ZA-CPsha05

Shareholders' agreement: joint venture through company

Shareholders' agreement for joint venture to be undertaken by

[Company name] (Pty) Ltd

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Shareholders' agreement for joint venture [redacted]

[Company name] (Pty) Ltd

This agreement is dated: [[redacted]]

The Company is: [company [redacted]] ([redacted] " [redacted] ")

The Company's registered office is: [[redacted] / [redacted]]

The Shareholders are:

[ABC] (Pty) Limited, a company incorporated in South Africa [under company registration number [number] [redacted]] [redacted] [[redacted]].

[DEF] (Pty) Limited, a company incorporated in South Africa [under company registration number [number] [redacted]] [redacted] [[redacted]].

The corporate shareholders together are the "Venturers"

[Freda Fish of 158, Braamfontein, P.O Box 1059 [redacted] , 2000 [(" [redacted] ")]]

The background to this agreement is:

A. The shareholders have come together to form the Company with a view [redacted] .

B. The Company is a private limited company, number [1234567], [redacted] [[redacted]].

C. The parties have agreed these terms in order to [redacted] .

These are the terms of the agreement:

1. Definitions

These definitions apply unless the context [redacted] :

"Act" means the Companies Act 2008 and any subsequent additions, [redacted]

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[redacted].

"MOI" means the memorandum of incorporation of the Company.

"Business Plan" means the attached plan which sets out the purpose, aims [redacted].

"Confidential Information means all information, including:

personal data, as defined in applicable law, owned by any data subject whom a party to this agreement may contact in relation [redacted].

information which may give a commercially competitive advantage to any other person. [redacted]:

information about staff, their performance and [redacted],

data or information relating to suppliers, product plans, marketing strategies, finance, performance, operations, customer [redacted], [redacted], [redacted], [redacted];

information created or arising from this agreement;

information owned by a third party and in respect of which a party [redacted]-[redacted].

information, comment or implication published on [redacted].

data or information relating to processes, formulae, procedures, designs, drawings, apparatus, [redacted], [redacted];

information about the Intellectual Property and the know-[redacted].

[It does not include information that it is

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reasonably necessary to disclose to a customer or other person in the usual course [redacted].]

"Director" means a director of the Company.

"Intellectual Property" means intellectual property of every sort, whether or

not registered or registrable in any country, including intellectual property of all kinds coming into existence after today; and including, among others, patents, trade marks, unregistered [redacted].

"Venture" means the venture of / joint venture [state nature of venture shortly and concisely], [redacted].

2. Interpretation

In this agreement unless the context otherwise requires:

2.1. a reference to a person includes a human individual, a corporate entity and any organisation [redacted].

2.2. a reference to a person or party includes reference to that person's successors, legal representatives, permitted assigns and any person to whom rights and obligations are transferred or pass as [redacted].

2.3. a reference to a paragraph or schedule is to a paragraph or schedule to this agreement unless the context [redacted].

2.4. the headings to the paragraphs and schedules (if any) to this agreement are inserted [redacted].

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2.5. unless the context requires otherwise, words importing the singular include the plural and vice versa, and pronouns importing a [redacted] , [redacted] .

2.6. any agreement by any party not to do or omit to do something includes an obligation not to allow some [redacted] .

2.7. [except where stated otherwise,] any obligation of any person arising from this [redacted] .

2.8. a reference to the knowledge, information, belief or awareness of any person shall be deemed to include the knowledge, information, [redacted] .

2.9. a reference to an act or regulation includes new law of substantially the same [redacted] .

2.10. this agreement is made only in the English language. If there is any conflict in meaning between the English language version of this agreement and any version or [redacted] , [redacted] .

3. Documents relied on

3.1. This agreement contains the entire agreement between the parties and supersedes all previous agreements and understandings between the parties. Each party acknowledges that, in entering into this agreement, it does not [redacted] , [redacted] :

3.1.1 The Business Plan;

3.1.2 Draft service agreement between the Company [redacted] [[redacted]];

3.1.3 [list all other documents]

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4. Shareholders' details

The shareholders in the Company are:

Name of shareholder [redacted]	Number of [redacted]
ABC	600
DEF	350
GHI	50

5. Completion

5.1. The parties agree to give effect to this agreement immediately and in particular to conduct such business of the Company and sign such resolutions and minutes as may be necessary and to instruct the [company [redacted]] [redacted].

