

## GLOSSARY OF TERMS

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TERM	DEFINITION
Administrator	The sharegov company user entrusted to administrate the software account.
Allotment	Assignment of ownership - this term is used in connection with new shares (authorised shares which are still held by the company). If the shares were already in the hands of another shareholder, then any change of ownership would take place by other means such as "sale and purchase" or "transfer". The term is synonymous with "issue" or "new issue".
Annual Financial Statements / AFS	Financial reports based on a 12-month consecutive time period. The most common set of reports issued are the general-purpose financial statements that include a balance sheet, income statement, statement of retained earnings, and statement of cash flows. Annual Financial Statements are usually prepared along prescribed guidelines, as laid down by "IFRS", and may or may not be "audited".
Annual general meeting / AGM	An annual general meeting (AGM) is a yearly gathering of a company's shareholders. At an AGM, the directors of the company present an annual report containing information for shareholders about the company's performance and strategy. They also use the opportunity to appoint key agents such as directors and auditors. It is no longer compulsory in the UK for small private companies to hold an AGM although it is considered good "corporate governance" to do so.
Articles of Association / AoA	A document which forms a company's constitution, and defines the responsibilities of the directors, the kind of business to be undertaken, and the means by which the shareholders exert control over the board of directors. An AoA is produced upon incorporation of a company - it can be amended / replaced but only by agreement of shareholders at a "general meeting".
Audit	An independent examination of financial information of any entity, whether profit-orientated or not, with a view to expressing an opinion on the accuracy thereof. Auditing also attempts to ensure that the accounts and statutory records of the company are properly maintained by the entity as required by law. Auditors consider the propositions before them, obtain evidence, and evaluate the propositions in their audit report. Audits provide third party assurance to various stakeholders that the subject matter is free from material misstatement. In the UK various rules govern the legal requirement for an audit which is an onerous and expensive service - for example, small companies with less than £10.2 million of turnover and without subsidiaries are exempt from requiring an audit. Conversely, minority shareholders owning 10% or more of the equity of a company have the right to demand an audit which they may do if they are concerned about the accuracy of the financial statements.
Authorised shares	The maximum number of shares that a company is authorised by to issue / allot to shareholders. Part of the authorised shares can (and frequently does) remain unissued. The authorised share capital can be changed with shareholders' approval. The part of the authorised share capital which has been issued to shareholders is referred to as the issued share capital of the company. The device of the authorised share capital is used to limit or control the ability of the directors to issue or allot new shares, which may have consequences in the control of a company or otherwise alter the balance of control between shareholders. Such an issue of shares to new shareholders may also shift the profit distribution balance, for example if new shares are issued at face value and not at market value. The requirement for a company to have a set authorised share capital was abolished in the United Kingdom under the Companies Act 2006, so its use is optional.
Average allotment price	The total amount paid by shareholders for share "allotments" / "issues" divided by the total number of those shares "in issue".
Base cost	The original amount paid for an investment. With shares this will be the issue price paid, or the price paid in the event of a share purchase from another party. If the shares have been transferred between 2 parties, the base cost of the transferee will be the original base cost of the transferor.
Beneficial owner / shareholder	The "entity" or joint "entities" who ultimately stand to benefit from any material gains derived from the shares in question. This is as distinct from "nominal owner" (see below) which is the entity whose name the shares are held for the benefit of the "beneficial owners".

TERM	DEFINITION
Board / Board of Directors	An executive committee that jointly supervise the activities of an organisation, which can be either a for profit or not for profit. The powers, duties, and responsibilities of a board of directors are determined by government regulations (including the jurisdiction's corporate law) and the organisation's own rules as laid down by the Articles of Association and Shareholders' Agreement. These authorities may specify the number of members of the board, how they are to be chosen, and how often they are to meet. Normally a Board is appointed by the shareholders.
Capitalisation / Market cap	The capitalisation or market capitalisation of a business is in effect its total value. In "listed" companies where shares are publicly traded on a daily basis, the market capitalisation figure will be arrived at by multiplying the number of shares in issue by their current price. The same formula would apply to private companies except the shares in question are seldom traded if at all, therefore the value of individual shares may be ascertained by a formal valuation exercise (often by an independent third party).
