

Making an equity gift under Pledge 1%

1 About Pledge 1%

Pledge 1% is a corporate philanthropy movement dedicated to making the community a key stakeholder in every business by encouraging and challenging companies to pledge 1% of equity, profit, product, and employee time to their communities.

Taking the 1% pledge helps companies and individuals demonstrate their philanthropic intent and hold themselves accountable for turning an equity pledge into action.

2 What does this document do?

This is a document that enables shareholders in a company to implement their commitment to the Pledge 1% movement by promising to gift 1% of their shares (or its cash value) to an Australian charitable organisation of their choosing.

3 When do you make donations?

Donating shareholders can make donations (in shares or cash) to an Australian charitable organisation at any time.

The balance must be donated:

- to one or more Australian charitable organisations at the time of a liquidity event (eg a trade sale or IPO of the company); or
- to the donating shareholder's nominated default charitable organisation after 7 years if no liquidity event has occurred by that time.

The pledge is intended to be implemented within 7 years of execution of the deed but if a liquidity event has not occurred within 7 years and there is a reasonable prospect of a liquidity event occurring within the subsequent 3 years, the deed may be extended for 3 years.

4 Nominating a charity

Under the deed the donating shareholder nominates an Australian charitable organisation to be the default charitable organisation. This is the organisation who will receive the donation if no liquidity event has occurred after 7 years (or 10 years if the 3 year extension is implemented).

The donating shareholder may change the default charitable organisation nominated under the deed at any time.

5 Why execute a deed to make your gift legally binding?

By executing a deed poll, the donating shareholder is making a legally binding and enforceable promise to the default charitable organisation nominated under the deed. This means that the default charitable organisation could take legal action against the donating shareholder to enforce the promise if the donating shareholder were to break their promises to that organisation.

Signing a deed poll is therefore a way of “locking in” your commitment under Pledge 1%.

6 When can you use this template document?

This template deed can only be used when:

- (a) the donating shareholder is an Australian citizen, Australia resident or Australian proprietary company; and
- (b) the company in which the donating shareholder holds shares is an Australian “proprietary company” registered under the Corporations Act 2001 (Cth).

7 Transferring Pledge Shares

The template deed allows the donating shareholder to make their gift by transferring the Pledge Shares to one or more charitable organisations or by making one or more cash payments of the same value.

When the time comes to make your gift, if you decide to make your gift through a transfer of Pledge Shares this may have implications for you and the company which you should think through, particularly if you make your gift before a liquidity or exit event.

If Pledge Shares are transferred to a charitable organisation, it will become a shareholder with the same rights as other shareholders, including as to voting. The template deed allows the donating shareholder to require each charitable organisation to appoint the donating shareholder to vote on its behalf. The idea behind this is to allow the charitable organisation(s) to have the economic interest but allow the donating shareholder to maintain the voting power. However, you should get legal and tax advice before implementing this kind of voting arrangement.

If transferring Pledge Shares would cause the company to have more than 50 shareholders it is very important to get legal advice to confirm the company is legally permitted to have more than 50 shareholders and also on whether this could put the company under more onerous laws in the Corporations Act.

A charitable organisation receiving shares will also need to agree to become a member of the Company and be bound by the Company’s constitution and agree to the transfer of the Pledge Shares and sign a share transfer form. The Donating Shareholder will also need to sign a share transfer form and deliver its share certificates for the Pledge Shares. The Company will need to update the Company’s member register to reflect the transfer, issue the charitable organisation with share certificates for the Pledge Shares and notify ASIC.

Whether you decide to transfer of Pledge Shares or a cash payment may also depend on your tax position, whether you are making your gift in conjunction with a liquidity or exit event (eg an IPO or trade sale of the company) and the type of liquidity or exit event (eg

in a trade sale the buyer may want to buy 100% of the shares so they cannot be transferred to a charitable organisation).

8 Other things to think about

If the company has a shareholders deed or shareholders agreement (or similar contract) (**Shareholders Agreement**) then you will need to think about how the promises in this deed interact with the provisions of the Shareholders Agreement.

Most Shareholders Agreements contain pre-emptive rights provisions which require shareholders to offer their shares to the other shareholders before transferring them to a third party. This may mean you can't fulfil your gift by transferring Pledge Shares to the charitable organisation early – ie before a liquidity or exit event.

