

DATE

<<Date>>

(1)

LIMITED/PLC

(2)

LIMITED/PLC

SHARE

AGREEMENT

<<Name

> LIMITED/PLC

THIS AGREEMENT is made on

<<Date>> between:

(1) <<Name of Seller>>
number <<Insert company
registered office address>>

Company registered in England under
number <<Insert company
registered office address>>

(2) <<Name of Buyer>>
number <<Insert company
registered office address>>

Company registered in England under
number <<Insert company
registered office address>>

IT IS AGREED AS FOLLOWS:

1. INTERPRETATION

In this Agreement:

1.1 The following words and

meanings set out below:

“the Accounts”

the accounts of the Company and of each
subsidiary comprising (in each case) an
balance sheet as at the Accounts Date
and a profit and loss account for the
period ended on the Accounts Date;

the consolidated accounts of the Group
comprising an audited consolidated balance
sheet as at the Accounts Date and an audited
profit and loss account for the
period ended on the Accounts Date;]

(in each case) with the reports of the directors
of the Company and cash flow statements and all notes
to the accounts;

“the Accounts Date”

<<Date>>;

“the Act”

2006.

“Business Day”

(any Saturday) on which clearing banks are
open for banking business in London;

“the Buyer’s
Solicitors”

<<Buyer's Solicitors>> or any successor

“the Company”

<<Company being acquired>> Limited/PLC (of
the name given in part 1 of schedule 1);

“Completion”

the sale and purchase of the Shares in
accordance with the terms of this Agreement;

“Completion Date”

“Confidential
Information”

“the Disclosure Letter”

“the Disclosed
Schemes”

“Encumbrance”

“GPP”

“the Group”

“Intellectual Property”

“Intellectual Property
Rights”

“Intellectual Property
Agreements”

“Life Assurance

ement;

confidential commercial, financial and
n, know-how, trade secrets, inventions,
and other information whatsoever and
medium and whether disclosed orally
er with all reproductions in whatsoever
any part or parts of it;

Seller’s Solicitors to the Buyer with the
greement;

the Assurance Scheme, the Pension
Personal Pension Scheme(s) and the
e;

ty of any person (including any right to
right of pre-emption) or any mortgage,
, assignment, hypothecation, security,
on or any other security agreement or
er monetary or not;

personal pension plan underwritten by
provider>>;

ny and the Subsidiaries;

marks, service marks, registered
s and rights to apply for any of those
ness and company names, internet
e-mail addresses, unregistered trade
marks, copyrights, database rights,
designs and inventions;

ences, consents, orders, statutes or
to a right in paragraph (a);

ne or similar effect or nature as or to
(a) and (b) which now or in the future

for past infringements of any of the

erty owned, used or required to be
ny;

or arrangements relating (wholly or
al Property or to the disclosure, use,
enting of any invention, discovery,
ss, formulae or other know-how;

ert Name of Group Life Assurance
tten by <<Insert Name of Provider>>;

Scheme”

["the Management
Accounts”

“Member of the
Seller’s Group”

“Notice”

“Pension Scheme(s)”

“Personal Pension
Scheme(s)”

“Release”

“Relevant Business”

“Restricted Area”

“the Seller’s Group”

“the Seller’s
Solicitors”

“the Shares”

“Stakeholder Scheme”

“the Subsidiaries”

["the Tax Covenant”

["Tax”

S

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accounts of the Company, of each of the
the Group, in each case for the period
Date to <<Date>> copies of which are
losure Letter;]

the Seller’s Group from time to time;

ice, demand, consent or other

ame of scheme(s) (to be used for
n schemes)>>;

scription of each scheme (to be used
n schemes excluding group personal

er or compromise or any other
y kind having similar or analogous

s which consists of or includes to a
pecify nature of business>>;

ographical area>>;

r and any company (including any
the meaning of section 1161 of the
) (within the meaning of section 474(1)
n the Company and the Subsidiaries;

eller's Solicitors>> or a successor firm;

capital of the Company;

der pension scheme designated by the
derwritten by <<Insert Name of

ed in part 2 of schedule 1 (each a

the part of the Seller set out in schedule

le 2;]

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at in schedule 2;]
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out in schedule 3 [and the Tax word “Warranty” followed by a number be a reference to the paragraph of number;

es, words and expressions which
same meaning when used in this
clude both “company” and “body

provision or subordinate legislation is
this Agreement, taking account of
any statute, statutory provision or
enacts and subordinate legislation
vided that it would not impose any
n on, or otherwise adversely affect

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other and neuter gender and a
to any corporate or unincorporated
entity).

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Terms" shall be in the form of that
or on behalf of the parties.

d with another if that person is
ing of section 839 of Income &

ing" any person against any
him indemnified from and against
es, costs, expenses and interest
or arising out of that circumstance.

only and shall not affect the

as may be necessary for the
of the Company or any of the
Company or company concerned.

