

Date TBC



Subscription and Shareholder's Agreement

relating to Sample Limited

The investors

and

The founders

and

Any existing shareholders

and

The company



Parties

- (1) **The PERSONS** whose names and addresses are set out in Part 1 of Schedule 1 (the **Investors** and each an **Investor**);
- (2) **The PERSONS** whose names and addresses are set out in Part 2 of Schedule 1 (together the **Founders** and each a **Founder**);
- (3) **The PERSONS** (if any) whose names and addresses are set out in Part 3 of Schedule 1 (together the **Existing Shareholders**); and
- (4) **Sample Limited**, company number 11526903 incorporated under the laws of England and Wales whose registered office is at The Corran The Corran, Batchworth Hill, Rickmansworth, Hertfordshire, WD3 1JP, United Kingdom (the **Company**).

Introduction

- (1) Details of the legal and beneficial ownership of the share capital of the Company are set out in Part 1 of Schedule 2.
- (2) The Investors wish to subscribe for shares in the capital of the Company on and subject to the terms of this agreement.

Agreed terms

1. Definitions

The following definitions and rules of interpretation apply in this agreement:

Accounts means the accounts of the Company and any Subsidiaries for the period ended on the Accounts Date, in the agreed form;

Accounts Date means, if applicable, the date of the Company's most recent financial year end;

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 jurisdiction;

Affiliate means, with respect to any Investor, any other person who, directly or indirectly, controls, is controlled by, or is under common control with such Investor, including any general partner, managing member, officer or director of such Investor or any venture capital fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management or advisory company with, such Investor;

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 from time to time;

Board Minutes means the board minutes reflecting the meeting of the Board to be held before Completion;

Budget has the meaning given in clause 10.2;

Business means the business of the company, being at the date of this agreement technology consultancy, as more fully described in the Business Plan (if any);

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

Business Plan means the business plan for the Company, if any, in the agreed form;

Claim(s) means any claim(s) for breach of any Warranty;

Company Product means any product or service designed, developed, manufactured, marketed, distributed, provided, licensed or sold at any time by any Group Company;

Company Website means any internet website owned, operated or hosted by any Group Company or through which any Group Company conducts any of its business;

Completion means completion by the parties of their respective obligations in accordance with clauses 4.1 and 4.2;

Completion Conditions means the conditions set out in Schedule 3;

Completion Date means the date of this agreement;

Computer Data means the computer-readable information or data owned or used by any Group Company and stored in electronic form;

Computer Hardware means the computer hardware, firmware, equipment and ancillary equipment (other than the Computer Software and Computer Data) owned or used by any Group Company, and all related manuals and documentation;

Computer Software means the computer programs owned or used by any Group Company, and all related manuals and documentation;

Computer System means the Computer Hardware, Computer Data and Computer Software;

CTA 2010 means the Corporation Tax Act 2010;

Data Protection Legislation means all laws (whether of the UK or any other jurisdiction) relating to the use, protection and privacy of Personal Data (including the privacy of electronic communications) which are from time to time applicable to the Company or any other Group Company (or any part of their business);

Data Protection Principles has the same meaning as the term "Data Protection Principles" under the Data Protection Legislation;

Deed of Adherence means a deed of adherence in a form determined by the Board with Investor Majority Consent;

Disclosed means fairly disclosed to the Investors in the Disclosure Letter, with sufficient explanation and detail to enable the Investors to identify clearly the nature, scope and implications of the matters disclosed;

Disclosure Letter means the letter from the Warrantors to the Investors, executed and delivered immediately prior to the execution of this agreement;

EIS means the Enterprise Investment Scheme in the United Kingdom (or any successor to that scheme);

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);

Financial Year means a financial year as determined in accordance with section 390 of the Act;

Grant Funding means any funding or other aid or assistance from any central, state or local government body or authority, any statutory undertaking, any other public body or authority, or any other body funded by public money;

Group Companies means the Company and each and any of the Subsidiaries from time to time, and **Group Company** will be construed accordingly;

HMRC means HM Revenue & Customs;

Intellectual Property means copyrights, trade and service marks, rights in logos and get-up, inventions, confidential information, 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 in any part of the world and whether or not registered; and including all granted registrations and all applications for registration in respect of any of the same;

Investor Director means any director appointed in accordance with clause 9.2;

Investor Director Consent means the prior written consent of the Investor Director(s) (if any);

Investor Majority means the holders of more than 50 per cent of the Investor Shares from time to time;

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

Investors means the persons whose names and addresses are set out in Part 1 of Schedule 1 and any other person to whom any of them transfer their Shares and who

becomes a party as an "Investor" by signing a Deed of Adherence in accordance with clause 14.2 and is named therein as an "Investor";

Investor Shares means all Shares in issue and held by an Investor, from time to time;

IPO means the admission of all or any of the Shares or securities representing those Shares (including depositary interests, American depositary receipts, American depositary shares and/or other instruments) on NASDAQ or on the Official List of the United Kingdom Listing Authority or on 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);

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

Key Employee means any employee who is or was during the Look Back Period employed by any Group Company at management grade or in a senior capacity;

Look Back Period has the meaning given in clause 15.1;

Management Accounts means the management accounts of the Company, if any, in the agreed form;

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

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

NASDAQ means the NASDAQ Stock Market of the NASDAQ OMX Group, Inc.;

New Articles means the new articles of association of the Company to be adopted on or prior to Completion, as amended or superseded from time to time;

New Shares means the shares subscribed by the Investors pursuant to clause 3.1 at a price of £8,333.33 per share;

Off-the-Shelf Software means software packages which are readily available to any person to purchase and use in their business;

Open Source Code means any software code that is distributed as "free software" or "open source software" or is otherwise distributed publicly in source code form under terms that permit modification and redistribution of such software, which Open Source Code includes software code that is licensed under the GNU General Public License, GNU Lesser General Public License, Mozilla License, Common Public License, Apache License, BSD License, Artistic License, or Sun Community Source License;

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

Personal Data has the same meaning as the term "personal data" under the Data Protection Legislation;

Post Termination Period has the meaning given in clause 15.1;

Prior Agreement means any shareholders' agreement (or similar) relating to the Company and entered into before the date of this agreement, between the Company and/or some or all of the Founders and/or Existing Shareholders;

Properties means the properties owned and/or occupied by any Group Company (if any), details of which are set out in or attached to the Disclosure Letter;

SEIS means the Seed Enterprise Investment Scheme in the United Kingdom (or any successor to that scheme);

(S)EIS Investors means any Investor who has subscribed for Shares pursuant to the SEIS or the EIS;

(S)EIS Shares means all Shares held by Investors and subscribed pursuant to the EIS or the SEIS;

Shareholder means any shareholder of the Company from time to time who is a party to this agreement;

Shareholder Resolutions means the shareholder resolutions to be passed by the Company at or before Completion;

Shares means shares of £1.00 each in the capital of the Company from time to time, having the rights set out in the New Articles;

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

Taxation means all forms of taxation, duties, rates, levies, contributions, withholdings, deductions, liabilities to account, charges and imposts, whether imposed in the United Kingdom or elsewhere in the world;

Tax Act means the Income Tax Act 2007;

Taxing Authority means HMRC and any other governmental, state, federal, provincial, local governmental or municipal authority, body or official whether of the United Kingdom or elsewhere in the world, which is competent to impose or collect Taxation;

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;

VAT means value added tax chargeable under the VATA or under any legislation replacing it or under any legislation which the VATA replaced and further means value added tax at the rate in force when the relevant supply is made and any tax of a similar nature which is introduced in substitution for such value added tax;

VATA means the Value Added Tax Act 1994;

Warranties means the warranties given pursuant to clause 7, with references to a particular **Warranty** being to a statement set out in Schedule 4; and

Warrantors means the Company and each of the Founders.

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 will not affect construction.
- 2.2 References to an Investor Director include any alternate appointed to act in his place from time to time.
- 2.3 References to **persons** includes bodies corporate, unincorporated associations and partnerships, in each case whether or not having a separate legal personality.
- 2.4 Reference to a **party** or **parties** is to a party or parties of this agreement.
- 2.5 References to documents **in the agreed form** are to documents in terms agreed on behalf of the Company and the Investors and contained in the "Agreed Form Documents" folder within the FounderCatalyst portal for the purposes of identification.
- 2.6 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 will, 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.
- 2.7 References to those of the parties that are individuals include their respective legal personal representatives.
- 2.8 References to **writing** or **written** includes any non-transitory form of visible reproduction of words.
- 2.9 References to the words **include** or **including** (or any similar term) are not to be construed as implying any limitation, and general words introduced by the word **other** (or any similar term) will 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.
- 2.10 Except where the context specifically requires otherwise, words importing one gender will be treated as importing any gender, words importing individuals will be treated as importing corporations and vice versa, words importing the singular will be treated as importing the plural and vice versa, and words importing the whole will be treated as including a reference to any part thereof.
- 2.11 References to statutory provisions or enactments will 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.

