



Copy of Shareholders Agreement

**Exmoor Associates Limited - www.exmoor-associates.co.uk
Registered Office: Edgemoor Moorland Close Yelverton PL20 6DD
Registered in England No: 4502895**

THIS AGREEMENT is made the 5th October 2002

BETWEEN the persons whose names and addresses are set out in Part 1 of the Schedule (together called “the Shareholders”)

1. Recitals

1.1 **EXMOOR ASSOCIATES LIMITED** whose registered office is at Edgemoor, Moorland Close, Yelverton, PL20 6DD (“the Company”) was incorporated on the 05 August 2002 under the laws of England and Wales (company number 4502895) and at the date of this agreement has an authorised share capital of £1,000,000 divided into 1,000,000 ordinary shares of £1 each, 24,000 of which have been issued and are credited as fully paid (“the Issued Shares”).

1.2 The Shareholders are the registered holders of the Issued Shares in the proportions set out in Part 1 of the Schedule.

1.3 The Shareholders wish to regulate their affairs as shareholders in the Company in relation to one another on the terms and subject to the conditions of this agreement.

2. Definitions and interpretation

In this agreement and in its interpretation:

2.1 The expression “the Shares” shall include any or all of the shares in the Company of any class in issue at any particular time;

2.2 The expression “the Shareholders” includes the successors in title of the Shareholders and each of them and all persons in whose names any of the Shares are for the time being registered; and

2.3 Words importing one gender include all other genders and words importing the singular include the plural and vice versa.

3. Pre-emption rights

3.1 If at any time any of the Shareholders shall wish to transfer any or all of the Shares then registered in his name, then notwithstanding anything to the contrary in the Company’s articles of association:

- 3.1.1 He shall first make a written offer (“Seller’s Notice”) to the remainder of the Shareholders addressed to them care of the directors and sent or delivered to the registered office for the time being of the Company stating his wish to make such transfer, the name and address of the proposed transferee, the number of the Shares offered (“the Offered Shares”), the consideration (if any) for each of the Shares to be paid by the proposed transferee therefore and the terms of payment and the Shareholders shall procure that the directors circulate the Seller’s Notice to the remainder of the Shareholders as soon as it is possible to do so;
- 3.1.2 The remainder of the Shareholders shall each have the irrevocable and exclusive option, but not the obligation, to purchase the whole or any part of that proportion of the Offered Shares which the number of the Shares held by him bears to the total number of the Shares outstanding at the date of the Seller’s Notice minus the Offered Shares (or in such other proportions as they shall agree) on either of the following bases as they (or a simple majority by value of them) shall elect:
- 3.1.2.1 For the consideration per share and upon the terms specified in the Seller’s Notice; or
- 3.1.2.2 For the price per share determined as provided in clause 4 of this agreement, terms to be cash against delivery of the executed transfer(s) and relative certificate(s).
- 3.2 In the event that any of the Shareholders shall die or be adjudicated bankrupt, he shall be deemed to have given a Seller’s Notice in due form on the date immediately preceding the date of his death or such adjudication in respect of all the Shares then registered in his name and the remainder of the Shareholders shall each have the irrevocable and exclusive option, but not the obligation, to purchase any or all of those shares in the proportions specified in clause 3.1.2 of this agreement for the price per share determined as provided in clause 4 of this

agreement, terms to be cash against delivery of the executed transfer(s) and relative certificate(s).