5.2. The Company shall not be obliged to issue shares to a shareholder unless payment of the specified price is made in respect of [redacted].

6. Appointment and removal of Directors

6.1. [ABC] and [DEF] shall be entitled each to nominate [two] directors of the Company. [[redacted]] [redacted].

6.2. Each Venturer may remove or replace any number of directors nominated by [redacted]. [redacted]:

6.3. provide sufficient representation to constitute a quorum, and

6.4. subject to there being a [redacted], [redacted].

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6.5. The party removing a Director shall [redacted] - [redacted] .

6.6. All of the shareholders shall agree to [redacted] .

7. Duties of Directors

7.1. [Freda] shall be Chief Executive Officer

7.2. One of the nominees [redacted] [[redacted]] [redacted] [[redacted]].

7.3. One of the [redacted] [[redacted]] [redacted] [[redacted]].

7.4. The second nominee of each of [ABC] and [[redacted]] [redacted] , [redacted] - [redacted] .

7.5. No non-[redacted] .

7.6. After completion of this agreement, the Company shall [redacted] .

8. Company's obligations

The shareholders shall take whatever steps are necessary [redacted] .

The Company [redacted] :

8.1. carry on the Venture efficiently;

8.2. ensure that any decision reasonably likely to affect the [redacted] ([redacted]) [redacted] ;

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8.3. maintain insurances [redacted];

8.4. deal at all times and [redacted];

8.5. keep accurate accounts and records of the Company and the Venture [redacted], [redacted];

8.6. provide each shareholder within [four] [redacted];

8.7. deliver to each shareholder as promptly as reasonably practicable [redacted]; [redacted]

8.8. prepare such accounts in respect of each accounting reference period as are required [redacted] [[redacted]] [redacted].

8.9. keep proper, [redacted] [[redacted]];

8.10. within [60] days after the end of each financial year, provide to [redacted], [redacted] [[redacted]] [redacted];

8.11. provide to each shareholder within [2 weeks] of [redacted], [redacted], [redacted];

8.12. provide to each shareholder as promptly as reasonably practicable such [redacted] / [redacted].

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9. Shareholders' obligations

9.1. The shareholders agree to exercise their powers in relation [redacted].

9.2. Each shareholder undertakes with each of the others that whilst it remains a [redacted], [redacted].

10. Actions requiring [75%] shareholder consent by law

10.1. The following actions shall not be taken without [redacted] [75] % [redacted]:

10.1.1 change the MOI of the Company;

10.1.2 pass any resolution for [redacted] - [redacted].

10.1.3 buy any new business or company or make a substantial investment in business [redacted];

10.1.4 approve any transaction relating to disposal of assets.

10.1.5 in any way change the quantity, structure, value, [redacted], [redacted];

10.1.6 change any contractual arrangement with [redacted]

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11. Actions requiring consent of [ABC] and [DEF]

The following actions shall not be taken by [redacted] [redacted] [redacted] [redacted], [redacted] .

11.1. capitalise, repay or distribute money [redacted] , [redacted] .

11.2. change the financial year of the [redacted] ;

11.3. permit the registration (upon [redacted]) [redacted] ;

11.4. sell, transfer, lease, [redacted] ;

11.5. Otherwise than in the normal course of business, [redacted] , [redacted] , [redacted] .

11.6. [Add other matters]

12. Dividend policy and procedure

12.1. Dividends shall be [redacted] .

12.2. No dividend shall be paid until the annual accounts [redacted] [redacted] [redacted] .

13. Use of Intellectual Property

13.1. The Business Plan provides details of the Venture. The Venture relies on Intellectual [redacted] [redacted]. [redacted], [redacted] [redacted] .

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13.2. In carrying out the [redacted], [redacted] "[redacted]".

