Legal design & general counsel

3 Practical Applications

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Fornier Legal Design B.V.

2005 Design geek → Law school

2010 Graduated → Freshfields

2015 Litigator → Legal design firm

100 JAAR

KIJK VOOR HET ACTUELE NIEUWS OP **ADVOCATENBLAD.NL**

ADVOCATENBLAD

SINDS 1918

ACTUEEL
Einde van de algemene praktijk lijkt snel naderbij te komen

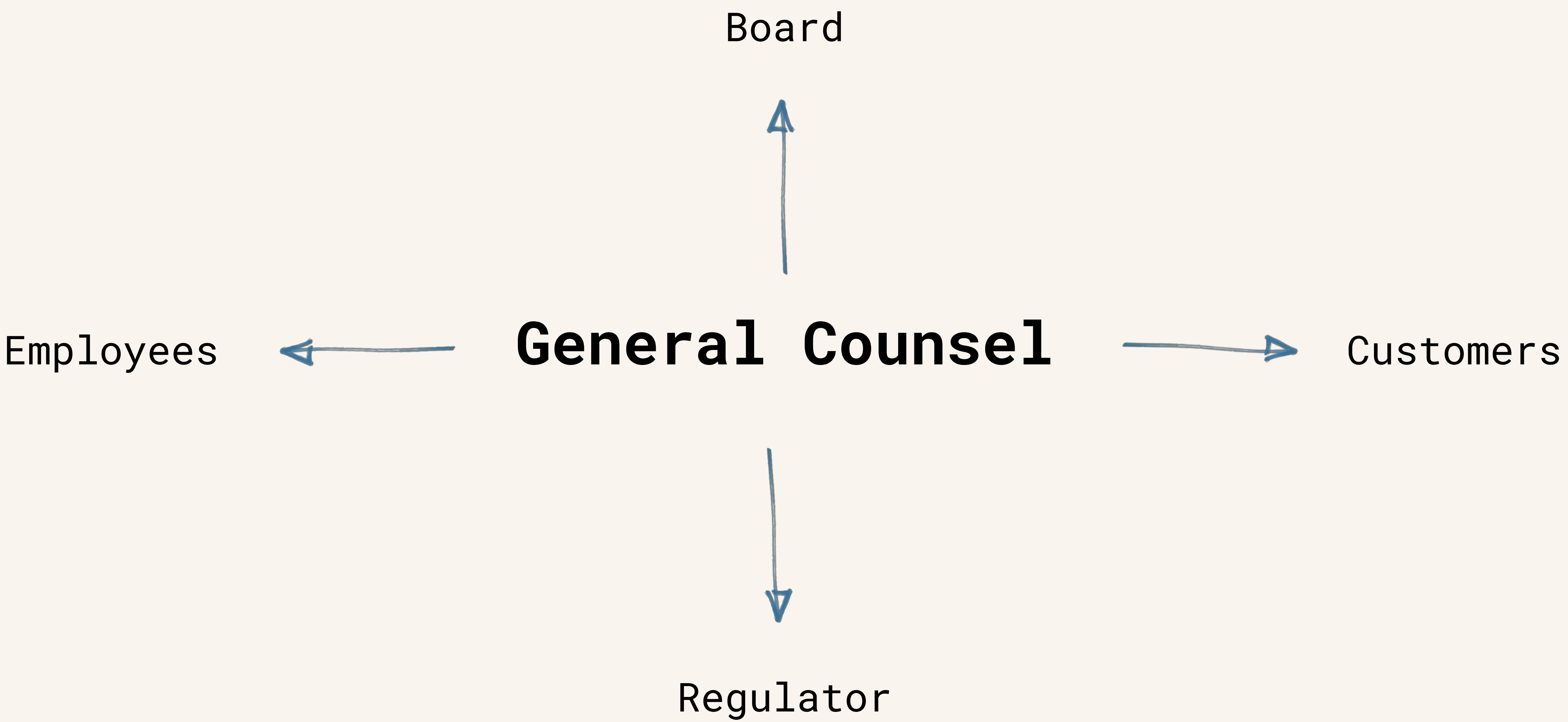
ACHTERGROND
65-Plussers die niet van ophouden weten

