

DATE <<Date>>

(1) <<Name of Seller>> AND OTHERS

(2) <<Name of Buyer>> LIMITED/PLC

SHARE SALE AGREEMENT

<<Name of Buyer>> LIMITED/PLC

THIS AGREEMENT is made on

<Date>> between:

- (1) THE INDIVIDUALS whose names are set out in column 1 of Schedule 1 of this Agreement (each a "Seller" and collectively "the Sellers"); and
- (2) <<Name of Buyer>> Limited, a company registered in England under number <<Insert company number>> and whose registered office is at <<Insert registered office address>> ("the Buyer")

IT IS AGREED AS FOLLOWS:

1. INTERPRETATION

In this Agreement:

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

"the Accounts"

the consolidated accounts of the Company and of each subsidiary comprising (in each case) an income statement 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 (in each case) 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, the cash flow statements and all notes thereto;

"the Accounts Date"

<Date>>;

"the Act"

2006;

"Business Day"

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

"the Buyer's Solicitors"

<<Name of Buyer's Solicitors>> or any successor firm;

"the Company"

<<Name of Company being acquired>> Limited/PLC (of which the Buyer is the sole member) (as given in part 1 of Schedule 2);

"Completion"

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

"Completion Date"

<Date>>;

“Confidential
Information”

“the Disclosure Letter”

“the Disclosed
Schemes”

“Encumbrance”

“GPP”

“the Group”

“Intellectual Property”

“Intellectual Property
Rights”

“Intellectual Property
Agreements”

“Life Assurance
Scheme”

["the Management

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

Sellers’ Solicitors to the Buyer with the
Agreement;

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

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;

personal pension plan underwritten by
Provider>>;

Company and the Subsidiaries;

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;

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

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

for past infringements of any of the

Property owned, used or required to be
/;

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

Name of Group Life Assurance
provided by <<Insert Name of Provider>>;

accounts of the Company, of each of the
the Group, in each case for the period

Accounts”	S	ate to <<Date>> copies of which are losure Letter;]
“Notice”	A	ce, demand, consent or other
“Pension Scheme(s)”	M	me of scheme(s) (to be used for schemes)>>;
“Personal Pension Scheme(s)”	P	cription of each scheme (to be used schemes excluding group personal
“the Property”	L	brief particulars of which are in of them and each and every part of
“Proportions”	E	ase price due for the Shares to which respectively, details of which are set chedule 1;
“Release”		er or compromise or any other kind having similar or analogous
“Relevant Business”		s which consists of or includes to a ecify nature of business>>;
“Restricted Area”		ographical area>>;
“the Sellers’ Solicitors”		ver's Solicitors>> or a successor firm;
“the Shares”		apital of the Company;
“Stakeholder Scheme”		er pension scheme designated by the derwritten by <<Insert Name of
“the Subsidiaries”		d in part 2 of Schedule 2 (each a
[“the Tax Covenant”		the part of the Sellers set out in
[“Tax”		e 4;]
[“the Tax Warranties”		in Schedule 4;]
“the Warranties”		out in Schedule 5 [and the Tax word “Warranty” followed by a number be a reference to the paragraph of number;

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1.2 Unless the context otherwise requires, words and expressions which are otherwise defined in this Agreement, but “company” include both “company” and “body corporate”, as in each case

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1.3 A reference to a particular provision or subordinate legislation is a reference to it as it is in force at the time of this Agreement, taking account of any amendment or re-enactment of any statute, statutory provision or subordinate legislation for the time being in force, so that it would not impose any new or extended obligation, liability or otherwise adversely affect the rights of, any party.

1.4 The schedules form part of this Agreement

1.5 A reference to any gender and a reference to a “person” includes a reference to a natural person and a reference to a corporate or unincorporated body (whether or not having separate legal personality)

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1.6 The singular includes the plural

1.7 A document referred to in this 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 another if that person is connected with that other within the meaning of section 839 of Income & Corporation Taxes Act 1988.

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1.9 References to “indemnify” include indemnifying against and against all liabilities, losses, claims, demands, damages and interest which he may suffer or incur in connection with any circumstance.

1.10 The headings are inserted for convenience only and shall not affect the construction or interpretation of this Agreement

1.11 The Buyer enters into this Agreement for so far as may be necessary for the enforcement of any part of the Company or any of the Subsidiaries, as trustee for the Company or company concerned.

1.12 All warranties, undertakings, obligations given or entered into by the parties to this Agreement are, unless otherwise stated, given or entered into jointly and severally.

