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(2) <<ED/PLC

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SHARE SALE AGREEMENT

<<Name of LIMITED/PLC

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**THIS AGREEMENT** is made on <

(1) <<Name of Seller>> Limited, a company registered in England under number <<Insert company number>>, whose registered office is at <<Insert registered office address>>

(2) <<Name of Buyer>> Limited, a company registered in England under number <<Insert company number>>, whose registered office is at <<Insert registered office address>>

**IT IS AGREED AS FOLLOWS:**

**1. INTERPRETATION**

In this Agreement:

1.1 The following words and phrases shall have the meanings set out below:

“the Accounts”

the Accounts of the Company comprising an annual profit and loss account as at the Accounts Date and a cash flow account for the financial period ending on the Accounts Date together with the reports of the auditors, any cash flow statements and such Accounts;

“the Accounts Date” <<Insert date>>;

“the Act” the Companies Act 2006.

“Business Day” any day (other than a Saturday) on which clearing banks are open for business in London;

“the Buyer’s Solicitors” <<Insert Buyer’s Solicitors>> or any successor firm;

“the Company” <<Insert name of company being acquired>> Limited/PLC (of which the Seller is the sole member) (as given in schedule 1);

“Completion” the completion of the sale and purchase of the Shares in accordance with the terms of this Agreement;

“Completion Date” the date of Completion;

“Confidential Information” all confidential commercial, financial and technical information, know-how, trade secrets, inventions, patents, trademarks, and other information whatsoever and in whatever form and medium and whether disclosed orally or in writing, together with all reproductions in whatsoever form, together with any part or parts of it;

“the Disclosure Letter”

“the Disclosed  
Schemes”

“Encumbrance”

“Intellectual Property”

“Intellectual Property  
Rights”

“Intellectual Property  
Agreements”

“Life Assurance  
Scheme”

[“the Management  
Accounts”

“Member of the  
Seller’s Group”

“Notice”

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Seller’s Solicitors to the Buyer with the  
Agreement;

Scheme, the Pension Scheme(s), the  
Scheme(s) and the Stakeholder

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

marks, service marks, registered  
and rights to apply for any of those  
business 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);

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  
y;

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

Name of Life Assurance Scheme>>  
Insert Name of Provider>>;

counts of the Company for the period  
ate to <<Date>> copies of which are  
Disclosure Letter;]

the Seller’s Group from time to time;

ce, demand, consent or other

|     |  |   |
|-----|--|---|
|     | "Pension Scheme(s)"  | ...me of scheme(s) (to be used for<br>...schemes)>>;  |
|     | "Personal Pension<br>Scheme(s)"  | ...escription of each scheme (to be used<br>...schemes excluding group personal   |
|     | "Release"  | ...er or compromise or any other<br>...y kind having similar or analogous   |
|     | "Relevant Business"  | ...s which consists of or includes to a<br>...ecify nature of business>>;   |
|     | "Restricted Area"  | ...ographical area>>;   |
|     | ["the Seller's Group"  | ...and any company (including any<br>...he meaning of section 1161 of the<br>...(within the meaning of section 474(1)<br>...the Company;]   |
|     | "the Seller's<br>Solicitors"   | ...eller's Solicitors>> or a successor firm;  |
|     | "the Shares"   | ...capital of the Company;  |
|     | "Stakeholder Scheme"   | ...er pension scheme designated by the<br>...derwritten by <<Insert Name of   |
|     | ["the Tax Covenant"  | ...e part of the Seller set out in schedule   |
|     | ["Tax"   | ...dule 2;]   |
|     | ["the Tax Warranties"  | ...t in schedule 2;]  |
|     | "the Warranties"   | ...out in schedule 3 [and the Tax<br>...word "Warranty" followed by a number<br>...be a reference to the paragraph of<br>...number;   |
| 1.2 | Unless the context oth<br>are otherwise defined i<br>Agreement, but "comp<br>corporate", as in each                                  | ...es, words and expressions which<br>...same meaning when used in this<br>...clude both "company" and "body  |
| 1.3 | A reference to a partic<br>a reference to it as it is<br>any amendment or re-<br>subordinate legislation<br>for the time being in fo | ...vision or subordinate legislation is<br>...this Agreement, taking account of<br>...any statute, statutory provision or<br>...enacts and subordinate legislation<br>...ded that it would not impose any<br>...sidiaries, no Real Property |