If the company does not yet have a Shareholders Agreement – or if it undertakes future capital raisings and the Shareholders Agreement is updated or replaced – then you should consider ensuring the terms of the Shareholders Agreement allows the transfer of Pledge Shares without going through the pre-emptive rights provisions.

If a Shareholders Agreement is going to continue on foot after you transfer Pledge Shares to the charitable organisation, then the charitable organisation will also need to sign onto the Shareholders Agreement and this is stipulated as a condition to the transfer in the template deed.

9 How do you finalise this document?

Firstly, read through the document and the explanatory notes. Some details which are in square brackets also need to be completed or tailored.

Secondly, get your legal and tax advisers to review the document and confirm that it's appropriate and ready for signing – and what you or your shareholder vehicle needs to do to approve it - having regard to your circumstances and those of your company.



Deed

Deed of Equity Gift

[Insert name of Donating Shareholder]

Disclaimer

This document is provided to assist people who want to be part of the Pledge 1% movement. The document provides a starting point for people to implement their commitment to Pledge 1%. However, it has not been written to take into account or satisfy any individual's personal circumstances or objectives.

Therefore, this document does not represent professional advice given by Pledge 1% or any person acting for Pledge 1% to you or anyone else. To the maximum extent permitted by law, Pledge 1% and all persons acting for Pledge 1% in preparing this document disclaim all liability to any person, arising directly or indirectly from any person taking or not taking action based upon the information in this document.

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Deed of Equity Gift

Date ► (the **Effective Date**)

Between the parties:

Donating Shareholder **[insert name of Donating Shareholder]**
[ACN [insert ACN (if applicable)]] of [insert address]

Company **[insert name of Company] Pty Ltd**
ACN [insert ACN] of [insert address]

Recitals

- 1 The Donating Shareholder and the Company are members of the Pledge 1% movement, a movement that seeks to inspire and support business founders to use at least 1% of the resources of their business for the good of the community (**Pledge 1%**).
- 2 As part of its membership of Pledge 1% the Donating Shareholder agrees that on or prior to the occurrence of a Liquidity Event or the Termination Date, the Donating Shareholder will donate 1% of its Shares as at the Effective Date (or an equivalent cash value) on the terms of this deed.

This deed witnesses as follows:

In this deed capitalised expressions have the meanings set out in Schedule 1. This deed will be interpreted in accordance with Schedule 1. This deed includes all schedules.

1 Equity Gift

1.1 Equity Gift may include Pledge Shares and/or Pledge Payments

Explanatory note: The deed gives the Donating Shareholder the flexibility to make one or more donations to one or more charities in any combination of shares and cash payments.

The Donating Shareholder agrees that subject to the terms of this deed the Donating Shareholder will donate:

- (a) to one or more Australian charitable organisations of its choosing (the **Charitable Recipients**); and
- (b) pursuant to clause 3, clause 4 and clause 5 (as applicable),
either:
 - (c) in one or more transfers of Shares, one percent (1%) of the Donating Shareholder's Shares as at the Effective Date subject to clause 1.2(b) (the **Pledge Shares**);
 - (d) in one or more cash payments of an amount equal to the value of the Pledge Shares, such value calculated, in respect of each payment, at the time of the donation (the **Pledge Payments**); or
 - (e) such combination of transfers or payments that, in aggregate, amount to the value of the Pledge Shares as calculated under clause 3.2,

on the terms of this deed (such donation or donations pursuant to this deed being the **Equity Gift**).

1.2 Donating Shareholder's proportionate holding

Explanatory note: The purpose of clause 1.2 is to maintain the Pledge Shares at 1% (or equivalent) at the time of signing the deed.

Clause 1.2(a) clarifies that if the Donating Shareholder purchases or is issued with more shares after the Effective Date, these additional shares are not included as part of the Equity Gift.

Clause 1.2(b) applies if there is a capital reorganisation which changes the number of shares on issue and operates to protect the '1 percent' nature of the gift.

- (a) For the avoidance of doubt, the number of Pledge Shares is calculated at the Effective Date and does not include any additional shares acquired by the Donating Shareholder after the Effective Date, except as provided under clause 1.2(b).
- (b) If the Company undertakes a subdivision or consolidation of Shares that changes the number of Shares on issue but under which the proportion of shares held by the Donating Shareholder as compared to the total number of shares held by all shareholders in the Company (on an as converted to ordinary share basis) does not change, the Pledge Shares will be proportionately increased or decreased (as applicable).

