



**Dated:** 21 November 2024 | 12:05 GMT

**Shareholders Agreement**

Regeno Agricultural Finance Limited

- (1) FFN JV Limited
- (2) Regeno Agricultural Finance Limited
- (3) Sven Christian Pöppelmann

**Date:** 21 November 2024 | 12:05 GMT

## **Parties**

- (1) **FFN JV LIMITED** (company number 13474886) incorporated under the laws of England and Wales) whose registered office is at Founders Factory (Level 7) Arundel Street Building, 180 Strand, 2 Arundel Street, London, United Kingdom, WC2R 3DA ("FFN");
- (2) **REGENO AGRICULTURAL FINANCE LIMITED** (company number 16054618) whose registered office is at Founders Factory (Level 7) 2 Arundel Street, 180 Strand, London, United Kingdom, WC2R 3DA (the "**Company**"); and
- (3) **SVEN CHRISTIAN PÖPPELMANN** of Little Holcombe, Minchinghampton, Gloucestershire, GL6 9AJ ("**Founder**").

## **Introduction**

- (A) FFN has subscribed for Subscription Shares.
- (B) FFN, F1 and F2 now wish to govern their affairs in relation to the Company, and their relationship with each other, on and subject to the terms of this Agreement in order to regulate the management and business of the Company.
- (C) Details of the share capital position of the Company at incorporation and following Completion are set out in Schedule 1.

## **Agreed terms**

### 1. **Definitions**

In this Agreement, except where a different interpretation is necessary in the context, the words and expressions set out below shall have the following meanings:

**"Act"** means the Companies Act 2006;

**"Articles"** means the articles of association of the Company in the agreed form adopted on or around the date of this Agreement as amended or superseded from time to time;

**"ASA"** means the advanced subscription agreement in the agreed form to be entered into between FFN and the Company;

**"Board"** means the board of directors of the Company as constituted from time to time;

**"Business Day"** means a day on which the English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday);

**"Completion"** means completion by the parties of their respective obligations in accordance with clause 3;

**"Completion Date"** means the date of this Agreement;

**"Director"** means a director of the Company;

**"FFN Consent"** means the prior written consent of FFN;

**"FFN Director"** has the meaning given in Clause 4.2;

**"Independence Requirement"** means the independence requirement as set out in Sections 257DG(2) and 185(2) ITA 2007;

**"ITA 2007"** means the Income Tax 2007;

**"a Member of the same Group"** means as regards any company, a company which is from time to time a parent undertaking or a subsidiary undertaking of that company or a subsidiary undertaking of any such parent undertaking;

**"Ordinary Shares"** means ordinary shares of £0.0001 each in the capital of the Company from time to time having the rights set out in the Articles;

**"Permitted Transferee"** has the meaning given to it in the Articles;

**"Social Purpose"** means accelerating the transition to regenerative agriculture through financial services

**"Shareholder"** means any shareholder of the Company from time to time who is a party to this Agreement (but excludes the Company holding Shares as Treasury Shares from time to time);

**"Shares"** has the meaning given to it in the Articles; and

**"Spin Out Condition"** means that after consultation with the Founder and the FFN project board in respect of the Company, FFN (in its sole discretion) is satisfied that the Company has made sufficient progress during the FFN incubation programme to validate the initial hypothesis that the Company should move forward as a business.

## 2. Interpretation

- 2.1 The clause and paragraph headings and the table of contents used in this Agreement are inserted for ease of reference only and shall not affect its construction.
- 2.2 References to the FFN Director shall include any alternate appointed to act in his/her place from time to time.
- 2.3 References to persons shall include bodies corporate, unincorporated associations and partnerships, in each case whether or not having a separate legal personality.
- 2.4 Reference to a "party" or "parties" is to a party or parties of the Agreement.
- 2.5 References to those of the parties that are individuals include their respective legal personal representatives.
- 2.6 References to "**writing**" or "**written**" includes any non-transitory form of visible reproduction of words, which shall include e-mail.
- 2.7 Reference to "**issued Shares**" of any class or Shares of any class "**in issue**" shall exclude any Shares of that class held as Treasury Shares from time to time, unless stated otherwise.

