

**THIS SHAREHOLDERS AGREEMENT** is entered into on

**BETWEEN**

- (1) whose principal place of business is at (**P1**)
- (2) whose principal place of business is at (**P2**)
- (3) whose principal place of business is at (**P3**)

**WHEREAS**

(A) The parties have agreed to jointly invest in a company (the **Company**) in which it is intended will carry on business in the manner set out in this Agreement.

(B) The parties are entering into this Agreement to set out the terms governing their relationship as shareholders in the Company.

**It is agreed** as follows:

## **1. Interpretation**

### **Definitions**

1.1 In this Agreement:

**Accounting Principles** means the accounting principles and policies to be adopted by the Company in the agreed form;

**P1 Directors** means the Company's directors appointed by the P1 Group from time to time;

**P2 Directors** means the Company's directors appointed by the P2 Group from time to time;

**P3 Directors** means the Company's directors appointed by the P3 Group from time to time;

**Board** means the Company's board of directors or any duly appointed committee of it;

**Budget** means a budget for the Company for a particular Financial Year in a format agreed from time to time between the parties;

**Business** means the business intended to be carried on by the Company, as described in clause 2;

**Business Day** means a day (other than a Saturday) on which banks generally are open in for a full range of business;

**Business Plan** means a rolling business plan for the Company relating to the then current Financial Year and two (2) succeeding Financial Years (in a format agreed from time to time between the parties) to be updated annually;

**Chairman** means the chairman from time to time of the Board;

**Chief Executive** means the chief executive from time to time of the Company;

**company** includes any body corporate, wherever incorporated;

**Directors** means the Company's directors;

**Fair Price** means the fair market value of the relevant Shares, calculated as a pro rata proportion of the market value of the shares of the Company as a whole, between a willing seller and a willing third party buyer at the date of the Transfer Notice without any premium or discount by reference to the percentage of the Shares being sold or transferred;

**Financial Year** means a financial period of the Company;

**Group** means, in relation to the Company or a party, that company and its Subsidiaries for the time being;

**Company** means ;

**Memorandum and Articles** means the Company's Memorandum and Articles of Association in the agreed form, as amended from time to time;

**parties** means the parties to this Agreement (and **party** shall be construed accordingly);

**Regulatory Action** means:

(d) any order of a court of competent jurisdiction; or

(e) any order, decision or conclusive view made, given or expressed by a competent supranational, governmental or regulatory authority or agency; or

(f) an enactment of a legislative body which materially prohibits or restrict the carrying on of the business of the Company as contemplated by this Agreement;

**Reserved Matters** means those matters defined in clause 6;

**Shareholders** means the P1 Group, the P2 Group and the P3 Group, as are for the time being holders of Shares (and **Shareholder** shall be construed accordingly);

**Shares** means shares in the Company's capital;

**Subsidiary** means, a subsidiary as defined under the laws of .

**undertaking** means a body corporate or partnership or an unincorporated association carrying on trade or a business with or without a view to profit. In relation to an undertaking which is not a company, expressions in this Agreement appropriate to companies are to be construed as references to the corresponding persons, officers, documents or organs (as the case may be) appropriate to undertakings of that description.

## **Currency**

1.2 Any reference in this Agreement to an amount in one currency includes the equivalent amount at the relevant time in any other currency or combination of currencies.

## **Headings**

1.3 The headings in this Agreement do not affect its interpretation.

## **Agreed Form**

1.4 A reference to a document in this Agreement in the ***agreed form*** is to a document agreed between the parties and initialled by them or on their behalf for identification purposes.

## **Exercise of powers of control**

1.5 Where any obligation in this Agreement is expressed to be undertaken or assumed by any party, that obligation is to be construed as requiring the party concerned to exercise all rights and powers of control over the affairs of any other person which that party is able to exercise (whether directly or indirectly) in order to secure performance of the obligation.

## **Legal terms**

1.6 References to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any other legal concept shall, in respect of any jurisdiction other than England, be deemed to include the legal concept which most nearly approximates in that jurisdiction to the English legal term.

## **2. Purpose of the Company**

### **Business**

2.1 The business of the Company shall be .

### **Commercial principles**

2.2 The business of the Company shall be conducted in the best interests of the Company in accordance with the general principles of the then current Business Plan approved by the parties.

## **3. Characteristics of the Company**

As soon as reasonably practicable after the date of this Agreement, the parties shall procure that the necessary shareholders and/or board meetings of the Company shall be held to establish the Company in with the following characteristics:

- (a) its name shall be (or such other name as the parties may agree);
- (b) the Memorandum and Articles shall be substantially in the agreed form;

(c) it shall have an authorised share capital of ;

(d) its registered office shall be at ;

(e) its initial Directors shall be ;

(f) its initial Chairperson shall be ;

(g) its initial Chief Executive shall be ;

(h) its initial Secretary shall be .