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I sell and the Buyer shall buy, with
 title guarantee, free from any
 attach (or may in the future attach)

- to them including, in part, the payment of all dividends and distributions declared, made or paid on the Shares in accordance with the Agreement.
- 2.2 The Buyer shall not be entitled to the purchase of any of the Shares unless the purchase of all the Shares is completed simultaneously.
- 2.3 The Seller hereby waives all claims it may have in relation to any of the Shares.
- 3. CONSIDERATION**
- The purchase price paid for the Shares shall be as set out in Schedule 6.
- 4. COMPLETION**
- 4.1 Completion shall take place on the Completion Date at <<Specify location>> or at such other location agreed between the parties.
- 4.2 On Completion the Seller shall deliver the Shares set out at schedule 5.
- 4.3 On Completion, and on completion of the obligations under clause 4.3, the Seller has complied with its obligations under clause 4.3.
- 4.3.1 The Buyer shall make the payment on Completion in accordance with clause 3.1.
- 4.3.2 The Buyer shall acknowledge the Seller's Letter.
- 4.4 If any of the preceding clauses 4.1 to 4.3 are not complied with on the Completion Date, then (without prejudice to the rights of the party not in default pursuant to the terms of the Agreement) the party not in default may rescind this Agreement.
- 5. WARRANTIES [AND TAX COVENANT]**
- 5.1 The Seller warrants to the Buyer that the Warranties is true and accurate in all respects and not misleading.
- 5.2 [The Seller undertakes to the Buyer the obligations of the Tax Covenant.]
- 5.3 Any Warranty qualified by "to the best of the Seller's knowledge and belief" or "so far as the Seller is aware" shall be deemed to include knowledge and belief which the Seller has or should have after making all reasonable enquiries and of any person of whom it would be reasonable to make such enquiry has been made.
- 5.4 The rights and remedies of the Buyer under the Warranties [and the Tax Covenant] shall not be affected by any act or omission of the Seller.

- Buyer.
- 5.5 Each Warranty is a separate obligation and shall not be limited or restricted by reference to or inference from any other Warranty.
- 5.6 Each of the Warranties shall apply equally to each of the Subsidiaries and shall to the extent permitted be substituted for "the Company" in clause 2 and] schedule 3.
- 5.7 The Seller shall indemnify the Buyer for costs (including without limitation legal costs on a full indemnity basis) which it may incur, either before or after the institution of legal proceedings, in connection with any legal proceedings for breach of the Warranties [or pursuant to the Tax Covenant] in which judgment is given against the Buyer and the enforcement of any such judgment.
- 5.8 Any payment by the Seller under the Warranties [or under the Tax Covenant] shall constitute consideration for the Shares.
- 5.9 The Buyer shall as soon as practicable notify the Seller in writing of any claim made against the Seller which may give rise to a claim for breach of Warranty [(other than a claim relating to Tax)] but any failure to give such notice shall not affect the validity of the claim.
- 5.10 The Seller shall notify the Buyer as soon as it becomes aware of any fact or circumstance which could constitute a breach of the Warranties.
- 6. LIMITATIONS ON CLAIMS**
- 6.1 No claim in respect of breach of the Warranties (other than the Tax Warranty in paragraph 5.7) shall be made (except in any case of fraud or wilful non-disclosure) unless notice thereof has been given to the Buyer:
- 6.1.1 in respect of any breach of the Warranties [other than the Tax Warranties], before the expiry of the period of usually 3 years>> years following Completion[; or
- 6.1.2 pursuant to the Tax Covenant, before the expiry of six months following the end of the accounting reference period in which the seventh anniversary of Completion falls.]
- 6.2 Except in any case of fraud or wilful non-disclosure:
- 6.2.1 the Seller's liability under the Warranties (other than the Tax Warranties) shall be aggregated to the extent permitted by the Seller under the Tax Covenant
- 6.2.2 the Seller shall not be liable in respect of any claim by the Buyer

under the Warranties:

6.2.2.1 equal to the amount in figures>> (<<'X' amount in words>>)

6.2.2.2 would be the sum of all other such claims against the Seller in figures>> (<<'X' amount in words>>) plus the amount in words exceed, £<<'Y' amount in figures>> (<<'Y' amount in words>>) in which case the whole amount by which the limit in this clause is recoverable by the Buyer;

6.3 and for the purposes of this Agreement, all claims arising out of the same subject-matter shall be treated as a single claim rather than as individual claims.

6.4 The Seller shall not if and to the extent permitted by this Agreement, make any disclosure of Confidential Information or any director or any employee or agent or any of the Subsidiaries on its behalf or on whom it relies in connection with the Agreement or authorising any such disclosure.

6.5 [The Seller shall not be liable for any breach of the Warranties if and to the extent that the losses have been recovered under the Tax Covenant (and vice versa)]

6.6 [The Seller shall not be liable for any breach of the Warranties if and to the extent that the losses have been recovered under the Tax Covenant (and vice versa) Date.]

7. CONFIDENTIAL INFORMATION

7.1 The Seller shall, and shall procure that no Member of the Seller's Group shall, keep secret and confidential all Confidential Information of the Seller or its business or is used in its business and shall not disclose such Confidential Information to any person any such Confidential Information.

