IE-CPcsl01

Company purchase agreement: part payment retention

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Agreement for the Sale and Purchase [redacted]

This agreement is dated:	[date]
The Seller is:	ABC Limited, a company incorporated in Ireland [under registered number] [number] and] [redacted]]; [redacted]
The Seller is:	[name] of [private address]
OR	
The Sellers are:	those persons whose names are set out in Part 1 [redacted] 1 [redacted].
The Buyer is:	[DEF] Limited, a company incorporated in Ireland [under registered number] [number] [redacted]] [redacted] [[redacted]].
The First Guarantor is:	[name] of [private address]
The Second Guarantor is:	[name] of [private address]

It is now agreed as follows:

1. Definitions

So far as the context permits, the following words [redacted]:

"Accounting Date"	means the date to which the Accounts have historically been prepared and to [redacted].
"Accounts"	means the financial statements, annually audited profit and loss account and balance sheet of the [redacted].
"Assets"	means and include collectively the fixed assets (fixtures and fittings, furniture, office equipment and motor vehicles of the Company), stock and good [redacted], [redacted]

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■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ 2 ■ ■ ■ ■ 2 ;

"Buyer New Shares"	means the ordinary shares of € [1] each in the [Enter Buyer (company name)], to ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

"Intellectual Property"	means intellectual property owned by the Company, of every sort, whether or not registered or registerable in any country, including Intellectual Property of all kinds coming into existence after today; and including, among others, ■ ■ ■ ■ , ■ ■ ■ ■ , ■ ■ ■ ■ ■ ■ ■ ■ , ■ ■ ■ ■ , ■ ■ ■ ■ , ■ ■ ■ ■ , ■ ■ ■ ■ ■ ■ ■ ■ , ■ ■ ■ ■ , ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ .
"Last Year End"	means [date] (being the date to which the ■).
"Net Profit"	means the net profit (less losses) of the Company as shown by the Accounts or ■ (■ ■ ■ ■ ■ ■ ■ ■):
	a) after deducting all expenses and depreciation;
	b) after adding added back all payments, bonuses, options and pensions and any ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ , ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ;
	c) after adding back sums for transactions not at arm's ■ ;
	d) without taking account of capital profits or losses;
	e) before deducting tax on that profit.
"Properties"	means the land and buildings owned and / or used by the Company, brief details of ■ 2 ■ ■ ■ ■ 1 .
"Retention"	means the sum of € [amount] set aside in the terms of ■ .
"Purchase Price"	means the total price, paid or to ■ .
"Sale"	means the sale of the Shares.

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"Shares"	[number] ordinary shares of € [1] each held by the Sellers being the ■ .
"Trustee"	means [names, if few] / the Sellers ■ .
"Trustee Warranties"	means the limited warranties given by any Trustee.
"Warranty/Warranties"	means the warranties and undertakings of the Sellers contained in paragraph [11] ■ ■ ■ ■ ■ ■ ■ ■ [3].

2. Interpretation

In this agreement unless the context otherwise requires:

2.1. a reference to a person includes a human individual, a corporate entity, a partnership, a governmental authority ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

2.7. any agreement by any party not to do or omit to do something includes an obligation not to allow some [redacted];

2.8. [except where stated otherwise], any obligation of any person arising from this [redacted];

2.9. a reference to an act or regulation includes new law of substantially the same [redacted];

2.10. all money sums mentioned in this agreement are calculated net of VAT, which will be charged when due by law and payable when [redacted], [redacted].

2.11. this agreement is made only in the English language. If there is any conflict in meaning between the English language version of this agreement and any version or translation of this agreement in any other language, the English language version shall prevail. If a version of this agreement [redacted], [redacted].

3. Entire agreement

3.1. Each party acknowledges that this agreement and the Disclosure Letter contain the entire agreement between them and that it relies on no [redacted], [redacted], [redacted].

