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MEMORANDUM

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THIS AGREEMENT is made the
BETWEEN:

(1) <<Name of Party 1>> of <<[Address of Party 1]>> (Party 1") and

(2) <<Name of Party 2>> of <<[Address of Party 2]>> (Party 2")

1. Definitions and Interpretation

1.1 In this Memorandum of Understanding ("MOU"), unless the context otherwise requires, the following definitions shall apply:

"Agreement"

the MOU, when signed, the written agreement referred to in Clause 2.3 of this MOU;

"Assumptions"

the assumptions as are set out in sub-Clause 2.4 of this MOU;

"Business"

the business of the Company being <<Insert description of the Business of the Company>>;

"Business Plan"

the Business Plan prepared by the Parties in respect of the Business, outlining the proposed objectives of the Business, containing cash flow projections and a budget for [3] financial years;

"Commercial Terms"

the terms set out in sub-Clause 3.1 of this MOU, which the shareholder arrangements of the Company are based;

"Company"

the Company to be formed by the Parties in accordance with the terms set out in Schedule 1 for the purpose of carrying on the Business;

"Confidential Information"

in relation to each Party, any confidential information or material concerning the Business, the Company or the commercial transaction of any Party;

"Detailed Terms"

the detailed terms, conditions, and other provisions relating to the proposed Transaction;

“Intellectual Property Rights”

“Lockout Period”

“Ordinary Shares”

“Proposed Transaction”

“Third Party Negotiations”

1.2 Unless the context of

1.2.1 “writing”, and
communicated in
similar means

1.2.2 a statute or
provision as

1.2.3 a Clause, paragraph
or Schedule

1.2.4 a “Party” or

1.3 The headings used
effect upon the interpretation

1.4 Words imparting the

1.5 References to any gender

1.6 References to persons

rights in any patents, trade marks,
registered designs, applications (and
for any of those rights) trade,
company names, internet domain
mail addresses, unregistered trade
marks, rights in trade dress or
goodwill or to sue for passing off,
related rights, moral rights, database
rights in designs and inventions,
or equivalent rights or forms of
part of the world

cences, consents, orders, statutes
ation to a right in paragraph (a);
same or similar effect or nature as
paragraphs (a) and (b) which now or
subsist; and
for past infringements of any of
ts;

of <<insert period, e.g. 28 days,
from the date of this MOU;

shares of <<£ insert value of
the capital of the Company;

the formation of the Company, the
ngements to be entered into
es in relation to the management
the Company; and

ns or negotiations with any third
to making arrangements with that
to or likely to be in conflict with the
ction.

reference in this Agreement to:

tion, includes a reference to any
onic or facsimile transmission or

is a reference to that statute or
at the relevant time;

a reference to a Clause, paragraph

parties to this Agreement.

venience only and shall have no

clude the plural and vice versa.

other gender.

tions.

2. Introduction

- 2.1 The Parties have h run the Business Transaction, and the main points of the Proposed Transaction, and the
- 2.2 The Parties have ye the Detailed Terms.
- 2.3 The Parties intend:
- 2.3.1 to agree the course;
- 2.3.2 when they h the Detailed Terms in a full written agreement v ing upon them if and when signed by them;
- 2.3.3 to sign that provided that the Assumptions are fulfilled and
- 2.4 Save as provided b MOU:
- 2.4.1 only if and v es into existence will there be an agreement b ing to the Proposed Transaction which is lega
- 2.4.2 no oral or w sentation (negligent or otherwise), and no wa standing or agreement (whether before, on, o shall be of any effect in relation to the Proposed d until it is agreed and included as an express t
- 2.5 Each Party ("first P at until an Agreement comes into existence, in consid y after the above date engaging in further discussions first Party regarding the Proposed Transaction, Clause usive of this MOU shall be legally binding on the first P
- 2.6 Except as provided is MOU, this MOU is not intended to be, and will not b Parties.

3. Commercial Terms for Pr

- 3.1 The following Com and Assumptions
- 3.1.1 <<insert det ed for the Proposed Transaction: which a sha ns, this will include the terms on as>>¹: s made between the Parties, such
- 3.1.2 <<administra
- 3.1.3 <<finance, h ould the Company be limited to?>>;
- 3.1.4 <<issue and ding pre-emption and anti-dilution measures>>
- 3.1.5 <<sharehold
- 3.1.6 <<communic
- 3.1.7 <<reserved

¹ See our Shareholder Agreements for the terms and conditions of the issues that the Parties may need to consider.

