

Restructures & Employee Buyouts: Legal Tips to Support Your clients

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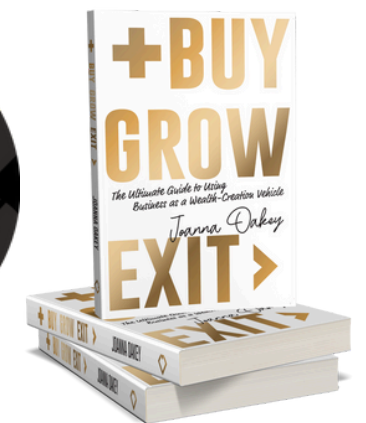




YOUR SPEAKER:

Joanna Oakey

Managing Partner, Aspect Legal



Commercial Lawyer & Founder
Multi-Award Winning Legal Practice, Aspect Legal
Podcast Host - The Deal Room Podcast
Best-selling Author - Buy Grow Exit

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(some of us)



WHO ARE WE?

Multi-Award Winning Legal Practice, Aspect Legal
National Team - Experience Australia Wide
Thought Leaders - We think outside the box!



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Select an impact and we'll make it happen



Provide 1 Day Of Nutritious Meal Program For A Child

♥ Food 📍 Sri Lanka

 **13** IMPACTS SO FAR

9% of people supported this impact

CHOOSE THIS IMPACT



Give 7 Days Of Access To Life-Saving Clean Water

♥ Health 📍 Malawi

 **378** IMPACTS SO FAR

38% of people supported this impact

CHOOSE THIS IMPACT



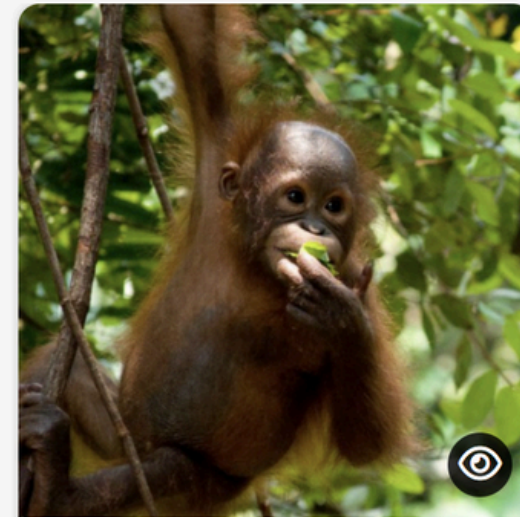
Provide 5 Days Of Access To School Books To Orphaned Children

♥ Education 📍 Thailand

 **201** IMPACTS SO FAR

29% of people supported this impact

CHOOSE THIS IMPACT



Protect 2 Square Meters Of Forests For Orangutans

♥ Environment 📍 Indonesia

 **68** IMPACTS SO FAR

24% of people supported this impact

CHOOSE THIS IMPACT

Your impact is made possible by [Aspect Legal Pty Ltd](#) in partnership with [B1G1](#)

 **B1G1** BUSINESS FOR GOOD



SCAN TO CHOOSE



Today's discussion

Restructures & Employee Buyouts

- **Why does this matter now?**
- **Part 1 Restructuring**
- **Part 2 Employee Buy-Ins**
- **Q&A**

 **Let's dive in!**

The Problem...

DELAYS TO RESTRUCTURE

- **What could have been super simple**

BECOMES

- **Very complex**
 - **Warranty implication**
 - **Impacts on completion timing**
 - **Stressful (for you and the client)**



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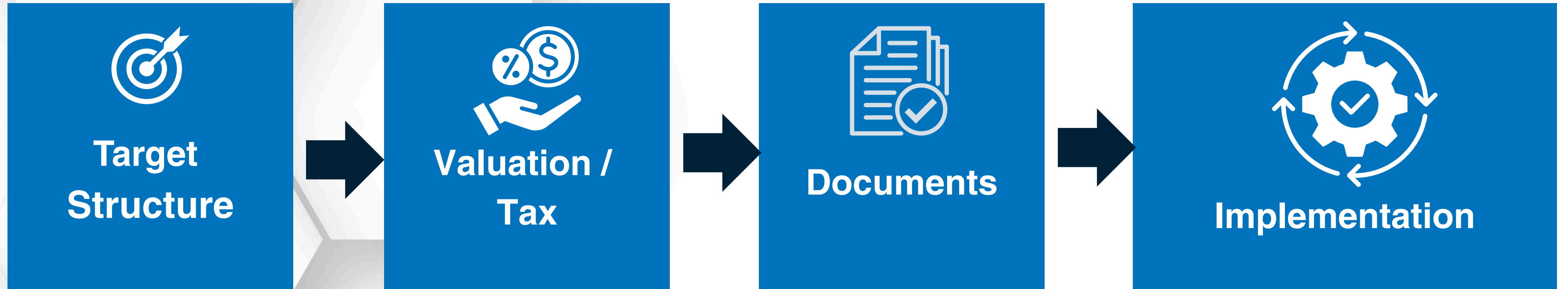
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How to Restructure (mechanics)





What are the documents used?