Chairman	The presiding officer of an organised group such as a board, committee, or deliberative assembly. The person holding the office, who is typically elected or appointed by members of the group, presides over meetings of the group, and conducts the group's business in an orderly fashion. In sharegov matters, the Chairman means the Chairman of the Board of Directors.
Chief Executive Officer / CEO	Typically the senior member of a team of corporate executives in charge of managing an organisation such as a company or non-profit institution. The CEO of a corporation or company typically reports to the board of directors and is charged with maximising the value of the business, which may include maximising the share price, market share, revenues or other elements. A CEO will also be a director of the Company.
Chief Financial Officer / CFO	The member of a team of corporate executives in charge of managing an organisation such as a company or non-profit institution. The CEO of a corporation or company typically reports to the board of directors and is charged with maximising the value of the business, which may include maximising the share price, market share, revenues or other elements. A CEO will also be a director of the Company.
Closing date	The deadline for a decision on a specific offer or proposition. In sharegov, this would refer to the closing date of an offer in connection with a share issue.
Companies House	Companies House is the United Kingdom's registrar of companies and is an executive agency of Her Majesty's Government, falling under the remit of the Department for Business, Energy and Industrial Strategy. All forms of companies (as permitted by the United Kingdom Companies Act) are incorporated and registered with Companies House and file specific details and returns as required by legislation.
Company registration number	The unique identifying number assigned to a specific company. In the United Kingdom this is an 8 digit number.
Company user	A sharegov user who has access to the functionality of the software designed for company administrators, as distinct for a "shareholder user". The company user will for example be able to amend company settings as required.
Controlling shareholder	A shareholder who owns greater than 50% of the voting rights of a Company, typically this would be through ownership of ordinary shares.
Convertible shares	Shares that can be converted to other share classes where certain criteria are fulfilled. For example, a preference share may be set up to be convertible to an ordinary share if it is not "redeemed" within a certain period. The mechanism of conversion can be used as either a way to reward the owner of the share and/or to penalise the company for non-performance.
Corporate governance	The collection of mechanisms, processes and relations used by various parties to control and to operate a corporation. Governance structures and principles identify the distribution of rights and responsibilities among different participants in the corporation (such as the board of directors, managers, shareholders, creditors, auditors, regulators, and other stakeholders) and include the rules and procedures for making decisions in corporate affairs. Corporate governance is necessary because of the possibility of conflicts of interests between stakeholders, primarily between shareholders and upper management or among shareholders.
Creditor(s)	An entity (entities) which is/(are) owed money.
CSV format	A computer file format (standing for comma separated values) which uses a comma as a field separator within the data contained therein. A CSV file typically stores tabular data (numbers and text) in plain text and are therefore typically used by spreadsheet software programs such as Microsoft Excel.
Cumulative dividends	Dividends that are payable on a pre-agreed basis and are carried forward on a cumulative basis if they are not paid. Typically, dividends that are connected to preference shares may be made "cumulative".

TERM	DEFINITION
Dashboard	The main and opening screen in sharegov that users see upon logging in. The screen is referred to as a “dashboard” (using a motor car analogy) as it summarises the critical information provided within the software.
Debt	A sum of money that is owed to a third party. Debt can arise in a variety of ways – either as a result of a loan or as a result of the provision of goods or services. In finance, investment is often categorised into “debt” and “equity” to differentiate their provision of finance by way of loan and the provision of finance by way of issue of shares.
Debtor(s)	An entity (entities) which owe(s) money.
Dilution	Term used to describe what happens to existing shareholders when new shares are issued to new shareholders – their % ownership decreases or is “diluted”.
Direct ownership	Ownership of shares where they are held directly in the shareholder’s name or their “nominee”. “Indirect ownership” (see definition) exists where the shareholder in question or their “nominee” has an interest in the share owning entity, but not directly in the company in question.
Dividends	The share of a company’s profits that are paid to shareholders. The quantum of any dividend and when it is declared is the decision of the Board of Directors and will be based on assessment of how much of the profit can safely be set aside for shareholders without negatively impacting on the future cash requirements of the business. Dividends are a key component of the investor’s return on investment and has an important impact on the value of that investment.
EBIT	Earnings before interest and tax (EBITDA) is a company’s net income before interest expenses, taxation, depreciation and amortisation have been deducted. EBIT is used to analyse the performance of a company’s core operations without tax expenses and the costs of the capital structure influencing profit – thought to be a more useful measure of a company’s performance when assessing it for investment purposes.
