**DATED 2023**

1. **THE FOUNDERS**
2. **THE MANAGERS**
3. **IMPERIAL COLLEGE INNOVATIONS LIMITED**
4. **[ COMPANY ] LIMITED**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**SHAREHOLDERS AGREEMENT**

**RELATING TO**

**[ COMPANY ] LIMITED**

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**THIS AGREEMENT** is made on 2023

**BETWEEN:**

1. **THE FOUNDERS** whose names and addresses areset out in Part 1 of Schedule 2;

(2) **THE MANAGERS** whose names and addresses areset out in Part 2 of Schedule 2;

(3) **IMPERIAL COLLEGE INNOVATIONS LIMITED** (registration number 03918307) whose registered office is at Level 1 Faculty Building, C/O Imperial College, Exhibition Road, London, SW7 2AZ, United Kingdom (“**Imperial College**”); and

(4) **[ COMPANY ] LIMITED** (registered number [ number ]) whose registered office is at [ ] (the “**Company**”).

**BACKGROUND**

(A) The Company is a private company limited by shares incorporated on [ DATE ] in England under the provisions of the 2006 Act. Details of the Company are set out in Schedule 1.

(B) The Parties are entering into this Agreement to regulate the operation and management of the Company and the relationship between the Company's shareholders and Imperial College.

**OPERATIVE PROVISIONS**

# **INTERPRETATION**

## In this Agreement, unless the context otherwise requires:

|  |  |
| --- | --- |
| **“2006 Act”** | means the Companies Act 2006; |
| **“Articles”** | means the articles of association of the Company as subsequently amended and adopted from time to time; |
| **“Associated Company”** | means, in relation to a company, any holding company, subsidiary, subsidiary undertaking or any other subsidiaries or subsidiary undertakings of any such holding company; |
| **“Auditors”** | means the auditors of the Company from time to time; |
| **“Board”** | means the board of Directors of the Company from time to time; |
| **“Budget”** | means the annual budget of the Company (as from time to time amended and updated in accordance with the terms of this Agreement); |
| **“Business”** | means the business of [ ... ], as more fully described in the Business Plan and in accordance with this Agreement; |
| **“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 of the Company attached as Schedule 6 hereto (as amended and updated from time to time in accordance with the terms of this Agreement); |
| **“Claim”****[ “Clawback Letters”** | means any claim for breach of any of the Warranties;means clawback letters executed by each of [ NAME ] and [ NAME ] dated [ DATE ] ] |
| **“Completion”** | means completion of this Agreement in accordance with Clause 3; |
| **“Connected Person”** | means: (a) in relation to an individual, that individual's spouse, or former spouse, children, parents and siblings;(b) in relation to a trustee of trust, a settlor of that trust, or a person who would otherwise be connected with such a person;(c) in relation to a company, another company controlled by the same person or persons connected with them or a person who has control of that company on their own or together with persons connected with them and for the purposes of this definition, the term “control” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise; |
|  |  |
|  |  |
| **“Deed of Adherence”** | means the deed under which a person agrees to be bound by the terms of this Agreement in substantially the form set out in Schedule 4; |
| **“Director(s)”** | means a director or the directors of the Company from time to time; |
| **“Disclose” or “Disclosed”** | means any matter, fact or circumstance fairly disclosed by the Warrantors to Imperial College in or under the Disclosure Schedule; |
| **“Disclosure Schedule”** | means the disclosure schedule (together with the bundle of documents attached to it) relating to the Warranties from the Warrantors to Imperial College as set out in Schedule 5; |
| **“Employee Share Scheme”** | means any scheme to allot Ordinary Shares or allot or grant options over Ordinary Shares adopted from time to time by the Company or any other share based bonus or profit-sharing arrangement or scheme for the incentivisation or retention of employees of the Company; |
| **“Encumbrance”** | means any claim, charge, mortgage, security, lien, option, equity, power of sale, hypothecation or other third party rights, retention of title, right of pre-emption, right of first refusal or security interest of any kind; |
| **“Exit Event”** | means either an IPO or a Share Sale; |
| **“Fair Value”** | means the “Fair Value” of the relevant Shares as defined in and calculated in accordance with the Articles;  |
| **“Founders”** | means the individuals listed in Part 1 of Schedule 2; |
| **“Group”** | means the Company and any of its Subsidiaries from time to time and “**Group Company**” means any one of them; |
| **“holding company”** | has the meaning given to that term in the 2006 Act; |
| **“Imperial College London”** | means Imperial College of Science, Technology and Medicine, a Royal Charter Company registered with company number RC000231; |
| **“Imperial College Group”** | means: (a) Imperial College;(b) Imperial College London; or(c) any body corporate which is a subsidiary or holding company of Imperial College or Imperial College London, or a subsidiary of such a holding company (excluding in each case any other spin-out or investee company); or(d) any body corporate, partnership or fund which is principally engaged in the holding or management of investments for the benefit of one or more of the persons listed in paragraphs (a) and (b) above and/or their employees; |
| **“Intellectual Property Rights”** | means all rights in and in relation to any patent, patent applications, know-how, trade mark, trade mark application, trade name, registered design, copyright or other similar or analogous intellectual, industrial or commercial right, and all extensions and renewals thereof in any part of the world and any documents, records, tapes, disks and any other materials recording or containing Intellectual Property Rights in respect thereof; |
| **“IP Licence”** | means the intellectual property licence agreement between Imperial College Innovations Limited and the Company dated on or shortly before the date of this Agreement; |
| **“IPO”** | has the meaning given to that term in the Company’s Articles;  |
| **“ITEPA”****“Managers”** | means the Income Tax (Earnings and Pensions) Act 2003;means the individuals listed in Part 2 of Schedule 2; |
| **“Observer”** | means any observer appointed on the basis described in Clauses 7.4 or 7.5; |
| **“Ordinary Shares”** | means the ordinary shares of [£0.00001] each in the capital of the Company; |
| **“Parties”** | means the parties to this Agreement, or any of them, as the context may require and shall include any person becoming a party to this Agreement by virtue of the execution of a Deed of Adherence in accordance with the terms of this Agreement and a reference to a Party shall be a reference to any one of them, as the context requires; |
| **“Permitted Transferee”** | means a person to whom any Share may be transferred in accordance with the provisions of Article 10 of the Articles; |
| **“Recognised Investment Exchange”** | means a recognised investment exchange as defined by section 285 of the Financial Services and Markets Act 2000 together with (whether or not falling within such definition) the Official List of the London Stock Exchange plc, the AIM market of the London Stock Exchange plc and NASDAQ); |
| **“Relevant Imperial Connection”** | means an individual who is a current, former or prospective employee of Imperial or any company or entity within the same group as Imperial;  |
| **“Restricted Persons”** | means the Founders and the Managers;  |
| **“Shareholder”** | means a holder of any Shares or any other shares in the capital of the Company from time to time; |
| **“Shareholder Consent”** | means the prior written consent of Shareholders who together hold 75% or more of the issued share capital of the Company; |
| **“Shares”**  | means the Ordinary Shares, the T Ordinary Shares and any other shares in the capital of the Company from time to time; |
| **“Share Sale”** | has the meaning given to that term in the Articles; |
| **“SSCBA”** | means the Social Security Contributions and Benefits Act 1992;  |
| **“subsidiary”** | has the meaning given to that term in the 2006 Act;  |
| **“Tax”** | means all forms of taxation, duties, imposts, levies and rates whenever created or imposed and whether of the United Kingdom or elsewhere and all penalties and interest payable in respect thereof; |
| **“Technology”** | means the intellectual property described in the Business Plan and/or the IP Licence; |
| **“Warranties”** | means the warranties set out in Schedule 3 and “**Warranty**”has the corresponding meaning;  |
| **“Warrantors”** | means the Company and each of the Founders; and  |
| “**T Ordinary Shares**”  | means the T ordinary shares of £[0.00001] each in the capital of the Company to be issued to Imperial College and, if any, the research funding body or bodies entitled to participate in the Company’s initial equity. |

## References in this Agreement to any statutory provisions shall be construed as references to those provisions as respectively amended consolidated or re-enacted (whether before or after the date of this Agreement) from time to time and shall include any provisions of which they are consolidations or re-enactments (whether with or without amendment) provided no such amendment, consolidation or re-enactment shall operate to increase the liability of any Party under this Agreement.

