

Dated

2016

**THE INVESTOR**

and

**THE FOUNDERS**

and

**THE COMPANY**

[and

**OTHERS]**

**INVESTMENT AGREEMENT**

relating to

**[COMPANY NAME]**



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**THIS AGREEMENT is made on the day of 2016**

**BETWEEN**

- (1) The persons whose names and addresses are set out in Part 1 of Schedule 1 (the **"Founders"**);
- (2) SBC Digital Health 2016-2018 Ltd. a company duly organized and existing under the laws of England and Wales, with company UK registration number 9687974, having its registered office located 1 St Katharine's Way, London, England, E1W 1UN (the **"Investor"**);
- (3) [The Persons whose names and addresses are set out in Part 3 of Schedule 1(the **"Other Shareholders"**); ]and
- (4) [FULL COMPANY NAME] incorporated and registered in [LOCATION] with company number [NUMBER] whose registered office is at [ADDRESS] (the **"Company"**).

**RECITALS**

- (A) The Company was incorporated on [DATE] and is a company limited by shares, brief particulars of which are set out in Schedule 2.
- (B) The Founders are interested in the number of shares set out against their respective names in column 3 of Part 1 of Schedule 1.
- (C) The Investor has agreed to subscribe for shares in the capital of the Company on, and subject to, the terms of this agreement.
- (D) SBC Digital Health has agreed to provide the Company with a non-refundable grant of €[15,000 MINUS Total Subscription Monies]<sup>1</sup>, the first half of which will be paid by SBC Digital Health to the Company on or around the date of this agreement and the second half of which will be paid by SBC Digital Health to the Company within 6 weeks of the Company having started its participation in the accelerator program organised by SBC Digital Health.
- (E) [Prior to the date of this agreement, [OLD COMPANY NAME] transferred to the Company all underlying intellectual property rights to particular assets owned or used by them in connection with the provision of [DESCRIPTION OF BUSINESS] pursuant to an asset transfer agreement dated [DATE]] **[Note: to be used where foreign Company transferred to New UK Co.]**

**IT IS HEREBY AGREED**

**1. INTERPRETATION**

- 1.1 The definitions and rules of interpretation in this clause apply in this agreement.

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<sup>1</sup> Based upon the parties agreed exchange rate of €1: [\$1.10]/[£0.70]

|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Articles”</b>                   | the new articles of association of the Company in the agreed form to be adopted by the Company on or prior to Completion.                                                                                                                                                                                                                                                                                                 |
| <b>“Board”</b>                      | the board of directors of the Company as constituted from time to time.                                                                                                                                                                                                                                                                                                                                                   |
| <b>“Business Day”</b>               | a day (other than a Saturday, Sunday or public holiday) when clearing banks in the City of London are open for the transaction of normal banking business.                                                                                                                                                                                                                                                                |
| <b>“Completion”</b>                 | completion by the parties of their respective obligations under clause 3.                                                                                                                                                                                                                                                                                                                                                 |
| <b>“Completion Date”</b>            | the date of Completion.                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>“Costs”</b>                      | any liabilities, losses, damages, awards, costs (including legal fees), claims and expenses.                                                                                                                                                                                                                                                                                                                              |
| <b>“Deed of Adherence”</b>          | the deed of adherence in the form set out in Schedule 4.                                                                                                                                                                                                                                                                                                                                                                  |
| <b>“Employee Share Option Plan”</b> | any employee share option plan adopted by the Company.                                                                                                                                                                                                                                                                                                                                                                    |
| <b>“Encumbrance”</b>                | any mortgage, charge, security interest, lien, pledge, assignment by way of security, equity claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected) other than liens arising by operation of law. |
| <b>“SBC Digital Health”</b>         | SBC Digital Health 2016-2018 Ltd. a company duly organized and existing under the laws of England and Wales, with company UK registration number 9687974, having its registered office located 1 St Katharine's Way, London, England, E1W 1UN                                                                                                                                                                             |
| <b>“Founders”</b>                   | the persons listed in column 1 of Part 1 of Schedule 1.                                                                                                                                                                                                                                                                                                                                                                   |
| <b>“Group”</b>                      | collectively the Company and the Subsidiary (and <b>“Group Company”</b> shall be construed accordingly).]                                                                                                                                                                                                                                                                                                                 |
| <b>“Independent Expert”</b>         | has the meaning given in the Articles.                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>“Intellectual Property”</b>      | patents, rights to inventions, utility models, copyright, trade marks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in                                                                                                                                                            |

computer software, database rights, topography rights, moral rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection in any part of the world.

