

CO-FOUNDER AGREEMENT

VIRIDESCENCE LIMITED

DATE:

PARTIES

- 1 [INSERT] (Co-Founder)
- 2 VIRIDESCENCE LIMITED, company number RC 1527640 (Company)

BACKGROUND

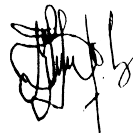
- ▲ The Co-Founder has become a shareholder of the Company with the expectation that he will make a material contribution to the establishment and development of the Company's business.
- ▲ The parties have agreed that the Company will have an option to repurchase some of the Co-Founder's Shares if the Co-Founder ceases to work for the Company or otherwise ceases to make the expected contribution to the Company's business during the term stated in Schedule 1.
- ▲ This Agreement sets out the terms of the Company's repurchase option.

SIGNED for and on behalf of)
VIRIDESCENCE LIMITED by:)

Signature of authorised signatory

Print full name of authorised
signatory

SIGNED by [INSERT NAME OF
INDIVIDUAL]:)
)



Signature

TERMS OF THIS AGREEMENT

1 INTERPRETATION

1.1 **Definitions:** In this Agreement the following words have the following meanings:

Definition	Meaning
Agreement	this agreement, including the Schedules.
Board	the board of the Company as constituted from time to time.
Business Day	Monday to Friday, other than any public holiday as declared by the Federal Republic of Nigeria.
Co-Founder's Shares	the total number of shares in the Company held by the Shareholder at the date of this Agreement, as set out in Schedule 1.
Exit Date	the date on which the Co-Founder ceases to work for the Company as referred to in clause 4.2a, or the date on which the Co-Founder is given notice under clause 3.4.
Expected Contribution	the contribution that the Co-Founder is expected to make to the business of the Company during the Term as set out in Schedule 1.
Shareholder	the Co-Founder.
Purchase Price	the price originally paid by the Co-Founder for the number of Shares purchased by the Company on the exercise of its repurchase option, as set out in Schedule 1. If the original purchase price paid by the Co-Founder was nil or only nominal consideration, the Purchase Price will be ₦1.
Term	the term set out in Schedule 1.
Unvested Shares	the number of Co-Founder's Shares that are subject to the Company's repurchase option on the date of exercise of that option, calculated in accordance with clause 4.3 and Schedule 1.

1.2 Interpretation:

- a a reference to:
 - i a **clause** or a **Schedule** is to a clause in or a schedule to this Agreement;
 - ii a **person** includes a body corporate, an association of persons (whether corporate or not), a trust, governmental or other regulatory body, authority or entity, in each case whether or not having a separate legal personality;
 - iii **including** and similar words do not imply any limitation;
 - iv a **statute** includes references to that statute as amended or replaced from time to time;
 - v a **party** is a reference to a party to this Agreement, and includes that party's permitted assigns;
 - vi ~~₦~~ or **naira** is to Nigeria currency; and
 - vii **he** also refers to **she** and vice versa;
- b the **headings** in this Agreement are for convenience only and have no legal effect; and
- c the **singular** includes the plural and vice versa.

2 CONSIDERATION AND TERM

- 2.1 **Consideration:** The Company agrees to pay to each of the Co-Founder and the Shareholder ₦1 on demand in consideration for their entry into this Agreement (including the grant of the repurchase option to the Company in clause 4.2).
- 2.2 **Term:** This Agreement may be terminated by the agreement in writing of all parties to it, and if not terminated prior will expire at the end of the Term.

3 EXPECTED CONTRIBUTION

- 3.1 **Contribution:** It is intended that the Co-Founder will make the expected contributions stated in Schedule 1, including performing any roles and tasks specified in that Schedule as being the responsibility of the Co-Founder.
- 3.2 **Nature of role:** The manner in which the Co-Founder is engaged by the Company (e.g. as an employee or contractor) to perform the roles and tasks required of him or her and the

remuneration payable will be as separately agreed between the Board and the Co-Founder.

