

8 Point Equity Distribution Checklist



01. Share structure

What is your current share structure?

1. How many shares do you have?
2. Does Companies House show the same number?
3. What classes of shares do you have?
4. What rights does each class have?
5. Do you have any deferred shares, preference shares or convertibles?
6. Are all share classes the same nominal value, and treated equally?

03. Shareholder agreements

Do you have a shareholder agreement?

Are there any relevant control paragraphs?

1. Shareholder % for resolutions
2. Options or share issuance limits
3. Pre-emption rights
4. Exercise price on options minimum (eg post investment valuation)
5. Restrictions on equity re-structuring (eg sub-division)
6. Other restrictions on ordinary shares

02. Articles of Association

Do you have model articles or bespoke?

Anything special in them?

1. Drag along, tag along
2. Transfer provisions
3. Pre-emption rights

04. Valuation

Do you have a current valuation on which to base your share distributions?

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05. Subdivision

Will you need to/should you subdivide your shares into a larger number at this point?

07. Share type

Do you know what type of shares you'd like to issue?

1. Voting rights
2. Conditions
3. Dividend yielding

06. Tax

Who do you wish to give shares to? Are they employees? Are they happy to pay tax on the following?

1. Award
2. Exercise
3. Sale

08. Share scheme type

Do you know what type of share scheme you'd like to set up?

1. Real shares or options
2. Ordinary or growth shares
3. EMI or unapproved
4. Do you qualify for EMI?

Not sure how to answer any of these questions?

Book a **free consultation** today at a time that suits you