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Liquidation Preference clause

- **Non-participating** preference shares *vs.* **participating** preference shares
- The sample non-participating preference share clause is structured as a “**higher of**” wording
- **Conversion rights** currently not included in the draft Lean Documents

Liquidation Preference clause

- The definition of “**Preferred Amount**”
 - 1 x non-participating preference shares as standard
 - Possibility to add interest, if relevant

Liquidation Preference clause

- The definition of “**Liquidation Event**”
 - The definition includes asset sale, change of control merger, share sale and other dissolution or winding-up but **not an IPO**
 - To be considered if liquidation preference should apply in relation to dividend distribution



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