13.3. New Intellectual Property [redacted].

13.4. New Intellectual Property may not be used by a [redacted].

13.5. The Company shall register any trade mark, [redacted], [redacted].

13.6. Each shareholder now agrees that if it / [redacted]:

13.6.1 do its utmost to [redacted];

13.6.2 inform the Company [redacted];

13.6.3 provide to the Company whatever full code, passwords, specification, [redacted], [redacted], [redacted].

13.7. To make this effective each shareholder now undertakes to do whatever is [redacted].

13.8. If intellectual property owned by a shareholder and used by the Company with his permission, is incorporated into [redacted], [redacted], [redacted], [redacted].

13.9. This paragraph does not apply to Intellectual Property created by [redacted]

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[redacted].

14. Assets introduced by a shareholder

14.1. This paragraph applies to [redacted].

14.2. The assets listed under the [redacted] 1 [redacted].

14.3. Unless a clear intention of gift [redacted], [redacted].

14.4. Each shareholder, who has permitted its assets of any description [redacted], [redacted]. [redacted]:

14.4.1 is limited to [redacted];

14.4.2 prohibits reproduction [redacted], [redacted];

14.4.3 shall terminate at any [redacted].

15. Confidentiality

Each of [redacted]:

15.1. divulge or disclose to any person (and that includes [redacted]) [redacted].

15.2. allow anyone else to copy from any document, computer disk, [redacted].

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15.3. comply with the law [redacted], [redacted], [redacted].

15.4. This paragraph does not apply to disclosure:

15.4.1 made with the consent of the proper [redacted].

15.4.2 of information or knowledge which [redacted].

16. Transfer of shares

16.1. No party shall voluntarily assign, mortgage, charge, [redacted], [redacted].

16.2. Despite the foregoing provision, a shareholder may dispose of all or any of its shares, [redacted]. [redacted] 14 [redacted].

17. Share sale by single shareholder

17.1. In this paragraph:

"Fair Price" means the price of Sale Shares or Transfer Shares [redacted] [2].

"Sale Notice" means a notice given [redacted], [redacted], [redacted].

"Sale Price" [redacted].

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"Sale Shares" [redacted].

17.2. If a Shareholder (the "Seller") wishes to sell all or [redacted]:

17.2.1 the number and classes of Sale Shares;

17.2.2 the Sale Price per [redacted];

17.2.3 whether any third party has indicated a willingness to buy the [redacted] 3 [redacted];

17.2.4 the identity of any such third party and ([redacted]) [redacted] ([redacted]) [redacted];

17.2.5 all other terms relating to the proposed transaction.

17.2.6 conformation that the [redacted].

17.3. If the Seller asserts that the Sale Price is [redacted], [redacted]/[redacted].

17.4. The Sale Notice shall be [redacted].

17.5. The Sale Notice shall not be revocable except with [redacted].

17.6. Promptly after the Sale Notice is received, the Directors shall send a copy of [redacted], [redacted].

17.7. A Shareholder wishing to accept any or all of the shares offered to him shall give written notice of [redacted] [21] [redacted]

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[redacted]. [redacted].

17.8. If such notice is not received by [redacted] [21] [redacted], [redacted].

17.9. A notice of acceptance shall be irrevocable and shall give rise to [redacted], [redacted].

17.10. The Sale Shares shall be sold free from all charges and with [redacted].

17.11. In exchange for the Sale Price, the Seller shall deliver to each [redacted] ([redacted]) [redacted].

17.12. If the Seller fails to comply with the [redacted], [redacted].

17.13. If in respect of all or any Sale Shares the Seller's offer lapses or is [redacted], [redacted].

17.14. No transfer to a third party shall be accepted by [redacted].

18. Procedure after transfer

18.1. In this paragraph "Transfer Date" means the date when a shareholder transfers [redacted] [5] % [redacted].

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18.2. The rights and obligations of a former shareholder [redacted] :

18.2.1 any right or obligation [redacted] ;

18.2.2 any right or obligation [redacted] .

18.3. On or immediately after [redacted] :

18.3.1 immediately resign as a Director of the Company [redacted] ; [redacted]

18.3.2 immediately transfer to whoever the Company [redacted] ; [redacted]

18.3.3 not from that time represent to anyone [redacted] ; [redacted]

18.3.4 return to the Company without request all [redacted] ; [redacted]

18.3.5 delete all Confidential Information [redacted] ; [redacted]

18.3.6 not contact or communicate [redacted] ; [redacted]

18.4. Whenever a shareholder disposes of its shares, whether intentionally or by operation of law, there shall [redacted]

18.5. If it fails to comply with any provision of this paragraph where compliance could be achieved by the signing of some document or doing of [redacted]

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[redacted] ([redacted]).