- 2.8 Reference to the "**holders**" of a class of Shares shall exclude the Company holding Shares of that class as Treasury Shares from time to time, unless stated otherwise.
- 2.9 Reference to a document in the agreed form is to a document approved between the parties and initialled by the Founder and FFN for such purposes.
- 2.10 It is expressly acknowledged that FFN does not intend, at any time, to control the Company within the meaning of s.995 ITA 2007 and the provisions of this Agreement shall be construed accordingly such that:
  - (a) none of the provisions herein are intended to be arrangements that would cause the Company to fail to meet the Independence Requirement by virtue of FFN and/or any Permitted Transferee of FFN holding Shares; and
  - (b) FFN shall be required to exercise all its consent rights under this Agreement in way in which does not cause the Company to fail to meet such Independence Requirement.

### **3. Advanced Subscription Agreement**

- 3.1 Subject to the Spin Out Condition having been satisfied or waived by FFN, FFN shall have the right (but not the obligation) exercisable by notice ("**Completion Notice**") in writing to the Company to invest up to £200,000 in the Company by way of the execution by the parties of the ASA. Completion of the ASA shall take place once the events set out in clause 3.2 have occurred ("**Completion**").
- 3.2 At Completion the following events shall occur:
  - (a) each of FFN and the Company shall enter into and duly execute the ASA for the investment amount by FFN as set out in its Completion Notice ("**Completion Amount**");
  - (b) FFN shall pay the Completion Amount by electronic funds transfer to such bank account of the Company as is notified by the Company to FFN in writing and payment made in accordance with this clause 3.2 shall constitute a good discharge for FFN of its obligations under clauses 3.1 to 3.2 (inclusive);
  - (c) the Board shall resolve to pass (and the Founder shall procure the passing by the members of the Company of) any such resolutions and consents as may be required to approve the ASA and the grant of Shares to FFN thereunder.

### **4. The Board**

- 4.1 The Founder (or co-founders from time to time) shall for such time as he or she continues to be an Employee and is not a Leaver shall have the right to appoint and maintain themselves in office as a Director and to the board of directors of any Subsidiary Undertaking (a "**Founder Director**") in accordance with article 17(1) of the Model Articles.

- 4.2 FFN shall, for so long as it holds Shares in the capital of the Company, be entitled to nominate and appoint one natural person to act as a Director by notice in writing addressed to the Company from time to time, and the other Shareholders shall not vote their Shares so as to remove that Director from office, and FFN shall be entitled to remove its nominated Director so appointed at any time by notice in writing to the Company and appoint another person to act in his/her place (the "**FFN Director**").
- 4.3 FFN shall, for so long as it holds Shares in the capital of the Company, be entitled to nominate and appoint one natural person to act as an observer to the board of Directors. The observer shall be entitled to attend and speak at all such meetings and receive copies of all board papers as if they were a Director but shall not be entitled to vote on any resolutions proposed at a board meeting. FFN shall not be entitled to appoint such observer if it has appointed the FFN Director.
- 4.4 Board meetings will be held at intervals of not more than 12 weeks and at least 4 Board meetings will be held in each calendar year. The Board shall not be subject to any maximum number of Directors.
- 4.5 The Company shall send to each of the Directors (in electronic form if so required):
  - (a) reasonable advance notice of each meeting of the Board (being not fewer than five Business Days) and each committee of the Board, such notice to be accompanied by a written agenda specifying the business to be discussed at such meeting together with all relevant papers; and
  - (b) as soon as practicable after each meeting of the Board (or committee of the Board) a copy of the minutes.
- 4.6 If appointed, the FFN Director must attend for a quorum of the Board to be achieved. However, if a quorum cannot be achieved due to the failure of the FFN Director to attend the board meeting, then in accordance with the Articles and subject to clause 4.5 above, a board meeting may be held quorate even without the presence of the FFN Director.
- 4.7 Where the Founder (also being Directors) become a Leaver which would result in the FFN Director (if appointed) being the only Director then appointed in office, the following shall apply:
  - (a) the Shareholders shall take all steps to procure the appointment of an additional person who is independent of FFN and any Relevant Connected Person of FFN to act as an additional director of the Company (the "**Additional Director**"), without delay (and whether in a non-executive or executive capacity) who shall be appointed to each committee of the Board established from time to time and to the board of directors of any Subsidiary Undertaking and if such person has not been appointed within 5 Business Days of the date on which the FFN Director has become the sole director in office, FFN shall be entitled by