7.2 The obligations of confidentiality shall not extend to any matter which is in or becomes public knowledge in other than by reason of a breach of the obligation of confidentiality under this Agreement or which the Seller is required to disclose it or which the Seller is required to disclose by law or regulation.

8. NON-COMPETITION

8.1 The Seller covenants that it and each of its Members shall not, and will procure that no Member of the Seller's Group shall, directly or indirectly and in whole or in part or by way of assistance to, any other person:

8.1.1 at any time during the period of <<'Z' number of months>> months beginning with the Completion Date, to any person who is at Completion,

or who has [REDACTED] during the period of 12 months immediately prior to becoming an officer or customer of the Company or any of the Subsidiaries.

8.1.2 at any time during the period beginning with the date of completion of the custom of an individual or entity at any time during the period immediately preceding that date, a client or customer of any of the Subsidiaries; or

[illegible]

8.1.4 at any time during the period beginning with the date of Completion or any of the dates specified above, employment of Confidential Information by person who at, or at any time during the period beginning with the date of Completion was an employee of the Company or any of its Subsidiaries and likely (in the reasonable opinion of the Board) to result in disclosure of Confidential Information relating to, or the customer relationships or connections of, the Company or any of the Subsidiaries; or

8.1.5 at any time during the period beginning with the date of the first Relevant Business Transaction and ending on the last day of the period of 12 months immediately preceding the date of the first Relevant Business Transaction, the holder for investment of less than 5% in the issued share capital of a company whose shares are listed on a stock exchange (within the meaning of the Securities and Markets Act 2000) be engaged, or have been engaged, within the Restricted Area in any Relevant Business Transaction, in any of the following:

8.2 The Seller undertakes that it and its Subsidiaries shall, at all times, ensure that it and its Subsidiaries do not, and will not, procure that no Member of the Seller's Group shall, at any time, use in connection with any trade or business any trademark, trade name, service mark, business or domain name, design or logo or e-mail address which is identical to, or so similar to, any of the Subsidiaries which is, or may be, used by the Seller or any of its Subsidiaries as to create a risk of confusion with such words, marks, names, designs or logos.

8.3 Each of the undertaking [REDACTED]:

8.3.1 considered by [REDACTED] able;

8.3.2 a separate unit of the Company (on behalf of the Company and its Subsidiaries) and is enforceable by the Buyer (more of the Company and the Subsidiaries) and the Buyer is not aware of its right to enforce any of the provisions of the Agreement under 8.1 and 8.2; and

8.3.3 given for the [REDACTED] the Buyer the full benefit of the business and [REDACTED] any and the Subsidiaries and in

consideration of the Buyer to acquire the Shares on the terms of the

8.4 Accordingly, if any restriction is not enforceable, but would be valid if any part of it were deemed enforceable, the area of application reduced, the restriction shall apply with such modifications as may be necessary to make it valid and enforceable.

8.5 Nothing in the undertakings in clauses 8.1 and 8.2 shall be deemed to prohibit any action in relation to the whole or part of any business in which the Company is engaged (otherwise than as a result of the completion of the Transaction) by any of those undertakings by the Company, the Buyer and every other subsidiary of the Company, in any event giving rise to a claim, or which would but for this clause 8.

9. [GUARANTEES]

9.1 The Buyer undertakes to use reasonable endeavours (short of a guarantee of any person) to procure the release of the Company and all outstanding guarantees given by the Seller or any member of the Seller's Group at the date of this Agreement and listed in the Schedule to the Agreement and listed in the Schedule to the Agreement and undertaken by the Company, the Buyer and any such Member of the Seller's Group after Completion. The guarantee shall be in the form of a guarantee to be provided by the Buyer to the Seller and the Seller's Group against any such liability arising from the completion of the Transaction.

9.2 <<Specify details of guarantee>>

10. INDEMNITIES

10.1 The Seller shall indemnify the Company [and each of the Subsidiaries] against a sum equal to all liabilities suffered or incurred by the Company or any of the Subsidiaries of or in connection with:-

10.2 Any breach, whether by the Company or any of the Subsidiaries, of any covenant or any other term contained or implied in the Agreement or any other agreement assigned by the Company or by any of the Subsidiaries to a third party;

10.3 any defect or alleged defect in the title of any land owned or sold by the Company or by any of the Subsidiaries;

10.4 any industrial or other accident or injury suffered by any employee or former employee of the Company or any of the Subsidiaries in respect of or in connection with the Transaction; or

10.5 any VAT chargeable against the Company or any of the Seller's Group[; or]

10.6 [<<Specify other issues to be covered by the indemnity>>]

10.7 save, (in the circumstances in which the Transaction is completed) to the extent that recovery is made by the Company or any of the Subsidiaries concerned] under any

policy of insurance.

11. PUBLICITY

11.1 The parties shall forthwith make or procure to be made [a press announcement and] and to the employees of the Company and to the customers and suppliers of the Company in accordance with the Agreed Terms.