|                               |                                                                                                                                                                                                                                                                                                                                |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Investor Consent”</b>     | the prior written consent of the Investor.                                                                                                                                                                                                                                                                                     |
| <b>“Investor Shares”</b>      | the [NUMBER] new Ordinary Shares at a price of [€][€][1.00] per Investor Share to be subscribed by the Investor pursuant to clause 2.1 following the Investor’s investment of an aggregate of [€][€] [8.00]. The Investor Shares represent 6% of the issued share capital of the Company immediately following the investment. |
| <b>“Investor”</b>             | SBC Digital Health 2016-2018 Ltd., further details of which are set out at Part 2 of Schedule 1.                                                                                                                                                                                                                               |
| <b>“New Securities”</b>       | has the meaning given in clause 9.5.                                                                                                                                                                                                                                                                                           |
| <b>“Ordinary Shares”</b>      | the ordinary shares of [€][€][1.00] each in the capital of the Company, which have the rights set out in the Articles.                                                                                                                                                                                                         |
| <b>“Permitted Transferee”</b> | has the meaning given in the Articles.                                                                                                                                                                                                                                                                                         |
| <b>“Relevant Area”</b>        | the United Kingdom [and [TBC - to insert other relevant jurisdictions]].                                                                                                                                                                                                                                                       |
| <b>“Resolutions”</b>          | the resolutions, in the agreed form, to be passed by the Company by shareholders' written resolution.                                                                                                                                                                                                                          |
| <b>“Restricted Period”</b>    | means the period of 12 months immediately following the cessation of a Founder working full-time in the business of the Company (whether or not he still remains as a director or shareholder of the Company).                                                                                                                 |
| <b>“Seed Funding Round”</b>   | the first fundraising round of the Company to take place after the Completion Date                                                                                                                                                                                                                                             |
| <b>“Shareholders”</b>         | a holder of shares in the Company from time to time, including any person who is (or becomes) a party to this agreement by executing a Deed of Adherence.                                                                                                                                                                      |
| <b>[“Subsidiary”</b>          | The subsidiary of the Company named in Part 2 of Schedule 2.]                                                                                                                                                                                                                                                                  |

**“Undervalue Funding Round”** has the meaning given in clause 9.2.

**“Warrantors”** the Company and the Founders.

- 1.2 Clause, schedule and paragraph headings shall not affect the interpretation of this agreement.
- 1.3 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality) and that person's legal and personal representatives, successors and permitted assigns.
- 1.4 The schedules form part of this agreement and shall have effect as if set out in full in the body of this agreement. Any reference to this agreement includes the schedules.
- 1.5 A reference to a **company** shall include any company, corporation or other body corporate, wherever and however incorporated or established.
- 1.6 Words in the singular shall include the plural and vice versa.
- 1.7 A reference to one gender shall include a reference to the other genders.
- 1.8 A reference to a statute, statutory provision or subordinated legislation is a reference to it as it is in force from time to time, taking account of any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts; provided that, as between the parties, no such amendment or re-enactment shall apply for the purposes of this agreement to the extent that it would impose any new or extended obligation, liability or restriction on, or otherwise adversely affect the rights of, any party.
- 1.9 Any reference to an English legal term for any action, remedy, method of judicial proceeding, legal document, legal status or legal concept is, in respect of any jurisdiction other than England and Wales, deemed to include what most nearly approximates in that jurisdiction to the English legal term.
- 1.10 A reference to **writing** or **written** includes e-mail.
- 1.11 Any obligation in this agreement on a person not to do something includes an obligation not to agree or allow that thing to be done.
- 1.12 Documents in **agreed form** are documents in the form agreed by the parties and initialled by or on behalf of them for identification.
- 1.13 A reference to a document is a reference to that document as varied or novated (in each case, other than in breach of this agreement) at any time.
- 1.14 Any phrase introduced by the terms **“including”, “include”, “in particular”** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

- 1.15 References to clauses and schedules are to the clauses and schedules of this agreement; references to paragraphs are to paragraphs of the relevant schedule.
- 1.16 References to times of day are to that time in London, England and references to a day are to a period of 24 hours running from midnight.
- 1.17 Unless the context otherwise requires, words and expressions defined in the Articles shall have the same meaning when used in this agreement.

## 2. INVESTMENT

- 2.1 Subject to clause 3, the Investor applies for the allotment and issue to it of the number of Investor Shares set out against its name in the table below, at a subscription price of [£][€][1.00] per Investor Share, payment for which shall be made in accordance with clause 3.2.1:

| Investor           | Ordinary Shares | Total Subscription Monies ([£][€]) | Percentage of Investor Shares | Percentage of Ordinary Shares |
|--------------------|-----------------|------------------------------------|-------------------------------|-------------------------------|
| SBC Digital Health | [6]             | [6.00]                             | 100%                          | 6%                            |

- 2.2 Completion of the investment shall take place on the Completion Date.
- 2.3 The Company warrants to the Investor that, on the date of this agreement and on the Completion Date, the Company shall [, subject to passing the Resolutions,] be entitled to allot the Investor Shares to the Investor on the terms of this agreement, without the consent of any other person.
- 2.4 Each Founder agrees to vote in favour of the Resolutions and hereby irrevocably waives or will provide the waiver of all and any pre-emption rights that he or his nominees may have under the Company's articles of association or otherwise, so as to enable the issue of the Investor Shares to proceed.
- 2.5 Each Investor may direct that the Investor Shares are issued and registered in the name of any nominee or custodian holding such shares on its behalf as bare nominee.