19. Restrictions on shareholder after transfer

Each shareholder agrees that:

19.1. after the Transfer Date it will continue to acknowledge the [redacted];

19.2. it will not within [three] years of the Transfer Date directly or indirectly, advise, instruct, [redacted];

19.3. it will not within [three] years of the Transfer Date directly or [redacted], [redacted], [redacted], [redacted];

19.4. [redacted] [[redacted]] [redacted], [redacted], [redacted];

19.5. [redacted].

20. Termination proposals (1)

This agreement shall continue until terminated as follows:

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20.1. [redacted] [[redacted]];

OR

20.2. [redacted], [redacted].

OR

20.3. [redacted] [[redacted]].

21. Termination proposals (2)

21.1. [redacted], [redacted], [redacted]. [redacted], [redacted].

21.2. [redacted] 01 [redacted] 2026 , [redacted], [redacted]:

21.3. [redacted], [redacted].

21.4. [redacted] “[redacted]”.

21.5. [redacted] [[redacted] / [redacted] / [redacted] / [redacted] . . .] [redacted].

21.6. [redacted], [redacted]

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[redacted].

22. Termination proposals (3)

22.1. [redacted] [[redacted]], [redacted].

22.2. [redacted], [redacted] [[redacted]] [redacted], [redacted], [redacted], [redacted] - [redacted] ("[redacted]") [redacted], [redacted] "[redacted]".

22.3. [redacted].

22.4. [redacted], [redacted], [redacted] [14] [redacted].

22.5. [redacted], [redacted].

22.6. After the expiry of the 14 day notice:

22.6.1 [redacted].

22.6.2 [redacted].

22.6.3 [redacted], [redacted].

22.6.4 [redacted] 11 [redacted].

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22.7. [redacted] "[redacted]".

23. Termination proposals (4)

[redacted]:

23.1. [redacted].

23.2. [redacted] [[redacted]] [redacted].

23.3. [redacted].

23.4. [redacted].

23.5. [redacted], [redacted], [redacted]. [redacted], [redacted].

24. Involuntary termination

In the event that a Venturer ("Defaulter"):

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24.1. [redacted] [30 [redacted]] [redacted] ; [redacted]

24.2. [redacted] , [redacted] , [redacted] , [redacted] , [redacted] ; [redacted] (“ [redacted] ”),

The following provisions shall apply:

24.3. [redacted] .

24.4. [redacted] , [redacted] .

24.5. [redacted] . [redacted] , [redacted] , [redacted] .

24.6. [redacted] , [redacted] [2].

24.7. [redacted] .

24.8. [redacted] [[redacted]] [redacted] . [redacted] .

24.9. [redacted] .

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25. “Tag-along” right

25.1. [redacted] [51] % [redacted] (" [redacted] ") [redacted] (“ [redacted] ”), [redacted] (" [redacted] ") [redacted] .

25.2. [redacted] ([redacted] " [redacted] - [redacted] ") [redacted] , [redacted] , [redacted] , [[redacted] / [redacted]].

25.3. [redacted] 30 [redacted] , [redacted] - [redacted] , [redacted] - [redacted] .

25.4. [redacted] .

25.5. [redacted] - [redacted] , [redacted] .

25.6. [redacted] .

25.7. [redacted] - [redacted] , [redacted] , [redacted] , [redacted] .

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26. “Drag along” right

26.1. [redacted] [51] % [redacted] - [redacted] - [redacted] ([redacted] " [redacted] ") [redacted] , [redacted] (“ [redacted] - [redacted] ”) [redacted] ([redacted] " [redacted] - [redacted] ") [redacted] , [redacted] .