3.3 Project-Related Intellectual Property: “Project IP” means:

- a. contributions and inventions, discoveries, creations, developments, improvements, works of authorship and ideas (however formed or unformed, whether or not protectable under patent, copyright, or other legal theory) of any kind that are conceived, created, developed or reduced to practice by any Founder, alone or with others, while such Founder is a member of, or provides services to, the Company, regardless of whether they are conceived or made during regular working hours or at the Company’s place of work, that are directly or indirectly related to the Project, result from tasks assigned to a Founder by the Company, or are conceived or made with the use of the Company’s resources, facilities or materials; and
- b. any and all patents, patent applications, copyrights, trade secrets, trademarks (whether or not registered), domain names and other intellectual property rights, worldwide, with respect to any of the foregoing.
- c. The term “Project IP” does not include any inventions developed by a Founder entirely on such Founder’s own time, without using any Company equipment, supplies, facilities or trade secret information, unless the invention related to the Project at the time of the invention’s conception or reduction to practice.
- d. Each Founder hereby irrevocably assigns to the Company all right, title, and interest in and to all Project IP owned by such Founder. Each Founder agrees (i) to assist the Company from time to time with signing and filing any written documents of assignment that are necessary or expedient to evidence such Founder’s irrevocable assignment of Project IP to the Company; and (ii) to assist the Company in applying for, maintaining, and filing any renewals with respect to Project IP anywhere in the world, in each case at the Company’s expense.

3.4 Failure to contribute: If the Board considers that the Co-Founder has failed to make the Expected Contribution in one or more material respects, the Company may give notice to the Co-Founder providing details of the shortfall in contribution. The Co-Founder may respond within five Business Days of receipt of the notice under this clause either accepting the matters stated in the notice and proposing remedial action that he will take to remedy those matters, or setting out the reasons why he disagrees with the matters stated in the notice.

3.5 **Board decision:** If the Board:

- a is satisfied with the remedial action proposed by the Co-Founder in response to the Company's notice or is satisfied based on the reasons provided by the Co-Founder that there was not a shortfall in contribution, the Company must withdraw the notice given under clause 3.4; or
- b is not satisfied with the remedial action proposed or continues to consider that the Co-Founder has failed to make the Expected Contribution in one or more material respects, the Company may give the Co-Founder a further notice stating that he has failed to make the Expected Contribution and that the Company intends to exercise its repurchase option under clause 4.2.

3.6 **Co-Founder may dispute:** If the Co-Founder receives a notice from the Company under clause 3.5b, he may, by giving notice to the Company within 10 Business Days of the date of the Company's notice, dispute the Board's decision and require the matter to be referred for determination by an expert under clause 5.

4 **VESTING AND REPURCHASE OPTION**

- 4.1 **Vesting:** The initial percentage of the Co-Founder's Shares that are Unvested (and are accordingly subject to the Company's repurchase option) is specified in Schedule 1. This percentage will reduce on a monthly basis from the start of the vesting period specified in Schedule 1 to the end of the Term, in the monthly amounts specified in that Schedule.
- 4.2 **Option:** The Company has an option to repurchase the Unvested Shares for the Purchase Price if:
 - a the Co-Founder ceases to work for the Company for any reason, including due to the death or disability of the Co-Founder; or
 - b the Company gives notice to the Co-Founder in accordance with clause 3.5b that he has failed to make the Expected Contribution and the Company intends to exercise its repurchase option.
- 4.3 **Exercise of option:** The Company may exercise a repurchase option arising under clause 4.2 by giving notice of exercise to the Co-Founder no later than 60 Business Days after the Exit Date, stating the number of shares to which it applies (which may be some or all of the Unvested Shares). Upon that notice being given, the Company will become the legal and beneficial owner of the number of Co-Founder's Shares the subject of the notice, and the

Company may transfer those shares into its own name and immediately cancel them without further action by the Shareholder.

4.4 Accelerated vesting: If:

- a the Company enters into a listing agreement with the Nigeria Stock Exchange, or other national stock exchange of similar or better standing;
- b the Company with the approval of the shareholders of the Company enters into a binding agreement with a third party (or a group of associated third parties) on arms length terms under which the third party is to acquire (other than by way of a subscription for new shares) 50% or more of the voting shares of the Company, and that agreement becomes unconditional;
- c the Company enters into a binding agreement to dispose of assets comprising more than half the value of the Company's assets, and the shareholders of the Company approve the disposition of those assets; or
- d the Company resolves to amalgamate with any other company (whether or not it is the continuing company), in a transaction that is in substance the same as those in b and c above,

the Company's repurchase option in clause 4.2 will lapse.

