

NZ-CPsp01

Shares purchase agreement

Sale Shareholder 1: [name]

Sale Shareholder 2: [name]

Continuing Shareholder 1: [name]

Continuing Shareholder 2: [name]

Buyer: [name]

[Guarantor:] [name]

Date: [date]

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This agreement is dated: [date]

This agreement is made between:

	[full name 1]	
of	[full address]	(a Sale Shareholder)
	[full name 2]	
of	[full address]	(a Sale Shareholder)
	[full name 3]	
of	[full address]	(a Continuing Shareholder)
	[full name 4]	
of	[full address]	(a Continuing Shareholder)
	[full name 5]	
of	[full address]	(the "Buyer")
	[full name 6]	
of	[full address]	(the "Guarantor")

Background

- [illegible]

It is now agreed as follow:

1. Definitions

So far as the context permits, the following words ■■■■■■■■■■
■■■■■:

- (d) without taking account of capital profits or losses;
- (e) before deducting tax on that profit.

[illegible]

"Purchase Price" means the \$1,000,000,000.00.

"Sale Shareholder" means a shareholder who

"Sale Shares" [number] ordinary shares of \$ [1] .

"Shares" means all the , .

[illegible]

"Trustee" means a ■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■
■■■■■■■■■■■■■■■■■■■■.

"Trustee Warranties" means the limited warranties given by any Trustee.

"Warranties" means any warranties given in this agreement.

[illegible]

2. Interpretation

In this agreement unless the context otherwise requires:

- 2.1 a reference to one gender shall include any or all of the other genders.
- 2.2 a reference to a person includes a reference to that person's successors, legal representatives, heirs, assigns, personal representatives, administrators, executors, trustees, and assigns.
- 2.3 a reference to a person includes reference to that person's successors, legal representatives, heirs, assigns, personal representatives, administrators, executors, trustees, and assigns.
- 2.4 a reference to a paragraph or schedule is to the paragraph or schedule of the same name in the same document.
- 2.5 the headings to the paragraphs and schedules (if any) shall not be construed to limit the meaning of the provisions to which they relate.
- 2.6 any agreement by any party not to do or not to say anything shall not be construed to limit the meaning of the provisions to which they relate.
- 2.7 [except where stated otherwise], the provisions of this agreement shall apply to the parties and their successors, legal representatives, heirs, assigns, personal representatives, administrators, executors, trustees, and assigns.
- 2.8 a reference to the knowledge, information, belief or awareness of a party shall be construed to include the knowledge, information, belief or awareness of that party's successors, legal representatives, heirs, assigns, personal representatives, administrators, executors, trustees, and assigns.
- 2.9 a reference to an act or omission shall be construed to include the act or omission of that party's successors, legal representatives, heirs, assigns, personal representatives, administrators, executors, trustees, and assigns.
- 2.10 all money sums mentioned in this agreement are calculated net of any applicable taxes, duties, fees, charges, and expenses.

4. Calculation of minimum Net Profit

- 4.1 After completion of this agreement, the Accountants shall be instructed jointly by the Sale [] .
- 4.2 The cost of the audit and certification shall be paid as to , , .
- OR
- 4.3 The cost of the .
- 4.4 The parties shall promptly provide to the .
- 4.5 If the Net Profit shown by the First Year Accounts is less \$ [], [3] .
- 4.6 Any reduction in the Purchase Price .
- 4.7 If the Sale Shareholders fail to make payment within [14] days, [] % .

5. Completion and delivery of documents

- [illegible]

■■■■■■■■, ■■■■\$[5,000].

■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ \$ [100 , 000].

[illegible][illegible][illegible]

Signed by [personal name], a Sale Shareholders

Signed by [personal name], a Continuing Shareholders

Signed by [personal name], a Continuing Shareholders

Signed by [personal name], the Guarantor

Signed by [personal name], the Buyer

Schedule 1 - Shareholdings

Schedule 2 - Details of the Company

Company number: [number]

Date of incorporation: [date]


Share capital: [10, 000 ■■■■■■■■■■■■■■■■■■■■■■ \$ 1 ■■■■■]

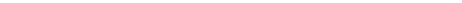
Registered office: [address]

Directors: [list all names in full]

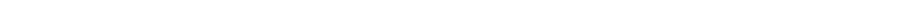

Secretary: [name in full]

Company structure and operation

12. 

