

DATED [May] 2019

- (1) [SPVY00013 *Park Hotel*]
 - (2) The **A Shareholders**, as set out in Part 1 of Schedule 1
 - (3) The **B Shareholders**, as set out in Part 2 Schedule 1
- and—
- (4) Yielders Limited

THIS AGREEMENT is made on [May 2019]

PARTIES

- (1) [SPVY00013 *Park Hotel*] incorporated in England and Wales under number [11921351] whose registered office is at [The Old Police Station, 82 High Street, Colborne, Warrington WA3 3DA], (**Company**)
- (2) The several persons whose names and addresses are set out in Part 1 of Schedule 1 (together, **A Shareholders**)
- (3) The several persons whose names and addresses are set out in Part 2 of Schedule 1 (together, **B Shareholders**) and
- (4) YIELDERS LIMITED incorporated in England and Wales under number 09757611 whose registered office is at The Old Police Station, 82 High Street, Colborne, Warrington WA3 3DA (**Investor**)

(each of the **Company**, the **A Shareholders**, the **B Shareholders** and the **Investor** being a **Party** and together the **Company**, the **A Shareholders**, the **B Shareholders** and the **Investor** are the **Parties**).

BACKGROUND

The Investor has agreed to invest in the Company subject to and in accordance with the terms and conditions of this Agreement.

THE PARTIES AGREE:

1 Definitions and interpretation

- 1.1 In this Agreement, unless the context otherwise requires the following expressions shall have the following meanings:

Articles means the articles of association of the Company in the approved terms to be adopted at Completion (as amended from time to time);

Board means the board of directors of the Company from time to time;

B Share means the B Shares in the Company having the rights set out in clause 8 hereof

Business Day means a day, other than a Saturday, Sunday or public holiday, on which clearing banks are open for non-automated commercial business in the City of London and **Business Days** means more than one of them;

CA 1985 means the Companies Act 1985;

CA 2006	means the Companies Act 2006;
Confidential Information	all data or information (whether technical, commercial, financial or of any other type) in any form acquired under, pursuant to or in connection with, this Agreement and any information used in or relating to the Company, operations, processes, formulae, methods, plans, strategy, product information, know-how, design rights, trade secrets, market opportunities, customer lists, commercial relationships, marketing, sales materials and general business affairs), and which are for the time being confidential to the Company;
Deed of Adherence	means the deed of adherence to this Agreement in the form of Schedule 2;
Director	means a director of the Company from time to time;
Encumbrance	means any mortgage, claim, charge, pledge, lien, hypothecation, guarantee, right of set-off, trust, assignment, right of first refusal, right of pre-emption, option, restriction or other encumbrance or any legal or equitable third party right or interest including any security interest of any kind or any type of preferential arrangement (or any like agreement or arrangement creating any of the same or having similar effect) and Encumbrances means more than one of them;
Exit	means: <ul style="list-style-type: none"> (a) the sale of the whole of the issued equity share capital of the Company to a single buyer or to one or more buyers as part of a single transaction; or (b) the sale of the whole or a substantial part of the assets of the Company to a single buyer or to one or more buyers as part of a single transaction;
Investor Director	Is defined in clause 2.1.1;
Offer	a third party offer to purchase the shares of the Company or the assets of the Company which is approved by the Directors in their reasonable discretion;
Share	means a share in the capital of the Company including the B Shares;
Shareholder	means any holder of any Share from time to time;