3.2. Each party acknowledges and warrants that it has power to enter into this agreement [and [redacted]].

3.3. Each Seller warrants and undertakes that he is not [redacted].

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4. Calculation of the Purchase Price

4.1. The Purchase Price is the total of:

4.1.1 the sum of € [[redacted]] ([redacted] “[redacted]”) [redacted];

4.1.2 the sum of € [amount], [redacted], [redacted];

4.1.3 the sum of € [amount], payable by the [redacted] [[redacted]] [redacted] [[redacted]-[redacted]], [redacted];

4.2. The Sellers shall share [redacted].

5. The Buyer New Shares: Buyer’s obligations

The Buyer undertakes as follows:

5.1. to issue or procure [redacted] [[redacted]] [redacted].

5.2. that the Buyer New Shares shall rank [redacted], [redacted].

5.3. that each Buyer New Share shall [redacted] € [[redacted]] [redacted].

5.4. to procure that the Buyer New Shares shall be [redacted].

6. Buyer’s acknowledgment of inspection

The Buyer admits that:

6.1. all of the [redacted];

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6.2. it has made full investigation into the title, [redacted];

6.3. it enters into this agreement on the basis of that [redacted], [redacted].

7. Agreement for Sale and subscription for Buyer New Shares

7.1. The Sellers agree to sell the Shares with full [redacted].

7.2. The Sellers acknowledge receipt [redacted] [[redacted]] [redacted].

7.3. Each of the Sellers hereby waives any pre- [redacted], [redacted].

7.4. Each Seller now hands to the Buyer a [redacted].

7.5. So far as the Sellers have any powers or control of any aspect of [redacted], [redacted], [redacted].

7.6. The Sale [redacted]:

7.6.1 the Sellers entering into a shareholders' agreement with [redacted], [[redacted]].

7.6.2 [Beatrice Blackbird and Robin Finch] each entering [redacted], [[redacted]].

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8. The Retention and the shortfall

For the purpose of this paragraph "Warranted Net Profit" [redacted].

8.1. The Retention shall be retained in an account with [bank name] , in the [redacted] [redacted].

8.2. No part of the Retention, nor interest [redacted], [redacted].

8.3. As soon as possible after the date of the First Year Accounts, the Accountants shall be [redacted] [redacted] [redacted].

8.4. The cost of the audit and certification shall be paid as [redacted], [redacted], [redacted].

OR

8.5. The cost of the [redacted].

8.6. The parties shall promptly provide to the [redacted].

8.7. The Warranted [redacted] € [147 , 000].

8.8. The Buyer agrees that it will not take [redacted], [redacted], [redacted].

8.9. If the Net Profit shown by the First Year Accounts is [redacted], [redacted] [3] [redacted].

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8.10. The shortfall shall be paid out of the Retention [redacted].

8.11. If the Net Profit shown by the First Year Accounts [redacted].

8.12. No claim lies for a breach of Warranty insofar as [redacted].

9. Completion and delivery of documents

9.1. Completion of this Sale shall [redacted],

9.1.1 a bank draft [redacted];

9.1.2 a second bank draft [redacted] [[redacted]];

9.1.3 letters of allotment of the Buyer New Shares;

9.2. At completion, [redacted]:

9.2.1 the title deeds relating to [redacted];

9.2.2 title deeds, [redacted];

9.2.3 signed share transfer forms [redacted];

9.2.4 [if the Company [redacted]] [redacted];

9.2.5 letters of resignation of certain directors, namely [names] [and the secretary of the Company], with [redacted],

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[redacted], [redacted], [redacted];

9.2.6 [the resignation of [redacted]];

9.2.7 a list of all user names and [redacted].

9.2.8 the certificate of incorporation of the Company;

9.2.9 written confirmation by [redacted];

9.2.10 [employment contracts / service agreements], signed in [redacted], [redacted] [[redacted]] [redacted];

9.2.11 all records relating to the employment of any person [redacted] [6] [redacted];

9.2.12 the minutes of meetings [redacted], [redacted]:

[Buyer nominee name] [redacted] [[redacted]] [redacted];

transfer forms [redacted];

the resignations of [name] [redacted] [[redacted]] [redacted] [[redacted]] [redacted].

