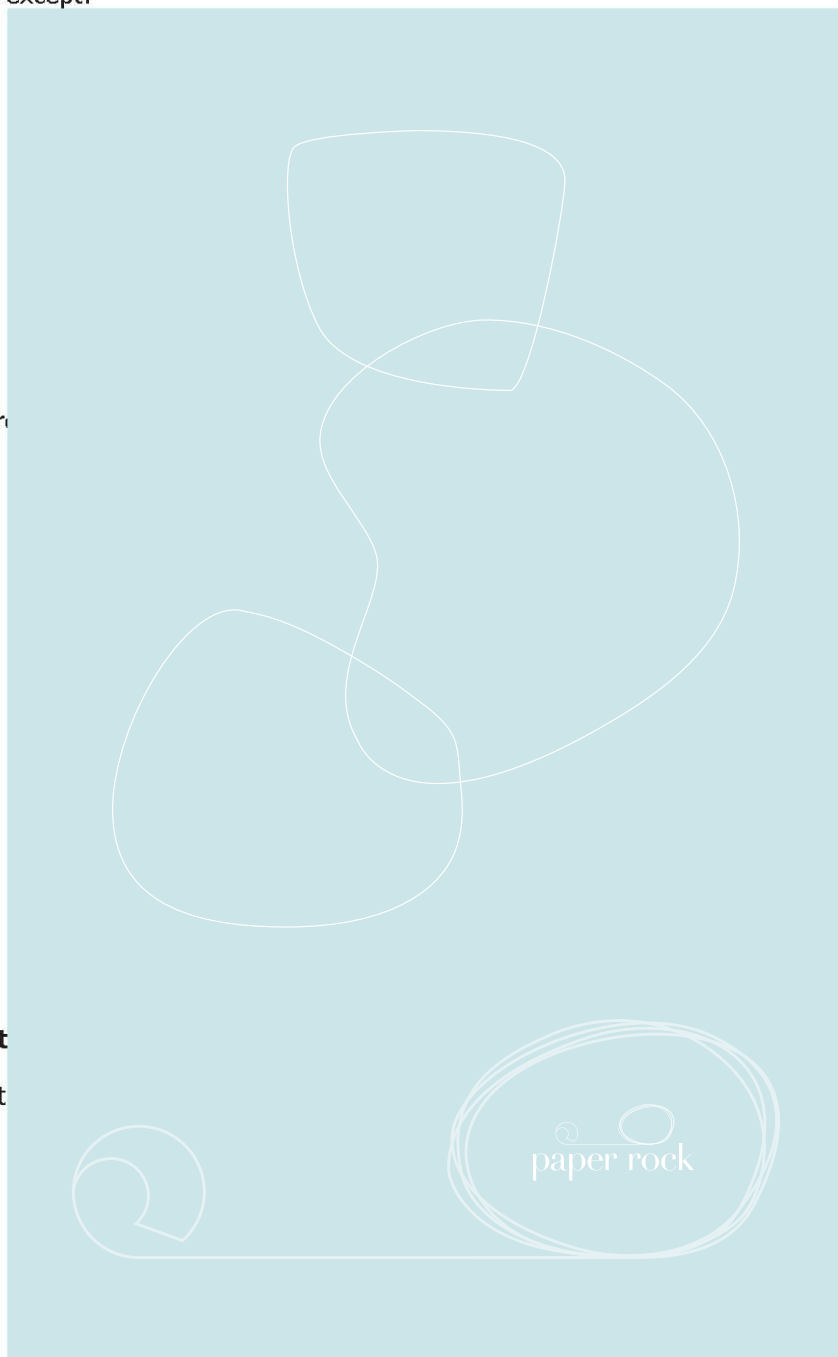
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2 Permitted Transferees

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Transferee of the Original Shareholder without restriction as to price or otherwise.

2.2 If a Permitted Transferee ceases for any reason (including divorce or death of the Permitted Transferee but not death of the Original Shareholder) to be a Related Party of the Original Shareholder, the Permitted Transferee shall give written notice to the Company and shall execute and deliver to the Company a transfer of the Shares then registered in the Permitted Transferee's name to the Original Shareholder or to another Related Party of the Original Shareholder without restriction as to price or otherwise.

2.3 A Shareholder may not transfer Shares pursuant to paragraph 2.1 following the deemed service of a Transfer Notice by that Shareholder in accordance with paragraph 4 until after the conclusion of the pre-emptive provisions in paragraph 3 (as amended by paragraph 4) as a consequence of such deemed service.