## In this Agreement:

### the masculine gender shall include the feminine and neuter and the singular number shall include the plural and vice versa;

### references to persons shall include bodies corporate, unincorporated associations and partnerships;

### except where the contrary is stated, any reference in this Agreement to a Clause or Schedule is to a Clause of or Schedule to this Agreement, and any reference within a Clause or Schedule to a sub-Clause, paragraph or other sub-division is a reference to such sub-Clause, paragraph or other sub-division so numbered or lettered in that Clause or Schedule; and

### unless expressly provided otherwise in this Agreement the liability of the Founders for their obligations under this Agreement shall be several and extend only to any loss or damage arising out of their own breach.

## The headings in this Agreement are inserted for convenience only and shall not affect the construction of the provisions to which they relate.

# **PURPOSES OF THE COMPANY**

The Parties agree that, without prejudice to the rights of the Board to determine otherwise from time to time in accordance with the terms of this Agreement, the primary object and purpose of the Company shall be to carry on the Business in the manner contemplated by the Business Plan and otherwise in accordance with this Agreement.

# **COMPLETION**

## Completion shall take place immediately following execution of this Agreement by all the Parties to it, at the London offices of Imperial College or at such other time and place as the Parties may agree or as shall be determined pursuant to Clause 3.3.

## At Completion:

### the Company shall cause Board and Shareholders’ meetings of the Company (as appropriate) to be duly convened and held at which resolutions shall be passed, or written resolutions to be passed, to effect the following:

#### the adoption of the Articles;

#### approving the execution of this Agreement;

#### appointing [ NAME ] and [ NAME ] as directors of the Company;

#### [ approving the execution of consultancy agreements between the Company and each of [ ] ]; and

#### approving the execution of non-executive director appointment letters between the Company and each of [ NAME ], [ NAME ] and [ NAME ];

## No Party shall be obliged to complete any of the transactions or do any of the things referred to in Clause 3.2 unless all other transactions and things are completed in accordance with Clause 3.2. If any Party shall default in the performance of its obligations, the non-defaulting Parties shall, at their option (and without prejudice to any rights which they may have in respect of such default) determine to fix another time for Completion or that all Parties shall cease to be liable to perform their obligations under Clause 3.2.

## The Parties irrevocably waive any rights of pre-emption which they may have under the Articles, any previous articles of association of the Company or otherwise which are inconsistent with the provisions of Clause 3.2, or any of the transactions contemplated by it.

## As soon as practicable following Completion (and in any event within the time limit prescribed by statute), the Board shall procure that the Company's books and records are updated and arrange for the filing of all requisite forms and returns at the Registrar of Companies in connection with the passing of the resolutions set out at Clause 3.2.

## Within ten Business Days following Completion, the Company shall, and the Board shall procure that the Company shall, deliver to Imperial College a share certificate in respect of the [●] Ordinary Shares subscribed by it on or around the date hereof, such share certificate to be executed by way of a 'wet ink' signature in hard copy or via a digital, legally auditable medium (such as 'DocuSign').

## The Company shall ensure that each Group Company at all times maintains insurance with a well established and reputable insurer against all the risks against which it is normal or prudent for companies in the position of such Group Company to insure (including, without limitation, public and employers liability, product liability and third party liability).

# **WARRANTIES**

## The Warrantors severally warrant to Imperial College that so far as they are each aware, and save as Disclosed, each of the Warranties is true and accurate in all respects as at the date of this Agreement.

## Each of the Warranties shall be construed as a separate and independent warranty and (save where expressly provided to the contrary) shall not be limited or restricted by reference to or inference from any other term of this Agreement or any other Warranty.

## Each of the Warrantors shall, as soon as reasonably practicable by notice in writing to Imperial College and the Board, disclose (with sufficient details to identify the nature and scope of the matter disclosed) anything which they are actually aware gives grounds for a Claim by Imperial College under this Clause 4.

## The rights and remedies of Imperial College in respect of any Claim shall continue to subsist notwithstanding Completion.

## Each of the Warrantors hereby waives any and all claims which any of them might otherwise have in respect of any misrepresentation, inaccuracy in or omission from any information or advice supplied or given by the Company or its officers, employees or advisers to enable them to give the Warranties.

## The limitations on liability set out in Clause 5 shall apply in respect of the liability of the Warrantors in respect of all Claims provided that no provision of Clause 5 shall apply to limit or exclude the liability of any particular Warrantor in circumstances of fraud or dishonesty by such Warrantor.

## Where any statement in the Warranties is qualified by reference to the knowledge, awareness or belief of the Warrantors, the Warrantors shall (in addition to their actual awareness) be deemed to be aware of all matters which they would have known (or in the case of the Company, that the Board would have known) if they had made reasonable enquiry.

## Subject to Clause 5.1, if any deduction or withholding is required by law to be made from any sum payable by the Warrantors pursuant to any Claim, each of the Warrantors shall be obliged to pay to Imperial College such sum as will, after the deduction or withholding has been made, leave Imperial College with the same amount as Imperial College would have been entitled to receive in the absence of any such requirement to make a deduction or withholding.

## If any sum paid to Imperial College pursuant to any Claim is or will be chargeable to Tax the Warrantors shall be obliged to pay such further sums as will, after payment of the Tax, leave a sum equal to the amount that would otherwise have been payable if Tax had not been so chargeable.

# **LIMITS ON LIABILITY**

## The liability of the Warrantors under this Agreement shall be limited as follows:

### the maximum aggregate liability of the Warrantors to Imperial College in respect of the aggregate of all Claims shall not exceed £50,000;

### the maximum liability of each of the Warrantors in respect of the aggregate of all Claims shall not exceed in the case of:

#### the Company, [ £XXXX ];

#### [ NAME ], [ £XXXX ];

#### [ NAME ], [ £XXXX ];

#### [ NAME ], [ £XXXX ]; and

####

### no liability shall arise in respect of any Claim unless the amount of such liability exceeds £5,000.

### the liability of each Warrantor in respect of any Claim is limited to their proportionate share of the aggregate liability based on their relative holding of the entire share capital held by them in the Company immediately following Completion (excluding for the avoidance of doubt the Shares held by Imperial College).

## Imperial College may not bring any Claim unless written notice of the Claim shall have been given to the Warrantors accompanied by reasonable particulars of the Claim on or before the first anniversary of Completion and legal proceedings have been both issued and served in respect of such Claim on all relevant Warrantors within six months of the date of such written notice.

## The Warrantors shall not be liable and no Claim or Claims shall be made against them to the extent it arises as a consequence of or in connection with any matter fact or circumstance which is Disclosed.