9.3. Following completion of this Sale, the Buyer shall obtain [redacted].

9.4. Each Sellers undertakes that he will:

9.4.1 immediately repay to the Company any [redacted];

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9.4.2 use his best endeavours to do [redacted].

10. Warranties applicability and limitation

10.1. None of the [redacted].

10.2. Nothing done or not done by [redacted].

10.3. The Buyer may make any agreement with one or more [redacted], [redacted].

10.4. If and only if any Warranty cannot be specifically referable to [redacted], [redacted].

10.5. Each of the [redacted].

10.6. Each Seller waives any claim he might have against the [redacted], [redacted].

11. Warranties by Sellers

11.1. The Sellers (except the Trustees) jointly and severally warrant to the [redacted] [[redacted]]:

11.1.1 the Sellers are entitled to transfer the Shares to [redacted];

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11.1.2 after completion of this [redacted], [redacted].

11.1.3 except as disclosed in the Disclosure Letter, all of the [redacted] 3 [redacted], [redacted], [redacted], [redacted];

11.1.4 the contents [redacted];

11.1.5 unless otherwise specified, [redacted].

11.1.6 [Each corporate Seller [redacted]];

11.1.7 the Shares constitute the whole [redacted] [[redacted]] [redacted];

11.1.8 there is [redacted];

11.2. The Warranties in this agreement are not [redacted].

OR

11.3. The Warranties in this agreement are not limited in monetary value, but no claim [redacted], [redacted] [[redacted]] [redacted]. [redacted].

12. Trustee Warranties

Each of the Trustees warrants:

12.1. that he has legal title [redacted];

12.2. that he has [redacted];

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12.3. that he has no knowledge of any circumstance unknown [redacted] .

13. Restrictive agreement

13.1. So that the Buyer has the full benefit [redacted] :

13.1.1 for [3] years after completion of the Sale, either alone or jointly with or [redacted] .

13.1.2 at any time after completion of the Sale, disclose to any [redacted] ;

13.1.3 for [3] years after completion of the Sale, either on his own account or for any [redacted] [3] [redacted] .

13.2. Each of the Sellers now agrees that [redacted] .

13.3. Following completion of [redacted] :

13.3.1 hold himself [redacted] ;

13.3.2 register nor purchase nor use any name similar to any [redacted] .

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14. Sellers' protection

14.1. Any claim against any Seller, in relation to the [redacted], [redacted], [redacted].

14.2. No single Seller can be liable for any Warranty claim unless his [redacted], [redacted], [redacted] € [5 , 000].

14.3. In any event, the maximum [redacted] € [100 , 000].

14.4. The Buyer may not claim more [redacted], [redacted].

15. The Guarantee

15.1. [Each of] [redacted]:

15.1.1 that every statement, [redacted];

15.1.2 that he will procure [redacted];

15.1.3 that he will indemnify the Buyer against all [redacted], [redacted];

15.2. [Each of] The Guarantor accepts that compliance by the [redacted], [redacted].

15.3. [Each of] The Guarantor accepts that the Buyer is [redacted].

15.4. This guarantee is limited to:

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15.4.1 the sum of [sum] in total;

15.4.2 claims notified to the [redacted] [[redacted]] [redacted].

16. Publicity / Announcements

16.1. No public or press announcement shall be made [redacted], [redacted].

OR

16.2. No party shall:

16.2.1 make any public announcement; or

16.2.2 disclose any information; or

16.2.3 allow expressly or by default any other person [redacted].

16.3. Except, that no party shall be prohibited from making [redacted].

16.4. The parties agree to the issue of a [redacted] 1 [redacted] 3, [redacted].

16.5. [Each/every] party [redacted].

17. Miscellaneous matters

17.1. No amendment or variation to this agreement [redacted], [redacted].

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17.2. The parties acknowledge and agree that this [redacted].

17.3. Unless otherwise stated in this agreement, all expenses in connection [redacted], [redacted].

17.4. So far as any time, [redacted], [redacted].

17.5. If any term or provision of this agreement is at any time held by any jurisdiction to be void, invalid or unenforceable, then it shall be treated [redacted], [redacted]. [redacted], [redacted].

