

Share purchase and subscription agreement

Sale Shareholder: [Name]

Continuing Shareholder 1: [Name]

Continuing Shareholder 2: [Name]

Buyer: [Buyer]

Guarantor [Guarantor:]

Date: [date]

Contents

1.	Definitions
2.	Interpretation
3.	Agreement for sale and subscription
4.	Deficiency in Minimum Net Profit
5.	Completion and delivery of documents
6.	Warranties applicability and limitation
7.	Base Warranties
8.	Trustees Warranties
9.	Continuing Shareholder Warranties
10.	Restrictive agreement
11.	Sale Shareholders' protection
12.	Guarantor
13.	Miscellaneous matters
Schedule 1	Shareholdings
Schedule 2	Details of the Company
Schedule 3	Warranties
	General
	Effect of this agreement
	Company structure and operation
	Accounts
	Cash flow
	Taxation
	Bank and other borrowing
	Assets
	Trading and contracts
	Business matters
	Litigation and regulation
	Properties - all
	Properties let by the Company
	Employment
	Pensions
	Insurance
	Intellectual Property
	Internet and Domain names
Schedule 4	Short particulars of the properties
Schedule 5	Pension arrangements

Dated: [date]

This agreement is made between:

[Company name] number [company number], whose registered office is []
“ ”

[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

A. [full name of Buyer] has agreed :
buy the Sale Shares at the Price [lend the Company the sum of £ 5,000,000.
The terms of this
].

subscribe for 4560 New Shares at the Price.

B. [full name 3] and [full name 4] have agreed to join in this
.

C. [full name 6] has agreed to guarantee the performance of this agreement by [1 2].

Terms of agreement

1. Definitions

So far as the context permits, the following words

•

•

“Accountants” means the firm of [name of Accountants]
[].

“Accounts” means the audited profit and loss account and balance sheet as at the Last Year End of

■

“Completion Date” means today or whatever future date in which

■

“Confidential Information” means all information about the parties to this agreement, including any information which may give a commercially competitive advantage to any other person. It does not include information that is reasonably necessary to disclose to a customer or other person

■

•

•

information about staff and their personal contact information, data or information relating to product plans, marketing strategies, finance, operations, customer relationships, customer profiles, sales estimates, business plans,

,

;

2

It includes information about the Intellectual Property and - .

•

“Continuing Shareholders” means shareholders who are not selling shares but

“Deficiency” means the difference between the Minimum Net Profit and the Net Profit as certified

■

“Disclosure Letter”	means the disclosure letter of the same date as this agreement from .
“Domain Names”	means the Internet domain names used by the Company in connection with its Website or in .
“First Year Accounts”	means the audited consolidated balance sheet of the Company at [first date after today to which annual accounts and balance sheet are].
“FRS”	means a financial reporting standard or statement of standard accounting practice .
“ICTA”	means the Income and Corporation Taxes Act 1988.
“Intellectual Property”	means intellectual property of every sort, whether or not registered or registrable in any country, including intellectual property of kinds coming into existence after today; and including, among others, patents, trade marks, unregistered marks, designs, copyrights, software, domain names, discoveries, know- , ,
“Last Year End”	means [date] (being the date to which).
“Minimum Net Profit”	means the sum of £ [amount]
“Net Profit”	means the consolidated profit (less losses) of the Company as shown : a) after deducting all expenses and depreciation; b) after adding added back all payments, bonuses, options and pensions and any

	<p>c) after adding back sums for transactions not at arm's</p> <p>d) without taking account of capital profits or losses;</p> <p>e) before deducting tax on that profit.</p>
"New Shares"	means new ordinary shares of £1 each in the Company,
"Price"	means £ [15.00] for each
"Properties"	means the land and buildings owned and / or used by the Company, brief details
"Purchase Price"	means the total sum paid for
"Sale Shareholder"	means a shareholder who sells his shares in the Company
"Continuing Shareholder"	means a shareholder who does not sell shares by this agreement, but who joins in
"Sale Shares"	[number] ordinary shares of £ [1] each being the shares
"Shares"	means all the shares in the Company,
"Shareholder"	means every person who is a shareholder immediately
"Subscription Price"	means £ 10 for each ordinary share
"Subscription Money"	means money paid by the Buyer to the Company

“Trustee” means a

“Trustee Warranties” means the limited warranties given by any Trustee.