## The Warrantors shall not be liable and no Claim or Claims shall be made against them to the extent that it arises as a consequence of:

### any change in the law enacted after the date hereof; or

### any change in any established practice of a governmental department, agency or regulatory body (including HM Revenue & Customs) or change in applicable accounting standards occurring after the date hereof; or

### the retrospective imposition of Tax as a consequence of any change in law or binding practice enacted after the date hereof.

## In no circumstances shall Imperial College be entitled to recover or obtain compensation, nor shall the Warrantors be liable, more than once in respect of the same loss or Claim.

## If any Claim is based upon a liability which is contingent only, the Warrantors shall not be liable unless and until such contingent liability becomes an actual liability provided that the limitations of time set out in Clause 5.2 shall not apply to such an actual liability arising from a Claim for a contingent liability, so long as the Claim for the contingent liability arose within the time limits set out in Clause 5.2.

# **ISSUE, TRANSFER AND CHARGING OF SHARES**

## Notwithstanding any other provision of this Agreement or the Articles, the Shareholders shall not, during the period of two years commencing on the date of this Agreement, assign, transfer, mortgage, charge, pledge or otherwise dispose of or encumber in any manner whatsoever and whether in whole or in part their legal or beneficial interest in their shares in the capital of the Company or any right or obligation under this Agreement or the Articles or any other right or obligation as a member of the Company except in the following circumstances:

##

### on an Exit Event;

### with Shareholder Consent; or

### [ pursuant to the Clawback Letters; or ]

### pursuant to Articles 10 (Permitted Transfers) 13 (Compulsory Transfers – General, 14 (Compulsory Transfers – Employees), 15 (Mandatory Offer on a Change of Control), 16 (Co-Sale) and 17 (Drag Along) of the Articles.

# **DIRECTORS AND OBSERVERS**

## The Board shall be responsible for the management of the affairs of the Company and shall have the power to exercise all of the powers of the Company. Subject to Clause 9, all decisions relating to the business and affairs of the Company shall be decided by a simple majority of Directors present at a duly convened and quorate meeting of the Board in accordance with Clause 8. The initial Board shall comprise [ NAME ], [ NAME ], [ NAME ], and [ NAME ],

## For so long as Imperial College has the right to appoint an Observer pursuant to Clause 7.4, the Company shall send to Imperial College, notwithstanding whether an Observer has been appointed pursuant to Clause 7.4, and its Observer, if one has been appointed pursuant to Clause 7.4, copies of all Board and committee papers at the same time as they are sent to the Directors or the members of the relevant committee. For so long as Imperial College has the right to appoint an Observer pursuant to Clause 7.4, the Company shall also send notice of all meetings of the Board or any committee of the Board to Imperial College.

## Each Director shall be entitled to appoint an alternate to attend and vote at meetings of the Board.

## For so long as Imperial College and/or its Permitted Transferees holds any of the issued share capital of the Company it shall have the right to appoint an Observer and to remove such Observer for any reason and nominate another person in place of such removed Observer. Any such Observer shall be entitled to receive notice of and attend, but not vote at, any meeting of the Board or any committee of the Board as an Observer.

## For so long as any Founder and/or their Permitted Transferees holds at least [ NUMBER ]% of the issued share capital of the Company such Founder shall have the right to appoint an Observer and to remove such Observer for any reason and nominate another person in place of such removed Observer. Any such Observer shall be entitled to receive notice of and attend, but not vote at, any meeting of the Board or any committee of the Board as an Observer.

## Imperial College or the relevant Founder (as the case may be) shall give notice to the Board of the name of any person it/he/she (as applicable) nominates for appointment under Clause 7.4 or Clause 7.5(as the case may be) and the intended date of appointment as far in advance of the intended date of appointment as is reasonably practicable.

## Unless and until the Company shall otherwise determine by special resolution of its Shareholders, the number of Directors shall be not less than [ NUMBER ] and shall not be more than [ NUMBER ].

# **PROCEEDINGS OF THE BOARD**

## No business shall be transacted at any meeting of the Board (including, for the avoidance of doubt, any adjourned meeting) unless a quorum is present. The quorum at a Board meeting shall be over 50% of the appointed Directors of the Company present at the time when the relevant business is transacted. If a quorum is not present within half an hour of the time fixed for any such meeting, or if during a meeting such quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or at such later time and place as determined by the Directors present at such meeting. If a quorum is not present within half an hour from the time appointed for such adjourned meeting, the persons present shall be deemed to form a quorum for the purposes of such adjourned meeting. A person who holds office only as an alternate Director shall, if their appointor is not present, be counted in the quorum.

## Unless otherwise so agreed by the Board, meetings of the Board shall be held in the United Kingdom and at least six Board meetings will be held in each calendar year.

## Not less than 5 Business Days’ notice of each meeting of the Board specifying the date, time and place of the meeting and the business to be transacted at it shall be given to all Directors and Observers. If a lesser period of notice is given, this shall not invalidate proceedings if each Director and Observer waives the failure to give proper notice. Unless all Directors otherwise agree no business shall be transacted at any meeting of the Board save for that specified in notice covering the meeting.

## The following provisions shall apply to all meetings of the Board;

### each notice of a Board meeting shall:

#### specify a reasonably detailed agenda;

#### be accompanied by any relevant papers; and

#### if sent less than 5 Business Days before the date of the meeting, be sent by courier or electronic mail (“email”);

### Board meetings shall be chaired by the Chairperson. If the Chairperson is absent from any Board meeting, the Directors present may appoint any one of their number to act as Chairperson for the meeting;

### at any Board meeting every Director shall have one vote. Any alternate appointed by a Director pursuant to Clause 7.3 shall be entitled to exercise the votes of any Director to whom they are an alternate who is not present;

### subject to Clause 9, all business arising at any Board meeting shall be determined by resolution passed by a simple majority of Directors present. The Chairperson shall not be entitled to a second or casting vote;

### any Director may vote on a matter and be taken into account for the purposes of a quorum even if they are interested in that matter except that no Director may vote on any matter relating to their appointment, their remuneration or the other terms and conditions of their employment or their participation in any Employee Share Scheme; and

### within 10 Business Days of each Board meeting, the company secretary or equivalent of the Company will prepare and submit to the Board a written report of the business conducted at that meeting.

## Subject to Clause 9, the Board may constitute committees of Directors. The voting and quorum for Board committee meetings shall be the same as for Board meetings.

## Once the Company has sufficient revenues (as determined by a resolution of the Board, acting in its sole discretion) or has completed its first equity fundraising after the date of this Agreement and subject to the agreement of the Board, the Directors shall be entitled to be reimbursed for their reasonable out of pocket expenses (including travel, accommodation and subsistence costs) incurred when engaged in their duties as Directors or otherwise on behalf of the business of the Company. In addition, following such date, non-executive Directors shall have the right to charge the Company a reasonable fee (which may be a mixture of cash and equity) in respect of their services provided that the exact remuneration paid to each such Director shall be subject to the prior approval of the Board.

