

**DATED 24th November 2014**

**(1) Paul Andrews**

-and-

**(2) David Neil Laurence Levy**

-and-

**(3) Sinclair Research Limited**

-and-

**(4) Christopher David Smith**

---

**SHAREHOLDERS AGREEMENT**

**Retro Computers Limited**

---

**THIS AGREEMENT** is made as a Deed the twenty fourth day of November 2014

**BETWEEN:-**

- (1) **Paul Andrews** of \*\*\*\*\* (“Andrews”);
- (2) **David Neil Laurence Levy** of \*\*\*\*\* (“Levy”);
- (3) **Sinclair Research Limited**, a private limited company registered in England and Wales under number 01135105 and whose registered office is at: c/o Freestone & Co., One The Centre, The High Street, Gillingham, Dorset SP8 4AB (“Sinclair”); and
- (4) **Christopher David Smith** of \*\*\*\*\* (“Smith”)

**WHEREAS:-**

- (A) Retro Computers Limited is a private limited company registered in England and Wales under number 08831435 and whose registered office is at \*\*\*\*\* (“the Company”) having an authorised share capital of £100 divided into one thousand ordinary shares of 10p each.
- (B) The present directors are Paul Andrews, David Neil Laurence Levy, Christopher David Smith and Lady Angie Sinclair. The Company Secretary is not filed at Companies House.
- (C) The issued shares in the capital of the Company are presently held as follows:-  
One £1 share held by Christopher David Smith
- (D) The Parties have agreed to enter into this Agreement in order to protect their various rights in relation to the Company and to regulate its affairs.

**IT IS HEREBY AGREED as follows:-**

**1. Interpretation**

1.1 In this Agreement the following words and expressions shall have the following meanings unless they are inconsistent with the context:-

<b>“Affiliated Company”</b>	in relation to the Company any associated company subsidiary or the holding company of that company or any other subsidiary of its holding company with “associated” “subsidiary” and “holding company” having the meanings given to them by section 416(1) of the Income and Corporation Taxes Act 1988 and section 736 of the Companies Act 1985 respectively;
<b>“Articles of Association”</b>	the Company’s Articles of Association as amended from time to time;
<b>“Auditors”</b>	the Company’s auditors from time to time;
<b>“Board”</b>	the board of directors from time to time of the Company or a duly authorised committee thereof;
<b>“Business”</b>	the development of and dealing in consumer electronic products;
<b>“Deed of Adherence”</b>	a deed in the form set out in Schedule 1;
<b>“Market Value”</b>	the fair market value of the relevant Party’s Shares on the basis of a sale between a willing seller and a willing buyer on the open market and on the basis that all Shares rank pari passu in all respects and taking no

account of the fact that a Share may form part of a minority or majority holding;

**“Non-voting share”** a share in the Company that does not have voting rights at shareholders’ meetings;

**“Party”** a party to this Agreement;

**“Share”** an ordinary share of 10p in the capital of the Company together with all rights attaching thereto;

**“Third Party”** any individual firm company or other entity whether incorporated or unincorporated other than the Parties.

**“Voting share”** an ordinary share in the Company that does have voting rights at shareholders’ meetings;

- 1.2 References to statutes or statutory provisions shall be construed as including references to any statutory modification consolidation re-enactment or amendment (whether before or after the date hereof) for the time being in force all statutory instruments or orders made pursuant thereto or any statutory provisions of which they are consolidations re-enactments modifications or amendments.
- 1.3 Except where the context otherwise requires words denoting the singular include the plural and vice versa; words denoting any gender include all genders; words denoting the whole include any part thereof.
- 1.4 References to Clauses Sub-Clauses or Schedules are references to clauses or sub-clauses of or schedules to this Agreement.
- 1.5 Clause headings are for ease of reference only and do not affect the construction of this Agreement.

- 1.6 References to any Party shall (where the context so admits) include his personal representatives his estate or trustees in bankruptcy.
- 1.7 Words denoting an obligation on a Party to do an act matter or thing include an obligation to procure that it be done and words placing a Party under a restriction include an obligation not to permit infringement of the restriction.