11.2 Each of the parties shall, from the date of Completion, but subject to clause 11.1, keep the contents of the Agreed Terms private and confidential and shall not without the prior written consent of the other party disclose any or all of them to any person or make any disclosure to any person relating to the transactions hereby agreed upon except to the extent permitted by law and except that the Buyer and the Seller shall be entitled to disclose the same in the financial statements to the transactions hereby agreed upon in their respective financial statements.

12. PENSION SCHEME

Schedule 4 shall apply in relation to the Pension Scheme.

13. THIRD PARTY RIGHTS

13.1 For the avoidance of doubt, nothing in this Agreement shall prevent the parties from exercising any rights or remedies expressly provided in clause <<Insert number of clause giving rise to the claim>>], nothing shall prevent the parties from enforcing any provision of the Agreement.

13.2 Notwithstanding that any provision of the Agreement may be enforceable by any third party this Agreement shall not be amended, waived, modified, terminated or rescinded or terminated or rescinded without the consent or approval of any third party.

14. ASSIGNMENT

14.1 Except as provided otherwise in this Agreement, no party may assign, or grant any Encumbrance or security interest in any of its rights under this Agreement or any document referred to in this Agreement.

14.2 Each party that has rights under this Agreement is acting on its own behalf.

14.3 The Buyer may assign its rights under this Agreement (or any document referred to in this Agreement) to any subsidiary or a holding company of which it is a wholly owned subsidiary or a wholly owned subsidiary of the same holding company of which the Buyer is a wholly owned subsidiary providing that any assignee is bound to the same terms mutatis mutandis to this Agreement.

14.4 If there is an assignment of rights under this Agreement

19. COUNTERPARTS

This Agreement may be executed in counterparts, each of which is an original and which together shall constitute the same document.

20. COSTS

Each party shall, except as otherwise stated, pay its own costs of and incidental to this Agreement. Notwithstanding the foregoing, if the Buyer shall lawfully exercise any right to rescind this Agreement, the Seller shall indemnify the Buyer for the expenses and costs incurred by it in connection with this Agreement.

21. SEVERANCE

The provisions of this Agreement shall be severable and distinct from one another, and, if at any time any provision is held to be invalid, illegal or unenforceable, the validity and enforceability of the others shall not in any way be affected or impaired.

22. NOTICES

22.1 Any Notice relating to this Agreement shall be in writing delivered personally or sent by pre-paid first class mail to the address of the party to whom it may be notified for this purpose.

22.2 Any such Notice shall, if delivered by electronic means, be deemed to have been served 24 hours after despatch and, if delivered by electronic means, be deemed to have been served at the time of transmission.

If, however, in the case of a letter, that such notice is not delivered by hand or electronic means, such notice shall be deemed to occur on the next Business Day following Business Day.

22.3 In proving service it shall be sufficient to produce a fax transmission report showing that the transmission was duly and fully made to the correct number or an email address.

23. PROPER LAW AND JURISDICTION

This Agreement and any dispute arising out of or in connection with its subject matter (including any dispute as to its interpretation or enforcement) shall be governed by the laws of England and Wales and subject to the jurisdiction of the English courts.

SIGNED by or on behalf of the parties the day and year first before written

Name: << >>

Registered in England no: << >>

Date of incorporation: << >>

Share capital: £<<Total share capital of <<Nominal value of share>> issued shares>> ordinary shares of <<Nominal value of share>> each [and <<Number of other shares of share e.g. preference>> shares of <<Nominal value of share>> each]

Directors: << >> << >> << >>

Secretary: << >>

Auditors: << >>

Registered office: << >>

Name: << >>

Registered in England no: << >>

Date of incorporation: << >>

Share capital: £<<Total share capital of <<Nominal value of share>> issued shares>> ordinary shares of <<Nominal value of share>> each [and <<Number of other shares of share e.g. preference>> shares of <<Nominal value of share>> each]

Directors: << >> << >> << >>

Secretary: << >>

Auditors: << >>

Registered office: << >>

<<Insert details of Tax Covenant >>

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1. THE COMPANY AND THE AGREEMENT

- 1.1 The Seller has full power to execute and perform the provisions of this Agreement, which constitute the entire agreement on the Seller in accordance with its terms.
- 1.2 The Seller is the beneficial owner of the Shares and has the right to dispose of them to the Buyer or assign them, together with all Encumbrance and together with all rights now or hereafter attaching to them.
- 1.3 No indebtedness is or shall be incurred by the Seller or any member of the Seller's Group or any director of the Company or any director of the Seller's Group or any person who is an associate of any of them.

2. THE COMPANY'S SCHEDULE 1 DOCUMENTS AND CONSTITUTIONAL AND ADMINISTRATIVE AFFAIRS

- 2.1 The particulars of the Schedule 1 are true, complete and accurate and its issued documents are true, complete and accurate.
- 2.2 The Company is the beneficial owner of the Shares and is free from any Encumbrance of the whole or part of the capital of each of the Subsidiaries.
- 2.3 No person has the right (whether or not contingent) to call for or transfer of any share or loan capital of the Company or any subsidiary of the Company (including without limitation conversion rights).