#### **4. Capital and further finance**

##### **Issue of new shares**

4.1 The Company's issued share capital may be increased from time to time by such sum as the parties may agree in accordance with this clause 4 but (unless the parties agree otherwise) the Company shall not issue any Shares unless:

(a) and are issued to P1 and/or a wholly-owned Subsidiary of P1;

(b) and are issued to P2 and/or a wholly-owned Subsidiary of P2;

(c) and are issued to P3 and/or a wholly-owned Subsidiary of P3.

##### **Funding support by the parties**

4.2 The parties intend that the Company should be self-financing and should obtain additional funds from third parties without recourse to its shareholders. Neither party shall be obliged to contribute further funds or participate in any guarantee or similar undertaking for the Company's benefit.

##### **Further finance**

4.3 If the Board considers at any time that the Business requires further finance, the Board will consider whether or not to approach the Company's bankers or other financial institutions or, in appropriate circumstances, to seek such further finance from the parties. The parties are not obliged to provide any further finance unless they both agree on the amount and method of providing the finance. Unless they agree otherwise, they (or members of their respective Groups) shall contribute the same amount to the Company (whether by subscribing for shares, stock or debentures or by way of loan or otherwise), at the same time and on the same terms.

#### **5. Board and Management**

##### **Supervision by the Board**

5.1 The Board shall be responsible for the overall direction, supervision and management of the Company. The Board shall not, however, take any decision in relation to any of the Reserved Matters without the prior approval of the parties.

## **Board of Directors**

5.2 The Board shall comprise of P1 Directors, P2 Directors and P3 Directors. Unless the parties agree otherwise, there shall be P1 Directors, P2 Directors and P3 Directors.

## **Quorum**

5.3 The quorum for transacting business at any Board meeting (other than an adjourned meeting) shall have at least one of each P1, P2 and P3 Directors be present when the relevant business is transacted. If that quorum is not present within thirty (30) minutes from the time when the meeting should have begun or if during the meeting there is no longer a quorum, the meeting shall be adjourned for seven (7) Business Days and at that adjourned meeting any two (2) Directors (or their alternates) present shall be a quorum. A Director shall be regarded as present for the purposes of a quorum if represented by an alternate Director.

## **Notice and Agenda**

5.4 At least 14 days written notice shall be given to each Board member of any Board meeting unless a quorum approve a shorter notice period. Any notice shall include an agenda identifying in reasonable detail the matters to be discussed at the meeting together with copies of any relevant papers to be discussed at the meeting. If any matter is not identified in reasonable detail, the Board shall not decide upon it, unless all Board members agree in writing.

## **6. Reserved matters**

### **Use of powers**

6.1 The parties shall use their respective powers to ensure, so far as they are legally able, that no action or decision relating to any of the matters specified in clause 6.1 (**Reserved Matters**) is taken (whether by the Board, the Company or any Subsidiary of the Company or any of the officers or managers within the Company Group) unless each of the parties has given its prior approval to proceed.

### **Reserved Matters**

6.2 The Reserved Matters are:

(a) *Memorandum and Articles*

altering the Memorandum and/or Articles or other constitutional documents of the Company;

(b) *changes in share capital*

changing the authorised or issued share capital of the Company;

(c) *change in nature of Business*

materially changing the nature or scope of the Business (as described in clause 2.1) of the Company;

(d) *Business Plan and Budgets*

adopting the Business Plan or Budget;

(e) *dividends*

the Company declaring or paying any dividend or distribution;

(f) *borrowings*

the Company borrowing or raising money including entering into any finance lease, but excluding normal trade credit) which would result in the Company's aggregate borrowing exceeding ;

(g) *capital expenditure*

the Company incurring any capital expenditure in respect of any item or project in excess of ;

(h) *acquisitions and disposals*

the Company acquiring or disposing of (whether in a single transaction or series of transactions) any business (or any material part of any business) or of any shares in any company where the value of the acquisition or disposal exceeds ;

(i) *partnerships and joint ventures*

the Company entering into (or terminating) any material partnership, joint venture, profit-sharing agreement, technology licence or collaboration;

(j) *material contracts*

the Company entering into any contract, liability or commitment which:

(i) is of a long term or unusual nature; for this purpose by **long term** means continuing for more than two (2) calendar years;

(ii) could involve an obligation of a material magnitude or nature; for this purpose **material** means a liability for expenditure in excess of ; or

(iii) is outside the ordinary course of business of the Company;

unless a contract satisfies such authorisation criteria as the parties may approve from time to time as part of the procedures for the Company entering into contracts;

(k) *material litigation*

major decisions relating to the conduct (including the settlement) of material legal proceedings to which the Company is a party; for these purposes **material** means a potential liability or claim in excess of ;

(l) *transactions with a party's Groups*

any transaction by the Company with any party or its Group which is either:

(i) outside the ordinary course of business; or

(ii) within the ordinary course of business but has a value of more than or is not on commercial arm's length terms;

(m) *Chairman and senior management*

appointing or removing anyone as the Chairman, the Chief Executive, the Chief Financial Officer or the Secretary of the Company;

