

Directive (EU) 2017/1132 of the European Parliament and  
of the Council of 14 June 2017 relating to certain aspects  
of company law (codification) (Text with EEA relevance)

TITLE II

[<sup>F1</sup>CONVERSIONS, MERGERS AND DIVISIONS  
OF LIMITED LIABILITY COMPANIES]

CHAPTER III

*Divisions of public limited liability companies*

*Section 2*

*Division by acquisition*

*Article 137*

**Draft terms of division**

- 1 The administrative or management bodies of the companies involved in a division shall draw up draft terms of division in writing.
- 2 Draft terms of division shall specify at least:
  - a the type, name and registered office of each of the companies involved in the division;
  - b the share exchange ratio and the amount of any cash payment;
  - c the terms relating to the allotment of shares in the recipient companies;
  - d the date from which the holding of such shares entitles the holders to participate in profits and any special conditions affecting that entitlement;
  - e the date from which the transactions of the company being divided shall be treated for accounting purposes as being those of one or other of the recipient companies;
  - f the rights conferred by the recipient companies on the holders of shares to which special rights are attached and the holders of securities other than shares, or the measures proposed concerning them;
  - g any special advantage granted to the experts referred to in Article 142(1) and members of the administrative, management, supervisory or controlling bodies of the companies involved in the division;
  - h the precise description and allocation of the assets and liabilities to be transferred to each of the recipient companies;
  - i the allocation to the shareholders of the company being divided of shares in the recipient companies and the criterion upon which such allocation is based.
- 3 Where an asset is not allocated by the draft terms of division and where the interpretation of those terms does not make a decision on its allocation possible, the asset or the

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consideration therefor shall be allocated to all the recipient companies in proportion to the share of the net assets allocated to each of those companies under the draft terms of division.

Where a liability is not allocated by the draft terms of division and where the interpretation of those terms does not make a decision on its allocation possible, each of the recipient companies shall be jointly and severally liable for it. Member States may provide that such joint and several liability be limited to the net assets allocated to each company.