## 3. COMPLETION

- 3.1 Completion of the investment by the Investor for the Investor Shares shall take place at The Rainmaking Loft, Charlottenstrasse 2, 10969 Berlin, Germany on the Completion Date (or at such other time and place as the Company and the Investor shall agree) when the events set out in clause 3.2 below shall take place in such order as the Investor may require.
- 3.2 The following events shall occur on the Completion Date:

- 3.2.1 each Investor shall pay the Company the amount set out against its name in the table at clause 2.1 by electronic transfer to the Company's bank account at [NAME OF BANK], [SORT CODE], account number [NUMBER]. Payment made in accordance with this clause 3.2.1 shall constitute a good discharge for the Investor's obligations under this clause 3;
- 3.2.2 the passing of resolutions of the Shareholders to:
- (a) adopt the Articles
  - (b) [increase the authorised share capital of the Company from [£][€][AMOUNT] to [£][€][●];]
  - (c) [re-designate each [CLASS] share of [£][€][AMOUNT] in the capital of the Company as [NUMBER] Ordinary Shares of [£][€][AMOUNT] in the capital of the Company] **[Note: if necessary, the Founders' shares will be re-designated as Ordinary Shares so the shares by the Investor and the Founders shall share the same rights];**
  - (d) waive pre-emption rights in respect of the allotment and issue of the Investor Shares;
  - (e) grant the directors of the Company authority to allot the Investor Shares; and
  - (f) [OTHERS].
- 3.2.3 a meeting of the Board shall be held at which the Company shall:
- (a) adopt the Articles;
  - (b) subject to receipt of the payment referred to in clause 3.2.1, issue and allot the Investor Shares credited as fully paid to the Investor as set out in the table at clause 2.1 (or such person as it shall direct) and enter the Investor's name in the register of members in respect of them;
  - (c) execute and deliver to the Investor a share certificate for the Investor Shares;
  - (d) pass any other resolutions required to carry out the Company's obligations under this agreement; and
- 3.2.4 the Founders shall be instructed to file all appropriate resolutions and forms with the Registrar of Companies within the time limits prescribed for filing each of them; and

## 4. WARRANTIES

- 4.1 Each party to the agreement warrants to each of the other parties that:
- 4.1.1 it has the power and authority to enter into and perform its obligations under this agreement;
  - 4.1.2 when executed, its obligations under this agreement will be binding on it; and

- 4.1.3 execution and delivery of, and performance by it of its obligations under this agreement will not result in any breach of applicable law.
- 4.2 The Warrantors jointly and severally warrant to the Investor that:
- 4.2.1 [the Company]/[each Group Company] has been duly incorporated and validly exists under the laws of its jurisdiction;
  - 4.2.2 the information contained or referred to in Schedule 2 is true, complete and accurate and not misleading;
  - 4.2.3 [each Group Company]/[the Company] (and/or its affiliates) is not engaged in any litigation, arbitration or other legal proceedings and there are no written claims threatened against [the Company]/[any Group Company] (and/or its affiliates);
  - 4.2.4 any and all tax for which the Company has been assessed or that has or shall become due has been paid in full;
  - 4.2.5 the Company has properly filed all tax returns required to be filed pursuant to any relevant law;
  - 4.2.6 [the Company]/[each Group Company] is not subject to any disagreement or dispute with any tax authority regarding the tax position of the Company;
  - 4.2.7 the Founders are the legal and beneficial owners of the number of [CLASS] shares set opposite their respective names in column 3 of Part 1 of Schedule 1 and such shares are held by the, free from all encumbrances and with all rights attaching to them;
  - 4.2.8 [all shares in the Subsidiary are held legally and beneficially solely by the Company free from all encumbrances and with all rights attaching to them;]
  - 4.2.9 all of the shares set out in Part 1 of Schedule 1 are fully paid and comprise the entire issued share capital of the Company and are held free from all encumbrances and with all rights attaching to them;
  - 4.2.10 the Company has taken all steps necessary for the fullest protection necessary of all Intellectual Property and know-how used by it; and
  - 4.2.11 all Intellectual Property which is used by or material to the business of the Company is (or in the case of applications, will be) legally and beneficially vested exclusively in the Company.