# **MATTERS REQUIRING SHAREHOLDER CONSENT / BOARD APPROVAL**

## Save in accordance with this Agreement, the Company shall not do any of the following, and the Parties shall exercise their voting and other rights in respect of the Company (whether under this Agreement or otherwise) so far as they are able in order to procure that none of the following shall occur in relation to the Company, without Shareholder Consent and Board approval:

### the alteration of the Articles, or the modification of any of the rights attached to any shares in the capital of the Company;

### the making of any material change to the Business Plan and/or any other change to the nature of the business of the Company as set out in the Business Plan;

### the entering into of any transaction or agreement that is not in the ordinary course of business (as ascertained by reference to the Business Plan) and/or on an arm’s-length basis;

### the creation, allotment or issue of any shares or other securities or the grant or agreement to grant of any option (whether under the Employee Share Scheme or otherwise) over any shares or any other securities or the acceptance of any obligations convertible into shares in the capital of the Company or other securities;

### the making of any loan or advance by the Company to any person in excess of £10,000;

### the entering into or giving or permitting or suffering to subsist of any guarantee of the due payment of money or performance of any contract, engagement or obligation of, or the entering into of any indemnity with any other person other than in the normal course of business (as ascertained by reference to the Business Plan);

###

### the acquisition by the Company of (or subscription for) any shares or securities in any other company or the undertaking or assets of any other company or business or the participation by the Company in any partnership or joint venture;

### other than in the ordinary course of business (as ascertained by reference to the Business Plan), the disposal, assigning, licensing or leasing to any third party of any of the capital assets of the Company whether tangible or intangible (including but not limited to any part of the Intellectual Property Rights of the Company) or the granting of any rights over such assets;

### the passing of any resolution for the winding-up of the Company or the making of any application to the court to order a meeting of creditors or the making of any proposal to make a voluntary arrangement within the meaning of the Insolvency Act 1986 or the petitioning for an administration order to be made in relation to the Company;

### the declaration of payment of any dividend other than in accordance with the terms of this Agreement and the Articles;

### the appointment of any adviser with regard to a Share Sale or a sale of the Company’s business or an IPO, or the entering into of negotiations in relation thereto;

### the entry into any lease or licence of property or the purchase of any property and/or land not in accordance with the Business Plan;

### any disposal of the whole or substantially the whole of the business or undertaking of the Company or a Controlling Interest (as defined in the Articles);

### incurring total capital expenditure greater than £25,000 outside the approved Budget;

### the payment to any Director, Founder, consultant to or employee of the Company of more than £75,000 during any accounting period of the Company (such sum to be reduced proportionately in the event that any such accounting period is of less than 12 months’ duration);

### the creation by the Company of any debenture, guarantee, mortgage or charge over the whole or any part of the Company’s property, assets or undertaking;

### incurring of any borrowing, loans, advances or credit (with the exception of standard credit terms in the ordinary course of business);

### the commencement or settlement of any litigation or arbitration by the Company; and

### the appointment or removal of directors to or from the board of any subsidiary or Associated Company of the Company.

## Save in accordance with this Agreement, the Company shall not do any of the following, and the Parties shall exercise their voting and other rights in respect of the Company (whether under this Agreement or otherwise) so far as they are able in order to procure that none of the following shall occur in relation to the Company, without Board approval:

### the approval of the annual Budget of the Company;

### any change to or departure from the Business Plan and/or Budget;

### the adoption of any Employee Share Scheme or any variation of any Employee Share Scheme once adopted;

### the disposal or assignment to any third party of any capital assets of the Company, whether tangible or intangible with a book or market value in excess of £20,000, or the granting of any rights over the same;

### the appointment and removal of the Auditors;

### any change in the accounting policies of the Company save as may be required from time to time to comply with changes in the law or with Statements of Standard Accounting Practice or any change in the accounting reference date;

### the alteration of the Company’s banking arrangements;

### the engagement of any employee or consultant on the terms that their contract cannot be terminated by three months’ notice or less or their emoluments and/or commissions or bonuses are or are likely to be at the rate of £75,000 per annum or more or increase the emoluments and/or commissions or bonuses of any employee or consultant to more than £75,000 per annum or vary the terms of employment of any employee earning (or so that after such variation they will, or are likely to earn) more than £75,000 per annum or dismiss any employee or consultant earning more than £75,000;

### any dealings (whether of a trading nature or otherwise) between the Company and any of the Shareholders (other than in the ordinary course of business or under any contractual arrangements referred to herein) or the Directors or directors of any subsidiary of the Company;

### the entering into by the Company of any material supply or distribution agreement, or the amendment thereof; and

### the entering into or amendment by the Company of any material long-term contract, transaction or arrangement which cannot be terminated by six months’ notice or less.

## The Company undertakes to the Shareholders so far as it lawfully can that it shall not and shall procure that none of its Subsidiaries shall undertake any of the matters set out in Clause 9.1 without Shareholder Consent and Board approval or any of the matters set out in Clause 9.2 without Board approval. Each of the Parties expressly agrees with each of the others that any restriction imposed by law on the Company’s ability to give such undertaking in respect of any matter referred to in Clause 9.1 or Clause 9.2 shall not affect such undertaking as between the other Parties hereto or any other undertaking to which such restriction does not apply.

## The prior written consent of a Shareholder may be conclusively evidenced by either:

### written confirmation (including by email) from the Shareholder or a duly authorised representative of the Shareholder, provided that such written confirmation includes a statement to the effect that the matter in question is one for which Shareholder Consent is required; or

### a certificate signed by or on behalf of the Shareholder.

## For the purposes of this Agreement, Board approval shall mean the passing of a resolution of the directors either by (i) the majority of the Directors at a quorate Board meeting or (ii) by all of the Directors by way of unanimous written resolution of the Directors.

# **FINANCIAL AND OTHER INFORMATION**

## The Company shall prepare and submit to the Board and Imperial College for so long as Imperial College and/or its Permitted Transferee holds any issued share capital of the Company the following information as soon as reasonably practicable and in any event within the periods set out below:

### the unaudited results of the Company and all Group Companies for the previous financial year within 30 days of the end of each financial year;

### statutory accounts for the previous financial year (together with any management letters relating to them) as soon as they are available and in any event, within 120 days of the end of each financial year;

### an annual Business Plan for the Group for the following 3 year period by no later than 30 days after it has been approved by the Board (which shall be at least once per calendar year);

### quarterly unaudited management accounts within 20 days after the end of each quarter; and

### such further information as Imperial College may reasonably request in writing to monitor the performance of the Business or financial condition of any Group Company.

## The Company, the Founders and the Managers shall at the first Board meeting following Completion notify the Directors and any Observer who are present of the following matters which come to their attention:

### all developments which in the Founders’, or the Managers’ opinion are material relating to the market, competition, price levels and technology in respect of the Business of the Company;

### any event or circumstance which may to any material extent affect the results or value of the Company;

### any claim against the Company received from, or any proceedings initiated by, any third party against the Company which has or may reasonably be expected to have any material effect on the financial position of the Company together with details of the action proposed to be taken by the Company in relation thereto;

### any bona fide written offer or informal approach (providing all relevant details) from any person for the whole or any part of the issued share capital of any Group Company (or for the whole or a substantial part of the undertaking or assets of the Company); and

### any new Intellectual Property Rights developed by, and of any material importance to, the Company.

## As soon as practicable following any change to Imperial College's shareholding (and in any event within the time limit prescribed by statute), the Board shall procure that:

### the Company's books and records are updated and a complete copy of the Company's register of members shall be delivered to Imperial College within five Business Days of it having been updated in accordance with this Clause 10.3, together with a share certificate for Imperial College's shareholding, such certificate to be executed by way of a 'wet ink' signature in hard copy or via a digital, legally auditable medium (such as 'DocuSign').

## Without prejudice to the generality of the foregoing provisions of this Clause 10, for the avoidance of doubt, Imperial College shall be entitled on reasonable notice in writing and with reasonable frequency to discuss the affairs and finances of the Company with the officers and senior executives of the Company and to visit and inspect the Company's premises and examine and take copies of the separate books, records and accounts to be kept by the Company and any subsidiary of the Company and to be supplied with all information (including any operating statistics and other trading and financial information), in such form as Imperial College may reasonably require to keep itself properly informed about the business and affairs of the Company, subject to Imperial College complying with Clause 18 (*Confidentiality*) in relation thereto.

