

## SERIES A INVESTMENT ROUND

### Preliminary Notes

This Term Sheet has been prepared, and endorsed, by various venture capital firms and law firms in the Middle East for use by startups and venture capital firms and investors in equity financing rounds to provide a balanced and fair draft of the terms and conditions.

This Term Sheet reflects typical and customary market positions in the Middle East for transactions of this nature but every financing should be considered on its own merits and this Term Sheet should not be taken as definitive legal or financial advice. Certain provisions may or may not apply or be relevant for a particular financing and additional provisions may be appropriate in certain circumstances. It is strongly recommended that both startups and investors seek professional advice in connection with any transaction contemplated by this Term Sheet.

Please also note that this Term Sheet has been developed for use in common law jurisdictions, such as Abu Dhabi Global Market, the Dubai International Financial Centre, the Cayman Islands, BVI and Singapore, among others. If the investee company is domiciled in Delaware, the parties may consider using the NVCA form of documents (tailored for the region).

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## SERIES A INVESTMENT ROUND

in relation to

**[HOLDING COMPANY NAME]**

This non-binding term sheet (**Term Sheet**) is intended for discussion purposes only and, with the exception of Sections 32 (*Costs*), [33 (*Exclusivity*),] 34 (*Confidentiality*), 35 (*Whole Agreement*), 36 (*Governing Law*) and 37 (*Jurisdiction*) (**Binding Sections**), does not constitute and will not give rise to any legally binding obligation on any party to these discussions (each a **Party** and together the **Parties**) or any of their affiliates. None of the Parties to these discussions or any of their respective affiliates shall, with the exception of the Binding Sections which shall be legally binding and enforceable, be legally bound with respect to the transactions contemplated by this Term Sheet (**Transactions**) unless and until the Parties have entered into definitive, binding written agreements in respect of the Transactions. This Term Sheet does not, and is not intended to, create a duty to negotiate in good faith towards a binding agreement and may not be relied upon as the basis for an agreement by estoppel or otherwise. No past, present, or future action, course of conduct, or failure to act relating to the Transactions or the negotiation of the terms of the Transactions will give rise to or serve as the basis for any obligation or other liability on the part of any such Party or any of its affiliates.

1. Investor:	[INVESTOR ENTITY NAME], a [COMPANY TYPE] and incorporated in [JURISDICTION] with company number [NUMBER] and whose registered office is at [ADDRESS] (Investor), and any other investors mutually agreed upon by the Investor and the Company.
2. Founders:	[NAME OF FOUNDER(S)], a national of [COUNTRY] with passport number [NUMBER] whose address is [ADDRESS] [:][and] [REPEAT FOR EACH FOUNDER AS NEEDED] ([Founder] / [each a Founder, and together the Founders]).
3. Company:	[NAME OF HOLDING COMPANY], a [COMPANY TYPE] and incorporated in [JURISDICTION] with company number [NUMBER] and whose registered office is at [ADDRESS] (Company).
4. Proposed Transaction:	An equity financing of USD [AMOUNT] (Investor Portion), where the Investor shall invest the Investor Portion, by way of a subscription for shares. The subscription shall be for Series [A] Preferred Shares with the rights set out in this Term Sheet and any other rights negotiated and agreed with the Investor (Proposed Transaction).
5. Shares:	Series [A] Preferred Shares ( <b>Series [A] Preferred Shares</b> ), convertible on a 1:1 basis into ordinary shares with the rights set out, and together with any other class of preferred shares issued by the Company from time to time, the <b>Preferred Shares</b> and the holders of the Preferred Shares being the <b>Preferred Shareholders</b> . Any holder of Preferred Shares representing at least [AMOUNT]% of the total share capital of the Company on a fully diluted basis, from time to time, shall be deemed a <b>Major Investor</b> .
6. Group:	In this Term Sheet, any undertaking which is a subsidiary of the Company from time to time is a <b>Group Company</b> and, together with the Company, the <b>Group</b> .

