Shareholder ... ecklist

(1)   Who are the parties to the A

A   <<Insert answer (1)>>

(2)   What are the addresses of t

A   <<Insert answer (2)>>

(3)   What is the name of the Co

A   <<Insert answer (3)>>

(4)   Will the Company use any b

A   <<Insert answer (4)>>

(5)   Where is the Company to be

A   <<Insert answer (5)>>

(6)   Who is the Company Secret

A   <<Insert answer (6)>>

(7)   Where will the registered off

A   <<Insert answer (7)>>

(8)   What is the purpose for setti

A   <<Insert answer (8)>>

(9)   Does the Company require a ... uthorisations or registrations?

A   <<Insert answer (9)>>

(10)   Is the Company to apply for ... gistrations?

A   <<Insert answer (10)>>

(11)   Who will be the Company's b

A   <<Insert answer (11)>>

(12)   Who will be the Company's a

A   <<Insert answer (12)>>

(13)   What will be the Company' fi

A   <<Insert answer (13)>>

(14)   Is the Company going to oc[cupy...]

    (a)   If yes, does the Com[pany...]
    (b)   If not, has the Compa[ny...] (if yes, give details of the lease)

A   <<Insert answer (14)>>

(15)   Does the company wish to s[...]

A   <<Insert answer (15)>>

(16)   For taxation purposes is it in[tended...] should qualify under the EIS scheme? If yes, do the parti[cipants...] for EIS relief?

A   <<Insert answer (16)>>

(17)   Does the company also qual[ify...]?

A   <<Insert answer (17)>>

(18)   Is it intended that the compa[ny...] be reduced by paying interest rather than dividends i.e. (us[...] shares) as interest may be tax deductible whereas dividend[s...]

A   <<Insert answer (18)>>

(19)   Do individual participants wa[nt...]ents to benefit their families as there may be advantages wh[...] family members at the outset?

A   <<Insert answer (19)>>

(20)   Are employees of the Compa[ny...] he company? If yes, will it suit the employees to take options to [...]ture rather than having shares issued at the outset?

A   <<Insert answer (20)>>

(21)   Do UK corporate participants [...] up relief or consortium relief to transfer tax losses to and fro[m...] osses are to be transferred, what payment should be made?

A   <<Insert answer (21)>>

(22)   How much is being invested [...]

A   <<Insert answer (22)>>

(23)   When is the investment bein[g...]

A   <<Insert answer (23)>>

(24)   Is there an obligation to prov   the future?

A   <<Insert answer (24)>>

(25)   Is the investment to be provi

A   <<Insert answer (25)>>

(26)   Is the investment being prov   ssets? If yes, how are they to be
          valued?

A   <<Insert answer (26)>>

(27)   Will the participants take as

          (a)   ordinary shares
          (b)   preference shares
          (c)   loan stock
          (d)   other (describe)

A   <<Insert answer (27)>>

(28)   If further cash calls are made   der the obligation to meet their part
          of the call? If yes, if they fail   or do they suffer some form of
          penalty?

A   <<Insert answer (28)>>

(29)   Will the Company be expect   gs or other external funding?

A   <<Insert answer (29)>>

(30)   In the event any guarantees   ants agree to share any liability in
          the ratios in which they hold

A   <<Insert answer (30)>>

(31)   Are any borrowings to be se   any special arrangements
          concerning the ranking of se

A   <<Insert answer (31)>>

(32)   What is the timetable for dra   ts?

A   <<Insert answer (32)>>

(33)   Will further issues of shares   d must new shares be offered first
          to existing members on a rig

A   <<Insert answer (33)>>

(34)   Are new shares are to be iss[...]pro rata to existing shareholders?

    (a)   if yes, what procedur[...] existing members e.g. a 30 day offer period?
    (b)   if yes, are different cl[...]alt with separately
    (c)   if yes, are shares whi[...]taken up by the member to whom they were offered to [...]ther members who apply for excess shares or (ii) [...]

A   <<Insert answer (34)>>

(35)   Will the board have the right [...]ers in return for assets as an exception to any pre-emption [...]ers? If yes, what level of consent will be required?

A   <<Insert answer (35)>>

(36)   Are there exceptions where [...]d or options granted, e.g. to employees? If yes, what pe[...] will be available for this exception?

A   <<Insert answer (36)>>

(37)   Are the shares to be split int[...]

    (a)   if yes, what rights will [...]
    (b)   If yes, will the classes [...]e of the holder or will the classes remain distinct whoev[...]

A   <<Insert answer (37)>>

(38)   Are any of the following type[...]ted without needing to comply with the pre-emption procedure? [...]