2. AGREEMENT FOR SALE

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2.1 On the terms of this Agreement the Sellers shall sell and the Buyer shall buy, with effect from Completion, the full title guarantee, free from any Encumbrance and together with all rights (or may in the future attach) to them including, in particular, the right to receive all dividends and distributions declared, made or paid pursuant to this Agreement.

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- 2.2 The Buyer shall not be entitled to purchase of any of the Shares unless the purchase of all the Shares is made simultaneously.
- 2.3 Each of the Sellers hereby waives any and all claims and rights they may have in relation to any of the Shares.

3. CONSIDERATION

The purchase price payable for the Shares shall be as set out in Schedule 8.

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 Sellers shall be bound by the provisions set out at Schedule 7.
- 4.3 On Completion, and on or before the Completion Date, the Sellers have complied with their obligations under clause 3.1 and 3.2.
- 4.3.1 The Sellers shall make the payments due on Completion in accordance with clause 3; and
- 4.3.2 The Sellers shall acknowledge the receipt of the purchase price by Letter.
- 4.4 If any of the preceding provisions of clause 4 are not complied with on the Completion Date, then the Buyer may, at its option and all rights of action it may have (whether or not the Sellers are in default), (and otherwise) the party not in default may rescind this Agreement and the Buyer shall be entitled to the return of the purchase price and any other.

5. WARRANTIES [AND TAX COVENANT]

- 5.1 The Sellers jointly and severally warrant to the Buyer that each of the Warranties is true and accurate in all material respects as stated and existing at the date of this Agreement.
- 5.2 [The Sellers jointly and severally warrant to the Buyer in the terms of the Tax Covenant.]
- 5.3 Any Warranty qualified by "to the best of the Sellers' knowledge and belief" or "so far as the Sellers are aware" or any similar expression shall be deemed to include knowledge, information and belief which the Sellers have or which the Sellers would have had after making such reasonable enquiries and includes the knowledge, information and belief of whom it would be reasonable to make such enquiry or of whom such enquiry has been made.
- 5.4 The rights and remedies of the Buyer in respect of 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 and distinct obligation and shall not be limited or restricted by reference to or inference from any other Warranty.

- 5.6 Each of the Warranties [or under the Tax Covenant] shall apply equally to each of the Subsidiaries and shall be deemed to have been made in the name of each Subsidiary were in turn substituted for "the Company" in Schedule 4 and Schedule 5.
- 5.7 The Sellers 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 instigation of proceedings, in connection with any legal proceedings for breach of the Warranties [or pursuant to the Tax Covenant] in which judgment is given for the Buyer in enforcement of any such judgment.
- 5.8 Any payment by the Sellers under any of the Warranties [or under the Tax Covenant] shall constitute a repayment of and reduction in the purchase price paid by the Buyer.
- 5.9 The Buyer shall as soon as practicable notify the Sellers in writing of any claim made against it under any Warranty which may give rise to a claim for breach of the Warranties [or pursuant to the Tax Covenant] but any failure to give such notice shall not affect the rights of the Buyer.
- 5.10 The Sellers shall notify the Buyer as soon as it becomes aware of any fact or circumstance which constitutes or may constitute a breach of the Warranties.
- 6. LIMITATIONS ON CLAIMS**
- 6.1 No claim in respect of a breach of any of the Warranties (other than the Warranty in paragraph 1 of Schedule 4 or the Tax Covenant) shall be made (except by disclosure) unless notice thereof has been given by or on behalf of the Buyer within the period of <<Number, usually 3 years>> years following the end of the accounting period of the Company in which the seventh anniversary of the breach of the Warranty in question occurred.
- 6.1.1 in respect of a breach of any of the Warranties [other than the Tax Covenant], the period of <<Number, usually 3 years>> years following the end of the accounting period of the Company in which the seventh anniversary of the breach of the Warranty in question occurred.
- 6.1.2 pursuant to the provisions of the Warranties, the period of six months following the end of the accounting period of the Company in which the seventh anniversary of the breach of the Warranty in question occurred.
- 6.2 Except in any case of fraud or non-disclosure:
- 6.2.1 the Sellers' liability under any of the Warranties (other than the Tax Covenant) in paragraph 1 of Schedule 4 or the Tax Covenant) when aggregated together shall not exceed the amount received by the Sellers under the Warranties in question.
- 6.2.2 the Sellers shall not be liable under the Warranties in question in respect of any claim by the Buyer under any of the Warranties (other than the Tax Covenant) when aggregated together shall not exceed the amount received by the Sellers under the Warranties in question.
- 6.2.2.1 the amount in figures>> (<<'X' amount in words>>).
- 6.2.2.2 would not exceed, £<<'Y' amount in figures>>.