17.6. Any obligation in this agreement [redacted].

17.7. If any of the Shares shall at any time be sold or transferred, the benefit [redacted].

OR

17.8. This agreement shall be binding upon each party's successors, assigns and [redacted] ([redacted]) [redacted].

17.9. No failure or delay by any party to exercise any right, [redacted].

17.10. The parties agree that [redacted].

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17.11. Any communication to be served on either of the parties [redacted] .

It shall be deemed to have been delivered:

if delivered [redacted] : [redacted] ;

if sent by post [redacted] : [redacted] 72 [redacted] ;

If sent by e-mail to the address from which the receiving party has last sent e-mail: [redacted] 24 [redacted] - [redacted] . [[redacted] - [redacted] . [redacted] , [redacted]].

17.12. In the event of a dispute between the parties to this agreement, [redacted] .

17.13. So far as the law permits, [redacted] , [redacted] .

17.14. In the event of any conflict between any term of this agreement and the [redacted] , [redacted] .

17.15. This agreement may be executed in multiple counterparts each [redacted] .

17.16. The validity, construction and performance of this agreement shall [redacted] .

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Signed by [personal name] on behalf of [named ■■■■]■■■■■■■■■/■■■■■ ■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■[■■■ ■■■■■■■■■■■■■■■■■■■■■■■■■.

Signed by [personal name] on behalf of [named ■■■■]■■■■■■■■■/■■■■■ ■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■[■■■ ■■■■■]■■■■■■■■■■■■■■■■■■■■.

Signed by [personal name] on behalf of [named ■■■■]■■■■■■■■■/■■■■■ ■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■[■■■ ■■■■■]■■■■■■■■■■■■■■■■■■■■.

OR

Signed by [Seller name in full]

AND

Signed by [■■■■/■■■■■■■■■■■■■■■■]

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Schedule 1: Part 1 Shareholdings

*[Here list all sellers, names, addresses ■■■

Schedule 1: Part 2 Details of the Company

1. The Company

Company number: [■ ■ ■ ■] ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ : [■ ■ ■ ■]

Share capital:

authorised € [■ ■ ■ ■] ■ ■ ■ ■ € [■ ■ ■ ■]

Registered office: [address]

Directors: [list all names in full]

Secretary: [name in full]

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Schedule 1: Part 3 Press release

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Schedule 2: Part 1 Properties

[Please ■ ■ ■

Schedule 2: Part 2 Assets

[Please list ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ , ■]

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Schedule 3: The Warranties

General

1. All of the information and ■■■

12.1. [redacted].

12.2. the constitution of the Company.

13. [redacted], [redacted].

Company structure and operation

14. [redacted].

15. [redacted], [redacted], [redacted], [redacted], [[redacted].]

16. [redacted], [redacted], [redacted] ([redacted]) [redacted]. [redacted] [5] % [redacted] ([redacted]).

17. [redacted].

18. [redacted]:

18.1. all documents of title relating to its Assets;

18.2. [redacted];

18.3. [redacted].

19. [redacted].

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20. [redacted].

21. [redacted] [redacted] / [redacted].

22. [redacted], [redacted], [redacted], [redacted], [redacted].

23. [redacted], [redacted].

24. [redacted], [redacted].

Accounts

25. [redacted] [redacted] [redacted].

26. [redacted] [redacted].

27. [redacted].

28. The Accounts:

    28.1. [redacted].

    28.2. [redacted] 2014, [redacted].

    28.3. [redacted].

    28.4. [redacted], [redacted].

29. [redacted]:

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its purchase price;

its production cost;

its net realisable value.

30. [redacted].

31. Since the Last Year End:

31.1. [redacted].

31.2. [redacted], [redacted].

31.3. [redacted], [redacted].

32. [redacted].

Cash flow

33. [redacted]:

33.1. [redacted].

33.2. [redacted], [redacted].

33.3. [redacted].

34. [redacted].