(n) *charges*

creating any mortgage, charge, encumbrance or other security interest of any nature in respect of all or any material part of the Company's undertaking, property or assets;

(o) *auditors*

appointing or removing the Company's auditors;

(p) *accounts and accounting policies*

approving the Company's statutory accounts and/or any change in the principal accounting policies of the Company;

(q) *employee policies*

adopting (or varying) the Company's material policies in respect of employees' remuneration, employment terms and pension schemes;

(r) *general policies*

forming policies in relation to the environment and health and safety issues for the Company;

(s) *intellectual property rights*

the Company making any material acquisition or disposal (including any material acquisition or grant of any licence) of or relating to any intellectual property rights;

(t) *winding-up*

any proposal to wind up the Company or other voluntary proceeding seeking liquidation, reorganisation, readjustment or other relief under any bankruptcy, insolvency or similar law or the consent by the Company to a decree or order for relief or any filing of a petition under such law or to the appointments of a trustee, receiver or liquidator or any other voluntary action by the Company in furtherance of its bankruptcy, reorganisation, liquidation, dissolution or termination of its corporate status.

## **Method of approval by Shareholders**

6.3 The parties shall give their approval to any of the Reserved Matters (or to any variation of them) either in writing by the parties or by their authorised representatives for this purpose or by representatives of the Shareholders at a general meeting of the Company.

## **Meetings of Shareholders**

6.4 General meetings of Shareholders shall take place in accordance with the applicable provisions of the Articles on the basis that:

- (a) the quorum shall be one (1) duly authorised representative of each of the party;
- (b) the notice of meeting shall set out an agenda identifying in reasonable detail the matters to be discussed (unless the Shareholders agree otherwise);
- (c) the chairman of the meeting shall have a casting vote;
- (d) a decision to approve any of the Reserved Matters shall require a super majority vote (75%) of all the Shareholders.

Any matters requiring a general meeting of or approval by the Shareholders under relevant corporate laws, but not covered by the Reserved Matters, shall be dealt with in accordance with the Memorandum and Articles.

## **Deadlock**

6.5 If a deadlock arises because the parties fail to agree on any of the Reserved Matters or any other management matter requiring their decision, the matter shall be referred to the respective Chairmen / Chief Executives of the parties with a view to the matter being resolved as early as possible in the best interests of the Company. Each party shall endeavour to resolve any disagreement in the best interests of the Company.

## **7. Financial matters**

### **Accounting Principles**

7.1 The Company shall adopt accounting principles approved by the Board in relation to its financial statements.

### **Auditors**

7.2 The Company's auditors shall be or such other firm of accountants as the parties may agree from time to time.

### **Financial Year**

7.3 The Company's Financial Year shall be , unless the parties agree otherwise.

### **Dividend Policy**



7.4 The parties intend that in respect of each Financial Year the Company distributes not less than % (or such other percentage as the parties may agree from time to time in writing) of the profit (after taxation and extraordinary items) of the Company as shown by the financial statements for that Financial Year and available for distribution in accordance with applicable law.

## **8. Information and reporting**

### **Inspection and information**

8.1 Each party may examine the separate books, records and accounts to be kept by the Company. Each party shall be entitled to receive all information in such form as the Board determines to keep it properly informed about the business and affairs of the Company and generally to protect its interests as a Shareholder.

### **Accounts, Business Plan and Budgets**

8.2 Without prejudice to the generality of clause 8.1, the Company shall supply the parties with copies of:

- (a) audited accounts for the Company (complying with all relevant legal requirements);
- (b) a Business Plan and itemised revenue and capital Budgets for each Financial Year and showing proposed trading and cash flow figures, manning levels and all material proposed acquisitions, disposals and other commitments for that Financial Year; and
- (c) monthly/quarterly management accounts of the Company.

## **9. Confidentiality**

### **Confidentiality obligation**

9.1 Each party shall use (and shall ensure that each of its Subsidiaries shall use) all reasonable endeavours to keep confidential (and to ensure that its officers, employees, agents and professional and other advisers keep confidential) any information:

- (a) which it may have or acquire before or after the date of this Agreement in relation to the Company's customers, business, assets or affairs; this includes, without limitation, any information provided pursuant to clause 8;
- (b) which it may have or acquire before or after the date of this Agreement in relation to the customers, business, assets or affairs of any Party or of any of its Group (other than its own) resulting from:
  - (i) negotiating this Agreement;
  - (ii) being a shareholder in the Company;
  - (iii) having appointees on the Board; or

(iv) exercising its rights or performing its obligations under this Agreement; or

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

Neither party shall use for its own business purposes or disclose to any third party any such information (collectively, **Confidential Information**) without the consent of the other party.

