

SHAREHOLDER AGREEMENT

THIS AGREEMENT is made effective the __ day of __, 20__.

BETWEEN:

[NAME OF COMPANY]
whose registered office is [address],
(the "Company");

- and -

ALL OF THOSE PARTIES
set out in Schedule 2 to this Agreement
(collectively, the "Shareholders" and each a "Shareholder")

WHEREAS:

- A. The Shareholders are each beneficial owners of Shares in the capital of the Company; and
- B. The parties have agreed to enter into this Agreement to establish certain of their respective rights and obligations in respect of the Company and its Shares.

NOW THEREFORE IT IS AGREED by the parties as follows:

1 Interpretation

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

"Articles" means the Articles of Association of the Company.

"Board" means the board of directors of the Company.

"Business Day" means a day which is not a Saturday or Sunday or a bank or other public holiday in the United Kingdom.

"Business Plan" means the annual business plan prepared in accordance with Article ____.

"Confidential Information" means all information received or obtained as a result of entering into or performing this Agreement and which relates to:

- (a) the Company and its Subsidiaries;
- (b) any aspect of the business of the Company and its Subsidiaries;
- (c) the provisions of this Agreement;
- (d) the negotiations relating to this Agreement;
- (e) the subject matter of this Agreement; or
- (f) any party to this Agreement.

"Control" means, in relation to a body corporate, the power of a person to secure that its affairs are conducted in accordance with the wishes of that person:

- (a) by means of the holding of shares or the possession of voting power in or in relation to that or any other body corporate; or
- (b) by virtue of any powers conferred by the Articles of Association or any other document regulating that or any other body corporate, and, in relation to a partnership, means the

right to a share of more than one-half of the assets, or of more than one-half of the income, of the partnership;

and a "Change of Control" shall occur if a person who controls any company or undertaking ceases to do so, or if another person acquires control of it.

"Effective Date" means the date of admission to listing and trading of the Company's ordinary shares in an IPO.

"Group" means in relation to an undertaking, that undertaking and any undertaking of which it is a Subsidiary (its holding undertaking) and any other Subsidiaries of its holding undertaking.

"IPO" means an initial public offering of the Company's ordinary shares on NASDAQ, the London Stock Exchange, the New York Stock Exchange, the Neuer Market or a similar investment exchange with similar liquidity.

"Ordinary Shares" means equity share capital of the Company as defined in Section 744 of the Companies Act 1985, as amended.

"Preferred Partner basis" means on terms no less favourable than those offered to any third party.

"Share" or "Shares" means a share of any denomination in the capital of the Company from time to time.

"Shareholder" means all those persons holding Shares in the capital of the Company and who are parties to this Agreement from time to time.

"Subsidiary" means, in relation to an undertaking (the holding undertaking), any other undertaking in which the holding undertaking (or persons acting on its or their behalf) directly or indirectly holds or controls either:

- (a) a majority of the voting rights exercisable at general meetings of that undertaking; or
- (b) the right to appoint or remove directors having a majority of the voting rights exercisable at meetings of the board of directors of that undertaking, and any undertaking which is a Subsidiary of another undertaking shall also be a Subsidiary of that undertaking's holding undertaking;

"Transfer Price" means (a) if there is a Third Party (as defined in Article ____) and such party is reasonably believed in good faith by the relevant Vendor to be acting in good faith, the price per share agreed to be paid by such Third Party or, if there is no Third Party, (b) the price thereof agreed between the Vendor (or in the case of a Transfer Notice deemed to have been served pursuant to Article __, agreed pursuant to Article ____) and the Directors within fourteen (14) days of the date of the Transfer Notice, or, in the absence of agreement, the Fair Value.

"Valuer" means an independent firm of chartered accountants nominated by the parties or, in the event of failure to nominate such an independent firm of chartered accountants, a firm of chartered accountants appointed by the President for the time being of the Institute of Chartered Accountants of England and Wales on the application of any party.

1.2 References to statutory provisions shall be construed as references to those provisions as respectively amended or re-enacted or as their application is modified by any other provisions from time to time, regardless of whether such modifications were made before or after the date of this Agreement.

1.3 All warranties, representations, agreements and obligations expressed to be given or entered into by more than one person are given or entered into severally by the persons concerned.

1.4 References to Articles, Clauses or Schedules are to Clauses of or Schedules to this Agreement, and references to sub-clauses are to sub-clauses of the Clause in which the reference appears.

1.5 Headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Agreement.

1.6 All references to documents in Agreed Form shall mean a document in a form agreed by all of the parties and initialled by each of them for the purpose of identification.

1.7 The singular includes the plural, and vice versa. The masculine gender shall include the feminine and neuter, and vice versa.

2. Board of Directors

2.1 The Board shall have responsibility for the supervision and management of the Company and its business.

2.2 *[Set out how the Board is to be composed, e.g.: Each of the Shareholders shall appoint a nominee to serve on the Board.]*