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Instructions for a Dynamic Equity Agreement

Your details

Name

Date

Organisation

ACN/ABN

Delivery
Address

Phone

Email

Agreement details

For Founders of early stage start ups Dynamic Equity allows the possibility of tracking Founders contributions to the business with a plan on issuing equity later based on their contribution to the Company. The Dynamic Equity Split is based on *Slicing Pie* by Mike Moyer <https://slicingpie.com/>

There are a number of ways to integrate the Dynamic Equity principles in to a business and we can assist you with the right approach for you.

A Dynamic Equity Shareholders Agreement sets out these principles for your business.

- Describe your **Business**
- Have you incorporated a **Company**? If yes, Name and ACN. If not we can do this for you.
- Have you commenced using a **dynamic equity tracking/ calculation tool**? If yes what type?
- Are there any **conditions precedent** to the shareholders agreement coming into place ie things that need to be achieved prior to the shareholders agreement binding the members?
- **Directors** – Full name and address of directors (Attach company search or we can do one for you).
- **Directors Appointment** - Will members with a certain percentage of shares have the right to appoint a representative director to the Board? If yes what percentage (eg. >20%). Or will Directors just be appointed by a majority vote of all members?
- Who are the **Members**? (Attach company search or we can do one for you).
- How often are **members meetings** and **directors meetings** to be held? Quarterly, annually?
- **Management** – is there a day to day Manager who will make ordinary business decisions? What is their title? Any specific requirements on the Manager (budgets, business plans)?
- **Special Majority Approval of Directors** – certain matters require a 75% vote of Directors. Eg. borrowing over what amount? Purchasing assets greater than what amount?
- **Dividend policy** – dividends at a certain time of the year? Or determined by special majority of the Board?
- **Business plans** - Annually? Or just as required?
- **Pre-emptive rights** on share issue and share transfer?

- Is the Board to consider a **possible stock exchange listing** within x years?
- **Departing Founder** – Can the company buy back the departing Founders shares if they leave within 3 years? (We can discuss with you).
- **Founder Vesting** – is this relevant to you? What percentage of Founder shares will vest over what period?
- **Default events and mandatory transfer** – these lead on to a transfer notice eg. breach of the agreement, Insolvency, death, other? (We can discuss with you)
- **Restraint provisions** - Will the members and directors be restricted from engaging in a business which is similar to and in competition with the Business, taking customers or employees? During the time they are involved in the Business? For what time period after they are no longer involved? Maximum time period and geographical area?
- **Disassociation** while grant fund exists– what happens when a grant **resigns for good** reason or the company **terminates without good reason**? What happens when a grant **resigns without good reason** or the company **terminates for cause**? (We can discuss with you).
- **Other** specific requirements?

Logo

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- Yes - please e-mail to us your logo for insertion
- No – we will include our logo

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