## **2. Miscellaneous Matters**

- 2.1 Immediately following the signature of this Agreement the Parties shall procure that the Company:-
- (a) allots to the Parties Shares in the amounts set opposite their respective names in Schedule 2 credited as fully paid;
  - (b) appoints Penny Foster Accounting Services Ltd., of \*\*\*\*\* as its Auditors;
  - (c) adopts December 31<sup>st</sup> as its accounting reference date;
  - (d) adopts the articles of association in the form annexed hereto;
  - (e) sets up a bank account with Barclays Bank plc whereby all cheques issued by the Company on such account must be signed by any one director up to £10,000 in value and by any two Directors in excess of such value;
  - (f) appoints Paul Andrews as Managing Director and Christopher David Smith as Technical Director and David Neil Laurence Levy as Chairman.
- 2.2 (a) Within 30 days of the Company raising working capital which in the opinion of the Board is sufficient to commence the manufacture and marketing of the Company's first product, which product is currently known as the "Sinclair Spectrum Vega" and is a "retro" version of the Sinclair ZX Spectrum computer, the Company shall make payment to Christopher David Smith of the sum of £20,000 in recognition of his development of the hardware and firmware of that product.
- (b) At the time of the payment referred to in clause 2.2(a) above Christopher David Smith shall assign to the Company all of his intellectual property rights in the aforesaid hardware and software.

### **3. Management of the Company**

- 3.1 The business of the Company shall be managed by the Board which shall consist initially of Andrews, Levy, Lady Angie Sinclair and Smith. The Chairman shall not have a casting vote at any Board and General Meeting.
- 3.2. Each of the Parties shall have the right to be a director or to appoint a director for so long as he or it is a shareholder in the Company and all other directors of the Company shall be removed and appointed only with the prior written consent of each Party.
- 3.3 No meeting of the Board may proceed to business unless:-
- 3.3.1 a quorum is present. A quorum of the Board shall require the presence of three directors unless the Parties otherwise agree in writing; and
- 3.3.2 reasonable notice of such meeting has been given to all directors of the Company. “Reasonable notice” shall be determined by reference to all relevant factors but with particular regard to the urgency of the matters in question.
- 3.4 Each Party may in accordance with the Articles of Association appoint an alternate to represent him at meetings of the Board which he is unable to attend.
- 3.5 The Parties shall use their best endeavours to assist the Company as is necessary to carry on the Business effectively.

#### **4. General Meetings**

No business shall be transacted at a General Meeting (whether or not it shall be adjourned) unless at least three of the Parties or their duly authorised representatives are present at the time the meeting proceeds to business.

#### **5. Restrictions**

Save as expressly provided for in this Agreement the Parties will take all steps within their power to procure that without the prior written consent of at least three of them the Company shall not:-

- (a) issue any further Shares or any other shares of whatever class value or description in the capital of the Company;
- (b) convene any meeting of shareholders for the purpose of approving any reduction of capital merger amalgamation consolidation reconstruction or winding up of the Company;
- (c) convene any meeting of shareholders for the purpose of approving any increase consolidation division sub-division cancellation purchase conversion redemption issue or any other alteration of share capital of the Company or conversion of Shares into loan stock or the issue of loan stock of the Company;
- (d) alter its bank mandate;
- (e) appoint or dismiss staff earning £10,000 or more (if any);
- (f) create or issue any debenture mortgage charge or other security or purport to do so;
- (g) acquire any shares, business, property or assets which would following such acquisition constitute a material part of the Business property or assets nor dispose of or part with control of any interest in all or any material part of the Business property or assets whether by a single transaction or a series of transactions (and for these purposes any part accounting for five % or more of the profits turnover or net asset value of the Company shall be deemed material);
- (h) create any subsidiaries or enter into joint ventures with any third party;
- (i) acquire any other company in whole or in part or any interest therein;
- (j) make or permit any alteration to the nature of the Business;