- 2.12 Section 1122 of the CTA 2010 will apply to determine whether one person is **connected** with another for the purposes of this agreement.
- 2.13 References in clause 1 (Definitions) (in so far as they are used in the clauses and Schedules referred to in this clause), clauses 7 (Warranties), 9 (The Board), 10 (Information rights), 11 (Matters requiring consent of the Investors), 12 (Business undertakings), 15 (Founder covenants), 16 (Confidentiality), Schedule 4 (Warranties), Schedule 5 (Consent matters) and Schedule 6 (Undertakings) to the Company or the Board will include, where appropriate in the context, each of the Subsidiaries and the directors for the time being of those Subsidiaries.
- 2.14 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 he considers that providing such consent gives rise or may give rise to a conflict of interest to his duties as a director, such action or matter will require Investor Majority Consent.

3. Subscriptions

- 3.1 Subject to the provisions of clauses 4.1 and 4.2, the Investors apply for the allotment and issue to them at Completion of the Shares set out in Part 3 of Schedule 2, and the Company accepts such applications.
- 3.2 Each of the Founders and any Existing Shareholder agrees to vote in favour of the Shareholder Resolutions and hereby irrevocably waives (or confirms that he has procured the waiver of) all and any pre-emption rights he or his nominees may have pursuant to the Company's articles of association or otherwise, so as to enable the issue of any Shares contemplated by this agreement to proceed free of any such pre-emption rights.

4. Completion

- 4.1 Subject to the Completion Conditions having been satisfied or waived by the Investors, Completion will take place on the Completion Date once the events set out in clause 4.2 have occurred.
- 4.2 At Completion, the following events will occur:
 - (a) each Investor will pay the sum set out against its name in the column

"Aggregate subscription £" of the table in Part 3 of Schedule 2 (being the aggregate subscription price for the New Shares being paid by it) by electronic funds transfer to the bank account of the Company as set out below, and payment made in accordance with this clause 4.2 will constitute a good discharge for the Investor of its obligations under this clause 4.2:

Account name: **Sample Limited**

Bank: **Natwest Bank**

Account number: **12345678**

Sort code: **12-34-56**

IBAN: **N/A**

Swift Code: **N/A**

- (b) a meeting of the Board will be held at which the Company will (amongst other matters):
 - (i) issue the New Shares credited as fully paid to the Investors and enter their names in its register of members in respect thereof;
 - (ii) execute and deliver to the Investors certificates for the New Shares; and
 - (iii) pass any such other resolutions as may be required to carry out the obligations of the Company, as set out in the Board Minutes.

5. Application of investment funds

- 5.1 Any investment monies applied by (S)EIS Investors pursuant to the SEIS or the EIS will be used by the Company solely for the purposes of:
 - (a) enabling the Company (and its Subsidiaries) to pay employment, premises, marketing, insurance and legal costs; and
 - (b) the provision of working capital for the Company (and its Subsidiaries) generally.

6. Protection of (S)EIS qualifying status

- 6.1 The Company will not knowingly do, permit or omit any act or transaction which will result in any Shares held by an (S)EIS Investor ceasing to be regarded by HMRC as eligible for (S)EIS relief pursuant to Part 5A of the Tax Act, or such relief being prejudiced or reclaimed by HMRC.
- 6.2 The Founders and the Company will, immediately upon any of them becoming aware that clause 6.1 has been, or may have been, breached, notify the (S)EIS Investors.

- 6.3 The Company will carry out all reasonable directions of the (S)EIS Investors to ensure that their (S)EIS Shares continue to be regarded by HMRC as eligible for (S)EIS relief pursuant to Part 5A of the Tax Act, or (as the case may be) regain that status.
- 6.4 The Company will, in relation to (S)EIS Shares issued to Investors:
- (a) as soon as practically possible after it is able to do so, submit to HMRC a compliance form (Form SEIS1 or, as applicable, EIS1), satisfactorily completed in all respects;
 - (b) promptly supply all such information, and do all acts and things, as HMRC may reasonably request in relation to such submission in order to procure that HMRC will authorise the Company, as soon as reasonably practicable, to issue compliance certificates under section 257EC of the Tax Act; and
 - (c) within 14 days of receipt of an authority from HMRC, deliver compliance certificates to each (S)EIS Investor.

7. Warranties

- 7.1 The Warrantors jointly and severally warrant to the Investors that each and every Warranty is true, accurate and not misleading at the date of this agreement, subject only to:
- (a) the matters Disclosed; and
 - (b) any exceptions expressly provided for under this agreement.
- 7.2 Each Warranty is a separate and independent warranty and, save as otherwise expressly provided, no Warranty will be limited by reference to any other Warranty or by the other terms of this agreement or the Disclosure Letter.
- 7.3 The rights and remedies of the Investors in respect of any breach of any of the Warranties will not be affected by Completion, any investigation made by or on behalf of the Investors into the affairs of the Company or any other event or matter whatsoever which otherwise might have affected such rights and remedies, except a specific and duly authorised written waiver or release.
- 7.4 No information relating to the Company of which the Investors have knowledge (actual or constructive) other than by reason of it being Disclosed in accordance with clause 7.1(a) will prejudice any Claim which the Investors are entitled to bring, or will operate to reduce any amount recoverable by the Investors under this agreement.
- 7.5 Without limitation to the rights of the Investors under this agreement, in the case of a Claim against the Company, no counterclaim or right of contribution or indemnity will lie against the other Warrantors and, in the case of a Claim against any or all of the other Warrantors, no counterclaim or right of contribution or indemnity will lie by any of them against the Company.

- 7.6 Where any Warranty is qualified by the expression **so far as the Warrantors are aware** or words having similar effect, such Warranty will be deemed to include a statement that such awareness means both the actual knowledge of the Warrantors and also such knowledge which the Warrantors would have had if they had made reasonable enquiry of each other, the Company's accountants (in respect of the Warranties at paragraphs 1.1, 4, 5, 6 and 17 of Schedule 4) and the Company's tax advisers (in respect of the Warranties at paragraph 7 of Schedule 4).
- 7.7 Any information supplied by the Company, its officers, employees or agents to the Founders or their agents, representatives or advisers in connection with, or which forms the basis of, any of the Warranties or any matter covered in the Disclosure Letter or otherwise in relation to the business and affairs of the Company (whether before or after the date hereof) will be deemed not to include or have included a representation, warranty or guarantee of its accuracy by the Company to the Founders and will not constitute a defence to any Claim by the Investors. The Founders hereby irrevocably waive any and all claims against the Company, its officers, employees or agents in respect of any information so supplied.
- 7.8 The Investors agree among themselves that the following provisions will (unless they subsequently agree amongst themselves to the contrary, acting by way of an Investor Majority) apply in relation to the bringing of any Claim:
- (a) no Claim will be brought by any of the Investors without Investor Majority Consent, provided that all Investors have been informed of the breach of Warranty and consulted prior to an Investor Majority decision being made;
 - (b) the costs incurred by any Investors in bringing a Claim will be borne by all of the Investors proportionately to the amounts subscribed by each of them pursuant to this agreement; and
 - (c) any damages obtained as a result of any Claim will, after deduction of all costs and expenses, be divided amongst the Investors in such proportions.

Any Investor will be entitled to waive its right to bring and/or participate in a Claim at any time prior to the issue of proceedings with the consequence that it will not be liable to bear its proportion of the costs referred to in (b) above (which costs per Investor will increase rateably for the remaining Investors), nor entitled to any of the damages referred to in (c) above. In such circumstances, the consent of that Investor will not be required under (a) above.

8. Limitations on Warranty Claims

- 8.1 The limitations set out in this clause 8 and Schedule 7 will not apply to any Claim which is:
- (a) the consequence of fraud, dishonesty, wilful concealment or wilful misrepresentation by or on behalf of a Warrantor; or

(b) which is a result of a breach of warranty statements 1 and 2 of Schedule 4.

8.2 No Claim may be made against the Warrantors unless written notice of such Claim is served on the Warrantors giving reasonable details of the Claim by 18 months after the Warranties were given.

Failure to give reasonable details of a Claim will not prevent the Investors from proceeding with any Claim otherwise made properly under this agreement.

8.3 The aggregate liability of the Warrantors in respect of all and any Claims will be limited to:

(a) in the case of the Company, an amount equal to the aggregate amount subscribed by the Investors pursuant to this agreement; and

(b) in the case of each of the Founders, £20,000.

8.4 The Warrantors will not be liable in respect of any Claim unless:

(a) the Warrantors' liability in respect of that Claim (together with any connected Claims) exceeds £1,000; and

(b) the amount of the Warrantors' liability in respect of such Claim, either individually or when aggregated with the Warrantors' liability for all other Claims (other than those excluded under clause 8.4(a)), exceeds £10,000, in which case the Warrantors will be liable for the whole amount claimed (and not just the amount above the threshold specified in this clause).