### **Exceptions from confidentiality obligation**

9.2 The obligation of confidentiality under clause 9.1 does not apply to:

(a) the disclosure (subject to clause 9.3) on a "need to know" basis to a company which is another Group entity where the disclosure is for a purpose reasonably incidental to this Agreement;

(b) information which is independently developed by the relevant party or acquired from a third party to the extent that it is acquired with the right to disclose the same;

(c) the disclosure of information to the extent required to be disclosed by law, any stock exchange regulation or any binding judgment, order or requirement of any court or other competent authority;

(d) 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;

(e) the disclosure (subject to clause 9.3) in confidence to a party's professional advisers of information reasonably required to be disclosed for a purpose reasonably incidental to this Agreement;

(f) information which becomes within the public domain (otherwise than as a result of a breach of this clause 9); or

(g) any announcement made in accordance with the terms of clause 24.

### **Employees, agents and advisers**

9.3 Each party shall inform (and shall ensure that any Subsidiary shall inform) any officer, employee or agent or any professional or other adviser advising it in relation to the matters referred to in this Agreement, or to whom it provides Confidential Information, that such information is confidential and shall instruct them:

(a) to keep it confidential; and

(b) not to disclose it to any third party (other than those persons to whom it has already been disclosed in accordance with the terms of this Agreement).

The disclosing party is responsible for any breach of this clause 9 by the person to whom it is disclosed.

## **Return of Confidential Information**

9.4 If this Agreement terminates, either party may by notice require the other to return the first party's Confidential Information. If so, the other party shall (and shall ensure that its Subsidiaries and its officers and employees and those of its Subsidiaries shall):

(a) return all documents containing Confidential Information which have been provided by or on behalf of the party demanding the return of Confidential Information; and

(b) destroy any copies of such documents and any document or other record reproducing, containing or made from or with reference to the Confidential Information

(save, in each case, for any submission to or filings with governmental, tax or regulatory authorities). The other party shall return or destroy the Confidential Information as soon as practicable after receiving notice.

## **Survival after termination**

9.5 The provisions of this clause 9 continue to apply if this Agreement is terminated.

## **10. Non-Competition**

### **Non-competition with Company**

10.1 Each of the parties respectively undertakes that neither it (nor any of its Subsidiaries) shall compete with the Company in the Business. For this purpose, **compete** means to undertake or be interested in any business in competition with the Company (or any of its Subsidiaries) within the Business (whether alone or jointly with others or whether as principal, agent, shareholder or otherwise and whether for its own benefit or that of others).

### **Exceptions**

10.2 The restriction contained in clause 10.1 shall not affect or prohibit the Parties (or any of their respective Subsidiaries):

(a) *investments in listed companies*

acquiring or holding shares amounting to less than five per cent (5%) of the capital of a company listed on any stock exchange engaged in activities within the Business; or

(b) *shares in company with less than 10% competing business*

acquiring or holding shares in a company or other undertaking engaged in activities within the Business if those activities contribute less than ten per cent (10%) of that company's or undertaking's annual sales.

## **11. Regulatory matters**

### **Co-operation**

The parties shall co-operate with each other to ensure that all information necessary or desirable for making (or responding to any requests for further information following) any notification or filing made in respect of this Agreement, or the transactions contemplated by it, is supplied to the party dealing with such notification and filing and that they are properly, accurately and promptly made.

## **Regulatory Action**

11.2 If any material Regulatory Action is taken or threatened, the parties shall promptly meet to discuss:

(a) the situation and the action to be taken as a result; and

(b) whether any modification to the terms of this Agreement (or any agreement entered into pursuant to this Agreement) should be made in order that any requirement (whether as a condition of giving any approval, clearance or consent or otherwise) of any regulatory authority may be reconciled with, and within the intended scope of, the business arrangement contemplated by this Agreement. The parties shall co-operate to give effect to any agreed modifications.

## **12. Relationship with Party's Group**

### **Contracts**

12.1 Each party shall ensure that any contracts between the Company and members of that party's Group are made on an arm's length commercial basis and on terms that are not unfairly prejudicial to the interests of either party or the Company Group.

### **Claims by Company**

12.3 If the Company has or may have any claim against a party arising out of any agreement entered into by the Company and any member of that party's Group, that party will ensure that its nominated Directors shall not do anything to prevent or hinder the Company Group asserting or enforcing the claim. This is without prejudice to any right of the defendant party itself to dispute the claim.

### **Promotion of the Company's interest**

12.4 The parties confirm their intention to promote the best interests of the Company and to consult fully on all matters materially affecting the development of the business of the Company. Each party shall act in good faith towards the other in order to promote the success of the Company.

## **13. Tax matters**

### **Co-operation**

13.1 Each party agrees to co-operate, and ensure that its Subsidiaries co-operate, to such extent as may be reasonably requested in connection with the making of any returns, claims or elections for taxation purposes:

- (a) by the other party in relation to the taxation affairs of any member (or former member) of its Group for any period ending before the date of this Agreement; or
- (b) by the Company (or any other Company Group Member) in relation to the taxation affairs of the Company Group.

## **14. Transfer of shares**

### **General**

14.1 The provisions of this clause 14 apply in relation to any transfer, or proposed transfer, of Shares in the Company or any interest in Shares.