notice in writing to the Company's registered office to appoint such Additional Director; and

- (b) unless and until the Additional Director is appointed in accordance with paragraph (a) above, the FFN Director shall have no authority to make any decisions as regards the affairs of the Company or its business or operations save only for the appointment of the Additional Director pursuant to paragraph (a) above.

## 5. **Share Option Plan**

The Company shall adopt a share option plan in a form acceptable to FFN ("ESOP") whereby options up to a maximum of 15,000 Ordinary Shares (or as permitted under the Company's Articles) may be granted to directors, employees and consultants of the Company pursuant to such ESOP in such number as may be decided by the Board.

## 6. **Matters requiring consent of FFN**

- 6.1 The Founder shall exercise all voting rights and powers of control available to him/her in relation to the Company to procure that save with FFN Consent, the Company shall not effect any of the matters referred to in Schedule 2; and
- 6.2 As a separate obligation, severable from the obligations in clause 6.1 the Company agrees that save with FFN Consent, it shall not effect any of the matters referred to in Schedule 2.

## 7. **Further issue and transfer of shares**

Each of the Shareholders undertakes to the other Shareholders that they shall not, and shall not agree to, transfer, mortgage, charge or otherwise dispose of the whole or any part of his/her interest in, or grant any option or other rights over, any shares in the capital of the Company to any person except where permitted or required so to do pursuant to the Articles or this Agreement. No Shareholder shall effect any transfer, mortgage, charge or otherwise dispose of any interest in the Shares without the consent of the other save in relation to any transfer to a Permitted Transferee in accordance with the Articles.

## 8. **Social Purpose**

- 8.1 The parties agree and acknowledge that at all times after the Completion Date, the primary purpose of the Company will be to maximise financial returns, whilst maintaining the Social Purpose.
- 8.2 In the event that FFN (acting reasonably) determines that the Company has materially deviated from the Social Purpose, FFN shall have the rights to transfer any Shares held by it without restriction as to price or otherwise and without complying with any restrictions on transfer set out in the Articles or this Agreement and such transfer shall be registered by the Directors.

## 9. **Information Rights**

The Founder shall supply standard financial, operational and social impact information about the Company on a monthly basis (or as requested by FFN).

## 10. **Restrictive Covenants**

### Restrictive covenants

- 10.1 For the purpose of assuring to FFN the value of the business carried on by the Company and the full benefit of the goodwill of such business, and in consideration of receipt of the sum of £1,000 by FFN to the Founder (receipt of which is hereby acknowledged), each Founder hereby severally undertakes and covenants with FFN and the Company that (save for any interest in the shares or other securities of a company traded on a securities market so long as such interest does not extend to more than 3 per cent of the issued share capital of the company or the class of securities concerned or save with FFN Consent) they shall not:
  - 10.2 whilst a director or employee of, or a consultant to, the Company carry on or be concerned, engaged or interested directly or indirectly (in any capacity whatsoever) in any trade or business that competes with the trade or business of the Company as carried on at the time; or
  - 10.3 during the period of 12 months commencing on the date a founder ceases to be a director, employee or a consultant to the Company:
    - (i) carry on or be concerned, engaged or interested directly or indirectly in any capacity whatsoever in any trade or business that competes with the business carried on by the Company;
    - (ii) either on their own behalf or in any other capacity whatsoever directly or indirectly endeavour to entice away from the Company or solicit any client, customer (or any person with whom the Company is in negotiation or is tendering for the supply of goods or services), supplier, agent or distributor of the Company; or
    - (iii) either on their own behalf or in any other capacity whatsoever directly or indirectly employ, engage or induce, or seek to induce, to leave the service of the Company any person who is or was a Key Employee whether or not such person would commit any breach of his/her contract of employment by reason of so leaving the service of the Company or otherwise.
- 10.4 Each of the restrictions contained in each paragraph of clause 8.1 is separate and distinct and is to be construed separately from the other such restrictions. The Founder hereby acknowledges that they considers such restrictions to be reasonable both individually and in the aggregate and that the duration extent and application of each of such restrictions are no greater than is necessary for the protection of the goodwill of the businesses of the Company and that the FFN's subscription in the capital of the Company takes into account and

