

# **SHAPING THE IDEA: Investors Relations**

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**Idea**



**Business Plan**



**MOU / Term Sheet**



**Agreement (Shareholders Agreement or “SHA”)**

# SHA

► Is it necessary?

(a) Clarity

(b) Written proof

(c) Law does not foresee in details every

transaction but



law prevails

# Indicative structure of an SHA

## (a) Investment - Purpose

## (b) Funding

- money vs in kind
- equity vs loan

## (c) Investors relations

- Majority vs minority vs 50/50
- Business plan & budget
- Governance & reserved matters
- Additional funding & pre-emption rights
- Reporting & accounting

# Indicative structure of an SHA (con'd)

## (d) Share Transfer Restrictions and Exit Right

- Lock – up?
- Right of First Refusal – Right of First Offer
- Tag – Along
- Drag – Along
- IPO – Put Option

## (e) Proceeds Distribution

# **Indicative structure of an SHA (con'd)**

- (g) Non competition - non solicitation**
- (h) Confidentiality**
- (i) Articles of Incorporation harmonization**
- (j) Dispute Resolution / Applicable Law**

## Something to remember :

- A clear agreement leads to clear understandings
- Interpretation of the SHA is everywhere
- A successful deal is a fair deal

**THANK YOU !**