2 Charitable Recipient

2.1 Default Charitable Recipient

Explanatory note: The Donating Shareholder may change the Default Charitable Recipient at any time but needs to notify the both the new and the previous Default Charitable Recipient of the change.

- (a) On and from the Effective Date the Donating Shareholder nominates the following Australian charitable organisation to be the **Default Charitable Recipient** under this deed:

Default Charitable Recipient	ABN
------------------------------	-----

[insert]

[insert]

- (b) By executing this deed poll the Donating Shareholder confirms that it has received evidence from the Default Charitable Recipient that it is a deductible gift recipient for taxation purposes.
- (c) The Donating Shareholder may, at any time and from time to time, nominate a new Australian charitable organisation to be the Default Charitable Recipient (such organisation to be the **New Default Charitable Recipient**) by executing a Default Charitable Recipient Nomination Deed Poll in the form set out in Schedule 2.

2.2 Notification and information rights for Default Charitable Recipient

- (a) Within 10 Business Days following the Effective Date the Donating Shareholder must notify the organisation specified in clause 2.1(a) by providing notice in the form of Schedule 3 that it:
- (1) is the Default Charitable Recipient under this deed;
 - (2) may have rights under this deed on the occurrence of a Liquidity Event
 - (3) has the right to receive the information set out in clause 2.2(c) below.
- (b) Within 10 Business Days following the date that the Donating Shareholder executes a Default Charitable Recipient Nomination Deed Poll, the Donating Shareholder must notify the:
- (1) organisation that was the Default Charitable Recipient immediately before the Donating Shareholder executed the Default Charitable Recipient Nomination Deed Poll that it is no longer the Default Charitable Recipient under this deed; and
 - (2) New Default Charitable Recipient that it is the Default Charitable Recipient under this deed in the form set out in Schedule 3.
- (c) The Donating Shareholder acknowledges and agrees that the Default Charitable Recipient has the right on request to:
- (1) receive from the Donating Shareholder such information available to the Donating Shareholder necessary to enable the Default Charitable

Recipient to determine whether or not the Donating Shareholder has fulfilled its obligations under clause 1.1 of this Deed; and

- (2) receive such other information from the Company as the Default Charitable recipient may reasonably require and that is otherwise in the public domain.

2.3 Donations to Charitable Recipients

- (a) All donations of Pledge Shares and/or Pledge Payments pursuant to clause 3, clause 3.2 and clause 5 will be made to Charitable Recipients as follows:
 - (1) to the Default Charitable Recipient as determined pursuant to clause 5(c) and otherwise if determined by the Donating Shareholder in its absolute discretion; and
 - (2) to one or more Charitable Recipients nominated by, and in any proportions nominated, by the Donating Shareholder in its absolute discretion.
- (b) The Donating Shareholder must ensure that any Australian charitable organisation receiving Pledge Shares and/ or Pledge Payments pursuant to clause 2.3(a)(2) is approved by the Australian Taxation Office as a 'deductible gift recipient'.

2.4 Conditions of transfer

It is a condition of any transfer of Pledge Shares to any Charitable Recipient that:

Explanatory note: Seek legal, tax and valuation advice at the time if requiring the Charitable Recipient to allow the Donating Shareholder to continue to exercise votes on the Pledge Shares, including any impact on the value of the Pledge Shares being transferred. Note also that the powers of a proxy (including to vote on a written resolution) will depend on what the company's constitution says on what a proxy can do.

- (a) if requested by the Donating Shareholder, the Charitable Recipient signs an irrevocable proxy or power of attorney in a form approved by the Board allowing the Donating Shareholder to exercise the votes attached to the Pledge Shares as the Donating Shareholder sees fit; and
- (b) if required under the terms of any shareholder deed, shareholders agreement or similar contract (**Shareholders Agreement**) or otherwise if requested by the Donating Shareholder, that the Charitable Recipient signs a deed of accession in the form required under the Shareholders Agreement or (otherwise approved by the Board) under which it agrees to be bound by the Shareholders Agreement as a Shareholder.