3. STATUTORY AND OTHER RECORDS

- 3.1 All registers, accounts, financial and other records of the Company are in the possession of the Company and contain true and accurate records of all matters entered therein and no notice or allegation that any of the records are false or incorrect has been received by the Company or the Seller.
- 3.2 The Company's accounts are maintained in accordance with the requirements of the Act.
- 3.3 All returns and other documents required to be filed with the Registrar of Companies, or with any other authority, in respect of the Company have been duly filed and were correct and accurate.

4. **INSURANCES**

- 4.1 The Company maintains adequate insurance cover against all risks of professional negligence, product liability, accident, damage to property, loss of profit and other risks. All Assets have been covered for their full re-instatement.
- 4.2 The Disclosure Letter states the policies of insurance maintained by or on behalf of the Company are in full force and effect.
- 4.3 There are no material circumstances, known or in respect of the validity of, or aware, there are no circumstances likely to give rise to any of the policies.
- 4.4 All the insurance policies in effect, are not void or voidable, nothing has been done which could make any of them void or voidable and Completion entitles any insurer to terminate, any such policy.

5. **COMPLIANCE WITH LAWS**

- 5.1 The Company has conducted its business in accordance with all applicable laws and regulations in the relevant jurisdiction and neither the Company nor any of its employees have committed, or omitted to do, any act or thing which would result in any fine, penalty, default proceedings or other liability against the company.
- 5.2 The Company has not given any undertaking or assurance given to any court or governmental authority.

6. **LICENCES**

- 6.1 The Company has obtained all necessary licences, permits and authorities of a statutory or regulatory nature in order to enable it to carry on its business effectively in the manner in which it is now carried on.
- 6.2 All such licences, permits and authorities are valid and subsisting, and the Seller knows of no circumstances in which they should be suspended, cancelled or revoked or not renewed.

7. **LITIGATION**

- 7.1 The Company is not engaged in any litigation or other proceedings with any customer or supplier or in connection with its business.
- 7.2 So far as the Seller is aware, no litigation or other proceedings are pending or threatened by or against the Company.

7.2.2 there are no proceedings. give rise to any litigation or other

8. **INSOLVENCY**

8.1 The Company is not insolvent within the meaning of the Insolvency Act 1986 or any other legislation applicable to the company concerned; and has not become insolvent as they fall due.

8.2 No step has been taken by the Company or under which:

8.2.1 the ability of the Company to take any action to enforce their debts is prevented; or

8.2.2 some or all of the Company's debts are accepted, by Agreement or in pursuance of any arrangement, for a sum less than the respective sums owing to them, with a view to preventing the dissolution of the Company;

8.2.3 a person is appointed to manage the affairs, business and assets of the Company on behalf of its creditors; or

8.2.4 the holder of any debenture of the Company's assets is appointed to control the business of the Company.

8.3 In relation to the Company:

8.3.1 no administrative

8.3.2 no document has been presented to the court for the appointment of an administrator;

8.3.3 no notice of intention to appoint an administrator has been given by the Company or a qualifying floating charge holder (as defined in section 744 of the Insolvency Act 1986).

8.4 No process has been issued against the Company being dissolved and its assets being distributed to the Company's creditors, shareholders or other contributors.

8.5 No distress, execution or other legal process has been levied on an asset of the Company.

9. **POLLUTION OF THE ENVIRONMENT**

9.1 [No hazardous substance has been stored or otherwise handled by the Company.] [The Company holds all licences, consents, permits and authorities necessary to store or otherwise handle or dispose of any hazardous substance.] [The Company has not stored or otherwise handled or disposed of any hazardous substance.]

9.2 There has been no pollution of the environment by the Company, the Company has no responsibility for any pollution of the environment by any third

party and there has been no rise to any pollution of the

by the Company which could give

For the purpose of the expressions “pollution of the environment” and “pollution of the environment” as in section 1 of the Environmental Protection Act 1990

the expressions “pollution of the environment” and “pollution of the environment” as in section 1 of the Environmental Protection Act 1990

10. THE ACCOUNTS

10.1 The Accounts:

10.1.1 have been prepared in accordance with all other applicable provisions generally accepted in the United Kingdom

with the requirements of the Act and the Regulations and in accordance with the provisions of the Act and the Regulations

10.1.2 have been prepared on a basis of consistency and using methods which are consistent with the preparation of the audited consolidated accounts of the Group in the accounting period falling wholly or partly within the accounting period ended on the Accounts Date; and

principles and using methods which are consistent with the preparation of the audited consolidated accounts of the Group in the accounting period falling wholly or partly within the accounting period ended on the Accounts Date; and

10.1.3 show a true and fair view of the state of affairs of the Company [and of the Group] as at the end of the accounting period and of the profit or loss of the Company [and of the Group] for the accounting period ended on that date.

of affairs of the Company [and of the Group] as at the end of the accounting period and of the profit or loss of the Company [and of the Group] for the accounting period ended on that date.