KRONIEKEN
Arbeidsrecht, pensioenrecht en vennootschapsrecht

Beter met beeld

Boomjuridisch

General Counsel: spider in the web



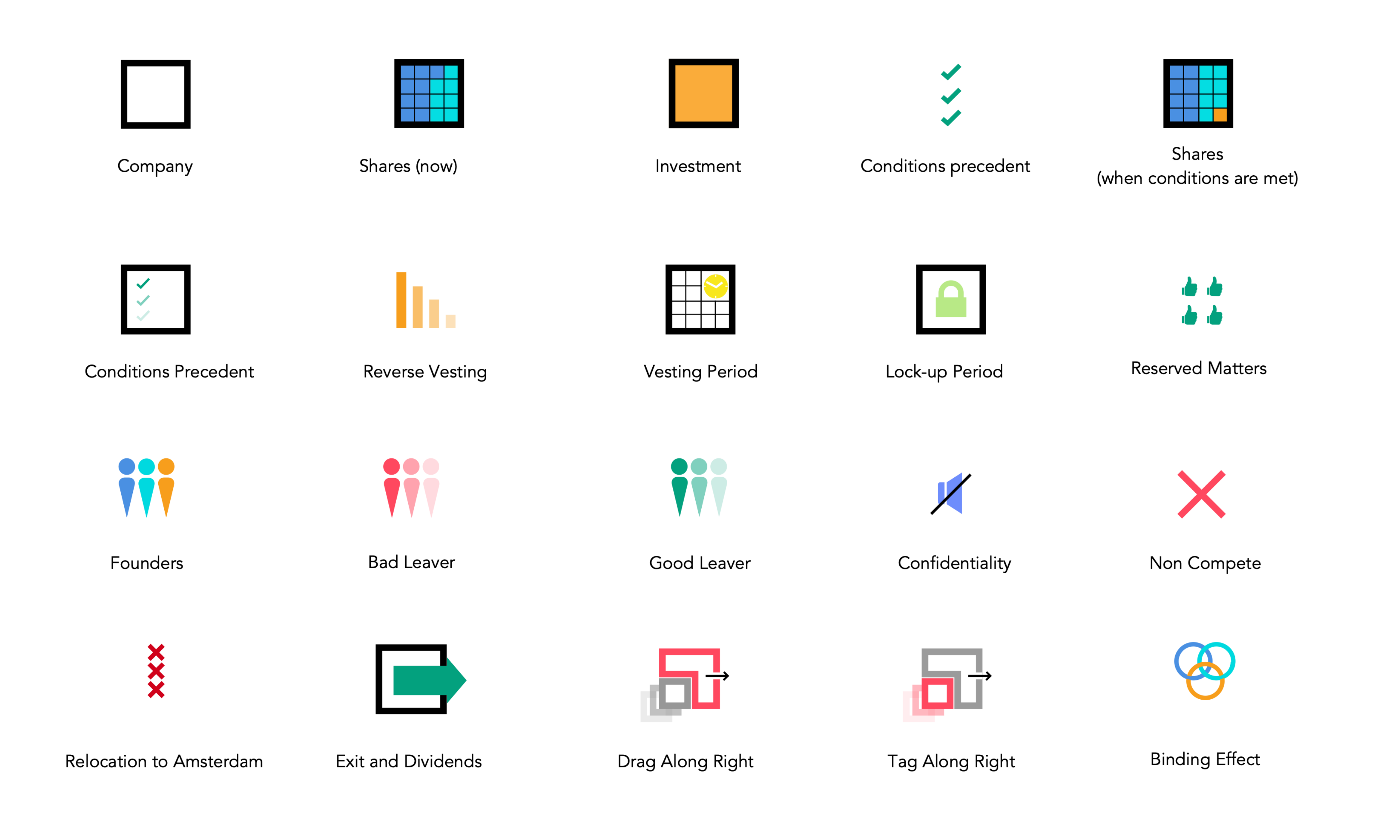
Case Study 1
Sales Sales Sales **and legal**

Case Study 2
The Compliance Manual that gets read

Case Study 3
Corporate Governance

Case Study 1

Sales sales sales and legal


Company
Shares (now)
Investment
Conditions precedent
Shares
(when conditions are met)
Conditions Precedent
Reverse Vesting
Vesting Period
Lock-up Period
Reserved Matters
Founders
Bad Leaver
Good Leaver
Confidentiality
Non Compete
Relocation to Amsterdam
Exit and Dividends
Drag Along Right
Tag Along Right
Binding Effect

Company B.V.
Term Sheet

Summary of the Transaction

Company
Company B.V.

Shares (now)
Shareholder (51%)
Shareholder (49%)

Investment
New Shareholder will invest
EUR in the Company.
New Shareholder will become CTO.

Conditions precedent
Certain conditions must be met.

Shares
(when conditions are met)
Shareholder 1 (46%)
Shareholder 2 (44%)
New Shareholder (10%)

Conditions Precedent

When:

- the Company succesfully attracts equity funding, *and*
- one year has passed since signing the SHA

the Shares will be issued to New SH.

Transfer Restrictions

Reverse Vesting
The Shares will be subject to reverse vesting, vesting quarterly (and on a pro-rata basis) over a four year period.

Vesting Period
4 years, starting on the date of execution of the SHA.

