



CORPORATE Co-Directors Agreement

This agreement is made the day of 20

Between

Between (Mr. X)

(of)

(the 'Vendor' which expression shall include his executors and administrators) of the one part and Y Limited having registered its office at

(the 'Company' which expression shall include its successors) of the other part.

Whereas

- A. The company is a private limited company incorporated in the Republic Of Ireland on the day of and it now has an authorised share capital of shares of which are issued and fully paid up in cash.
- B. The Vendor is a shareholder of the Company.

Now it is hereby agreed by and between the parties hereto as follows:

Section 1 Definitions

- 1.1 In this Agreement, unless the context otherwise requires, the following words and expressions shall have the meanings appearing opposite-

'the Call Option'	the Option granted to the Company pursuant to Clause 4.1.1
'the Insurance Company'	Royal London
'the Insurance Policy'	The policy of the life assurance effected by the Company on the life of the Vendor or on the joint lives of the Vendor and any other shareholder of the Company, or any policy issued in substitution or in lieu of such policy, for the purpose of enabling the Company to purchase the shares from the Vendor of his personal representative or beneficiaries in accordance with this Agreement.
'other Shareholders'	Shareholders of the Company other than the Vendor
'Part XI'	Part XI of the Companies Act, 1990
'Profits Available for Distribution'	As defined by Section 45(2) of the Companies (Amendment) Act, 1983
'the Purchase price'	the price of the share calculated in accordance with Section 6 hereof.
'the Shares'	Any or all of the shares held by the Vendor in the Capital of the Company at the date of the occurrence of the Specified Event.
"the Specified Event"	the death of Mr. X

Section 2 Conditions

- 2.1** This agreement shall be conditional upon the Company having entered or entering onto the Insurance Policy within ☐ days of the execution of this agreement and shall be further conditional upon the continuing payment by the Company to the Insurance Company at the times specified in the Insurance Policy of all the premiums and other sums required in order to keep the insurance policy effective.
- 2.2** Failure to comply with Clause 2.1 shall render this Agreement null and void.

Section 3 Part XI

- 3.** It shall be a fundamental term of this agreement that any obligations assumed by the Company under this Agreement shall at all times be subject to the provisions of Part XI and shall not be construed to require the Company to do anything in breach of any of the provisions of Part XI.

Section 4 Put and call option

- 4.1** Subject to the provisions of Part XI and Section 5, on the occurrence of the Specified Event:
- 4.1.1** The Company shall be entitled to purchase the Shares from the Vendor at the Purchase Price; and
- 4.1.2** The Vendor shall be entitled to require the Company to purchase the Shares from the vendor at the Purchase Price.
- 4.1.3** The Company may purchase the Shares only to the extent to which it can purchase the shares out of Profits Available for Distribution or to the extent to which it can otherwise purchase the Shares in accordance with the provisions of Part XI.

Section 5 Exercise the option

- 5.1** The Call Option shall be deemed to be exercised forthwith upon the giving of notice in writing by the Company to the Vendor within three months from the occurrence of the Specified Event. The Put option shall be deemed to be exercised forthwith upon the giving of notice in writing by the Vendor to the Company within six months of the occurrence of the Specified Event:
- 5.2** A notice in writing in accordance with the provisions of Clause 5.1 having been given to the Company or (as the case may be) by the Vendor, the Company pay to the Vendor by way of bankers draft the Purchase Price and in return for the payment therefore the Vendor shall furnish to the Company the share certificates in respect of the Shares and do all other acts necessary in order to pass title in the Shares, free from all liens, charges and encumbrances to the company.

Section 6 Put and call option

- 6.1** Upon exercise of the Put Option or the Call Option the Purchase Price shall be determined by the auditors of the Company based on the market of the Shares on the day immediately preceding the occurrence of the Specified Event, and shall not take account of any increase in the share price or asset value of the Company which might otherwise occur by virtue of receipt of the proceeds of the Insurance Policy. The determination by the auditors of the Purchase Price shall be final and binding. The auditors will act in this regard as experts and not as arbitrators and the provisions of the Arbitration Act will not apply.

Section 7 General

- 7.1** Any notice required to be given hereunder shall be in writing and shall be delivered by hand or sent by prepaid post to the party to whom such notice is to be given at its address as set out herein (or such other address as such party may have notified in writing from time to time as its address for the purposes of notices hereunder) and if delivered by hand shall be deemed to have been received upon delivery, and if sent by post, shall be deemed to have been received forty eight hours after posting.
- 7.2** The Captions in this Agreement are for convenience of reference only and shall affect the construction or interpretation of this Agreement.
- 7.3** In the event of the deaths of two shareholders in the Company occurring simultaneously the oldest shareholder will be deemed, for the purpose of this Agreement to have died first.
- 7.4** This Agreement is personal to the Company and the Vendor and shall not be assigned by either of them.
- 7.5** This Agreement may be rescinded by the passing of a Special Resolution by the Company in accordance with Section 217 of the Companies Act.

- 7.6** This Agreement and the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of Ireland.
- 7.7** If any term or provision of the Agreement shall be held to be illegal or unenforceable in whole or in part under any enactment or rule of law such term or provision shall to that extent be deemed not to form a part of this Agreement and the enforceability of the remainder hereof shall not be affected.

NOTE

The corporate co-directors agreement should be checked and should be amended if there is any conflict between the partnership agreement and the above agreement. This is a specimen agreement and Royal London cannot accept any responsibility for its suitability in any case. Consult your professional advisor.



Royal London

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