- new or extended obligation on, or otherwise adversely affect the rights of, any party.
- 1.4 The schedules form part of the Agreement.
- 1.5 A reference to any gender shall include the other and neuter gender and a reference to a "person" shall include any corporate or unincorporated body (whether or not having legal personality).
- 1.6 The singular includes the plural.
- 1.7 A document referred to in the Agreement as "the Agreement" shall be in the form of that document signed or initialed by or on behalf of the parties.
- 1.8 A person shall be deemed to be connected with such person if that person is connected with such person for the purposes of section 839 of Income & Corporation Taxes Act 1988.
- 1.9 References to "indemnify" any person against any circumstance include indemnifying him indemnified from and against all liabilities, losses, costs, expenses and interest or arising out of that circumstance.
- 1.10 The headings are included for reference only and shall not affect the construction or interpretation of the Agreement.
- 1.11 The Buyer enters into this Agreement for the purpose of the enforcement of any provision of the Company, as trustee for and on behalf of the Company.
- 2. AGREEMENT FOR SALE**
- 2.1 On the terms of this Agreement the Seller shall sell and the Buyer shall buy, with effect from Completion, all title guarantee, free from any Encumbrance and together with all rights and interests in or attached to them including, in particular, all dividends and distributions declared, made or paid in accordance with this Agreement.
- 2.2 The Buyer shall not be bound to complete the purchase of any of the Shares unless the purchase of 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**
- 3.1 The purchase price payable for the Shares shall be as set out in Schedule 6.
- 4. COMPLETION**
- 4.1 Completion shall take place on the Date at <<Specify location>> or at
- © Simply-docs. CO.SHARE.04 Company Share Sale Agreement
- Indemnities, no Real Property

- such other location agreed in writing between the parties.
- 4.2 On Completion the Seller shall comply with the obligations set out at schedule 5.
- 4.3 On Completion, and in any event prior to Completion, the Seller has complied with its obligations under clause 3.
- 4.3.1 make the payment to the Buyer on Completion in accordance with clause 3.
- 4.3.2 acknowledge the Buyer's Letter.
- 4.4 If any of the preceding provisions of clause 4 are not complied with on the Completion Date, then the Buyer shall have all rights of action it may have pursuant to the terms of the Agreement (and otherwise) the party not in default may rescind this Agreement and sue for and recover the other.
- 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 in this Agreement.
- 5.2 [The Seller undertakes to the Buyer the terms 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" or any similar expression shall be deemed to include knowledge and belief which the Seller has or which the Seller would have had if it had made all reasonable enquiries and includes the knowledge and belief of any person of whom it would be reasonable to make such enquiry if it is stated that 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 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 The Seller shall indemnify the Buyer for any 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 Seller and the enforcement of any such judgment.
- 5.7 Any payment by the Seller under the Warranties [or under the Tax Covenant] shall constitute a repayment of and reduction in the consideration for the Shares.
- 5.8 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 for a refund of Tax)] but any failure to give