# **RESTRICTIVE COVENANTS**

## The Restricted Persons each severally undertake to and covenant with Imperial College and with the Company that:

### until such time as they shall be neither a director nor an employee of or consultant to any Group Company, they shall disclose to the Board written details (updated as necessary from time to time) of their interests in any profession trade or business (other than a passive investment in not more than three per cent of any class of securities quoted on a Recognised Investment Exchange) and will at all times act in good faith in relation to the business affairs of and all business dealings with the Company and any of its Subsidiaries; and

### after they are no longer either a director or employee of or consultant to any Group Company, they will not at any time represent themselves or permit themselves to be held out as being in any way connected with or interested in the Company or its businesses (except as a Shareholder if that is the case).

## The Restricted Persons each severally undertake to and covenant with Imperial College and with the Company that whilst they each remain a director or employee of or consultant to any Group Company:

### they shall each promote the interests and welfare of the Group Companies and shall (in addition to such powers and duties as they shall each exercise and perform as a director of any Group Company) faithfully and diligently exercise and carry out all such powers and duties as shall from time to time be lawfully conferred or imposed on them by the Board or be delegated to them by the Board and shall comply with the reasonable directions of the Board; and

### they shall each not at any time do or say anything which is reasonably likely or intended to damage the goodwill or reputation of any Group Company or of any business carried on by any Group Company.

## Each of the Restricted Persons severally covenants with and undertakes to Imperial College and with and to the Company that if they are no longer connected to the Company as either a director or employee of or consultant to any Group Company ("Cessation") they will not, for the period of twelve months immediately following such Cessation, on their own account or on behalf of any other person, directly or indirectly:

### (except as a passive investor in not more than three per cent of any class of securities quoted on a Recognised Investment Exchange) in any capacity (whether as principal, shareholder, director, founder, manager, employee, independent contractor, consultant, agent or in any other way) in the United Kingdom or in any other country in which any Group Company has a place of business or conducts business (whether alone or jointly with agents, distributors or otherwise) at the date of Cessation, engage or be interested in or be employed by or provide any consultancy or other services to any business whose activities compete with any business of any Group Company;

### in any capacity (whether as principal, shareholder, director, founder, manager, employee, independent contractor, consultant, agent or in any other way) in competition with any business of any Group Company solicit or try to solicit orders for goods or services supplied by or to any Group Company from any person who at any time within the twelve months prior to the date of Cessation, has been a customer of or material supplier to, any such business or with whom any Group Company has done business and with whom he or she dealt during that period (other than de minimis) or about whom he or she had access to Confidential Information;

### in any capacity (whether as principal, shareholder, director, founder, manager, employee, independent contractor, consultant, agent or in any other way) in competition with any business of any Group Company have any business dealings with any person who at any time within the twelve months prior to the date of Cessation has been a customer of or material supplier to, any such business or with whom any Group Company has done business and with whom he or she dealt during that period (other than de minimis) or about whom he or she had access to Confidential Information; or

### entice or try to entice away from any Group Company or employ or try to employ any person who, at any time within the two years prior to the date of Cessation, was an officer or employee of any Group Company engaged in skilled or managerial work.

## The restrictions contained in Clause 11.3 (each of which is a separate obligation) are considered reasonable by each Restricted Person in all the circumstances as necessary to protect the legitimate interests of the other Parties, but if any such restriction shall be judged by a competent court to be void but would be valid and enforceable if certain words were deleted or the period or area of application reduced, such restrictions shall apply with such modification to make them valid and effective.

## Each of the Restricted Persons severally covenants with and undertakes to Imperial College and with and to the Company that (except with prior Board approval) they will not, at any time after the termination of their engagement or employment with any Group Company, directly or indirectly, carry on a business (whether similar or not to that of the Company) under or including a name or mark which is the same as or substantially similar to any name or mark used by the Company at the time he or she ceased to be so engaged or employed and they will procure that no Connected Person of their will carry on a business under or including any such name.

## Subject to Clause 18 and without prejudice to the general duties owed to the Company by its Directors pursuant to the 2006 Act, nothing in this Clause 11 shall prohibit the Restricted Persons from:

### carrying out academic research or consultancy activities on a non-commercial basis and/or teaching activities at Imperial College London and other academic institutions in any field (including for the avoidance of doubt, in any field which is similar to or the same as the Business); or

### carrying out any research or consultancy activities on a commercial basis (at Imperial College London or otherwise) in any field other than a field which is competitive with the Business.

# DIVIDEND POLICY AND RIGHT TO GIFT SHARES

## If, in respect of the relevant accounting period, the Company has profits available for distribution (within the meaning of section 830 of the 2006 Act) and subject to the cashflow, working capital and investment requirements of the Company as determined by the Board, the Company shall procure that, in respect of each accounting period commencing on or after the second anniversary of Completion and each subsequent accounting period, at least 30% of such distributable reserves are distributed by way of a cash dividend on a proportionate basis to Shareholders.

## In determining whether in respect of any accounting period the Company has profits available for distribution the Board shall be entitled to request, or at the request of a Shareholder shall procure, that the Auditors shall certify whether such profits are available or not and the amount thereof (if any). In giving such certificate the Auditors shall act as experts and not arbitrators and their determination shall be final and binding on the parties hereto.

## At any time after the date which is two years from the date of this Agreement, any Shareholder being a member of the Imperial College Group shall be able to gift any of its Shares to the Company for nil consideration. The Company undertakes not to object to such gift of Shares and to write up the Company’s register of members as soon as practicable following the date of the transfer and in any event within two months of the Company receiving the relevant stock transfer form.

# **DEFAULT**

## A Party (the **“Defaulting Party”**) suffers an event of default (“**Event of Default**”) where:

### it commits a material breach of this Agreement which has, or in the reasonable determination of the Board is likely to have, a material adverse effect on the financial and business position and prospects of the Company and either:

#### the breach is not capable of being remedied; or

#### the Defaulting Party does not remedy that breach within 30 Business Days of another Party sending it written notice requiring it to remedy that breach;

### in the case of an individual they are adjudged bankrupt;

### it enters into any composition or arrangement with their or its creditors generally or is unable to pay their or its debts within the meaning of Section 123(1) of the Insolvency Act 1986;

### an encumbrancer lawfully takes possession of or an administrative receiver is validly appointed over the whole or any part of its undertaking, property or assets;

### an order is made or a resolution is passed or a notice is issued convening a meeting for the purpose of passing a resolution, or any analogous proceedings are taken, for the appointment of an administrator or the winding-up of it, other than a members’ voluntary winding-up solely for the purpose of amalgamation or reconstruction;

### the equivalent of any of the matters referred to in Clauses 13.1.2 to 13.1.5 (inclusive) above occurs in relation to any holding company for the time being of any Shareholder (if any); or

### the equivalent of any of the matters referred to in Clauses 13.1.2 to 13.1.6 (inclusive) above occurs or in any other applicable jurisdiction.

## The Defaulting Party shall forthwith notify all other Parties in writing of the occurrence of an Event of Default. Following an Event of Default, any non-defaulting Party may give written notice (a **“Default Notice”**) to the Defaulting Party with a copy of such notice being given at the same time to the other non-defaulting Parties within 30 Business Days of receiving notification of the Event of Default from the Defaulting Party or of its becoming aware of the Event of Default, whichever is the earlier requiring the Defaulting Party to offer for sale all of the Shares held by the Defaulting Party to the non-defaulting Parties by issuing a **“Transfer Notice”** pursuant to Article 10.2 of the Articles and the **“Transfer Price”** in respect of that Transfer Notice shall be the Fair Value of such Shares determined in accordance with the Articles.