adequately compensates him/her for any restriction or restraint imposed thereby. However, if any such restriction shall be found to be void or unenforceable but would be valid or enforceable if some part or parts thereof were deleted or the period or area of application reduced, the Founder hereby agrees that such restriction shall apply with such modification as may be necessary to make it valid.

***Intellectual property***

- 10.5 Any discovery, invention, secret process or improvement in procedure made or discovered by any founder while in the service of the Company or while a shareholder in the Company in connection with or in any way affecting or relating to the Company's business or capable of being used or adapted for use in or in connection with the Company's business shall as soon as reasonably practicable be disclosed to the Company and shall belong to and be the absolute property of the Company.
- 10.6 The Founder (whether before or after his/her ceasing to be a Shareholder in the Company or his/her ceasing to be an employee or engaged as a consultant of any Group Company) shall at the expense of the Company or its nominee apply or join in applying for patent or other similar protection in the United Kingdom, the Republic of Ireland or any other part of the world for any such discovery, invention, process or improvement as referred to in clause 10.5 and shall execute all instruments and do all things necessary for vesting those letters patent or other similar protection when obtained and all right and title to and interest in them in the Company (or its nominee) absolutely and as sole beneficial owner.

**11. Confidentiality**

- 11.1 Subject to clauses 11.2 and 11.3, each of FFN, F1 and F2 each agree to keep secret and confidential and neither party shall use disclose or divulge to any third party or enable or cause any person to become aware of any information or know-how of a secret or confidential nature relating to the Company or of the existence of, this Agreement or any of its contents, without the prior written consent of the other party.
- 11.2 FFN shall be at liberty from time to time to make such disclosure to its members, officers, employees, shareholders and/or to any member of the same group as FFN and/or to any member of the same Group as FFN.
- 11.3 Each of FFN, F1 and F2 shall be at liberty from time to time to make such disclosure:
  - (a) as shall be required by law or by any regulatory authority;
  - (b) to the professional advisers of the Company; and/or
  - (c) to their professional advisers including, in the case of FFN, to the professional advisers of any person to whom FFN is entitled to disclose information pursuant to clause 11.2.

**12. Announcements**

The parties shall announce the launch of the Company and shall agree on the content and timing of such announcement.

**13. Effect of ceasing to hold Shares**

Each of F1 and F2 shall cease to be a party to this Agreement for the purpose of receiving benefits and enforcing its rights with effect from the date it ceases to hold or beneficially own any Shares (but without prejudice to any benefits and rights accrued prior to such cessation).

**14. Cumulative remedies**

The rights, powers, privileges and remedies conferred upon the parties in this Agreement are cumulative and are not exclusive of any other rights, powers, privileges or remedies provided by law.

**15. Waiver**

The express or implied waiver by any party to this Agreement of any of its rights or remedies arising under this Agreement or by law shall not constitute a continuing waiver of the right or remedy waived or a waiver of any other right or remedy.

**16. Entire agreement**

This Agreement sets out the entire agreement and understanding between the parties and supersedes all prior agreements, understandings or arrangements (oral or written) in respect of the subject matter of this Agreement.

