

Dated

ADVANCE SUBSCRIPTION AGREEMENT

[COMPANY

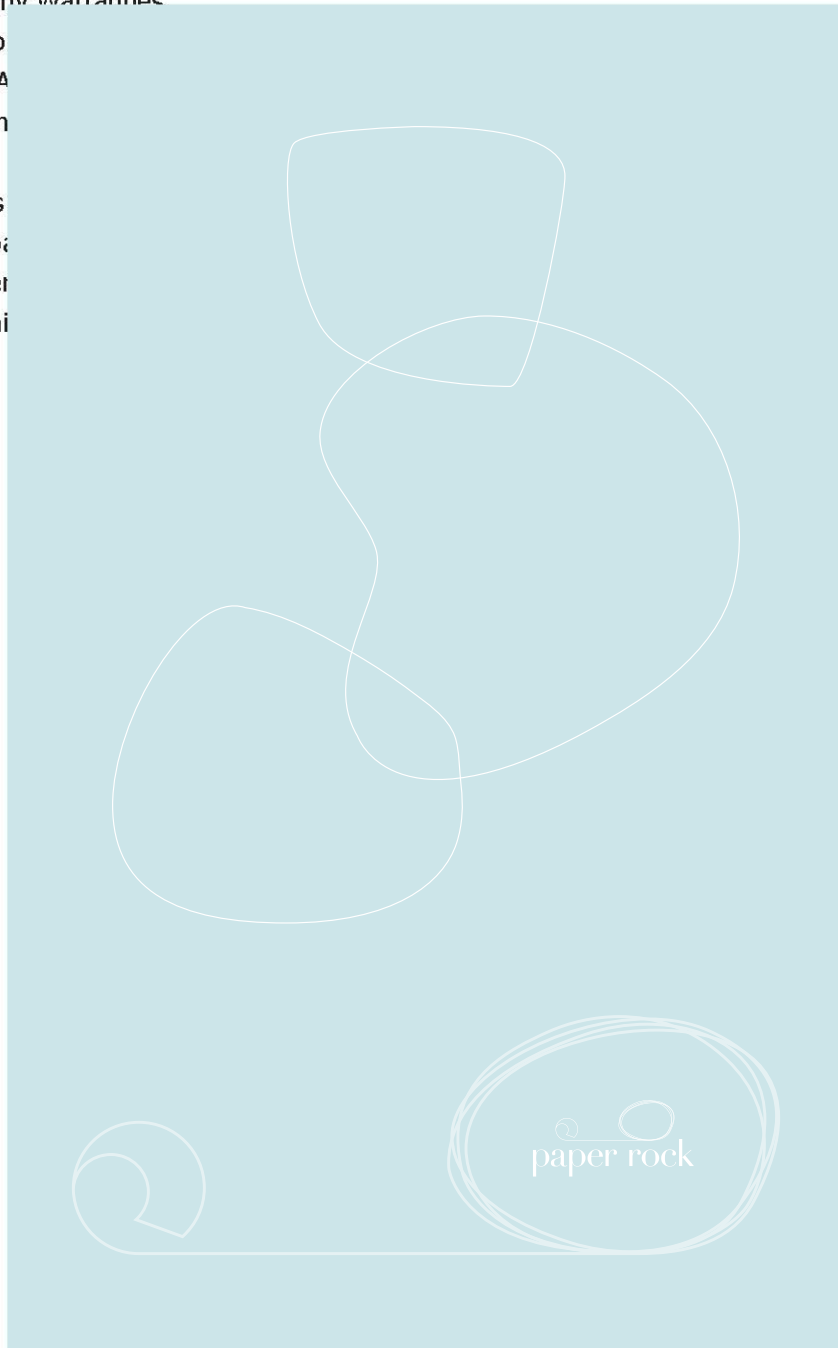
The Invest

[COMPANY



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ADVANCE SUBSCRIPTION AGREEMENT

DATED

Between:

1. [[FULL COMPANY NAME], a company incorporated in England and Wales with company number [NUMBER] and whose registered office is at [REGISTERED OFFICE ADDRESS]] OR [[NAME] of [ADDRESS]] and whose email address for the purpose of this Agreement is [INVESTOR]
2. [FULL COMPANY NAME], a company number [NUMBER] and whose registered office is at [REGISTERED OFFICE ADDRESS] and whose email address for the purpose of this Agreement is [INVESTOR] (the **Company**)

INTRODUCTION

The Investor has entered into this Agreement with the Company on the terms of this Agreement.