- such notice shall not affect the validity of the Disclosure Letter.
- 5.9 The Seller shall notify the Buyer of any fact or circumstance which it becomes aware of any fact or circumstance which may constitute a breach of the Warranties.
- 6. LIMITATIONS ON CLAIMS**
- 6.1 No claim in respect of any breach of the Warranties (other than the Warranty in paragraph 6.2.2.2) 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], the period of <<Number, usually 3 years>> years or
- 6.1.2 pursuant to the period of six months following the end of the period of the Company in which the seventh annual general meeting is held.]
- 6.2 Except in any case of fraud or wilful non-disclosure:
- 6.2.1 the Seller's liability under any of the Warranties (other than the Tax Warranties) shall be limited to the amount aggregated to the Seller under the Warranties when the consideration received by the Buyer is aggregated to the Seller under the Warranties:
- 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 exceed, £<<'Y' amount in figures>> (<<'Y' amount in words>> pounds) in which case the whole amount by which the limit in this clause is recoverable by the Buyer;
- and for the purposes of this clause, claims arising out of the same subject-matter shall be treated as a single claim rather than as individual claims.
- 6.3 The Seller shall not if and to the extent it is authorised by the Buyer under the terms of this Agreement, make any statement on behalf of the Company or any director or any employee of the Company or any person to whom it may have relied before agreeing to any term of the Agreement or authorising any statement in the Disclosure Letter.
- 6.4 [The Seller shall not be liable for any breach of the Warranties if and to

- the extent that the losses occasioned thereby have been recovered under the Tax Covenant (and vice versa).
- 6.5 [The Seller shall not pay or cause to be paid any amount in respect of any claims made under the Tax Warranty in the period of seven years after the Completion Date.]
- 7. CONFIDENTIAL INFORMATION**
- 7.1 The Seller shall, and shall cause each Member of the Seller's Group shall, keep secret and confidential all Confidential Information of the Company or its business or is used in the business of 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 otherwise 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.
- 8. NON-COMPETITION**
- 8.1 The Seller covenants that no Member of the Seller's Group shall, whether alone or in conjunction with any other person:
- 8.1.1 at any time commencing from the date of Completion or beginning with the date of Completion or who has been at any time during the period of 12 months immediately preceding that date, a client or customer of the Company;
- 8.1.2 at any time commencing from the date of Completion or beginning with the date of Completion or who has been at any time during the period of 12 months immediately preceding that date, a client or customer of the Company;
- 8.1.3 at any time commencing from the date of Completion or beginning with the date of Completion or who has been at any time during the period of 12 months immediately preceding that date, a client or customer of the Company;
- 8.1.4 at any time commencing from the date of Completion or beginning with the date of Completion or who has been at any time during the period of 12 months immediately preceding that date, a client or customer of the Company;



any person who at, or at any time during the period of 12 months prior to, Completion of the Acquisition of the Company and likely (in the reasonable course of business) to be in possession of Confidential Information may be in possession of Confidential Information or may influence the customer relationships or connections of the Company.

8.1.5 at any time <insert number of months>> months beginning with the date of the first Relevant Business Day is the holder for investment of less than 5% in the issued share capital of a company whose share capital is authorised for investment exchange (within the meaning of the Financial Services and Markets Act 2000) be engaged, committed or intended to be engaged within the Restricted Area in any Relevant Business Day.

[illegible]

8.3 Each of the undertakings [REDACTED] s:

8.3.1 considered b [REDACTED] nable;

8.3.2 a separate document for and is enforceable by the Buyer (on behalf of the Seller) separately and independently of its right to enforce any of the restrictions in clause 8.1 and 8.2; and

8.3.3 given for the purpose of giving to the Buyer the full benefit of the business and the Company and in consideration of the agreement of the Buyer to purchase the Shares on the terms of this Agreement.

Accordingly, if any restriction is unenforceable, but would be valid if any part of it were deemed enforceable, the area of application reduced, the restriction shall apply to the maximum extent as may be necessary to make it valid and enforceable.

8.4 Nothing in the undertakings in clause 8.1 and 8.2 shall be deemed to prohibit any action in connection with or part of any business in which (otherwise than as a subsidiary of the Buyer) any of those undertakings by the Seller) the Company and its subsidiaries and other subsidiary of the Buyer have ceased to be involved or which may give rise to a claim, or which would but for this clause 8.4 give rise to such a claim, as clause 8.