EBITDA	Earnings before interest, tax, depreciation and amortisation (EBITDA) is a company’s net income before interest expenses, taxation, depreciation and amortisation have been deducted. EBITDA is the same as EBIT with the added feature of stripping out the cost of fixed assets thereby better reflecting the profitability of a company’s operational performance before deductions relating to capital expenses. In so doing EBITDA more closely reflects the cashflow of the business.
Enterprise Investment Scheme (EIS)	EIS is a UK government scheme designed to help a company raise money. It does this by offering tax reliefs to individual investors who buy new shares in the company. A company can receive a maximum of £12 million through EIS investments, and £5 million per year.
Enterprise Management Incentive (EMI) scheme	UK government scheme approving “share option” grants and in so doing giving significant tax advantages to the option holders. EMI applies to companies with assets of £30 million or less. Approved EMI schemes grant share options to an individual staff member of up to the value of £250,000 in a 3-year period, and this individual will not have to tax if they buy the shares for at least the market value those shares had when the option was granted.
Entity	Something that exists separately from other things and has a clear identity of its own. In business examples of entities would be individuals, companies, trusts and partnerships.
Equities	A broad term used to mean shares in a company that imply part ownership: as distinct from “debt” where you lend money to a company and therefore have now ownership. The term “equity” and “equity %” is often used confusingly – see below.
Equity	A sometimes confusing term: in finance, equity is the difference between assets and liabilities (sometimes known as the net asset value or / NAV). In the case of companies, this sum belongs to the owners or shareholders of the entity in question and is therefore carved up on a pro rata basis to the shares in issue. If assets are less than liabilities then the entity will be insolvent or have negative equity ie. the shares have no underlying assets value and the company may be trading illegally unless it has an arrangement with creditors, or it can raise more finance to pull the entity out of negative equity.
Equity %	The % ownership of an entity – typically with companies its owners will hold “shares” and hence are “shareholders”. Their equity % is calculated by working out how many shares they hold as a % of the total shares “in issue”.
Expiry	“Shares” and “share options” may have rights that expire. For example an option has a deadline in which to be exercised or not. In sharegov the expiry of share classes is date driven and takes place automatically.

TERM	DEFINITION
Fair value	The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When it comes to “shares”, in effect “fair value” is the unrealised price that could be achieved for them and “fair value gain” is the unrealised profit. With listed company shares where shares are regularly traded, “fair value” is easy to measure as it is the current market price or bid price that is available through the exchange in question. It is more difficult to measure “fair value” in private companies where shares are not traded regularly – if no share transactions have taken place for a long period and the performance of the business has changed significantly during that period, then “fair value” would need to be measured by analysing its accounts and its projected account, and then applying a variety of financial assumptions.
Fair value gain / (loss)	The unrealised gain or loss that is represented by “fair value”. It is arrived at by subtracting the “base cost” from the fair value.
Founders	Individuals who are deemed to be the creators of a business and who were involved with its establishment. Typically with a company, the founders are both its first shareholders and its first directors. However, founders roles can change over time and it is not assumed that they remain involved with the business in any way. Founders are often identified as they are considered to be critical to the success of the business in its early days and they are usually given special treatment in terms of what they pay for shares and the commitment they make to the business (see “Founders’ Commitment Statement”).
Founders' Commitment Statement	A legal document that business founders may be required to sign with the aim of committing them to the business and preventing them from leaving or acting in any way that might be detrimental to that business.
Fully diluted ownership %	The equity % ownership that would transpire in the event that all unclaimed shares are added to the actual existing shares “in issue”. Companies often sit with significant blocks of unclaimed shares such “convertible preference shares” and “share options”. In situations where significant unclaimed shares exist, the fully diluted position is often considered more meaningful.
Funding round / fundraising round	A scheme to raise money (funding) from shareholders normally through the issue of new shares. Early stage companies will often have a series of share issues – subsequent “funding rounds” often allowing shareholders a better assessment of the progress of the business relative to the plan and the consequent value of the shares. A “funding round” will have a lead up phase where an investment proposition is put to shareholders and potential shareholders, and a deadline (“closing date”) is given for a commitment whereupon shares will be issued and the round will be over.