## 5. INTELLECTUAL PROPERTY

The Founders hereby unconditionally and irrevocably assign to the Company absolutely with full title guarantee all its right, title and interest in and to the Intellectual Property used by or material to the business of the Company, including but not limited to:

- 5.1.1 the absolute entitlement to any registrations granted pursuant to any patent, registered design or trade mark applications;
- 5.1.2 all goodwill attaching to Intellectual Property used by or material to the business of the Company and in respect of the business relating to the goods or services in respect of which any Intellectual Property is registered or used; and
- 5.1.3 the right to bring, make, oppose, defend, appeal proceedings, claims or actions and obtain relief (and to retain any damages recovered) in respect of any infringement, or any other cause of action arising from ownership, of any of Intellectual Property used by or material to the business of the Company whether occurring before, on, or after the date of this agreement.

## **6. THE BOARD**

- 6.1 The appointment, dismissal and conduct of the Board shall be regulated in accordance with this agreement and the Articles.
- 6.2 In accordance with the Articles, for so long as an Investor or its Permitted Transferees hold any of the Ordinary Shares in issue they shall have the right to appoint a representative to attend as an observer at each and any meeting of the board and of each and any committee of the Board.
- 6.3 Meetings of the Board will be convened and held not less than 4 times per year at regular intervals.
- 6.4 The Company shall send to the Investor and any observers appointed under clause 6.2:
  - 6.4.1 reasonable advance notice of each Board meeting and each committee of it; and
  - 6.4.2 a written agenda for each Board meeting and each committee meeting, accompanied by all relevant papers.
- 6.5 The parties shall use their respective reasonable endeavours to ensure that any Board meeting (or meeting of a committee of the Board) and every general meeting of the Company has the requisite quorum.

## **7. ACCOUNTING AND INFORMATION RIGHTS**

- 7.1 The Company shall, and the Founders shall procure that the Company shall, at all times maintain accurate and complete accounting and other financial records.
- 7.2 The Company shall, and the Founders shall procure that the Company shall, prepare such business and financial information in such format as the Investor reasonably requests and shall send copies to the Investor within 30 days of the end of each fiscal quarter.
- 7.3 The audited accounts of the Company in respect of each accounting period, together with the related audit and management letters and all correspondence between the Company and the auditors of the Company concerning the accounts, shall be completed and approved by

the Board and delivered to the Investor within three months after the end of the accounting period to which such audited accounts relate.

- 7.4 The Company shall provide the Investor promptly with such other information concerning the Company and its business as the Investor may reasonably require from time to time for tax, legal or regulatory purposes or to enable the Investor to monitor their investments in the Company.

## **8. MATTERS REQUIRING INVESTOR CONSENT**

- 8.1 The Company undertakes that, save with Investor Consent, the Company shall not take any of the actions set out in Schedule 3.
- 8.2 Each of the Founders undertakes to the Investor (as a separate covenant by each of them) to exercise all voting rights and powers of control available to him in relation to the Company to procure that, save with Investor Consent, the Company shall not take any of the actions set out in Schedule 3.

## **9. TRANSFER OF SHARES AND FUTURE FUNDING**

- 9.1 Notwithstanding the Articles, each Founder undertakes to the Investor that he shall not, and shall not agree to create any Encumbrance over, transfer or otherwise dispose of the whole or any part of his interest in or grant any option over any Ordinary Shares to any person except where required or permitted to do so by the Articles and this agreement.
- 9.2 The Company undertakes to its Shareholders that it shall not (and each of the Founders undertakes to its Shareholders to procure that the Company shall not) carry out any funding round on terms which either: (i) do not reflect the fair market value of the business at the time; or (ii) which are not on bona fide arm's length terms; or (iii) which are unfairly prejudicial to the existing Shareholders (an "**Undervalue Funding Round**"). To the extent an Investor, acting reasonably, believes the Company is about to undertake an Undervalue Funding Round, the Investor shall be entitled by serving a notice in writing on the Company to exercise a right of veto to prohibit such funding round being implemented.
- 9.3 The Company undertakes to SBC Digital Health that it shall, at the Seed Funding Round, reserve for subscription or acquisition by SBC Digital Health or, at SBC Digital Health's sole discretion, one or more of the SBC Digital Health's Permitted Transferees, such number of Ordinary Shares (and/or, if different, any senior or preferred class of shares being issued to any investor at the Seed Funding Round) in an amount equal to, in aggregate, 35% of the amount being raised during the Seed Funding Round.
- 9.4 Each of the Founders undertakes to SBC Digital Health (as a separate covenant by each of them) to exercise all voting rights and powers of control available to him in relation to the Company to ensure that such

number of Ordinary Shares are reserved by the Company as required pursuant to clause 9.2.