## 9. [GUARANTEES

The Buyer undertake [REDACTED] for Completion to use reasonable endeavours (short of [REDACTED] money and the substitution of the guarantee of any person [REDACTED] to procure the release of the Seller and any Member of the [REDACTED] date of this Agreement from liability

under any and all outstanding guarantees given by the Seller or any Member of the Seller's Group at the date of this Agreement and listed below in respect of monies borrowed and by the Company and to indemnify the Seller and any su's Group against any such liability arising after Completion. The following questions are:

<<Specify details of gu

## 10. INDEMNITIES

The Seller shall indemnify the Company against and shall pay to the Buyer a sum equal to the sum of all losses, damages, costs and or incurred by the Company as a result of or in connection with:

- 10.1 any breach, whether by the Company, of any covenant or any other term contained or implied in the Agreed Terms assigned by the Company before Completion to any third party;
  - 10.2 any defect or alleged defect in any goods produced or sold by the Company prior to Completion;
  - 10.3 any industrial or other accident or injury suffered by any employee or former employee of the Company or in relation to any period ending on or before Completion;
  - 10.4 any VAT chargeable as a result of the Seller's Group[; or]
  - 10.5 [<<Specify other issues of relevance>>]
- save, (in the circumstances of clauses 10.2 and 10.3) to the extent that recovery is made by the Company under its policy of insurance.

## 11. PUBLICITY

- 11.1 The parties shall forthwith make or procure to be made [a press announcement and] and shall inform their employees of the Company and to the customers and suppliers of the Company of the Agreed Terms.
- 11.2 Each of the parties shall, from 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 statement relating to the transactions hereby agreed upon except to the extent required by law and except that the Buyer and the Seller shall be entitled to disclose to the transactions hereby agreed upon in their respective financial statements.

## 12. PENSION SCHEME

Schedule 4 shall apply to the Pension Scheme.

### 13. THIRD PARTY RIGHTS

- |      |  |   |   |
|------|--|---|---|
| 13.1 | For the avoidance of number of clause giving confer on any third party                               | S | expressly provided in clause <<Insert >>], nothing in this Agreement shall by provisions of this Agreement. |
| 13.2 | Notwithstanding that a third party this Agreement rescinded or terminate approval of any third party |   | Agreement may be enforceable by any may be amended, waived, modified, Agreement without the consent or      |

## 14. ASSIGNMENT

- |      |   |
|------|---|
| 14.1 | Except as provided otherwise in any Encumbrance or in any document referred to in this Agreement, no party may assign, or grant any of its rights under this Agreement  |
| 14.2 | Each party that has rights hereunder is acting on its own behalf.   |
| 14.3 | The Buyer may assign 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 the Seller, provided that any assignee is bound to the same terms mutatis mutandis to this Agreement. |
| 14.4 | If there is an assignment of rights hereunder to a third party, the assignee shall be bound by the terms and conditions under this Agreement to the same extent as if it were a party to it, but the assignor shall remain obligated to the obligations under this Agreement.   |

## 15. WHOLE AGREEMENT

This Agreement together with the Exhibits and Addenda hereto, shall constitute the entire agreement between the parties in relation to its subject matter and shall supersede all prior agreements, understandings and discussions between the parties, in whole or in part, to the extent that they arise out of the fraud or fraudulent misstatements of the other party.

## 16. VARIATION AND WA

- |      |  |
|------|--|
| 16.1 | Any variation of this Agreement shall be made by writing signed and signed by or on behalf of the parties. |
| 16.2 | Any waiver of any right hereunder shall be only effective if it is in writing and                          |