- (k) give any guarantee or indemnity other than in the normal course of business in relation to the supply of goods or services up to a maximum of £5,000 in each case;
- (l) make any loans (other than credit given in the normal course of trading);
- (m) increase the total amount of its bank borrowings (if any) to a figure greater than £ Nil;
- (n) enter into vary or terminate any agreement between it and any of the Parties or any person connected with any of the Parties (within the meaning of Section 839 Income and Corporation Taxes Act 1988);
- (o) enter into vary the terms of or terminate any contract of employment of any of its directors;
- (p) establish or vary the terms of any profit sharing or profit related bonus;
- (q) acquire any asset whether by purchase or under a hire purchase leasing credit sale agreement or otherwise the total purchase cost of which (including all interest and financing charges) exceeds £5,000;
- (r) commence the prosecution or defence of any legal or arbitration proceedings other than routine debt collection;
- (s) enter into any contract which:-
  - (i) is outside the ordinary course of the Business; or
  - (ii) involves obligations or potential obligations which because of their nature or significance ought to be made known to the Board; or
  - (iii) is otherwise than at arm's length and on the best terms reasonably obtainable; and
- (t) do or permit or suffer to be done any act or thing whereby the Company may be liquidated or wound up (whether voluntary or compulsorily).

## **6. Distribution of Profits**

Any distribution by the Company to the Parties shall be payable in direct proportion to their shareholding in the Company unless the Parties otherwise agree in writing.

## **7. Transfer of Shares**

- 7.1 For a period of five years from the date of this Agreement each Party hereby undertakes with the other Parties not to sell transfer or dispose of any interest (whether legal or equitable) in or rights attached to any Shares nor pledge mortgage or in any way encumber the same unless the other Parties give their prior written consent.
- 7.2 Any Party intending to sell all or some of his Shares (“Seller”) must first offer his Shares to the other Parties by serving a written notice (“Sale Notice”) specifying the number of Shares to be sold (“Sale Shares”) and the price per Sale Share (“Specified Price”) at which he proposes to sell the Sale Shares.
- 7.3.1 Within 14 days of receipt of the Sale Notice the other Parties shall indicate by written notice (“Acceptance Notice”) served on the Seller whether they wish to purchase all (but not some only) of the Sale Shares in which case the Sale Shares shall be allocated to the other Parties in proportion to their respective shareholdings in the Company at the relevant time or in such proportions as they may otherwise agree between them.
- 7.3.2 Upon the service of an Acceptance Notice completion of the sale and purchase of the Sale Shares shall take place 28 days after receipt by the Seller of the Acceptance Notice when the Seller’s share certificate(s) and executed and delivered stock transfer in respect of the Sale Shares shall be exchanged for the appropriate banker’s draft.
- 7.3.3 If an Acceptance Notice is not served on the Seller within 14 days of the service of the Sale Notice the Seller shall be entitled to sell the Sale Shares to a Third Party at not less than the Specified Price and the other Parties shall procure that subject to Clause 7.4 the Third Party shall be entered in the register of members of the Company as the holder of the Sale Shares.
- 7.4.1 Notwithstanding the provisions of this Agreement and the Articles of Association no Party shall transfer any Sale Shares to a Third Party unless such Third Party shall prior to such transfer have entered into a Deed of Adherence.
- 7.4.2 Upon the due execution and delivery of the Deed of Adherence and upon completion of the transfer of the Sale Shares pursuant to this Clause 7 the Third Party shall be

deemed for all purposes to be a party to this Agreement and to have the benefit and burden of all covenants and undertakings contained herein as if the Third Party was named as the party whose Sale Shares have been transferred.

## **8. Death**

### **8.1 If any Party being a person shall die:-**

- (a) subject to the agreement of the personal representatives of the deceased party and/or the agreement of the executor(s) of the deceased party's estate the surviving Parties shall have the option to purchase all (but not some only) of the deceased Party's Shares in proportion to their shareholdings in the Company at the relevant time or in such other proportions as the surviving Parties may otherwise agree or if there is only one surviving Party all of the deceased Party's Shares from the deceased Party's personal representatives. Should the deceased party's personal representatives and the executor(s) of the deceased party's estate decline to allow the surviving parties to exercise this purchase option the deceased party's shares shall cease to have any voting rights; and all voting rights previously held by the deceased party's shares shall be divided between the surviving parties pro-rata to their own respective shareholdings in the Company at the relevant time; and
- (b) the deceased Party's personal representatives shall have the option to require the surviving Parties to purchase all (but not some only) of the deceased Party's shares in proportion to their shareholdings in the Company at the relevant time or in such proportions as the surviving Parties may otherwise agree or if there is only one surviving Party all of the deceased Party's shares from the deceased Party's personal representatives.