For the purposes of this clause 8.4, a Claim is connected with another Claim if those claims arise from the same event or set of circumstances, or relate to the same subject matter.

8.5 The Investors will be entitled to make a Claim in respect of liability which is contingent or unascertained, provided that:

(a) written notice of the Claim (giving as far as practical the amount and details of the Claim) is given to the Warrantors before the expiry of the period specified in clause 8.2; and

(b) the contingent or unascertained liability becomes (as applicable) an actual or ascertainable liability before the date falling six months after such expiry.

8.6 The limitations on Claims set out in Schedule 7 also apply, subject to clause 8.1.

9. The Board

9.1 Board meetings will be held at intervals of not more than 10 weeks, and at least 8 Board meetings will be held in each calendar year.

- 9.2 For so long as Jane Doe and/or its Permitted Transferees hold not less than 10.0 per cent of the Shares, it will have the right:
- (a) to appoint and maintain in office such natural person as it may from time to time nominate as a director of the Company (and as a member of each and any committee of the Board) and to remove any director so appointed and, upon his removal (whether by the Investor or otherwise), to appoint another director in his place.
- 9.3 Appointment and removal of an Investor Director in accordance with clause 9.2 will be by written notice from the appointing Investor to the Company, which will take effect on delivery at the Company's registered office or at any meeting of the Board or committee thereof.
- 9.4 The Company will send to the Investors, to any Investor Directors (in electronic form, if so required):
- (a) 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; and
 - (b) as soon as practicable after each meeting of the Board (or committee of the Board), a copy of the minutes.
- 9.5 Save with Investor Director Consent, no business will be transacted at any meeting of the Board (or committee of the Board) save for that specified in the agenda referred to in clause 9.4.
- 9.6 The quorum for directors' meetings will be 2 directors, who must include the Investor Director. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting will stand adjourned to the same day in the next week at the same time and place or at such time and place as determined by the directors present at such meeting and the Investor Directors, if any. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting will proceed.
- 9.7 An Investor who has appointed an Investor Director and/or an observer pursuant to clause 9.2 will procure that such Investor Director and/or observer will comply with clause 16, save that such Investor Director and/or observer will be at liberty from time to time to make full disclosure to its appointing Investor of any information relating to the Company.
- 9.8 The parties agree that the Investor Directors will 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 him expressly in his capacity as a director of the Company.

10. Information rights

- 10.1 The Company will, for each month, prepare management accounts (in a form approved by an Investor Majority and which reasonably reflect the financial affairs of the Company for that period) with comparisons to budgets and containing trading and profit and loss accounts, balance sheets, cash flow statements and forecasts and will deliver them to the Investors within 21 days after the end of each month. The first management accounts will be delivered to the Investors within 21 days after the end of the month in which Completion takes place.
- 10.2 The Company will prepare a detailed operating and capital budget and cash flow forecast in respect of each Financial Year of the Company (in such form as an Investor Majority will reasonably require from time to time) that will be approved by the Board and the Investor Majority and delivered to each Investor at least 30 days prior to the end of the Company's preceding Financial Year (the **Budget**).
- 10.3 The annual accounts of the Company, and annual consolidated accounts of any Group Companies, in respect of each accounting period will be completed and approved by the Board and delivered to the Investors within four months after the end of the accounting period to which such accounts relate.
- 10.4 The Company will provide each Investor promptly with such other information concerning the Company and its business as that Investor may reasonably require from time to time.
- 10.5 If the Company does not comply with its obligations in clauses 10.1 to 10.3 (inclusive), the Investors, the Investor Directors (if any) and a firm of accountants nominated by the Investor Majority at the Company's expense will be entitled to attend the Company's premises to examine the books and accounts of the Company and to discuss the Company's affairs, finances and accounts with its directors, officers and senior employees. Each Founder and the Company severally undertakes to the Investors to co-operate with any accountants appointed by the Investor Majority pursuant to this clause 10.5.

11. Matters requiring consent of the Investors

- 11.1 Each of the Shareholders will exercise all voting rights and powers of control available to him in relation to the Company to procure that:
- (a) save with Investor Majority Consent, the Company will not effect any of the matters referred to in Part 1 of Schedule 5; and
 - (b) save with Investor Director Consent, the Company will not effect any of the matters referred to in Part 2 of Schedule 5.
- 11.2 As a separate obligation, severable from the obligations in clause 11.1, the Company

agrees that:

- (a) save with Investor Majority Consent, it will not effect any of the matters referred to in Part 1 of Schedule 5; and
- (b) save with Investor Director Consent, it will not effect any of the matters referred to in Part 2 of Schedule 5.

11.3 Each Investor Director (if any), or such other person as each Investor will nominate in writing to the Board, will be authorised to communicate in writing the consent of its appointing Investor to any of the matters referred to in Schedule 5.

12. Business undertakings

12.1 The Founders will promote the best interests of the Company and will exercise all voting rights and powers of control available to them in relation to the Company to procure that the Business is conducted in accordance with any Business Plan and any Budget and with good business practice.

12.2 Subject to Clause 6, 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 any Business Plan and any Budget.

12.3 The Founders and the Company severally undertake to the Investors to procure, so far as it lies within their respective power to do so, that they will comply with the requirements set out in Schedule 6.

13. Exit

13.1 It is the parties' intention to effect an exit event as soon as practicable and in any event within 4 years of the Completion Date. Subject to any restrictions to which the parties are subject, they will keep one another informed of all and any developments which might lead to any exit event.

13.2 Each party acknowledges and agrees that, upon an exit, the Investors will not be obliged to give warranties or indemnities, except a warranty as to title to the Shares held by such Investor and its capacity to sell those Shares with no Encumbrances.

14. Further issue and transfer of Shares

14.1 Each of the Founders and any Existing Shareholder undertakes to the Investors that he will not, and will not agree to, transfer, mortgage, charge or otherwise dispose of the whole or any part of his interest in, or grant any option or other rights over, any Shares to any person, except:

- (a) with Board approval and Investor Majority Consent; or
- (b) where required or permitted to do so pursuant to the New Articles or this agreement.

- 14.2 Without prejudice to clause 14.1, none of the Founders, Investors or any Existing Shareholder will effect any transfer, mortgage, charge or other disposal of any interest in Shares described in clause 14.1, nor will 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 a Deed of Adherence, unless otherwise approved by the Board (including Investor Director Consent).
- 14.3 Any Deed of Adherence will be in favour of the Company, the Investors and any other parties to this agreement and will be delivered to the Company at its registered office and to the Investors. Subject to clause 14.2, no share transfer or issue of Shares will be registered unless such Deed of Adherence has been delivered.

15. Founder covenants

Restrictive covenants

- 15.1 For the purpose of clause 15.2, the words and expressions set out below will have the following meanings:

Look Back Period means the period of 18 months immediately preceding the reference date in question; and

Post Termination Period means the restricted period after the applicable Termination Date, being:

- (a) in respect of the clause 15.2(b)(i), 6 months; and
- (b) in respect of all other restrictions in clause 15.2(b), 18 months.

- 15.2 For the purpose of assuring to the Investors the value of the Business and the full benefit of the goodwill of the business of the Company, each of the Founders hereby severally 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 3 per cent of the issued share capital of the company or the class of securities concerned, or save with Investor Majority Consent) he will not:

- (a) while he is a director or employee of, or a consultant to, the Company, carry on or be concerned, engaged or interested directly or indirectly (in any capacity whatsoever) in any trade or business competing with the trade or business of the Company as carried on at the time or, in relation to any trade or business of the Company that he has been engaged or involved in, at any time during a period of two years immediately preceding that time; or

- (b) during the Post Termination Period:
 - (i) within the United Kingdom 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 Company in which he will have been engaged or involved at any time during the Look Back Period;
 - (ii) either on his 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 on substantially the same terms as previously (or at all);
 - (iii) either on his own behalf or in any other capacity whatsoever, directly or indirectly endeavour to entice away from the Company, or solicit any person, firm or company who was a client, customer, supplier, agent or distributor of the Company during the Look Back Period with whom he will have been engaged or involved by virtue of his duties during the Look Back Period, in competition with or to the detriment of the Company;
 - (iv) either on his 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 the Company during the Look Back Period with whom he will have been engaged or involved by virtue of his duties during the Look Back Period, in competition with or to the detriment of the Company; or
 - (v) either on his own behalf or in any other capacity whatsoever, directly or indirectly employ, engage or induce, or seek to induce, to leave the service of the Company any person who is or was a Key Employee with whom he will have had dealings during the Look Back Period, whether or not such person would commit any breach of his contract of employment by reason of so leaving the service of the Company or otherwise; or
- (c) at any time after the Termination Date, represent himself as being in any way currently connected with or interested in the business of the Company (other than as a shareholder, if that remains the case).