|      |   |
|------|---|
|      | it applies only to the party to whom the waiver is addressed and to the circumstances for which it is given and shall not prevent the party who has given the waiver from subsequently exercising any other right or remedy provided under this Agreement.  |
| 16.3 | A party that waives a claim against another party, or takes or fails to take any action against that party, shall not be deemed to have waived its rights in relation to any other party.   |
| 16.4 | No failure to exercise any right or remedy provided under this Agreement or by any applicable law shall constitute a waiver of such right or remedy or shall prevent any future exercise of such right or remedy hereof.  |
| 16.5 | No single or partial exercise of a right or remedy under this Agreement shall preclude or restrict the exercise of any other such right or remedy.  |
| 16.6 | Unless specifically provided otherwise, the rights arising under this Agreement are cumulative and do not conflict with any rights provided by law.   |
| 17.  | <b>PROVISIONS SURVIVE</b><br><br>Insofar as the provisions of this Agreement shall not have been performed at Completion, they shall remain in full force and effect notwithstanding Completion.  |
| 18.  | <b>FURTHER ASSURANCE</b><br><br>The Seller shall (at its expense) promptly execute and deliver all such documents, and do all such acts, as the Buyer may from time to time reasonably require for the purpose of carrying out the provisions of this Agreement.  |
| 19.  | <b>COUNTERPARTS</b><br><br>This Agreement may be executed in multiple counterparts, each of which is an original and which, when taken together, constitute the entire Agreement, and shall have the same effect as if each party had signed the same document.   |
| 20.  | <b>COSTS</b><br><br>Each party shall, except as otherwise stated, pay its own costs of and expenses incurred in connection with this Agreement, matter except that, if the Buyer shall rescind this Agreement, the Seller shall indemnify the Buyer for all expenses and costs incurred by it in connection with this Agreement and the matter. |
| 21.  | <b>SEVERANCE</b><br><br>The provisions of this Agreement shall be severable and distinct from one another, and, if at any time any provision of this Agreement is or becomes invalid, illegal or unenforceable, the remaining provisions shall survive and remain in full force and effect.   |

unenforceable, the validity, legality or enforceability of the others shall not in any way be affected or impaired thereby.

## 22. NOTICES

22.1 Any Notice relating to this Agreement shall be in writing delivered personally or sent by pre-paid first class post or by electronic means to the address of the party to be served given herein or to such other address as may be notified for this purpose.

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

If, however, in the case of a letter, the period of 24 hours after despatch would expire on, or if the Notice is delivered by hand or electronic means, such delivery or transmission shall be deemed to occur on the next Business Day if it is made after 4.00 p.m. on a Business Day.

22.3 In proving service it shall be sufficient to produce a letter, in the case of a letter, that such letter was properly stamped and placed in the post and, in the case of a transmission by electronic means, a transmission report showing that the transmission was duly and fully made to the correct number or address.

## 23. PROPER LAW AND JURISDICTION

This Agreement and all matters arising out of or in connection with its subject matter (including disputes arising out of or in connection with its subject matter) 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 to this Agreement first before written

Name: << >>

Registered in England no: << >>

Date of incorporation: << >>

Share capital: £<<Total share capital of issued shares>> ordinary shares of <<Nominal value>> each [and <<Number of other type of shares>> 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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### Subsidiaries, no Real Property



- of profit and other rights and all Assets have been covered for their full re-instatement.
- 4.2 The Disclosure Letter and all policies of insurance maintained by or on behalf of the Company are in full force and effect.
- 4.3 There are no material breaches, under, or in respect of the validity of, any of those policies. As far as the Seller is aware, there are no circumstances likely to give rise to a breach of those policies.
- 4.4 All the insurance policies in full force and effect, are not void or voidable, nothing has been done which could make any of them void or voidable and Completion will not entitle 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 directors, officers, employees have committed, or omitted to do, any act or omission which could give rise to any fine, penalty, default, proceedings or other legal consequences for the Company.
- 5.2 The Company has not undertaken or assurance given to any court or governmental authority which is not in full force.
6. **LICENCES**
- 6.1 The Company has obtained all statutory or regulatory consents, permits and authorities of a nature necessary to enable it to carry on its business effectively in the manner in which it is now carried on.
- 6.2 All such licences, consents, 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 involved in any litigation or other legal proceedings with any customer or supplier or in connection with its business.
- 7.2 So far as the Seller is aware, there are no legal proceedings which are pending or threatened by or against the Company which could give rise to any litigation or other legal consequences for the Company.
- 7.2.1 no litigation or other legal proceedings are pending or threatened by or against the Company.
- 7.2.2 there are no legal proceedings which could give rise to any litigation or other legal consequences for the Company.