### **Restriction on transfer**

14.2 Except as permitted by this clause 14 or with the prior written consent of the other party, no party (or any Shareholder in its Group) shall:

- (a) transfer any Shares;
- (b) grant, declare, create or dispose of any right or interest in any Shares; or
- (c) create or permit to exist any pledge, lien, fixed or floating charge or other encumbrance over any Shares.

### **Permitted Transfers**

14.3 Save for transfers for which consent is given under clause 14.2, no party or any Shareholder in its respective Group may transfer Shares unless it (the **Seller**) and/or members of its Group transfer all (and not some only) of the Shares collectively held by them (the **Seller's Shares**).

### **Initial period**

14.4 Save for intra-Group transfers permitted under clause 14.3, no Shareholder shall transfer any Shares during a period of three (3) years from the date of this Agreement.

### **Transfer Notice**

14.5 After the end of the initial period mentioned in clause 14.4 and before the Seller (and/or any Shareholder in its Group) makes any transfer of the Seller's Shares, the Seller shall first give the other party (the **Continuing Party**) notice (a **Transfer Notice**) of any proposed transfer together with details of any proposed third party purchaser (the **Third Party Purchaser**), the purchase price and other material terms which the Seller and the Third Party Purchaser have agreed. A Transfer Notice is irrevocable except as provided in clause 14.

### **Right of Continuing Party to purchase**

14.6 On receipt of the Transfer Notice, the Continuing Party shall have the right to buy all (but not some only) of the Seller's Shares at the price specified in the Transfer Notice (or at such

other price as the Seller and the Continuing Party agree) by giving notice to the Seller within sixty (60) days of receiving the Transfer Notice (the **Acceptance Period**).

### **Obligation to complete**

14.7 The Continuing Party shall become bound (subject only to any necessary approvals of its shareholders in general meeting and any Regulatory Approvals) to buy the Seller's Shares on giving the Seller notice that it is exercising its rights under clause 14.6. In such event, completion of the sale and purchase of the Seller's Shares shall take place within thirty (30) days of the giving of the notice or, if later, the obtaining of all Regulatory Approvals. Notwithstanding the foregoing, such notice and right of the Continuing Party to acquire the Seller's Shares shall cease to have effect if:

- (a) any necessary approval of the Continuing Party's shareholders in general meeting is not obtained within the thirty (30) day period; or
- (b) any necessary Regulatory Approval is not obtained within one-hundred and eighty (180) days of the giving of the notice; or
- (c) earlier than the expiry of the latter period, any relevant authority has conclusively refused to grant any such Regulatory Approval.

### **Seller's right to sell to Third Party Purchaser**

14.8 If the Continuing Party does not exercise its rights to buy under clause 14.6, the Seller may (subject to clause 17) transfer the Seller's Shares on a bona fide arm's length sale to a Third Party Purchaser at a price not less than the purchase price specified in the Transfer Notice provided that:

- (a) the Third Party Purchaser (or any shareholder of it) is not directly or indirectly a substantial competitor of the Continuing Party or the Company Group and would not be materially detrimental to the Company's interests; and
- (b) the transfer is completed within one-hundred and eighty (180) days after the later of:
  - (i) the date of the Transfer Notice; or
  - (ii) if the question of the purchase price has been referred to the Expert, the issue of the Certificate.

The parties shall give (or ensure that any Shareholders in their respective Groups shall give) such approvals required by the Articles to any transfer of Shares permitted by the terms of this clause 14.

### **Intra-Group transfers**

14.9 A Shareholder may at any time transfer any of the Shares held by it to a company which:

- (a) (where the transferor is one of the parties itself) is a wholly-owned Subsidiary of that party; or

(b) (where the transferor is a Subsidiary) is either the party of which the transferee is a Subsidiary or is a wholly-owned Subsidiary of the relevant party.

### **Shareholder ceasing to be a Subsidiary**

14.10 Each of the parties undertakes to ensure that any Subsidiary which holds Shares shall transfer all of the Shares which it then holds to the party of which it is a Subsidiary or (to a wholly-owned Subsidiary of that party) before it ceases at any time to be a wholly-owned Subsidiary of the parties (as the case may be).

### **Tag-along**

14.11 If the Seller proposes to sell its Shares on a bona fide arm's length sale to a Third Party Purchaser in accordance with clause 14.11, it shall not complete such sale unless it ensures that the Third Party Purchaser offers to buy from the Continuing Party all the Shares held by the Continuing Party on the same terms (including price per Share - which must be cash) as applicable to the purchase of the Seller's Shares. The offer shall:

- (a) be irrevocable and unconditional (except for any conditions which apply to the proposed transfer of the Seller's Shares);
- (b) fully describe all material terms and conditions (including terms relating to price, time of completion and conditions precedent) agreed between the Seller and the Third Party Purchaser;
- (c) be governed by the laws of such other jurisdiction as may govern any agreement between the Seller and the Third Party Purchaser;
- (d) be open for acceptance by the Continuing Party during a period of not less than twenty-one (21) days after receipt of such offer.