- 9.5 If the Company issues any shares or other securities ("**New Securities**") that have rights in respect of the receipt of income and/or capital that rank in preference to the Ordinary Shares or other securities held by the Investor, each Party agrees to exercise all voting rights and powers of control available to it to re-designate the Ordinary Shares and other securities held by the Investor to rank pari-passu with such New Securities.
- 9.6 No transfer of Ordinary Shares shall be registered by the Board unless the transferee of such Ordinary Shares has executed and delivered a Deed of Adherence.
- 9.7 The Company shall not issue any Ordinary Shares or other equity securities to any person, unless that person is a party to this agreement or has executed and delivered a Deed of Adherence.

## **10. EFFECT OF CEASING TO HOLD SHARES**

- 10.1 A party shall cease to be a party to this agreement for the purpose of receiving benefits and enforcing his rights from the date that he ceases to hold (or beneficially own) any shares in the capital of the Company (but without prejudice to any benefits and rights enjoyed prior to such cessation).
- 10.2 A Founder's obligations under clauses 11 and 12 shall survive a transfer of all or any shares by such Founder, and shall survive such Founder ceasing to be a director, or employee of or consultant to the Company. But otherwise when a Founder ceases to hold shares in the Company, he shall have no further obligation or liability under this agreement, but without prejudice to the due performance by such Founder of all obligations up to the date of such cessation.

## **11. NON COMPETITION**

- 11.1 Each Founder shall not without the prior written consent of the Company directly or indirectly at any time whilst he is a director or employee of, or a consultant to, the Company and during the Restricted Period engage or be concerned or interested in any capacity with any business concern which within the Relevant Area competes, or will compete, or is likely to compete with the business of the Company.
- 11.2 Each Founder acknowledges that the foregoing provisions of this clause 11 are fair, reasonable and necessary to protect the goodwill and interests of the Company.
- 11.3 If any of the restrictions or obligations contained in this clause 11 is held to be invalid or unenforceable but would be valid or enforceable if part of the provision were deleted then such restrictions or obligations shall apply with such deletions as may be necessary to make them enforceable. In the event of any part of this clause being declared invalid or unenforceable by any court of competent jurisdiction, all other parts

of this clause shall remain in full force and effect and shall not be affected thereby.

## **12. CONFIDENTIALITY AND ANNOUNCEMENTS**

Except as provided elsewhere in this agreement, and excluding any information which is in the public domain (other than through the wrongful disclosure of any party), or which any party is required to disclose by law or by the rules of any regulatory body to which the Company is subject, each party agrees to keep secret and confidential and not to use, disclose or divulge to any third party (other than a party's professional advisers) any:

- 12.1.1 confidential information relating to the Company (including any Intellectual Property, customer lists, reports, notes, memoranda and all other documentary records pertaining to the Company or its business affairs, finances, suppliers, customers or contractual or other arrangements); or
- 12.1.2 information relating to the negotiation, provisions or subject matter of this agreement (or any document referred to in it); or
- 12.1.3 information concerning the Investor, its shareholders or any member of their respective groups.

## **13. ASSIGNMENT**

13.1 Subject to clause 13.3, this agreement is personal to the parties and no party shall:

- 13.1.1 assign any of its rights under this agreement; or
- 13.1.2 transfer any of its obligations under this agreement; or
- 13.1.3 sub-contract or delegate any of its obligations under this agreement; or
- 13.1.4 charge or deal in any other manner with this agreement or any of its rights or obligations.

13.2 Any purported assignment, transfer, sub-contracting, delegation, charging or dealing in contravention of clause 13.1 shall be ineffective.

13.3 Each Investor may assign the whole or part of any of its rights under this agreement to any of its Permitted Transferees.

## **14. THIRD PARTY RIGHTS**

14.1 Any management company authorised from time to time to act on behalf of an Investor or another person or persons nominated by an Investor, shall be entitled to enforce all of such Investor's rights and benefits under this agreement at all times as if it were a party to this agreement.

- 14.2 Except as provided in clause 14.1, this agreement does not confer any rights on any person that is not a party to this agreement pursuant to the Contracts (Rights of Third Parties) Act 1999.

## **15. AGREEMENT SURVIVES COMPLETION**

This agreement (other than the obligations that have already been performed) remains in full force after Completion.

## **16. SHAREHOLDER OBLIGATIONS AND STATUS OF THIS AGREEMENT**

- 16.1 Each Shareholder shall exercise all voting rights and other powers of control available to it in relation to the Company so as to procure (so far as is reasonably possible) that, at all times during the term of this agreement, the provisions of this agreement are promptly observed and given full force and effect according to its spirit and intention.
- 16.2 If, at any time, any provisions of the Articles conflict with any provision of this agreement, the provisions of this agreement shall prevail as between the Shareholders. In such circumstances the Shareholders shall procure that such modifications as are necessary are made to the Articles.

