

DATED

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**THE INVESTORS**

**and**

**THE FOUNDERS**

**and**

**THE EXISTING SHAREHOLDERS**

**and**

**THE COMPANY**

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**SHAREHOLDERS' AGREEMENT**

relating to **[\*\*] [Limited]**

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## DATED

## PARTIES

- (1) The persons whose names and addresses are set out in Part 1 of Schedule 1 (*Parties*) (together the "**Investors**" and each an "**Investor**"), which expression shall also include any other Shareholder from time to time who has executed an Adherence Agreement as an Investor;
- (2) The persons whose names and addresses are set out in Part 2 of Schedule 1 (*Parties*) (together the "**Founders**" and each a "**Founder**"), which expression shall also include any other Shareholder from time to time who has executed an Adherence Agreement as a Founder;
- (3) The persons whose names and addresses are set out in Part 3 of Schedule 1 (*Parties*) (together the "**Existing Shareholders**" and each an "**Existing Shareholder**"), which expression shall also include any other Shareholder from time to time who has executed an Adherence Agreement as an Existing Shareholder; and
- (4) **[\*\*\*] [LIMITED]** (company number **[\*\*\*]** incorporated under the laws of England and Wales) whose registered office is at **[insert address]** (the "**Company**").

## INTRODUCTION

- (A) The Investors have agreed to subscribe for shares in the capital of the Company on the terms of the Subscription Agreement (as defined below).
- (B) The parties have entered into this agreement to regulate their relationship with each other and certain aspects of the Company's affairs and dealings.

## AGREED TERMS

### 1. Definitions

In this agreement, except where a different interpretation is necessary in the context, the words and expressions set out below shall have the following meanings:

"**Act**" means the Companies Act 2006;

"**Adequate Procedures**" means adequate procedures, as referred to in section 7(2) of the Bribery Act 2010 and any guidance issued by the Secretary of State under section 9 of the Bribery Act 2010 or as referred to in any other applicable anti-corruption laws or regulations of any other applicable jurisdiction;

"**Adherence Agreement**" means an adherence agreement substantially in the form set out in Schedule 4 (*Adherence Agreement*);

"**Articles**" means the articles of association of the Company adopted on or prior to the date of this agreement as amended or superseded from time to time in accordance with clause 5 (*Consent Matters*) and Part 1 of Schedule 2 (*Consent Matters*);

"**Associated Person**" means in relation to a company, a person (including an employee, agent or Subsidiary Undertaking) who performs services for or on that company's behalf;

"**Board**" means the board of directors of the Company as constituted from time to time;

"**Budget**" means a detailed operating and capital budget and cash flow forecast in respect of each Financial Year of the Company, as adopted in accordance with clause 5 (*Consent Matters*) and Part 2 of Schedule 2 (*Consent Matters*);

"**Business**" means the business of the Company from time to time including [insert];

"**Business Day**" means a day on which the English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday or public or bank holiday);

"**Cash Flow Forecast**" has the same meaning as in the Subscription Agreement;

"**CTA 2010**" means the Corporation Tax Act 2010;

"**Data Protection Laws**" means any applicable legislation relating to the processing of personal data or the protection of the privacy of individuals, including the GDPR, together with any applicable implementing or supplementary national legislation including the UK Data Protection Act 2018; the Privacy and Electronic Communications Directive 2002/58/EC (as amended), together with any applicable implementing or supplementary national legislation including the Privacy and Electronic Communications (EC Directive) Regulations 2003 (as amended); the Investigatory Powers Act 2016 and the Investigatory Powers (Interception by Businesses etc. for Monitoring and Record-keeping Purposes) Regulations 2018;

"**data subject**", "**personal data**", "**personal data breach**" and "**process**" have the meaning given in Data Protection Laws;

"**Director(s)**" means a director or directors of the Company from time to time;

"**Employee**" has the same meaning as set out in the Articles;

"**Encumbrance**" means any mortgage, charge, security interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law);

"**Equity Shares**" has the same meaning as set out in the Articles;

"**Financial Year**" has the meaning given in section 390 of the Act;

"**GDPR**" means in each case to the extent applicable to data processing activities: (i) Regulation (EU) 2016/679; and (ii) UK GDPR;

"**Group Companies**" means the Company and each and any of the Subsidiaries from time to time and "**Group Company**" means any of them;

"**HMRC**" means HM Revenue & Customs;

"**Intellectual Property**" means copyrights and related rights, trade marks and service marks, business and trade names, rights in logos and get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in inventions, rights to use and protect the confidentiality of confidential information (including trade secrets and know-how), registered designs, design rights, patents, utility models, semi-conductor topographies, all rights of whatsoever nature in computer software and data, all rights of privacy and all intangible rights and privileges of a nature similar or allied to any of the foregoing, in every case which subsists now or in the future in any part of the world and whether or not registered; and including all granted registrations and all applications for registration, and rights to apply for and be granted, renewals and extensions of, and rights to claim priority from, any such rights;

"**Investor Director**" means the director appointed in accordance with Article [24.3] of the Articles;

"**Investor Director Consent**" means the prior written consent of the Investor Director;

"**Investor Majority**" means the holders of more than 50% (fifty per cent) of Seed Ordinary Shares from time to time;

"**Investor Majority Consent**" means the prior written consent of the Investor Majority;

"**IPO**" means the admission of all or any of the Shares or securities representing Shares (including depository interests, American depository receipts, American depository shares and/or other instruments) on the New York Stock Exchange, NASDAQ or on the Official List of the United Kingdom Financial Conduct Authority or the AIM Market operated by the London Stock Exchange Plc or any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000) or overseas investment exchange (as defined in section 313 of the Financial Services and Markets Act 2000);

"**ITEPA**" means the Income Tax (Earnings and Pensions) Act 2003;

"**Major Investors**" means each Investor holding more than 2 per cent of the Equity Shares in issue from time to time and Passion;

"**Member of the same Fund Group**" has the same meaning as set out in the Articles;

"**Member of the same Group**" has the same meaning as set out in the Articles;

"**NASDAQ**" means the NASDAQ Stock Market of the NASDAQ OMX Group Inc.;

"**New Shares**" means the Shares subscribed by the Participating Investors pursuant to the Subscription Agreement;

"**Ordinary Shares**" means ordinary shares of £[\*\*\*] each in the capital of the Company from time to time having the rights set out in the Articles;

"**Participating Investors**" means those Investors subscribing for New Shares on or prior to the date of this agreement;

"**Passion**" means Passion Capital Nominees II Limited;

"**Period**" means the period of two years immediately preceding the Termination Date;

"**Permitted Transferees**" has the same meaning as set out in the Articles;

"**Restricted Member**" has the same meaning as set out in the Articles;

"**Restricted Shares**" has the same meaning as set out in the Articles;

"**Sale**" means a Share Sale or an Asset Sale, both as defined in the Articles;