3 Partial Gifts prior to a Liquidity Event

Explanatory note: Seek valuation advice at the time of any Partial Gift of Pledge Shares.

3.1 Partial Gifts

- (a) For the purposes of this clause 3 a **Partial Gift** will occur when the Donating Shareholder:
- (1) transfers Shares to a Charitable Recipient amounting to less than the total number of Outstanding Pledge Shares at that time; or
 - (2) makes a cash payment to a Charitable Recipient of an amount less than the value of the total number of Outstanding Pledge Shares at that time.
- (b) In this deed, the number of **Outstanding Pledge Shares** after a Partial Gift is made is calculated as follows:

$$A = B - C$$

where

- (i) **A** is the number of Outstanding Pledge shares after the Partial Gift is made
- (ii) **B** is:
 - if no Partial Gift has previously occurred under this deed, the number of Pledge Shares; and
 - otherwise, the number of Outstanding Pledge Shares immediately before the Partial Gift is made; and
- (iii) **C** is the total number of Gifted Shares donated or deemed donated in respect of that Partial Gift calculated under clause 3.2.

3.2 Calculation of Gifted Shares

Where a Partial Gift is made, the number of Gifted Shares donated or deemed donated in respect of a Partial Gift is determined as follows:

- (a) if the Partial Gift is a transfer of Shares, the number of Gifted Shares donated is the number of Shares transferred; and
- (b) if the Partial Gift is a cash payment, the number of Gifted Shares deemed donated is calculated in accordance with the following formula:

$$D = \frac{E}{F}$$

where:

- (1) **D** is the number of Gifted Shares deemed donated;
- (2) **E** is the amount of the cash payment; and
- (3) **F** is the per Share price that would be payable on Shares as at the date the Partial Gift is made.

4 Donation on the occurrence of a Liquidity Event

4.1 Liquidity Event

Explanatory note: The following is a list of common liquidity events. If your Company has a defined set of exit or liquidity events in its shareholders deed or constitution you may prefer to mirror that list so that the donation obligation is consistent with exit or liquidity events under the arrangements with your other shareholders and investors.

In this deed a **Liquidity Event** means:

- (a) **(Share Sale)** the sale of all of the shares in the company in accordance with the terms of the Shareholders Deed;
- (b) **(Asset Sale)** the sale, transfer, exclusive license or other disposition in a single transaction or a series of related transactions (but not including a transfer or disposition by pledge or mortgage to a bona fide lender) of all or substantially all of the assets or intellectual property of the company (other than to a wholly-owned Subsidiary of the company);
- (c) **(IPO)** an initial public offering of shares in the Company or a Company Group Member (or any company which is proposed by the board of directors of the Company to become the ultimate holding company of the Company Group) on the Australian Securities Exchange or any other recognised securities exchange;
- (d) **(Winding up)** the liquidation, dissolution or winding up of the Company; or
- (e) **(Return of capital)** any other return of capital by the company to holders of Preference Shares and Ordinary Shares generally (including buy backs but excluding dividends).

4.2 Donation

- (a) On a Liquidity Event, the Donating Shareholder must:
 - (1) **(Outstanding Pledge Shares):** transfer to one or more Charitable Recipients (which may or may not include the Default Charitable Recipient), in proportions as the Donating Shareholders sees fit, such number of Shares equal to the number of Outstanding Pledge Shares at the time of the Liquidity Event; or
 - (2) **(Pledge Payment)** pay to one or more Charitable Recipients (which may or may not include the Default Charitable Recipient), in proportions as the Donating Shareholders sees fit, a cash payment equal to the amount calculated by multiplying the number of Outstanding Pledge Shares at that time by the proceeds per Share which the Donating Shareholder receives on its Shares in the Liquidity Event.
- (b) For the avoidance of doubt, the proceeds per Share which the Donating Shareholder receives on its Shares in the Liquidity Event will be:
 - (1) in the context of a Share Sale, the per share amount payable at the time of completion of the Share Sale; and
 - (2) in the context of an IPO the price that Shares are offered or sold to investors under the offer document in conjunction with the IPO; or
 - (3) in the context of an Asset Sale, winding up or other return of capital, an amount equal to the proceeds per Share which the Donating

Shareholder receives on its Pledge Shares on a winding up of the Company following the Asset Sale or on a return of capital.