### **8.2 If the surviving Parties or the deceased Party's personal representatives or the executor(s) of the deceased party's estate intend to exercise their respective options pursuant to Clause 8.1 a written notice ("Option Notice") must be served on the surviving Parties or the deceased Party's personal representatives (as the case may be) within 6 months of the date of death of**

the deceased Party or within one month after the appointment of the deceased Party's personal representatives whichever is the sooner.

- 8.3 The price to be paid for the deceased Party's Shares shall be the Market Value which shall be agreed by the surviving Parties and either or both of the deceased party's personal representatives or the executor(s) of their estate within one month of the date of the Option Notice (or in the absence of agreement within such period) determined by the Auditors in their absolute discretion whose decision shall be final and binding on the Parties (save in the case of manifest error).
- 8.4 Completion of the transfer of the deceased Party's Shares shall take place 30 days following the earlier of the agreement by the Parties and the Auditors determination of the Market Value in accordance with Clause 8.3 when the relative share certificate(s) and duly executed and delivered stock transfer in respect of the deceased Party's Shares shall be exchanged for the appropriate bankers draft .

## **9. Obligations to Purchase**

Subject to the provisions of this Agreement and the Articles of Association and the agreement between the Company and Sky In-Home Service Limited if any of the Parties (acting jointly or individually) wish to transfer Shares representing fifty one per cent (51%) or more of the issued share capital or of the voting rights of the Company then they or he (as appropriate) shall procure that the intended transferee will offer to acquire from the other Parties all Shares then held by them on the same financial terms as those being accepted.

## **10. Termination**

- 10.1 This Agreement shall terminate only with the unanimous agreement of all the Parties.
- 10.2 The Parties hereby authorise the Company to execute and do all such deeds, acts or things as are necessary to give full force and effect to this Clause 10.

## **11. Restrictive Covenants**

11.1 In the event that a Party ceases to be a shareholder of the Company for whatever reason he shall not without the prior written consent of the other Parties either alone or jointly with others whether as principal agent director shareholder independent contractor employee consultant or in any other capacity whether directly or indirectly through any other person firm or company and whether for his own benefit or that of others:-

- (a) represent himself or permit himself to be represented as being connected with the Company or any Affiliated Company or their respective businesses;
- (b) represent promote advertise or refer to his previous connection with the Company or any Affiliated Company in such a way as to seek to utilise any of their goodwill; and
- (c) carry on cause or permit to be carried on any business under or using any name style logo or image which is has been or might be used by the Company or any Affiliated Company or which might reasonably be expected to cause confusion with such a name style logo or image or imply a connection with them;

11.2 Each and every covenant under this Clause shall be treated as a separate and distinct covenant and shall be severally valid and enforceable as such. In the event of any covenant or covenants being or becoming invalid or unenforceable in whole or in part for whatever reason but would be valid and enforceable if such covenant or covenants were reduced or modified then such covenant shall apply with such reduction or modification as may be necessary to make it valid and enforceable or shall be deleted if necessary but so that any such reduction modification or deletion shall not affect the validity and enforceability of all such parts of this Clause as remain not so reduced modified or deleted.

11.3 The covenants given in this Agreement shall be without prejudice to any other covenants or undertakings given to by the Parties in any other document.

## **12. Confidentiality**

Each of the Parties shall both during this Agreement and after its termination for whatever reason observe and shall procure that the Company observes strict confidentiality as to all business affairs of the other Parties and the Company as may come within their or its knowledge prior to or during the course of this Agreement.

**13. Survivorship**

Such provisions of this Agreement as require or are capable of imposing any liability or obligation subsequent to termination shall continue in force notwithstanding such termination and any corresponding right conferred on any of the Parties shall likewise continue to be enforceable after termination.

**14. Duration**

Subject to the provision for termination herein this Agreement shall remain in force without limitation in time.

**15. Governing Law**

The validity construction and performance of this Agreement shall be governed by the laws of England and any dispute relating to this Agreement shall be subject to the non-exclusive jurisdiction of the English Courts.