"**Seed Ordinary Shares**" means the seed ordinary shares of £[\*\*\*] each in the capital of the Company from time to time having the rights set out in the Articles;

"**Service Agreements**" means the service agreements entered into between the Company and each of the Founders on or prior to the date of this agreement, or such other agreements subsequently entered into by the Company and each of the Founders from time to time in accordance with clause 5 (*Consent Matters*) and Part 2 of Schedule 2 (*Consent Matters*);

"**Shareholder**" means any holder of Equity Shares from time to time who is a party to this agreement;

"**Shares**" has the same meaning as set out in the Articles;

"**Share Option Plan(s)**" means the share option plan(s) of the Company from time to time;

"**Subscription Agreement**" means a subscription agreement between (1) the Investors and (2) the Company, dated on or around the date of this agreement;

"**Subsidiary**" means any subsidiary of the Company as defined in section 1159 of the Act from time to time;

"**Subsidiary Undertaking**" has the meaning set out in section 1162 of the Act;

"**Termination Date**" means the date upon which the Founder concerned ceases to be a director or employee of or a consultant to, the Company whichever is the latest;

"**Territory**" means [insert geographical area] and any other territory where the Company carries on its business as at the Termination Date;

"**Treasury Shares**" means shares in the capital of the Company held by the Company as treasury shares within the meaning set out in section 724(5) of the Act; and

"**UK GDPR**" means Regulation (EU) 2016/679 as applicable as part of UK domestic law by virtue of section 3 of the European Union (Withdrawal) Act 2018 and as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019 (as amended).

## 2. Interpretation

- 2.1. The clause and paragraph headings and the table of contents used in this agreement are inserted for ease of reference only and shall not affect construction.
- 2.2. References to an Investor Director shall include any alternate appointed to act in such Investor Director's place from time to time.
- 2.3. Unless otherwise defined in this agreement or the context otherwise requires, words and expressions defined in the Articles have the same respective meanings in this agreement.
- 2.4. References to persons shall include bodies corporate, unincorporated associations and partnerships, in each case whether or not having a separate legal personality.
- 2.5. Reference to a "**party**" or "**parties**" is to a party or parties of the agreement.
- 2.6. References in this agreement to certain numbered article(s) of the Articles shall, if the Articles are amended so as to change the numbering of such article(s), be deemed to refer to any equivalent or substantially similar numbered article(s).
- 2.7. References to any English statute or other legislation or legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than England, be deemed to include a reference to that which most nearly approximates to the English legal term in that jurisdiction.
- 2.8. References to those of the parties that are individuals include their respective legal personal representatives.

- 2.9. References to "**writing**" or "**written**" includes any non-transitory form of visible reproduction of words.
- 2.10. The words "**include**", "**including**" and "**in particular**" (or any similar term) are to be construed as being by way of illustration or emphasis only and not to be construed so as to limit generally any words preceding them and general words introduced by the word "**other**" (or any similar term) shall not be given a restrictive meaning by reason of the fact that they are preceded or followed by words indicating a particular class of acts, matters or things.
- 2.11. Unless expressly stated to the contrary, any reference in this agreement to any class of shares in the capital of the Company or the holders of any class of shares in the capital of the Company, shall exclude Treasury Shares or the Company holding Treasury Shares from time to time.
- 2.12. References to statutory provisions or enactments shall include references to any amendment, modification, extension, consolidation, replacement or re-enactment of any such provision or enactment (whether before or after the date of this agreement), to any previous enactment which has been replaced or amended and to any regulation, instrument or order or other subordinate legislation made under such provision or enactment unless any such change imposes upon any party any liabilities or obligations which are more onerous than as at the date of this agreement.
- 2.13. Section 1122 of the CTA 2010 shall apply to determine whether one person is connected with another for the purposes of this agreement.
- 2.14. References in clause 1 (*Definitions*) (in so far as they are used in the clauses and schedules referred to in this clause), clauses 3 (*The Board*), 4 (*Information rights*), 5 (*Consent Matters*), 6 (*Business undertakings*), 8 (*Founder covenants*), 9 (*Confidentiality*), Schedule 2 (*Consent Matters*) and Schedule 3 (*Undertakings*) to the Company and the Board shall include, where appropriate in the context, any Subsidiaries of the Company and the directors for the time being of those Subsidiaries.

### **3. The Board**

- 3.1. The appointment, dismissal and conduct of Directors shall be regulated in accordance with Article [24] of the Articles.
- 3.2. In the event that Passion (together with its Permitted Transferees where applicable) holds less than [5] per cent of the Equity Shares in issue they shall have the right to appoint a representative to attend as an observer at each and any meeting of the Board and of each and any committee of the Board who will be entitled to speak at any such meetings but will not be entitled to vote.
- 3.3. Unless otherwise determined by the Board, Board meetings will be held at intervals of not more than [15] weeks and at least [4] Board meetings will be held in each calendar year.
- 3.4. The Company shall send to the Investor Directors, any observer appointed by an Investor, or any Investor entitled to appoint a Director or observer but who has failed to do so (in electronic form if so required) reasonable advance notice of each meeting of the Board (being not fewer than five Business Days) and each committee of the Board, such notice to be accompanied by a written agenda specifying the business to be discussed at such meeting together with all relevant papers.
- 3.5. The Company will reimburse the Investor Directors and any observer appointed by an Investor with the reasonable costs and out of pocket expenses incurred by them in respect of attending

meetings of the Company or carrying out authorised business on behalf of the Company in accordance with the Company's expenses policy from time to time.

- 3.6. An Investor (or, if applicable, a group or class of Investors) who have appointed an Investor Director and/or an observer shall procure that such Investor Director and/or observer shall comply with clause 9 (*Confidentiality*) save that such Investor Director and/or observer shall be at liberty from time to time to make full disclosure to their appointing Investor(s) of any information relating to the Company.
- 3.7. The parties agree that the Investor Directors shall be under no obligation to disclose any information or opportunities to the Company except to the extent that the information or opportunity was passed to such Investor Director expressly in their capacity as a Director.