“Warranties” means the warranties and undertakings of [9
10] [3].

“Websites” means the websites of all the Company and all data of the Company

2. Interpretation

In this agreement unless the context otherwise requires:

2.1 A reference to one gender shall include any or

2.2 A reference to a person includes a ,

2.3 In connection with any benefit given by ,

2.4 A reference to a person includes reference to that person’s successors, legal representatives,

2.5 A reference to a paragraph or schedule is to

2.6 The headings to the paragraphs and schedules ()

2.7 Any agreement by any party not to do or

2.8 [except where stated otherwise],

2.9 A reference to the knowledge, information, belief or awareness

2.10 The words “without limitation” shall

2.11 A reference to an act or

2.12 All money sums mentioned in this agreement are calculated net of

2.13 This agreement is made only in the English language. If there is any conflict in meaning between the English language version of this agreement

3. Agreement for sale and subscription

3.1 Subject to , :

3.1.1 buy the number of 3

1

;

3.1.2 subscribe for 50,000
;

3.1.3 lend to the Company the sum of £5

3.2 The Sale Shareholders each now agree to sell the number
3 1

3.3 The Price is

3.4 Each of the Sale Shareholders now waives any pre-

3.5 The Continuing Shareholders each agree to

3.6 The Subscription Money shall be paid as to £ [300 , 000]
£ [200 , 000]
[].

3.7 The Company acknowledges receipt of the sum of £ [300 , 000] [
].

3.8 All the Shareholders certify that the necessary arrangements have
been made for the

3.9 The Guarantor agrees

3.10 Forthwith after completion, each Sale

3.11 So far as any Sale Shareholder has any power or control of any aspect
,

4. Deficiency in Minimum Net Profit

4.1 After completion of this agreement the Accountants shall be instructed jointly by the Sale Shareholders []

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 First Year Accounts show a Deficiency,

[3]

4.6 Any reduction in the Purchase Price

4.7 Any reduction in the Subscription

[,].

4.8 If the Subscription Price is reduced on account of a Deficiency,

4.9 If that happens, the Sale Shareholders shall repay the Deficiency pro rata with the number of Shares sold

[6] %

5. Completion and delivery of documents

5.1 Completion of this transaction shall take place immediately upon the signing of _____ ,

5.2 The Sale Shareholders shall deliver to the Buyer:

5.2.1 signed share transfer forms _____ ;

5.2.2 share certificates for _____ ;

5.2.3 letters of resignation as directors by [name directors] with a written acknowledgment from _____ ,

5.2.4 [the resignation _____];

5.2.5 written confirmation by each _____ ;

5.2.6 a list of all user names and _____ .

(Only if control is to be changed)

5.2.7 the statutory books _____ - _____ ;

5.2.8 the certificate of incorporation of the Company;

5.2.9 the title _____ ;

5.2.10 the appropriate forms to be _____ ;

5.2.11 [Employment contracts / service agreements], signed in escrow,
[1] [2]
[3]
;

5.2.12 The minutes of meetings

,
[name] []
;
transfer forms
;
the resignations of [name] [] []
.

5.3 Following Completion, the Buyer shall obtain the release of

5.4 The Sale Shareholders , ,
:

5.4.1 immediately repay to the Company any

;

5.4.2 immediately and constantly use their best endeavours to
transfer all matters relating to

6. Warranties applicability and limitation

6.1 None of the

6.2 Each of the Sale Shareholders undertakes, in relation to any Warranty

6.3 Each of the Warranties is without prejudice to any other Warranty

6.4 The rights and remedies of the Buyer in

6.5 Before the Buyer is entitled to a repayment

3 , :

6.5.1 provide full particulars

;

6.5.2 a barrister's opinion

6.6 [Each Sale Shareholder / Every party to this agreement]

6.7 The Buyer may make any agreement with one or more

,

6.8 The Buyer acknowledges that it has not

6.9 The Buyer undertakes to use his best endeavours to [operate / manage
/ /]

6.10 If and only if any warranty cannot be generally referable to

,

7. Base Warranties

The Sale Shareholders ()

:

- 7.1 (If any Sale Shareholder is a) [;]
- 7.2 there is no ;
- 7.3 the Sale Shareholders are entitled to transfer the ;
- 7.4 the Sale Shareholders are entitled to transfer the Sale ;
- 7.5 after completion of this , .
- 7.6 except as disclosed in the Disclosure Letter, all , , , ;
- 7.7 the contents of the Disclosure Letter are true , ;
- 7.8 The warranties in .