General meeting	A meeting of shareholders. A distinction is made between “Annual General Meetings” which happen once a year, and “Special General Meetings” which can happen at any time. The aim of a general meeting is to tackle issues that can only be addressed by shareholder vote.
Go live	In sharegov, the act of completing the set up or “onboarding” process and publishing the website to shareholders. “Going live” involves the click of a button which triggers the availability of the shareholder dashboard and the invitation of shareholders to login.
Grant / grant of options	Term used to describe the allocation of share options. With shares, the terms “issue” or “allotment” are used. With options that term “grant” is used as an option is only a right to acquire actual shares, and is not a share in its own right.
IFRS	International Financial Reporting Standards: accounting standards issued by the IFRS Foundation and the International Accounting Standards Board. They constitute a standardised way of describing the company's financial performance and position so that company financial statements are understandable and comparable across international boundaries. They are particularly relevant for companies with shares or securities listed on a public stock exchange. IFRS have replaced many different national accounting standards around the world but have not replaced the separate accounting standards in the United States where US GAAP (Generally Accepted Accounting Principles) is applied.
In issue	Allocated or allotted, with reference to shares. Shares “in issue” are referred to distinguish them from “authorised” shares which will include shares that have not been issued.
In the money	Conditionally in a position of profit. For example, when a share option has a “strike price” that is below the market value of the share in question, the option is “in the money” and the option holder is encouraged to exercise their action.
Incorporation	The process of constituting a company or other organisation as a legal corporation.
Indirect ownership	Ownership of shares where they are held indirectly: where the shareholder in question or their “nominee” has an interest in the share owning entity, but not directly in the company in question. Indirect ownership can exist for a multitude of reasons: it can be used as a mechanism for shareholders to leverage voting control, or more often just exists where shares are held within a private company or trust.

TERM	DEFINITION
Instrument(s) / Financial instrument(s)	Contracts for monetary assets that can be purchased, traded, created, modified, or settled for. In terms of contracts, there is a contractual obligation between involved parties during a financial instrument transaction. Basic examples of financial instruments are cheques, bonds, shares and share options.
Interim Financial Statements	Financial statements that are produced mid-financial year. It is usually accept that the interims are produced at the 6 month / mid-year point.
Investor presentation	An event to which shareholders are invited to present to them company progress and company plans. An investor presentation is an optional event that companies may use as a way of promoting investor relations or to market up and coming funding rounds. Some companies gold investor presentations in tandem with their "Annual General Meetings".
Issue (of shares)	Assignment of ownership - this term is used in connection with new shares (authorised shares which are still held by the company). If the shares were already in the hands of another shareholder, then any change of ownership would take place by other means such as "sale and purchase" or "transfer". The term is synonymous with "allotment".
Legal name	The unique name given to an entity – in the case of a UK company this is the name registered with Companies House and can be changed by Board Resolution from time to time. This name is distinct form "trading name" (see definition) which may not be unique and can be quite different from the "legal name".
Listed	A member of a formal "stock exchange" such as the London Stock Exchange or AIM. Membership of such an exchange comes with a commitment to adhere to a range of corporate governance and other rules – this in turn gives shareholders considerable comfort with regard to the risk of owning such shares thereby promoting their free trading on the exchange.
Loan account	A schedule of funds advanced to an entity by a creditor. With companies, loans will typically be made by banks, directors or shareholders.
Maturity	Reference to a date in the future at which a financial instrument or entity reaches the end of its life. When a financial instrument matures it may be cancelled, or converted or redeemed. When an entity matures it may be vested or liquidated.
Meeting entitlement	Whilst it is normal that shareholders are entitled to attend "general meetings" – it is possible to have a specific class of share that disallows the entitlement to attend these meetings.
Minutes	Also known as minutes of meeting, protocols or, informally, notes, are the instant written record of a meeting or hearing.
MS Word document file format	Microsoft Word documents (.DOCX) is a file format developed by Microsoft in 1983. Microsoft Word is word processing software originally used within Microsoft Windows although subsequent versions were later written for several other platforms including IBM and Apple Macintosh. Commercial versions of Word are licensed as a standalone product or as a component of Microsoft Office 365. Certain documents are available in sharegov for download in MS Word format with the intention for them to be editable by users if required. These documents need to be carefully edited and then uploaded back to sharegov of PDF format for deployment therein.
