Where a company has a controlling or a small group of controlling shareholders, the non-controlling shareholders are at risk that the controllers will extract private benefits of control at the expense of the non-controllers. UK company law contains a wide range of techniques for addressing this issue, some more effective than others. This chapter begins by examining the various ways in which well-advised investors can contract for protection before they enter the company and how the law protects the agreements reached. The second part discusses rights to exit the company upon the occurrence of certain events. The third part discusses disclosure rights, designed to bring self-dealing transactions into the open. The fourth focuses on ways of structuring the board or shareholder body when the decision before it carries a high risk of self-dealing. The final part considers cases where the courts review the substantive fairness of the controllers’ conduct, notably, but not only, the provisions on ‘unfair prejudice.'
5. Majority and Minority Shareholders

Access to the complete content on Law Trove requires a subscription or purchase. Public users are able to search the site and view the abstracts and keywords for each book and chapter without a subscription.

Please subscribe or login to access full text content.

If you have purchased a print title that contains an access code, please see the information provided with the code or instructions printed within the title for information about how to register your code.

For questions on access or troubleshooting, please check our FAQs, and if you can't find the answer there, please contact us.