

Equity Subscription Agreement

– Convertible Notes

Date: [Date of Agreement]

Parties:

- **The Company:** [Company Name], a company incorporated under [Jurisdiction], with its registered office at [Registered Address].
- **The Subscriber:** [Investor Name], residing at [Investor Address].

RECITALS

WHEREAS, the Company desires to raise capital through the issuance of convertible notes, and the Subscriber wishes to subscribe for such notes on the terms and conditions set forth herein.

1. SUBSCRIPTION

The Subscriber agrees to subscribe for, and the Company agrees to issue and allot, convertible notes (the “Notes”) with an initial principal amount of **[Subscription Amount]**.

2. TERMS OF CONVERTIBLE NOTES

- **Interest:** [Interest Rate]% per annum, payable [annually/semi-annually/upon conversion or maturity].
- **Maturity:** [Maturity Date].
- **Conversion:** At the option of the Subscriber or automatically upon occurrence of a Qualified Financing, each Note shall convert into equity shares of the Company at a conversion price determined as follows: [Conversion Formula or Discount].
- **Qualified Financing:** [Definition, e.g., next round raising not less than \$X].

3. WARRANTIES AND REPRESENTATIONS

- The Company is duly incorporated and has necessary power to enter this agreement.
- The Subscriber has full legal capacity and authority to enter and perform this agreement.
- All information provided is true and complete.

4. GOVERNING LAW

This agreement shall be governed by, and construed in accordance with, the laws of [Jurisdiction].

5. SIGNATURES

For the Company

For the Subscriber

Name:
Title:

Name:

IMPORTANT NOTES:

- This is a sample and should be tailored for specific transactions and jurisdictions.
- Convertible notes are debt instruments that may convert to equity at a future date or event.
- Conversion terms (discount rate, valuation cap, triggering events) are key negotiation points.
- Legal and tax advice is strongly recommended before entering into such agreements.
- This format does not contain all necessary clauses for your situation. Always consult a lawyer.