Net asset value (NAV)	The difference between assets and liabilities (see "equity"). If an entity has assets that are less than liabilities then it will be insolvent and may be trading illegally unless it has an arrangement with creditors, or it can raise more finance to pull the entity out of negative equity. A company's NAV is not the same as the value of the company – a companies value is driven by its earning and future earning capability, and some businesses have the ability to do this with very little in the way of assets or NAV.
Net asset value per share (NAVPS)	The total NAV of a company divided by its total number of ordinary shares. A preference share may be incorporated into this calculation as debt depending on the terms thereof.
Nominal value	The initial value of a share when the share is created ie. the original price that shareholders pay for that share. Over time, the value of the share will go up and new shares will be issued at above its nominal value thereby resulting in a "share premium" (see below). Nominal value is synonymous with "par value". Following recent changes in legislation in the UK (and many other countries) shares can now have a ZERO nominal value
Nominee owner / shareholder	The "entity" whose name shares are held on behalf of another party. This is as distinct from "beneficial owner" (see above) which is the entity or joint entities who ultimately stand to benefit from those shares. Nominee ownership is used for a variety of reasons: a) for tax planning, b) for estate planning, c) for confidentiality, or d) for administrative purposes. In the case of d), stock brokers for example make use of nominee companies so they can hold a single block of shares on behalf many customers.

TERM	DEFINITION
Notice	A general formal document advising its recipients of matters of a material nature. In sharegov notices are used to advise shareholders of material events at the company they own or the availability of new information on the platform.
Notional profit or loss	Theoretical profit or loss the accuracy of which depends upon the underlying assumptions. In sharegov the notional profit or loss of investments is tracked, the accuracy of which depends on the validity of the investment valuation and the ability to realise that value.
Onboarding	Term used in sharegov to describe the process undertaken by companies to set up the software before the site is ready to be published to shareholders. During this process a variety of information must be loaded.
Options / Share options	The right to buy a certain number of shares at a fixed price, some period of time in the future. In small companies, options are issued to employees and executive directors as a performance incentive. The period in which option holders have to exercise their options is known as the "vesting period".
Ordinary shares	The main type of share representing a fraction of ownership in the company that issues it. As an ordinary share owner, the shareholder gets a vote in the company's major decisions, decided at its shareholder meetings. The shareholder may or may not receive a dividend. The company's board of directors decides whether a dividend will be awarded, and how much it will be. The dividend represents the share owner's share of the profits of the company. As owners of the company, the ordinary shareholders are last in line to receive a share of profits but such share is only limited by the amount of available profit and therefore can represent a handsome reward in successful businesses.
Oversubscription	A situation in share issues where more shares are requested (or subscribed for) than are actually available in the issue.
Paid up / Fully paid up	Fully paid up shares are those for which no outstanding amounts are due ie. all monies due to the company for the shares in question have been paid in full.
Par value	See "nominal value".
Passive investor	An investor who has no role in the company in which they have invested ie. they are neither a member of the Board nor a member of staff.
PDF file format	Portable Document Format (PDF) is a file format developed by Adobe in 1992 to present documents, including text formatting and images, in a manner independent of application software, hardware, and operating systems. Based on the PostScript language, each PDF file encapsulates a complete description of a fixed-layout flat document. PDF is used as the preferred document file format in sharegov with the exception of editable document templates which are available for download in "MS Word file format".
Pending box	The area within the sharegov dashboards where items are placed that need to be attended to by the user in question.
Physical office	The address at which business is done by the company, as distinct from its "registered office". In the case of a company with more than one office, the physical office will be its designated head office.
Pre-emption rights	Rights given to shareholders (normally by way of a "shareholders' agreement" where any prospective offer of shares for sale is offered to existing shareholders on the same terms prior to such sale being agreed. Usually this offer is made on a pro rata basis but the specifics would depend on the wording of the pre-emption clause.
Preference shares	Shares that do not represent ordinary ownership of a company, but that have preferential rights to dividends over "ordinary shares". Preference shares can have a range of different attributes as designed by the company, but typically they have no "voting rights".
Primary contact	In sharegov, the main individual responsible for managing the website on behalf of the company.
Private equity	General term used to refer to equity investment in non-listed private companies. In the formal financial sector, players in the world of "private equity" generally target established businesses as opposed to start-ups.