## **17. SEVERANCE**

- 17.1 If any court or competent authority finds that any provision of this agreement (or part of any provision) is void, invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed to be deleted, and the validity and enforceability of the other provisions of this agreement (and, as the case may be, the remainder of the relevant provision) shall not be affected.
- 17.2 If any void, invalid, unenforceable or illegal provision of this agreement would be valid, enforceable and legal if some part of it were deleted, the provision shall apply with the minimum deletion necessary to make it legal, valid and enforceable.

## **18. VARIATION**

A variation of this agreement shall only be valid if it is in writing and signed by the Company, by the Investor and by Shareholders (other than the Investor) holding between them at least 50% of the issued share capital of the Company, in which event such change shall be binding against all of the parties hereto provided that if such change would detrimentally affect the rights of a party, the consent of the affected party to that variation shall be specifically required.

## **19. COSTS**

All Costs and expenses in connection with the negotiation, preparation, execution and performance of this agreement, and any documents referred to in it, shall be borne by the party that incurred the Costs.

## 20. WHOLE AGREEMENT

This agreement and the documents referred to or incorporated in it or executed contemporaneously with it, constitute the whole agreement between the parties relating to the subject matter of this agreement, and supersede any previous arrangement, understanding or agreement between them relating to the subject matter that they cover.

## 21. NOTICES

21.1 A notice given under this agreement:

21.1.1 shall be in writing in the English language (or be accompanied by a properly prepared translation into English);

21.1.2 shall be sent for the attention of the person, and to the address or email address, given in this clause 21 (or such other address, email address or person as the relevant party may notify to the other party); and

21.1.3 shall be delivered personally, sent by email, sent by pre-paid first-class post or recorded delivery or (if the notice is to be served by post outside the country from which it is sent) sent by airmail.

21.2 The addresses for service of notice are:

21.2.1 Company

Address: [REGISTERED ADDRESS]

For the attention of: [NAME]

Email address: [EMAIL ADDRESS]

21.2.2 Investor

Address: 1 St Katherine's Way, International House, Rainmaking Loft, London E1W 1UN

For the attention of: Mr. Alex Farcet

Email address: af@startupbootcamp.org

21.2.3 In the case of the Founders, to the address set out alongside their respective names in Schedule 1.

21.3 A notice is deemed to have been received:

21.3.1 if delivered personally, at the time of delivery; or

21.3.2 in the case of email, at the time of transmission; or

21.3.3 in the case of pre-paid first-class post or recorded delivery, 48 hours from the date of posting; or

21.3.4 in the case of airmail, five days from the date of posting; or

21.3.5 if deemed receipt under the previous paragraphs of this clause 21.3 is not within business hours (meaning 9.00 am to 5.30 pm

Monday to Friday on a day that is a Business Day), when business next starts in the place of deemed receipt.

- 21.4 To prove service, it is sufficient to prove that the notice was transmitted by email to the email address of the party or, in the case of post, that the envelope containing the notice was properly addressed and posted.

## **22. FURTHER ASSURANCE**

Each party shall promptly execute and deliver all such documents, and do all such things, as the other party may from time to time reasonably require for the purpose of giving full force and effect to the provisions of this agreement.

## **23. COUNTERPARTS**

This agreement may be executed in any number of counterparts, each of which is an original and which, when executed and delivered, shall be an original and which together shall have the same effect as if each party had executed and delivered the same document.

## **24. NO PARTNERSHIP**

Nothing in this agreement is intended to or shall be construed as establishing or implying a partnership of any kind between the parties.

## **25. GOVERNING LAW AND JURISDICTION**

- 25.1 This agreement and any dispute or claim arising out of or in connection with it or its subject matter (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.
- 25.2 The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this agreement or its subject matter (including non-contractual disputes or claims).

**IN WITNESS WHEREOF THIS AGREEMENT HAS BEEN ENTERED INTO ON THE DATE STATED AT THE BEGINNING OF IT.**

Schedule 1

**Part 1 - The Founders**

| <b>Name of Founder</b> | <b>Address of Founder</b> | <b>Number of [CLASS] shares held</b> |
|------------------------|---------------------------|--------------------------------------|
|                        |                           |                                      |
|                        |                           |                                      |

**Part 2 - The Investor**

| <b>Name of Investor</b>             | <b>Address of Investor</b>                                                                 |
|-------------------------------------|--------------------------------------------------------------------------------------------|
| SBC Digital Health 2016 - 2018 Ltd. | 1 St Katherine's Way, International House, Rainmaking Loft, London E1W 1UN, United Kingdom |

