

SHARE ALLOTMENT SERVICE FACT SHEET

Introduction

At Marsland Nash Associates we are able to offer a fully comprehensive service that will allow for the allotment (i.e. issuing) of further shares, for example:-

- An example of an allotment could be where you have 500 Ordinary £1 A shares and 500 Ordinary £1 B shares, and you want to issue 10 Ordinary £1 C shares to pass 1% of the company to a new shareholder.

Which may be required for a variety of reasons, this could include:-

- To enable the transfer of a certain percentage of the company to alternative shareholders, e.g. to facilitate external investors.
- To facilitate a Share Purchase Option Scheme for key employees.
- To enable a restructure of the percentages that the company shareholders own.

Note: *There is no Stamp Duty payable on share allotments, even where paying more than nominal value for the shares (i.e. market value), so no paperwork in this regard is required as it is with Share Transfers.*

Fees

- We charge a fixed fee of £295 plus VAT where there is to be just one single allotment event.
- We charge a fixed fee of £145 plus VAT per event where there is to be multiple allotment events (e.g. where share options are taken in a number of tranches over a number of years).

Our Service

Within the service, we will undertake the following:-

- Obtain the current Memorandum and Articles of Association from the company's public file at Companies House, if we do not hold them already
- Review of the existing Memorandum and Articles of Association and advise on any changes that may be required in order to allow the allotment to go ahead, giving reference to the Companies Act 2006. To include:-
 - Consider whether the statutory pre-emption rights apply (requirement to offer shares to existing shareholders), if they do an exclusion clause in the articles or a special resolution may be required prior to the allotment
 - Consider whether directors have statutory power to allot the shares under s550 (single class) or s551 (multiple classes), and if not arrange for authority prior to the allotment
- Provide all necessary minutes and resolutions to affect the allotment, and filing them with Companies House where applicable.
- Prepare and file with Companies House form SH01 "Return of allotment of shares", to include Statement of Capital and particulars of rights attached to shares. This form must be filed within one month of the resolution being passed.
- Provide a copy of the Memorandum and Articles of Association together with the resolution and form SH01 (if required)
- Provide new share certificates for the new shares within two months of the resolution being passed
- Update the Statutory Records, including all necessary registers, where we maintain them for you, or provide the necessary changes for you to include in your registers where you normally maintain them – *this is a key legal step for full legal title to apply to the new shareholder.*
- General advice in connection with the above

Disclaimer:- *Please note that careful consideration should be given to changing the share structure of your company. You should consider obtaining independent legal advice before proceeding. You should ensure nothing in your shareholders agreement or statutory records could affect this transaction. We do not accept any liability in the event any party to a transaction subsequently decides it was not what they required.*