4.5 Adjustments: If there is any bonus issue, consolidation or subdivision of any shares in the Company or any reduction or cancellation of share capital (or any similar reorganisation of the capital of the Company), the number of Unvested Shares and the Purchase Price will be adjusted by the Board to ensure that the effect of the Company's repurchase option remains the same.

4.6 Agreement of entitled person: This clause is an agreement of the Shareholder as an entitled person to any share purchase made by the Company under this Agreement. The parties agree that the pre-emptive rights and other share transfer provisions do not apply to any share purchase made by the Company under this Agreement.

5 EXPERT DETERMINATION

If a notice is given by the Co-Founder in accordance with clause 3.5, the following procedure applies:

- a an independent expert will be appointed by agreement of the parties;

- b the role of the expert will be to decide whether or not the Co-Founder failed to make the expected contribution to the Company in one or more material respects;
- c in reaching his or her decision, the expert must have regard to a single set of written submissions from the Company and from the Co-Founder;
- d the Company and the Co-Founder must each provide the expert with any assistance that the expert may request to issue his or her opinion;
- e the expert must not act as a mediator or arbitrator and the Arbitration and Conciliation Act 2004 does not apply;
- f unless otherwise specified by the expert, the expert's fees must be borne equally between the Company and the Co-Founder; and
- g (in the absence of manifest error) the expert's decision is final and binding on the parties.

5.2 **Effect of decision:** If the expert's decision is that the Co-Founder failed to make the expected contribution to the Company in one or more material respects, the Company may exercise its repurchase option as if the Co-Founder was given notice under clause 3.5b on the date of the expert's determination being given. If the expert finds that the Co-Founder did not fail to make the expected contribution, the Company's notice given under clause 3.5b will be of no effect and the Company may not give another notice under clause 3.4 in respect of the same matter.

6 SHARE TRANSFERS

Unless the Board approves otherwise by unanimous resolution, the Shareholder must not transfer any Co-Founder's Shares while the Company retains an option to purchase any of those shares under this Agreement.

7 RECEIPT OF DOCUMENTS BY ELECTRONIC MEANS

The Shareholder notifies the Company that:

- a it wishes to receive by electronic means all notices, statements, reports, accounts and other documents to be sent to shareholders of the Company; and
- b the email address to send those documents to is the email address of the Shareholder listed in Schedule 2, or as otherwise notified to the Company in writing.

8 MISCELLANEOUS PROVISIONS

- 8.1 **Board Membership:** The co-founder shall sit on the Board of the Company and serves as a member of the Board as may be constituted from time to time provided he retains 75% of his initial shares issued on incorporation and subject to this Agreement.
- 8.2 **Management Team:** The co-founder shall be a member of the Management Team as may be constituted from time to time to effectively discharge the co-founder's Expected Contribution contained in Schedule 1 of this Agreement subject to clause 3.4 and clause 4.2 of this Agreement.
- 8.3 **Management Decision Making:** The Management decision shall be through Consensus; where Consensus cannot be reached, the Management decision shall be through Simple Majority vote of members present at the meeting; where Simple Majority vote cannot be achieved, the Management decision shall be through Simple Major Share vote of members present at the meeting.
- 8.4 **Reporting:** The co-founder shall give proper and detailed report of his activities and those of his department at the Management meeting to be held at an agreed specific period not less than ones in a fortnight.

9 GENERAL

- 9.1 **Confidentiality:** Each party must keep this Agreement, its terms and information it receives about the Company and its business in connection with this Agreement (**Confidential Information**) confidential, and must not use or disclose that Confidential
- 9.2 Information without the prior written consent of the other parties except to the extent that:
- a disclosure is required by law;
 - b the relevant information is already in the public domain;
 - c it is reasonably required to obtain professional advice; or
 - d it is reasonably necessary in connection with any proposed:
 - ▲ financing of that party;
 - ▲ sale of that party's interest in the Company; or
 - ▲ sale of all or part of the business of, or the shares in, that party,

and the party receiving the Confidential Information has entered into confidentiality undertakings substantially the same as those set out in this clause.