#### **4. Information rights**

- 4.1. The Company shall prepare monthly management accounts, in a form approved by the Investor Director (to include profit and loss accounts, a balance sheet, cash flow statement, headcount summaries and key performance indicators) which reasonably reflect the financial affairs of the Company for that period and shall deliver them to the Major Investors within 14 days after the end of each calendar month.
- 4.2. The Company shall also prepare quarterly summaries of its management accounts, in a form approved by the Investor Director (to include comparisons to budgets and trading forecasts) which reasonably reflect the financial affairs of the Company for that period and shall deliver them to the Major Investors within 14 days after the end of each quarterly reporting period based either on the Company's accounting reference date, or, at the Company's election, the calendar quarters.
- 4.3. The annual accounts of the Company in respect of each accounting period, together with (if the accounts are audited) the relative audit and management letters and all correspondence between the Company and the auditors of the Company concerning the accounts, shall be completed and approved by the Board and delivered to the Major Investors within ninety (90) days after the end of the accounting period to which such accounts relate.
- 4.4. The Company shall provide the Major Investors, within 14 days of the completion of any debt or equity fundraising of the Company, with copies of the material documents relating to such fundraising, whether or not any Major Investor participates in such fundraising (provided always that the Major Investors give such confidentiality undertakings relating to those documents as the Company shall reasonably require).
- 4.5. The Company shall provide each Major Investor promptly with such other information concerning the Company and its business and its employees as such Investor may reasonably require from time to time, including a quarterly request from Passion for high level anonymized employee data which shall be collated for aggregated statistical purposes.
- 4.6. Each of the Company and the Founder[s] shall promptly provide the Investors with full details of any offer or proposed offer from any person wishing to enter into any Sale or purchase any of the Company's assets or share capital or loan capital which is discussed by the Board.
- 4.7. An Investor Majority shall be entitled to nominate a firm of accountants at the Company's expense and such firm of accountants will be entitled to attend the Company's premises to examine the books and accounts of the Company and to discuss the affairs, finances and accounts of the Company or each or any Group Company with its directors, officers and senior employees. Each Founder and the Company separately undertakes to the Investors to cooperate with any accountants nominated by the Investor Majority pursuant to this clause 4.7.



## **5. Consent Matters**

- 5.1. Each of the Shareholders severally undertakes to the Company and the Investors that they shall exercise all voting rights and powers of control available to such Shareholder in relation to the Company to procure, in so far as they are thereby so able to do so, that:
- (a) save with Investor Majority Consent, the Company shall not effect any of the matters referred to in Part 1 of Schedule 2 (*Consent Matters*); and
  - (b) save with Investor Director Consent, the Company shall not effect any of the matters referred to in Part 2 of Schedule 2 (*Consent Matters*).
- 5.2. As a separate obligation, severable from the obligations in clause 5.1, the Company undertakes to Investors that (to the extent permitted by law):
- (a) save with Investor Majority Consent, it shall not effect, and will procure that no Group Company will effect, any of the matters referred to in Part 1 of Schedule 2 (*Consent Matters*); and
  - (b) save with Investor Director Consent, the Company shall not effect, and will procure that no Group Company will effect, any of the matters referred to in Part 2 of Schedule 2 (*Consent Matters*).
- 5.3. In respect of any actions or matters requiring or seeking the acceptance, approval, agreement, consent or words having similar effect of an Investor Director under this agreement, if at any time an Investor Director has not been appointed or an Investor Director declares in writing to the Company and the Investors that they consider that providing such consent gives rise or may give rise to a conflict of interest to their duties as a Director, the Investor(s) entitled to appoint such Investor Director(s) shall instead be entitled to give such consent and the threshold to meet such Investor Director Consent shall be interpreted accordingly.
- 5.4. No claim shall be made by any Investor against the Company or any Shareholder in respect of any breach of this clause 6 without Investor Majority Consent.

## **6. Undertakings**

- 6.1. Each Founder undertakes to the Company and the Investors that they will promote the best interests of the Company and ensure that the Business is conducted in accordance with the Cash Flow Forecast and with good business practice, in each case if and for so long as it is within their power and authority to do so.
- 6.2. The Company will apply the proceeds of the subscription by the Investors for the New Shares in the furtherance of the Business in accordance with the Cash Flow Forecast (as defined in the Subscription Agreement).
- 6.3. Each of the Founders and (to the extent permitted by law) the Company each severally undertake to the Investors (and, in the case of the Founders, undertake to the Company) to procure, if and in so far as it lies within their respective power and authority to do so, that the Founders and the Company will comply with the requirements set out in Schedule 3 (*Undertakings*).
- 6.4. No claim shall be made by any Investor against the Company or any Founder in respect of any breach of any of clause 6.1, 6.2 or 6.3 without Investor Majority Consent.

- 6.5. Each Party shall comply with its respective obligations under Data Protection Laws to the extent that it processes any personal data (including personal data relating to any directors, shareholders or investors) in connection with the performance of its obligations under this Agreement.
- 6.6. In particular, the Company shall:
- (a) not do anything or omit to do anything which would cause another party to be in breach of Data Protection Laws;
  - (b) only process such personal data to fulfil its obligations set out in this Agreement including for the purpose of due diligence or KYC exercises, management and administration of the Company and any investments and any corporate documentation (e.g. completing the register of members and Companies House forms) and compliance with applicable laws, regulations and procedures;
  - (c) process any such personal data fairly, lawfully and transparently and shall provide (and update as appropriate) privacy notices to applicable data subjects which comply with all applicable requirements of the Data Protection Laws;
  - (d) implement and maintain appropriate data protection policies and procedures concerning the collection, use, storage, retention and security of personal data and implement regular staff training, use testing, audits or other documented mechanisms to ensure and monitor compliance with such policies and procedures;
  - (e) promptly inform, and provide such assistance as is reasonably requested by any other party in respect of any complaint, notice, request, communication, claim, enforcement action (including any fine or other sanction), investigation or other correspondence from any supervisory authority, data subjects, or any other person, relating to a breach or alleged breach of Data Protection Laws;
  - (f) promptly notify any other party in writing upon it becoming aware of any actual or suspected personal data breach in relation to any personal data supplied by that other party and shall, within such timescale to be agreed by the affected party (acting reasonably and in good faith) (i) take action to investigate the personal data breach and implement any reasonable measures necessary to prevent, mitigate or rectify the effects of the personal data breach and to remedy the personal data breach; and (ii) provide reasonable support the other party to make any required notifications to a supervisory authority and affected data subjects;
  - (g) only transfer personal data to another party located outside of the UK or the European Economic Area in connection with this agreement provided that either:
    - (i) the transfer is to a country, territory, sector or international organisation in respect of which a valid adequacy decision has been issued by the European Commission or adequacy determined in another valid method under applicable Data Protection Laws;
    - (ii) the recipient party participates in a valid cross border transfer mechanism (such as standard contractual clauses) under the Data Protection Laws so that the recipient party can ensure that appropriate safeguards are in place to ensure an adequate level of protection with respect to the privacy rights of individuals as required by Article 46 of the GDPR; or
    - (iii) the transfer otherwise complies with the requirements of the GDPR;

- (h) treat any personal data provided to it by another party or which comes into its possession in connection with this agreement as confidential information; and
- (i) ensure that appropriate operational and technical measures are in place to safeguard against any unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to the personal data and where requested provide to the other parties, evidence of its compliance with such requirement and shall put in place an adequate data breach response plan that enables the Company to comply with the related requirements of the Data Protection Laws.