8. **INSOLVENCY**

8.1 The Company is not insolvent within the meaning of the Insolvency Act 1986 and has no intention of paying its debts within the meaning of the legislation applicable to the company as they fall due.

8.2 No step has been taken by or under which:

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

8.2.2 some or all of the Company's assets have been accepted, by Agreement or in pursuance of a court order, for a sum less than the respective sums owing to the creditors of the Company in exchange for these sums with a view to preventing the dissolution of the Company;

8.2.3 a person is or has been in the affairs, business and assets of the Company or acting in the interests of the Company's creditors; or

8.2.4 the holder of a floating charge over the Company's assets is appointed to control the affairs of the Company.

8.3 In relation to the Company:

8.3.1 no administrator has been appointed;

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 by a qualifying floating charge holder in accordance with Schedule B1 to the Insolvency Act 1986).

8.4 No process has been issued or is being issued leading to the Company being dissolved or its assets being taken into control of 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 substances are stored or otherwise handled by the Company.] [The Company holds all licences, consents, permits and authorities necessary for the storage or otherwise handle or dispose of any hazardous substances stored or otherwise handled or disposed of by the Company.]

9.2 There has been no pollution of the environment by the Company, the Company has no responsibility for pollution of the environment by any third party and there has been no action taken by the Company which could give rise to any pollution of the environment.

For the purpose of the Act, the expressions “pollution of the environment” and “pollution” shall have the same meanings as in section 1 of the Environmental Protection Act, 1986.

the expressions “pollution of the environment” and “pollution” shall have the same meanings as in section 1 of the

## 10. THE ACCOUNTS

### 10.1 The Accounts:

- 10.1.1 have been prepared in accordance with the requirements of the Act and all other applicable regulations and in accordance with generally accepted accounting practices;
- 10.1.2 have been prepared on a consistent basis, applying the same principles and using methods which are consistently applied in the preparation of the audited accounts for every 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 as at the Accounts Date, of the profit or loss of the Company for the accounting period ended on the Accounts Date.

### 10.2 The Accounts:

- 10.2.1 make proper provision on or reserve for all bad and doubtful debts, for all contingent liabilities and for assets and for liabilities (including deferred Tax);
- 10.2.2 do not overstate the value of current or fixed assets; and
- 10.2.3 do not understate the value of liabilities (whether actual or contingent).

### 10.3 The Accounts are not prepared in a manner which is intended to mislead or to conceal any material or non-recurring items or any other factor that would make the results shown by the Accounts unusual or misleading.

### 10.4 [Since the Accounts are prepared in accordance with the provisions of the Act, the following provisions shall apply:]

- 10.4.1 the Company shall not be required to disclose in the Accounts any business in the ordinary and usual course and in the ordinary manner of the business or any alteration in the nature, scope or extent of the business;
- 10.4.2 the Company shall not be required to disclose in the Accounts any asset disposed of any asset, assumed any liability, or any transaction which has been entered into any other transaction which has been entered into the business and for full value; and
- 10.4.3 there has been no material change in the financial position or prospects of the Company.

### 10.5 [The Management Accounts shall be prepared using the same accounting principles, policies and methods as those used in the preparation of the Accounts (consistently applied) and shall be prepared for the same period and for the same date as the Accounts.]