- 1.2 In this Agreement, unless the context otherwise requires:
- 1.2.1 each gender includes the other genders;
 - 1.2.2 the singular includes the plural and vice versa;
 - 1.2.3 references to this Agreement include its Schedules;
 - 1.2.4 references to clauses and Schedules are to clauses of and Schedules to this Agreement and references in a Schedule or part of a Schedule to a paragraph are to a paragraph of that Schedule or that part of that Schedule;
 - 1.2.5 references to persons include individuals, unincorporated bodies and partnerships (in each case whether or not having a separate legal personality), governments, government entities, companies and corporations and any of their successors, permitted transferees or permitted assignees;
 - 1.2.6 the words 'include', 'includes' and 'including' are deemed to be followed by the words 'without limitation';
 - 1.2.7 the words and phrases 'other', 'including' and 'in particular' or similar words shall not restrict the generality of any preceding words or be construed as being limited to the same class, acts, things or matters as the preceding words where a wider construction is possible;
 - 1.2.8 the contents table, if any, and the descriptive headings to clauses, Schedules and paragraphs in this Agreement are inserted for convenience only, have no legal effect and shall be ignored in the interpretation of this Agreement;
 - 1.2.9 references to legislation include any modification or re-enactment of it but exclude any re-enactment or modification after the date of this Agreement to the extent they make any Party's obligations more onerous or otherwise adversely affect the rights of any Party;
 - 1.2.10 references to this Agreement, any specified clause in this Agreement, any other document or any specified clause in any other document are to this Agreement, that document or the specified clause as in force for the time being and as amended, varied, novated or supplemented from time to time;
 - 1.2.11 references to time shall mean London time, unless otherwise stated; and
 - 1.2.12 any English legal term for any legal document, action, remedy, judicial proceeding, court, official, status, doctrine or any other legal concept shall, in relation to any jurisdiction other than England and Wales, be deemed to include the term which most nearly approximates in that jurisdiction to the English legal term.
- 1.3 If there is a conflict between the terms of the body of this Agreement and the terms of the Schedules, the terms of the body of this Agreement will prevail over the Schedules.

2 Investor Director

- 2.1 The Investor shall be entitled at any time to:
- 2.1.1 appoint three people to the Board as a Directors (**Investor Directors**); and

- 2.1.2 remove any such person appointed under clause 2.1.1 for any reason whatsoever and to appoint another person in his place.
- 2.2 The appointment and removal of an Investor Director shall be made by notice in writing served on the Company and shall take effect at the time it is served on the Company, except for the first appointment as Investor Director whose appointment shall be made and take effect immediately following Completion.
- 2.3 The Investor Directors shall be entitled to appoint any person to be his alternate director.
- 2.4 The Investor Directors shall not be subject to retirement by rotation and shall not be removed except by the Investor.
- 2.5 The Investor Directors shall have day to day responsibility and management of the business of the Company

3 Transfers and allotments of Shares

- 3.1 Each party undertakes that he will not, without prior approval of the Investor Directors create any charge, security, lien or encumbrance over, transfer (either or both of the legal and beneficial ownership) or otherwise dispose of the whole or any part of his interest in or grant any option over any Shares to any person, except where permitted or required by the Articles.
- 3.2 Before a transfer or allotment of Shares may be registered in the books of the Company, the transferee or allottee must first have executed and delivered to the Company a Deed of Adherence, except where the transferee or allottee is already a party to this Agreement (in the same capacity as the transferee or allottee was a party before the transfer or allotment) or with prior Investor Director approval.

4 Observance of articles and conflict

- 4.1 Each Party shall comply fully and promptly with the provisions of the Articles and each and every provision of the Articles is enforceable by the Parties between themselves, notwithstanding that any such provision might not have been so enforceable but for this provision.
- 4.2 To the extent of a conflict between the provisions of the Articles and this Agreement then the provisions of this Agreement shall prevail.

5 Confidentiality and announcements

- 5.1 Subject to clause 5.2, each Party shall keep confidential and shall not disclose any Confidential Information, except where the Confidential Information is:
- 5.1.1 publicly available, other than as a result of a breach by a Party of this Agreement;
- 5.1.2 lawfully available to a Party from a third party who was not subject to any confidentiality restriction prior to the disclosure of such Confidential Information; or
- 5.1.3 required to be disclosed by law, regulation or by order or ruling of a court or administrative body of a competent jurisdiction or by the rules of a Recognised Investment Exchange or any regulatory body to which any Party submits (but in which case to the absolute minimum necessary) provided that the disclosing Party shall use its reasonable endeavours to the extent permitted to do so by law, the court or the

authority requiring disclosure, to first consult fully with the other Parties to establish whether and, if so, how far it is possible to prevent or restrict such enforced disclosure and take all steps as it may require to achieve prevention or restriction.

- 5.2 Notwithstanding clause 5.1, the Investor Directors shall be entitled at all times to disclose Confidential Information to the Company's auditors (if any), lenders and proposed lenders and with any proposed investor in the Company or any other person on whose behalf it is investing in the Company (or with or to any of its or their professional advisers) and to any proposed purchaser, underwriter, sponsor or broker for the purposes of facilitating an Exit, subject to the Investor using reasonable endeavours to procure that any such recipient is made aware that it is Confidential Information and agrees to treat it accordingly.