6.7. Subject to clause 6.8, each Shareholder hereby irrevocably and unconditionally undertakes to exercise all voting rights and powers of control available to them in relation to the Company to procure that, in the event that (i) the Board, (ii) the holders of a majority of the Equity Shares in issue, and (iii) the Investor Majority have each voted in favour of an amendment to or replacement of the Articles (the “**Amendment**”), then each such Shareholder shall vote (including by way of written consent and/or resolution) all of the Shares eligible to vote then held by them, or otherwise under their control, in favour of such Amendment.

6.8. If and to the extent any Amendment:

- (a) would impose any new obligations on a particular Shareholder (as opposed to the holders of a class of Shares as a whole) or vary an express, named right particular to a Shareholder under the Articles; and/or
- (b) changes the rights or obligations of any class of Shares or group of Shareholders in a manner that does not so affect the rights or obligations of all Shareholders,

then in each case, the Amendment shall not be effected in accordance with this clause without (i) in the case of clause 6.8(a), the consent of the affected Shareholder to such change being obtained, and (ii) in the case of clause 6.8(b), the prior written consent of the holders of a majority of the Shares so affected being obtained, provided in all cases that the creation of a new class of shares in the capital of the Company which has preferential rights to one or more existing classes of Shares shall not constitute a variation of the rights of any existing classes of Shares or group of Shareholders.

6.9. Nothing in clauses 6.7 to 6.11 shall prevent the Articles being amended or replaced in accordance with the Articles and/or the Act.

6.10. Each Shareholder hereby acknowledges they are bound by the Articles, and irrevocably and unconditionally undertakes to take such action as required by the provisions of Article [21] (Drag-Along) and to take all such actions and execute all such documents as are necessary in accordance with those provisions in order to give effect to them.

6.11. To secure the undertakings provided for in clauses 6.7 and 6.10 (the “**Undertakings**”), each Director and the Company shall be constituted the agent for and on behalf of each Shareholder to take such actions and enter into such documents as are necessary to give effect to the Undertakings.

## **7. Further issue and transfer of shares**

7.1. None of the Shareholders shall effect any transfer, mortgage, charge or other disposal of the whole or any part of their interest in, or grant any option, Encumbrance or other rights over, any shares in the capital of the Company to any person nor shall the Company issue any shares or equity securities (as defined in section 560 of the Act), to any person who is not a party to this agreement without first obtaining from the transferee or subscriber an Adherence

Agreement save in respect of the grant or exercise of an option pursuant to the Share Option Plan unless otherwise approved by the Board.

- 7.2. The Adherence Agreement shall be in favour of the parties to this agreement and shall be delivered to the Company at its registered office. Subject to clause 7.1, no share transfer or issue of shares shall be registered by the Board unless such Adherence Agreement has been delivered in accordance with this clause 7 (*Further issue and transfer of shares*).

## **8. Founder covenants**

### *Restrictive covenants*

- 8.1. For the purpose of assuring to the Investors and the Company of the value of the Business and the full benefit of the goodwill of the business of the Company, each of the Founders undertakes and covenants with the Investors and the Company that (save for any interest in the shares or other securities of a company traded on a securities market so long as such interest does not extend to more than 0.1 per cent of the issued share capital of the company or the class of securities concerned or save with Investor Majority Consent) they shall not:
- (a) while they are a Director or Employee carry on or be concerned or engaged directly or indirectly (in any capacity whatsoever) in any trade or business competing with the trade or business of the Group Companies as carried on at the time or, in relation to any trade or business of the Group Companies that they have been engaged or involved in, at any time during a period of two years immediately preceding that time; or
  - (b) during the period of twelve months commencing on the Termination Date:
    - (i) within the Territory carry on or be concerned, engaged or interested directly or indirectly in any capacity whatsoever in any trade or business competing with the business carried on by the Group Companies in which they shall have been engaged or involved at any time during the Period;
    - (ii) either on their own behalf or in any other capacity whatsoever directly or indirectly do or say anything which may lead to any person ceasing to do business with the Company (or any other Group Company) on substantially the same terms as previously (or at all);
    - (iii) either on their own behalf or in any other capacity whatsoever directly or indirectly endeavour to entice away from the Group Companies or solicit any person, firm or company who was a client, customer, supplier, agent or distributor of any Group Company during the Period with whom they shall have been engaged or involved by virtue of their duties during the Period in competition with or to the detriment of the Group Companies;
    - (iv) either on their own behalf or in any other capacity whatsoever directly or indirectly have any dealings with any person, firm or company who was a client, customer, supplier, agent or distributor of any of the Group Companies during the Period with whom they shall have been engaged or involved by virtue of their duties during the Period in competition with or to the detriment of any if the Group Companies; or
    - (v) either on their own behalf or in any other capacity whatsoever directly or indirectly employ, engage or induce, or seek to induce, to leave the service of any Group Company any person who is or was a Key Employee with whom they shall have had dealings during the Period whether or not such person would

commit any breach of their contract of employment by reason of so leaving the service of any Group Company or otherwise; or

- (vi) at any time after the Termination Date represent themselves as being in any way currently connected with or interested in the business of the Group Companies (other than as a Shareholder or Director if and to the extent that be the case).

- 8.2. Each of the restrictions contained in each paragraph of clause 8.1 is separate and distinct and is to be construed separately from the other such restrictions. Each of the Founders acknowledges that they consider such restrictions to be reasonable both individually and in the aggregate and that the duration extent and application of each of such restrictions are no greater than is necessary for the protection of the goodwill of the businesses of the Company and that the consideration paid by the Investors for the Shares subscribed by them takes into account and adequately compensates them for any restriction or restraint imposed in clause 8.1. However, if any such restriction shall be found to be void or unenforceable but would be valid or enforceable if some part or parts of the restriction were deleted or the period or area of application reduced, each of the Founders agrees that such restriction shall apply with such modification as may be necessary to make it valid.

*Intellectual property*

- 8.3. Any discovery, invention, secret process or improvement in procedure made or discovered by any Founder while a Employee in connection with or in any way affecting or relating to the business of any Group Company or capable of being used or adapted for use in or in connection with the Company's business shall as soon as reasonably practicable be disclosed to the Company and shall belong to and be the absolute property of the Group Company which the Company nominates for the purpose. This agreement shall not operate as a transfer instrument and any transfer of Intellectual Property rights shall be effected under a separate agreement.
- 8.4. Each Founder (whether before or after their ceasing to be a Employee) shall at the expense of the Company or its nominee apply or join in applying for patent or other similar protection in the United Kingdom, the Republic of Ireland or any other part of the world for any such discovery, invention, process or improvement as referred to in clause 8.3 enter into Intellectual Property assignments and execute all instruments and do all things necessary for vesting Intellectual Property or those letters patent or other similar protection when obtained and all right and title to and interest in them in the Company (or its nominee) absolutely and as sole beneficial owner.