AGREED TERMS

1 Interpretation

1.1 In this Agreement, the following definitions shall have the following meanings:

Article 1

Asset means all assets of the Company.

Business means the general business of the Company.

Company means the Company as defined in clause 2.

Control means the ability to exercise or control the management of the Company.

(a) **Investor** means the Investor as defined in clause 2.

(b) **Share** means any shares in the Company, whether or not they are fully paid up, and includes any options, warrants, rights or other agreements for the subscription for, or conversion into, shares in the Company (whether or not by their terms currently convertible or exercisable) but excluding the Subscription Shares to be allotted to the Investor in accordance with this Agreement and any other Subscription Shares which will be allotted pursuant to other advance subscription agreements entered into by the Company with other investors.

and **Company** means the Company as defined in clause 2.

Default means the occurrence of any of the events set out in clause 10.

FPO means the Financial Promotion Order 2005.

Fully-diluted Capital means, in relation to the Company, all of the Company's issued shares and on the assumption that all outstanding options, warrants, rights or other agreements for the subscription for, or conversion into, shares in the Company (whether or not by their terms currently convertible or exercisable) have been so converted or exercised but excluding the Subscription Shares to be allotted to the Investor in accordance with this Agreement and any other Subscription Shares which will be allotted pursuant to other advance subscription agreements entered into by the Company with other investors.



Insolvency Event means, in relation to the Company, either the entry into liquidation whether voluntarily (except for reconstruction or amalgamation of a solvent company) or compulsorily, the passing of a resolution for a creditors winding up, the making of a proposal to creditors, a company voluntary arrangement or a composition in satisfaction of its debts or a scheme of arrangement of its affairs, the appointment of a provisional liquidator, a receiver or an administrator, or the inability to pay its debts (within the meaning of section 123 Insolvency Act 1986).

IPO means
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Authority
recognised
Markets

Longstop

Parties
according to

Qualified
equity financing
transaction
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Comparison
with other

Qualified
Comparison
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Agreement
subscription

Sale means

Share Sale
connected
Concert
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Specific
details:
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Subscription

Subscription

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Subscription Share

fully-diluted Capital
and; and

(ii) the Qualified Financing Round Price [discounted by [NUMBER]%];

(b) in the case of conversion pursuant to clause 3.1(b), the price per Subscription Share equal to (as the case may be) the price at which shares in the Company are sold pursuant to the Share Sale, the proceeds per share in the case of an Asset Sale or the price at which shares in the Company are admitted to trading pursuant to the relevant IPO; or

- (c) in the case of conversion pursuant to clause 3.1(c) or clause 3.1(d), the price per Subscription Share equal to the Default Valuation divided by the number of shares in the Fully-diluted Capital.

Subscription Shares means:

- (a) in the case of conversion pursuant to clause 3.1(a), either the most senior class of share in the Company allotted and issued in such Qualified Financing Round or, if the Investor elects, ordinary shares of (FPA) in the Company or

- (b)

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1.3 Clauses requires

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2 Advance

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2.2 The Investor undertakes to pay the Subscription Amount to the Company within 5 Business Days following the date of this Agreement in immediately available funds to the Specified Account.

2.3 The Investor acknowledges and agrees that the Subscription Amount is not a loan to the Company, does not bear interest and is not repayable by the Company in any circumstances (other than by way of conversion into Subscription Shares in accordance with this



Agreement).

3 Conversion

3.1 The Subscription Amount shall be automatically converted into Subscription Shares at the Subscription Price (rounded down to the nearest whole number of Subscription Shares) on the first to occur of the following:

(a) a Qualified Financing Round;

(b)

(c)

(d)

3.2 On conversion

(a)

(b)

3.3 This Agreement Clause 3

4 Company

4.1 The Company

(a) is duly incorporated in England and Wales;

(b) the Company's signature, execution and performance of this Agreement has been duly authorised;

(c) this Agreement constitutes valid and binding obligations on the Company in accordance with its terms and will not give rise to any breach of any instrument, agreement, law, order, judgment, rule, regulation or decree by which the Company is bound; and