If the offer is accepted by the Continuing Party, the sale shall be conditional upon completion of the Seller's sale to the Third Party Purchaser and shall be completed at the same time as that sale or, if later, within seven (7) days after acceptance by the Continuing Party of the offer by the Third Party Purchaser. The sale of the Continuing Party's Shares shall otherwise proceed in accordance with the terms of clause 17 as if that party was "the Seller".

## **15. Termination Events**

### **Termination Events**

15.1 The provisions of this clause 15 shall apply on the occurrence of a Termination Event. It is a Termination Event in relation to a party if:

- (a) a court of competent jurisdiction makes an order or a resolution is passed, for the dissolution or administration of that party (or any company in that party's Group which is a Shareholder) (otherwise than in the course of a reorganisation or restructuring previously approved in writing by the other party); or
- (b) any person (other than a member of the other party's Group) takes any step (which is not withdrawn or discharged within ninety (90) days) to appoint a liquidator, manager, receiver,

administrator, administrative receiver or other similar officer in respect of any assets which include the Shares held by that party or any Subsidiary of it; or

(c) that party (or any company in that party's Group which is a Shareholder) convenes a meeting of its creditors or makes or proposes any arrangement or composition with, or any assignment for the benefit of, its creditors; or

### **Right to make offer**

15.2 If a Termination Event occurs in relation to a party (the **Affected Party**), the Affected Party shall be obliged to notify the other party promptly of such Termination Event. After a Termination Event, the other party (the Continuing Party) may make an offer for all the Shares (the Affected Party's Shares) collectively held by the Affected Party and/or any members of its Group if such offer is made within a period of (ninety (90) days after (i) the date the other party is notified that the relevant Termination Event has occurred.

### **Offer notice**

15.3 The offer for the Affected Party's Shares referred to in clause 15.2 shall take the form of a notice to the Affected Party (the **Offer Notice**). The Offer Notice shall include the price offered (the **Offered Price**) and a statement that the offer may be accepted within thirty (30) days of the Affected Party receiving the Offer Notice.

### **Reference to Expert**

15.4 If the Affected Party notifies the Continuing Party within the thirty (30) day period that it does not accept the Offered Price an internationally recognised firm of accountants (the **Expert**) shall be appointed to determine the Fair Price. The same principles apply, mutatis mutandis, to such expert determination as apply under clause 14.7 as if references to the "Seller" were to the "Affected Party" (save that, for the avoidance of doubt, the Affected Party shall have no right of revocation as under clause 14.8). If the Affected Party fails to respond within the thirty (30) day period referred to in this clause 15.4, it shall be deemed to have accepted the Offered Price.

### **Right to purchase**

15.5 If an Expert is appointed under clause 15.4, the Continuing Party shall have the right to buy the Affected Party's Shares from the Affected Party at the Fair Price. The Continuing Party shall exercise the right to buy by giving notice to the Affected Party within thirty (30) days of the issue by the Expert of the Certificate to the Affected Party and the Continuing Party.

### **Completion**

15.6 Subject only to any Regulatory Approvals (**Approvals**), the Affected Party shall be bound to sell and the Continuing Party shall be bound to buy the Affected Party's Shares:

(a) at the Offered Price, if the Affected Party notifies acceptance of the Offered Price under clause 15.3, or if the Affected Party fails to request the Expert to determine the Fair Price within the thirty (30) day period referred to in clause 15.4; or



(b) at the Fair Price, if the Continuing Party notifies the exercise of its rights to buy under clause 15.5.

In such event, completion of the sale and purchase of the Affected Party's Shares shall take place (subject to clause 17) within sixty (60) days of the day on which the parties become so bound (the **Reference Date**) or, if any Regulatory Approval has not been obtained by the end of that period, within ten (10) days of the date on which the last Regulatory Approval to be obtained is obtained. If any Regulatory Approval has not been obtained within one-hundred and eighty (180) days after the Reference Date, the Offer Notice shall lapse and have no further effect.

## 16. Default

If a party (the **Defaulting Party**) or any member of its Group, commits a breach of this Agreement, the other party may serve notice upon the Defaulting Party. The notice shall specify the breach and require the Defaulting Party immediately to stop the breach and, to the extent that it is possible, to make good the results of the breach within sixty (60) days. This does not affect the other party's right subsequently to claim damages or other compensation under applicable law for the breach or, where appropriate, to seek an immediate remedy of an injunction, specific performance or similar court order to enforce the Defaulting Party's obligations.

