

Ordinary Shares in JKLM Holdings Limited

1. The authorised share capital of JKLM Holdings Ltd is 1,000 ordinary shares
 - a. Each share issued at the formation of the company shall have an initial value of £1000.
 - b. Each share issued after the formation of the company shall have an initial value equal to the current value of each existing share.
 - c. The minimum investment is 1 share.
 - d. Each shareholder is entitled to 1 vote at shareholder meetings for each share held.
 - e. Each shareholder shall receive a dividend in April and October every year for each share held on the 1st of that month. For each month that share has been held
 - f. Each new investor must be agreed by existing share holders.
2. The value of the company shall be calculated as follows:
 - a. The cash held by the company.
 - b. A nominal value assigned to each investment made by the company. This value shall be agreed by the shareholders, or if that is not possible, shall be determined by an independent accountant.Plus
 - c. Any monies that are owed to the company by any other party, including but not limited to JKLM Games Ltd and JKLM Distribution Ltd.Minus
 - d. Any monies that are owed by the company to any other party, including but not limited to the Inland Revenue.
3. The value of each share shall be the value of the company divided by the number of issued shares.
4. Shareholders shall receive one copy of all future titles produced by JKLM Games Ltd, and shall be entitled to buy copies of any games currently stocked by JKLM Distribution Ltd for a special rate. This rate is calculated as 50% of the RRP of the game, or 10% more than the price at which JKLM Distribution Ltd purchased the game, whichever is higher.
 - a. No additional discounts shall be given on this.
5. Shareholders may sell some or all of their shares either back to the company or to another individual, unless proposed purchaser is not approved by the current shareholders. The price is to be agreed between the two parties. There is no requirement for the company to purchase issued shares unless the proposed purchaser is not approved by the current shareholders, in which case the company will buy back the affected shares within a period of one month for no more than 10% above the current price. The company must be informed of all changes of ownership.
6. If the company is voluntarily wound up, all shareholders shall receive an equal value per share. The decision to voluntarily wind up the company must be made by the Board.
7. The following information shall be provided:
 - a. Shareholders shall get updates from the director(s) on present projects at intervals which shall not exceed 6 months;
 - b. The company's books are open to inspection by shareholders.
8. On 1st April and 1st October each year, the profit shall be calculated, using the following method:
 - a. The 6-monthly profit per share shall be calculated by subtracting the highest value per share that has been previously used in this calculation from the current share value (as calculated in section 3)
 - b. The 6-monthly profit shall be calculated by multiplying the profit per share by the number of shares currently issued.
9. The company will pay dividends in April and October to those holding shares on the 1st of the relevant month. The dividends shall be calculated as follows:
 - a. 20% of the 6-monthly profit shall be shared between director(s). If the 6-monthly profit is a loss then the directors will receive nothing
 - b. Each share shall receive a dividend. The dividend shall be the greater of:
 - i. 60% of the 6-monthly profit, divided between the shareholders in proportion of their share holdings.
 - ii. £40 per share every six months
 - c. Any profit which is not paid out as a dividend is retained by the company.
10. The company shall take out and maintain Key Man insurance on the Director(s) to ensure that all shares can be bought back if the Director(s) cannot continue running the company, and no new directors are appointed