**Part 3 - The Other Shareholders**

| <b>Name of Other Shareholder</b> | <b>Address of Other Shareholder</b> |
|----------------------------------|-------------------------------------|
|                                  |                                     |
|                                  |                                     |

Schedule 2

**Part 1 - The Company**

|                                                  |                                                                                                                                                                                                                                                  |
|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name</b>                                      |                                                                                                                                                                                                                                                  |
| <b>Company Number</b>                            |                                                                                                                                                                                                                                                  |
| <b>Date of incorporation</b>                     |                                                                                                                                                                                                                                                  |
| <b>Registered office</b>                         |                                                                                                                                                                                                                                                  |
| <b>Share capital</b>                             | [NUMBER] [CLASS] Shares of [NOMINAL VALUE] each                                                                                                                                                                                                  |
| <b>Shareholders</b>                              | <b>Number and class of shares</b>                                                                                                                                                                                                                |
| 1. [NAME]                                        | [NUMBER] [CLASS] Shares                                                                                                                                                                                                                          |
| 2. [NAME]                                        |                                                                                                                                                                                                                                                  |
| 3. [NAME]                                        | {NOTE: To be completed for all shareholders}                                                                                                                                                                                                     |
| <b>TOTAL</b>                                     | [NUMBER] [CLASS] Shares                                                                                                                                                                                                                          |
| <b>Directors</b>                                 | <b>Address</b>                                                                                                                                                                                                                                   |
| 1. [NAME]                                        | [RESIDENTIAL ADDRESS]                                                                                                                                                                                                                            |
| 2. [NAME]                                        | [RESIDENTIAL ADDRESS]<br>{NOTE: To be completed for all directors}                                                                                                                                                                               |
| <b>Details of any loans / other indebtedness</b> | {NOTE: e.g. loan notes, bank financing, amounts owed for services rendered etc.}                                                                                                                                                                 |
| <b>Details of any charges</b>                    | [e.g. Convertible promissory notes in the amounts set out opposite the names of the following persons:<br>[NAME: [£]AMOUNT]<br>[NAME: [£]AMOUNT]<br>These loan notes are convertible upon [TRIGGER EVENT e.g. financing round above [£]AMOUNT]]. |

|                            |                                                                                         |
|----------------------------|-----------------------------------------------------------------------------------------|
|                            | <p>Include any longstop dates if applicable</p> <p>Include the applicable valuation</p> |
| Foreign law legal advisers |                                                                                         |

Part 2 - The Subsidiary

|                                           |                                                                                                                             |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Name                                      |                                                                                                                             |
| Company Number                            |                                                                                                                             |
| Date of incorporation                     |                                                                                                                             |
| Registered office                         |                                                                                                                             |
| Share capital                             | [NUMBER] [CLASS] Shares of [NOMINAL VALUE] each                                                                             |
| Shareholders                              | Number and class of shares                                                                                                  |
| 4. [NAME]                                 | [NUMBER] [CLASS] Shares                                                                                                     |
| 5. [NAME]                                 |                                                                                                                             |
| 6. [NAME]                                 | {NOTE: To be completed for all shareholders}                                                                                |
| <b>TOTAL</b>                              | [NUMBER] [CLASS] Shares                                                                                                     |
| Directors                                 | Address                                                                                                                     |
| 3. [NAME]                                 | [RESIDENTIAL ADDRESS]                                                                                                       |
| 4. [NAME]                                 | [RESIDENTIAL ADDRESS]<br>{NOTE: To be completed for all directors}                                                          |
| Details of any loans / other indebtedness | {NOTE: e.g. loan notes, bank financing, amounts owed for services rendered etc.}                                            |
| Details of any charges                    | [e.g. Convertible promissory notes in the amounts set out opposite the names of the following persons:<br>[NAME: [£]AMOUNT] |

|                                          |                                                                                                                                                                                                                                   |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                          | <p>[NAME: [£]AMOUNT]</p> <p>These loan notes are convertible upon [TRIGGER EVENT e.g. financing round above [£]AMOUNT].</p> <p><i>Include any longstop dates if applicable</i></p> <p><i>Include the applicable valuation</i></p> |
| <p><b>Foreign law legal advisers</b></p> |                                                                                                                                                                                                                                   |