11. **FINANCE OF THE COMPANY**

11.1 Full and accurate statement of all loans or other financial facilities outstanding or available to the Company as at the date of this Agreement (and true and complete copies of all documents and instruments relating thereto are attached to the Disclosure Letter) and a statement of all monies received by or for the Company or the Company has done anything which might or may in the future affect or prejudice the rights of the Seller in full force and effect might be

11.2 A statement of all the assets and liabilities of the Company and of the credit or debit balances on such accounts as at the date of this Agreement and a statement of all the credit or debit balances to the books of the Company as at the date of this Agreement are attached to the Disclosure Letter and are true and accurate. Since the date to which such statement is made, there have been no payments out of, and no instructions given for the payment of, and no cheques drawn against, any such accounts, except in the ordinary course of business.

12. **THE ASSETS OF THE COMPANY**

12.1 The Company owns all the assets used by it.

12.2 The Company has no other assets.

12.3 The amounts due from the Company are payable in full in the ordinary course of business and in accordance with the terms of the contracts. The Company shall, within <<Number of days e.g. 90>> days following the date of the contract, settle all such debts. None of these debts is subject to any counterclaim or set-off.

13. **INTELLECTUAL PROPERTY**

13.1 The Company:

13.1.1 is the sole proprietor of all Intellectual Property (where it is capable of registration) used by it, all of which is used in the ordinary course of business; and

13.1.2 has not entered into any Intellectual Property Agreements other than those which are necessary for the ordinary course of business or authorised any person to make any use of or to do anything which might or might otherwise infringe any Intellectual Property right.

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

13.2.1 None of the Intellectual Property rights of the Company (so far as the Seller is aware) is used in the ordinary course of business or authorised any person to make any use of or to do anything which might or might otherwise infringe any Intellectual Property right.

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and all vehicles and office and other  
ess of the Company is in good repair  
and in satisfactory working order.

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maintained and supported and has the  
and support agreement which is not  
by less than 12 months' notice.

If stored electronically, the Company takes necessary measures to enable it to keep, in the course of its business and does not share records with any person.

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equipment used by or for the benefit  
including all Software;

of instructions for execution by  
benefit of the Company at any time,  
e or medium.

ect to any agreement, transaction,  
gement or liability which:

igations, restrictions, expenditure or  
herous or exceptional nature; or

the ordinary and proper course of the firm's length terms.

at any time during the last three years  
 agreement between the Company and any  
 time and the Company is not a party  
 on during such period been affected  
 any other agreement or arrangement  
 .

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to indicate that any of the existing  
are likely materially to reduce the

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s to, the Company in the future by  
s from, or supplies to, the Company  
>> months prior to the date of this

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- The Company and any of its employees may by three months' notice or less compensation (other than a statutory provision for unfair dismissal).

- name, date of start of employment, and other benefits, grade and age of terms of the contract of employment of

- has it made provision to increase the  
er or employee.

- Company has not:

- termination of an employment contract  
 redundancy payment, protective award  
 dismissal, unfair dismissal and failure to  
 reinstatement or re-engagement of an

- termination of a consultancy agreement;

- tion imposed on it by, and each order on, code of conduct and practice, relevant to the relations between it and of employment of its employees.

- Agreement the Company has not given any notice of State or started consultations under Part IV of the Trade Union Act, 1992 or failed to comply with its provisions.

- ment (whether under the Information  
2004 or otherwise) with and does not  
staff association or other body  
company has not received any notice  
which may lead to any such agreement

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

## 18. PENSIONS

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

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

<<Insert any additional Disclosed Schemes to reflect the factual position>>

18.3 In determining the Company's liability in any breach of any Warranty in this paragraph 18, it shall be assumed that the Company has not provided any Disclosed Schemes.

18.3.1 the Company shall provide whatever payments to provide the Disclosed Schemes (as defined in that paragraph) on or after the date on which it is required to do so or discontinue any of the Disclosed Schemes.

18.3.2 the Company shall continue to provide any benefit (including any Disclosed Schemes) which it now provides or is now proposing to provide on or after the date at which each respectively is now provided and to maintain without interruption any Disclosed Schemes of a kind referred to in that paragraph.