10.2 The Accounts:

10.2.1 make proper provision for all bad and doubtful debts, for all contingent liabilities and for all other liabilities

or reserve for all bad and doubtful debts, for all contingent liabilities and for all other liabilities (including deferred Tax);

10.2.2 do not overstate the value of assets

or fixed assets; and

10.2.3 do not understate the value of liabilities

other actual or contingent).

10.3 The Accounts are not affected by any factor that would make them unusual or misleading in any material particular

or non-recurring items or any other factor that would make them unusual or misleading in any material particular

10.4 [Since the Accounts Date]

10.4.1 the Company has carried on its business in the ordinary and usual course and without any material alteration in the nature, scope or manner thereof

business in the ordinary and usual course and without any material alteration in the nature, scope or manner thereof

10.4.2 the Company has not disposed of any asset, assumed any liability, made any transaction which was not in the ordinary and usual course of business and for full value; and

disposed of any asset, assumed any liability, made any transaction which was not in the ordinary and usual course of business and for full value; and

10.4.3 there has been no material change in the financial position or prospects of the Company

the financial position or prospects of the Company

10.5 [The Management Accounts] The Management Accounts are prepared using the same accounting principles, policies and methods as the Accounts

prepared using the same accounting principles, policies and methods as the Accounts (consistently applied) and

fairly reflect the trading to which they relate.]

as at the date and for the period

11. FINANCE OF THE COMPANY

11.1 Full and accurate details of all loans or other financial facilities outstanding or available to the Company (and true and complete copies of the Disclosure Letter), and a statement whereby the continuance of the Company is not affected or prejudiced.

loans or other financial facilities contained in the Disclosure Letter and all documents relating thereto are attached to the Company has done anything which in full force and effect might be

11.2 A statement of all the credit or debit balances on such accounts as at the date of this Agreement and a statement of the credit and records of the Company as at the date of the Disclosure Letter and a statement that such statement is drawn up in accordance with instructions given for all such accounts, except in the ordinary course of business.

Company and of the credit or debit balances more than two days before the date of this Agreement and credit or debit balances to the books of the Company. This Agreement are attached to the Disclosure Letter. Since the date to which the statement is drawn up, no payments out of, and no cheques drawn against, any current account in the ordinary

12. THE ASSETS OF THE COMPANY

12.1 The Company owns freehold and leasehold property and all assets used by it.

12.2 The Company has possession of all assets used by it.

12.3 The amounts due from the Company in the ordinary course of business and in any event within the Number of days e.g. 90>> days following the date of the Agreement. The amount of these debts is subject to any counterclaim or set-off.

13. INTELLECTUAL PROPERTY

13.1 The Company:

13.1.1 is the sole and exclusive owner of all Intellectual Property (where it is capable of registration) used by it, all of which is validly registered;

13.1.2 has not entered into any Intellectual Property Agreements other than those authorised by the Company and has not authorised any person to make any use of or to infringe any Intellectual Property right (whether registered or unregistered) in the designs and is the proprietor of any designs.

13.2 The Company owns all Intellectual Property rights (whether registered or unregistered) in the designs and is the proprietor of any designs.

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13.2.1 None of the property of the Company (so far as the Seller is aware) infringes any patent, trademark, copyright or other intellectual property of any other person.

13.2.2 None of the Intellectual Property Rights are being used by, or are being licensed, sold, transferred, disposed or attacked by any other person.

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14. PLANT

Each item of the plant and equipment used in connection with the business of the Company and condition (subject to the terms of any lease or hire agreement) in satisfactory working order.

All vehicles and office and other equipment of the Company is in good repair and in satisfactory working order.

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15. COMPUTER SYSTEMS

15.1 The Hardware has been purchased for the benefit of an appropriate person capable of being terminated or replaced without notice.

owned and supported and has the benefit of a support agreement which is not terminable without less than 12 months' notice.

15.2 Where any of the records are stored electronically, the Company is the owner of all hardware necessary to enable it to keep, copy, maintain and use the records of its business and does not share any hardware or software with any person.

stored electronically, the Company is the owner of all hardware necessary to enable it to keep, copy, maintain and use the records of its business and does not share any hardware or software with any person.

15.3 In this paragraph 15:-

15.3.1 "Hardware" means any equipment used by or for the benefit of the Company including all Software;

equipment used by or for the benefit of the Company including all Software;

15.3.2 "Software" means any instructions for execution by a microprocessor or other electronic medium for the benefit of the Company at any time, in any form or medium.

instructions for execution by a microprocessor or other electronic medium for the benefit of the Company at any time, in any form or medium.

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16. THE CONTRACTS OF THE COMPANY

16.1 The Company is not a party to any agreement, transaction, obligation, commitment, arrangement or liability which:

to any agreement, transaction, obligation, commitment, arrangement or liability which:

16.1.1 involves or is likely to involve the expenditure of or the receipt of revenue of a substantial nature; or

involves or is likely to involve the expenditure of or the receipt of revenue of a substantial nature; or

16.1.2 is in any way unusual or exceptional in the ordinary and proper course of the business of the Company or its length terms.

ordinary and proper course of the business of the Company or its length terms.