## 17. Transfer terms

17.1 Any transfer of the Seller's Shares to the Continuing Party or a Third Party Purchaser under clause 14, or of the Affected Party's Shares to the Continuing Party under clause 15 (in this clause the Seller's Shares and/or the Affected Party's Shares are referred to as the **Relevant Shares**) shall be on the following terms:

(a) the Relevant Shares shall be sold free from all liens, charges and encumbrances and third party rights, together with all rights of any nature attaching to them including all rights to any dividends or other distributions declared, paid or made after the date of the relevant Transfer Notice/Offer Notice;

(b) the Continuing Party/Third Party Purchaser shall assume with effect from the completion date, any obligations of the Seller/Affected Party and any member of its Group under (and shall procure the release of) any guarantees, indemnities, letters of comfort and/or counter-indemnities to third parties in relation to the business of the Company. Where the Buyer is the Continuing Party, any such assumption shall be without prejudice to the Continuing Party's right to receive a contribution from the Seller/Affected Party for its share of any claims attributable to any liabilities arising in respect of the period before the completion date;

(c) the Seller/Affected Party shall deliver to the Continuing Party/Third Party Purchaser duly executed transfer(s) in favour of the Continuing Party/Third Party Purchaser, or as it may direct, together with, if appropriate, share certificate(s) for the Relevant Shares and a certified copy of any authority under which such transfer(s) is/are executed;

(d) against delivery of the transfer(s), the Continuing Party/Third Party Purchaser shall pay the total consideration for the Relevant Shares to the Seller/Affected Party by cheque / banker's

draft for value on the completion date;

(e) the parties shall ensure (insofar as they are able) that the relevant transfer or transfers (subject to their being duly stamped, stamp duty to be paid by the Continuing Party/Third Party Purchaser) are registered in the name of the Continuing Party/Third Party Purchaser or as it may direct;

(f) the Seller/Affected Party shall do all such other things and execute all other documents (including any deed) as the Continuing Party/Third Party Purchaser may reasonably request to give effect to the sale and purchase of the Relevant Shares.

(g) if the buyer is a Third Party Purchaser, it shall enter into an agreement with the Continuing Party to be bound (in terms reasonably satisfactory to the Continuing Party by provisions corresponding to the Seller's obligations under this Agreement including (but without limitation) those under clause 10 of this Agreement (*Non-competition*) and this clause.

## **18. Parent company further assurances**

### **Exercise of rights and powers**

18.1 So far as it is legally able, each party undertakes with the other to exercise all voting rights and powers (direct and indirect) available to it in relation to any person and/or the Company to ensure that the provisions of this Agreement (and the other agreements referred to in this Agreement) are completely and punctually fulfilled, observed and performed and generally that full effect is given to the principles set out in this Agreement.

### **Performance by Group companies**

18.2 Each party shall ensure that its Group companies perform:

(a) all obligations under this Agreement which are expressed to relate to members of its respective Group (whether as Shareholders or otherwise); and

(b) all obligations under any agreement entered into by any of its Group companies pursuant to this Agreement.

The liability of a party under this clause 18.2 shall not be discharged or impaired by any amendment to or variation of this Agreement any release of or granting of time or other indulgence to any of its Group companies or any third party or any other act, event or omission which but for this clause would operate to impair or discharge the liability of such party under this clause 18.2.

## **19. Non-assignment**

Neither party shall, nor shall purport to, assign, transfer, charge or otherwise deal with all or any of its rights and/or obligations under this Agreement nor grant, declare, create or dispose of any right or interest in it, in whole or in part (otherwise than pursuant to a transfer of Shares to a third party in accordance with the terms of this Agreement).

## **20. Waiver of rights**

No waiver by a party of a failure by the other party to perform any provision of this Agreement operates or is to be construed as a waiver in respect of any other failure whether of a like or different character.

## **21. Amendments**

A variation of this Agreement is valid only if it is in writing and signed by or on behalf of each party.

## **22. Invalidity**

If any provision of this Agreement is or is held to be invalid or unenforceable, then so far as it is invalid or unenforceable it has no effect and is deemed not to be included in this Agreement. This shall not invalidate any of the remaining provisions of this Agreement.

## **23. No partnership or agency**

23.1 Nothing in this Agreement (or any of the arrangements contemplated by it) is or shall be deemed to constitute a partnership between the parties nor, except as may be expressly set out in it, constitute either party the agent of the other party for any purpose.

23.2 Unless the parties agree otherwise in writing neither of them shall:

- (a) enter into contracts with third parties as agent for the Company or for the other party; or
- (b) describe itself as such an agent or in any way hold itself out as being such an agent.

## **24. Announcements**

24.1 No formal public announcement or press release in connection with the signature or subject matter of this Agreement shall (subject to clause 24.2) be made or issued by or on behalf of either party or any of its Subsidiaries without the prior written approval of the other party (such approval not to be unreasonably withheld or delayed).

24.2 If a party has an obligation to make or issue any announcement required by law or by any stock exchange or by any governmental authority, the relevant party shall give the other party every reasonable opportunity to comment on any announcement or release before it is made or issued (provided that this shall not have the effect of preventing the party making the announcement or release from complying with its legal and/or stock exchange obligations.)

## **25. Costs**

Each of the parties shall pay its own costs, charges and expenses (including taxation) incurred in connection with negotiating, preparing and implementing this Agreement and the transactions contemplated by it. The costs of and incidental to the incorporation and establishment of the Company shall be borne and paid by the Company.

## **26. Entire Agreement**

26.1 This Agreement sets out the entire agreement and understanding between the parties with respect to the subject matter of it.