15.3 Each of the restrictions contained in each sub-clause of clause 15.2 is separate and distinct and is to be construed separately from the other restrictions. Each of the Founders hereby acknowledges that he considers such restrictions to be reasonable, both individually and in the aggregate, and that the duration, extent and application of each of the restrictions are no greater than is necessary for the protection of the goodwill of the business of the Company and that the consideration paid by the Investors for the New Shares applied for in this agreement takes into account and adequately compensates him for any restriction or restraint imposed thereby. However, if any such restriction will be found to be void or unenforceable, but would be valid or enforceable if some part or parts thereof were deleted or the period or area of application reduced, each of the Founders hereby agrees that such restriction will apply with such modification as may be necessary to make it valid.

Intellectual property

- 15.4 Any discovery, invention, secret process or improvement in procedure made or discovered by any Founder while in the service of the Company or while a Shareholder, in connection with or in any way affecting or relating to the Company's business or capable of being used or adapted for use in or in connection with the Company's business, will as soon as reasonably practicable be disclosed to the Company and will belong to and be the absolute property of the Group Company which the Company nominates for the purpose. For the avoidance of doubt, this agreement will not operate as a transfer instrument and any transfer of Intellectual Property rights will be effected under a separate agreement.

Each of the Founders (whether before or after his ceasing to be a Shareholder, or his ceasing to be an employee or engaged as a consultant of any Group Company) will, at the Company's expense, 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 this clause 15.4 and will execute all instruments and do all things necessary for vesting 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

- 15.5 A Founder will have no claim against the Company in respect of the termination of his contract of employment in relation to any provision in the New 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 his interest in any shares or other 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 him to become prematurely exercisable or to lapse.

16. Confidentiality

- 16.1 Except as provided elsewhere in this agreement, and excluding any information which is in the public domain (other than through the wrongful disclosure of any party), or which any party is required to disclose by law or by the rules of any regulatory body to which the Company is subject, each party agrees to keep secret and confidential and not to use, disclose or divulge to any third party (other than a party's professional advisers) any:
- (a) confidential information relating to the Company (including in relation to Intellectual Property, customer lists, reports, notes, memoranda and all other documentary records pertaining to the Company or its business affairs, finances, suppliers, customers or contractual or other arrangements); or
 - (b) information relating to the negotiation, provisions or subject matter of this agreement (or any document referred to in it); or

- (c) information concerning an Investor or any person connected with it.

17. Announcements

- 17.1 Except in accordance with clause 17.2, the parties will not make any public announcement or issue a press release or respond to any enquiry from the press or other media concerning or relating to this agreement or its subject matter (including the Investors' investment in the Company), or any ancillary matter.
- 17.2 Notwithstanding clause 17.1, any party may make or permit to be made an announcement concerning or relating to this agreement or its subject matter or any ancillary matter with the prior written approval of an Investor Majority and the Board, or if and to the extent required by law, any securities exchange on which such party's securities are listed or traded, any regulatory or governmental or other authority with relevant powers to which such party is subject or submits (whether or not the requirement has the force of law) or any court order.

18. Costs and expenses

Except as may otherwise be agreed in writing, the Company, the Founders, the Investors and any Existing Shareholders will bear their own costs and disbursements incurred in the negotiations leading up to and in the preparation of this agreement, and of matters incidental to this agreement.

19. Survival and cessation of obligations of the Founders

The obligations on a Founder under clauses 7 (Warranties), 15 (Founder covenants), 16 (Confidentiality) and Schedule 4 (Warranties) will survive any transfer by him of all or any Shares and will survive him ceasing to be a director or employee of or consultant to the Company, but otherwise upon a Founder ceasing to hold Shares and ceasing to be a director or employee of or consultant to the Company he will have no further obligation or liability hereunder, but without prejudice to the due performance by him of all obligations up to the date of such cessation.

20. Effect of ceasing to hold Shares

A party will cease to be a party to this agreement for the purpose of receiving benefits and enforcing his rights with effect from the date he ceases to hold or beneficially own any Shares (but without prejudice to any benefits and rights accrued prior to such cessation).

21. Remedies

- 21.1 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.

- 21.2 Each of the parties acknowledges and agrees that the only cause of action available to it under the terms of this agreement and the documents referred to or incorporated in this agreement in respect of a Claim will be for breach of contract.
- 21.3 Other than in respect of a Claim, 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 will 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.

22. Waiver

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

23. Entire agreement

- 23.1 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.
- 23.2 Each of the parties acknowledges and agrees that it has 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 and the documents referred to or incorporated in this agreement.
- 23.3 Nothing contained in this agreement, or in any other document referred to or incorporated in it, will be read or construed as excluding any liability or remedy as a result of fraud.

24. Prior Agreement(s)

With effect from Completion and in consideration of the obligations of the parties to each other under this agreement, any Prior Agreement will terminate and cease to have effect. Each of the parties to any Prior Agreement will stand released and discharged from all obligations arising under or resulting from it. None of the parties to any Prior Agreement will be entitled to exercise (and each such party waives) any rights to make any claim against any of the others under or in relation to such Prior Agreement or its termination, save that nothing in this clause will release any party

from liability for breaches of any Prior Agreement which occurred prior to Completion.

25. Variation

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 the Company and by Shareholders holding at least 75 per cent of all Shares then in issue, in which event such change will be binding against all of the parties hereto, provided that if such change would impose any new obligations on a party, vary an express contractual right of that party, decrease any right of that party or increase any existing obligation, the consent of the affected party to such change will be specifically required.

26. No partnership

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

27. Assignment and transfer

27.1 Subject to clause 27.3, this agreement is personal to the parties and no party will:

- (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.

27.2 Any purported assignment, transfer, sub-contracting, delegation, charging or dealing in contravention of clause 27.1 will be ineffective.

27.3 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 from such Investor in accordance with the New Articles, and has executed a Deed of Adherence.

28. Rights of third parties

28.1 Subject to clause 28.2, 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.

28.2 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, will be entitled to enforce all of the rights and benefits under this agreement at all times as if party to this agreement.

29. Conflict between agreements

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

30. Counterparts

This agreement may be executed in any number of counterparts, each of which will constitute an original, and all the counterparts will together constitute one and the same agreement. The exchange of a fully executed version of this agreement (in counterparts or otherwise) by electronic transmission in PDF format or by facsimile will be sufficient to bind the parties to the terms and conditions of this agreement, and no exchange of originals is necessary.

31. Notices

31.1 Any communication and/or information to be given in connection with this agreement will be in writing in English and will be delivered by hand or sent by pre-paid first class post, email or other electronic form:

- (a) to the company by email sent to test@test.com;
- (b) to any company which is a party, at its registered office from time to time; or
- (c) to any individual who is a party, at the address of that individual shown in Schedule 1,

or to any e-mail address provided for such person in Schedule 1, or such e-mail address or other address as the recipient may notify to the other parties (on the terms of this clause) for such purpose.

31.2 A communication sent according to clause 31.1 will 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 Business Day after posting; or
- (c) if sent by email or other electronic form, 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 will be deemed to have been received at 9:30am on the second of such Business Days.

32. Consideration

The consideration under this agreement consists of the obligations of the parties to each other. The Founders and any Existing Shareholder further agree that payment by the Investors to each Founder and any Existing Shareholder of £1.00 (receipt of which is hereby 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 any Existing Shareholder under this agreement.

33. Severance

- 33.1 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.
- 33.2 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.

34. Governing law and jurisdiction

- 34.1 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.
- 34.2 The parties irrevocably agree that the courts of England and Wales will 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.