Qualification (of Financial Statements)	Term used by auditors to point out that they could not complete their audit satisfactorily. Sometimes, information will not be made available on a certain matter of a material nature and therefore the auditor will "qualify" the accounts by adding a caveat explaining what aspect of the financial statements could not be satisfactorily verified.
Registered office	In the UK, a company's office as registered with Companies House. Often small companies have their registered office with a lawyer or accountancy firm. This is as distinct from the "physical office".

TERM	DEFINITION
Representative / Shareholder representative	The individual designated to represent a specific shareholder to whom all correspondence is sent from sharegov. For example, this might be a Trustee, and Attorney or Investment Manager.
Resolution	The act of determining upon an action, course of action, method, procedure etc. In business a resolution comes into being by vote, typically during a formal meeting, and results in a formal document recording what has been resolved. A distinction is made between Board Resolutions and Shareholder Resolutions and this is as a result of the distinction between decisions that can be made by the Board and those that must be made by Shareholders. A resolution can be passed without a meeting by way of passing a document from one signatory to another – this is sometimes referred to as a “round robin” resolution.
Seed Enterprise Investment Scheme (SEIS)	SEIS is a UK government scheme designed to help a company raise money when it's starting to trade. It does this by offering tax reliefs to individual investors who buy new shares in the company. A company can receive a maximum of £150,000 through SEIS investments.
Share capital	The portion of a corporation's equity or NAV that has been obtained by the issue of shares in the company to a shareholder, usually for cash. "Share capital" may also denote the number and types of shares that compose a company's share structure.
Share certificate	A document that certifies the ownership of a specific block of shares. The original document is usually held by the shareholder. It carries a unique number and will show full details of the shareholder and shares held under that certificate.
Share class / share name	Type of share. There is no limit on the number of classes of share that a company can have but typically a small company will have one or two. Each share class can be tailor made according to its specific terms. There are two broad categories of share: “ordinary shares” and “preference shares”. “Options” are not exactly a class of share but a right to another class of share – in sharegov they are classified as a class of share.
Share conversion	The switching of one share class to another. Certain shares may be convertible under certain conditions. For example, a “preference share” may be convertible to an “ordinary share” after a certain period of time. In sharegov, “options” are also convertible to “ordinary shares” – however note that this is not strictly a conversion as the share is purchased for a pre-agreed price.
Share issue	The process of selling authorised shares to new shareholders, thereby raising share capital for the company. Once “in issue” shares can then be bought and sold between shareholders. On occasion, a mature and financially healthy company may buy back its shares.
Share premium	The difference between the nominal value of and price paid for shares. The share price of a successful and growing business will go up over time – if new issues happen then the share premium will grow over time relative to the nominal value of the shares.
Share redemption	The act of a company buying back shares from shareholders. For a company to redeem shares, it must have stipulated upfront that those shares are redeemable, or callable. Shareholders are obligated to sell the stock in a redemption as defined in the terms of those shares.
Share sale and purchase	The act of one shareholder selling shares to another for a mutually agreed price.
Share transaction	The collective term for a transaction between parties involving a share eg. a share issue or a share transfer.
Share transfer	The act of transferring shares from one shareholder to another where no exchange of money takes place. Typically such a transaction will take place between related parties such as between an individual and their family trust. No gain or loss is deemed to have transpired as a result of a transfer because the transferee acquires the transferor's original base cost of the shares in question.
Share type	The broad category of share: in sharegov we have 3 types: “ordinary shares”, “preference shares” and “options”.
Share valuation	A formal study of a company's past and projected finances resulting in assessment of its value and the shares that make up its capital. A share valuation can be undertaken by directors, but its is preferable to contract and independent party to undertake this exercise such as a registered accountant.
Shareholder	An entity owning shares in a company.
Shareholder category	Category used in sharegov to classify shareholders according to the role of the beneficial owner(s) in the business, if any. The 4 categories are: director, founder, staff and other.

TERM	DEFINITION
Shareholder Relationship Manager	Individual appointed by a company to take responsibility for matters relating to communication and its general relationship with shareholders. In sharegov this individual will be the administrator and primary contact.
Shareholder type	Category used in sharegov to classify shareholders according to the nature of the entity constituting the nominee owner. The 4 categories are: individual, joint, company and trust.
Shareholder user	User type defined in sharegov to refer to a user with access to the shareholder interface.