Shareholder agreements are usually based and the

- 3.1.8 <<dividend p
- 3.1.9 <<term and and the Business>>;
- 3.1.10 <<confidenti
- 3.1.11 <<conflict wi
- 3.1.12 <<add further required>>.
- 3.2 The Parties intend nptions are not fulfilled or are not correct for whatsoever may discontinue their discussions or may negotiate ch al Terms set out in sub-Clause 3.1 above.
- 3.2.1 The following y:
- a) the Compan insert date>> with the details as set out in Sched
- b) the Parties ess Plan and plan to operate the Business in s;
- c) the Parties ors of the Company and there is nothing prev acting as company directors in line with the Co all other relevant and applicable legislation;
- d) the Parties olders of the Company and shall each own 5 es. The Ordinary Shares shall be the only clas e Company;
- e) the Parties umber of Ordinary Shares shown opposite his schedule 2 for the amount shown in column (3), d for cash at an issue price of <<£ amount>> p
- f) the Parties me and energy into running the Business an h other any conflict of interest or potential cor may have;
- g) the company n all administrative matters relating to the Com ning the statutory registers and making all fil e;
- h) the Compan icles for private companies limited by shares as anies Act 2006; and
- i) <<add further ed>>.
4. **Ongoing Negotiations**
- 4.1 The Parties will not to do any of the following:
- 4.1.1 conduct or c;
- 4.1.2 agree or sig
- 4.1.3 satisfy any A g to make or demonstrate that any Assumption
- 4.2 Nevertheless, but v on to do so [and provided that the Assumptions are fu he Parties intend in good faith to conduct discussions as soon as reasonably possible.

- 4.3 Either Party may a written notice to the other, without incurring liability to discussions for any or no reason [or because any of the lled or are not correct].
- 4.4 If either Party termi Clauses in this MOU stated to be legally binding (but continue in force.

5. Confidentiality and Intel

- 5.1 Each Party underta e any Confidential Information for any purpose other ne Proposed Transaction and the negotiation of the A
- 5.2 Each Party underta in <<insert period>> from the date of this MOU, disclos Confidential Information except that it may disclose it:
- 5.2.1 to those of i need to know such information for the purpose the Proposed Transaction and negotiation o ed that it ensures that they comply with this Cla
- 5.2.2 as may be ert of competent jurisdiction or to any governn ority.
- 5.3 Without any legal in connection with the Parties' discussions, each P th to supply or make available to the other Party infor vant to the Proposed Transaction.
- 5.4 Neither Party give plied warranty or representation concerning its Conf ther information or material, or as to its accuracy or co
- 5.5 Each Party intends information and material it supplies or makes available urate and complete, but it shall not in any circumstance ny inaccuracies or incompleteness in any such informa
- 5.6 Each Party acknow and shall not have any Intellectual Property Rights in or other information or material supplied or made a er Party, and that all such rights shall belong to that
- 5.7 Save as necessary t in sub-Clause 5.1, neither Party grants to the other nce under its Intellectual Property Rights in any Conf other information or material (nor shall any be implied
- 5.8 If at any time either er Party to return any Confidential Information or othe s provided by it, that other Party shall do so prompt oy any copies it has made of the same.
- 5.9 Each Party shall en ves comply with its undertakings in this Clause 5.

6. Non-Solicitation

- 6.1 Neither Party shall rt period>> from the date of this

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MOU, (except with
solicit or entice away

ritten consent) directly or indirectly
entice away):

6.1.1 from the em
that Party v
relevant to th

arty, any employee or contractor of
gaged in any services which are
; or

6.1.2 any custom
which are re

Party in receipt of any services
ransaction.

6.2 Each Party shall en
this Clause 6.

yes comply with its undertakings in

7. Lockout

7.1 In consideration of t
after the above dat
and incurring costs
negotiations], each

urther negotiations with each other
d Transaction [and spending time
n in connection with such further
other that:

7.1.1 if, at the ab
shall ensur
terminated;

in any Third Party Negotiations, it
ty Negotiations are immediately

7.1.2 it shall not w

directly or indirectly:

7.1.2.1 enco

ird Party Negotiations;

7.1.2.2 ente
legal

or understanding (whether or not
ny Third Party Negotiations; or

7.1.2.3 mak
whic
infor

tion about itself to a third party
d Party Negotiations (unless the
le).

7.1.3 it shall notify
any third pa
previous Th

ately if, during the Lockout Period,
hes to engage in or resume any

7.2 Each Party shall en
this Clause 7.

yes comply with its undertakings in

8. Costs

Each Party shall pay an
negotiation and preparati
evaluation of all informati
and in connection with, the

incurred in connection with the
e Agreement, the provision and
other work, for the purposes of,

9. Inadequacy of Damages

Each Party acknowledges
remedy for any breach of
performance, or other equi
in the event of threatened
be without prejudice to any
circumstances.

es alone would be an inadequate
, and that an injunction, specific
arded against the defaulting Party
either of those Clauses. This shall
s that either Party may have in the

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10. **Third Party Rights**

Only a Party to this MOU shall be entitled to enforce any of its terms.

11. **Law and Jurisdiction**

11.1 This MOU, and the Proposed Transaction, shall be governed by the law of the jurisdiction in which the parties in connection with the Proposed Transaction or claims arising out of or in connection with the Proposed Transaction or formation (including any non-contractual obligations arising therefrom or associated therewith) shall be construed in accordance with, the laws of England and Wales.

11.2 Any dispute, controversy or claim between the Parties relating to this MOU, its subject matter or obligations (including any non-contractual obligations or associated therewith) shall fall within the jurisdiction of the courts of England and Wales.

SIGNED for and on behalf of Party
<<Name and Title of person signing

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Authorised Signature

Date: _____

SIGNED for and on behalf of Party
<<Name and Title of person signing

P

Authorised Signature

Date: _____

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COMPANY DETAILS

Name	
Registered Office	
Company Secretary	
Directors	
Initial Shareholders	
Auditors	
Address of Premises	
Accounting Reference Date	

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DETAILS OF SHARES

(1)
Name of Party

(3)
Amount Paid
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