Schedule 3

### **Reserved matters - matters requiring Investor Consent**

1. Any material change in the nature of its business.
2. Any amendment to the Articles of the Company.
3. Any variation of class rights of any class of share in the issued share capital of the Company.
4. The issue of any Ordinary Shares or other securities to any person including, for the avoidance of doubt pursuant to an Employee Share Option Plan.
5. The incorporation or establishment of any subsidiary or associated company.
6. Any expansion, development or evolution of its business otherwise than through the Company.
7. The acquisition of the whole or any significant part of a business or undertaking or any shares, debentures, loan stock or other securities or interest in any company, partnership or other body.
8. The entry into any transaction, arrangement or agreement with or for the benefit of any Shareholder or with a connected person of any of them, save for any matters required pursuant to clause 10.
9. The commencement of any litigation or other legal proceedings (other than actions to recover debts in the ordinary course of business).
10. Incurring of any indebtedness otherwise than in the ordinary course of business.
11. The recapitalisation, reorganization, merger, sale or transfer of all or substantially all of the Company's assets or business.
12. The passing of any resolution to wind up the Company or enter into any arrangement with its creditors.
13. The sale or transfer of any of the Company's Intellectual Property.
14. The sale, transfer, lease, assignment, grant of any licence in respect of, or otherwise disposal of, the whole or any part of its undertaking, property or other assets (whether by one transaction or a series of transactions whether related or not) or any interest therein other than the sale of current assets in the ordinary course of business or with a value not exceeding £50,000.

Schedule 4

**Deed of adherence**

THIS DEED is made the [ ] day of [ ] by [ ]

WHEREAS

1. By [a transfer dated *[insert date]*, [●] (**Transferor**) transferred to [●] (**Transferee**)]/[an application to subscribe for shares dated *[insert date]*, [●] of *[insert address]* [Company No. [●]]] (**Subscriber**) subscribed for [●] Ordinary Shares of [£][€][●] each in the capital of [●] (**Company**) (together, the [**Transferred**]/[**Subscribed**] **Shares**).
2. This deed is entered into in compliance with the terms of clause [9.6]/[9.7] of an agreement dated *[insert date]* made between (1) the Investor, (2) the Founders and (3) the Company (all such terms as are defined therein) (which agreement is herein referred to as the **Investment Agreement**).

NOW THEREFORE IT IS HEREBY AGREED as follows:

3. The [Transferee] / [Subscriber] hereby agrees to assume the benefit of the rights [of the Transferor] under the Investment Agreement in respect of the [Transferred] / [Subscribed] Shares and hereby agrees to assume and assumes the burden of the [Transferor's] obligation under the Investment Agreement to be performed after the date hereof in respect of the [Transferred] / [Subscribed] Shares.
4. The [Transferee] / [Subscriber] hereby agrees to be bound by the terms of the Investment Agreement in all respects as if the [Transferee] / [Subscriber] were a party to the Investment Agreement as [a New Investor] / [an Investor] (and will be deemed to be designated herein as such) and to perform:
  - (a) [all the obligations of the Transferor in that capacity thereunder; and]
  - (b) all the obligations expressed to be imposed on such a party by the Investment Agreement,
 [in both cases,] to be performed on or after the date hereof.
5. All obligations expressed to be imposed on such a party by the Investment Agreement, to be performed on or after the date hereof.
6. This deed is made for the benefit of:
  - (a) the parties to the Investment Agreement; and
  - (b) any other person or persons who may after the date of the Investment Agreement (and whether or not prior to the date

hereof) have assumed any rights or obligations under the Investment Agreement and be permitted to do so by the terms hereof;

and this deed shall be irrevocable without the consent of the Company acting on their behalf in each case only for so long as they hold any shares in the capital of the Company.

7. [For the avoidance of doubt, nothing in this deed shall release the Transferor from any liability in respect of any obligations under the Investment Agreement due to be performed prior to the date hereof.]
8. None of the Shareholders:
  - (a) makes any representation or warranty or assumes any responsibility with respect to the legality, effectiveness, adequacy or enforceability of any of the Investment Agreement (or any agreement entered into pursuant thereto); or
  - (b) makes any representation or warranty or assumes any responsibility with respect to the content of any information regarding the Company or any member of its group or otherwise relating to the [acquisition] / [subscription] of shares in the Company; or
  - (c) assumes any responsibility for the financial condition of the Company or any member of its group or any other party to the Investment Agreement or any other document or for the performance and observance by the Company or any other party to the Investment Agreement or any other document (save as expressly provided therein);

and any and all conditions and warranties, whether express or implied by law or otherwise, are excluded.

9. This deed shall be governed by and construed in accordance with the laws of England and Wales.

IN WITNESS HEREOF this deed of adherence is executed as a deed and delivered on the date first written above.

[EXECUTION BLOCK TO BE INSERTED]

Signed by **[NAME OF FOUNDER]** .....

Signed by **[NAME OF FOUNDER]** .....

Signed by **[NAME]** .....  
for and on behalf of **[COMPANY]** **Director**

Signed by **Juliane Zielonka** .....  
for and on behalf of **SBC Digital Health 2016 - 2018 Ltd.** **Managing Director**

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