# **ADHERENCE TO THIS AGREEMENT**

## Upon any transfer of Shares by any Party (including any person who becomes a Party pursuant to a Deed of Adherence) to a transferee, and upon any issue of Shares to any person who is not already a Party, save for a person who acquires Shares on the exercise of any option granted under any Employee Share Scheme from the option pool referred to in Clause 19, it shall be a condition precedent to such transfer or issue that the transferee or allottee enters into a Deed of Adherence unless the Board determines otherwise with Shareholder Consent.

## Notwithstanding a transfer of any Shares to a Permitted Transferee, the transferor shall remain bound by the terms of this Agreement applicable to it prior to such transfer and nothing in this Agreement shall constitute a waiver of any rights a Party may have by reason of a breach of this Agreement by a transferor prior to transfer.

## All Deeds of Adherence executed pursuant to this Clause 14 shall be executed by the Company for itself and as attorney for all those persons who are then Parties. Such Parties hereby (or, as the case may be, by executing a Deed of Adherence) appoint the Company as such attorney for the sole purpose of executing any Deed of Adherence on their behalf.

# **DURATION OF AGREEMENT**

## This Agreement shall terminate:

### with regard to any Party, upon that Party and its Permitted Transferees ceasing to hold any Shares, but shall remain in full force and effect with regard to the remaining Parties;

### in its entirety when:

#### the Company is dissolved, liquidated or wound-up;

#### there is an Exit Event; or

#### this Agreement is terminated by way of deed executed by the Parties to this Agreement holding not less than 90% of the issued share capital of the Company, provided that such termination shall not terminate the rights conferred on Imperial College under Clause 10 or the rights conferred on the members of the Imperial College Group under Clause 12.3 without the prior written consent of Imperial College.

## Termination of this Agreement, for whatever reason, shall be without prejudice to the continuing obligations of the Parties contained in this Agreement (which shall include, without limitation, the obligations set out in Clauses 4, 5, 11 and 18) and to any obligations or rights of any Party which have accrued prior to such termination or which may accrue after termination in respect of any act or omission prior to termination.

## On ceasing (together with its Permitted Transferees) to be a Shareholder, each Party shall hand over to the Company material correspondence, budgets, Business Plans, schedules, documents and records relating to the Business held by it or any Associated Company or any Connected Person or any third party which has acquired such matter through that Party and shall not keep any copies except as may be required to comply with any legal or regulatory requirements applicable to such Party.

# **ENTIRE AGREEMENT**

## Each of the Parties acknowledges and agrees that:

### it does not enter into this Agreement on the basis of and does not rely, and has not relied, upon any statement or representation (whether negligent or innocent) or warranty or other provision (in any case whether oral, written, express or implied) made, given or agreed to be given, by any person (whether a Party or not) except those expressly set out or referred to in this Agreement and the only remedy or remedies available in respect of any misrepresentation or untrue statement made to it shall be a claim for breach of contract under this Agreement; and

### this Clause 16.1 shall not apply to any statement, representation or warranty made fraudulently or to any provision of this Agreement which was induced by, or otherwise entered into as a result of fraud, for which the remedies shall be those available under the law governing this Agreement.

## This Agreement (together with any documents referred to in it) contains the entire agreement and understanding of the parties and supersedes all prior agreements, understandings or arrangements (both oral and written) relating to the subject matter of this Agreement.

# **ANNOUNCEMENTS**

Save as required by law or any competent regulatory authority no announcement concerning this Agreement or its subject matter shall be made by any of the Parties, without Board approval and the approval of Imperial College, provided that Imperial College may make a generic announcement that it has acquired an equity interest in the Company but without otherwise disclosing the terms of this Agreement without the consent of the Board.

# **CONFIDENTIALITY**

## The Parties shall use all reasonable endeavours to keep confidential and to ensure that their respective Connected Persons, Associated Companies and their respective officers, employees, agents and professional and other advisers keep confidential any information (the **“Confidential Information”**):

### relating to the customers, Business, assets or affairs of any Group Company which they may have or acquire through ownership of an interest in the Company;

### relating to the customers, business, assets or affairs of the other Parties or any member of their group which they may have or acquire through being a Shareholder or making appointments to the Board or through the exercise of their rights or performance of their obligations under this Agreement; or

### which relates to the contents of this Agreement or any agreement or arrangement entered into pursuant to this Agreement.

## No Party may use for its own business purposes or disclose to any third party any Confidential Information without Board approval. This clause does not apply to:

### information which is or becomes publicly available (otherwise than as a result of a breach of this Clause 18);

### the disclosure by a Party of Confidential Information to its directors or employees or to those of its Associated Companies who need to know that Confidential Information in its reasonable opinion for purposes relating to this Agreement or any agreement or arrangement entered into pursuant to this Agreement provided always that those directors and employees shall not use that Confidential Information for any other purpose;

### the disclosure of information to the extent required to be disclosed by law or any court of competent jurisdiction, any governmental official or regulatory authority (including the London Stock Exchange or any other Stock Exchange and the Panel on Takeovers and Mergers) or any binding judgement, order or requirement of any other competent authority;

### the disclosure of information to any tax authority to the extent reasonably required for the purposes of the Tax affairs of the Party concerned or any member of its group;

### the disclosure of any information disclosed by any employee of the Company to Imperial College or any Director pursuant to Clause 10.3;

### the disclosure to a Party's professional advisers of information reasonably required to be disclosed for purposes relating to this Agreement;

### any announcement made, or information provided in relation to the Group with the approval of the Board; and

### the disclosure to the Imperial College Group by Imperial, or by an Observer appointed by Imperial College pursuant to Clause 7.4, of information relating to the business affairs and financial position of the Company provided that the Imperial College Group is subject to an obligation to keep the disclosure confidential on the same basis as is required by Imperial College.

## Each Party shall inform any officer, employee or agent or any professional or other adviser advising it in relation to matters relating to this Agreement, including without limitation, any Observer, or any other person to whom it provides Confidential Information in accordance with the provisions of this Agreement, that such information is confidential and shall instruct them:

### to keep it confidential; and

### not to disclose it to any third party (other than those persons to whom it has already been or may be disclosed in accordance with the terms of this Clause 18).

## Notwithstanding the duties owed to the Company by each of its Directors, any Director (or their alternate) or Observer shall be entitled to disclose any information and provide relevant documents and materials about the Company and discuss the affairs, finances and accounts of the Company with the Shareholders which appointed that Director or Observer (if any), and its directors, officers, employees and professional advisers who need to know that information for the proper performance of their duties subject to such information being kept confidential by such Shareholders or other persons in accordance with this Clause 18.

## Without prejudice to any other rights or remedies which a Party may have, the Parties acknowledge and agree that damages would not be an adequate remedy for any breach of this Clause 18 and the remedies of injunction, specific performance and other equitable relief are appropriate for any threatened or actual breach of any such provision and no proof of special damages shall be necessary for the enforcement of the rights under this Clause 18.

## The disclosing party shall remain responsible for any breach of this Clause 18 by the person to whom that confidential information is disclosed.