- 9.3 **Notices:** All notices and communications given under this Agreement must be in writing and will be delivered personally, sent by post or sent by email, to the address or email address set out in Schedule 2 (or at such other address as notified from time to time by the party changing its address).
- 9.4 **Time of service:** Any notice given under this Agreement will be deemed to be validly given:
- a in the case of delivery, when received;
 - b in the case of posting, on the second day following the date of posting; or
 - c if emailed, one hour after the email is sent unless a return mail is received by the sender within that one hour period stating that the addressee's email address is wrong or that the message cannot be delivered,
- provided that any notice received after 5pm on a Business Day or on any day that is not a Business Day will be deemed to have been received on the next Business Day.
- 9.5 **Entire agreement:** This Agreement contains all of the terms agreed between the parties relating to the matters dealt with in this Agreement and supersedes and cancels all prior discussions and agreements covering the subject matter of this Agreement. The parties have not relied on any representation, warranty or agreement relating to the matters dealt with in this Agreement that is not expressly set out in this Agreement, and no such representation, warranty or agreement has any effect from the date of this Agreement.
- 9.6 **Further assurances:** The parties must each sign all further documents and do all other things as the Board considers necessary or desirable to give effect to this Agreement.
- 9.7 **Amendments:** This Agreement may only be amended by agreement of the parties in writing.
- 9.8 **Waiver:** No exercise or failure to exercise or delay in exercising any right or remedy will constitute a waiver by that party of that or any other right or remedy available to it.
- 9.9 **No partnership:** Nothing contained in this Agreement will be deemed or construed to constitute any party to be a partner, agent or representative of any other party, or to create any trust or commercial partnership.

- 9.10 **No assignment:** No party may assign any of its rights or obligations under this Agreement without the prior written consent of the other parties.
- 9.11 **Costs:** Except as otherwise provided in this Agreement, the parties will meet their own costs relating to the negotiation, preparation and implementation of this Agreement.
- 9.12 **Partial invalidity:** If any provision of this Agreement becomes invalid or unenforceable to any extent, the remainder of this Agreement and its application will not be affected and will remain enforceable to the greatest extent permitted by law.
- 9.13 **Signature:** This Agreement may be executed in two or more counterparts, each of which is deemed an original and all of which constitute the same Agreement. A party may enter into this Agreement by signing and sending (including by email) a counterpart copy to each other party.
- 9.14 **Governing law and jurisdiction:** This Agreement will be governed by Nigeria law, and the parties submit to the non-exclusive jurisdiction of the Nigeria courts.

SCHEDULE 1

1 Term

2 Purchase Price

3 Expected Contribution

[Insert the contribution the Co-Founder is expected to make to the business of the Company during the Term]

4 Co-Founder's Shares

Total number of Co-Founder's Shares:	<i>[Insert total number of shares in the Company held by the Shareholder at the date of this Agreement]</i>
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5 Co-Founder's Shares subject to repurchase option

Unvested Shares (% of Co-Founder's Shares subject to repurchase option):	<i>[Insert]%</i>
Start of the vesting period:	The vesting period starts on <i>[the date of this Agreement]</i>
Monthly reduction in the number of Unvested Shares:	<i>[x% of the Co-Founder's Shares per month until the end of the Term]</i>

SCHEDULE 2

Details for Notices

[INSERT NAME OF CO-FOUNDER]	
Contact name	Yusuf Taoheed Abiodun
Address (physical address & PO Box)	Adjacent Model School, Oke-fomo, Ilorin, Kwara state
Email address	yustaoab@gmail.com

[INSERT NAME OF SHAREHOLDER]	
Contact name	
Company	
Address (physical address & PO Box)	
Email address	

[INSERT NAME OF COMPANY]	
Contact name	
Company	
Address (physical address & PO Box)	
Email address	