*No claim by a Founder*

- 8.5. A Founder shall have no claim against any Group Company in respect of the termination of their contract of employment or consultancy in relation to any provision in the Articles, this agreement or any other agreement or arrangement which has the effect of requiring that Founder to transfer, sell, convert, re-designate or otherwise dispose of the whole or any part of their interest in any shares or other equity securities in the capital of the Company at any price or into any other class of share (if applicable) or which causes any options or other rights granted to them to become prematurely exercisable or lapse.

*No claim against a Founder*

- 8.6. No claim shall be made by any Investor against any Founder in respect of any breach of this clause 10 without Investor Majority Consent.

## 9. Confidentiality

9.1. Subject to clause 9.2, each of the parties agrees to keep secret and confidential and not to use disclose or divulge to any third party or to enable or cause any person to become aware of (except for the purposes of the Company's business) any confidential information relating to the Company including but not limited to Intellectual Property (whether owned or licensed by the Company), lists of customers, reports, notes, memoranda and all other documentary records pertaining to the Company or its business affairs, finances, suppliers, customers or contractual or other arrangements but excluding any information which is in the public domain (otherwise than through the wrongful disclosure of any party) or which they are required to disclose by law or by the rules of any regulatory body to which the Company is subject.

9.2. Each Investor shall be at liberty from time to time to make such disclosure:

- (a) to its partners, trustees, shareholders, unitholders and other participants or potential participants and/or to any member of the same Fund Group as an Investor and/or to any member of the same Group as an Investor and/or to their respective directors, partners and employees for the purposes of, but not limited to, reviewing existing investments and investment proposals;
- (b) to any lender to the Company and/or to any shareholder of the Company;
- (c) as shall be required by law or by any regulatory authority to which the Investor is subject or by the rules of any stock exchange upon which an Investor's securities are listed or traded;
- (d) to the Company's auditors and/or any other professional advisers of the Company;
- (e) to the Investor's professional advisers and to the professional advisers of any person to whom the Investor is entitled to disclose information pursuant to this clause 9.2,

in relation to the business affairs and financial position of the Company as it may in its reasonable discretion think fit, provided that the proposed recipient of the confidential information in question:

- (i) will be obliged to keep the confidential information so disclosed confidential on substantially the same basis as is required by the Investor; or
- (ii) is already bound by a duty of confidentiality pursuant to the rules or codes of practice of any supervisory or regulatory authority,

and the Investor shall procure that the use and disclosure of confidential information by such recipient is in compliance with the restrictions applicable to the Investor under this clause 9.

## 10. Survival and cessation of obligations of the Founders

The obligations on a Founder under clauses 8 (*Founder covenants*) and 9 (*Confidentiality*) shall survive any transfer by them of all or any Shares and shall survive such Founder ceasing to be a Director or Employee but otherwise upon a Founder ceasing to hold Shares and ceasing to be a Director or Employee they shall have no further obligation or liability under this agreement but without prejudice to the due performance by them of all obligations up to the date of such cessation.

## **11. Effect of ceasing to hold Equity Shares or defaulting for New Shares**

- 11.1. A party shall cease to be a party to this agreement for the purpose of receiving benefits and enforcing their rights with effect from the date they cease to hold or beneficially own any Equity Shares (but without prejudice to any benefits and rights accrued prior to such cessation).
- 11.2. A party to this agreement who the Board determines is deemed not to have made any application for New Shares under clause [3.1] of the Subscription Agreement in accordance with clause [4.3] of the Subscription Agreement and who is not otherwise a Shareholder shall cease to be a party to this agreement for the purpose of receiving benefits and enforcing their rights with effect from the date of such determination.

## **12. Cumulative remedies**

The rights, powers, privileges and remedies conferred upon the Investors in this agreement are cumulative and are not exclusive of any other rights, powers, privileges or remedies provided by law.

## **13. Waiver**

The express or implied waiver by any party of any of its rights or remedies arising under this agreement or by law shall not constitute a continuing waiver of the right or remedy waived or a waiver of any other right or remedy.

## **14. Entire agreement**

- 14.1. This agreement and the documents referred to or incorporated in it constitute the entire agreement between the parties relating to the subject matter of this agreement and supersede and extinguish any prior drafts, agreements, undertakings, representations, warranties and arrangements of any nature whatsoever, whether or not in writing, between the parties in relation to the subject matter of this agreement.
- 14.2. Each of the parties acknowledges and agrees that they have not entered into this agreement in reliance on any statement or representation of any person (whether a party to this agreement or not) other than as expressly incorporated in this agreement, the Subscription Agreement, or the documents referred to or incorporated in this agreement.
- 14.3. Each of the parties irrevocably and unconditionally waives any right or remedy they may have to claim damages and/or to rescind this agreement by reason of any misrepresentation (other than a fraudulent misrepresentation) having been made to them by any person (whether party to this agreement or not) and upon which they have relied in entering into this agreement.
- 14.4. Each of the parties acknowledges and agrees that damages alone may not be an adequate remedy for the breach of any of the undertakings or obligations as set out in this agreement. Accordingly, without prejudice to any other rights and remedies the parties may have, the parties shall be entitled to seek the remedies of injunction, specific performance or other equitable relief for any threatened or actual breach of the terms of this agreement.
- 14.5. Nothing contained in this agreement or in any other document referred to or incorporated in it shall be read or construed as excluding any liability or remedy as a result of fraud.

## **15. Variation and termination**

- 15.1. All and any of the provisions of this agreement may be deleted, varied, supplemented, restated or otherwise changed in any way at any time with the prior written consent of (i) the Company, (ii) the holders of a majority of Equity Shares in issue, and (iii) the Investor Majority, in which

event such change shall be binding against all of the parties to this agreement provided that, in addition:

- (a) if such change concerns the removal of an Investor's right to appoint a Director or observer pursuant to this agreement, the consent of each of the affected Investors to such change shall be required; and/or
- (b) if such change amends the definition of Major Investor so that an Investor ceases to qualify as a Major Investor, the consent of each of the affected Investors to such change shall be required.

15.2. This agreement may be terminated with the prior written consent of (i) the Company, (ii) the holders of a majority of Equity Shares in issue, and (iii) the Investor Majority, in which event such termination shall be binding against all of the parties to this agreement provided that, in addition:

- (a) nothing in this clause shall release any party from liability for breaches of this agreement which occurred prior to its termination; and/or
- (b) if such termination results in the removal of an Investor's right to appoint a Director or observer pursuant to this agreement, the consent of each of the affected Investors to such termination shall be required; and/or
- (c) if such termination would adversely affect the Major Investors otherwise than on a pari passu pro rata basis, and/or if such termination amends the definition of Major Investor so that an Investor ceases to qualify as a Major Investor, the consent of each of the affected Investors to such termination shall be required.