2.4 Neither a Founder nor an Employee Shareholder may transfer Shares to a Permitted Transferee under this paragraph 2.

3 Pre-emption

3.1 Subject to the provisions of this paragraph 3, if any Shareholder (the "Transferor") offers to transfer all or part of its Shares (the "Offered Shares") to a Permitted Transferee, the Transferor shall give notice in writing (the "Transfer Notice") to the Company and to all other Shareholders (the "First Offer Shareholders") (the "First Offer Notice") in accordance with paragraph 3.2 (if the Transferor is an Employee Shareholder, the First Offer Notice shall also be given to the Company).

3.2 The Transfer Notice shall specify:
(a) the Offered Shares;
(b) the Transfer Price;
(c) the name of the Permitted Transferee;
(d) the name of the Transferor;
(e) the date of the Transfer Notice;
(f) the name of the Company.

3.3 As soon as practicable after the date of the Transfer Notice, the Company shall offer the Offered Shares to the First Offer Shareholders (the "First Offer") on the Business Days following the date of the Transfer Notice in accordance with paragraph 3.4 (the "First Offer Condition").

3.4 If at the time of the First Offer, the number of Offered Shares is greater than the number of Shares held by the First Offer Shareholders, the Company shall allocate the Offered Shares to the First Offer Shareholders pursuant to paragraph 3.4.1 and shall allocate the balance (the "Excess Shares") to the Permitted Transferee. If the number of Offered Shares is less than the number of Shares held by the First Offer Shareholders, the Company shall allocate the Offered Shares to the First Offer Shareholders in proportion to the number of Shares held by each of them.

(a) the Company shall allocate to each First Offer Shareholder who applied pursuant to paragraph 3.3 the number of its Offered Shares; and

(b) the balance (the **Excess Shares**) shall be offered for sale by the Company at the Transfer Price by notice in writing (the **Second Offer Notice**) to each

First Offer Shareholder (if any) who applied for its Offered Shares pursuant to paragraph 3.3 (the **Second Offer Shareholders**) inviting them to apply in writing within the period of [5] Business Days from the date of the Second Offer Notice (the **Second Offer Period**) for all or any of the Excess Shares.

3.5 If at the end of the Second Offer Period:

- (a) the number of Excess Shares applied for is equal to or exceeds the number of Excess Shares, the Company shall allocate the Excess Shares to each Second Offer Shareholder in proportion to the number of Offered Shares held by all of the Second Offer Shareholders. If the number of Offered Shares held by all of the Second Offer Shareholders is less than the number of Excess Shares, the Company shall allocate the Excess Shares to each Second Offer Shareholder in proportion to the number of Offered Shares held by all of the Second Offer Shareholders; or
- (b) the number of Excess Shares applied for is less than the number of Offered Shares, the Company shall allocate the Excess Shares to each Second Offer Shareholder in proportion to the number of Offered Shares held by all of the Second Offer Shareholders; or
- (c) the number of Excess Shares applied for is less than the number of Offered Shares, the Company shall allocate the Excess Shares to each Second Offer Shareholder in proportion to the number of Offered Shares held by all of the Second Offer Shareholders; or

3.6 If:

- (a) the number of Excess Shares applied for is equal to or exceeds the number of Excess Shares, the Company shall allocate the Excess Shares to each Second Offer Shareholder in proportion to the number of Offered Shares held by all of the Second Offer Shareholders; or
- (b) the number of Excess Shares applied for is less than the number of Offered Shares, the Company shall allocate the Excess Shares to each Second Offer Shareholder in proportion to the number of Offered Shares held by all of the Second Offer Shareholders; or

3.7 If:

- (a) the number of Excess Shares applied for is equal to or exceeds the number of Excess Shares, the Company shall allocate the Excess Shares to each Second Offer Shareholder in proportion to the number of Offered Shares held by all of the Second Offer Shareholders; or
- (b) the number of Excess Shares applied for is less than the number of Offered Shares, the Company shall allocate the Excess Shares to each Second Offer Shareholder in proportion to the number of Offered Shares held by all of the Second Offer Shareholders; or

3.8 On the date for completion specified in the Allocation Notice:

- (a) the Transferor shall deliver to the Company executed transfers of the Transfer Shares in favour of the Purchasing Shareholders in accordance with the allocations of the Transfer Shares, together with the share certificate(s) for those Transfer Shares; and

(b) each Purchasing Shareholder shall pay to the Transferor in cleared funds the Transfer Price for each Transfer Share being purchased by it.