Lock-up Period
4 years, starting on the date of execution of the SHA.

Pre-emption
Shareholders will have a customary right of first refusal (*aanbiedingsregeling*) and a right of pre-emption (*voorkeursrecht*).

Founders

Roles and Committment
[Name] = CEO
[Name] = CMO
[Name] = CTO
Founders will devote 100% of their professional time to the Company and its business. Terms to be finalised in management agreements.

Leaver provisions

Bad Leaver
In case of voluntary termination by the Leaving Shareholder of its management agreement with the Company the Leaving Shareholder will sell and assign to the Company 100% of its shares for nominal value. The specifics will be laid down in the SHA.

Good Leaver
A Leaving Shareholder will be deemed to be a Good Leaver if it ceases to have an active business relationship with the Company and such is due to reasons other than those applicable to a Bad Leaver. The specifics will be laid down in the SHA.

Drag Along / Tag Along

Drag Along Right
80% of the Shareholders may trigger a drag-along.

Tag Along Right
All Shareholders shall have a (proportionate) tag along right.

Business terms

Confidentiality
Each of the Parties agrees to keep secret and confidential any confidential information relating to the Company.

Non Compete
The Parties will agree to market practice non-competition undertakings (excluding certain pre-agreed activities).

Reserved Matters
Certain important actions of the Company shall require the consent of 80% of the votes cast in a general meeting with a quorum of 100%.

Relocation to Amsterdam
[Name] currently lives in [City]. If this is in the best interest of the Company, [Name] is in principle willing to relocate to Amsterdam in the near future.

Exit and Dividends
The Company is geared towards a possible exit in 5-7 years. The Company will use profits for further growth of the business (and will in principle not distribute those as dividends).

Legal stuff

SHA
Within 2 weeks following execution of this term sheet the Parties will execute the Shareholders Agreement.

Governing Law / Jurisdiction
Dutch law / Amsterdam.

Binding Effect
This term sheet is binding on the Parties.

Parties & Signatures

[Name] (CEO)	[Name] (CMO)	[Name] (CTO)
Holding Company	Holding Company	Holding Company

Summary of the Transaction

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Company B.V.

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Parties & Signatures

[Name] (CEO)	[Name] (CMO)	[Name] (CTO)
Holding Company	Holding Company	Holding Company