15.3. [If the Subscription Agreement is terminated in accordance with clause 4.5 of that agreement, this agreement shall terminate and cease to have effect, provided that:

- (a) the provisions of clause 1 (*Definitions*) (in so far as they are used in the clauses and schedules referred to in this clause), clauses 2 (*Interpretation*), 9 (*Confidentiality*), 13 (*Waiver*), 14 (*Entire agreement*), this 15.3 and 16 (*No partnership*) to 25 (*Jurisdiction*) (inclusive) shall survive any such termination; and
- (b) nothing in this clause shall release any party from liability for breaches of this agreement which occurred prior to its termination.]

## **16. No partnership**

Nothing in this agreement is intended to or shall be construed as establishing or implying any partnership of any kind between the parties.

## **17. Assignment and transfer**

17.1. Subject to clauses 17.3 and 18.2, this agreement is personal to the parties and no party shall:

- (a) assign any of its rights under this agreement;
- (b) transfer any of its obligations under this agreement;
- (c) sub-contract or delegate any of its obligations under this agreement; or
- (d) charge or deal in any other manner with this agreement or any of its rights or obligations,



save that an Investor shall be entitled to delegate any of its obligations under this agreement to its general partner or the management company authorised from time to time to act on behalf of that Investor.

17.2. Any purported assignment, transfer, sub-contracting, delegation, charging or dealing in contravention of clause 17.1 shall be ineffective.

17.3. An Investor may assign the whole or part of any of its rights in this agreement to any person who has received a transfer of shares in the capital of the Company from such Investor in accordance with the Articles and has executed an Adherence Agreement.

## **18. Rights of third parties**

18.1. Subject to clause 18.2 and save as expressly provided in this agreement, this agreement does not confer any rights on any person or party (other than the parties to this agreement) pursuant to the Contracts (Rights of Third Parties) Act 1999.

18.2. The general partner of an Investor or the management company authorised from time to time to act on behalf of that Investor or another person or persons nominated by that Investor, shall be entitled to enforce all of the rights and benefits under this agreement at all times as if party to this agreement.

18.3. A person who executes an Adherence Agreement in accordance with clause 9 shall be bound by, and shall be entitled to enforce, the terms of this agreement as though such person were signatory hereto and shall thereupon be a party hereto.

18.4. The obligations of confidentiality in clause 9 and the Founders' undertakings and covenants in clause 8 are assumed for the benefit of each Group Company. Each Group Company may rely on and enforce the obligations of confidentiality in clause 9 and the undertakings and covenants in clause 8.

## **19. Conflict between agreements**

Subject to any applicable law, in the event of any ambiguity or conflict between this agreement and the Articles, the terms of this agreement shall prevail as between the Shareholders and in such event the Shareholders shall procure such modification to the Articles as shall be necessary.

## **20. Counterparts; No originals**

20.1. This agreement may be in any number of counterparts, each of which shall constitute an original, and all the counterparts shall together constitute one and the same agreement.

20.2. The exchange of a fully executed version of this agreement (in counterparts or otherwise) by electronic means using DocuSign or similar shall be sufficient to bind the parties to the terms and conditions of this agreement and no exchange of originals is necessary.

## **21. Notices**

21.1. Any communication and/or information to be given to a party in connection with this agreement shall be in writing in English and shall either be delivered to that party by hand or sent by first class post or email to the postal or email addresses shown in Schedule 1 (or such other address as the recipient may notify to the other parties for such purpose).

21.2. A communication sent according to clause 21.1 shall be deemed to have been received:

- (a) if delivered by hand, at the time of delivery;
- (b) if sent by pre-paid first class post, on the second day after posting; or
- (c) if sent by email, at the time of completion of transmission by the sender;

except that if a communication is received between 5:30 pm on a Business Day and 9:30 am on the next Business Day, it shall be deemed to have been received at 9:30am on the second of such Business Days.

## **22. Consideration**

The consideration under this agreement consists of the obligations of the parties to each other. The Founders and the Existing Shareholders further agree that payment by the Investors to each Founder and each Existing Shareholder of £1.00 (receipt of which is acknowledged), and the investment by the Investors in the Company, alone and together amount to good consideration in respect of the obligations of the Founders and the Existing Shareholders under this agreement.

## **23. Severance**

- 23.1. If any provision of this agreement is held to be invalid or unenforceable by any judicial or other competent authority, all other provisions of this agreement will remain in full force and effect and will not in any way be impaired.
- 23.2. If any provision of this agreement is held to be invalid or unenforceable but would be valid or enforceable if some part of the provision were deleted, the provision in question will apply with the minimum modifications necessary to make it valid and enforceable.

## **24. Governing law**

This agreement (and any dispute or claim relating to it or its subject matter (including non-contractual claims)) is governed by and is to be construed in accordance with English law.

## **25. Jurisdiction**

The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any claim, dispute or issue (including non-contractual claims) which may arise out of or in connection with this agreement.

## **26. Confirmation by Founders, Investors and Existing Shareholders**

Each of the Founders, Investors and the Existing Shareholders confirms, for the purposes of entering into this agreement only that:

- (a) they have entered into this agreement entirely on the basis of their own assessment of the risks and effect thereof;
- (b) they are owed no duty of care or other obligation by any other party to this agreement; and
- (c) insofar as they are owed any such duty or obligation (whether in contract, tort or otherwise) by a party to this agreement they waive, to the extent permitted by law, any rights (save in the case of any fraudulent misrepresentation) which they may have in respect of such duty or obligation.

**27. Regulatory matters**

No Investor or general partner of any Investor or management company authorised from time to time to act on behalf of any Investor is acting for or advising any other party to any matter that is the subject of this agreement or undertaking any other activity in relation to that other party that implies in any way that the other party is a client and accordingly no such Investor, general partner of any Investor and/or management company of any Investor (as appropriate) shall be responsible to any other party for providing any protection afforded to any client (as defined in the Glossary to the FCA Handbook of rules and guidance) for any Investor.

**SCHEDULE 1**

**PARTIES**

**Part 1**

**The Investors**

<b>Name</b>	<b>Address (postal and email)</b>
Passion Capital Nominees II Limited	Second Floor, Laxmi, The Tanneries, 57 Bermondsey Street, London SE1 3XJ Email: investmentteamii@passioncapital.com

**Part 2**

**The Founders**

<b>Name</b>	<b>Address (postal and email)</b>

**[Part 3**

**The Existing Shareholders]**

<b>Name</b>	<b>Address (postal and email)</b>

## SCHEDULE 2

### CONSENT MATTERS

#### Part 1

#### Matters requiring Investor Majority Consent

1. ***Fundraising and Share capital:***

- (a) Permit or cause to be proposed any alteration to its share capital or the rights attaching to its shares or waive any right to receive payment on any of its shares issued partly paid.
- (b) Create, allot, issue, offer, buy-in or redeem any share or loan capital or grant or agree to grant any options (outside the parameters set in paragraph 2 below and in paragraph 1 of Part 2 of this Schedule), warrants or securities convertible into shares, except as expressly authorised in this agreement or in the Subscription Agreement.
- (c) Permit a transfer, mortgage, charge or other disposal of the whole or any part of an interest in, or the grant of any option or other rights over, any shares in the capital of the Company to any person, or an agreement to do any of the foregoing, except where permitted or required so to do pursuant to the Articles or this agreement.
- (d) Directly or indirectly (i) sell, issue, sponsor, support, accept, create or distribute any digital tokens, coins, blockchain-based assets, digital assets or cryptocurrency ("**Tokens**"), including through any agreement, pre-sale, initial coin offering, token distribution event or crowdfunding, or develop or deploy a computer network, "smart contract" or protocol either incorporating Tokens or permitting the generation of Tokens by network participants or provide services or receive proceeds in connection with the foregoing.