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7. <b>Transaction Documentation:</b>	<p>The transaction documents are anticipated to include:</p> <ul style="list-style-type: none"> <li>(a) the Subscription Agreement (<b>Subscription Agreement</b>);</li> <li>(b) the disclosure letter pursuant to which the Company and the Founder[s] will disclose certain facts against the warranties contained in the Subscription Agreement (<b>Disclosure Letter</b>);</li> <li>(c) the Shareholders' Agreement to be entered into between the Investor, the Company, the Founder[s] and any other investors (<b>Shareholders' Agreement</b>);</li> <li>(d) the agreed form amended constitutional documents of the Company, reflecting key provisions of the Shareholders' Agreement; and</li> <li>(e) to the extent necessary, IP assignment agreements, founder services agreements and employment agreements,</li> </ul> <p>and are together the <b>Transaction Documentation</b>.</p>
8. <b>Conditions:</b>	<p>The investment is conditional on completion of due diligence, the Investor's satisfaction (acting reasonably) with due diligence results and entry into the Transaction Documentation.</p>
9. <b>Closing:</b>	<p>Closing shall take place as soon as reasonably practicable following execution of the Transaction Documents, where the Investor shall subscribe for the relevant Series [A] Preferred Shares (<b>Closing</b>).</p> <p>The pre-Closing and anticipated post-Closing cap tables are attached at Schedule 1.</p>
10. <b>Price:</b>	<p>The price per Series [A] Preferred Share of USD [AMOUNT] is based on a fully diluted pre-money valuation of USD [AMOUNT] (which fully diluted basis, for the avoidance of doubt, includes the SIP).</p> <p>The Company intends to raise an amount of up to USD [AMOUNT] in the Proposed Transaction.</p>
11. <b>Warranties:</b>	<p>The Company and [each][the] Founder shall provide customary warranties customary to a transaction of this kind, subject to customary exceptions and limitations, including warranties relating to: (i) capacity and authority, (ii) shares and capital structure, (iii) group companies, (iv) accounts, (v) real estate, (vi) employment, (vii) IP and IT, (viii) tax, (ix) litigation; and (x) anti-bribery and corruption.</p>
12. <b>Leakage:</b>	<p>Customary leakage provisions (to prohibit any distributions to shareholders prior to Closing) and indemnities (to cover any diligence matters that may be identified and are not satisfactorily covered by warranties) shall be included in the Subscription Agreement.</p>
13. <b>Liquidation Preference:</b>	<p>Upon a Liquidity Event (as defined below), the Series [A] Preferred Shareholders shall receive in preference to the holders of ordinary shares, an amount per share equal to the higher of:</p> <ul style="list-style-type: none"> <li>(a) [NUMBER]<sup>1</sup> times ([NUMBER]x) the Original Subscription Price (as defined below), adjusted for share splits, plus any declared but unpaid dividends; and</li> </ul>

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<sup>1</sup> Guidance: A Liquidation Preference provides for what happens to the proceeds of a company on an exit or a winding up. If a company has preferred shareholders, those investors get their money back first (a 1x return) before the ordinary shareholders get paid. Sometimes preferred shareholders can get twice (2x) or three times (3x) the amount they invested before any other shareholders get paid, but these instances are rare.

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(b) the distribution that would have been made to the Preferred Shareholders if they had been converted to ordinary shares in accordance with the Preferred Shareholders' conversion rights.

The balance (if any) shall be distributed pro rata amongst the holders of the ordinary shares.

For the purposes of this paragraph:

A **Liquidity Event** means:

- (i) a liquidation, dissolution or winding-up of the Company;
- (ii) a merger or consolidation of the Group (other than one in which the existing shareholders of the Company, following such merger or consolidation, own the majority (by voting power of the outstanding shares) of the surviving or acquired entity);
- (iii) an initial public offering on a recognised stock exchange;
- (iv) the closing of a transfer (by merger, sale, consolidation or otherwise), in one transaction or a series of related transactions, to a person or group of affiliated persons, of the shares of the Company, where such person or group of affiliated persons would hold more than 50% of the shares of the Company; or
- (v) a sale, lease, transfer, exclusive license or other disposition of all, or substantially all of, the assets of the Group; and

**Original Subscription Price** means, in the case of a Series [A] Preferred Share, the subscription price paid to the Company in relation to the subscription of such Series [A] Preferred Shares, and in the case of any other class of Preferred Shares, the original price for that Preferred Share paid by the original subscriber for it.