3.9 If the Transferor has given a Total Transfer Condition Notice in accordance with paragraph 3.6, the Transferor shall be entitled to sell, within the period of [20] Business Days following the date of service of the Total Transfer Condition notice, all (and not part only) of the Transfer Shares to the Transferee.

3.10 If either no applications have been made pursuant to paragraph 3.3 or applications have been made but no application has been accepted, the Transferor shall be entitled to sell, within the period of [20] Business Days following the date of service of the Total Transfer Condition notice, all (and not part only) of the Transfer Shares, to the Transferee. The Transferor shall be entitled to sell, within the period of [20] Business Days following the date of service of the Total Transfer Condition notice, all (and not part only) of the Transfer Shares, to the Transferee. The Transferor shall be entitled to sell, within the period of [20] Business Days following the date of service of the Total Transfer Condition notice, all (and not part only) of the Transfer Shares, to the Transferee.

3.11 Any sale pursuant to paragraph 3.9 or 3.10 shall be on the same terms and conditions as the terms and conditions set out in the First Offer Notice, including as to price and legal responsibility. The Transferor shall be entitled to sell, within the period of [20] Business Days following the date of service of the Total Transfer Condition notice, all (and not part only) of the Transfer Shares, to the Transferee.

4 Compulsory Transfer

4.1 Subject to paragraph 4.2, if the Transferor serves notice of termination of employment or consultancy agreement by the Original Shareholder, the Original Shareholder shall be deemed to have agreed to sell, to the Transferor, all the Shares held by the Original Shareholder.

(a) the Original Shareholder is a director or officer of the Company and has failed to resign from that office or position within the period of 30 Business Days following the date of service of the notice of termination of employment or consultancy agreement;

(b) the Original Shareholder is a director or officer of the Company and has failed to resign from that office or position within the period of 30 Business Days following the date of service of the notice of termination of employment or consultancy agreement;

(c) the Original Shareholder is a director or officer of the Company and has failed to resign from that office or position within the period of 30 Business Days following the date of service of the notice of termination of employment or consultancy agreement;

(d) the Original Shareholder is a director or officer of the Company and has failed to resign from that office or position within the period of 30 Business Days following the date of service of the notice of termination of employment or consultancy agreement.

4.2 If a Shareholder holds Shares as a Permitted Transferee and either:

(a) the Shareholder who is the Original Shareholder in relation to such Shares becomes a Compulsory Transferor pursuant to paragraph 4.1; or



- (b) the person who is the Original Shareholder in relation to such Shares is no longer a Shareholder but, as a result of one of the events in paragraph 4.1 in relation to such person, would have become a Compulsory Transferor had such person still been a Shareholder,

the Shareholder who is a Permitted Transferor shall be a Compulsory Transferor and shall be deemed to have served a Deemed Transfer Notice on the occurrence of the relevant event in respect of all of the Shares held by such Shareholder.

- 4.3 The Board shall have the power to appoint or remove any Director and to appoint the relevant Director to be a Director of all or any of the Companies.
- 4.4 Subject to the provisions of this Agreement, the same effect shall be given to the transfer of Shares as if the transferor were a Director of the Company. (a) If the transferor is a Director of the Company, the transfer shall be deemed to have been made by the transferor as if the transferor were a Director of the Company. (b) If the transferor is a Non-Director, the transfer shall be deemed to have been made by the transferor as if the transferor were a Director of the Company. (c) If the transferor is a Non-Director, the transfer shall be deemed to have been made by the transferor as if the transferor were a Director of the Company. (d) If the transferor is a Non-Director, the transfer shall be deemed to have been made by the transferor as if the transferor were a Director of the Company. (e) If the transferor is a Non-Director, the transfer shall be deemed to have been made by the transferor as if the transferor were a Director of the Company.
- 4.5 The Transferor shall be deemed to have served a Deemed Transfer Notice on the occurrence of the relevant event in respect of all of the Shares held by such Shareholder. (a) If the transferor is a Director of the Company, the transfer shall be deemed to have been made by the transferor as if the transferor were a Director of the Company. (b) If the transferor is a Non-Director, the transfer shall be deemed to have been made by the transferor as if the transferor were a Director of the Company. (c) If the transferor is a Non-Director, the transfer shall be deemed to have been made by the transferor as if the transferor were a Director of the Company. (d) If the transferor is a Non-Director, the transfer shall be deemed to have been made by the transferor as if the transferor were a Director of the Company. (e) If the transferor is a Non-Director, the transfer shall be deemed to have been made by the transferor as if the transferor were a Director of the Company.