Schedule 1

Part 1 - The Investors

Name	Address and email address
Jane Doe	15 Ripon Road, Bath, United Kingdom, BS1 1AD - sam+jane@foundercatalust.com
John Doe	12 Heath Gardens, Bristol, United Kingdom, BS4 3AQ - john.doe@sample.com

Part 2 - The Founders

Name	Address and email address
Sam Simpson	California House, Tydehams, Newbury, Berks, United Kingdom, RG14 6JT - sam@foundercatalyst.com

Part 3 - The Existing Shareholders

Name	Address and email address
John Smith	99 Old Bath Road, Newbury, Berks, United Kingdom, RG14 9PO - john.smith@sample.com
Jane Smith	101 Canterbury Way, Newbury, Berkshire, United Kingdom, RG14 7AA - jane@sample.com

Schedule 2

Part 1 - Shareholders: pre-Completion

Shareholder	# of Shares held
John Smith	100
Jane Smith	20

Part 2 - Rights over shares: Warranty 1.3

Rights holder	Basic description of right(s)	# of shares subject to the right(s)
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Part 3 - Investor New Share subscriptions

Investor	# of New Shares	Aggregate subscription £	Class	Scheme
Jane Doe	3	£25,000.00	Ordinary	SEIS
John Doe	5	£41,666.67	Ordinary	SEIS

Part 4 - Shareholders: post-Completion

Shareholder	# of Shares held	% Shares	Class	Scheme
John Smith	100	78.12%	Ordinary	-
Jane Doe	3	2.34%	Ordinary	SEIS
Jane Smith	20	15.62%	Ordinary	SEIS
John Doe	5	3.91%	Ordinary	SEIS

Schedule 3

Completion Conditions

1. The Shareholder Resolutions having been duly completed by the required majority of shareholders.
2. The New Articles having been adopted.
3. The Board Minutes having been duly completed and signed by the chairman of the meeting, confirming that the meeting and the resolutions referred to in the Board Minutes have been duly held and passed.
4. The Disclosure Letter having been duly delivered to, and acknowledged by, each Investor.
5. The Accounts (if any), the Business Plan (if any) and the Management Accounts (if any) having been confirmed as "agreed form" documents on the terms of clause 2.5.
6. Any service agreements, IPR assignments and other documents required to be entered into by some or all of the Founders and/or Existing Shareholders having been duly executed by them.

Schedule 4

Warranties

1. Share capital and authority

- 1.1 The Founders and any Existing Shareholders are the legal and beneficial owners of the number of Shares set opposite their respective names in Part 1 of Schedule 2.
- 1.2 All of the Shares set out in Part 1 of Schedule 2 are fully paid and comprise the entire issued share capital of the Company.
- 1.3 Except as set out in Part 2 of Schedule 2, none of the share capital of the Company is under option or subject to any mortgage, charge (fixed or floating), pledge, lien, security, interest or other third party right (including rights of pre-emption); except as set out in Part 2 of Schedule 2, no options, warrants or other rights to subscribe for new shares in the Company have been granted or agreed to and, save as Disclosed, no dividends or other rights or benefits have been declared, made or paid or agreed to be declared, made or paid thereon. Complete copies of all agreements (oral, or in writing) relating to any arrangements set out in Part 2 of Schedule 2 are attached to the Disclosure Letter.
- 1.4 The execution and delivery by the Warrantors of this agreement and the documents referred to in it, and compliance with their respective terms, will not breach or constitute a default under the Company's articles of association, or any other agreement or instrument to which any Warrantor is a party or by which any Warrantor is bound, and will not constitute a breach under any order, judgment, decree or other restriction applicable to any Warrantor.

2. Information

- 2.1 All information contained in the Disclosure Letter is, at the date of this agreement, true, complete and accurate in all material respects.
- 2.2 The information contained or referred to in Schedule 2 is true, complete and accurate and not misleading.
- 2.3 Full details of the Company's current directors, shadow directors (if any), company secretary and auditors and/or accountants are set out in the Disclosure Letter.

3. Business Plan

The Warranties in this paragraph 3 apply only if there is a Business Plan.

- 3.1 The Business Plan has been diligently prepared and each of the Warrantors believes that, as at the date of this agreement, it represents a realistic plan in relation to the future progress, expansion and development of the Business.
- 3.2 All factual information contained in the Business Plan was, when given, and is at the date of this agreement true, complete and accurate in all material respects and not misleading.
- 3.3 Any financial forecasts, projections or estimates contained in the Business Plan have been diligently prepared, are reasonable and have not been disproved in the light of any events or circumstances which have arisen subsequent to the preparation of the Business Plan up to the date of this agreement.
- 3.4 The assumptions upon which the Business Plan has been prepared have been carefully considered and are honestly believed to be reasonable having regard to the information available and to the market conditions prevailing at the time of their preparation.
- 3.5 Each statement of opinion in the Business Plan is believed by each of the Warrantors to be fair and reasonable, accurately to represent the opinion held by him, and not to be misleading.

4. Accounts

The Warranties in this paragraph 4 apply only if there are Accounts.

- 4.1 The Accounts have been prepared in accordance with all applicable accounting principles, standards and practices which are generally accepted in the United Kingdom and on the same basis and in accordance with the same accounting policies as the corresponding accounts for the preceding three financial years (or such lesser period as represents the period from incorporation of the Company), comply with the applicable requirements of the Act and give a true and fair view of the state of affairs of the Company at the Accounts Date and of the profits and losses for the period concerned.
- 4.2 The Accounts make proper provision or reserve for or, in the case of actual liabilities, properly disclose, note or take into account as at the Accounts Date:
 - (a) all liabilities, whether actual, contingent or disputed;
 - (b) all capital commitments, whether actual or contingent;
 - (c) all bad and doubtful debts; and
 - (d) all Taxation.

- 4.3 The profits (or losses) shown in the Accounts have not to a material extent been affected (except as disclosed therein) by any extraordinary or exceptional event or circumstance, or by any other factor rendering such profits unusually high or low.

5. Management Accounts

The Warranties in this paragraph 5 apply only if there are Management Accounts.

The Management Accounts:

- (a) have been prepared in accordance with good accounting practice on a basis consistent with that upon which the management accounts of the Company for the period to the Accounts Date were prepared;
- (b) reasonably reflect the financial affairs of the Company at the date to which they have been prepared and its results for the period covered by the Management Accounts; and
- (c) are not inaccurate or misleading in any material respect.

6. Events since the Accounts Date

The Warranties in this paragraph 6 apply only if there are Accounts.

Since the Accounts Date, as regards the Company:

- (a) its business has been carried on in the ordinary course and so as to maintain the same as a going concern;
- (b) it has not acquired or disposed of, or agreed to acquire or dispose of, any business or any material asset (other than trading stock in the ordinary course of the business carried on by it), or assumed or acquired any material liability (including a material contingent liability);
- (c) no change has been made (or agreed to be made) in the emoluments or other terms of employment of any of its employees who are in receipt of remuneration in excess of £50,000 per annum, or of any of the directors of the Company, nor has it paid any bonus or special remuneration to any such employee or any of its directors;
- (d) there has not been any material deterioration in the financial position or prospects of the Business (whether in consequence of normal trading, or otherwise), nor so far as the Warrantors are aware are there any circumstances likely to lead thereto;
- (e) neither the trading nor the profitability of the Business shows, as regards turnover, the state of order book, expenses and profit margins, any material deterioration or downturn by comparison with the period ended on the Accounts Date;
- (f) no part of the Business has been affected to a material extent by the loss of

any important customer, or of any source of supply, or by the cancellation or loss of any order or contract, or by any other abnormal factor or event, nor so far as the Warrantors are aware are there any circumstances likely to lead thereto;

- (g) no employee has been dismissed or made redundant, nor has the Company taken or omitted to take any action which would entitle any employee to claim that he has been constructively dismissed;
- (h) it has not borrowed monies (except in the ordinary course of the business carried on by it, or from its bankers under agreed loan facilities);
- (i) no dividend or other distribution (as defined by sections 1000, 1064 and 455, 459, and 460 of the CTA 2010) has been declared, made or paid to its members, nor has it repaid any loan capital or other debenture; and
- (j) there are no liabilities (including contingent liabilities) outstanding on the part of the Company, other than those liabilities disclosed in the Accounts or incurred in the ordinary and proper course of business since the Accounts Date which are similarly disclosed in the Management Accounts (if any).

7. Taxation

- 7.1 The Company has duly and punctually made all returns and given or delivered all notices, accounts and information which ought to have been made, and is not and has not been involved in any dispute with any Taxing Authority concerning any matter likely to affect in any way the liability (whether accrued, contingent or future) of it to Taxation, and the Warrantors are not aware of any matter which may lead to such dispute.
- 7.2 The Company has duly paid or fully provided for all Taxation (including deferred tax) for which it is liable and there are no circumstances in which interest or penalties in respect of Taxation not duly paid could be charged against it in respect of any period prior to Completion.
- 7.3 All Taxation due in respect of payments made by the Company to any person which ought to have been made under deduction or reduction of Taxation has been properly deducted and accounted for to the appropriate Taxation Authority from all such payments made.
- 7.4 All documents to which the Company is a party or which form part of the Company's title to any asset owned or possessed by it, or which the Company may need to enforce or produce in evidence in the courts of the United Kingdom, have been duly stamped and (where appropriate) adjudicated.
- 7.5 Except as set out in Parts 1 and 2 of Schedule 2, no current or former directors, officers or employees of the Company have received any securities, interests in securities or securities options, as defined in Part 7 of ITEPA.