**17. Termination**

This Agreement shall terminate and cease to have effect upon a sale of all the Shares in the capital of the Company save that nothing in this clause shall release any party from liability for breaches of this Agreement which occurred prior to its termination.

**18. No partnership**

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

**19. Assignment and transfer**

19.1 This Agreement is personal to the parties and, other than to a Member of the same Fund Group (as defined in the Articles) as FFN (the identity of such Member of the same Fund Group to be notified to the Company in advance) or to a Permitted Transferee of FFN who has received a transfer of all of FFN's Shares in accordance with the Articles, no party shall:

- (a) assign any of its rights under this Agreement;
- (b) transfer any of its obligations under this Agreement;
- (c) sub-contract or delegate any of its obligations under this Agreement; or

- (d) charge or deal in any other manner with this Agreement or any of its rights or obligations.
- 19.2 Any purported assignment, transfer, sub-contracting, delegation, charging or dealing in contravention of clause 19.1 shall be ineffective.

**20. *Counterparts; No originals***

This Agreement may be executed in any number of counterparts, each of which shall constitute an original, and all the counterparts shall together constitute one and the same agreement. The exchange of a fully executed version of this Agreement (in counterparts or otherwise) by electronic transmission in PDF format or by facsimile shall be sufficient to bind the parties to the terms and conditions of this Agreement and no exchange of originals is necessary.

**21. *Notices***

- 21.1 Any communication and/or information to be given in connection with this Agreement shall be in writing in English and shall be delivered by email, in the case of:
  - (a) the Company to [sven@regeno.farm](mailto:sven@regeno.farm);
  - (b) FFN, to [legal@foundersfactory.co](mailto:legal@foundersfactory.co); and
  - (c) Fl, to [sven@regeno.farm](mailto:sven@regeno.farm)

or to any other address notified by one party to the others in writing from time to time.

**22. *Severance***

- 22.1 If any provision of this Agreement is held to be invalid or unenforceable by any judicial or other competent authority, all other provisions of this Agreement will remain in full force and effect and will not in any way be impaired.
- 22.2 If any provision of this Agreement is held to be invalid or unenforceable but would be valid or enforceable if some part of the provision were deleted, the provision in question will apply with the minimum modifications necessary to make it valid and enforceable.

**23. *Further Assurance***

Each party shall at its own cost, from time to time on request, do or procure the doing of all acts and/or execute or procure the execution of all documents in a form reasonably satisfactory to the other party which the other party (acting reasonably) may consider necessary for giving full effect to this Agreement and the transactions contemplated by it.

**24. *Governing law***

This Agreement (and any dispute or claim relating to it or its subject matter (including non-contractual claims)) is governed by and is to be construed in accordance with the laws of England and Wales.

**25. Jurisdiction**

The parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales in respect of any claim, dispute or difference, whether contractual or non-contractual, arising out of or in connection with this Agreement.

**26. Variation**

Any provision of this Agreement may be amended, waived or modified by written consent of the parties.

**Schedule 1 – Cap Table****Cap Table on Incorporation**

Shareholder	Shares	% holding
Founding team	70,000	70%
Employee Option Pool	15,000	15%
FF	15,000	15%
<b>Total</b>	<b>100,000</b>	<b>100%</b>

**Part 2****Illustrative Cap Table following a £1m raise at a £5m post-money valuation**

Shareholder	Shares	% holding
Founding team	70,000	50.40%
Employee Option Pool	15,000	10.80%
FF (initial equity)	15,000	10.80%
FF (SAFE)	11,111	8%
New investors	27,778	20%
<b>Total</b>	<b>138,889</b>	<b>100%</b>

