Appendix C – Shareholder / LLP Agreement Planning Factsheet

(Part of the BPS Start-Up Toolkit – clarity, compliance, and confidence for new founders.)

Use this factsheet to outline the key points you and your partners should agree on before a formal contract is drafted by your solicitor.

1. Basic Details

- Company or LLP name.
- Registered address.
- Date of agreement.
- Parties to agreement. (List all shareholders or LLP Members and their registered addresses).

2. Ownership & Capital

(Record who owns what and how much has been contributed).

- Percentage holdings.
- Initial capital contributions.
- Form of contribution. (Cash, Assets, Other).
- Rules for adding or removing members/shareholders.

3. Decision-Making

(Define how decisions are made and who has authority.).

- Voting rights. (per share or equal per member).
- Decisions requiring unanimous consent.
- Appointment of directors or managing partners.
- Frequency of meetings.
- Quorum and major decision thresholds. (e.g., 75%).

4. Profit Allocation

(Explain how profits and losses will be shared or retained).

- Profit share basis. (Fixed, Percentage, Performance-based).
- Retained earnings policy.
- Drawings or dividend timing.
- Treatment of tax reserves.

5. Exit & Succession

(Clarify what happens when someone leaves or new investors join).

- Procedure for withdrawal or sale of interest.
- Right of first refusal for existing members: (Yes or No).
- Valuation method for departing member's share.
- Admission of new members or shareholders.
- Events triggering automatic transfer or review. (e.g. death, incapacity).

6. Confidentiality & Competition

(Protect your business and relationships.)

- All members agree not to disclose confidential information.
- Non-compete restrictions.
- Duration after leaving. (e.g. 12 months).

7. Dispute Resolution

(Set a clear process for resolving disagreements.)

- Initial discussion between members within a set number of days.
- Other options if unresolved. (Mediation, Arbitration, Court).
- Relevant Jurisdiction. (England & Wales, Scotland, Northern Ireland)

8. Signatures & Review

(All parties should sign and review annually).

- Signatures of all parties.
- Date of signing.
- Next review date (recommended annually).

Note:

This outline is for planning purposes only and does not constitute legal advice.

Final agreements should be reviewed by a qualified solicitor before execution.