- 4.6 The **Fair Value** shall be:
 - (a) the price per Transfer Share agreed between the Company and the Compulsory Transferor; or

(b) in default of agreement between the Company and the Compulsory Transferor within 10 Business Days of either the Company or the Compulsory Transferor requiring such agreement, the amount determined in writing by the Independent Accountant as the amount per Transfer Share as at the Business Day immediately prior to the event which gave rise to the service of the Deemed Transfer Notice which is the cash price per Transfer Share which would be agreed on a sale as between a willing seller and a willing purchaser and, if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so.

4.7 The Independent Accountant shall jointly appoint one or more Independent Accountants to determine the fair value of the Shares in writing in accordance with the provisions of this paragraph. The Independent Accountant shall be appointed by the Board of Directors (or the Board of Directors if the Company is a limited liability partnership) and shall be independent of the Company and the Compulsory Transferor. The Independent Accountant shall be appointed by the Board of Directors (or the Board of Directors if the Company is a limited liability partnership) and shall be independent of the Company and the Compulsory Transferor. The Independent Accountant shall be appointed by the Board of Directors (or the Board of Directors if the Company is a limited liability partnership) and shall be independent of the Company and the Compulsory Transferor.

4.8 The Independent Accountant shall determine the fair value of the Shares in writing in accordance with the provisions of this paragraph. The Independent Accountant shall be appointed by the Board of Directors (or the Board of Directors if the Company is a limited liability partnership) and shall be independent of the Company and the Compulsory Transferor. The Independent Accountant shall be appointed by the Board of Directors (or the Board of Directors if the Company is a limited liability partnership) and shall be independent of the Company and the Compulsory Transferor. The Independent Accountant shall be appointed by the Board of Directors (or the Board of Directors if the Company is a limited liability partnership) and shall be independent of the Company and the Compulsory Transferor.

4.9 The time period to be specified in the Independent Accountant's report shall be the period ending on the date of the report or the date of the Compulsory Transfer Notice.

4.10 The costs of the Independent Accountant's report shall be borne by the Company and the Compulsory Transferor. The Independent Accountant may be reimbursed for its reasonable expenses.

5 Tag-along

5.1 If one or more Selling Shareholders (the **Tag Buyer**) offers to purchase more than 5% of the Shares, in one transaction, the Tag Buyer shall, in one transaction, offer to purchase the same proportion of the Shares of the other Shareholders who are not Selling Shareholders (each of them being a **Tag Offeree**) to purchase all of the Tag Offeree's Shares in accordance with this paragraph 5 (a **Tag Offer**).

5.2 The Tag Offer shall be in writing and shall specify:

(a) the consideration per Share, which must be at least equal to the highest price per Share payable by the Tag Buyer to the Selling Shareholders, to be satisfied in the

same form and otherwise on at least as favourable terms (which may include alternatives which the Tag Offeree has the option to select) as the proposed sale of Shares by the Selling Shareholders to the Tag Buyer;

- (b) that no Tag Offeree shall be obliged to give any representations, warranties or indemnities to the Tag Buyer other than as to capacity and title to Shares; and
- (c) that the Tag Offer shall be open for acceptance by each Tag Offeree for not less than 14 Business Days and, if accepted, the sale of all of the Tag Offeree's Shares shall

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6 Drag-a

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(a) the transfer of Shares by the Drag Sellers to the Drag Buyer; or

(b) the transfer of Shares by the Dragged Shareholders to the Drag Buyer.

6.5 Upon any person (a **New Shareholder**), following the issue of a Drag Notice, becoming a holder of Shares (including pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares):

- (a) a Drag Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Notice, who shall then be bound to sell and transfer to the Drag Buyer all such Shares acquired by the New Shareholder; and
- (b) the provisions of this paragraph 6 shall apply (with any necessary changes having been made) to the sale of Shares by the New Shareholder, save that completion of the sale of the New Shareholder's Shares shall take place forthwith upon the later of the Drag Notice being deemed served on the New Shareholder and the date of

6.6 Any Transfer which has been revoked

paragraph 3 or 4 automatically be

7 Ancillary

7.1 If:

- (a)
- (b)
- (c)
- (d)

accordance with paragraph 3 in accordance with paragraph 3 the New Shareholder shall be bound to

fails to register relevant Shares on the register

special title to the Shares and to authorise

7.2 Pending registration in the register in respect of Shares as proxy be required

of those Shares and benefits in respect of those Shares as may be required

7.3 The Shares to be registered under the Articles shall be registered

Articles so as to be effected and under the Articles is Schedule 2 is

7.4 Any Shares and exercise of the rights shall be given effect

to such things as may be required to

7.5 Any transfer shall be

in accordance with Schedule 2 and a guarantee

7.6 If any calculation of any number of Shares under this Schedule 2 would result in a fraction of a Share the Board shall determine in its absolute discretion how such fraction should be dealt with.