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16.2 There is not outstanding at any time during the last three years, any agreement, transaction, obligation, commitment, arrangement or liability between the Company and any Member of the Seller's Group, or the Company is not a party to, nor has its profit or loss been affected by, any such agreement, transaction, obligation, commitment, arrangement or liability which is not entirely of a substantial nature.

any time during the last three years, any agreement, transaction, obligation, commitment, arrangement or liability between the Company and any Member of the Company and the Company is not a party to, nor has its profit or loss been affected by, any such agreement or arrangement which is not entirely of a substantial nature.

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- 16.3 The Seller is not aware of any indication that any of the existing customers of or suppliers of the Company are likely materially to reduce the volume of their purchases from, or supplies to, the Company in the future by comparison with the volume of purchases from, or supplies to, the Company during the period of < 12 months prior to the date of this Agreement.
17. **EMPLOYMENT**
- 17.1 There is no employment agreement between the Company and any of its directors or officers other than those copies of which are annexed to the Company's Memorandum and Articles of Association.
- 17.2 There is no employment agreement between the Company and any of its employees which cannot be terminated by three months' notice or less without giving rise to a claim for compensation (other than a statutory redundancy payment or for unfair dismissal).
- 17.3 The Disclosure Letter contains details of the name, date of start of employment, period of continuous employment, other benefits, grade and age of each employee of the Company and of the contract of employment of each such employee.
- 17.4 The Company is not obliged to make provision to increase the rate of remuneration of any employee.
- 17.5 Except as disclosed in the Disclosure Letter, the Company has not:
- 17.5.1 incurred a liability in connection with the termination of an employment contract including, with respect to any employee, a redundancy payment, protective award or compensation for unfair dismissal, unfair dismissal and failure to re-engage or re-employment of an employee;
 - 17.5.2 incurred a liability in connection with the termination of a consultancy agreement;
- 17.6 The Company has complied with any order imposed on it by, and each order made under, the Code of Conduct and Practice, and award made under any collective agreement, custom or practice relating to the relations between it and its employees or a trade union.
- 17.7 Within the year ending 31 December 2014, the Company has not given notice of redundancies to the Secretary of State or started consultations with appropriate representatives of its employees or a trade union in accordance with Part IV of the Trade Union and Labour Relations (Consolidation) Act 1992 or failed to comply with its obligations under Chapter 2 of the Employment Rights Act 1996.
- 17.8 The Company has no agreement (whether under the Information and Consultation of Employees Regulations 2004 or otherwise) with and does not recognise a trade union or other body representing any of its employees or staff association or other body representing any of its employees or staff. The Company has not received any notice or request nor are there any arrangements or arrangements in contemplation of any such agreement or arrangement).

17.9 The Company does not intend to introduce a share incentive, share option, profit share or any other incentive scheme for any of its directors, other officers or employees.

18. PENSIONS

18.1 The Disclosed Schemes are the pension schemes under which the Company has or could have any liability to contribute towards relevant benefits as defined in Chapter 2 of the Pension Schemes (Earnings & Pensions) Act 2003.

18.2 The Seller has supplied the Disclosed Schemes containing full, accurate and up to date details of each Disclosed Scheme and of the Company's obligations and liabilities in respect of each Disclosed Scheme.

<<Insert any additional paragraph(s) to reflect the factual position>>

18.3 In determining the damage or loss suffered by the Buyer in breach of any Warranty in this paragraph 18, it shall be assumed that the Company has complied with the following:

18.3.1 the Company has made whatever payments to provide the benefits under the Disclosed Schemes (as defined in that paragraph) on the basis that the Company has not discontinued any of the Disclosed Schemes is disclosed in the Disclosed Schemes.

18.3.2 the Company has not proposed to discontinue or to cease to continue to provide any benefit (including with respect to any benefit which it now provides or is now proposing to provide) which each respectively is now provided or to be provided and to maintain without amendment any benefit of a kind referred to in that paragraph which is disclosed in the Disclosed Schemes.

19. MATERIAL DISCLOSURES

19.1 All information contained in the Disclosure letter is true and accurate.

19.2 No person is entitled, by virtue of the terms of any agreement or arrangement, to receive from the Company any finder's fee or commission in connection with the acquisition or disposal of the Shares.

19.3 The sale of the Shares by the Company is not by virtue of the terms of any agreement or arrangement a party cause the Company to lose the benefit of any contract or to terminate any contract entered into by the Company.

19.4 The replies to the Legal Enquiries dated <<Date>> raised on behalf of the Buyer were when they were made complete and accurate.