Results

Board

Employees ← **General Counsel** → Customers

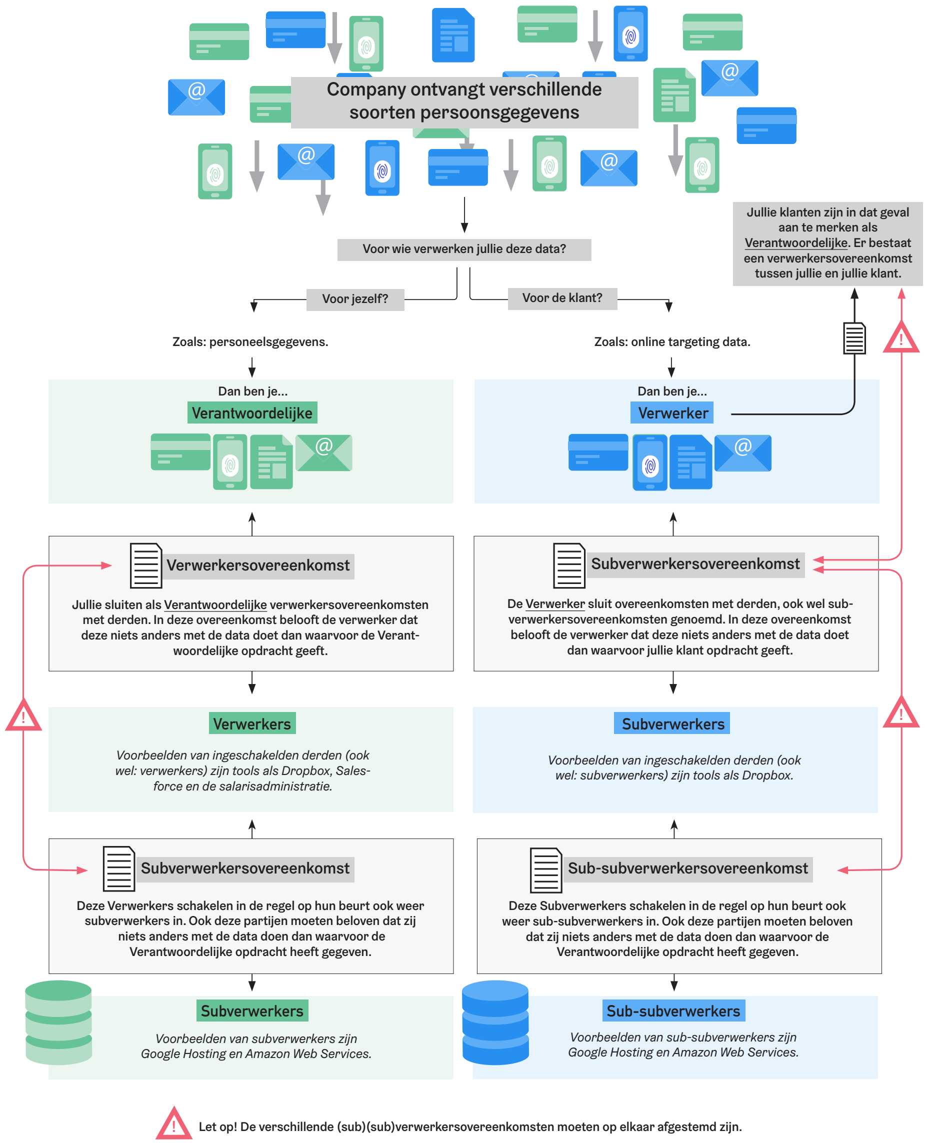
↓

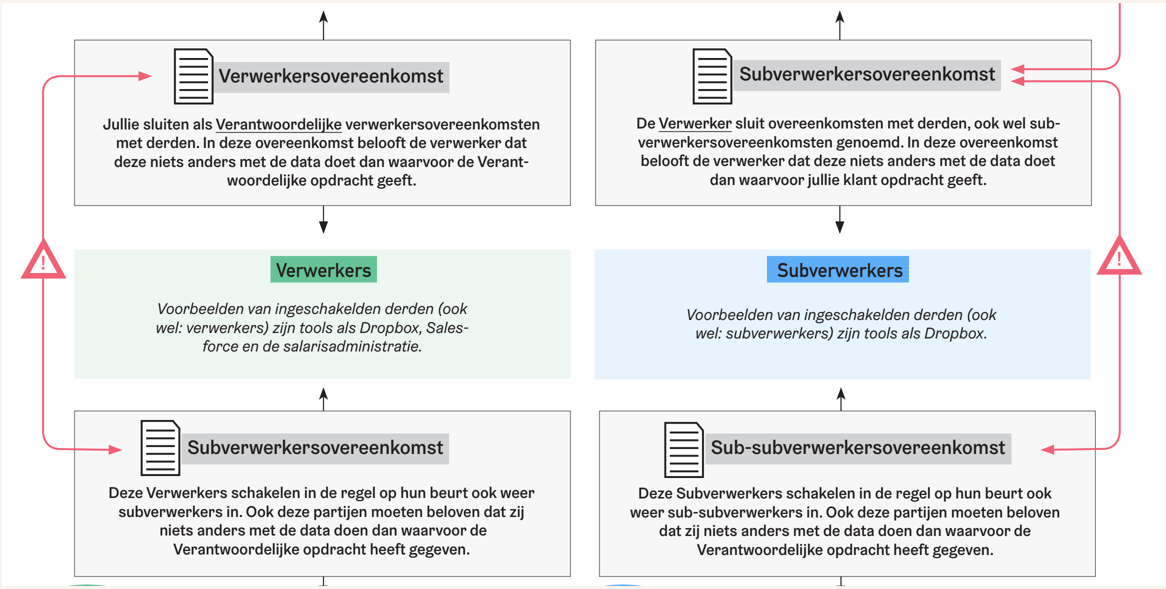
Regulator

Case Study 2

The Compliance Manual that gets read

Visual Compliance Manual
Verwerking van persoonsgegevens





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Results

Board

Employees

General Counsel

Customers

Regulator

Case Study 3

Corporate Governance

Corporate Governance
Who Decides On What; Who Needs To Approve?

	Board Resolutions				Shareholder Resolutions		
3. Who approves?			>50% Overarching Shareholders Meeting	≥85% Overarching Shareholders Meeting		>50% Overarching Shareholders Meeting	≥85% Overarching Shareholders Meeting
2. Who decides?	Executive Directors	Non- Executive Director & Executive Directors	Non- Executive Director & Executive Directors	Non- Executive Director & Executive Directors	>50% General Meeting	General Meeting	General Meeting ≥85% + 100% quorum
1. Decision	daily board resolutions hiring	material board resolutions investments higher than 50k, hiring key personnel	super material board resolutions investments higher than 250k	super duper material board resolutions entering into related party transactions	normal shareholders resolutions increase of authorize number of directors	super shareholders resolutions decisions about remuneration of directors	super duper shareholders resolutions amending the Articles of Association

Results

Board

Employees

General Counsel

Customers

Regulator

Fornier Legal Design

We bring clarity to complexity

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