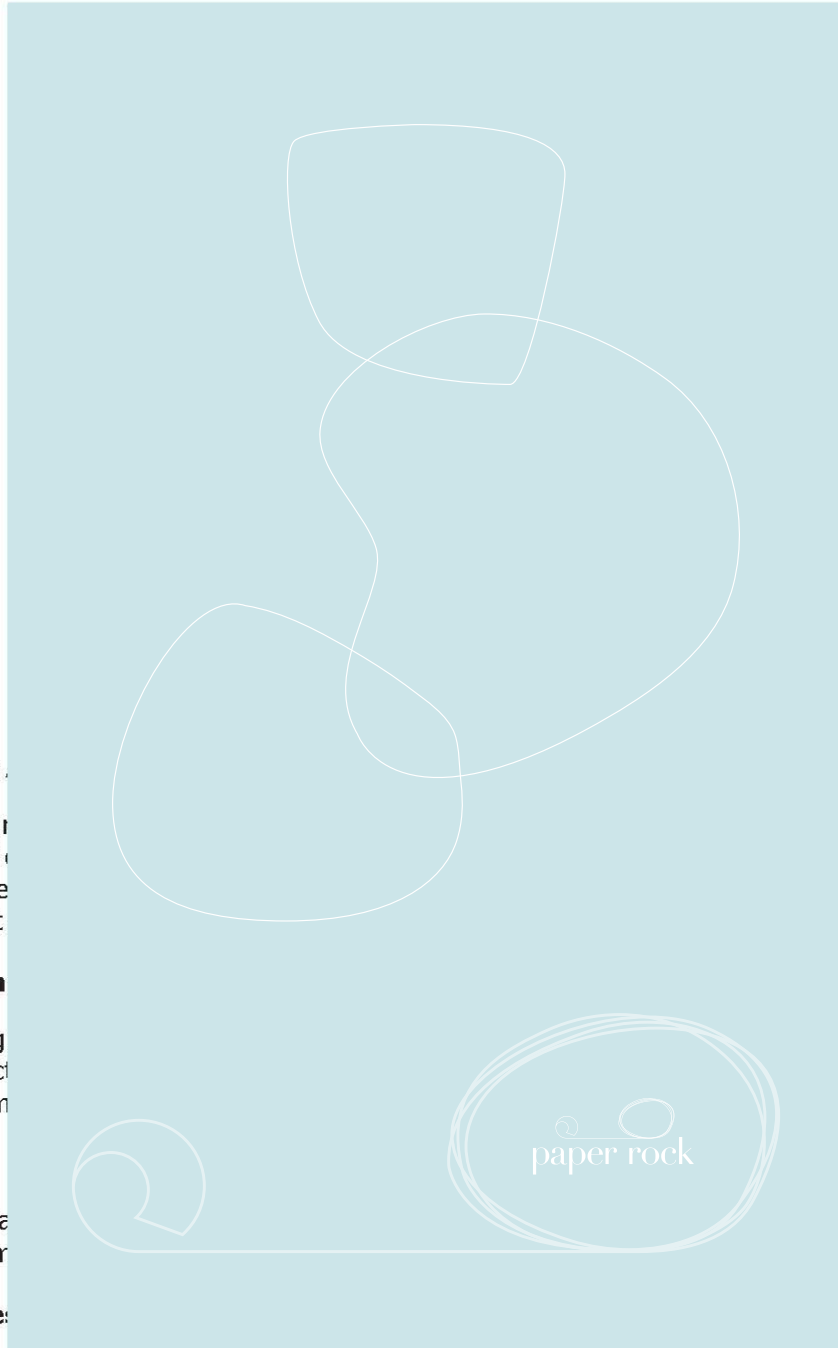
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- (d) when allotted and issued pursuant to this Agreement, the Subscription Shares will be allotted and issued fully-paid and in accordance with the Companies Act.

5 Investor Warranties

5.1 The Investor warrants to the Company that:

- (a) the Investor is either:



Article 48 of the
a high value
"qualified investor"
FPO;
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9 Notice

9.1 A notice or other communication given under this Agreement:

- (a) shall be sent for the attention of the person and to the address given in this Agreement (or such other address as a Party may notify the other Parties under this Clause 9); and
- (b) shall be:

- (i) delivered personally or by courier;
- (ii) sent by email;
- (iii) sent by pre-paid first class post or recorded delivery; or
- (iv) (if the notice is to be served by post outside the country from which it is sent) sent by airmail.

9.2 A notice

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12.1 This Ag

arising out of or in connection with it, its subject matter or formation shall be governed by English law.

on-contractual)

12.2 The Parties irrevocably agree that the English courts shall have exclusive jurisdiction to settle any dispute or claim (whether contractual or non-contractual) arising out of or in connection with this Agreement, its subject matter or formation.

This Agreement has been entered into by the Parties on the date stated at the beginning of it.

[IF THE INVESTOR IS AN INDIVIDUAL:

Signed by _____)
[*Investor Name*] _____)

[IF THE INVESTOR IS A COMPANY:

Signed by
duly authorised
[*Investor Company Name*]

Signed by
duly authorised
[*Name of Company*]