13. 

14. 

15. 
 .


16. $\frac{1}{2} \left[\frac{1}{2} + \frac{1}{2} \right]$.


[illegible]

Accounts

.....

.....

38. 

39.  .


40. $\begin{bmatrix} \text{---} \\ \text{---} \\ \text{---} \end{bmatrix}$.

Guarantees and borrowing

[illegible][illegible]

41.2. the terms of every loan;

[illegible]

41.4. 

[illegible][illegible]

44. .

Assets

45. All Assets used by the Company:

45.1. are in its possession and control;

45.2. ■■■■■■■■■■■■■■■■■■■■■■, ■■■■■■■■■■■■■■■■■■■■■■
 ■■■■■■■■■■■■■■■■■■■■■■ ■■■■■■■■■■■■■■■■■■■■■■
 ■■■■■■■■■■■■■■■■■■■■■■;


[illegible][illegible]

45.5. are required to operate the Business.

[illegible]

Trading and contracts

47. $\frac{1}{2} \times \frac{1}{3} = \frac{1}{6}$, $\frac{1}{6} \times \frac{1}{4} = \frac{1}{24}$, $\frac{1}{24} \times \frac{1}{5} = \frac{1}{120}$, $\frac{1}{120} \times \frac{1}{6} = \frac{1}{720}$, $\frac{1}{720} \times \frac{1}{7} = \frac{1}{5040}$, $\frac{1}{5040} \times \frac{1}{8} = \frac{1}{40320}$, $\frac{1}{40320} \times \frac{1}{9} = \frac{1}{362880}$, $\frac{1}{362880} \times \frac{1}{10} = \frac{1}{3628800}$, $\frac{1}{3628800} \times \frac{1}{11} = \frac{1}{39916800}$, $\frac{1}{39916800} \times \frac{1}{12} = \frac{1}{479001600}$, $\frac{1}{479001600} \times \frac{1}{13} = \frac{1}{6227020800}$, $\frac{1}{6227020800} \times \frac{1}{14} = \frac{1}{87178291200}$, $\frac{1}{87178291200} \times \frac{1}{15} = \frac{1}{1307674368000}$, $\frac{1}{1307674368000} \times \frac{1}{16} = \frac{1}{20922790016000}$, $\frac{1}{20922790016000} \times \frac{1}{17} = \frac{1}{355687430272000}$, $\frac{1}{355687430272000} \times \frac{1}{18} = \frac{1}{6402373744992000}$, $\frac{1}{6402373744992000} \times \frac{1}{19} = \frac{1}{121645091154848000}$, $\frac{1}{121645091154848000} \times \frac{1}{20} = \frac{1}{2432901823096960000}$, $\frac{1}{2432901823096960000} \times \frac{1}{21} = \frac{1}{51090938285037120000}$, $\frac{1}{51090938285037120000} \times \frac{1}{22} = \frac{1}{1123990642270816640000}$, $\frac{1}{1123990642270816640000} \times \frac{1}{23} = \frac{1}{25851784772228782720000}$, $\frac{1}{25851784772228782720000} \times \frac{1}{24} = \frac{1}{620442834533490785280000}$, $\frac{1}{620442834533490785280000} \times \frac{1}{25} = \frac{1}{15511070863337269632000000}$, $\frac{1}{15511070863337269632000000} \times \frac{1}{26} = \frac{1}{403287842446769010432000000}$, $\frac{1}{403287842446769010432000000} \times \frac{1}{27} = \frac{1}{10888771746061763281664000000}$, $\frac{1}{10888771746061763281664000000} \times \frac{1}{28} = \frac{1}{304885608889729371886656000000}$, $\frac{1}{304885608889729371886656000000} \times \frac{1}{29} = \frac{1}{8841682657802151784703008000000}$, $\frac{1}{8841682657802151784703008000000} \times \frac{1}{30} = \frac{1}{265250479734064553541090240000000}$, $\frac{1}{265250479734064553541090240000000} \times \frac{1}{31} = \frac{1}{8222769871655999160073797440000000}$, $\frac{1}{8222769871655999160073797440000000} \times \frac{1}{32} = \frac{1}{263128635893011973122361516800000000}$, $\frac{1}{263128635893011973122361516800000000} \times \frac{1}{33} = \frac{1}{8683254994470395113037929958400000000}$, $\frac{1}{8683254994470395113037929958400000000} \times \frac{1}{34} = \frac{1}{295230670812003433843290418585600000000}$, $\frac{1}{295230670812003433843290418585600000000} \times \frac{1}{35} = \frac{1}{10373073478420120183515164650496000000000}$, $\frac{1}{10373073478420120183515164650496000000000} \times \frac{1}{36} = \frac{1}{373430645223124326606545927417856000000000}$, $\frac{1}{373430645223124326606545927417856000000000} \times \frac{1}{37} = \frac{1}{13817033863276600184642596314560704000000000}$, $\frac{1}{13817033863276600184642596314560704000000000} \times \frac{1}{38} = \frac{1}{525047285804510206997418660152306560000000000}$, $\frac{1}{525047285804510206997418660152306560000000000} \times \frac{1}{39} = \frac{1}{20476845146380908072299327745940156800000000000}$, $\frac{1}{20476845146380908072299327745940156800000000000} \times \frac{1}{40} = \frac{1}{819073805855236322891973109837606272000000000000}$, $\frac{1}{819073805855236322891973109837606272000000000000} \times \frac{1}{41} = \frac{1}{33582026040064689238570917503351857152000000000000}$, $\frac{1}{33582026040064689238570917503351857152000000000000} \times \frac{1}{42} = \frac{1}{141044519368271714812003893513977800384000000000000}$, $\frac{1}{141044519368271714812003893513977800384000000000000} \times \frac{1}{43} = \frac{1}{606492435383579376690416743110115521671680000000000000}$, $\frac{1}{606492435383579376690416743110115521671680000000000000} \times \frac{1}{44} = \frac{1}{26685667156877493574578378706845082955577600000000000000}$, $\frac{1}{26685667156877493574578378706845082955577600000000000000} \times \frac{1}{45} = \frac{1}{1200855022059487210856027041807028733001056000000000000000}$, $\frac{1}{1200855022059487210856027041807028733001056000000000000000} \times \frac{1}{46} = \frac{1}{552393310947363016790792539231233207180485760000000000000000}$, $\frac{1}{552393310947363016790792539231233207180485760000000000000000} \times \frac{1}{47} = \frac{1}{259624856145260617907672473442679607373828204800000000000000000}$, $\frac{1}{259624856145260617907672473442679607373828204800000000000000000} \times \frac{1}{48} = \frac{1}{1246199309496250973756717761513762015384375393280000000000000000000}$, $\frac{1}{1246199309496250973756717761513762015384375393280000000000000000000} \times \frac{1}{49} = \frac{1}{6106376616531629770407916030417533865383539427392000000000000000000000000}$, $\frac{1}{6106376616531629770407916030417533865383539427392000000000000000000000000} \times \frac{1}{50} = \frac{1}{30531883082658148852039580152087669326917697136960000000$

48. 

49. Since the Last Year End:

[illegible]

49.2. the Company has paid its creditors promptly;

[illegible][illegible][illegible][illegible]

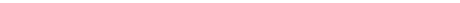
50.3. all contracts comply with the relevant law;

[illegible]

52.1. is outside the normal course of business;

52.3. is likely to result in a loss;


[illegible][illegible][illegible]

55. 