35. [redacted] [redacted] [redacted].

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Taxation

36. [redacted], [redacted], [redacted].

37. [redacted].

38. [redacted], [redacted].

39. [redacted], [redacted].

40. [redacted], [redacted].

41. [redacted] [redacted] [redacted].

42. [redacted].

43. [redacted].

44. [redacted] [redacted/ [redacted]].

Guarantees and borrowing

45. The Disclosure Letter discloses:

    45.1. [redacted];

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45.2. the terms of every loan;

45.3. [redacted] ;

45.4. [redacted] .

46. [redacted] .

47. [redacted] , [redacted] , [redacted] .

48. [redacted] .

Assets

49. [redacted] :

49.1. are in its possession and control.

49.2. [redacted] , [redacted] .

49.3. [redacted] .

49.4. [redacted] .

49.5. [redacted] .

Trading and contracts

50. [redacted] , [redacted] - [redacted] - [redacted] , [redacted] / [redacted] , [redacted] .

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51. ■■■

56. [redacted] [redacted], [redacted]].

57. [redacted].

58. [redacted] [redacted]], [redacted].

59. [redacted] [25] [redacted] [25] [redacted].

60. [redacted], [redacted].

61. [redacted].

Exceptional regulations

62. The Company is not:

62.1. [redacted] / [redacted].

62.2. a producer of replacement components for such vehicles.

62.3. [redacted] / [redacted] ([redacted]).

63. [redacted], [redacted], [redacted] - [redacted], [redacted] ([redacted]) [redacted] 2016 .

64. [redacted] (94 / 62 / [redacted]) ([redacted])

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65. ■■■

76. [redacted].

77. [redacted].

78. [redacted].

79. [redacted]:

79.1. water;

79.2. drainage;

79.3. electricity;

79.4. gas;

79.5. telecommunications.

80. [redacted]. [redacted].

Properties let by the Company

[redacted].

81. [redacted], [redacted] 2 [redacted] 1 .

82. [redacted].

83. [redacted]:

83.1. the name and address of the tenant.

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83.2. the name and address of any guarantor.

83.3. the address of the Property.

83.4. [redacted].

83.5. the rent.

83.6. [redacted]

83.7. [redacted].

83.8. [redacted], [redacted], [redacted].

83.9. [redacted].

83.10. any unusual provisions.

84. [redacted].

Employment

85. [redacted], [redacted]-[redacted].

86. [redacted].

87. [redacted]-[redacted].

88. [redacted], [redacted], [redacted].

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89. [redacted] € [[redacted]] [redacted].

90. [redacted].

Pensions

91. [redacted], [redacted], [redacted], [redacted]:

    91.1. copies of the trust deeds;

    91.2. the latest actuarial report;

    91.3. [redacted], [redacted].

92. [redacted] ([redacted]) [redacted].

Insurance

93. [redacted].

94. No policy contains any special term or restriction.

95. [redacted], [redacted], [redacted].

96. [redacted], [redacted] - [redacted].

97. [redacted], [redacted].

Personal data protection

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98. ■■■

109. [redacted].

110. [redacted].

111. [redacted], [redacted].

112. [redacted] [[redacted]].

113. [redacted], [redacted].

114. [redacted], [redacted]:

114.1. [redacted];

114.2. technical, customer and client support services;

114.3. [redacted];

114.4. an email service provider.

115. [redacted]. [redacted] 12 [redacted].

116. [redacted], [redacted].

117. [redacted], [redacted]:

117.1. [redacted];

117.2. what password he uses;

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117.3. [redacted];

117.4. [redacted].

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Explanatory notes

Company purchase agreement: part payment retention

General notes

1. The parties

This agreement has been drawn assuming either a company seller or two or more shareholders selling a company to one ■■■■■■■■. ■■■■■■■■■■■■.