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<<Insert any operative provisions re covenants, conditions and warranties>>

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Seller's Obligations on Completion

On Completion the Seller shall:

1.1 deliver to the Buyer:

- 1.1.1 transfers of the Shares and all holders thereof in favour of the Buyer together with any power of attorney and any such transfers may have been executed;
- 1.1.2 certificates in respect of shares in the capital of each of the Subsidiaries and certificates of all such shares held by any nominee in favour of the Buyer shall direct;
- 1.1.3 all the statutory documents (written up to date) of the Company and each of the Subsidiaries for certificates of incorporation or registration and on change of name and common seals (if any);
- 1.1.4 letters of resignation executed by the persons resigning as directors of the Company and each of the Subsidiaries pursuant to the provisions of this schedule 5;
- 1.1.5 [the resignation and appointment in respect of the [Pension Scheme] and the persons as the Buyer shall nominate as the principal employer in respect of [the Pension Scheme];
- 1.1.6 all credit and charge accounts of the Company and each of the Subsidiaries and documents relating to the accounts which are in the possession of or under the control of the Company; and
- 1.1.7 the Disclosure Letter.

1.2 procure:

- 1.2.1 the transaction of the sale of the Shares to be referred to in the completion board minutes of the Company and each of the Subsidiaries in the Agreed Terms;
- 1.2.2 such persons as the Buyer shall nominate to be validly appointed as additional directors of the Company and each of the Subsidiaries;
- 1.2.3 upon such appointment of the directors [other than <<Insert Name(s)>>] of the Company and each of the Subsidiaries both as directors and as employees;
- 1.2.4 the written resignation of the auditors of the Company and each of the Subsidiaries [in the Agreed Terms] of the auditors of the Company and each of the Subsidiaries incorporating an acknowledgment of the completion of the sale of the Shares.

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that they have not paid any fees or disbursements in respect of the period up to Completion of the Share Sale and Purchase Agreement;

1.2.5 [the release in full from all banking liabilities, guarantees, sureties and other obligations of the Company and the Members of the Seller's Group and more of the Company and the Members of the Seller's Group;

1.2.6 the release [in full from all Encumbrances given by the Company and the Members of the Seller's Group (whether to its bankers or otherwise) and of all other obligations of the Company and the Members of the Seller's Group in respect of any third party];

1.2.7 the repayment (by set-off of any amount due to the Company and the Members of the Seller's Group by the Company and the Members of the Seller's Group or by any third party);

1.2.8 the release [in full from all claims against the Company and the Members of the Seller's Group and any person who is an associate of or connected with any of them, incorporated in any agreement or arrangement entered into in the future;

1.2.9 [that the Company and the Members of the Seller's Group <<Insert Name of company/firm/individual>> [and <<Insert Name of individual>>] enter into [service] [consultancy] agreement on the terms and conditions set out in the Terms; and]

1.2.10 that each of the Company and the Members of the Seller's Group shall convene a general meeting on short notice and shall, at such meeting, adopt new articles of association in the form of the Articles of Association of the Company and the Members of the Seller's Group;

any or any of the Subsidiaries for any fees or disbursements in respect of the period up to Completion of the Share Sale and Purchase Agreement referred to in section 519 of the Companies Act 2006;

the Company and the Subsidiaries from all banking liabilities, guarantees, sureties and other obligations of the Company and the Members of the Seller's Group, including all obligations of the Company and the Members of the Seller's Group given by any one or more of the Company and the Members of the Seller's Group in respect of the obligations of Members of the Seller's Group and more of the Company and the Members of the Seller's Group in respect thereof);

all Encumbrances given by the Company and the Members of the Seller's Group (whether to its bankers or otherwise) and of all other obligations of the Company and each of the Members of the Seller's Group in respect of any third party];

buyer directs) without deduction or set-off of any amount due to the Company and to each of the Members of the Seller's Group, the directors of the Company and the Members of the Seller's Group and any person who is an associate of or connected with any of them;

any and all claims against the Company and the Members of the Seller's Group, each Member of the Seller's Group and any person who is an associate of or connected with any of them, incorporated in any agreement or arrangement entered into in the future; and any such claim might arise in the future;

[that the Company and the Members of the Seller's Group <<Insert Name of company/firm/individual>> [and <<Insert Name of individual>>] enter into [service] [consultancy] agreement on the terms and conditions set out in the Terms; and]

the Company and the Members of the Seller's Group shall convene a general meeting on short notice and shall, at such meeting, adopt new articles of association in the form of the Articles of Association of the Company and the Members of the Seller's Group;

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1.1 The purchase price payable for the Shares shall be the sum of £<<Amount in figures>> (in pounds), which shall be paid in cash on Completion.

1.2 The sum payable to the transferee in respect of the Shares pursuant to paragraph 1.1 shall be paid by way of a [banker's draft in favour of the transferee] OR [telegraphic transfer to the following account:

Bank: << >>

Branch: << >>

Sort Code: << >>

Account Name: << >>

Account Number: << >>

the Shares shall be the sum of (pounds), which shall be paid in

aph 1.1 shall be paid by way of a Solicitors (whose receipt thereof OR [telegraphic transfer to the

Signed by <<Name>>for and
on behalf of <<Name of Company
LIMITED/PLC

Signed by <<Name>>for and
on behalf of <<Name of Buyer>>
LIMITED/PLC

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