

Buy back agreement

This Buy back agreement is entered

2014

Between

1. **[name of Company] Limited** a company registered in England with number [number] whose registered [] ("");
2. **[Insert name and address of option holder who has exercised]** ("").

Preliminary

- (A) The Shareholder is to become a shareholder of the Company following the exercise by him of an option to acquire **[insert number]** shares in the Company granted to him ("").
- (B) The Company has entered into this Agreement for its own benefit and on behalf of Trustees of any Employee Share Trust whose discretionary objects comprise all or substantially all of the employees of the Company and its subsidiaries () ("").

Now it is agreed as follows:

1. Option to Acquire the Shares

1.1. In consideration of the sum of £1 paid by the Company (receipt of which is hereby acknowledged) the Shareholder agrees with the Company 12 ("").

1.1.1 termination (for whatever reason) of the employment of the Shareholder by the Company and/ ;

1.1.2 the exercise of the Option by the Shareholder as referred to in paragraph (A) if the Shareholder is not at such date

the Company may serve a written notice on the Shareholder

1.1.3 Within 28 days of service of any written notice referred to in clause 1.1 the Company shall at its own expense instruct the Auditors (or if so determined by the Company some other person nominated)

1 . 3 .

1.2. Fair Market Value shall mean a price for the Shares certified by the Auditors of the Company (or at their election some other person nominated by them) as the fair value of the Shares as between a willing seller . [

].

1.3. The certificate by the Auditors (or other accountants) as to the value of the Shares ("the Certificate") shall be final,

1.4. Within 28 days of receipt of the Certificate by the Company the Company

2. Purchase by the Trustees/the Company

2.1. The Trustees may elect by written notice to the Company and the Shareholder to purchase the Shares at the Fair Market Value with funds provided to the Trustees by

28

(/)

2.2. Completion of the sale and purchase of the Shares shall take place at the registered office of the Company 28

2.3. The Shareholder shall sell

2.4. If the Shareholder fails to complete the sale of the Shares in accordance with this Agreement the Company may appoint one

3. Rights Relating to the Shares

3.1. All rights attaching to the Shares shall accrue to the purchaser of the Shares on the date of service of the written notice

1 . 1

3.2. The Shareholder shall if required by the Company renounce in favour of

4. Undertakings

The Shareholder undertakes that he shall not prior to the exercise or

5. Miscellaneous

This Agreement shall be binding upon each party's successors and assigns and personal representatives ()

6. Notices

Any notice to be served on the Shareholder may be personally served or sent by first class pre paid

48

Executed as a Deed

By a []

in the presence of:

W Signature

I Print Name

T Address

N

E

S

S Occupation

Signed and Delivered as a Deed

by [Shareholder] in the presence of:

W Signature

I Print Name

T Address

N

E

S

S Occupation

Signed and Delivered as a Deed

by [Trustees] in the presence of:

W Signature

I Print Name

T Address

N

E

S

S Occupation

Explanatory notes:

Buy back agreement

General notes:

1. Buy-Back Agreement to form an annexure to an EMI Option Agreement. It must be
2. This document is for use when owner-managers want to incorporate a buy-back arrangement so that option holders who acquire shares and cease
3. Owner-managers may prefer that an EMI Option can only be exercised immediately prior to a sale: see the EMI exit conditioned document. This document
4. This document will only be suitable where the Company's Articles

Paragraph specific notes

Note: numbering refers to paragraph numbers.

- 1.1. The agreement gives a 12 month option for the shares to be acquired. The 12 month

()
:

12

- 1.2. It is assumed that the

- 1.3. The draftsman should decide if the valuer is to ignore the fact that the

(50 %

75 %)

1.4. The document allows the Company to decide whether
(" ")

End of notes