## 19. MATERIAL DISCLOSURES

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

19.2 No person is entitled to receive from the Company any finder's fee or commission in connection with the acquisition or disposal of any shares in the Company.

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

19.4 The replies to the Letter of Enquiry dated <<Date>> raised on behalf of the Buyer were written by the Company and are complete and accurate.

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<<Insert any operative provisions or arrangements>>

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## Section 10 Completion

On Completion the Seller shall

1.1 deliver to the Buyer:

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|-------|--|---|--|
| 1.1.1 | transfers of<br>Buyer together<br>any power<br>executed; | A | stered holders thereof in favour of the<br>are certificates and certified copies of<br>any of such transfers may have been |
| 1.1.2 | all the statu<br>and their c<br>incorporatio             |   | ly written up to date) of the Company<br>on or registration and certificates of<br>and common seals (if any);              |
| 1.1.3 | letters of r<br>resigning a<br>paragraph                 | M | ed Terms executed by the persons<br>[Secretary] of the Company pursuant to   |
| 1.1.4 | [the resign<br>appointment<br>[and the ap<br>[the Pensi  |   | of the [Pension Scheme] and the<br>persons as the Buyer shall nominate<br>[ ] as principal employer in respect of          |
| 1.1.5 | all credit a<br>other pape<br>possession<br>Company;     | D | the account of the Company and all<br>ing to the Company which are in the<br>of the Seller or any director of the          |
| 1.1.6 | the Disclos  |   | ;  |

## 1.2 procure:

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|-------|--|---|
| 1.2.1 | the transaction minutes of the meeting   | is referred to in the completion board agreed Terms;  |
| 1.2.2 | such persons and additional directors  | nominate to be validly appointed as directors of the Company;   |
| 1.2.3 | upon such release, the resignation of the directors [other than <<Insert Name of the Company Secretary>>] of the Company both from their respective offices and as directors of the Company;   |   |
| 1.2.4 | the written acknowledgment of the Company against the auditors of the Company, in respect of all claims, whether billed or unbilled, in respect of the period up to Completion and the statement referred to in the completion board agreed Terms] | of the auditors of the Company, in respect of all claims, whether billed or unbilled, in respect of the period up to Completion and the statement referred to in the completion board agreed Terms] |
| 1.2.5 | [the release of the Company from all banking and financial obligations]  | of the Company from all banking and financial obligations]  |

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- arrangements, including all guarantees, sureties and  
indemnities, and all securities and other interests in the assets of the Company in respect of the  
obligations of the Company in respect of the Seller's Group and all securities and  
authorities of the Company in respect thereof);
- 1.2.6 the release of the Company of all Encumbrances given by the  
Company (or otherwise) and of all guarantees  
given by the Company of the obligations of Members of the  
Seller's Group;
- 1.2.7 the repayment (or set-off of) of all monies due to the Buyer directs) without deduction  
or set-off of any monies due to the Company by the Seller, any  
Member of the Seller's Group or any directors of the Company and any  
person who is or has been or is connected with any of them;
- 1.2.8 the release of the Company of all claims against the  
Company by any Member of the Seller's Group and any  
person who is or has been or is connected with any of them,  
incorporating a declaration by each that there is no agreement or  
arrangement in respect of any claim might arise in the future
- 1.2.9 [that the Company] [name of company/firm/individual]>> [and  
<<Insert Name of company/firm/individual>>] enter into [service]  
[consultancy] agreement in accordance with the Agreed Terms; and]
- 1.2.10 that each of the Members of the Company shall attend a general meeting on short notice  
and, at such meeting, shall agree to amend the articles of association in the Agreed  
Terms.

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

1.2 The sum payable to the Seller pursuant to paragraph 1.1 shall be paid by way of a [banker's draft in favour of the Seller's Solicitors (whose receipt thereof shall be sufficient evidence of payment)] OR [telegraphic transfer to the following account:

Bank: << >>

Branch: << >>

Sort Code: << >>

Account Name: << >>

Account Number: << >>

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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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