

## Obligations and authorisations

### LEAD-IN

Look at these public signs. Where might you see them? What do they mean? Tell your partner use full sentences.

DO NOT ENTER

PETS ALLOWED HERE

WARNING! WEAR PROTECTIVE GEAR AT ALL TIMES!

1) Work in pairs. Look at the bold expressions below. Are they the same in meaning (S) or different (D)? If different, how so?

- a) None of the Borrowers **may/are entitled to** make any acquisition of or investment into any equity participation in any entity otherwise than with the prior written consent of the Majority Lenders.
- b) Each Borrower **must/will endeavour to** exercise its rights and comply with its obligations under each Transaction Document in a manner consistent with each Obligor's obligations under the Finance Documents and in a proper and timely manner where a failure to do so has or is reasonably likely to have a Material Adverse Effect.
- c) The Borrowers **must/undertake to** promptly notify the Facility Agent of the proposed terms of any future renewal of any Insurance Policy.
- d) The Borrowers **must not/shall not** do or permit anything to be done which may make void or voidable any of the Insurances.
- e) The Facility Agent **may not/is not authorised to** act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings in connection with any Finance Document, unless the legal or arbitration proceedings relate to the perfection, preservation, or protection of rights under the Security Documents.
- f) The Mortgagee **may/is entitled to** request the Mortgagor to pay a contractual penalty if the Mortgagor fails to provide the Mortgagee with all the necessary documentation in a timely manner.

**2) Match the sentences above with their meanings. Then compare your answers with your partner.**

- a) authorisations?      \_\_\_\_ , \_\_\_\_
- b) obligations?      \_\_\_\_ , \_\_\_\_
- c) prohibitions?      \_\_\_\_ , \_\_\_\_

**3) Complete the rules below.**

- a) The modal verbs \_\_\_\_ and \_\_\_\_ are used to express an obligation.
- b) The modal verb \_\_\_\_ is used to express an authorization.
- c) The negative modal verbs \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ are used to express prohibition.

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**4) Match the modal verbs with their non-modal synonyms.**

- |                       |                                |
|-----------------------|--------------------------------|
| a) must               | 1) is authorized to            |
| b) may                | 2) is not authorized to        |
| c) shall              | 3) is obliged to               |
| d) may not            | 4) is prohibited from (+ -ing) |
| e) must not/shall not | 5) is entitled to              |

**5) Read the clauses below and match them with the meanings in Ex. 2. Then complete the gaps with the correct modal verb or non-modal expression.**

- a) The Pledgee \_\_\_\_\_ sell the Shares through the Broker either individually or in parts at its sole discretion.
- b) The purchase price of the Shares being sold \_\_\_\_\_ be expressed in any currency other than the Euro (EUR) or the United States Dollar (USD).

- c) The Mortgagee \_\_\_\_\_ pay the purchase price in installments.
- d) The Pledgee and the Broker \_\_\_\_\_ demand that any interested party provide collateral in the amount and form acceptable to the Pledgee before the entering into the share purchase agreement.

**6) Rewrite the sentences below using the appropriate legal language.**

- a) The Borrower has to repay the Loan within 3 months from the date of Drawdown.
- b) The Borrower can request the Bank to issue a Guarantee by submitting an Application for a Guarantee.
- c) The Bank can issue an amendmend for the Guarantee which will prolong the validity of the Guarantee.
- d) The Borrower can request the Bank to enter into a Treasury Deal.
- e) Interest on the Refinancing Loan must be paid on the date following the last day of the Interest Period.