8. Trustees Warranties

Each of the Trustees warrants:

- 8.1 that he has legal title to ;
- 8.2 that he has both ;
- 8.3 that he has no knowledge of any circumstance unknown , , .

9. Continuing Shareholder Warranties

Each Continuing Shareholder

:

[list numbers]

is in all respects, , , , .

10. Restrictive agreement

10.1 So that the Buyer has the full benefit

,

:

10.1.1 for [3] years after Completion, either alone or jointly with or as

,

.

10.1.2 at any time after Completion disclose to any person,

,

,

;

10.1.3 for [3] years after Completion either on his own account or for
any other person directly ,

[3]

,

,

,

;

10.2 Each of the Sale Shareholders now agrees that this paragraph shall be
treated as ,

,

.

10.3 Following completion of this Agreement, none of the Sale Shareholders
will register nor

.

11. Sale Shareholders' protection

11.1 Any claim, against any Shareholder, in relation to ,
 ,

11.2 No claim shall be valid unless made in writing, before the expiry of []
 , ,

11.3 If proceedings in respect of a Warranty claim have not been issued and
served [] ,

11.4 No single Shareholder can be liable for any Warranty claim unless his
 ,
 , £ [5 , 000].

11.5 In the calculation of any Warranty claim or other payment
 ,

11.6 In any event, the maximum
 £ [20 , 000]

12. Guarantor

The Guarantor agrees:

12.1 that his obligations are made to the Buyer.

12.2 that his obligations will continue
 ;

12.3 to indemnify the Buyer against all losses incurred as a result of any
failure by any Sale Shareholder to
 .

13. Miscellaneous matters

13.1 No amendment or variation to this agreement

13.2 The parties acknowledge and agree that this

13.3 Unless otherwise stated in this agreement, all expenses in connection

13.4 So far as any time,

13.5 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

13.6 Any obligation in this agreement

13.7 No public announcement shall be made

13.8 If, within three years of the Completion Date, any of the New Shares or Sale Shares shall be

OR

13.9 This agreement shall be binding upon each party's successors, assigns and ()

13.10 No failure or delay by any party to exercise any right,

13.11 The parties agree that

13.12 Any communication to be served on either of the parties by

It shall be deemed to have been delivered:

if delivered :

;

if sent by post : 72

;

If sent by : 24

;

If sent by e-mail to the address from which the receiving party has last sent e-mail: 24

-

. [

-

.

,

].

13.13 In the event of a dispute between the parties to this agreement,

13.14 This agreement does not give any right

(

)

1999

13.15 In the event of any conflict between any term of this agreement and the

13.16 This agreement may be executed in multiple counterparts

13.17 The validity, construction and performance of this agreement shall be governed by the laws [/ /].
[/ /]

Signed by [name] a director of ,

Signed by [personal name], a Sale Shareholder

Witness to signature:

Name:

Address:

Signed by [personal name], a Sale Shareholder

Witness to signature:

Name:

Address:

Signed by [personal name], a Continuing Shareholder

Witness to signature:

Name:

Address:

Signed by [personal name], a Continuing Shareholder

Witness to signature:

Name:

Address:

Signed by [personal name], the Guarantor

Witness to signature:

Name:

Address:

Signed by [personal name], the Buyer

Witness to signature:

Name:

Address:

Schedule 1 - Shareholdings

[Here list the Sale

, ,

,

Shareholder name and address	Number of Shares owned	Number of Sale Shares
Peter Maurice Woodward Acacia Avenue, Warrington, WA14 6TH	8500	500
Susan Kate Peters The Rookery, Little Blempton, WA22 4YG	12000	8000
Ali Saeed Penny Lane, Wilmslow, M42 8KJ etc, etc]	12000	12000

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]

Schedule 3 - The Warranties

Sale Shareholder beware - Net Lawman have marked in red those warranties which, in our experience, best protect a Buyer and which correspondingly may most damage a Sale Shareholder. The Sale Shareholder should consider qualifying or deleting them. A Buyer should sleep well if they remain in place!

