

## Selling your business – tips and traps

1. **What is the best corporate structure for a future sale of your business?**
  - When structuring your business, plan for the possibility of a future exit
  - If you operate through a unit trust, discretionary trust or as a sole trader, your future sale structuring options are more limited
2. **Get your backyard in order**
  - Corporate register, registrations, contracts etc
3. **Appoint your advisers early**
  - Lawyers and accountants
  - Advisers need to be experienced in M&A
4. **Work out the best sale structure**
  - Share sale vs asset sale
5. **Market your business**
6. **Allow for due diligence by the buyer**
  - Be ready for the buyer to make enquiries
  - Important to have a well organised and complete set of due diligence documents
7. **Try to get drafting control for transaction documents**
  - Sale and purchase agreement, employment contracts, new lease/assignment of lease, shareholders agreement, etc
  - Be commercial/reasonable
8. **Try to avoid earn-outs as a seller**
  - Ask yourself: would you still enter into the deal if you did not receive the earn-out amount?
9. **Be wary of warranties in sale and purchase agreement**
10. **Minimise conditions precedent**
11. **Don't lose focus on your business during the sale process**
12. **Deal isn't done until settlement occurs**
13. **Don't forget steps after the champagne has popped**

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