26.2. [redacted] - [redacted] , [redacted] - [redacted] :

26.2.1 [redacted] , [redacted] , [redacted] - [redacted] ([redacted]);

26.2.2 vote his shares in favour of that transaction;

26.2.3 [redacted] ([redacted]) [redacted] ;

26.2.4 [redacted] , [redacted] , [redacted] .

27. Publicity

[redacted] .

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28. Conflict with the MOI

[redacted], [redacted]:

28.1. [redacted], [redacted];

28.2. [redacted].

29. Miscellaneous matters

29.1. [redacted].

29.2. [redacted], [redacted].

29.3. [redacted].

29.4. [redacted], [redacted], [redacted].

29.5. [redacted], [redacted], [redacted], [redacted]. [redacted], [redacted].

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29.6. [redacted], [redacted].

29.7. [redacted].

29.8. [redacted]-[redacted].

It shall be deemed to have been delivered:

[redacted]: [redacted];

[redacted]: [redacted] 72 [redacted];

[redacted]-[redacted]-[redacted]: [redacted] 24 [redacted]-[redacted]. [[redacted]-[redacted]. [redacted], [redacted]].

29.9. [redacted], [redacted].

29.10. [redacted], [[redacted]].

29.11. [redacted], [redacted].

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29.12. [redacted].

29.13. [redacted].

29.14. [redacted], [redacted], [redacted] [redacted], [redacted], [redacted], [redacted] [redacted] [redacted]/[redacted] [redacted].

29.15. [redacted], [redacted].

Signed by [full name], duly authorised on behalf of the Company

Signed by [full name], duly authorised on behalf of [ABC], a shareholder:

Signed by [full name], duly authorised on behalf of [DEF], a shareholder:

Signed by Freda, for herself as shareholder

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Schedule 1: Ownership of assets used by the Company

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Schedule 2: Letter of instruction to accountants for valuation

[On the letterhead of the company]

To: Bloggs accountants

Dear Sirs

Shares valuation - this company

[redacted]. [redacted] % [redacted].

To assist you we now enclose:

- [redacted], [redacted];
- [redacted];
- details of the current and forward order book;
- budget for the next [two] years;

[redacted].

[redacted], [redacted]

OR

Please make your valuation on the following assumptions:

1. [redacted].
2. [redacted].

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3. [redacted], [redacted] %].

4. [redacted]/[redacted], [redacted].

5. [redacted], [redacted]/[redacted].

6. [redacted], [redacted]([redacted]).

7. [redacted].

8. [redacted].

9. [redacted].

10. [redacted].

11. [redacted].

Yours faithfully,

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Explanatory notes:

Shareholders' agreement: joint venture through company

General notes

1. The word "venture" has no legal meaning different from the everyday meaning of "a one-off business". In any event, a shareholders' agreement can be in any form. It is regulated only to the extent that the [redacted].

2. This agreement has been drawn to enable a corporate structure to provide the basis for a JV. That JV could be about absolutely anything. Because the possibilities are so wide, we have assumed that you are able to define what you want the JV company to undertake. Because this is the agreement that defines the relationships between shareholders and the company, It is a [redacted], [redacted].

3. This document should be completed in the same meeting as all other relevant documents, all of which should carry the same date. [redacted], [redacted]:

    new MOI;

    directors' service agreements;

    licence and other agreements between shareholders and [redacted];

    the business plan and any other specifications;

    lease of property, if ready;

    and of course . . . . notices and minutes [redacted].

4. A JV company, like this one, can be run by any number of shareholders. The most usual number is two. Here we have added the new CEO as a minority shareholder, in case you do have one or more minorities. It is very easy to delete any reference to her, [redacted].[redacted], [redacted].

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5. Because it is expected that a venture will conclude within a specified time frame, the venturers may enter into it with a view to a specific end date. That is usually very important to one or more of them. The "exit strategy" is therefore very important. In this document, we have given you a few pointers. The possibilities are endless. Our certain advice is to decide on options that [redacted].

   At all costs, avoid equal power. A JV agreement works best if one party has the larger shareholding, while the other is prepared to be concerned only with protecting his own position. That leaves the first [redacted].

6. We have kept the structure of the company simple in that there is provision for only one class of shares. Where there are two or more classes, complications arise not [redacted].