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**14. Anti-Dilution:**

The conversion price of the Preferred Shares will be subject to a [broad-based][narrow-based]<sup>2</sup> weighted-average anti-dilution adjustment to reduce dilution if the Company issues additional equity securities at a purchase price per share less than the Original Subscription Price, other than shares:

- (a) that are the subject of the SIP;
- (b) issued for consideration other than cash pursuant to a merger, consolidation, acquisition, or similar business combination approved by the Board and Preferred Shareholders representing at least [two-thirds][75%] of the issued Preferred Shares;
- (c) issued pursuant to any equipment loan or leasing arrangement, real property leasing arrangement, or debt financing from a bank or similar financial institution approved by the Board and a simple majority of the Preferred Shareholders; and
- (d) with respect to which Preferred Shareholders representing at least [two-thirds][75%] of the issued Preferred Shares waive their anti-dilution rights at a purchase price less than the applicable conversion price.

Upon an issuance of shares involving tranches or other multiple closings, the anti-dilution adjustment shall be calculated as if all shares were

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<sup>2</sup> Guidance: A broad-based weighted average accounts for all equity previously issued and currently being issued to shareholders. A narrow-based weighted average only accounts for all convertible preferred shares or outstanding preferred shares that are convertible for a specific Series. The market standard is for a broad-based weighted average.

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	issued at the first closing. The conversion price will also be subject to adjustments for dividends, splits, combinations and similar events.
15. Voting Rights:	<p>The Preferred Shareholders and the holders of the ordinary shares of the Company shall vote together and not as a separate class (on an as converted basis).</p> <p>Each Preferred Share and each ordinary share shall have the right to one vote.</p>
16. Conversion Rights:	<p><i>Optional Conversion.</i> All Preferred Shares are convertible to ordinary shares at an initial conversion rate of 1:1 on a fully diluted basis at any time at the option of the holder, subject to adjustments for dividends, splits, combinations and similar events at the election of [each holder][[more than][at least] <b>[NUMBER]</b>% of that class of Preferred Shares].</p> <p><i>Mandatory Conversion.</i> All Preferred Shares will automatically convert into ordinary shares on a fully-diluted basis at the then applicable conversion rate upon the closing of a firm commitment underwritten public offering of the Company.</p>
17. Pre-emption Right:	Each [holder of Preferred Shares][Major Investor] may, based on their percentage equity ownership (on an as converted basis), participate in subsequent financings of the Company, with a right of over-subscription for any shares not exercised by the other [Preferred Shareholders][Major Investors]. Such right will terminate immediately prior, and shall not apply, to any public offering.
18. Board:	<p>The board of directors of the Company (<b>Board</b>) shall consist of up to <b>[NUMBER]</b> members comprised as follows:</p> <p>(a) <b>[NUMBER]</b> director[s] shall be appointed by the Founder[s]; and</p> <p>(b) <b>[NUMBER]</b> director[s] shall be appointed by [a majority of the Series [A] Preferred Shares][a majority of the Preferred Shareholders][the Investor][<b>OTHER INVESTOR</b>] (<b>Investor Director[s]</b>).</p> <p>The chairperson of the Board shall be appointed by a Board majority. The chairperson (in their capacity as a director) shall not have a casting vote.</p> <p>The Board shall meet at least quarterly unless otherwise agreed by all its members.</p> <p>Quorum at Board meetings shall require a majority of the directors, including [one][the] Investor Director[s], provided that if quorum is not met due to the absence of the Investor Director[s], the quorum for the adjourned Board meeting shall be any [two] directors].</p> <p>[<b>[NAME]</b> shall [each] be entitled to appoint an observer who shall be entitled to attend Board meetings but not vote on any matters.]</p>
19. Founder[s] Activities:	The Founder[s] shall devote their full professional time to the Company. Any other professional activities to be conducted by the Founder[s] (with or without monetary compensation) require the prior written approval of the Board (as a Board Reserved Matter).
20. Reserved Matters:	Neither the Company nor any Group Company shall do any of the matters in Schedule 2 (or do anything which is analogous to or has a substantially similar effect to those matters) without the prior written consent of a majority of the Board, including the affirmative approval of [the Investor Director[s]] ( <b>Board Reserved Matters</b> ).  Neither the Company nor any Group Company shall do any of the matters