56. $\begin{bmatrix} 1 & 2 & 3 & 4 & 5 & 6 & 7 & 8 & 9 & 10 \\ 2 & 3 & 4 & 5 & 6 & 7 & 8 & 9 & 10 & 11 \\ 3 & 4 & 5 & 6 & 7 & 8 & 9 & 10 & 11 & 12 \\ 4 & 5 & 6 & 7 & 8 & 9 & 10 & 11 & 12 & 13 \\ 5 & 6 & 7 & 8 & 9 & 10 & 11 & 12 & 13 & 14 \\ 6 & 7 & 8 & 9 & 10 & 11 & 12 & 13 & 14 & 15 \\ 7 & 8 & 9 & 10 & 11 & 12 & 13 & 14 & 15 & 16 \\ 8 & 9 & 10 & 11 & 12 & 13 & 14 & 15 & 16 & 17 \\ 9 & 10 & 11 & 12 & 13 & 14 & 15 & 16 & 17 & 18 \\ 10 & 11 & 12 & 13 & 14 & 15 & 16 & 17 & 18 & 19 \end{bmatrix}$, $\begin{bmatrix} 1 & 2 & 3 & 4 & 5 & 6 & 7 & 8 & 9 & 10 \\ 2 & 3 & 4 & 5 & 6 & 7 & 8 & 9 & 10 & 11 \\ 3 & 4 & 5 & 6 & 7 & 8 & 9 & 10 & 11 & 12 \\ 4 & 5 & 6 & 7 & 8 & 9 & 10 & 11 & 12 & 13 \\ 5 & 6 & 7 & 8 & 9 & 10 & 11 & 12 & 13 & 14 \\ 6 & 7 & 8 & 9 & 10 & 11 & 12 & 13 & 14 & 15 \\ 7 & 8 & 9 & 10 & 11 & 12 & 13 & 14 & 15 & 16 \\ 8 & 9 & 10 & 11 & 12 & 13 & 14 & 15 & 16 & 17 \\ 9 & 10 & 11 & 12 & 13 & 14 & 15 & 16 & 17 & 18 \\ 10 & 11 & 12 & 13 & 14 & 15 & 16 & 17 & 18 & 19 \end{bmatrix}$.


[illegible][illegible]

[illegible]

60.  .

Statutory restrictions

[illegible][illegible]

63. 

Litigation and regulation

[illegible][illegible][illegible]

Properties - all

[illegible][illegible]

69. None of the Properties is:

[illegible]

69.2. situated in a conservation area;

[illegible]

69.4. in an area liable to flooding.

[illegible][illegible][illegible]

72.1.

,

72.2. there are no rent reviews in progress.

[illegible]

74.  

[illegible]

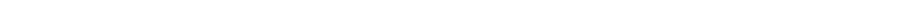
76. 


[illegible][illegible][illegible]

[illegible]

79.5. telecommunications.

[illegible]

81. 

82. 

[illegible]

.....
.....

[illegible][illegible]

[illegible]

Exceptional regulations

90. No part of the Business is:

[illegible]

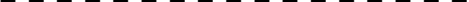
90.2. a producers of replacement components for such vehicles;

90.3. $\frac{1}{2} \left(\frac{1}{2} + \frac{1}{2} \right)$.

[illegible][illegible][illegible]

Employees

[illegible]

95. 

96. ■■■■■■ - ■■■■■■.

[illegible]

99.

	■ ■
	■ ■
	■ ■
	■ ■
	■ ■ ■ ■ .

100. The Company is involved in no employment dispute.

Pensions

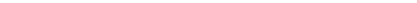

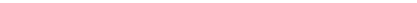
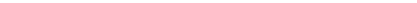

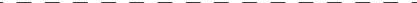


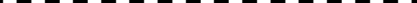
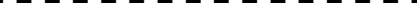


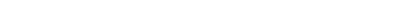

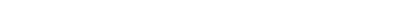
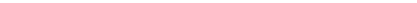

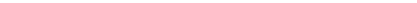


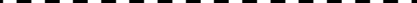
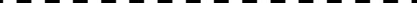

OR

102.1. copies of the trust deeds;

102.2. the latest report by the fund manager;

102.3. details of the current membership.

Insurance

104.                       

105. No policy contains any special term or restriction.

116.4. date to which the name is registered;

122.4. an email service provider.