- 7.6 Except as set out in Parts 1 and 2 of Schedule 2, no current or former directors, employees or officers of the Company have received any securities or interests in securities in a form which is or could be treated as a "readily convertible asset" as defined in section 702 of ITEPA.
- 7.7 All directors, officers or employees of the Company who have received any securities or interests in securities falling within Chapter 2 of Part 7 of ITEPA have entered into elections jointly with the Company under section 431(1) of ITEPA within the statutory time limit, and a schedule of any such directors, officers or employees and the elections entered into is attached to the Disclosure Letter.
- 7.8 The Company is a close company as defined in section 439 of the CTA 2010 and is not and has never been a close investment-holding company as defined in section 34 of the CTA 2010.
- 7.9 No distribution within section 1064 of the CTA 2010 has been made by the Company and no loan or advance within sections 455, 459 and 460 of the CTA 2010 has been made (and remains outstanding) or agreed to, by the Company, and the Company has not released or written off the whole or part of the debt in respect of any such loan or advance.
- 7.10 All acquisitions or disposals of assets by the Company and all supplies of services by and to the Company have occurred at arm's length between unconnected persons and for a consideration in cash at market value.
- 7.11 The Company is registered for the purposes of the VATA (and has not at any time been treated as a member of a group of companies for such purpose). The Company has complied with all statutory provisions, regulations and notices relating to VAT and has duly and punctually accounted for and/or paid HMRC all amounts of VAT which it ought to have so accounted for and/or paid.

8. Litigation

- 8.1 Neither the Company nor, so far as the Warrantors are aware, any person for whose acts and defaults it may be vicariously liable, is at present engaged whether as claimant, defendant or otherwise in any legal action, proceeding or arbitration which is either in progress or is threatened or, so far as the Warrantors are aware, is pending (other than as claimant in the collection of debts arising in the ordinary course of the business carried on by it, none of which exceeds £1,000 and which do not exceed £5,000 in aggregate) or is being prosecuted for any criminal offence, and no governmental, regulatory or official investigation or inquiry concerning the Company is threatened or in progress or, so far as the Warrantors are aware, pending.
- 8.2 There are no circumstances known to any of the Warrantors likely to lead to any such claim or legal action, proceeding or arbitration, prosecution, investigation or inquiry.

- 8.3 Neither the Company nor any of the Founders nor, so far as the Warrantors are aware, any person acting for or on behalf of the Company is being prosecuted for an offence, nor are they or have they been the subject of any investigation or inquiry by or on behalf of any governmental, administrative or regulatory authority in respect of any offence or alleged offence under the Bribery Act 2010 or under applicable anti-corruption laws or regulations of any other jurisdiction, and there are no circumstances known to any of the Warrantors likely to give rise to any such prosecution, investigation or inquiry.

9. Properties

- 9.1 Details of the Properties (and the interest held in them by the Company), including any adverse rights (including charges, leases, contracts, title and planning restrictions and Encumbrances) affecting any of them are identified in the Disclosure Letter, and they are the only properties in which the Company has an interest or occupies.
- 9.2 Any title documents for the Properties, and/or any occupancy of them by the Company, are held by the Company and are in good order.
- 9.3 The Properties have the benefit of adequate access rights to enable the Company to enjoy undisturbed beneficial occupation. None of the adverse rights affecting any of the Properties has an adverse effect on the Company's entitlement to use them, on their respective values to the Company, nor upon the Company's ability to dispose of its interest in them.
- 9.4 The Company has duly complied with its obligations relating to the Properties and no termination notice has been given (by the landlord or the tenant) in relation to any lease relating to any of the Properties.
- 9.5 There are no outstanding liabilities (actual, anticipated or contingent) in relation to any property formerly owned or occupied by the Company.
- 9.6 The Company's interest in the Properties is fully insured and the Company has appropriate rights to ensure any damage by an insured risk is reinstated.

10. Intellectual Property

- 10.1 The Company has taken all steps reasonably necessary for the prudent protection of all Intellectual Property and know-how used by it, and the Company has not itself granted any rights to third parties in relation to any of its Intellectual Property.
- 10.2 The operations of the Company and any products or services supplied by it do not infringe the rights of any person or infringe any right of privacy, and the Warrantors are not aware of any claims or applications for registration which might be material

for disclosure to the Investors as applicants for shares in the Company.

- 10.3 All Intellectual Property which is or is likely to be material to the business of the Company:
- (a) is (or in the case of applications will be) legally and beneficially vested exclusively in the Company; or
 - (b) is licensed to the Company by third parties by way of an agreement and/or license which enable the Company to use the Intellectual Property as it requires in the ordinary course of its business.
- 10.4 Details of all licenses (other than in respect of Off-the-Shelf Software) entered into by the Company in relation to Intellectual Property, and in respect of which the Company is a licensor, licensee or otherwise a party, are set out in the Disclosure Letter.
- 10.5 No Intellectual Property in which the Company has any interest and which is, or is likely to be, material to the business of the Company is:
- (a) so far as the Warrantors are aware, being (or has been) infringed, misappropriated or used without permission by any other person; or
 - (b) subject to any license, estoppel or authority or similar right in favour of any other person.
- 10.6 All Intellectual Property which is registered in the name of the Company, or in respect of which the Company has made application for registration, is:
- (a) listed and briefly described in the Disclosure Letter;
 - (b) legally and beneficially vested in the Company; and
 - (c) valid and enforceable and not subject to any claims of opposition from any third party.
- 10.7 All renewal fees in respect of the Intellectual Property registered by the Company have been duly paid, and all other steps required for the maintenance and protection of such registered Intellectual Property have been taken, in any jurisdiction in which they are registered.
- 10.8 Nothing has been done or omitted to be done whereby any of the Intellectual Property owned or used by the Company has ceased or might cease to be valid and enforceable, or whereby any person is or will be able to seek cancellation, rectification or any other modification of any registration of any such Intellectual Property.
- 10.9 So far as the Warrantors are aware, no other person has registered or applied to register in any country any invention, topography, copyright work, design, trade or service mark or name, trade secret or know-how or other Intellectual Property made,

or claimed to be owned, by the Company.

- 10.10 All licenses, agreements and arrangements entered into by the Company in respect of which the Company is a licensor, a licensee or otherwise a party have been entered into in the ordinary course of business, are in full force and effect and no notice has been given on either side to terminate any of them and no material amendment has been made or accepted to their terms since they were first entered into; the obligations of all parties under each of the same have been fully complied with in all material respects and no disputes exist or are anticipated in respect of any of them.
- 10.11 The Company has not knowingly disclosed or permitted to be disclosed to any person (other than to the Investors and to their agents, employees or professional advisers) any of its know-how, trade secrets, confidential information or lists of customers or suppliers.
- 10.12 Any standard terms and conditions of the Company (copies of which are annexed to the Disclosure Letter) are properly incorporated into any transaction conducted over the internet by the Company and govern access to and use of any Company Website.
- 10.13 So far as the Warrantors are aware, no domain names have been registered by any person which are similar to any trade marks, service marks, domain names or business or trading names used, created or owned by the Company.
- 10.14 The contents of any Company Website comply with all applicable laws and regulations and codes of practice in any applicable jurisdiction, and the Company Website is not linked by a hypertext link to any other website.
- 10.15 So far as the Warrantors are aware, there are no third party claims that any domain name registered by the Company is in infringement of a third party's domain name or other Intellectual Property rights.
- 10.16 The Disclosure Letter sets out and describes:
- (a) any item of Open Source Code that is contained in, distributed with, or used in the development of the Company Products, or from which any part of any Company Product is derived; and
 - (b) the Company Product(s) to which each such item of Open Source Code relates.
- 10.17 No Company Product contains, is derived from, is distributed with, or is being or was developed using Open Source Code that is licensed under any terms that:
- (a) impose or could impose a requirement or condition that any Company Product or part thereof:
 - (i) be disclosed or distributed in source code form;

- (ii) be licensed for the purpose of making modifications or derivative works; or
- (iii) be redistributable at no charge; or
- (b) otherwise impose or could impose any other material limitation, restriction, or condition on the right or ability of the Company to use or distribute any Company Product or to enforce Intellectual Property.

10.18 The Company is the legal and beneficial owner, free from Encumbrances, of the Computer System, and no other person has any claims or rights in respect of any element of the Computer System.

10.19 The Computer System:

- (a) is not wholly or partly dependent on any facilities which are not under the exclusive ownership or control of the Company;
- (b) has been and is being properly and regularly maintained and replaced, and has the benefit of appropriate maintenance and support agreements;
- (c) has the capacity and is of a suitable technical specification necessary to fulfil the present and foreseeable requirements of the Company's business; and
- (d) comprises all computer hardware, firmware, software (including source code and object code) manuals, supporting materials and accessories which are necessary to enable the Company to carry on business.

10.20 The Company has in place adequate back-up, disaster recovery and other systems and procedures to enable its business to continue without material adverse change in the event of a failure of the Computer System.

11. Assets, debts and stock

11.1 None of the book debts included in the Accounts (if any), the Management Accounts (if any) or which have subsequently arisen have been outstanding for more than two months from their due dates for payment and all such debts have realised or, so far as the Warrantors are aware, will realise in the normal course of collection their full value, save as provided in the Accounts (if any), the Management Accounts (if any) or in the books of the Company.