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	in Schedule 3 (or do anything which is analogous to or has a substantially similar effect to any of those matters) without the prior written consent of [more than 50%][at least 75%] of the [Preferred Shareholders][Series [A] Preferred Shares][, including the affirmative approval of the Investor].
<b>21. Information Rights:</b>	<p>Each Major Investor [and the Investor] shall have the right to receive:</p> <ul style="list-style-type: none"> <li>(a) the annual budget and business plan;</li> <li>(b) the consolidated audited annual accounts for the Group within 120 days after the end of the financial year; and</li> <li>(c) the consolidated unaudited quarterly annual accounts for the Group within 30 days after the end of each quarter;</li> <li>(d) monthly management accounts within 15 days of the month end;</li> <li>(e) all material communication (written or otherwise) submitted to the Company by its auditors or any governmental agency; and</li> <li>(f) any information reasonably requested by such Major Investor [and the Investor].</li> </ul> <p>Each Major Investor [and the Investor] may attend the offices of the Company and each Group Company and inspect the Group's books and records and take copies thereof, at its cost and expense, upon reasonable notice and during normal working hours.</p>
<b>22. Right of First Refusal:</b>	<p>Subject to the transfer restrictions set out in this Term Sheet (and other than expressly permitted transfers), if a shareholder [other than the Preferred Shareholders] intends to sell or transfer any of their shares to a third party purchaser or another shareholder, once the principal terms of such transfer have been agreed, they shall offer such shares to [the Founder[s] and] [Major Investors][ Preferred Shareholders] who may acquire all or any portion of such shares. The selling shareholder shall set the price at which they are willing to sell their shares and the terms of sale. If the selling shareholder does not receive offers to purchase all the shares they intend to sell at the offered price, they shall be free to sell such shares to the proposed purchaser for a period of 6 months from the initial notice at a price no less than the price, and on terms no more favourable than the terms, they offered to the other eligible shareholders.</p> <p>[The Preferred Shareholders may agree to further share transfer restrictions (for their benefit only and not for the benefit of the holders of ordinary shares) for transfers of Preferred Shares to third parties.]</p>
<b>23. Drag-Along Rights:</b>	<p>If shareholders representing [more than 50%][at least [two-thirds][75%]] of the issued share capital of the Company (including more than 50% of the ordinary shares and [more than 50%][at least [two-thirds][75%]] of the Preferred Shares) wish to transfer all their shares to a third party purchaser pursuant to a genuine arm's length offer to acquire 100% of the shares, they may require the other shareholders to sell all their shares on the same terms.</p> <p>The drag-along provision shall include customary exclusions and limitations of liability for institutional investors.</p>
<b>24. Co-Sale Rights:</b>	<p>[If [the][a] Founder proposes to transfer any shares in the Company to a third party purchaser [(other than a transfer by the Founder[s] of shares equal to <b>[NUMBER]</b>% of the Founder's shareholding in the Company as at Closing)], the [Major Investors][ Preferred Shareholders] may require that the purchaser acquires a pro rata portion of the Preferred Shares held by them on the same terms (including the price) as the purchase of the selling shareholder's shares.]</p>