## The provisions of this Clause 18 shall survive the termination of this Agreement for whatever cause.

# **SHARE OPTIONS**

## The Parties agree that in due course they will consider and, if agreed, put in place a mechanism whereby options to subscribe for Ordinary Shares representing up to an aggregate of [ XXX.XX ]% of the fully diluted share capital of the Company may be granted to employees, Directors, staff and consultants of the Company. Such options shall be granted in accordance with the rules of an Employee Share Scheme to be proposed by the Board and approved with Shareholder Consent in accordance with Clause 9.

# **COSTS**

## All costs in connection with the negotiation, preparation, execution and performance of this Agreement, and any documents referred to in it, shall be borne by the Party incurring such costs.

# **SHARES HELD BY THE FOUNDERS AND THE MANAGERS**

## The Company agrees with all of the other Parties who are responsible persons for the purposes of section 421L of ITEPA that:

### it is the most appropriate responsible person to obtain information in relation to any Ordinary Shares acquired by the Founders and the Managers prior to or at the date of this Agreement; and

### the Company shall provide HM Revenue & Customs, within any relevant time limits, with the information required by section 421J of ITEPA on the occasion of any reportable event relating to such Ordinary Shares as defined by section 421K of ITEPA, so that any other Parties who are responsible persons do not need to provide any information to HM Revenue & Customs;

## [[1]](#footnote-2)[If there is value in the Company [(apart from the value created by the exclusive intellectual property licence transferred or to be transferred to it)][[2]](#footnote-3) the Mangers and Founders will obtain (or procure that the Company obtains) before the acquisition of shares in the Company (insofar as this is possible) by a Manger or a Founder in each such case with a Relevant Imperial Connection and in any event no later than 2 months from the acquisition of such shares by a Manger or a Founder with a Relevant Imperial Connection an accountant's valuation of the Company and of their shares in the Company which will confirm the unrestricted market value (within the meaning set out in ITEPA) of such shares and the Mangers and the Founders will promptly share the valuation with Imperial College. The Mangers and the Founders hereby acknowledge that the accountant’s valuation should provide (i) an independent statement confirming the value of the Company and of the unrestricted market value of its shares (within the meaning set out in ITEPA) and (ii) a list of the papers and process carried out to give the valuation. ]

## Each of the Founders and the Managers:

### warrants that he or she has entered into a valid joint election under section 431(1) of ITEPA, signed by them and the Company in respect of any Ordinary Shares acquired before the date of this Agreement and/or any Ordinary Shares acquired pursuant to this Agreement;

### undertakes to inform the Company whenever a reportable event occurs in relation to their Ordinary Shares and that they will provide the Company with the information required, to the extent that the Company does not have such information;

### acknowledges that any Ordinary Shares acquired before the date of this Agreement, or any Ordinary Shares or other employment-related securities received under this Agreement, are received by the individual gross of Tax;

### agrees that any Tax arising in relation to any Ordinary Shares acquired before the date of this Agreement, or any Ordinary Shares or other employment-related securities received under this Agreement however and whenever arising, shall be their sole responsibility; and

### agrees to enter into a contract of employment or a consultancy agreement with the Company before they acquire their shares insofar as this is reasonably possible.

## Each of the Founders and the Managers undertakes to:

### fully and effectually indemnify the Company, Imperial College and Imperial College London against any liability of the Company, Imperial College or Imperial College London to account to HM Revenue & Customs or any other tax authority for any amounts of, or representing, income tax, the health and social security levy or National Insurance contributions (including employer's secondary Class 1 contributions to the extent permitted by law from time to time) which may arise as a result of the operation of Part 7 of ITEPA in relation to any Ordinary Shares acquired by, held by or disposed of by them or any other person associated with them (within the meaning of section 421C of ITEPA); and

### join with the Company, Imperial College or Imperial College London (as the case may be) in making an election, in such terms and such form as the Company, Imperial College or Imperial College London (as the case may be) may require, subject to such approval by HM Revenue & Customs as may from time to time be required by law, for the transfer to them of the whole of any liability of the Company to employer’s Secondary Class I National Insurance contributions payable in respect of any of their relevant employment income (as defined in the SSCBA).

## [Where a Manager of a Founder has a Relevant Imperial Connection the relevant individual agrees to enter into a contract of employment or a consultancy with the Company before the acquisition of any shares in the Company insofar as this is reasonably possible.][[3]](#footnote-4)

## The provisions of Clause 21.3will not have effect in relation to Secondary Class 1 National Insurance contributions on any occasion if to do so would contravene the provisions of the SSCBA or of any regulations made under that act.

# **TAX ADVICE**

The Founders and the Managers acknowledge that no member of the Imperial College Group, nor Imperial College London, nor the Company is responsible for advising the Founders and the Managers on the Tax liabilities that may arise in connection with their involvement with the Company in any capacity, and the Founders and Managers warrant that they have not relied on any advice from any member of the Imperial College Group, Imperial College London or the Company in connection with such liabilities and the transactions contemplated by this Agreement.

# **GENERAL**

## If any provisions of the Articles at any time conflict with any of the provisions of this Agreement, the provisions of this Agreement shall prevail as between the Parties to it.

## None of the Parties shall be entitled to assign this Agreement or any of its rights and obligations under this Agreement without the prior written consent of all the other Parties.

## Nothing in this Agreement shall be taken to constitute a partnership between the Parties. Except as specifically provided in this Agreement, none of the Parties shall by reason of this Agreement be empowered to act as agent for any other Party nor to pledge the credit of any other Party nor shall any Party be held liable for or incur liability in respect of the acts or defaults of any other Party.

## This Agreement may be executed in any number of counterparts and by the Parties on separate counterparts, but shall not be effective until each Party has executed at least one counterpart (or a Deed of Adherence to it in respect of a new Shareholder). Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute one and the same instrument.

## The failure of any Party at any time to require performance by any other Party of any provision of this Agreement shall in no way affect the right of such Party to require performance of that or any other provisions and any waiver by any Party of any breach of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself or a waiver of any other right under this Agreement or otherwise.

## No amendment or variation shall be made to this Agreement without the prior written approval of Parties holding at least 90% of the Shares held by the Parties and a Party entering into a Deed of Adherence shall have the benefit and be subject to the burden of this Agreement.

## If any provision of this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, under any enactment or rule of law, such provision or part shall to that extent be deemed not to form part of this Agreement but the legality, validity and enforceability of the remainder of this Agreement shall not be affected.

## Except for the benefit of the provisions of Clauses 21 and 22 which shall be enforceable, without limitation, by any member of the Imperial College Group or Imperial College London, the parties do not intend that any terms of this Agreement shall be enforceable, whether by virtue of the Contracts (Rights of Third Parties) Act 1999, common law or otherwise, by any person who is not a Party.

## The Board will conduct the Company’s business in accordance with all applicable laws and regulations of the United Kingdom and all other jurisdictions within which the Company conducts business.

# **NOTICES**

## Any notice required to be given under this Agreement shall be sufficiently given if delivered personally, by email or forwarded by pre-paid first-class post (airmail if overseas).

## Communications which are sent or dispatched as set out in Clause 24.1 will be deemed to have been received by the addressee:

### in the case of personal delivery, at the time of such delivery;

### in the case of communication by post, on the first Business Day after dispatch in the case of delivery from and to an address in the United Kingdom and 5 Business Days after dispatch in any other case;

### in the case of email, two Business Days after the time it left the email gateway of the server (or, if earlier, the time the recipient’s email server confirms that such email has been read).

## Any notice required to be given under this Agreement shall be given in writing to the address of each Party appearing on Page 1 or Schedule 2 of this Agreement or to such other address (including an email address) or place as such Party may subsequently designate in writing to the other Parties.