11.2 The Company has not granted any security over any part of its undertaking or assets.

11.3 All assets used by and all debts due to the Company or which have otherwise been represented as being its property or due to it or used or held for the purposes of its business, are at the date of Completion its absolute property, and none is the subject of any Encumbrance (save in respect of liens arising in the normal course of trading) or the subject of any factoring arrangement, hire-purchase, retention of title, conditional sale or credit sale agreement.

- 11.4 The present stock and work-in-progress of the Company (if applicable) is in good condition and is (or will be once completed) capable of being sold profitably.
- 11.5 Each asset needed for the proper conduct of the Business is in good repair and working order (fair wear and tear excepted).

12. Contracts with connected persons

- 12.1 There are no loans made by the Company to any of its directors or shareholders and/or any person connected with any of them, and no debts or liabilities owing by the Company to any of its directors or shareholders and/or any person connected with them.
- 12.2 There are no existing contracts or arrangements to which the Company is a party and in which any of its directors or shareholders and/or any person connected with any of them is interested.
- 12.3 There are no agreements between any of the Founders, or between any of the Founders and the Company, other than any Prior Agreement and this agreement.
- 12.4 No Founder, nor any person connected with a Founder, owns any property used by the Company.

13. Employment and consultancy arrangements

- 13.1 Full details of all contracts of service or for services and other arrangements (including length of service, details of notice periods, confidentiality obligations, intellectual property rights and obligations and all remuneration) of all officers, employees, workers and consultants of the Company are set out in, or copies thereof annexed to, the Disclosure Letter.
- 13.2 There are no agreements or other arrangements (binding or otherwise) or outstanding or anticipated claims or disputes between the Company and any trade union or other body representing all or any of the employees of the Company.
- 13.3 The Company does not owe any amount to, nor does it have any outstanding obligations in respect of, any of its present or former directors, employees or shareholders, other than remuneration accrued during the month in which this agreement has been entered into.
- 13.4 Save as Disclosed, there is not in existence nor is it proposed to introduce any share incentive, share option, profit sharing, bonus or other incentive arrangements for or affecting any employees or former employees.

- 13.5 No gratuitous payment has been made or promised in connection with the actual or proposed termination or suspension of employment or variation of any contract of employment or of any contract for services of any present or former director, employee, worker or consultant of the Company.
- 13.6 No person has been or is employed by the Company who did not or does not have leave to enter or remain in the United Kingdom or otherwise in breach of section 8 of the Asylum and Immigration Act 1996 or sections 15 to 21 (inclusive) of the Immigration, Asylum and Nationality Act 2006 (as applicable).
- 13.7 There are no agreements or arrangements (whether legally enforceable or not) in relation to which the Company has incurred, will incur or could incur any liability or responsibility for or in relation to the provision of any pensions, allowances, lump sums gratuities or other like benefits on redundancy, retirement, withdrawal from service or on death or during periods of sickness or disablement or accident for or in respect of any director, or former director or employee or former employee of the Company or any person who has at any time agreed to provide services to the Company or any dependants of any such persons, and no proposals or announcements have been made about the introduction, continuance, variation of, or payment of any contribution towards any such agreements or arrangements.
- 13.8 There is no outstanding dispute or complaint in relation to the types of benefits described in paragraph 13.7 and there have been no communications with the Pensions Advisory Service, the Pensions Ombudsman, HMRC, and/or the Pensions Regulator in relation to such benefits.
- 13.9 Neither the Company nor any person who is an "associate" of or "connected" with it (as such terms apply in sections 38 to 51 of the Pensions Act 2004) has, at any time since 19 December 1996, contributed towards, participated in or had employees who participated in, an occupational pension scheme to which section 75 of the Pensions Act 1995 applies, has applied or can apply.
- 13.10 No current or former employee or director of the Company has at any time since 30 August 1993 had his contract of employment transferred during the present period of continuous employment as a result of a "relevant transfer" for the purposes of either the Transfer of Undertakings (Protection of Employment) Regulations 1981 (before those Regulations were revoked) or the Transfer of Undertakings (Protection of Employment) Regulations 2006 where he had previously been a member of an occupational pension scheme that provided benefits available other than on old age, invalidity or death.

14. Statutory and legal requirements

- 14.1 All statutory, municipal, governmental, court and other requirements applicable to the carrying on of the business of the Company, the formation, continuance in existence, creation and issue of securities, management, property or operation of the Company

have been complied with, and all permits, authorities, licenses and consents have been obtained and all conditions applicable thereto complied with, and so far as the Warrantors are aware there are no circumstances which might lead to the suspension, alteration or cancellation of any such permits, authorities, licenses or consents, nor is there any agreement which materially restricts the fields within which the Company may carry on its business.

- 14.2 The Company has obtained all export licenses required for all products, technology or services exported by or on behalf of the Company to or from any part of the world.
- 14.3 The Company has not committed and is not liable for any criminal, illegal, unlawful, ultra vires or unauthorised act or breach of covenant, contract or statutory duty.
- 14.4 No Founder has:
- (a) been convicted of a criminal offence (except any road traffic offence not punished by a custodial sentence);
 - (b) been disqualified from being a company director; or
 - (c) given, or offered to give, a disqualification undertaking under section 1A of the Company Directors Disqualification Act 1986.
- 14.5 No person, not being a director of the Company, has any actual or ostensible authority, whether under a power of attorney, agency agreement or otherwise, to commit the Company to any obligation, other than an obligation of a nature which it is usual for it to incur in the ordinary course of its business.
- 14.6 In respect of any Personal Data processed by the Company, the Company:
- (a) has made all necessary registrations and notifications of its particulars in accordance with the Data Protection Legislation;
 - (b) has not received any enforcement notice, information notice, special information notice, monetary penalty notice or other notice, letter or complaint alleging a breach by it of any of the provisions of the Data Protection Legislation, or requesting information as to its data protection policies or practices, and so far as the Warrantors are aware no circumstances exist which may give rise to any of the above;
 - (c) has not awarded compensation to an individual under the Data Protection Legislation, no claim for such compensation is outstanding and so far as the Warrantors are aware there is no reason to believe that any circumstances exist which might lead to any claim for compensation being made;
 - (d) has not received any warrant issued under the Data Protection Legislation authorising the Information Commissioner or other relevant authorities to enter any premises of the Company;

- (e) is not the subject of any order made against it for the rectification, blocking, erasure or destruction of any data under the Data Protection Legislation, no application for such an order is outstanding, and so far as the Warrantors are aware no circumstances exist which might reasonably lead to any application for such an order being made; and
- (f) has complied with the Data Protection Legislation (including the Data Protection Principles) and any guidance notes or guidelines issued from time to time by the Information Commissioner (and any successor) and all other relevant authorities.

14.7 In respect of any Grant Funding provided to the Company, full details of which are set out in the Disclosure Letter:

- (a) the Company has complied in all respects with the terms and conditions on which any Grant Funding has been provided to the Company;
- (b) the entry into this agreement and the fulfilment of the Business Plan (if any) will not:
 - (i) breach any terms or conditions of any Grant Funding; or
 - (ii) alter or abrogate any rights of the Company under any Grant Funding; and
- (c) no Grant Funding will be terminated or be required to be repaid as a result of the entry into this agreement or the fulfilment of the Business Plan (if any).

15. Records and registers

- 15.1 The records (including computer records), statutory books, registers, minute books and books of account of the Company are duly entered up and maintained in accordance with all applicable legal requirements and contain true, full and accurate records of all matters required to be dealt with therein, and all such books and all records and documents (including documents of title) which are its property are in its possession or under its control.
- 15.2 All accounts, documents and returns required to be delivered or made to the Registrar of Companies have been duly and correctly delivered or made. There has been no notice of any proceedings to rectify the register of members of the Company or the Company's PSC register and there are no circumstances which might lead to any application for rectification of the register of members or the PSC register.
- 15.3 The Company has not made (or withdrawn) an election to keep information in its register of members, PSC register, register of directors, register of directors' residential addresses or register of secretaries on the central register at Companies House.

16. Insurance

The Disclosure Letter contains or attaches full and accurate details of all insurance policies held by the Company. In respect of such insurances:

- (a) all premiums have been duly paid to date;
- (b) all the policies are in full force and effect and are not voidable on account of any act, omission or non-disclosure on the part of the insured party, nor could they be declared null and void or as a consequence of which any claim might be rejected; and
- (c) so far as the Warrantors are aware, there are no circumstances which would or might give rise to any claim, and no insurance claim is outstanding.