## **Schedule 2 – Matters requiring FFN Consent**

1. Permit or cause to be proposed any alteration to its share capital (including any increase or removal of the limit on the number of shares that may be allotted by the Company) or the rights attaching to its shares or waive any right to receive payment on any of its shares issued partly paid.
2. Create, allot, issue, buy-in or redeem any share or loan capital or grant or agree to grant any options or warrants for the issue of any share or loan capital or issue any securities convertible into shares, or establish any employee incentive scheme.
3. Permit the Company to hold any Treasury Shares or permit the sale or transfer or cancellation of any shares held by the Company as Treasury Shares.
4. Permit or cause to be proposed any amendment to the articles of association of the Company.
5. Propose or pay any dividend or propose or make any other distribution (as defined under section 1000 or section 1064 of the CTA 2010).
6. Subscribe or otherwise acquire, or dispose of any shares in the capital of any other company.
7. Acquire or dispose of the whole or part of the undertaking of any other person or dispose of the whole or part of the undertaking of the Company or merge the Company or any part of its business with any other person or propose to do so.
8. Negotiate or permit the disposal of shares in the Company amounting to a Sale or IPO.
9. Permit the Company to cease, or propose to cease, to carry on its business or permit the Company or its directors (or any one of them) to take any step to wind up the Company, save where it is insolvent (within the meaning of section 123 of the Insolvency Act 1986).
10. Permit the Company or its directors (or any one of them) to take any step to place the Company into administration (whether by the filing of an administration application, a notice of intention to appoint an administrator or a notice of appointment), permit the Company or its directors to propose or enter into any arrangement, scheme, moratorium, compromise or composition with its creditors (whether under Part I of the Insolvency Act

1986 or otherwise) or to apply for an interim order under Part 1 of the Insolvency Act 1986, or permit the Company or its directors to invite the appointment of a receiver or administrative receiver over all or any part of the Company's assets or undertaking.

11. Enter into or give or permit or suffer to subsist any guarantee of or indemnity or contract of suretyship for or otherwise commit itself in respect of the due payment of money or the performance of any contract, engagement or obligation of any other person or body.
12. Incur any capital expenditure in relation to any item exceeding £20,000.
13. Dispose of any asset of a capital nature having a book or market value greater than £20,000.
14. Make any material change to the nature of the business or the jurisdiction where it is managed and controlled or change the name of the Company.
15. Establish any new branch, agency, trading establishment or business or close any such branch, agency, trading establishment or business.
16. Do any act or thing outside the ordinary course of the business carried on by it.
17. Vary or make any binding decisions on the terms of employment and service of any director or company secretary of the Company, increase or vary the salary or other benefits of any such Founder, officer, or appoint or dismiss any such officer.
18. Mortgage or charge or permit the creation of or suffer to subsist any mortgage or fixed or floating charge, lien (other than a lien arising by operation of law) or other Encumbrance over the whole or any part of its undertaking, property or assets .
19. Make any loan or advance or give any credit (other than in the ordinary course of business) to any person or acquire any loan capital of any corporate body (wherever incorporated).
20. Permit the appointment or removal of any person as a director of it.
21. Conduct any litigation material to the Company, save for the collection of debts arising in the ordinary course of the business carried on by the Company or any application for an interim injunction or other application or action (including interim defence) which is urgently required in the best

interests of the Company in circumstances in which it is not reasonably practicable to obtain prior consent as aforesaid.

22. Enter into or vary any transaction or arrangement with, or for the benefit of any of its Directors or Shareholders or any other person who is a "**connected person**" with any of its Directors or Shareholders.
23. Enter into any transaction or make any payment other than on an arm's length basis for the benefit of the Company.
24. Surrender or agree to any material change in the terms of any substantial supply or distribution agreement to which it is from time to time a party.
25. Enter into or vary either any unusual or onerous contract or any other material or major or long term contract.

This Agreement has been executed on the date shown on the first page.

DocuSigned by:

*Frank Webster*

.....5EC617C668834BD::

**FRANK WEBSTER**

For and on behalf of

**FFN JV LIMITED**

Signed by:

*Sven Poppelmann*

.....781E3A82E49D4CA::

**SVEN CHRISTIAN PÖPPELMANN**

Signed by:

*Sven Poppelmann*

.....781E3A82E49D4CA::

**SVEN CHRISTIAN PÖPPELMANN**

For and on behalf of

**REGENO AGRICULTURAL FINANCE  
LIMITED**