6 Distribution of proceeds of Exit

- 6.1 The parties agree that the proceeds of an Exit event shall be distributed between them as follows:

6.1.1 In paying all fees and expenses incurred in managing the Company and its assets and the costs and expenses of the Exit, including but not limited to those incurred by the Investor;

6.1.2 as to the balance, and subject to the price being £2,100,000 or greater, the A Shareholders will receive a lower proportion of the proceeds than to the B Shareholders (according to the agreed and signed-off financial summary) but in the event that the price achieved is less than £2,100,000 the percentage to the A Shareholders shall increase and the percentage to the B Shareholders shall reduce on a pro rata basis

6.1.3 as to the balance, and subject to the price being less than £2,100,000 and the Board electing to accept the Offer then the B Shareholder shall have the option to either buy the Property or the asset so that the A Shareholders receives such sum as they would have done under clause 6.1.2 based on the valuation of £2,100,000 or to reduce its proceeds from the sale to have the same effect

6.1.4 in the event that the Board do not receive an acceptable Offer under clause 5.2 then they may, at their absolute discretion resolve to rent out the Property or Asset to a third party at such sum as they are advised represents a fair and reasonable market valuation

7 Rights of B Shares

The parties agree that the B Shares carry no rights to participate or join in the management, operation or supervision of the Company nor to attend, vote at or participate in any general meeting of the Company nor to participate in any dividend lawfully declared and paid by the Company and that the only right afforded to the B Shares and the B Shareholders are those set out in clauses 6.1.3 above

8 Term of agreement

- 8.1 Without prejudice to the accrued rights of any party and save in respect of the provisions of this clause and clauses 1 (Definitions and interpretation), 5 (Confidentiality and Announcements), 10 (Fees and Costs); 11 (Miscellaneous), 12 (Notices) and 13 (Governing law and jurisdiction), this Agreement shall cease and determine on the earlier of:

- 8.1.1 an Exit;
- 8.1.2 all of the Shares becoming beneficially held by one Party; or
- 8.1.3 the Company being liquidated.

8.2 In addition, save in respect of the provisions of this clause and clauses 1 (Definitions and interpretation), 5 (Confidentiality and Announcements), 10 (Fees and Costs), 101 (Miscellaneous), 11 (Notices) and 123 (Governing law and jurisdiction), this Agreement shall cease and determine with respect to the rights and obligations of a Party, when such Party ceases to hold Shares or ceases to be the beneficial owner of Shares provided that such Party having first complied with its obligations under clause 3 (and the transferee shall, if appropriate, having entered into a Deed of Adherence) and (in the case of a Founder) the Party is no longer a Director or an employee of the Company.

9 Fees and costs

Each Party shall pay its own costs and expenses incurred in connection with the preparation, negotiation and completion or rescission of this Agreement and each of the Founders represents to, and agrees with, the Investor that (save as provided above) none of such costs and expenses have been or will be borne by the Company.

10 Miscellaneous

10.1 Survival

The provisions of this Agreement shall, except in so far as fully performed at Completion, continue in full force and effect and will continue to bind the Parties after and notwithstanding Completion. Such provisions shall be effective and enforceable against the relevant Party and will not be extinguished or affected by any other event or matter, except as otherwise provided under this Agreement or by a specific and duly authorised written waiver or release of the other Parties.

10.2 Variation

No amendment or variation of this Agreement shall be effective unless made in writing and signed by or on behalf of all Parties or by their authorised representatives.

10.3 Severability

10.3.1 Each provision of this Agreement is severable and distinct from the others. If any provision of this Agreement is or becomes illegal, invalid or unenforceable, that shall not affect the legality, validity or enforceability of any other provision of this Agreement.

10.3.2 If any provision of this Agreement is or becomes illegal, invalid or unenforceable but would be legal, valid and enforceable if some part of the provision was deleted or modified, the provision in question shall apply with such deletions and modifications as may be necessary to make it legal, valid and enforceable.

10.3.3 The Parties agree, in the circumstances referred to in clause 10.3.1 and if clause 10.3.2 does not apply, they shall attempt in good faith to substitute for any such illegal, invalid or unenforceable provision (within 20 Business Days of such provision being so determined by a court or relevant body or jointly by each Party's legal

advisers) a legal, valid and enforceable provision which achieves to the greatest extent possible the same effect as would have been achieved by the relevant illegal, invalid or unenforceable provision. The obligations of the Parties under any invalid or unenforceable provision of this Agreement shall be suspended while the Parties agree such substitution.