Document	When It's Used	What It Does	Notes
Share Sale or Transfer Agreement	When shares in an entity are being moved between owners or to a holding company.	Transfers ownership, sets price, warranties, timing.	Must match valuation for CGT and duty purposes.
Asset Sale Agreement	When assets are being transferred from one entity to another (common in business restructures).	Transfers goodwill, contracts, equipment, IP, stock, etc.	Beware GST and stamp duty triggers.
Assignment of Lease	Where the trading premises is held by one entity but needs to move to another.	Transfers lease obligations.	Requires landlord consent – can delay deals.
Novation or Assignment of Key Contracts	For customer/supplier contracts that name the old entity.	Ensures contracts legally shift to new entity.	Often overlooked – buyer diligence will pick this up later.
IP Transfer Agreement	For trademarks, domain names, or registered IP moved into a holding entity.	Protects ownership and licensing clarity.	Critical in businesses with brand or proprietary tech.
Loan / Debt Assignment Agreements	When director loans or intercompany balances are being reset.	Avoids Division 7A breaches and aligns books.	Must reconcile through accountant's ledgers.

What are the documents used?

Document	Purpose	Example Scenarios
New or Amended Shareholders' Agreement	Sets the rules for ownership, profit sharing, decision-making.	Particularly important if adding a holding company or new owners.
Trust Deed (or Variation Deed)	Updates trustee or beneficiary details, clarifies powers.	Common where business moves from family trust to company structure.
Company Constitution or Replaceable Rules	Needed if control or share classes change.	E.g., creating different share classes for tax or voting rights.
Board / Member Resolutions & Minutes	Formally approve transfers, restructures, and new appointments.	Often required by banks, auditors, and ATO.
PPSR Registrations	Record security interests (if assets or loans are moved).	Protects legal rights and ensures compliance.

**Attendee
BONUS!**



What do we need to ensure it happens?

- **Clear restructuring plan**
- **Valuation & tax position confirmed**
- **Legal due diligence** – review of existing entities, trust deeds, ownership, and contract terms.
- **All required documents drafted and executed**
- **Third-party consents in hand** – banks, landlords, regulators, franchisors, or joint venture partners.
- **Coordinated sign-off** – accountant, lawyer, and client aligned before implementation.



What are the things that can go wrong?

How to ensure the process is smooth?

- **Start early**
(at least 12–24 months before exit)
- **You + lawyer working together**
(not in silos)
- **Make it easy for your clients**
(have a standard process)

(we can help with those)
- Use **checklists** and **templates** so things don't get forgotten!
- Educate clients — explain why timing matters, and ensure they understand what they need to do (checklists are gold here)

What's the Opportunity Here?

FOR ACCOUNTANTS

“You don’t just keep the books — you help design the endgame and how it pans out.”

- **Demonstrate you’re adding value**
- **Additional revenue / Income Opportunity**
- **It’s good for your clients**

WE CAN HELP!

Restructuring Package!

- Fixed Fee
- Two-stage consultation
- Planning + checklist + agreements
- Legal Health Check to review existing entity setup for sale readiness



Restructuring Package

Employee Buy-Ins



When is this relevant to clients??

- **Annual review**
- **Succession planning (approaching this age)**
- **Burnout - clients have key team members or stress is apparent.**

When else?

Key things that need to be decided

Business owners will need someone to work through these decisions with them!

- **What is being paid?** (Valuation)
- **Is it a full or partial sale** (share sale?)
- **The way payments are to be made**
 - Is it a staged sale? (part of shares now, rest over time)
 - Will it be paid over time (vendor financed)?

What are the documents?

*** It has to be a share sale if it is a part sale.

- **Share Sale Agreement**
- **Issue of Shares (Subscription Agreement)**
- **Shareholder Agreement - both holding shares together**
 - Is there any Put or Call Options?

What needs to happen before?

- **Restructuring?** Tax consequences if too close to sale.
- **Existing Structure** often won't work for employee buy-in situation
- **Tax Consequences** need to be considered, timing consideration

Identify AS EARLY as possible.

Tips & Common Mistakes

Business Owner / Seller

- Setting price without a formal valuation → future disputes.
- Relying on verbal promises (“handshake deal”).
- No clear repayment terms for vendor finance.
- Failing to update Shareholders’ Agreement & governance rights.
- Overlooking CGT or rollover eligibility until too late.
- Not communicating the transition plan → uncertainty for the team.

Employee / Buyer

- Underestimating funding needs or tax liability.
- Assuming ownership equals control without board authority.
- No exit provisions if the relationship changes.
- Mixing employment and ownership roles (blurring expectations).
- Lack of independent advice → unbalanced documents.
- Ignoring personal liability for guarantees or loans.

The Role of Lawyers

Early Stage – Before the Deal

- **Non-Disclosure Agreement (NDA)** - Protects discussions and shared data
- **Heads of Agreement / Term Sheet** - Sets key commercial terms (price, timing, structure).
- **Pre-restructure resolutions** – To clean up entities or move assets in preparation.