2. ***Share Option Plan:***

- (a) Increase the number of Ordinary Shares available for the Share Option Plan.

3. ***Distributions:***

- (a) Propose or pay any dividend or propose or make any other distribution (as defined under section 1000 or section 1064 of the CTA 2010).

4. ***Acquisitions and Disposals***

- (a) Subscribe or otherwise acquire, or dispose of any shares in the capital of any other company or any part of the undertaking of any other person.
- (b) Dispose of the whole or part of the undertaking of the Company (including dealing in any way with the Company's or any other Group Company's intellectual property other than in the ordinary course of business) or merge the Company (or permit, consent to or facilitate any such merger in respect of any other Group Company) or any part of its business with any other person or propose to do so.
- (c) Permit the disposal of shares in the Company amounting to a Sale or IPO.

- (d) Enter into any right of first refusal, negotiation or notification that applies in relation to a Sale or IPO which gives a third party a preferential right to negotiate, make an offer or receive information in relation to such Sale or IPO.

5. ***Insolvency:***

- (a) Permit the Company to cease, or propose to cease, to carry on its business or permit the Company or its directors (or any one of them) to take any step to:
  - (i) wind up the Company save where it is insolvent (within the meaning of section 123 of the Insolvency Act 1986);
  - (ii) place the Company into administration (whether by the filing of an administration application, a notice of intention to appoint an administrator or a notice of appointment);
  - (iii) propose or enter into any arrangement, scheme, moratorium, compromise or composition with its creditors (whether under Part I of the Insolvency Act 1986 or otherwise) or to apply for an interim order under Part 1 of the Insolvency Act 1986; or
  - (iv) invite the appointment of a receiver or administrative receiver over all or any part of the Company's assets or undertaking.

6. ***Amendments to the Articles:***

- (a) Effect or permit any amendment to the Articles.

## Part 2

### Matters requiring Investor Director Consent

#### 1. **Share Option Plan awards:**

- (a) Grant options pursuant to the Share Option Plan which would exceed 0.5% in aggregate of the fully diluted issued share capital of the Company to any single individual, and/or which would exceed 5.0% in aggregate of the fully diluted issued share capital of the Company in any financial year.
- (a) Permit, or vary any existing vesting with respect to options granted to provide for a vesting schedule other than (A) with respect to twenty five percent (25%) or less of the shares subject to grant or issue, one (1) year after the date of such grant or issue; and (B) with respect to the remaining shares subject to such issue or purchase, on a monthly basis over a period of three (3) or more years thereafter.
- (b) Permit the acceleration of any vesting with respect to options granted on the occurrence of a Sale or an IPO.

#### 2. **Proceedings of the Board:**

- (a) Transact any business at any meeting of the Board (or committee of the Board) save for that specified in the agenda.
- (b) Increase the maximum number of directors permitted pursuant to the Articles.
- (c) Vary the frequency of Board meetings set out in clause 3.3.
- (d) Engage any broker, advisor (including financial, accounting, auditing or legal), investment bank or similar party to provide any services for a Sale or IPO.

#### 3. **Business:**

- (a) Make any material change to the nature of the Business or the jurisdiction where it is managed and controlled or change the name of the Company or do any act or thing outside the ordinary course of the business carried on by the Company.

#### 4. **Accounts and expenditure:**

- (a) Approval of the Company's operating and capital budget and cash flow forecast in respect of each Financial Year.
- (b) Approve or adopt the annual budget, or make any change to such budget.
- (c) Incur any capital expenditure (including obligations under hire-purchase and leasing arrangements) which exceeds the amount for capital expenditure in the budget or (where no items were specified but a general provision made) in relation to any item exceeding £50,000.
- (d) Dispose (otherwise than in accordance with any relevant capital disposals forecast in the budget) of any asset of a capital nature having a book or market value greater than £50,000.

#### 7. **Employment:**

- (a) Engage any employee or consultant on terms that either their contract cannot be terminated by three months' notice or less or their emoluments and/or commissions or bonuses are or are likely to be at the rate of £100,000 per annum or more or increase the emoluments and/or commissions or bonuses of any employee or consultant to more than £100,000 per annum or vary the terms of employment of any employee earning (or so that after such variation they will, or are likely to earn) more than £100,000 per annum.
- (b) Vary or make any binding decisions on the terms of employment and service of any Director, increase or vary the salary or other benefits of any such officer, or appoint or dismiss any such officer.

**8. *Loans and charges***

- (a) Make any loan or advance or give any credit (other than in the ordinary course of business) to any person or enter into or give any guarantee of or contract of suretyship for or otherwise commit itself in respect of the due payment of money or the performance of any contract, engagement or obligation of any other person or body other than a wholly-owned subsidiary of the Company.
- (b) Permit the creation of or suffer to subsist any Encumbrance (other than a lien arising by operation of law) over the whole or any part of its undertaking, property or assets.
- (c) Factor any of its debts, borrow monies (other than by way of its facilities in place at the date of this agreement), or accept credit (other than normal trade credit).

**9. *Adherence Agreements:***

- (a) Permit the transfer, mortgage, charge or other disposal of any interest in Shares described in clause 7.1 or issue of any shares or equity securities (as defined in section 560 of the Act), to any person who is not a party to this agreement without first obtaining from the transferee or subscriber an Adherence Agreement.

**10. *Litigation:***

- (a) Conduct any litigation material to the Company, save for the collection of debts arising in the ordinary course of the business carried on by the Company (or any other Group Company) or any application for an interim injunction or other application or action (including interim defence) which is urgently required in the best interests of the Company (or any other Group Company) in circumstances in which it is not reasonably practicable to obtain prior consent as aforesaid.

**11. *Contracts and related party transactions***

- (a) Other than where expressly contemplated by this agreement or the Service Agreements, enter into or vary any transaction or arrangement with, or for the benefit of any of its Directors or Shareholders or any other person who is a "connected person" with any of its Directors or Shareholders.