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	[If a shareholder proposes to transfer any of their shares, representing at least a majority of the total issued share capital of the Company, to a third party purchaser pursuant to a genuine arm's length offer, all other shareholders may require that the purchaser acquires all the shares held by them on the same terms (including the price) as the purchase of the selling shareholder's shares.]
25. <b>Restrictive Covenants:</b>	<p>[The Founder][Each Founder] agrees not to (and shall procure that their affiliates shall not):</p> <ul style="list-style-type: none"> <li>(a) be concerned in any entity that competes with the Group in <b>[RESTRICTED TERRITORY]</b>;</li> <li>(b) solicit, or endeavour to solicit, any clients of the Group;</li> <li>(c) solicit the Company's suppliers to cease to deal with the Company or any Group Company; and</li> <li>(d) solicit, or endeavour to solicit, employ, or recruit, any senior employees of the Group,</li> </ul> <p>for so long as they hold any shares in the Company and for a period of 12 months thereafter.</p>
26. <b>Lock-Up:</b>	[The Founder][Each Founder] is prohibited from transferring any of their shares in the Company for a period of <b>[NUMBER]</b> months from Closing ( <b>Lock-up Period</b> ), other than a transfer by [the][a] Founder of shares equal to <b>[NUMBER]</b> % of such Founder's shareholding in the Company as at Closing].
27. <b>Share Incentive Plan:</b>	The Company shall adopt a share incentive plan, with the option pool representing <b>[NUMBER]</b> % of the shares of the Company on a fully diluted basis, at Closing ( <b>SIP</b> ). The SIP shall comprise non-voting ordinary shares with economic rights equal to those of the ordinary shares, with customary vesting and leaver provisions.
28. <b>Share Vesting:</b>	<b>[NUMBER]</b> % of the shares held by the Founder[s] shall vest immediately on the date of Closing ( <b>Vested Shares</b> ). The remaining <b>[NUMBER]</b> % of the shares held by the Founder[s] ( <b>Unvested Shares</b> ) shall vest as follows: <b>[NUMBER]</b> % to vest on the one-year anniversary of Closing, with the remaining <b>[NUMBER]</b> % to vest in equal monthly installments over the following <b>[NUMBER]</b> months, subject to paragraph 29.
29. <b>Good Leaver / Bad Leaver:</b>	<p>If [the][a] Founder's employment or engagement with the Group is terminated at any time as a result of:</p> <ul style="list-style-type: none"> <li>(a) fraud, gross misconduct or any other reason entitling the Group to dismiss the Founder or terminate the Founder's employment or engagement for cause; or</li> <li>(b) the Founder resigning or giving notice to terminate their employment or engagement under their founder services agreement or employment agreement within the Lock-up Period (other than as a result of death or permanent ill health or incapacity),</li> </ul> <p>the Founder shall be deemed a <b>Bad Leaver</b>, save where the Board, acting in its absolute discretion (and decided as a Board Reserved Matter), determines that such person will not be a Bad Leaver. In all other cases where [the][a] Founder is no longer employed by the Group, they shall be deemed a <b>Good Leaver</b>.</p> <p>If [the][a] Founder is a Bad Leaver, the Company may require that the Founder transfers (for redemption or cancellation or to be held as treasury shares) to the Company the total number (as at the date the Founder</p>

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becomes a Bad Leaver) of:

- (c) the Unvested Shares at par value; or
- (d) the Vested Shares at [NUMBER]% of the Fair Price.

If the Founder is a Good Leaver, all Unvested Shares at such time shall be deemed to be Vested Shares and the Company may require that the Founder transfer (for redemption or cancellation or to be held as treasury shares) to the Company all their shares at the Fair Price.

For the avoidance of doubt, if the Founder's employment with the Group is not terminated following a Liquidity Event, their vesting schedule shall continue in the ordinary course without acceleration.

In this paragraph, **Fair Price** means the price the Company and the Founder agree to be the fair value of the Shares on a sale or, failing such agreement, the fair value as determined by an independent expert valuer appointed in accordance with the provisions of the Shareholders' Agreement.