Mid Stage – During Negotiation

- **Valuation confirmation** – formal or agreed basis for share price.
- **Share Sale or Subscription Agreement** – outlines terms of sale or issue.
- **Vendor Finance Agreement (if applicable)** – repayment schedule and security.

Completion & Post-Completion

- **Shareholders' Agreement** - Defines governance, roles, exits, voting, and profit sharing.
- **Director/Employment variations** - Updates to employment terms or board appointments.
- **Ancillary documents** - Share transfers, ASIC updates, consents, trust resolutions.

WE CAN HELP!

Employee Buy-in Package

- Fixed Fee
- Two-stage consult
- Tailored Questionnaire
- Ready to use tailored draft Agreements including Shareholder Agreement + Share Sale Agreement
- Legal Health Check to review existing entity setup for sale readiness



A clear, guided process to bring employees in as shareholders—done right, without the stress.

WE CAN HELP!

- + Legal Health Checks
- + Restructuring Package
- + Retainer (ongoing support)
- + Employee Buy in Package
- + Book! Buy Grow Exit (see next slide)!

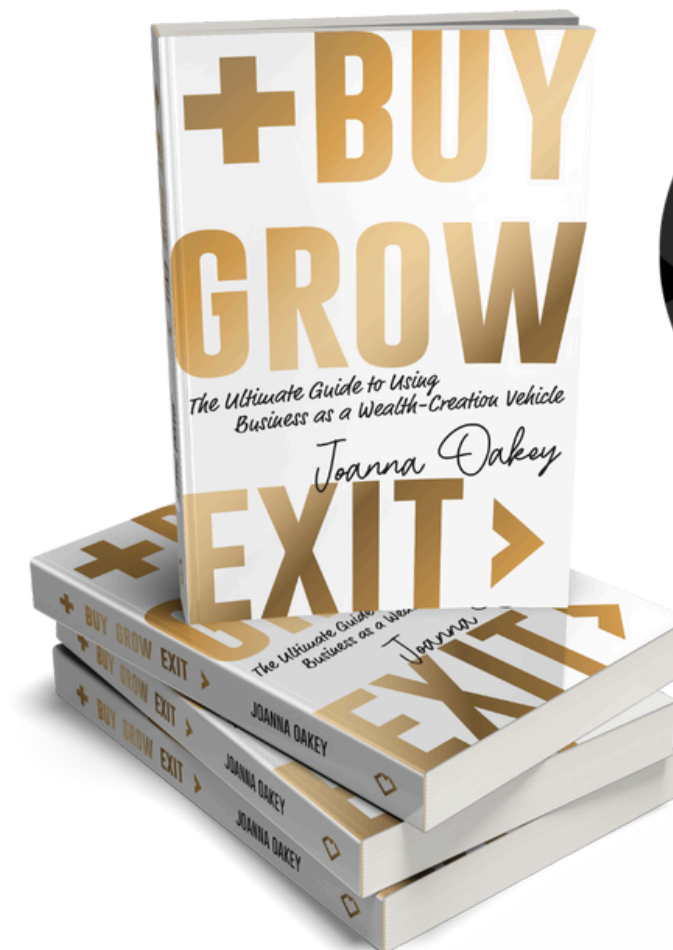




BOOK OFFER



USE CODE: **ACOCT25**



WE CAN HELP!



If you have a client already thinking of restructuring or selling to an employee - loop them in now.

enquiries@aspectlegal.com.au

Free Consultation

Award-winning Commercial Lawyers

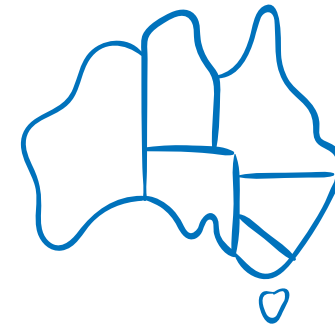


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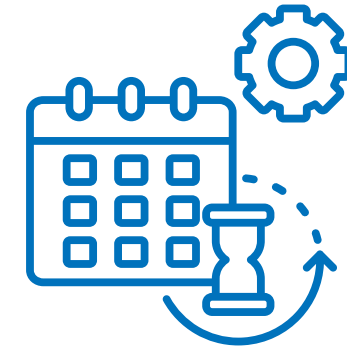
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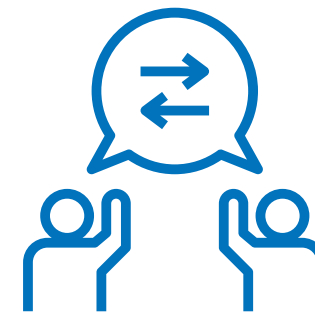
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Expertise - Understand process, and specialist issues across states.



We keep matters moving - Project management avoids time delays that can kill momentum.



We communicate (well). Every matter has a project manager to keep you and your client in the loop - from introduction to completion of the matter.