17. Group structure

- 17.1 Save as Disclosed, the Company does not have any subsidiary companies nor has it at any time been the holding company of any company or a member of or the beneficial owner of any shares, securities or other interest in any company or other person.
- 17.2 The Company is not, in relation to any company (other than a Subsidiary), limited liability partnership or Societas Europaea registered in the United Kingdom, a registrable relevant legal entity (as defined in section 790C of the Act).

18. Agreements and capital commitments**18.1 The Company:**

- (a) has no capital commitments in excess of £10,000;
- (b) is not a party to any contract, arrangement or commitment (whether in respect of capital expenditure or otherwise) which is of an unusual, unusually onerous or unusually long-term nature or which involves or could involve a material obligation or liability outside the ordinary course of business;
- (c) has not become bound, and no person has become entitled (or with the giving of notice and/or the issue of a certificate and/or the passage of time or otherwise may become entitled), to require it to repay any loan capital or other debenture, redeemable preference share capital, borrowed money or grant made to it by any governmental or other authority or person prior to the stipulated due date;
- (d) is not a party to any agreement which is or may become terminable as a result of the entry into or completion of this agreement;
- (e) is not bound by any guarantee or contract of indemnity or suretyship outside the ordinary course of business under which any liability or contingent

liability is outstanding;

- (f) except in the ordinary course of business, has not entered into any agreement which requires or may require, or confers any right to require, the sale (whether for cash or otherwise) or the transfer by it of any asset;
- (g) is not a party to any joint venture, consortium, partnership, unincorporated association or profit sharing arrangement or agreement;
- (h) is not a party to or enjoys the benefit of any agreement requiring registration or notification under or by virtue of any statute; or
- (i) is not in default of any agreement or arrangement to which it is a party.

18.2 The Company has not been and is not a party to any contract or arrangement binding upon it for the purchase or sale of property or the supply of goods or services at a price different to that reasonably obtainable on an arm's length basis.

19. Borrowings and facilities

Full details of all limits on the Company's bank overdraft facilities and all borrowings of the Company are set out in the Disclosure Letter, the Company is not in breach of any of their terms and none of such facilities or terms of borrowing will be terminated as a result of the entry into of this agreement.

Schedule 5

Part 1 - Matters requiring Investor Majority Consent

1. Permit or cause to be proposed any alteration to its share capital (including any increase or removal of the limit on the number of shares that may be allotted by the Company) or the rights attaching to its shares, or waive any right to receive payment on any of its shares issued partly paid.
2. Create, allot, issue, buy-in or redeem any share or loan capital, or grant or agree to grant any options or warrants for the issue of any share or loan capital, or issue any securities convertible into shares, or establish any employee incentive scheme, except in accordance with the New Articles or this agreement.
3. Permit or cause to be proposed any amendment to its articles of association, from time to time.
4. Propose or pay any dividend, or propose or make any other distribution (as defined under sections 1000 or 1064 of the CTA 2010).
5. Subscribe or otherwise acquire, or dispose of, any shares in the capital of any other company.
6. Acquire the whole or part of the undertaking of any other person, or dispose of the whole or part of the undertaking of the Company, or merge the Company or any part of its business with any other person or propose to do so.
7. 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 wind up the Company, save where it is insolvent (within the meaning of section 123 of the Insolvency Act 1986).
8. Permit the Company or its directors (or any one of them) to take any step to 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), permit the Company or its directors to 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 permit the Company or its directors to invite the appointment of a receiver or administrative receiver over all or any part of the Company's assets or undertaking.
9. Enter into or give or permit or suffer to subsist any guarantee of or indemnity 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.

10. Adopt any Budget.
11. Deal in any way (including the acquisition or disposal, whether outright or by way of license or otherwise howsoever) with Intellectual Property, other than in the ordinary course of business.

Part 2 - Matters requiring Investor Director Consent

1. Incur any capital expenditure (including obligations under hire-purchase and leasing arrangements) which exceeds the amount for capital expenditure in the relevant capital expenditure of the Budget or (where no items were specified but a general provision made) in relation to any item exceeding £5,000.
2. 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 £5,000.
3. 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.
4. Establish any new branch, agency, trading establishment or business or close any such branch, agency, trading establishment or business.
5. Do any act or thing outside the ordinary course of the business carried on by it.
6. Make any change to:
 - (a) its accountants or auditors;
 - (b) its accounting reference date;
 - (c) its accounting policies, bases or methods from those set out in the Accounts (if any) (other than as recommended by the auditors or accountants of the Company); or
 - (d) a Budget or the Business Plan (if any).
7. 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).
8. Engage any employee or consultant on terms that either his contract cannot be terminated by three months' notice or less or his emoluments and/or commissions or bonuses are or are likely to be at the rate of £25,000 per annum or more, or increase

the emoluments and/or commissions or bonuses of any employee or consultant to more than £25,000 per annum, or vary the terms of employment of any employee earning (or so that after such variation he will, or is likely to earn) more than £25,000 per annum.

9. Vary or make any binding decisions on the terms of employment and service of any director of the Company, increase or vary the salary or other benefits of any such person, or (subject to rights at clause 9, if applicable) appoint or dismiss any such officer.
10. Mortgage or charge or permit the creation of or suffer to subsist any mortgage or fixed or floating charge, lien (other than a lien arising by operation of law) or other Encumbrance over the whole or any part of its undertaking, property or assets.
11. Make any loan or advance or give any credit (other than in the ordinary course of business) to any person or acquire any loan capital of any corporate body (wherever incorporated).
12. Permit the appointment or removal of any person as a director of it, save in respect of the appointment or removal of any Investor Director.
13. Permit the appointment or removal of any person as an alternate director of it, save in respect of any Investor Director.
14. 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 application for an interim injunction or other application or action (including interim defence) which is urgently required in the best interests of the Company in circumstances in which it is not reasonably practicable to obtain prior consent as aforesaid.
15. Propose or implement any variation to the Company's pension scheme(s) or any of the benefits payable to members of the scheme.
16. Take or agree to take any leasehold interest in or license over any real property.
17. Except where expressly contemplated by this agreement, 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.
18. Enter into any transaction or make any payment other than on an arm's length basis, for the benefit of the Company.
19. Enter into any partnership, joint venture or consortium agreement.

20. Make any gifts or charitable donations.



Schedule 6

Undertakings

1. The Company will take out and maintain insurances satisfactory to the Investor Majority and will on request supply any Investor with a schedule of such insurances.
2. The Company will 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 will only be taken up through the Company or a wholly-owned subsidiary.
4. The Company will comply with all applicable laws and regulations and maintain all required licenses and consents and will immediately notify the Investors if the Company loses any such license or consent.
5. Neither the Company nor the Founders will 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.
6. The Company has and will 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.

Schedule 7

Additional Claim limitations

1. Any Claim notified in accordance with clause 8.2 will (if not previously satisfied, settled or withdrawn) be deemed to have been irrevocably withdrawn nine months after the date on which notice of the relevant Claim was given (and no new Claim may be made in respect of the same facts) unless on or before that date, legal proceedings have been issued and served on the Warrantors (or any of them) in respect of the relevant Claim.
2. No liability of the Warrantors in respect of any breach of any Warranty will arise:
 - (a) if such breach occurs by reason of any matter which would not have arisen but for the coming into force of any legislation or regulation not in force at the Completion Date or by reason of any change to HMRC's practice occurring after the Completion Date;
 - (b) to the extent that such breach arises as a result of any change in the accounting bases or policies in accordance with which the Company or any Subsidiary values its assets or calculates its liabilities, or any other change in accounting practice from the treatment or application of the same used in preparing the Accounts, if any (save to the extent that such changes are required to correct errors, or because applicable generally accepted accounting principles have not been complied with);
 - (c) to the extent that any allowance, provision or reserve was specifically made in the Accounts (if any) or the Management Accounts (if any) in respect of the matter or circumstances giving rise to the breach;
 - (d) to the extent that the Company or any Subsidiary is compensated under a policy of insurance in respect of any matter or circumstance giving rise to the breach. The Warrantors' liability in respect of any resulting Claim will then be reduced by the amount recovered under such policy of insurance (less all reasonable costs, charges and expenses incurred by the Company or any Subsidiary in recovering that sum), or extinguished if the amount so recovered exceeds the amount of the Claim; or
 - (e) if the alleged breach is capable of remedy and is remedied to the reasonable satisfaction of the Investors within 30 days of the date on which the notice in clause 8.2 is received by the Warrantors and no Investor suffers any losses in connection with the alleged breach.
3. The Investors are not entitled to recover damages, or obtain payment, reimbursement, restitution or indemnity more than once in respect of the same loss, shortfall, damage, deficiency, breach or other event or circumstance.
4. Each Investor agrees that rescission or termination will not be available as a remedy

for any breach of this agreement and that the Investors will not be entitled to rescind or terminate this agreement at any time following Completion.

5. Nothing in this agreement will prejudice each Investor's duty under common law to mitigate any loss or liability which is the subject of a Claim.

