**SHAREHOLDERS AGREEMENT**

THIS AGREEMENT is made and entered into this \_\_\_ day of \_\_\_\_, 20, by and among Bydd, a \_\_\_\_\_\_ corporation (the "Company"), and the undersigned shareholders.

**1. SHAREHOLDERS AND SHARES OF COMMON STOCK**

The following individuals are shareholders of the company and hold the initial shares as follows, with additional shares subject to vesting as indicated:

CEO: 3.25%, vesting up to 32.5% over 4 years

COO: 3.25%, vesting up to 32.5% over 4 years

CFO: 2.5%, vesting up to 25% over 4 years

CTO: 1%, vesting up to 10% over 4 years

**2. VESTING**

The shares shall vest over a period of four (4) years, with a one (1) year cliff. Each founder will vest 25% of their total shares after one year, with the remaining shares vesting monthly in equal installments over the next three (3) years.

**3. RIGHT OF FIRST REFUSAL**

Before a shareholder may sell their shares, such shares must first be offered to the company and then to the other shareholders. If neither the company nor the other shareholders wish to purchase the shares, the shareholder may then sell the shares to the third party.

**4. VOTING RIGHTS**

Each shareholder shall have voting rights proportional to their vested shares.

**5. DECISION-MAKING AND VOTING**

**5.1 General Principles:** Business decisions shall be made collectively, aiming for consensus among the shareholders whenever possible.

**5.2 Voting Procedure:** If consensus on a decision cannot be reached, the matter will be put to an official vote. Voting power will be proportional to each shareholder's vested equity.

**5.3 Minimum Threshold for Voting:** Only shareholders holding a proportion of total vested equity over 5% of the vested equity in the company shall have voting rights in official votes.

**5.4 Majority Rule:** Unless otherwise stated in this agreement or mandated by law, decisions shall be made by a simple majority vote (i.e., more than 50% of the votes of the eligible voting equity).

**5.5 Voting Topics:** Topics for voting may include, but are not limited to, budget approval, hiring or termination of key executives, mergers and acquisitions, and changes to the company's bylaws.

**6. ACTIVE WORK CONTINGENCY**

The vesting of shares is contingent upon each shareholder’s active work in the company. "Active work" is hereby defined as:

**6.1 Attendance and participation in regular and special meetings:** All shareholders are required to attend regularly scheduled and special meetings as designated by the company. Unexcused absences may affect the vesting of shares.

**6.2 Regular reporting:** Shareholders are required to provide regular updates and reports to demonstrate ongoing commitment to their role and the company. These reports could include status updates on key projects, achievement of pre-determined milestones, or completion of specific tasks.

**6.3 Active engagement in key decision-making processes:** Shareholders should demonstrate active engagement in the strategic decision-making process of the company, contributing to the development and execution of the company’s strategies.

Failure to meet the "active work" requirements as defined above could result in a pause or cessation of the vesting of shares, to be determined at the discretion of the board of directors.

**7. DIVIDEND POLICY**

**7.1 General Policy:** Given the growth and reinvestment needs of the Company, it is generally expected that the Company will retain its earnings to finance the development and expansion of its business, and does not anticipate declaring or paying any cash dividends in the foreseeable future.

**7.2 Reevaluation of Policy:** The dividend policy will be reviewed periodically by the Board of Directors based on multiple factors, including but not limited to the Company’s financial condition, current and anticipated cash needs, and expansion plans.

**7.3 Declaration of Dividends**: Any future determination to declare cash dividends will be made at the discretion of the Board of Directors, subject to applicable laws, and will depend on the Company’s financial condition, results of operations, capital requirements, general business conditions, and other factors that the Board of Directors may deem relevant.

**8. GOVERNANCE**

**8.1 Board of Directors:** The company will be governed by a Board of Directors. The Board shall be responsible for the overall direction of the business, approval of annual budgets, and oversight of management.

**8.2 Board Composition:** The initial Board will be composed of the four co-founders. Additional board seats may be added as needed, for instance to represent significant investors or independent members.

**8.3 Meetings:** Board meetings will be held regularly, at intervals to be determined by the Board, and additionally as required. Meetings may be called by any Board member with reasonable notice.

**8.4 Voting:** Each director shall have voting power proportional to each board member's vested equity. Decisions by the Board will be made by majority vote unless otherwise specified in this agreement or required by law.

**8.5 Officers:** The Board of Directors shall appoint officers to manage the daily operations of the company. Initially, these officers will be the four co-founders in their respective roles as CEO, COO, CFO, and CTO.

CEO (Chief Executive Officer): Peter

* Vision and Strategy: Set the company's strategy and direction, including defining a clear mission and vision for the business.
* Building Culture: Build a high-performance and inclusive corporate culture that aligns with the company's values and goals.
* Team Building and Leadership: Assemble the team, which involves hiring key roles, managing them, and generally ensuring the team is functioning at its highest potential.
* Fundraising: Pitch to venture capitalists, angel investors, or banks to secure the necessary capital for business growth
* Networking and Partnerships: Build relationships with partners, stakeholders, and other important industry figures to foster collaboration and partnership opportunities.
* Communication: Serve as the primary spokesperson for the company, communicating the status, vision, and importance of the company to investors, the media, and the public.

CFO (Chief Financial Officer): Rohan

* Financial Planning and Strategy: Design and implement financial strategies, plans, and procedures, setting in place a financial plan that supports the company's business strategy.
* Financial Compliance: Oversee all fiscal and regulatory compliance related to the financial activities of the company.
* Budgeting and Cost Management: Develop budgets and manage all factors related to the company's expenses.
* Cash Flow Management: Monitor cash flow, predict cash needs, and work with the CEO on fundraising when necessary.
* Financial Reporting: Create and present financial reports and investment plans to the CEO, board members, and potential investors.
* Risk Management: Analyse and manage financial risks and investments to ensure the company's financial health.
* Fundraising: Utilise industry connections to get meetings with potential investors.
* Oversee investor relations

CTO (Chief Technology Officer): Yan

* Technology Vision and Leadership: Lead the company's technological development and set the strategic technological direction of the company.
* Product Development: Oversee all system design and changes in system architecture, ensuring the MVP is developed efficiently and effectively.
* Team Management: Hire and manage the engineering and tech team, providing them with guidance and direction.
* Technical Standards and Compliance: Establish technical standards and ensure the company adheres to them, managing tech-related compliance and quality assurance.
* Research and Development: Keep track of new tech trends, oversee research and development, and use new technologies to enhance the product or service.
* Vendor Management: Manage relationships with tech vendors and partners.

COO (Chief Operating Officer): Will

* Operations Management: Oversee the company's ongoing operations and procedures to ensure efficiency and effectiveness.
* Execution of Strategy: Execute the business strategy as defined by the CEO and board, ensuring it is cascaded and understood at all levels of the company.
* Process Design and Improvement: Design and implement business strategies, plans, and procedures.
* Team Management: Manage and lead employees to encourage maximum performance and dedication.
* Performance Management: Measure effectiveness and efficiency of operational processes both internally and externally and find ways to improve processes.
* Risk Management: Identify and address operational risks within the company.
* Human Resource Management.

This agreement will be governed by the laws of \_\_\_\_\_\_.

IN WITNESS WHEREOF, the parties have executed this Shareholders Agreement as of the day and year first above written.