

SHAREHOLDER AGREEMENTS

the 30 minute guide

How to bulletproof your company with
an effective shareholder agreement



DAVID HUGHES

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BY
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ABOUT THE AUTHOR

I am a company lawyer. But I try hard not to be a typical one. Or at least, to be a modern one. I tweet, write blogs, run networking events and write books (like this one) to share the legal knowledge I have picked up over the years.

I qualified and worked as a corporate solicitor in commercial law firms around Hertfordshire. I have worked with many different company owners over the years: from the very smallest family run sandwich shop to the shareholders of the London Aquarium in their sale to the Merlin Entertainments Group.

Some years ago I decided to leave the big commercial law firm I was working for and set up a niche company law consultancy called Canopy Law. I now spend my days using my expertise to help company owners in two ways:

Firstly, by advising company owners on how to manage the business relationship between themselves via a Shareholder Agreement. That is the subject of this book.

Secondly, by helping company owners through the process of

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buying or selling a business.

I decided when I founded Canopy Law that the legal process needed to be kept really simple and sensible – for example, I don't charge by the hour. Everything I do is on a fixed fee. My guiding principle on pricing is that, "it doesn't matter how long it takes to cook the meal, it is the final taste that defines the quality".

I hope you find this guide useful. I always love to hear your feedback. Email me at david@canopylaw.co.uk.

PREFACE

A good Shareholder Agreement is like a fence at the top of a cliff, which stops company owners from falling over the edge and into the hands of lawyers who wait in the ambulance parked beside the rocks below.

This book explains in easy to understand language what a Shareholder Agreement does, the common clauses it contains and when it is best to put one in place.

I have found that most client meetings I attend to discuss Shareholder Agreements follow a familiar script. Company owners ask similar questions, have common worries, want to achieve matching outcomes and, in response, I give them the same answers.

The result is 'Shareholder Agreements: the 30 minute guide', which explains the typical issues that arise when company owners want to put in place a Shareholder Agreement and how to overcome them.

Part One explains what a Shareholder Agreement is, who needs one and when it is best to think about getting one. Part Two

Shareholder Agreements

explores the most common clauses that 99% of company owners ask for in their Shareholder Agreement. Finally, Part Three highlights some thorny legal issues to watch out for when finalising your Shareholder Agreement.

My aim is to demystify Shareholder Agreements for business advisers and accountants who often become the first contact for company owners with a question about making a Shareholder Agreement. This book will also be helpful for company owners who feel comfortable building their own Shareholder Agreement from a template they have purchased.

By the time you have read this book you will understand how a Shareholder Agreement will protect company owners against unexpected life events, why a Shareholder Agreement is sometimes called a 'Business Will' and what to ask your lawyer when you are ready to put in place your own Shareholder Agreement.

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