2. Complete when agreement dated or later?

This agreement has been drawn for completion immediately "as signed". Signing completes the deal. The parties must then immediately do whatever else they have promised in order to complete the process. It is perfectly possible to complete at a later date than the agreement is signed. However, problems then arise with control of the company in the meantime and the possibility that anything may change between contract and completion. The Net Lawman recommended route is therefore ■■■■■■■■■■■■

First Year Accounts: the sale of a company rarely falls at the perfect time to tie in with prompt preparation of annual accounts. A buyer must either insist on new accounts soon after completion, or chase for completion very soon after the last annual accounts, or simply take pot luck. But there is no reason in principle why accounts should not be prepared ■ ■ ■

buyer ■ ■ ■

4. Who will operate the bank account which contains the retention, or will the buyer simply hold back some sum? If a retention is required, you will have to agree in whose name the bank account is to be. If you use solicitors, then a joint account in both their names would be usual. If you do not, then joint accountants may be a possibility. For a ■■■■■■■■, ■■■■■■■■

10. Warranties applicability and limitation

Do not edit without very good reason and full understanding of the effect. If you have not previously used warranties, we urge you to read the complete explanation in plain English at http://www.netlawman.co.uk/info/selling-your-business-part1.php

11. Warranties by Sellers

"Joint and several liability" means that all the sellers are jointly liable. No one of them can avoid liability to the buyer by saying he was personally not to be blamed. This means that the buyer can (and would) claim against the wealthier sellers if [redacted] .

To avoid this situation, the sellers should prepare a simple shareholders agreement setting out exactly which of them is responsible for what areas and who pays what to whom in the event of a claim. Such an agreement cannot prejudice the buyer, [redacted] .

A company may sign up to a deal, by the hand of its directors, but if its constitution prevents such a contract being made (for [redacted]), [redacted] , [redacted] - [redacted] .

The warranties are so fundamental to the transaction [redacted] .

12. Trustees Warranties

Provision has been made for the proposition that one or more people may hold shares as trustees. The buyer should make certain that any such person is a disinterested trustee. It could be that a major shareholder has placed some of shares in a family trust and he remains a trustee, or that some other person is [redacted] . [redacted] , [redacted] ([redacted]). [redacted] , [redacted] , [redacted] .

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The trustees warrant only that they are selling fairly and know of no reason why [redacted].

13. Restrictive agreement

These provisions are required to protect the buyer and are reasonable. Note that they do not prevent a former director from setting up in [redacted], [redacted]. [redacted] "[redacted]" [redacted].

This paragraph may not be enforceable against a shareholder who has hitherto had [redacted].

14. Sellers' protection

This paragraph is most important to the sellers as it caps their liability. How this is done is a matter for negotiation. This proposal is fair, subject of course to [redacted]. [redacted]. [redacted].

15. The Guarantee

This paragraph protects the buyer against a seller who spends the sale proceeds and refuses to assist as this agreement requires. That will arise only when the [redacted]. [redacted].

In that case, your guarantors will be the directors of the holding company seller. If [redacted], [redacted] - [redacted], [redacted].

A judge will usually treat a guarantee as a matter only of money. We have worded this one clearly so that there is [redacted]. [redacted].

16. Publicity / announcements

This may not be important to [redacted]. [redacted].

17. Miscellaneous matters

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A number of special points. We have identified each of these as important to protect you. Some are relevant to particular paragraphs in the document, some apply more [redacted] . [redacted] , [redacted] . [redacted] .

The Schedules

We have no comment.

Notes on Warranties

Before we give you other drafting notes, we want to explain about warranties. [redacted] , [redacted] .

Warranties are the essence of the deal. They are listed in a schedule. Do make sure that the paragraph of [redacted] .

These warranties have been drawn to provide as large a "menu" as [redacted] . [redacted] .

For maximum protection, [redacted] .

1. Delete any warranties that cannot apply to your [redacted]

2. Do not delete warranties relating to matters about which full information has already been provided. If you [redacted] , [redacted] , [redacted] .

3. Take the document to your accountant to [redacted] .

4. For sellers, the strength of a warranty may be greatly reduced simply by changing [redacted] " [redacted] " [redacted] " [redacted] " [redacted] .

Explanation of warranties

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Unlike any sale agreement, a company sale agreement is different. The main proposition is [redacted] - [redacted] .