- 3.3 Within 60 days after receipt (or within 60 days after the directors learning of the deemed giving) of a Seller's Notice each of the remainder of the Shareholders shall give written notice ("Purchaser's Notice") to the originator of the Seller's Notice, which notice shall state whether he elects to exercise his option and, if so, the number of the Shares which he elects to purchase and (if applicable) the arrangement selected under clause 3.1.2. A copy of every Purchaser's Notice shall be sent or delivered to the directors at the Company's registered office for the time being.
- 3.4 Failure by any of the remainder of the Shareholders to give a Purchaser's Notice within the time limit specified by clause 3.3 above shall be deemed an election not to exercise the option so far as it is available to that one of the remainder of the Shareholders.
- 3.5 After a Purchaser's Notice has been given the originator of that notice shall be obliged to purchase all the Shares which he has elected to purchase.
- 3.6 Completion of the sale and purchase of any Shares pursuant to a Purchaser's Notice shall take place 90 days after the date of a Seller's Notice or 90 days after the directors learning of the deemed giving of a Seller's Notice.
- 3.7 If a Seller's Notice shall be duly given under clause 3.1 of this agreement and if no Purchaser's Notice shall be given, the originator of the Seller's Notice shall be free to transfer all (but not part only of) the Offered Shares, but only for the consideration and upon the terms set out in the Seller's Notice, only to the transferee named therein, only if such transfer shall be *bona fide* and shall be completed not later than 120 days after the date of the Seller's Notice and only if the transferee shall immediately on completion enter into an agreement with the remainder of the Shareholders on the same terms as this agreement (including this provision) by inserting his details and signing his name in Part 2 of the

Schedule.

3.8 If the conditions laid down in this clause 3 are complied with, the Shareholders shall procure that the directors of the Company approve and register the transfer(s).

4. **Valuation of shares**

4.1 The sale and purchase price of each of the Shares to be transferred under clause 3 in respect of which this clause applies shall be such sum as the auditors for the time being of the Company shall, acting at the cost of the Company, certify to be in their opinion the fair prevailing value of such Shares as at the date (or deemed date) of the Seller's Notice as between a willing buyer and a willing seller contracting on arm's length terms, having regard to the net tangible assets value of the Company, but without taking into account (if this is the case) that the Shares in question represent a minority interest in the Company.

4.2 The Company's auditors shall be entitled in making their valuation and at the cost of the Company to seek such specialist advice having regard to the nature of the Company's business and assets as they consider appropriate.

4.3 The Shareholders shall procure that the auditors for the time being of the Company are instructed by the Company to make any valuation to which this clause applies on the basis specified in it.

5. **Additional shares**

If the Company shall wish to issue any additional Shares, then notwithstanding anything to the contrary in the Company's Articles of Association, the Shareholders agree that such additional Shares shall be under the control of the Company's Directors, who may allot or otherwise dispose of them to such persons, on such terms and in such manner as they think fit, provided that the allottee or disponee is required to enter into an agreement with the Shareholders on the same terms as this agreement by inserting his details and signing his name in Part 2 of the Schedule.

6. **Restrictions**

Each of the Shareholders undertakes that if he shall transfer any of the Shares to a third party he will impose upon the transferee an obligation to comply *pro tanto* with the provisions of this agreement and any other obligations of the transferor in relation to the Company and to impose similar obligations upon any subsequent transferee of such of the Shares.

7. **Meaning of procure**

In this agreement the expression "procure" shall mean that the party who is obliged to procure that certain action is taken will use his best endeavours so to do to the extent that it lies within his power as a shareholder and that it is lawful so to do.

8. **Invalidity of part of agreement**

In the event that there shall be a final adjudication that any provision or provisions of this agreement is, are or shall be invalid, illegal or contrary to public policy, such adjudication shall not affect any of the other provisions of this agreement, which other provisions shall continue in full force and effect.

9. **Notices**

Any notice to be given pursuant to this agreement shall be in writing and sent by registered or certified mail return receipt requested. Any notice to any of the Shareholders shall be sufficiently served if sent to the address of that one of the Shareholders as recorded in the books of the Company for the time being.

10. **Governing Law**

This agreement shall be governed by and be construed in accordance with the laws of England and Wales and each of the Shareholders agrees to submit to the jurisdiction of the English courts.

12. **Duration**

This agreement shall continue in full force and effect until the Shareholders unanimously determine it or the date of commencement of the Company's winding up.