## Any notice or document may be sent to the Directors by email to such email addresses as the Directors may designate for that purpose from time to time.

# **GOVERNING LAW & JURISDICTION**

This Agreement shall be governed by and construed in accordance with the laws of England and the Parties submit to the exclusive jurisdiction of the Courts of England.

**IN WITNESS** of which this document has been executed by the Parties as a Deed and delivered on the date first before written above.

# **SCHEDULE 1**

**Part A**

**Details of the Company (immediately pre-Completion)**

|  |  |
| --- | --- |
| Company Number: | [ NUMBER ] |
| Date and Place of Incorporation: | [ DATE ]England |
| Issued Share Capital: | [ NUMBER ] Ordinary Shares[ NUMBER ] T Ordinary Shares |
| Registered Office: | [  ] |
| Directors: | [ NAME ][ NAME ][ NAME ] |
| Accounting Reference Date: | [ DATE ] |
| Shareholders: | Imperial College Innovations Limited[ NAME ][ NAME ][ NAME ] | [ NUMBER T Ordinary Shares][ NUMBER Ordinary Shares][ NUMBER Ordinary Shares][ NUMBER Ordinary Shares] |

**Part B**

**Details of the Company (immediately post-Completion)**

|  |  |
| --- | --- |
| Company Number: | [ NUMBER ] |
| Date and Place of Incorporation: | [ DATE ]England |
| Issued Share Capital: | [ NUMBER ] Ordinary Shares[ NUMBER ] T Ordinary Shares |
| Registered Office: | [  ] |
| Directors: | [ NAME ][ NAME ][ NAME ] |
| Accounting Reference Date: | [ DATE ] |
| Shareholders: | Imperial College Innovations Limited[ NAME ][ NAME ][ NAME ] | [ NUMBER T Ordinary Shares][ NUMBER Ordinary Shares][ NUMBER Ordinary Shares][ NUMBER Ordinary Shares] |

# **SCHEDULE 2**

**PART 1 – THE FOUNDERS**

| **Name** | **Address (postal and e-mail)** |
| --- | --- |
| [ NAME ] | [ ] |
| [ NAME ] | [ ] |
| [ NAME ] | [ ] |

**PART 2 – THE MANAGERS**

| **Name** | **Address (postal and e-mail)** |
| --- | --- |
| [ NAME ] | [ ] |
| [ NAME ] | [ ] |
| [ NAME ] | [ ] |

part 3 – e-mail address for Imperial College

For general contact: startups@imperial.ac.uk

For Board Packs: startupboardpacks@imperial.ac.uk

In both instances, please copy the last known main Imperial College contact for the Company

# **SCHEDULE 3**

**Warranties**

1. Other than the Intellectual Property Rights licensed pursuant to the IP Licence there are no Intellectual Property Rights within any of the Founders’ ownership or control that the Company might reasonably require to exploit the Technology or execute the Business Plan.
2. As far as the Warrantors are aware there is no research work being carried out at Imperial College London the results of which:
	1. might reasonably be required by the Company to exploit the Technology or execute the Business Plan; or
	2. could be used to develop technology competitive to the Technology.
3. As far as the Warrantors are aware there are no Intellectual Property Rights owned or controlled by a third party that would be, or are likely to be, infringed in the course of the Company’s execution of its Business Plan and/or exploitation of the Technology.
4. As far as the Warrantors are aware no third party is infringing or is likely to infringe the Intellectual Property Rights in respect of the Technology.
5. The Business Plan represents the genuine intent of the Founders with respect to the development of the Technology and the business of the Company, and is based on sound and reasonable assumptions in relation to technical development, financial projections and the legal and regulatory framework under which the Company proposes to operate pursuant to such Business Plan.

# **SCHEDULE 4**

**Deed of Adherence**

**THIS DEED OF ADHERENCE** is made on

**BETWEEN**:

(1) of (the **“Covenantor”**); and

(2) **[ COMPANY LIMITED** (the **“Company”**) for itself and as attorney for the other Parties to the Shareholders Agreement.

**RECITAL**

This Deed is supplemental to the Shareholders Agreement made on between (1) The Founders, (2) The Managers, (3) Imperial College Innovations Limited and (4) the Company (**“Shareholders Agreement”**).

**THIS DEED WITNESSES** as follows:

1. The Covenantor hereby confirms that it has been supplied with a copy of the Shareholders Agreement and hereby covenants with each of the Parties hereto to observe, perform and be bound by all the terms of the Shareholders Agreement (other than the Excluded Clauses as defined below) as if it were a Party thereto or named therein as a Shareholders.

2. Each of the other Parties hereto hereby covenants with the Covenantor that the Covenantor shall be entitled to the benefit of the terms of the Shareholders Agreement (other than the Excluded Clauses) as if it were a party thereto and named therein as a Shareholders.

4. The Covenantor hereby appoints the Company to be its attorney for the purposes of Clause 14.3 of the Shareholders Agreement.

5. The Excluded Clauses are [TBC (If any)].

6. This Deed shall be governed by and construed in accordance with English law.

**IN WITNESS** of which this Deed has been executed by the Covenantor and the Company for itself and as attorney for the other Parties to the Shareholders Agreement and is intended to be and is hereby delivered on the date shown above.

*[insert execution clauses as necessary]*

# **SCHEDULE 5**

**Disclosure Schedule**

| **Warranty** | **Disclosure** |
| --- | --- |
| [] | [] |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

**Index of Disclosed Documents**

[To be added]

# **SCHEDULE 6**

**Business Plan**

**EXECUTION PAGES**

**SIGNED AND DELIVERED AS A DEED** )

by **[ NAME ]** )…………………………………………………

in the presence of: ) **[ NAME ]**

…………………………………………………

Witness Signature

…………………………………………………

Witness Name

…………………………………………………

Witness Address

…………………………………………………

Witness Occupation

**SIGNED AND DELIVERED AS A DEED** )

by **[ NAME ]** )…………………………………………………

in the presence of: ) **[ NAME ]**

…………………………………………………

Witness Signature

…………………………………………………

Witness Name

…………………………………………………

Witness Address

…………………………………………………

Witness Occupation

**SIGNED AND DELIVERED AS A DEED** )

by **[ NAME ]** )…………………………………………………

in the presence of: ) **[ NAME ]**

…………………………………………………

Witness Signature

…………………………………………………

Witness Name

…………………………………………………

Witness Address

…………………………………………………

Witness Occupation

**SIGNED AND DELIVERED AS A DEED** )

by **IMPERIAL COLLEGE INNOVATIONS** )

**LIMITED** acting by a director )

in the presence of:

 …………………………………………

 Director

…………………………………………………

Witness Signature

…………………………………………………

Witness Name

…………………………………………………

Witness Address

…………………………………………………

Witness Occupation

**SIGNED AND DELIVERED AS A DEED** )

by **[ COMPANY LIMITED [** )

acting by a director in the presence of: )

 )

 …………………………………………

 Director

…………………………………………………

Witness Signature

…………………………………………………

Witness Name

…………………………………………………

Witness Address

…………………………………………………

Witness Occupation

1. This clause is to be included if there is value in the Company, disregarding any IP transferred to the Company. [↑](#footnote-ref-2)
2. If there is value in the Company but there is no transfer of IP to the Company then the wording in square brackets is to be deleted. [↑](#footnote-ref-3)
3. To be included where the Company has any value. This would include a company which has value apart from any IP licensed to it by Imperial or a company which has had no IP licenced to it which has a value. [↑](#footnote-ref-4)