The agreement is usually drawn by the buyer. That is fair because the buyer knows nothing about the company and the seller knows everything (we hope)! So the agreement first covers [redacted] - [redacted] , [redacted] , [redacted] , [redacted] . [redacted] “ [redacted] ”.

These are just assurances or guarantees from the seller as to the condition and state of the company and in particular, any existing liabilities, at the time of sale. No matter how thorough [redacted] , [redacted] , [redacted] , [redacted] .

How to use warranties?

If you are seller

The warranties are not so much the sting in the tail as half the dog. Many solicitors and entrepreneurs will deliberately insist on a seller giving [redacted] , [redacted] , [redacted] .

As a seller, you have a number of [redacted] :

- ✓ when you produce the draft agreement, remove the most “difficult” warranties before you send it to the buyer. [redacted] .
- ✓ provide clear and open disclosure to [redacted] .
- ✓ after considering the breadth of each warranty, you could edit those that [redacted] ; [redacted]
- ✓ Even where you “answer” the warranty in some way, there is still a strong case for qualifying absolute warranties, [redacted] “ [redacted] ” [redacted] “ [redacted] ”.

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Being the seller it is essentially important to provide full and [redacted].

If you are the buyer

The weight of advantage is very firmly with the seller. He has the knowledge. You have none. [redacted], [redacted]. [redacted].

As a buyer you need warranties:

- ✓ to provide yourself [redacted].
- ✓ The general rule of "buyer [redacted]" [redacted].
- ✓ In deciding to purchase share capital of the company, you have made a number of assumptions but [redacted], [redacted], [redacted]. [redacted].
- ✓ To get the right to claim [redacted]. [redacted].

  Either you are the seller or buyer, if you want a fair and satisfactory outcome, use warranties.

Warranties: drafting notes continued

It is good practice to delete irrelevant warranties, but by all [redacted] "[redacted]" [redacted]. [redacted] "[redacted]" [redacted]. [redacted].

General

These are very basic and general requirements. They are also broad, covering [redacted]. [redacted], [redacted], [redacted]

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[redacted]

No damaging effect of this agreement

The buyer needs to [redacted]

Company structure and operation

With reference to licences and consents: in any business which has been operating for more than a few years, [redacted]

Accounts, Cash flow and Taxation

The buyer should take advice [redacted]

The basis of valuation of the company is likely to have been the last audited annual accounts, [redacted]

Guarantees and borrowing

A list of creditors should be readily [redacted]

Assets

Even if all accounts information is absolutely correct, [redacted]

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The most important answers sought here are as [redacted] . [redacted] . [redacted] !

Trading and contracts

This section covers every contract - from customers and suppliers to the office cleaner and the car leases. Particular care should be taken with [redacted] . [redacted] . [redacted] . [redacted] / [redacted] . [redacted] / [redacted] , [redacted] ([redacted]) [redacted] .

The buyer's requirement for details of customers and suppliers will be [redacted] 1 , 000 [redacted] . [redacted] .

The most common reason for litigation about contracts arises because someone, [redacted] . [redacted] , [redacted] , [redacted] , [redacted] . [redacted] .

Exceptional regulations

Leave or delete, [redacted] . [redacted] .

Properties - all

Real property is [redacted] .

Most of these items cover the facts that would be [redacted] . [redacted] .

Properties let by the Company

If none, delete.

Employment

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We have no comment. Set the warranties [redacted] . [redacted] [redacted] “ [redacted] ”

Pensions

We have no comment.

Insurance

We have no comment.

Personal data protection

We suggest leave it as is.

Intellectual Property

All companies acquire some intellectual property. Even a quite small [redacted] . [redacted] . [redacted] .

A buyer should consider what IP this company might need [redacted] . [redacted] - [redacted] .

Information technology (“IT”)

These are of course an item of intellectual property. We have placed them under a separate heading to [redacted] . [redacted] - [redacted] , [redacted] . [redacted] . [redacted] " [redacted] " [redacted] .

End of all notes

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