7. In this template we have provided for just one human shareholder. We have labelled her as the CEO. This is not because we suggest that you should disperse shares, but simply to give you the option in case that is what you do want. You now [redacted].

8. One key asset often overlooked in any business is intellectual property. It appears in many different forms, some of which may be unique to a business model, others of which have a market value. By and large, if a company retains its IP, it can change course, [redacted].

Paragraph specific notes

Notes following the numbered paragraphs

1. Definitions

It is our policy to limit the number of definitions to the bare minimum. Those that we use are always very important. In this agreement however, a number of the definitions apply to one two specific paragraphs: those dealing with sales and transfers of shares. If you delete those paragraphs, then of course, the relevant items in the [redacted].

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We do provide long definitions occasionally, not because they are important to the meaning of the document but so that anyone signing the agreement cannot later deny [redacted].

2. Interpretation

There are some very important points here that affect many other parts of the document. Leave these items in place unless there is a good reason to edit or remove. We suggest that you read them a couple of times [redacted], [redacted]!

3. Documents relied on

This is a simple statement for the avoidance of doubt. Of course other documents may indeed create the relationships mentioned. For example, most directors will be employees. It is important [redacted], [redacted].

The second part provides for a list of relevant documents. We advise you to be sure that you include [redacted].

4. Shareholders' details

The price per share is usually the nominal value. If the shares are R1 shares, then the price per share should be R1. However, there is nothing to prevent a subscription at any price. If one party has contributed an existing business to the deal, it could be that others may have to contribute many [redacted]. [redacted], [redacted].

5. Completion

The agreement does not of itself make things happen. So far as change must be made, it is likely to be through service contracts, minutes of meetings, and so on. It is therefore important [redacted].

6. Appointment and removal of Directors

This paragraph provides a framework within which you can decide what you want for your business. The number of directors to be appointed [redacted].

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The requirement to change the MOI is simply a reminder that your director structure should be checked to make sure it is allowed by [redacted].

Remember that the actual appointment or removal must take place within the framework of the Companies Act, If you want to sack a director, remember that you must also handle [redacted].

7. Duties of Directors

You can specify names, but you may agree it is more important that the venturers have the flexibility to change their representation if they wish to do so. However, we do advise that you specify areas of responsibility too. You will probably spell this out in detail in the business plan. A note here too makes quite clear who is responsible for [redacted].

It is certain that shareholders will not see each other's roles in the same light. You may wish to set out precise allocation of specific duties to each director. This may also prevent [redacted].

8. Company's obligations

The company and the shareholders are parties. Although the company can act only through its directors, it does have a separate legal identity. It is the company that carries the legal responsibility for the items mentioned. It may be that the proper recourse [redacted].

The benefit of stating this stuff here is that it helps to fix the structure of the arrangement because it is “in the agreement” and each shareholder has an obligation [redacted].

Edit freely.

9. Shareholders' obligations

This provision is intended to prevent a shareholder from acting [redacted].

Delete or edit as you require.

10. Actions requiring [75%] shareholder consent by law

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This and the following paragraphs are important and [redacted].

This paragraph deals first with the "special resolution percentage - 75 %" [redacted] ". [redacted]".

Special resolution percentage - 75%

A special resolution is supported by at least 75% of the voting rights of shareholders. However, the Act provides [redacted] 10 % [redacted].

In any event the minimum percentage for [redacted] 61 %.

If you have not changed threshold in your MOI then you should leave 75% as is. In that case [redacted] . [redacted] , [redacted] .

List of matters

In setting out these points, we are merely reminding all shareholders [redacted] .

11. Actions requiring consent of ABC and DEF

This paragraph is most important. Without the agreement, shareholders controlling 51% or more of the shares can do [redacted] . [redacted] - [redacted] .

The first point to consider is therefore what percentage of votes (one per share, not one per person), should be sufficient to act against the wishes of a minority. You should consider [redacted] , [redacted] . [redacted] .

We have listed a number of management and strategy areas where our experience is that more than 51% of shareholders should be brought on [redacted] . [redacted] . [redacted] , [redacted] .

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12. Dividend policy and procedure

Payment of a dividend must accord with tax law and the Companies Act, S46. The tax element relates in part to the availability of profit out of which a dividend may be [redacted].