Schedule 3 – Reserved Matters

1. Amend or replace the Articles or waive any provision of the Articles.
2. Vary the rights attaching to any class of shares or create any new class or series of shares.
3. Other than as provided in Clause 9.5:
 - (a) create, issue or allot any shares or other securities, including approve the issue price
 - (b) any securities issue of any
4. Disapph
5. [Approv e 2.]
6. Permit a by way execute ment whether g required to
7. Subdivic Compar pital of the
8. Redeem Compar l of the
9. Reduce apply an capital i paid sha by the A any reserves, im account or spect of partly it in or required
10. Register
11. Recomr than as nature other
12. Approve
13. Take ar in eithe Insolven ration, except 23 of the
14. Propose with its composition e).
15. Apply fo appoint assets c the Company's
16. Subscril other company.
17. Acquire or dispose of the whole (or part) of the undertaking of any other person.
18. Dispose of the whole (or any significant part) of the Company's undertaking.
19. Allow the Company to cease (or propose to cease) to carry on the Business or make any material change in the nature of the Business.



- 20. Incur any capital expenditure on any one item, or series of related items, in excess of £[10,000] and, in respect of any Financial Year, in excess of £[50,000].
- 21. Incur any new borrowings if the principal amount of the Company's aggregate borrowings would exceed £[10,000] in aggregate or create any Encumbrance upon or in respect of the whole or part of the Business or the Company's assets.
- 22. Make any loan or provide any surety or security arrangement in respect of any loan or third party obligation in excess of £[1,000].

23. Appoint

24. Appoint

25. Enter in

26. Employ and contract with any person if the aggregate cost exceeds

27. Establish

28. Approve the Business Plan.

29. Approve

30. Agree to



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Schedule 4 – Deed of Adherence

DEED OF ADHERENCE

DATED

Between

1. [NAME] (the New Shareholder) of [ADDRESS]; and

2. [FULL COMPANY NAME] (Company number [NUMBER]) of [ADDRESS] (the Company)

INTRODUCTION

By virtue of the New Shareholder becoming entitled to the Shares, the New Shareholder and the Company have entered into this Deed of Adherence.

Shareholder's

This Deed with

1 Definitions

1.1 In this Deed

(a) "Deed" means this Deed of Adherence made between the New Shareholder and the Company and therein as the context requires;

(b) "New Shareholder" means the person named in Clause 1.1(b) of this Deed meaning when used in the singular it shall include its successors and assigns;

1.2 The provisions of this Deed shall have effect from the date of its execution.

2 Adherence

2.1 The New Shareholder hereby acknowledges and agrees that the New Shareholder's Shares shall be treated as if the New Shareholder has agreed to be bound by the provisions expressed in this Deed from the date of this Deed.

2.2 This Deed shall be binding on the New Shareholder and the Company

(a) in accordance with the provisions of this Deed; and
(b) (and whether or not the New Shareholder is a party to the Deed) in accordance with the provisions of this Deed (and whether or not the New Shareholder is a party to the Deed).

2.3 The New Shareholder shall be deemed to have agreed to be bound by the provisions of this Deed from the time and to the extent that the New Shareholder has taken any step to acquire the Shares and the Company has issued the Shares to the New Shareholder.

3 Notices

Any notice to be given to the New Shareholder in accordance with Clause 0 of the Agreement, shall be sent to the following address:

Address: [ADDRESS]



Email: [EMAIL]

Attention: [NAME]

4 Governing law and jurisdiction

4.1 This Deed and any dispute, claim or obligation (whether contractual or non-contractual) arising out of or in connection with it, its subject matter or formation shall be governed by English

4.2 The par any dis connect iction to settle f or in

In witness wh

[Number of sha

[Execution clau.



Signed by
[*Founder Name*]

)
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Signed by
[*Founder Name*]

Signed by
[*Investor Name*]

Signed by
duly authorised
[*Investor Company Name*]

Signed by
duly authorised
[*Company Name*]