Change red to black and delete this notice before using the document!

General

1.

.

2.

,

,

,

,

.

3.

,

.

4.

,

,

,

.

5.

,

,

.

6.

,

,

.

Effect of this agreement

7.

,

:

7.1. any arrangement may be terminated or changed;

7.2.

;

7.3.

;

7.4.

;

7.5.

.

8.

:

8.1.

,

;

8.2.

;

8.3.

.

Company structure and operation

9.

,

,

(

)

.

5 %

(

).

10.

2

.

11.

,

.

12.

13.

14.

15.

16. The Company has in its possession:

16.1. all documents of title relating to its assets;

16.2.

16.3.

Accounts

17.

18.

19. The Accounts:

19.1.

19.2.

19.3.

19.4.

;

20.

:

its purchase price;

its production cost;

its net realisable value.

21.

,

-

-

-

,

.

22.

,

.

23. Since the Last Year End:

23.1.

;

23.2.

,

;

23.3.

.

Cash flow

24.

,

.

25.

.

26.

.

27.

.

28.

Taxation

29. Since the Last Year End:

29.1.

29.2.

29.2.1.

29.2.2. ()

30.

31.

32.

33.

34.

2001 , . 177 ()
. 183 ()

35.

2001 , . 85 (-
).

36. . 770 (
)

37. ,

38.

39.

40.

Bank and other borrowing

41. ,

42. , ,

43. , ,

44.

45.

Assets

46.

47.

48.

49.

50.

51.

51.1. are in its possession and control;

51.2. ;

51.3. ;

51.4. ;

51.5. are required to operate the business.

52.

Trading and contracts

53.

54. - - , / ,

55.

56.

57.

58. Since the Last Year End:

58.1.

;

58.2.

;

58.3.

;

58.4.

59.

60.

61.

62.

63.

64. No subsisting contract:

64.1. is outside the normal course of business;

64.2.

;

64.3.

;

64.4.

;

64.5.

.

64.6.

[10] %

.

65.

,

:

65.1.

;

65.2. no payments due to the Company are overdue;

65.3. all contracts comply with the relevant law;

65.4.

.

66.

,

,

.

67.

,

.

68.

.

69. As to the Company:

69.1.

25

;

69.2.

25

.

70.

Business matters

71.

72.

73.

74.

75.

76.

Litigation and regulation

77.

78.

79.

80.

81.

82.

.

Properties - all

83.

,

.

84.

4

.

85.

4

.

86.

.

87.

.

88.

.

89.

4

,

,

,

,

.

90.

,

.

91.

.

92.

.

93.

.

94.

.

95.

96.

:

96.1.

;

96.2.

.

96.3. there are no rent reviews in progress.

97.

-

98.

,

-

.

99.

.

100.

,

.

101.

.

102.

.

103.

.

104.

:

104.1. water;

104.2. drainage;

104.3. electricity;

104.4. gas;

104.5. telecommunications.

105.

Properties let by the Company

106.

4 .

107.

108.

:

108.1. the name and address of the tenant;

108.2. the address of the Property;

108.3.

;

108.4. the rent;

108.5.

;

108.6.

,

,

;

108.7.

;

108.8.

,

,

;

108.9.

108.10. any unusual provisions.

109.

110.

Employment

111.

112.

113.

114.

115.

116.

117. The Company is involved in no employment dispute.

Pensions

118.

3 (“

”)

“

. 612

119.

:

119.1. copies of the trust deeds;

119.2. the latest actuarial report;

119.3. ,

120.

(

)

121.

. 592

Insurance

122.

.

123.

.

124.

,

,

,

,

,

,

(

),

125.

,

-

126.