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**30. Default:** The Shareholders' Agreement shall contain default provisions such that upon:

- (a) insolvency or bankruptcy;
- (b) death; or
- (c) material breach by a party,

the other shareholders may purchase the shares of the defaulting shareholder at:

- (d) in the case of (a) or (b), 100% of the Fair Price; or
- (e) in the case of (c), [NUMBER]% of the Fair Price.

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**31. Dividends:** The Preferred Shareholders may participate pro rata in any dividends paid on the ordinary shares of the Company on an as-if-converted basis.

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**32. Costs:** Each Party shall bear its own costs in relation to this Term Sheet and the Proposed Transaction, provided that, upon Closing, the Company shall be responsible for the advisor fees of the Investor that are reasonably incurred in connection with the Closing of the Proposed Transaction, capped at an aggregate of USD [AMOUNT], such fees to be deducted from the Investor Portion or reimbursed following Closing.

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**33. Exclusivity:** From the date of this Term Sheet until the earlier of:

- (a) execution by the Investor of the Transaction Documents in the form agreed with the Company; or
- (b) [60] days from the date of this Term Sheet (as may be extended by mutual agreement of the Parties),

neither the Company nor the Founder[s] shall, directly or indirectly, enter into any discussions, negotiations, agreements, or communications with any other party in connection with the Investor Portion (or accept any offer for acquisition of all or any substantial portion of Company assets). The Company also agrees to notify the Investor promptly of any similar enquiries by any third parties.

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<b>34. Confidentiality:</b>	<p>Each Party undertakes that they shall make no written or other public disclosures regarding this Term Sheet without the prior written consent of the other Parties, save to their respective advisors, employees, directors and officers and other investors that are in negotiations with the Company as of the date of this Term Sheet regarding a potential investment. This undertaking shall not prevent disclosure by a Party or its advisors if required by law, regulation or by any competent judicial, governmental, supervisory or regulatory authority (provided that, except in connection with disclosure to a tax authority, the disclosing Party shall first inform the other Parties of its intention to disclose such information and take into account the reasonable comments of the other Parties).</p> <p>The Parties agree to keep the terms of the Proposed Transaction confidential.</p>
<b>35. Whole Agreement:</b>	<p>This Term Sheet contains the whole agreement between the Parties relating to the Proposed Transaction and supersedes any previous written or oral agreement between the Parties in relation to such matters, including previous terms sheets (which shall be deemed terminated with effect from the date of this Term Sheet). Nothing in this Term Sheet shall exclude or limit any liability for fraud.</p>
<b>36. Governing Law:</b>	<p>The Subscription Agreement, Shareholders' Agreement and the Disclosure Letter shall be governed by English law.</p> <p>The binding provisions of this Term Sheet, and any non-contractual obligations arising out of or in connection with it, are governed by, and interpreted in accordance with, the laws of England and Wales.</p>
<b>37. Jurisdiction:</b>	<p>The Parties irrevocably agree that the Courts of [Abu Dhabi Global Market][the Dubai International Financial Centre] have exclusive jurisdiction to settle any dispute arising out of or in connection with this Term Sheet (including a dispute relating to any non-contractual obligation arising out of or in connection with this Term Sheet) and any proceedings arising out of or in connection with this Term Sheet shall be brought in such courts.</p> <p>[The Parties irrevocably agree that any dispute arising out of or in connection with the Transaction Documentation (including a dispute relating to any non-contractual obligations arising out of or in connection with the Transaction Documentation) shall be referred to arbitration and finally settled by arbitration in [Abu Dhabi Global Market][the Dubai International Financial Centre] conducted in English by a single arbitrator pursuant to the rules of the [DIFC-LCIA Arbitration Centre][International Chamber of Commerce].]</p>

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THIS TERM SHEET has been signed on [DATE]

Signed by:

.....  
[AUTORISED SIGNATORY NAME]  
on behalf of:  
[INVESTOR ENTITY NAME]

.....  
[AUTORISED SIGNATORY NAME]  
on behalf of:  
[HOLDCO NAME]

.....  
[FOUNDER NAME]

.....  
[FOUNDER NAME]