125.2. what password he uses;

[illegible]

Schedule 4 - Short particulars of the properties

Part 1: Freehold properties

Part 3: Particulars of tenancies

Schedule 5 - Pension arrangements

[.....]

Explanatory notes:

Shares purchase agreement

General notes

1. What is the deal?

[illegible]

This document covers a deal whereby the buyer receives cash from a sale by shareholders. There is no reason why the sale ■■■■■■■■■■
■■■■■■■■■■.

2. Which shareholders will be bound?

[illegible]

3. Complete the agreement now

Paragraph Specific Notes:

You will find it easiest to edit the document then come back ■■■■■■■■■■
■■■■■■■■■.

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

"Net Profit" must be considered very carefully, as it is the base lines for calculation of a shortfall. The important point is to make the calculation the same for pre and post sale of shares, so that figures are truly comparable. Of course, you may not

If the same accountants conduct the audits, that should present no problem. If the buyer is likely to appoint new accountants, he would be wise to obtain a written statement from the sale shareholders' accountants setting out the method of calculation, so that he can instruct new accountants to use the same methodology. It may also be necessary further

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 sale shareholder has placed some of the shares in a family trust and he remains a trustee, or that some other person is a trustee. Either way, the buyer should insist that such person himself either gives full warranties or guarantees the same on behalf of his trustee(s).

3. Agreement for sale

This is the basic deal. Edit only to reflect the precise terms ■■■■■■■■■■
■■■■■.

4. Calculation of minimum Net Profit

5. Completion and delivery of documents

[illegible]

- 5.1. The company may retain shareholder records electronically and not through share certificates. If used at all, share certificates are documents of title, but if not available (lost or never issued), a .
- 5.2. The buyer will wish to avoid any claim for compensation by a former director. But the directors are not (necessarily) shareholders, so it is important that they are bound by the proposition that they have no claim. If they receive no "consideration" as directors, they will not be bound by a simple statement .
"
".
- 5.3. This provides for any key people to remain as employees. Their new contracts would be dated the same date as the agreement and would take .
- 5.4. The sale shareholders will already have satisfied themselves that the beneficiary of a guarantee (like a bank)

6. Warranties applicability and limitation

7. Warranties

■ ■ ■ ■ ■ ■ ■ ■ ■ ■ .

should -

■■■■■■■■■.

!)

8. Trustees Warranties

■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ .

9. Continuing Shareholder Warranties

The buyer may insist on some warranties by the continuing shareholders. They will be his co-shareholders once this agreement has been completed. It would not have been possible to put this deal together without them, so they should be prepared to co-operate. The warranties required by the buyer could be any or

.

10. 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 competition, unless he is also a shareholder. Such a restriction would ■■■■■■■■■■
■■■■■■■■ "■■■■■■■■■" ■■■■■■■■■■.

[illegible]

11. Sale Shareholders' protection

[illegible]

12. Guarantor

Delete if not required.

13. Miscellaneous matters

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, ■■■■■■■■■■■■■■■■■■■■■■ . ■■■■■■■■■■■■■■■■■■■■■■ ■■■■■■■■■■■■■■■■■■■■■■ ■■■■■■■■■■■■■■■■■■■■■■ . ■■■■■■■■■■■■■■■■■■■■■■ ■■■■■■■■■■■■■■■■■■■■■■

The Sale Shareholders' signatures

[illegible]

For Sale Shareholders, warranties may be greatly reduced in effect simply by changing sentence " " " " " .

Note: explanation of warranties

Warranties - the inside-out promises

[illegible]

The letter of disclosure is the other “half” of the process. In my letter of disclosure, I refer in turn to each of the warranties you have written in to the agreement. I then

If the seller is represented by a solicitor, you will have to decide whether this creates an uneven playing field. “ ” ” “ ” . “ ” . “ ” . !

Warranties: drafting notes continued

General

No damaging effect of this agreement

Company structure and operation

© Net Lawman Ltd

[illegible]

Exceptional regulations

[illegible]

Employees

Pensions

See our comment above on “Employees”.

Insurance

We have no comment

Intellectual Property

Information technology (“IT”)

[illegible]

End of notes