

Equity Subscription Agreement â€“ Preemptive Rights Format

This Equity Subscription Agreement (â€œAgreementâ€) is made and entered into as of [Date], by and between:

- [Company Name], a [State/Country] corporation, with its principal office at [Address] (â€œCompanyâ€); and
- [Investor Name], residing at [Address] (â€œSubscriberâ€).

1. Subscription

1.1 The Subscriber hereby subscribes for, and the Company agrees to issue and allot to the Subscriber, [Number] shares of [Share Class, e.g., Ordinary Shares] of the Company (the â€œSharesâ€) at a subscription price of [Price] per share, for an aggregate consideration of [Total Amount].

2. Preemptive Rights

2.1 Subject to the terms and conditions of this Agreement and applicable law, the Subscriber shall have the right to participate in future issuances of equity securities by the Company, proportional to the Subscriberâ€™s then-current shareholding percentage, in order to maintain their ownership percentage.

2.2 The Company shall give the Subscriber written notice of any proposed issuance of equity securities, specifying the price and terms. The Subscriber shall have [Number of Days, e.g., 15 calendar days] from the date of such notice to elect to purchase up to their pro rata share.

3. Representations and Warranties

3.1 Each party represents and warrants that it has full power and authority to enter into this Agreement.

3.2 The Subscriber acknowledges that they have received sufficient information to make an informed decision regarding the subscription for Shares.

4. Miscellaneous

4.1 This Agreement shall be governed by and construed in accordance with the laws of [Governing Law].

4.2 This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings.

4.3 Any amendment to this Agreement shall be in writing and signed by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

[Company Name]
Authorized Signatory

[Subscriber Name]

Important Notes

- This is a simplified sample; actual terms may vary by transaction and jurisdiction.

- Preemptive rights protect shareholders from dilution in future share issuances.
- Notice periods and response timelines should be clearly specified and realistic.
- Legal and professional advice is recommended before signing or drafting such agreements.
- Keep records of all communications and decisions regarding share subscriptions and rights.