

Writing a Subscription Agreement

This playbook outlines the step-by-step process to draft a subscription agreement. A subscription agreement outlines the terms of an equity purchase in a private company.

Step 1: **Preparation**

Gather all necessary information about the investment and the involved parties. This includes company details, investor details, the amount of investment, and the number of shares being purchased.

Step 2: **Drafting**

Create a first draft of the subscription agreement. Ensure to include key clauses such as investment amount, share price, company valuation, investor's rights and obligations, governing law, and any representations and warranties.

Step 3: **Review**

Carefully review the draft to ensure that all terms are clear and legally sound. Check for any errors or omissions in the agreement.

Step 4: **Feedback**

Share the draft with relevant parties, such as legal advisors and the investor, for feedback. Incorporate any suggestions or corrections they might have.

Step 5: **Finalize**

Finalize the subscription agreement by making the necessary revisions. Ensure that both the company and the investor approve the final terms.

Step 6: **Execution**

Arrange for all parties to sign the agreement. Ensure that all signatures are collected and the agreement is dated.

Step 7: **Record Keeping**

Keep a copy of the executed agreement securely filed. Distribute copies to all parties involved for their records.

General Notes

Legal Compliance

Always ensure that the subscription agreement complies with the relevant securities laws and regulations.

Professional Advice

Consider obtaining professional legal and financial advice to tailor the subscription agreement to the specific circumstances.