Shareholders' Agreement	Formal agreement between shareholders that all shareholders are required to sign when they acquire shares for the first time. The Shareholders' Agreement are generally used by private unlisted companies where the Article of Association are often insufficient to satisfy the reasonable requirement of shareholders. It covers issues like the roles, rights and obligations of shareholders. It also can cover key issues such as company administration, the company's officers, new share issues, day-to-day management, decision-making and leaving shareholders. A Shareholders' Agreement is often viewed as a critical device in protecting the interests of minority and passive shareholders; as such they can be important promoter of the appetite of new investors.
Shares	Units of ownership in a company that exist as a financial asset providing for an equal distribution in any residual profits, if any are declared, in the form of dividends. Shares represent equity in a company, with the two main types of shares being "ordinary shares" and "preference shares".
Shortened name	Short term used by companies in documents such as agreements when either the "legal name" or the "trading name" are considered too long and cumbersome.
Special general meeting	A meeting of shareholders called for a special reason as opposed to an "Annual General Meeting" which deals with regular annual matters.
Stock exchange / exchange	Formal marketplace where member companies trade their shares publicly. UK examples are the London Stock Exchange and AIM.
Stocks	A term that is really interchangeable with shares being securities that represents the ownership of a fraction of a company. Sometimes shares are considered units of stock, and the term "stock exchange" refers to formal marketplaces where member companies trade their shares publicly.
Strike price	The price which the owner of a "preference share" or an "option" has to pay to exercise their rights. A strike price will have a deadline beyond which the rights in question will fall away. In the case of "options" the owner's decision to exercise its rights by paying the "strike price" within the prescribed deadline is based on whether the share acquired is worth more or less than the strike price. If the strike price is less than the value of the shares to be acquired, an "option" is referred to as being "in the money".
Subscription	The process of existing and new shareholders pledging money to a share issue. These shareholders are the "subscribers" to the share issue.
Trading name	The name used by a company for day to day trading, as distinct from its "legal name" can be quite different. Normally a trading name is more descriptive of what a company sells or what services it provides.
Trust	An entity where assets are provided by a settlor for the benefit of the beneficiary or multiple beneficiaries. A trust is set up by Deed which lays down the rules and purpose of its existence as well as the vesting period. Trustees are appointed to administer the trust as defined in the Deed. A trust will hold assets such as property and shares which are managed by the trustees for the benefit of the beneficiaries. Trusts are used to protect capital from beneficiaries, for tax reasons and for estate planning reasons.
Undersubscription	A situation in share issues where less shares are requested (or subscribed for) than are actually available in the issue. Sometimes when there is a significant undersubscription, a company may decide to cancel the "subscription" on the basis that the funds raised are not enough to achieve the business plan in any meaningful way.
Underwrite / underwriter	The process of providing certain guarantees, financial or otherwise, to allow for an uncertain event or action to go ahead. For example, in insurance an underwriter provides assets to allow an insurer to issue insurance cover to the value of those assets. In corporate finance, an underwriter may undertake to take up unclaimed shares in a share issue. Underwriters receive a fee for the act of underwriting.
Undiluted ownership %	The equity % ownership that exists in terms only of the actual existing shares "in issue", and excluding any unclaimed shares that may exist through the rights of the holders of "preference shares" and "options". See "fully diluted ownership %".



TERM	DEFINITION
URL	A Uniform Resource Locator (URL), colloquially termed a web address, is a reference to a web resource that specifies its location on a computer network and a mechanism for retrieving it. A URL is a specific type of Uniform Resource Identifier (URI), although many people use the two terms interchangeably. URLs occur most commonly to reference web pages (http) but are also used for file transfer (ftp), email (mailto), database access (JDBC), and many other applications. Most web browsers display the URL of a web page above the page in an address bar.
Vesting period	The period between the creation of a financial instrument or entity and its “maturity”. Vesting takes place when a financial instrument expires or is converted, and an entity is liquidated. See “maturity”.
Voting rights	The right of entities to vote at meetings. Shareholders can have voting rights with regard to shareholder matters and this will be waited according to the number of “voting” shares they own. Directors will also have Board voting rights – these are typically on an equal basis with the Chairman having the casting vote. However, as shareholders appoint directors, the shareholder vote in theory carries more weight.