    (a)   transfers to family me[...]?
    (b)   transfers to nominee[...]
    (c)   Transfers within grou[...]
    (d)   All of the above
    (e)   Other (describe)

A   <<Insert answer (38)>>

(39)   Will any of the following circu[...]er to offer their shares for sale?

    (a)   Where the share hold[...]
    (b)   where a shareholder, [...]nto liquidation or receivership
    (c)   where an individual c[...]e, either by resigning or is dismissed with good [...]
    (d)   all of the above

(e)   other (describe)

A   <<Insert answer (39)>>

(40)   Will the pre-emption procedure the following?

    (a)   a requirement that if s more than a specified proportion of the shares e.g. bet must make an offer to buy out the remaining shareholde

    (b)   a further stage in the where the company itself can re-purchase the shares able resources and can do so within the legal requir ase of shares?

    (c)   To prevent a shareho all number of shares after disposing of his main holding, a areholder whose holding falls below a certain percentage the pre-emption basis?

    (d)   Where participants w sell their shares to an outsider they agree to procure uy out the other members at the same price;

    (e)   If a third party wishes areholding, all the shareholders have the right to sell eir shareholdings;

    (f)   All of the above

    (g)   Other (describe)

A   <<Insert answer (40)>>

(41)   Who are to be the first direct

A   <<Insert answer (41)>>

(42)   Will the participants have rig lves?

A   <<Insert answer (42)>>

(43)   Will the participants have rig mber of directors?

    (a)   if yes, how many?

    (b)   if yes, do the director e participant cease to hold a minimum number of s e minimum number?

A   <<Insert answer (43)>>

(44)   What is the minimum amoun uorum at a meeting?

A   <<Insert answer (44)>>

(45)   Will the quorum require spec nt? If yes, what directors?

A   <<Insert answer (45)>>

(46)   Will each director have one v tion will there be?

A   <<Insert answer (46)>>

(47)   What period of notice must b

A   <<Insert answer (47)>>

(48)   Where there is urgent busine   eriod be allowed? If yes, what period of notice?

A   <<Insert answer (48)>>

(49)   Can directors appoint alterna   outsiders be appointed as alternates, and if so, is board

A   <<Insert answer (49)>>

(50)   What voting rights to apply a

        (a)   one vote each
        (b)   weighted voting (if ye

A   <<Insert answer (50)>>

(51)   What is the quorum for shar

A   <<Insert answer (51)>>

(52)   Apart from any matters which   e as a matter of law, are there any other items which the particip   ire a similar majority?

A   <<Insert answer (52)>>

(53)   Who will have the right to co   eeting?

A   <<Insert answer (53)>>

(54)   Who is to have the responsib   nning of the company?

A   <<Insert answer (54)>>

(55)   Will the participants be mana   not how will managers be appointed and removed?

A   <<Insert answer (55)>>

(56)   Are any of the participants o   vices to the company? If yes, set out the details.

A   <<Insert answer (56)>>

(57)   Which of the following restric   mpany?

(a) changes in the share

(b) changes in the rights

(c) changes to the Memo   Association

(e) the sale of all or part

(f) the acquisition of any

(g) the acquisition of pro

(h) borrowing or lending   al course of business and giving
      security

(i) the issue of new shar

(j) the appointment and

(k) the appointment and   ives

(l) the appointment and   tors

(m) capital commitments   es, state the limitation)

(n) the acquisition of any   s in other companies

(o) the formation of subs

(p) litigation excepting de

(q) service agreements w   evels

(r) paying of dividends

(s) winding up of the Co

(t) any other type of insc

(u) all of the above

(v) other (describe)

A   <<Insert answer (57)>>

(58) Will any of the above restrict   rticipants' consent? If yes, what
      form of consent will be requi

A   <<Insert answer (58)>>

(59) Will there be a set amount o   vailable for distribution every year?
      If yes, what is the amount?

A   <<Insert answer (59)>>

(60) Which of the following restric   rties?

(a) no interest or involve   ompany (if yes, will there be an
      exception for small sl   npanies?

(b) no solicitation of the   ny

(c) no solicitation of the   ny

(d) non disclosure or mis   nation

(e) no use of the Compa   cipant leaves the Company

A   <<Insert answer (60)>>

(61) Will there be a restriction on   ion? If yes, how long?

A   <<Insert answer (61)>>

(62) Where the participant is a co   s apply to all their employees?

A   <<Insert answer (62)>>

(63)   Is the company set up for a s   hat are the details, and will the
        participants be allowed to ac   of its assets?

A   <<Insert answer (63)>>

(64)   Where there are new particip

        (a)   Will there be a mecha   nal documentation to include them?
               or
        (b)   No person will be adr   be a party to the shareholders
               agreement? or
        (c)   Other (describe)

A   <<Insert answer (64)>>