- (c) For the avoidance of doubt, the Donating Shareholder must transfer all of the Outstanding Pledge Shares or pay the relevant amount of Pledge Payments outstanding to one or more Charitable Organisations and if the Donating Shareholder does not nominate one or more Charitable Organisations and the proportions in which they are to receive the Outstanding Pledge Shares and/or Pledge Payment under clause 4.2(a) then the transfer and/or payment under clause 4.2(a) must be made to the Default Charitable Recipient.

4.3 Notice to the Default Charitable Recipient

The Donating Shareholder must provide written notice to the Default Charitable Recipient of any anticipated Liquidity Event as soon as reasonably practicable.

4.4 Timing for payment

The Donating Shareholder must pay each Pledge Payment in Immediately Available Funds without counterclaim or set-off on or before the occurrence of a Liquidity Event at the following times:

- (a) in the event of a Listing, within one month after all of the Donating Shareholder's Shares are released from any escrow applicable to such Shares (such that the obligation of the Donating Shareholder to pay the Pledge Payment will arise when the Donating Shareholder's Shares are freely transferable); and
- (b) in the event of a Share Sale, Business Sale, winding up, return of capital or other event which constituted a Liquidity Event, within one month of the Donating Shareholder realising **[75]**% or more of the value of its Shares and receiving the cash proceeds from that Share Sale, Business Sale, winding up or return of capital.

5 Termination

Explanatory note: The equity pledge is intended to be implemented within 7 years of execution of the deed. In the event a liquidity event has not occurred within 7 years and there is a reasonable prospect of a liquidity event occurring with the subsequent 3 years, the deed may be extended for 3 years.

- (a) This deed terminates:
- (1) immediately on the date on which the number of Outstanding Pledge Shares is zero;
 - (2) immediately on the occurrence of a Liquidity Event, where the:
 - (A) Pledge Shares have been transferred to one or more Charitable Recipients pursuant to clause 4; or
 - (B) Pledge Payments have been made to one or more Charitable Recipients pursuant to clause 4; and
 - (3) otherwise in accordance with clause 5(b).

- (b) If no Liquidity Event has occurred and this deed poll has not yet been terminated in accordance with clause 5(a)(1), this deed terminates on the date which is **7 years** after the Effective Date unless:
- (1) the board of directors of the Company determines, acting reasonably and having regard to all relevant circumstances of the Company, that there is a reasonable prospect that a Liquidity Event will occur within **10 years** after the Effective Date; and
 - (2) the Donating Shareholder elects in writing to extend this deed by a further **3 year** period,
- in which case this deed terminates on the date which is **10 years** after the Effective Date.
- (c) On the date of termination under clause 5(b), the Donating Shareholder must:
- (1) (**Outstanding Pledge Shares**): transfer to the Default Charitable Recipient such number of Shares equal to the number of Outstanding Pledge Shares on the date of termination; or
 - (2) (**Pledge Payment**) pay to the Default Charitable Recipient a cash payment equal to the amount calculated by multiplying the number of Outstanding Pledge Shares at that time by the per Share price that would be payable on Shares as at the date of termination.
- (d) For the avoidance of doubt, only one extension period may be granted pursuant to clause 5(b).

6 Tax

Explanatory note: We would recommend that tax advice is sought at the time of entry into this deed.

A Donating Shareholder should be able to claim an income tax deduction for a donation of Pledge Shares or Pledge Payments, or a combination of these under this deed.

As this deed is unilateral, it does not constitute an 'agreement' for Australian tax purposes and as a result a CGT event does not occur on the Effective Date. A CGT event will occur on the transfer of Pledge Shares in accordance with this deed.

Entry into this deed does not constitute a gift 'made' by the Donating Shareholder and an Australian income tax deduction is not available on the Effective Date. A Donating Shareholder should not be precluded from claiming an Australian income tax deduction on the donation of Pledge Shares or Pledge Payments, or a combination of these.

For the avoidance of doubt:

- (a) This deed is not an agreement for the purposes of section 104-5 Income Tax Assessment Act 1997 (Cth) (**ITAA**), and any transaction contemplated pursuant to this deed is not a disposal of an asset under any agreement for the purposes of section 104-5 ITAA.
- (b) A gift made pursuant to the terms of this deed is a gift for the purposes of the ITAA and the entry by the Donating Shareholder into this deed does not

preclude the Donating Shareholder from claiming a deduction pursuant to section 30-15 ITAA.