We recommend that you leave this paragraph substantially [redacted].

13. Use of Intellectual Property

When a company is formed for a venture, it is usual, rather than exceptional, for it to use intellectual property owned by one of more of its new shareholders. That may be to exploit [redacted].

As business continues, more and more IP is created, particularly customer and product related data. This paragraph provides a route through [redacted].

We very strongly advise you to set up a simple licence agreement setting the terms of the licence. That document needs [redacted].

14. Assets introduced by a shareholder

Over time, shareholders tend to introduce assets for use in the company. It might be a picture to hang on the office wall, or an old desk, or some graphic design or software. Later, arguments [redacted].

This paragraph grants a formal licence to the [redacted].

Delete if not required

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15. Confidentiality

It is for the parties to decide whether they think this provision is appropriate. This happens where software, customer lists, and designs creep out [redacted].

16. Transfer of shares

We have included this and the following paragraphs in case you have individual shareholders. One of the venturers may [redacted].

A shareholder may want "out" because the relationship with colleagues has deteriorated, or he has difficulties in his private life, or wishes to live elsewhere, or has other pressing financial interests, or wishes to [redacted]!

Delete this paragraph if not relevant.

17. Share sale by single shareholder

We have provided in detail for a right of pre-emption in the event that a shareholder wishes to sell. This is a procedure whereby the existing shareholders have the first opportunity to buy the seller's shares. [redacted].

The draft letter of instruction [redacted].

Delete this paragraph if not relevant.

18. Procedure after transfer

There are some important points here. Although this list may now appear too strong, when a colleague decides [redacted].

Some of these provisions are difficult to control, but we [redacted].

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The last two sub- [redacted] .

Delete this paragraph if not relevant.

19. Restrictions on shareholder after transfer

This paragraph is of most use to a company with human shareholders. However, it may also be applicable to a situation where corporate partners break up [redacted] . [redacted] " [redacted] " [redacted] . [redacted] . [redacted] .

20. Termination proposals (1)

This and the next few paragraphs may well be the most important and controversial part of the document. [redacted] , [redacted] . [redacted] . [redacted] - [redacted] .

Please therefore treat these four [redacted] . [redacted] .

This first proposal is for [redacted] - [redacted] .

21. Termination proposals (2)

This second [redacted] .

If the JV has been formed to pool complementary resources and create an on- [redacted] , [redacted] . [redacted] , [redacted]

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[redacted]

If your JV project is for a particular physical [redacted]

22. Termination proposals (3)

This third option deals with a situation where conflict arises and there is disagreement as [redacted]

If you include this provision, and conflict does arise, [redacted]

23. Termination proposals (4)

Out last option is a friendly agreement to dispose of the assets. This may well be the [redacted]

24. Involuntary termination

These provisions tie up loose ends if one venturer becomes insolvent. As a matter [redacted]

25. "Tag-along" right

This is [redacted]

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Large shareholder agrees sale of controlling interest to a [redacted] . [redacted] - [redacted] , [redacted] .

We have suggested 51% as the appropriate trigger for this provision, because [redacted] , [redacted] 51 %, [redacted] . [redacted] , [redacted] - [redacted] - [redacted] .

To an Investor, however, an ability to sell his [redacted] . [redacted] , [redacted] .

26. "Drag along" right

This provision is activated when a seller has found a buyer who is interested [redacted] . [redacted] . [redacted] , [redacted] . [redacted] .

It provides that the (majority) selling shareholder [redacted] . [redacted] " [redacted] - [redacted] ".

However, we have also provided that there shall be [redacted] - [redacted] . [redacted] ? [redacted] .

If you wish [redacted] , [redacted] .

27. Publicity

We have no comment.

28. Conflict with the MOI

As stated [redacted] , [redacted] .

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29. Miscellaneous matters

A number of special points. We have identified each of these as important to [redacted].

Letter to accountant - valuers

All good things come to an end. The " [redacted] " [redacted]:

1. The valuation method [redacted].
2. No matter what you put in the letter, or what valuation method you choose, [redacted].
3. Remember, you are instructing the [redacted].
4. Remember too, that there [redacted].

End of notes

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