**16. Entire Agreement and Variation**

16.1 This Agreement contains all the terms agreed by the Parties regarding the subject matter of this Agreement and supersedes any prior agreements understandings or arrangements between them whether oral or in writing and no representation undertaking or promise shall be taken to have been given or be implied from anything said or written in negotiations between the Parties prior to this Agreement except as set out in this Agreement.

16.2 No variation or amendment to this Agreement shall be effective unless in writing signed by authorised representatives of the Parties.

**17. Notices**

17.1 Any notice or other communication to be given under this Agreement shall be in writing and shall be delivered personally or sent by first class pre-paid post telex or facsimile transmission. The addresses for service of the Parties shall be the addresses stated at the beginning of this Agreement (provided that any Party may by written notice served in accordance with this Clause substitute another address in England which shall then become that Party's address for service).

17.2 All notices and other communications shall be deemed to have been served as follows:-

- (a) if personally delivered at the time of delivery;
- (b) if posted at the expiration of 48 hours after the envelope containing the same was delivered into the custody of the postal authorities; and
- (c) if communicated by telex or facsimile transmission at the time of transmission.

17.3 In proving such service it shall be sufficient to prove that personal delivery was made or that the envelope containing such notice or other communication was properly addressed and delivered into the custody of the postal authorities as a pre-paid first class letter or that the telex transmission was made and the recipient's "answerback" received the same transmission or that the facsimile transmission was made evidenced by the relevant activity report.

**18. Conflict with Articles**

In the event of any conflict or inconsistency between the terms of this Agreement and the Articles of Association the terms of this Agreement shall prevail as between the Parties.

**19. Partnership**

Nothing in this Agreement shall constitute or be deemed to constitute a partnership between the Parties or constitute or be deemed to constitute any Party the agent of the other.

**20. Severability**

The invalidity or unenforceability of any term or of any right arising pursuant to this Agreement shall not in any way affect the remaining terms or rights.

**21. Performance**

The Parties will exercise or refrain from exercising any voting rights so as to ensure the passing of any and every resolution necessary or desirable to procure that the affairs of the Company are conducted in accordance with the provisions of this Agreement and otherwise to give full effect to the provisions of this Agreement and likewise to ensure that no resolution is passed which does not accord with such provisions and will do all other acts and things that may be necessary to implement the provisions of this Agreement.

IN WITNESS whereof the Parties have executed this Agreement as a Deed and delivered the same on the day and year first above written.

**EXECUTED as a DEED and DELIVERED** )  
by the said **Paul Andrews** )

.....

in the presence of:- )

Witness Name:

Address:

Occupation:

**EXECUTED as a DEED and DELIVERED** )  
by the said **David Neil Laurence Levy** )

.....

in the presence of:- )

Witness Name:

Address:

Occupation:

**EXECUTED as a DEED and DELIVERED** )  
by the said **Sinclair Research Limited** )

.....

in the presence of:- )

Witness Name:

Address:

Occupation:

**EXECUTED as a DEED and DELIVERED** )  
by the said **Christopher David Smith** )

.....

in the presence of:- )

Witness Name:

Address:

Occupation:

**SCHEDULE 1**

**DEED OF ADHERENCE**

DATE:

By this Deed I/WE [ ] having our registered office at/of [ ] intending to become a shareholder of [ ] ("the Company") hereby agree(s) with each of its shareholders to comply with and to be bound by all of the provisions of a Shareholders Agreement dated November 24th 2014 between Paul Andrews, David Neil Laurence Levy, Sinclair Research Limited and Christopher David Smith (a copy of which has been delivered to me and which I have initialed and attached hereto for identification) in all respects as if I/we was/were a party to such Agreement and were named therein as the Party whose shares are to be transferred to me/us

IN WITNESS whereof I/We have executed this Deed and delivered the same on the day and year first above written

**EXECUTED as a DEED and DELIVERED** )  
by the said [ ] )

.....

in the presence of:- )

**EXECUTED as a DEED and DELIVERED** )

.....

by **Retro Computers Limited** )

acting by two directors or by director and Secretary )

.....

Director/Secretary

.....

Director/Secretary

## **SCHEDULE 2**

<b>Allottee</b>	<b>Number of Shares to be allotted</b>
Paul Andrews	10 (Ten)
David Neil Laurence Levy	10 (Ten)
Sinclair Research Limited	10 (Ten)
Christopher David Smith	10 (Ten)