10.4 Waiver

10.4.1 No failure, delay, indulgence, act or omission by either Party in exercising any claim, remedy, right, power or privilege under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any claim, right, remedy, power or privilege prevent any future exercise of it or the exercise of any other claim, right, power or privilege.

10.4.2 Any rights or remedies conferred upon a Party by this Agreement, shall be in addition to and without prejudice to all other rights and remedies available to it.

10.5 Further assurance

Each Party (at its own cost) shall, and shall use its reasonable endeavours to procure that any necessary third parties shall, execute and deliver to the Parties such other instruments and documents (including deeds) and do all such further things as may be reasonably necessary to carry out, evidence and give effect to the provisions of and the matters contemplated by this Agreement.

10.6 Rights of third parties

A person who is not a Party to this Agreement shall not be entitled to enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.

10.7 Assignment and Issue of Further Shares

10.7.1 If at any time the Investor (or any person holding the legal title to Shares as nominee, custodian or trustee or otherwise on behalf of the Investor) transfers any of its Shares in accordance with the Articles, its rights and/or benefits arising from, or in connection with, this Agreement shall be assignable in whole or in proportionate part to the transferee of such Shares or any interest therein.

10.7.2 Subject to clause 10.7.1, no Party shall be entitled to assign the benefit or burden of any provision of this Agreement (or any of the documents referred to herein) without the consent of the Investor Directors.

10.7.3 The parties agree that the Directors shall have the ability to issue and allot further A Shares at any time and the parties agree to waive any pre-emption rights that they might have in that regard and to do and sign all such things as the Directors may from time to time request them to do to give full force and effect to the provisions of this clause

10.8 Entire agreement

10.8.1 This Agreement sets out the entire agreement and understanding between the Parties relating to the matters contemplated by this Agreement and supersedes all previous agreements (if any and whether in writing or not) between the Parties in relation to such matters.

10.8.2 This Agreement shall not be construed as creating any partnership or agency relationship between any of the Parties.

10.9 Succession

This Agreement shall be binding upon, and enure to the benefit of, each Party and their respective successors and assigns. Subject to and upon any succession and assignment permitted by this Agreement, any successor and/or assignee shall in its own right be able to enforce any term of this Agreement in accordance with its terms as if it were in all respects a party to this Agreement, but until such time, any such successor or assignee shall have no rights whether as a third party or otherwise.

10.10 Time of the essence

Each time, date or period referred to in this Agreement (including any time, date or period varied by the Parties) is of the essence.

10.11 Counterparts

This Agreement may be signed in any number of separate counterparts. Each, when executed and delivered by a Party, will be an original; all counterparts will together constitute one instrument.

10.12 Power of attorney

10.12.1 Each Shareholder hereby irrevocably appoints the Company as its attorney (with the power to appoint any member of the Board as a substitute and to delegate to that substitute all or any powers hereby conferred, other than this power of substitution, as if he had been originally appointed by this power of attorney) to give effect to the provisions of this Agreement and/or the Articles.

10.12.2 The power of attorney granted by each Shareholder under clause 10.12.1 of this Agreement is given by way of security for the performance of each Shareholder's respective obligations under this Agreement and the Articles and is irrevocable as long as those obligations remain undischarged.

11 Notices

11.1 Notices under this Agreement will be in writing and sent to the person and address in clause 11.2. They may be given, and will be deemed received:

11.1.1 by first-class post: two Business Days after posting;

11.1.2 by airmail: seven Business Days after posting;

11.1.3 by hand: on delivery;

11.1.4 by facsimile: on receipt of a successful transmission report from the correct number; and

11.1.5 by email: on receipt of a read return mail from the correct address.

11.2 Notices will be sent to the addresses of the parties notified by them to the Company from time to time

11.3 A Party may change the address or facsimile number to which such notices to it are to be delivered by giving not less than five Business Days' notice to the other Parties.

12 Governing law and jurisdiction

12.1 This Agreement and any dispute or claim arising out of, or in connection with, it, its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the laws of England and Wales.

12.2 The Parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of, or in connection with, this Agreement, its subject matter or formation (including non-contractual disputes or claims).

AGREED by the Parties on the date set out on page 1.

SCHEDULE 1

Part 1

A Shareholders

<u>Name</u>	<u>Address</u>	<u>Number of A Shares</u>
Abid Karim	The Old Police Station, 82 High Street, Colborne, Warrington WA3 3DA	100,000

Part 2

B Shareholders

<u>Name</u>	<u>Address</u>	<u>Number of B shares</u>
2020 Homes Limited	Oakleigh, Tamworth Road, Coventry CV7 8JJ	

**SCHEDULE 2
DEED OF ADHERENCE**

THIS DEED is made on *[insert date]*

PARTIES

- (1) *[Insert name of company in which the shares are held]* incorporated in England and Wales under number *[insert company number]* whose registered office is at *[insert address]* (**Company**), and
- (2) *[Insert name and address of Acquiror]* (**Acquiror**).