127.

Intellectual Property

128.

129.

130.

131.

132.

133.

134.

135.

Internet and Domain names

136.

136.1. the name;

136.2. name and contact information of registrant;

136.3. tag holder name, land address and Website;

136.4. date to which the name is registered;

137.

138.

139.

140. ,

;

141. [].

142.

.

143.

,

:

143.1.

;

143.2. technical, customer and client support services;

143.3.

;

143.4. an email service provider.

144.

.

12

.

145. ,

.

Schedule 4 - Short particulars of the properties

Part 1: Freehold properties

2 :

Part 3: Particulars of tenancies

Schedule 5 - Pension arrangements

[

]

Explanatory Notes:

Share purchase and subscription agreement

General notes

1. What is the deal?

We have provided for a deal involving both the issue of new shares and the purchase and sale of existing shares. The structure of your deal will be agreed only after extensive consideration of the effects in tax and control of the company. The permutations are endless, so we have not tried to give you examples. Where we have inserted a figure, we have done so only to tell

This document covers a deal whereby the buyer receives cash from a sale by shareholders, OR subscribes to new shares, OR both. "Both" is most commonly used to give the sale shareholders some capital out of a deal where most money comes into the company as a subscription

So far as different documents are inter-reliant, all documents should be exchanged as a pack. Do not complete one part of the agreement and leave some other part outstanding.

2. Tough or tender?

This agreement has been drawn to be tough on your counter party. We have assumed he may be far away and that you may not be able to control his day to day activities. It follows that if your counter party is "friendly" he will certainly wish to see many of these points deleted.

How you want to use a document depends not only on your business philosophy but also on your commercial strength. You cannot bully a rich counter party into accepting the terms you want, nor

We give thought to the question of who is our customer and we draw documents to support that person. But we sometimes make provision for

matters which your counter party will insist on. We are trying to make your life easy, not saddle you with arguments when you first start to negotiate. Other documents,

There is a great psychological advantage in “presenting” the document for a deal. Your counter party may want additions, deletions and conditions, but he is still working on your document. It is rather like playing a new board game where the referee insists on the rules you have the only rule book. It is very rare indeed for a counter party to say “Sorry, I do not

We also consider whether your counter party is here in your jurisdiction or in some other. Our documents are based on the law where you are. However, there are surprisingly few occasions where fundamental issue arise from an international element.

But remember, the best way to avoid cash problems is to do a deal where you receive

3. What you should delete

Because we give you such a large menu of protection, you may have difficulty

A good rule to follow is, for commercial provisions: “Do not delete if you do not understand the reason for inclusion”, and for legal provisions: “Do not delete unless you understand the legal meaning and the reason for inclusion”. In summary: “If in doubt,

4. More information

If you are not a professional lawyer or accountant and you have not yet read the Net Lawman articles on selling a limited company, we strongly recommend

5. Parties

If you have a large number of sellers, you can place their names and addresses

This agreement has been drawn assuming two or more sale shareholders sell a majority or minority shareholding to one individual or corporate buyer. Little change is required to the substance to replace the corporate buyer by a

6. Which shareholders will be bound?

Unlike an agreement to buy all the shares in a company, where the Buyer will want fullest protection, in the circumstances of an acquisition of less than all the shares, the buyer may or may not wish to tie down the continuing shareholders who are not selling, by warranties. Even if he does, he may decide to ask for less from people who will be future colleagues than from those who are leaving for ever. The agreement now provides excellent

7. More documents?

As you bought this document, we reminded you that you may also need

- loan agreement for shares buyer if he is also ;
- shareholders agreement;
- new directors' service contracts;
- company admin documents to record events and update ;
- example disclosure letter, based on these warranties;

You can buy all of these on the .

8. Complete the agreement now

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

Paragraph specific notes

Notes following the numbered paragraphs

1. Definitions

You will find it easiest to edit the

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

“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

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

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 shares in a family trust and he remains a trustee, or that some other person

(

).

