

**SHOOSMITHS**

**What documentation  
will we be expected  
to sign?**

The company, founders, current shareholders and investors will need to sign certain of the principal documents which is likely to include: a subscription agreement and the shareholders' agreement. It is not a requirement for shareholders to sign articles of association, however the agreed form of these are often initialled by the shareholders (or confirmed by email) to signify their agreement that these are the final form.

On top of the principal documents, the following documents also likely be required:

- **Disclosure letter:** The disclosure letter (which contains any disclosures against the warranties contained in the investment agreement) will need to be signed by the warrantors – this may be the Company itself and/or the founders or any other person giving the warranties and is typically signed by the investors to acknowledge receipt of the specific disclosures.
- **Written resolution of the shareholders of the company:** Any shareholder holding voting shares in the capital of the Company will be asked to approve (amongst other things) the allotment of new shares (or rights to subscribe for shares), the disapplication of any pre-emption rights in relation to the allotment of these shares and the adoption of new articles. Each shareholder eligible to vote is entitled to receive a copy of the written resolution. Often, particularly in later stage companies, this will mean that the resolution will need to be sent to a very large number of shareholders. Resolutions can however be passed once the company has received signatures from the holders of at least 75% of the voting shares in the case of special resolutions or more than 50% of the voting shares in the case of ordinary resolutions, of the voting shares which can often be made up of the principal investors.
- **Board minutes:** The board of directors of the company will need to meet to approve the investment. Minutes will be produced prior to the meeting to document the investment and any associated transactions (for example, approval of a new option pool or a subdivision/re-classification of shares). The board minutes will be signed by the chairperson of the board meeting.
- **Investor consents:** Under the articles of association of the company, or under any current shareholders or investment agreement, certain shareholders may need to consent to certain elements of the proposed investment. A letter from the investor(s) will need to be signed to approve any actions which require investor consent.
- **Class consents:** Under the articles of association of the company, the holders of certain classes of shares may have consent rights to various elements of the proposed investment. A letter from those shareholders will need to be signed to approve any actions which require class consents.
- **Share note certificates:** Share certificates will need to be signed by a director of the Company.

## Signing

Although we can facilitate completion using wet ink signatures, DocuSign is used on nearly all deals. DocuSign enables us to easily co-ordinate large signing processes and is an intuitive and easy to use system.

Certain of the documents listed above will need to be signed as deeds which requires a witness to be physically present with the signatory. The witness must be over 18 and should be independent, however since the covid-19 pandemic, most firms will accept the witness being a family member.

Once all signatures have been received, consents obtained and all parties agree to complete, funds can be released.

## Post-completion

Once the investment has completed, there are several actions to consider and which we can assist with:

- **Statutory books.** The statutory books of the company will need to be written up to reflect the issue of any new shares, appointment of any new directors etc.
- **Companies House Filings.** Copies of the written resolution, any new articles of association and any companies house forms will need to be filed at Companies House.
- **Share Certificates.** New share certificates will need to be issued to the new investors.

©Shoosmiths LLP 2024

**SHOOSMITHS**  
[www.shoosmiths.com](http://www.shoosmiths.com)

**FOR  
WHAT  
MATTERS**