7 Notices

- (a) A notice or other communication under this deed (**Notice**) must be in writing and delivered by hand or sent by pre-paid post or email and addressed to the party in accordance with the details for that party specified below or as otherwise specified by a party by Notice. A Notice may not be sent by facsimile.

Party	Address	Attention	Email
Donating Shareholder	[insert]	[insert]	[insert]
Company	[insert]	[insert]	[insert]
Default Charitable Recipient	The address for the Default Charity Recipient the Australian Charities and Not-for-profits Commission website	The Secretary	The email address for the Default Charity Recipient the Australian Charities and Not-for-profits Commission website.

- (b) If the sender is a company, the Notice must be signed (or in the case of email, sent) by an officer of the sender.
- (c) Notices are taken to have been given and received as follows:
- (1) If sent by hand, when delivered to the addressee.
 - (2) A Notice sent by post is regarded as given and received on the fifth Business Day following the date of postage.
 - (3) A Notice sent by email to the address specified by a party is regarded as given and received when received in legible form by the addressee.
- (d) A Notice sent by email is regarded as having been given and received unless the sender receives an automated message that the email has not been delivered or that the recipient is 'out of office'.
- (e) A Notice delivered or received other than on a Business Day or after 4.00pm (recipient's time) is regarded as received at 9.00am on the following Business Day and a Notice delivered or received before 9.00am (recipient's time) is regarded as received at 9.00am.

8 Right to sue

The Donating Shareholder acknowledges and agrees that the Default Charitable Recipient (as determined from time to time pursuant to clause 2.2) has rights under, and may sue upon the covenants made to it in, this deed.

9 Limitation of Donating Shareholder's liability

If the Donating Shareholder enters into this deed poll as the trustee of a trust (such trust for the purposes of this clause 9 being the **Trust**):

- (a) the Donating Shareholder enters into this deed *only* in its capacity as trustee of the Trust and in no other capacity. A liability arising under or in connection with this deed is limited to and can be enforced against the Donating Shareholder only to the extent to which it can be satisfied out of property of the Trust out of which the Donating Shareholder is actually indemnified for the liability. This limitation of the Donating Shareholder's liability applies despite any other provision of this deed or any other document and extends to all liabilities and obligations of the Donating Shareholder in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this deed; and
- (b) a party may not sue the Donating Shareholder in any capacity other than as trustee of the Trust, including seeking the appointment of a receiver, a liquidator, an administrator or any similar person to the Donating Shareholder (except in relation to property of the Trust) or prove in the liquidation, administration or arrangement of or affecting the Donating Shareholder (except in relation to property of the Trust).

10 General

10.1 Inconsistency

If there is any conflict between the provisions of this deed and any other document (including any shareholders deed or similar agreement between the Shareholders, if any) then the provisions of this deed prevail to the extent of the inconsistency.

10.2 Governing law and jurisdiction

Explanatory note: This template has been prepared having regard to the laws of New South Wales. If your legal adviser is based in another state or territory then they may wish to change the governing law to the law of that state or territory and advise you of any impact on the operation of the deed.

- (a) This deed is governed by the laws in force in New South Wales.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in the laws of New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed.

10.3 Invalidity and enforceability

- (a) If any provision of this deed is invalid under the law of any jurisdiction the provision is enforceable in that jurisdiction to the extent that it is not invalid, whether it is in severable terms or not.
- (b) Clause 10.3(a) does not apply where enforcement of the provision of this deed in accordance with clause 10.3(a) would materially affect the nature or effect of the parties' obligations under this deed.

10.4 Waiver

Any right arising from a breach of this deed or of any Power arising upon default under this deed may be waived on behalf of a party with the written consent of the party granting the waiver.

10.5 Security Interest over Shares

Nothing in this deed creates a Security Interest over any share in the Company.

10.6 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the preceding Business Day.

10.7 Taxes and Duties

The Donating Shareholder is not responsible for any Duties or Taxes which may become payable by any Charitable Recipient in connection with this deed, the transfer of Pledge Shares or the payment of Pledge Payments.