2. Interpretation

A number of provisions, each of which has application at one of more points later

3. Agreement for sale

This is the basic deal. Edit only

3.1. The Law of Property (Miscellaneous Provisions) Act 1994 provides

“
”
:
the Sale Shareholders have the
;
they will at their own cost do all that they reasonably
;
they are selling free of all charges which they do

The issue of new shares will require evidence of proper authority in the form of minutes of an EGM of the Company, in respect of which proper notice has been given, and in which the proposed issue is put to those present as a special resolution, which is passed

75 %
100 %

If the Buyer (sensibly) requires a shareholders' agreement, the Company may be a party to

4. Deficiency in Minimum Net Profit

The template document provides for the possibility of a “claw back” from the Sale Shareholders of some part of the purchase Price in the event of the Company failing to produce expected profits. Clearly, this provision is inappropriate if the Buyer is buying only a small

This paragraph depends heavily on precise definitions of its terms. When you have edited it to suit your circumstances, you should check the definitions very

5. Completion and delivery of documents

We have included here only the documents whose form and content are well known in advance.

5.1. Share certificates are documents of title, but if not available (lost or never),

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

“ ”

“ ”

5.3. This provides for any key people to remain as employees. Their new contracts would be dated

5.4. Of course, the sale shareholders will already have satisfied themselves that the ()

6. Warranties applicability and limitation

If you have not previously used warranties, we urge you to read the complete explanation in plain English at :// . /

6.1. Prevents a sale shareholder from saying later “Well, I was told this by George, who was acting as a director of

”

6.2. In other words, the buyer can do a deal or

7. Base Warranties

“Joint and several liability” means that all the sale shareholders 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 ()

A company may sign up to a deal, by the hand of its (),

Unlike the warranties in Schedule 3, these are

.(!)

8. Trustees Warranties

The trustees warrant only that they are

9. Continuing Shareholder Warranties

The buyer may insist on some warranties by the continuing shareholders. They will be his co-shareholders

10. Restrictive agreement

These provisions are required to protect the buyer and are reasonable.

This paragraph may not be enforceable

11. Sale Shareholders' protection

This paragraph is most important to the sale shareholders as it caps their liability. How

12. Guarantor

Delete if not required.

13. Miscellaneous matters

A number of special points. We have identified each of these as

The Sale Shareholders' signatures

If no more than say, ten sale shareholders, then all should sign. There are no rules on this. If more than say ,

No further notes on numbered paragraphs

Notes on Schedule 3- Warranties

Warranties: a buyer has no particular "right"

3 .

These warranties have been draw to provide as large a "menu" as possible to a prospective buyer. Some are very broadly drawn and others very specifically. For maximum protection of a ,

Additional warranties may ,

For sale shareholders, warranties may be

"

Warranties relating to accounts and tax are usually passed to the company accountants with an instruction such as: "

"

- 9 Competing business: this warranty has been marked in red because all the sale shareholders are liable even if only one of their number has such a competing interest. That one may be a very small sale shareholder to whom the agreement is less important than his plans to compete, leaving all other sale shareholders to bear the cost of any claim by the buyer.

- 10 A shadow director is someone who has the power to affect the direction of a company even though he is not technically a director. An example is a lender under terms whereby the borrower must act in a particular way in given circumstances. A shadow director may be liable to third parties for loss caused by his act or omission in just the same way as a formally appointed director.
- 15 A loan (or some other borrowing) by a company are registrable at Companies House and may be voidable if unregistered. However, it is the responsibility of the borrower to register, so registration is sometimes overlooked! This warranty reminds the Sale Shareholders that loans to third party companies (not to the Company) must be registered to be protected.
- 19.2 .
- and The law changes too.
- 19.3 The sale shareholders should qualify this warranty before attempting to list exclusions in the disclosure letter.
- 64 Contracts may be oral or in writing or inferred from a course of conduct. Most sale shareholders will fail to satisfy this warranty precisely. Nonetheless, a buyer, with little knowledge of day to day matters in the company, may reasonably ask for this warranty.
- 69 The percentage figure will obviously vary from one company to another. The buyer will know what he requires in this warranty.
- 70 This is another warranty where the body of the sale shareholders may be ignorant of some “private deal” struck by just one of the sale shareholders, yet are bound to compensate the buyer for any loss to the company.

End of notes