SCHEDULE 1  
CAP TABLE

PRE-CLOSING

[TO BE INSERTED]

POST-CLOSING

[TO BE INSERTED]

**SCHEDULE 2**  
**BOARD RESERVED MATTERS**

1. Create, allot, issue or enter into any negotiations or reach any agreement (legally or otherwise) to create, allot or issue any shares or securities, or grant (other than pursuant to the SIP or other excluded issuances to be agreed in the Shareholders' Agreement) any option, warrant or other right to subscribe or convert any securities into shares, or require the allotment or issue of any such shares or securities whether conditional or otherwise[, in each case, having rights, preferences or privileges senior or equal to the Preferred Shares].
2. Any recommendation in respect of material changes in the Company or any Group Company's accounting policies other than changes necessary to conform to International Accounting Standards, GAAP, IFRS, or the local accounting standards applied in operating countries.
3. Any fundamental change in the nature of the business of the Group.
4. Appointment or removal of the CEO, CTO, COO, CFO, or any other C-level executive or senior management (a person earning more than USD [NUMBER] per year), as well as determination of their remuneration packages or alterations to them.
5. Approve and modify the SIP, the pool of shares subject to the SIP, the terms of the SIP (vesting, cliff, options, acceleration, etc.) and any allocation of SIP.
6. Sell, lease, transfer or dispose of all or a significant portion of the Company's assets or undertakings.
7. Encumber, pledge, or create security over any assets or guaranteeing the obligations of a third party.
8. Incur any indebtedness, other than in the ordinary course of business (trade credit).
9. Acquire, transfer or subscription of any interest in any other company, group or entity, except in relation to branches and wholly-owned subsidiaries.
10. Make any gifts or charitable donations above USD [NUMBER] in aggregate per year or any political donations of any value.
11. Commence, conduct or settle any litigation, arbitration or mediation (except for routine debt claims)[, in excess of USD [NUMBER]].
12. Sale, exclusive license or transfer of any intellectual property, trade marks, or copyrights owned by the Group that are essential for the operation of the Group.
13. Recommend, declare or pay any dividend, or make any distribution of a capital nature.
14. Enter into any negotiations, or reach any agreement, concerning a qualified public offering or other listing.
15. Enter into, amend, or terminate any agreement with a shareholder or an affiliate or relative of a shareholder, or make any payment or giving any guarantee on behalf of a shareholder or any affiliate or relative of a shareholder.
16. Incur any capital expenditure on any one item, or series of related items, in excess of USD [NUMBER] unless otherwise contained in the annual budget.
17. Approve the annual budget and business plan and any deviations to them.
18. Hold less than four Board meetings per year.
19. Appoint auditors for any Group Company.
20. Guarantee indebtedness of any third party.

21. Determine any participant under the SIP to be a "Good Leaver" (as defined under the SIP) in circumstances where such participant would otherwise not qualify to be a "Good Leaver" (as defined under the SIP)<sup>3</sup>.

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<sup>3</sup> Guidance: This Board Reserved Matter to be included where the SIP allows for the Board to classify a participant as a "Good Leaver" regardless of their leaver circumstances.

**SCHEDULE 3**  
**SHAREHOLDER RESERVED MATTERS**

1. Amend, alter or repeal any provision of the Memorandum and Articles of Association (or similar constitutional documents)[, in a manner that would be prejudicial to the Preferred Shares].
2. Repay, subdivide, consolidate, capitalise, redenominate or otherwise restructure the issued share capital.
3. Redeem, purchase or otherwise acquire any interest in any issued share capital (other than from a former employee as set out in the Shareholders' Agreement).
4. Reduce the share capital, capitalise any reserves, apply any amount for the time being standing to the credit of the share premium account or capital redemption reserve or reduce any uncalled liability in respect of partly paid shares.
5. Vary the rights attaching to Preferred Shares.
6. Vary the rights attaching to any class of Shares to the detriment of the holders of Series [A] Preferred Shares.
7. Approve any merger, liquidation, dissolution or acquisition.
8. Approve the audited accounts of the Company.