10.8 Exercise of rights

- (a) Unless expressly required by the terms of this deed, a party is not required to act reasonably in giving or withholding any consent or approval or exercising any other right, power, authority, discretion or remedy, under or in connection with this deed.
- (b) A party may (without any requirement to act reasonably) impose conditions on the grant by it of any consent or approval, or any waiver of any right, power, authority, discretion or remedy, under or in connection with this deed. Any conditions must be complied with by the party relying on the consent, approval or waiver.

10.9 Deed is irrevocable

Subject to clauses 2.2 and 5, this deed is irrevocable.

Definitions and interpretation

9.1 Definitions

The meanings of the terms used in this deed are set out below.

Term	Meaning
Charitable Recipient	is defined in clause 1.1(a).
Company Group	the Company and each Subsidiary (if any) from time to time.
Company Group Member	any of the entities which form part of the Company Group.
Default Charitable Recipient	is defined in clause 2.1(a).
Effective Date	the date of this deed, as set out on page 8.
Equity Gift	is defined in clause 1.1.
ITAA	is defined in clause 6(a).
Liquidity Event	is defined in clause 4.1.
New Default Charitable Recipient	is defined in clause 2.1(c).
Notice	is defined in clause 7(a).
Outstanding Pledge Shares	is defined in clause 0.
Partial Gift	is defined in clause 0.
Pledge Payment	is defined in clause 1.1(d).
Pledge Shares	is defined in clause 1.1(c).

Term	Meaning
Share	an issued share of any class in the capital of the Company.
Shareholder	a shareholder of the Company from time to time.
Shareholders Agreement	is defined in clause 2.4.
Subsidiary	has the meaning given to that term in the <i>Corporations Act 2001</i> (Cth).
Trust	is defined in clause 9.

9.2 Interpretation

In this deed:

- (a) Headings and bold type are for convenience only and do not affect the interpretation of this deed.
- (b) Specifying anything in this deed after the words 'include' or 'for example' or similar expressions does not limit what else is included.
- (c) The singular includes the plural and the plural includes the singular.
- (d) Words of any gender include all genders.
- (e) Other parts of speech and grammatical forms of a word or phrase defined in this deed have a corresponding meaning.
- (f) An expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual.
- (g) A reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this deed.
- (h) A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them.
- (i) A reference to a document includes all amendments or supplements to, or replacements or novations of, that document.
- (j) A reference to a party to a document includes that party's successors and permitted assignees.
- (k) A reference to any payment, 'dollar' or '\$', consideration or price shall be in Australia Dollars, the lawful currency of Australia.
- (l) A reference to an agreement other than this deed includes a deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing.
- (m) No provision of this deed will be construed adversely to a party because that party was responsible for the preparation of this deed or that provision.

Schedule 2

Default Charitable Recipient Nomination Deed Poll

Date ►

Donating Shareholder **[insert name of Donating Shareholder]**
[ACN [insert ACN (if applicable)]] of [insert address]

This deed poll witnesses as follows:

- (a) The Donating Shareholder is a party to a Deed of Equity Gift dated **[insert date] (Equity Gift Deed)**.
- (b) This deed poll supersedes any previous deed poll, nomination or election made by the Donating Shareholder for the purposes of the Equity Gift Deed.
- (c) The Donating Shareholder wishes to change its nominated Default Charitable Recipient (as that term is defined in the Equity Gift Deed) pursuant to clause 2.1 of the Equity Gift Deed to the Charitable Recipient set out below (the **New Default Charitable Recipient**):

New Default Charitable Recipient	ACNC
[insert]	[insert]

- (d) The Notice details for the New Default Charitable Recipient for the purposes of clause 7(a) of the Equity Gift Deed are set out below:

Address	Attention	Email
[insert]	[insert]	[insert]

- (e) By executing this deed poll the Donating Shareholder confirms that it has received evidence from the New Default Charitable Recipient that it is a deductible gift recipient for taxation purposes.

Executed as a deed poll:

Insert appropriate execution block for the Donating Shareholder.

Schedule 3

Notice to Default Charitable Recipient

To: [insert date]

[insert name of Default Charitable Recipient]

[insert address]

Attn: [insert name of contact]

Email: [insert email]

(“you”)

From:

[insert name of Donating Shareholder]

[insert address]

(“I” or “me”)

Dear [insert name of Contact]

Notification of interest – Pledge 1% Deed of Equity Gift – [insert Company name]

1 Pledge 1% movement

Pledge 1% is a corporate philanthropy movement dedicated to making the community a key stakeholder in every business by encouraging and challenging companies to pledge 1% of equity, profit, product, and employee time to their communities.