## SCHEDULE 3

### UNDERTAKINGS

1. The Company shall take out and maintain insurances satisfactory to the Investor Majority and shall on request supply any Investor with a schedule of such insurances.
2. The Company shall take all such reasonable action as may be required, including any action reasonably required of it by the Investor Majority, to protect its Intellectual Property rights and/or other property and assets.
3. All new business opportunities relevant to the Company shall only be taken up through the Company or a wholly-owned subsidiary of the Company.
4. The Company and each of the Founders shall comply with the terms of this agreement, the Articles and the Service Agreements.
5. The Company shall comply with all applicable laws and regulations and maintain all required licences and consents and shall immediately notify the Investors if the Company loses any such licence or consent.
6. Neither the Company nor the Founders shall engage in any activity, practice or conduct which would constitute an offence under section 1, 2 or 6 of the Bribery Act 2010 or any other applicable anti-corruption laws or regulations of any other jurisdiction.
7. The Company shall create and maintain in place Adequate Procedures designed to prevent any Associated Person of the Company from undertaking any conduct that would give rise to an offence under section 7 of the Bribery Act 2010 or any other applicable anti-corruption laws or regulations of any other jurisdiction.
8. The Company shall enter into an election under section 431(1) of ITEPA, jointly with each of the Shareholders who are Employees in respect of any securities acquired by such Employees which are "**restricted securities**" as defined in Chapter 2 of Part 7 of ITEPA.
9. ESG
  - (a) Within six months from Completion, the Company shall adopt a climate policy in a form approved by the Board, with an ultimate goal of climate neutral operations by 2035 at the latest.
  - (b) Within six months from Completion, the Company shall adopt a diversity and inclusion policy in a form approved by the Board, which seeks to ensure that the management team and the wider workforce are inclusive across gender, ethnicity, age, sexual orientation, disabilities, socio-economic background and national origins.
  - (c) ESG shall be a standing item on each Board meeting agenda and, as part of such discussions, at each board meeting the Board shall evaluate whether the Company's corporate governance structures continue to be sufficient and appropriate for a company at the stage and level of resources of its business activities.
  - (d) The Company shall participate in an annual ESG reporting exercise (based on the EDCI template and to include carbon footprinting) for Passion and any other Major Investors who reasonably request the same from time to time.

Passion will support the management team with the above-mentioned ESG commitments.

## SCHEDULE 4

### ADHERENCE AGREEMENT

THIS AGREEMENT is made on

202[\*\*\*]

BY *[insert name of new shareholder]*

#### INTRODUCTION

- (A) By a [transfer]/[subscription for shares] dated [the same date as this agreement] *[insert name]* [(the "**Transferor**") transferred to *[insert name of new shareholder]* (the "**Transferee**")]/[(the "**Subscriber**") subscribed for] Seed Ordinary/Ordinary Shares of £[\*\*\*] each in the capital of *[insert Company name]* (the "**Company**") (together the ["**Transferred Shares**"/["**Subscribed Shares**"]]).
- (B) This agreement is entered into in compliance with the terms of clause [\*\*\*] of an agreement dated [\*\*\*] made between (1) [name parties to the agreement] and (2) the Company and others (all such terms as are therein defined) (which agreement is herein referred to as the "**Shareholders' Agreement**").

#### AGREED TERMS

1. Words and expressions used in this agreement shall have the same meaning as is given to them in the Shareholders' Agreement unless the context otherwise expressly requires.
2. The [Transferee]/[Subscriber] agrees to assume the benefit of the rights [of the Transferor] under the Shareholders' Agreement in respect of the [Transferred]/[Subscribed] Shares) and agrees to assume and assumes the burden of the [Transferor's] obligations under the Shareholders' Agreement to be performed after the date hereof] in respect of the [Transferred]/[Subscribed] Shares.
3. The [Transferee]/[Subscriber] agrees to be bound by the Shareholders' Agreement in all respects as if the [Transferee]/[Subscriber] were a party to the Shareholders' Agreement as one of the [[Major] Investors]/[Existing Shareholders]/[Founders] and to perform [:
  - (a) all the obligations of the Transferor in that capacity under the Shareholders' Agreement; and
  - (b) ]all the obligations expressed to be imposed on such a party to the Shareholders' Agreement[;][in both cases], to be performed or on or after [the date of this agreement] and shall assume and enjoy [the rights of the Transferor and] all [other] rights expressed to be for the benefit of a [[Major] Investor]/[Existing Shareholder]/[Founder] under the Shareholders' Agreement.
4. This agreement is made for the benefit of:
  - (a) the parties to the Shareholders' Agreement; and
  - (b) any other person or persons who may after the date of the Shareholders' Agreement (and whether or not prior to or after the date of this agreement) assume any rights or

obligations under the Shareholders' Agreement and be permitted to do so by the terms of the Shareholders' Agreement,

and this agreement shall be irrevocable without the consent of the Company acting on their behalf in each case only for so long as they hold any Equity Shares.

5. [Nothing in this agreement shall release the Transferor from any liability in respect of any obligations under the Shareholders' Agreement due to be performed prior to [the date of this agreement].]

6. None of the Investors, the Founders nor the Existing Shareholders:

(a) makes any representation or warranty or assumes any responsibility with respect to the legality, validity, effectiveness, adequacy or enforceability of any of the Shareholders' Agreement (or any agreement entered into pursuant to the Shareholders' Agreement);

(b) makes any representation or warranty or assumes any responsibility with respect to the content of any information regarding the Company or any member of the group or otherwise relates to the [acquisition]/[subscription] of shares in the Company; or

(c) assumes any responsibility for the financial condition of the Company [or any Subsidiary] or any other party to the Shareholders' Agreement or any other document or for the performance and observance by the Company or any other party to the Shareholders' Agreement or any other document (save as expressly provided in the Shareholders' Agreement or such other document),

pursuant to this agreement and any and all conditions and warranties, whether express or implied by law or otherwise, are excluded from this agreement.

7. This agreement shall be governed by and construed in accordance with the laws of England and Wales.

This adherence agreement has been executed on the date shown on the first page.

**EXECUTED** by )  
[Transferee/Subscriber] )

This agreement has been executed on the date shown on the first page.

**EXECUTED** by )  
[insert name] LIMITED acting by a director )  
acting as [general partner/manager] )  
of [THE INVESTOR] )

..... Director

**EXECUTED** by )  
[THE COMPANY] )  
acting by a director )

..... Director

**EXECUTED** by [FOUNDER] )

**EXECUTED** by [FOUNDER] )

**[EXECUTED** by )  
[EXISTING SHAREHOLDER] )  
acting by a director )

..... Director

**[EXECUTED** by )  
[EXISTING SHAREHOLDER] )

**EXECUTED AS A DEED** by )  
**[overseas company]** )  
which is incorporated or organised )  
under the laws of ..... )  
acting by ..... )  
being a person who, in accordance )  
with the laws of that jurisdiction, is )  
authorised to do so )