26.2 No party has relied on or has been induced to enter into this Agreement in reliance on any representation, warranty or undertaking which is not expressly set out or referred to in this Agreement.

26.3 No party shall have any claim or remedy in respect of misrepresentation (whether negligent or otherwise and whether made prior to, and/or in, this Agreement) or untrue statement made by the other party.

26.4 Liability for, or any remedy in respect of, fraudulent misrepresentation is not excluded.

## **27. Conflict with articles**

### **Supremacy of this Agreement**

27.1 If the provisions of this Agreement conflict with the Memorandum and Articles or other constitutional documents, the provisions of this Agreement shall prevail as between the parties. The parties shall:

(a) exercise all voting and other rights and powers available to them to give effect to the provisions of this Agreement, and

(b) (if necessary) ensure any required amendment to the Memorandum and Articles or other constitutional document of the Company.

### **Transfers of Shares**

27.2 Without prejudice to the generality of clause 27.1, the provisions of this Agreement shall prevail in relation to the transfer of Shares and, accordingly:

(a) neither party shall use the provisions of the Articles to frustrate the operation of clauses 14 or 15 of this Agreement; and

(b) each party shall promptly give (or ensure that any Shareholder in its Group promptly gives) any approval under the Articles which is necessary or appropriate to give full and immediate effect to the procedure contemplated by the provisions of clauses 14 or 15 and/or any transfer of Shares permitted under this Agreement.

## **28. Notices**

28.1 Any notice or other formal communication to be given under this Agreement shall be in writing and signed by or on behalf of the party giving it. It shall be:

(a) sent by e-mail / fax with evidence of receipt; or

(b) delivered by hand or sent by prepaid recorded delivery, special delivery or registered post to the relevant address in clause 28.2

In each case it shall be marked for the attention of the relevant party set out in clause 28.2 (or as otherwise notified from time to time under this Agreement). Any notice given by hand delivery, e-mail fax or post shall be deemed to have been duly given:

(a) in the case of delivery by hand, when delivered;

(b) in the case of fax or electronic mail on a Business Day prior to 6.00 pm, at the time of receipt;

(c) in the case of prepaid recorded delivery, special delivery or registered post, at 10am on the second Business Day following the date of posting

provided that in each case where delivery by hand or by e-mail / fax occurs after 6pm on a Business Day or on a day which is not a Business Day, service shall be deemed to occur at 9am on the next following Business Day. References to time in this clause are to local time in the country of the addressee. References to time in this clause are to local time in the country of the addressee.

### **Address of notices**

28.2 The addresses of the parties for the purpose of clause 28.1 are:

(a) **P1:**

Address:

E-mail:

For the attention of:

(b) **P2:**

Address:

E-mail:

For the attention of:

(c) **P3:**

Address:

E-mail:

For the attention of:

### **Change of Notice Details**

28.3 A party may notify the other party to this Agreement of a change to its name, relevant addressee, address or fax number for the purposes of this clause 28, provided that, such notice

shall only be effective on:

(a) the date specified in the notice as the date on which the change is to take place; or

(b) if no date is specified or the date specified is less than five Business Days after the date on which notice is given, the date following five Business Days after notice of any change has been given.

28.4 All notices under or in connection with this Agreement shall be in the English language or, if in any other language, accompanied by a translation into English. In the event of any conflict between the English text and the text in any other language, the English text shall prevail.

28.5 Service of any legal proceedings concerning or arising out of this Agreement shall be effected by causing the same to be delivered to the party to be served at its principal place of business as specified in this Agreement, or to such other address as may from time to time be notified in writing by the party concerned.

### **English language**

28.6 All notices or formal communications under or in connection with this Agreement shall be in the English language or, if in any other language, accompanied by a translation into English. In the event of any conflict between the English text and the text in any other language, the English text shall prevail.

## **29. Settlement of disputes**

### **Amicable Settlement**

29.1 If any dispute, controversy or claim between the parties arises out of or in connection with this Agreement, they shall use all reasonable endeavours to resolve the matter amicably. If one party gives the other notice that a material dispute has arisen and the parties are unable to resolve the dispute within a period of thirty (30) days of service of the notice, then the dispute shall be referred to the respective Chairmen / Chief Executives of the parties. Neither party shall resort to dispute resolution below against the other under this Agreement until thirty (30) days after the referral. This shall not affect a party's right, where appropriate, to seek an immediate remedy for an injunction, specific performance or similar court order to enforce the obligations of the other party.

### **Governing Law**

29.2 This document is governed by and are to be construed in accordance with the laws of applicable therein.

### **Dispute Resolution**

29.3 Each party irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of (and any court of appeal) and waives any right to object to an action being brought in

those courts, including on the basis of an inconvenient forum or those courts not having jurisdiction.

### **30. Counterparts**

This Agreement may be executed in any number of counterparts and by the parties to it on separate counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument.

### **31. No rights for Third Parties**

A person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Ordinance to enforce any of its terms.

**As witness** this Agreement has been signed by the duly authorised representatives of the parties the day and year above written.