Taking the 1% pledge helps companies and individuals demonstrate their philanthropic intent and hold themselves accountable for turning a pledge into action.

I have taken an equity pledge, meaning that I have pledged to donate 1% of the equity that I hold in [insert name of Company] (the **Company**) to one or more Australian charities. I have made this pledge through signing a Deed of Equity Gift in relation to the shares of the Company dated [insert date] (the **Equity Gift Deed**).

The Equity Gift deed is attached to this letter as **Attachment 1**.

Alternative 1: If appointing the Default Charitable Recipient.

[Under the Equity Gift Deed I have named you as the Default Charitable Recipient.]

Alternative 2: If appointing a new Default Charitable Recipient

[Pursuant to a Default Charitable Recipient Nomination Deed Poll dated **[insert date]** (attached to this letter as **Attachment 2**) I have named you as the New Default Charitable Recipient.]

2 Rights as the Default Charitable Recipient

As the Default Charitable Recipient you have certain rights arising out of the Equity Gift Deed.

3 [Confidentiality]

Explanatory Note: This paragraph is optional in case the Donating Shareholder does not want the Default Charitable Recipient to make any announcement or public statements about the Pledge Shares and the Equity Gift.

By accepting the rights set out in paragraph [2] above as the Default Charitable Recipient arising pursuant to the Equity Gift Deed **you acknowledge and agree:**

- (1) You must not:
 - (A) use or disclose any Confidential Information provided to you under this letter or its attachment[s]; or
 - (B) make any public announcement or issue any press release regarding this letter, the Equity Gift Deed or the transactions contemplated by it
- (2) You may use or disclose Confidential Information or make a public announcement or issue any press release:
 - (A) with the prior written consent of the:
 - (i) board of directors of the Company; and
 - (ii) the Donating Shareholder; and,
 - (B) to the extent possible, after consultation with the Donating Shareholder of the form and content of the disclosure.
 - (C) if the Confidential Information is within the public domain, other than by a breach of this paragraph [3] by you;
 - (D) to your advisers who have a legitimate need to know and on a confidential basis; or
 - (E) if required to do so by a government agency.
- (3) For the purpose of paragraph [3(1)(A)] **Confidential Information** means any information regarding (A) the Company, (B) the Donating Shareholder, (C) this letter, (D) the Equity Gift Deed or (E) the transactions contemplated by this letter or the Equity Gift Deed.]

Yours sincerely

[insert name of Donating Shareholder]

Tel: **[insert]**

Email: **[insert]**

Attachment 1

Insert Attachment 1 – the executed Equity Gift Deed.

[Attachment 2]

Insert Attachment 2 (if applicable) – the Default Charitable Recipient Nomination Deed Poll.

Signing page

Executed as a deed

Explanatory Note: Insert execution clauses as appropriate.

Important note: This document is a deed, therefore it must be executed correctly otherwise it is not binding. Individual signatures MUST be witnessed. A company must sign by TWO directors (or a director and a company secretary) unless the company only has a sole company director (in which case the sole director may sign).

In order to complete the Deed of Equity Gift (and before the parties sign the document) all 'square bracketed' items should be completed and the 'square brackets' deleted and any notes contained in 'yellow boxes' should be deleted.

Alt execution block 1: use if donating shareholder is an individual

Donating Shareholder

Signed sealed and delivered by

[insert name of Donating Shareholder]

in the presence of

sign here ► _____ sign here ► _____
Witness

print name **[insert name of Donating Shareholder]** print name _____

Alt execution block 2: use if donating shareholder is a company with a sole director

Donating Shareholder

Signed sealed and delivered by

[Donating Shareholder name] Pty Ltd

by

sign here ► _____
Sole Director [and sole Company Secretary]

print name **[insert name]** _____

Alt execution block 3: use if donating shareholder is a company with more than one director

Donating Shareholder

Signed sealed and delivered by
[Donating Shareholder name]
Pty Ltd
by

sign here ► _____
Company Secretary/Director

sign here ► _____
Director

print name [insert name] _____

print name [insert name] _____