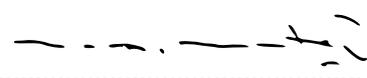
BACKGROUND:

- A This Deed is supplemental to a Shareholders' Agreement dated *[insert date]* and made between (1) the Company, (2) the A Shareholders, (3) the B Shareholders and (4) the Investor, as from time to time amended, varied, novated or supplemented (**SA**).
- B *[[insert name]* (**Transferor**) intends to transfer to the Acquiror OR The Acquiror intends to subscribe and the Company intends to allot and issue to the Acquiror] *[insert number]* *[insert class]* Shares of *[insert value]*p each in the capital of the Company (**Relevant Shares**) subject to the Acquiror entering into this Deed in favour of the Company and the persons who for the time being and from time to time are parties to the SA (**Continuing Parties**).

THIS DEED PROVIDES:

- 1 The Acquiror undertakes to the Company and the Continuing Parties to comply with the provisions of, and to perform all the obligations in, the SA of [] so far as they may remain to be observed and performed and the Acquiror shall become a party to the SA as if the Acquiror were named in the SA as [] holding the Relevant Shares [in place of the Transferor OR in addition to the Continuing Parties].
- 2 All the provisions of the SA shall remain in full force and effect.
- 3 Unless the context requires otherwise, words and expressions defined in the SA shall have the same meaning when used in this Deed.
- 4 This Deed may be signed in any number of separate counterparts. Each, when executed and delivered by a party, will be an original; all counterparts will together constitute one instrument.
- 5 This Deed is governed by and shall be interpreted in accordance with English law. The parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales to settle any disputes and claims which may arise out of or in connection with this Deed.

EXECUTED AS A DEED by the parties on the date first set out above.

Executed as a deed by <i>[2020 GROUP UK]</i> acting by <i>[Mohammed Arif Mushtaq]</i> , director	 [signature of director]
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	Director _____ <i>[signature of director/secretary]</i> [Director OR Secretary]
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For a corporate Acquiror:

Executed as a deed by <i>[INSERT NAME OF ACQUIROR]</i> acting by <i>[insert name of director]</i> , director, and <i>[insert name of director/secretary]</i> , [director OR secretary] <i>[signature of director]</i> Director <i>[signature of director/secretary]</i> [Director OR Secretary]
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For an individual Acquiror:

Executed as a deed by <i>[INSERT NAME OF ACQUIROR]</i> in the presence of:	[.....]
[.....]	
Name: <i>[insert name]</i>	
Address: <i>[insert address]</i>	
Occupation: <i>[insert occupation]</i>	
Executed as a deed by <i>[insert name of company]</i> acting by <i>[insert name of director]</i> , director, in the presence of: <i>[signature of director]</i> Director
..... <i>[signature of witness]</i>	
<i>[insert name of witness]</i>	
<i>[insert witness's address]</i>	
<i>[insert witness's occupation]</i>	
Executed as a deed by <i>[insert name of company]</i> acting by <i>[insert name of director]</i> , director, and

[insert name of director/secretary], [director OR secretary]	[signature of director] Director [signature of director/secretary] [Director OR Secretary]
Executed as a deed by [insert name of A Shareholder] in the presence of: [signature of founder]
..... [signature of witness]	
[insert name of witness]	
[insert witness's address]	
[insert witness's occupation]	

[repeat for each other Founder]

Executed as a deed by [insert name of B Shareholder] in the presence of: [signature of other shareholder]
..... [signature of witness]	
[insert name of witness]	
[insert witness's address]	
[insert witness's occupation]	

[repeat for each Other Shareholder]

For a corporate Investor:

Executed as a deed by [insert name of corporate investor] acting by [insert name of director], director, in the presence of: [signature of director] Director
..... [signature of witness]	

[insert name of witness]	
[insert witness's address]	
[insert witness's occupation]	

For an individual Investor:

Executed as a deed by [insert name of individual investor] in the presence of: [signature of individual investor]
..... [signature of witness]	
[insert name of witness]	
[insert witness's address]	
[insert witness's occupation]	