Subscription Agreement

For investors subscribing for new shares in an Irish private company

Novos Ventures · novosventures.com · hello@novosventures.com

DRAFT TEMPLATE – NOT LEGAL ADVICE

This document is a draft template provided by Novos Ventures for general information only. It has not been prepared for your circumstances and may be incomplete, out of date or unsuitable. Novos Ventures (Truway Sunergy Ltd) accepts no responsibility or liability for any loss or damage arising from its use. You use it entirely at your own risk. Have it reviewed by a solicitor qualified in Ireland before you rely on it, send it or sign it.

This agreement is made on [date] between:

(1) [Company legal name], a private company limited by shares registered in Ireland, [company number], whose registered office is at [address] (the "Company");

(2) the persons listed in Part A of Schedule 1 (the "Founders"); and

(3) the persons listed in Part B of Schedule 1 (the "Investors").

1. Subscription

1.1 Each Investor will subscribe for the number of [class] shares set out next to its name in Schedule 1 (the "Subscription Shares") at [amount] per share, for the total amount shown (the "Subscription Amount").

1.2 The obligations of the Investors are several (not joint). No Investor is obliged to complete unless all Investors complete [unless the Lead Investor agrees otherwise].

2. Conditions

2.1 Completion is conditional on: (a) the Company passing the shareholder resolutions in the agreed form, including adopting the new constitution and disapplying pre-emption rights for this issue; (b) the Founders signing service agreements and IP assignments in the agreed form; (c) no material breach of the Warranties; and (d) [other].

2.2 If the conditions are not met or waived by [date], this agreement ends and no party has any claim except for earlier breach.

3. Completion

3.1 Completion takes place on [date] or on another date agreed, electronically.

3.2 At Completion the Company will: hold a board meeting to allot and issue the Subscription Shares; enter the Investors in the register of members; issue share certificates; and file the required returns with the Companies Registration Office (including Form B5 within 30 days of allotment).

3.3 Each Investor will pay its Subscription Amount by bank transfer to the Company's account: [bank details to be provided by the Company in writing, confirmed by phone].

3.4 The Shareholders' Agreement is signed and takes effect at Completion.

4. Warranties

4.1 The Company [and each Founder] give the warranties in Schedule 2 (the "Warranties") to each Investor at the date of this agreement and at Completion, except as fairly disclosed in the disclosure letter.

4.2 The Investors are investing in reliance on the Warranties.

5. Limits on warranty claims

5.1 A claim must be notified within [__] months after Completion with reasonable details.

5.2 No claim may be made unless the claim (or series of related claims) exceeds [amount].

5.3 The total liability of the Company for all claims is limited to [the Subscription Amounts]. The total liability of each Founder is limited to [amount / [__] times the Founder's annual salary].

5.4 These limits do not apply to fraud or deliberate concealment.

6. Use of proceeds

6.1 The Company will use the Subscription Amounts for [working capital and the business plan / as set out in Schedule 3], and not to repay shareholder loans or pay dividends [without Investor consent].

7. Investor confirmations

7.1 Each Investor confirms that it has the power to enter this agreement, has made its own investigation of the Company, understands that investing in an unlisted early-stage company is high risk and that it may lose its whole investment, and has taken its own advice.

7.2 [Where EIIS relief is intended:] The Company will use reasonable efforts to keep its qualifying status and will provide the statements needed for Investors to claim relief, but does not guarantee that relief will be available.

8. Announcements and confidentiality

8.1 No announcement about the investment will be made without the approval of the Company and the Lead Investor. Each party keeps the terms confidential, except as required by law or to its advisers and investors.

9. Boilerplate

9.1 Entire agreement. This agreement (with its schedules) is the whole agreement between the parties on its subject.

9.2 Variation. Any change must be in writing and signed by [the Company and Investors holding a majority of the Investor Shares / all parties].

9.3 Notices. Notices must be in writing and sent by email or post to the addresses in Schedule 1 (or as updated by notice).

9.4 Severability. If any provision is invalid, the rest remains in force.

9.5 Costs. Each party bears its own costs, except as stated in this agreement.

9.6 Counterparts and e-signature. This agreement may be signed electronically and in counterparts.

9.7 Governing law and jurisdiction. This agreement is governed by the laws of Ireland and the courts of Ireland have exclusive jurisdiction.

Schedule 1 - Parties, Subscription Shares and Subscription Amounts: [table: name, address, email, number of shares, amount].

Schedule 2 - Warranties (summary - to be expanded by the parties' solicitors):

(a) The Company is duly incorporated and has full power to enter this agreement; the issued share capital is as set out in the disclosure letter and there are no other options or rights over shares.

(b) The accounts and management accounts give a true and fair view; there has been no material adverse change since the last accounts date.

(c) The Company has complied with applicable laws, including company, tax, employment and data protection law, and has filed all returns and paid all taxes due.

(d) The Company owns or has the right to use all intellectual property it uses, and all employees and contractors who created it have assigned it to the Company.

(e) There are no material litigation, disputes or investigations, and no material contracts that can be ended on a change of control.

(f) The business plan was prepared honestly and with reasonable care; projections are not warranted to be achieved.

(g) All information given to the Investors in due diligence was true and accurate in all material respects.

Schedule 3 - Use of proceeds: [describe].

DRAFT

Signed for and on behalf of
[Company legal name]

Signature: _____
Name: _____
Title: _____
Date: _____

Signed for and on behalf of
[Investor 1]

Signature: _____
Name: _____
Title: _____
Date: _____

Signed for and on behalf of
[Founder 1]

Signature: _____
Name: _____
Title: _____
Date: _____

Signed for and on behalf of
[Founder 2]

Signature: _____
Name: _____
Title: _____
Date: _____

Template provided by Novos Ventures for information only. Novos Ventures is not a party to this document and does not give legal, tax or investment advice. Text in [square brackets] must be completed or confirmed. The company and each investor or partner should take independent legal and tax advice from a solicitor qualified in Ireland before using or signing it. This is a draft version. Novos Ventures accepts no responsibility or liability for the use of this template.

DRAFT