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6.2.

pounds) in which case the whole amount by which the limit in this clause is exceeded shall be payable by the Buyer;

6.3 and for the purposes
matter shall be treated

claims arising out of the same subject-matter than as individual claims.

6.4 The Sellers shall not if of this Agreement, make any director or any employee or on whom it may have authorising any statement

ist them by the Buyer under the terms
Company or any of the Subsidiaries or
or of any of the Subsidiaries on which
ng to any term of this Agreement or
ter.

6.5 [The Sellers shall not be liable to the Buyers to the extent that the losses are caused by the breach of the Non-Competition Covenant (and vice versa).

by breach of the Warranties if and to the extent that the same have been recovered under the Tax

6.6 [The Sellers shall not
under the Tax Warrant
Date.]

1980 in respect of any claims made
to seven years after the Completion

7. CONFIDENTIAL INFO

7.1 Each of the Sellers shall maintain Confidential Information of the Company, its business and shall not disclose such Confidential Information.

to be kept secret and confidential all
company or its business or is used in its
any person any such Confidential

7.2 The obligations of confidentiality in or becomes part of the obligations of confidentiality from a third party independent required by law or regulation.

shall not extend to any matter which is
wise than by reason of a breach of the
t or which any of the Sellers receive
close it or which any of the Sellers are
se.

8. NON-COMPETITION

8.1 Each of the Sellers covenants and warrants, jointly and severally, and whether alone or in conjunction with any other person:

that he/she will not directly or indirectly
on behalf of or by way of assistance to,

8.1.1 at any time beginning with the date on which the person who has been appointed as a director of the Subsidiaries

<Insert number of months>> months
any person who is at Completion, or
the period of 12 months immediately
former of the Company or any of the

8.1.2 at any time beginning with the first day of any person's term of office and ending at the end of the period of 12 months of the Commission's term of office.

<Insert number of months>> months
solicit or otherwise seek the custom of
who has been at any time during the
preceding that date, a client or customer
aries; or

8.1.3 at any time

<Insert number of months>> months

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entice away from the Company or any
e Company or any of the Subsidiaries
rvice to the Company or any of the
e 12 months immediately preceding
icement causes or would cause such
rially reduce its supply of, those goods
ny of the Subsidiaries; or

- <Insert number of months>> months
 entice away from the Company or any
 ectly or indirectly) offer employment or
 or at any time during the period of 12
 employee of the Company or any of
 (in the reasonable opinion of the Buyer) to be in
 on relating to, or able to influence the
 ons of, the Company or any of the

- 8.1.5 at any time beginning with the date of the first investment of less than 5% in nominal value of the share capital of a company whose shares are listed on a stock exchange (within the meaning of the Financial Services and Markets Act 2000) be engaged, concerned or interested with the company in any Relevant Business; or

8.2 The Sellers undertake that at any time after Completion, use in connection with any trade name, design or logo, or any other mark, business or service mark, business or domain name, design or logo, or any other mark, used by the Company or any of the Subsidiaries which is, or is likely to be, identical to or similar to the name, design or logo, or any other mark, of the Buyer, capable of confusion with such words, marks or e-mail address.

8.3 Each of the undertaking [REDACTED] is:

- | | |
|-------|---|
| 8.3.1 | considered by the Buyer to be enforceable; |
| 8.3.2 | a separate agreement between the Sellers and is enforceable by the Buyer (on behalf of the Company and the Subsidiaries) notwithstanding its right to enforce any one or more of the provisions of the Agreement and 8.2; and |
| 8.3.3 | given for the purpose of providing to the Buyer the full benefit of the business and the Company and the Subsidiaries and in consideration of the Buyer to acquire the Shares on the terms of this |

8.4 Accordingly, if any restriction is unenforceable, but would be valid if any part of it were deleted, the restriction shall apply with such modification as is 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 respect of the Company or any business in which (otherwise than as a result of any breach of the undertakings by the Sellers) the Company, the Subsidiaries and the Buyer or any subsidiary of the Buyer have ceased to be involved prior to the date of completion of the Transaction, or which would but for this clause 8.4 give rise to a claim, or which would but for this clause 8.5

9. [GUARANTEES

- 9.1 The Buyer undertakes to use reasonable endeavours (short of the payment of money and the substitution of the guarantee of any person or any company within the Group) to procure the release of the Company and/or any of the Sellers from liability under any and all outstanding guarantees and listed below in respect of the obligations undertaken by the Company and/or any of the Sellers to indemnify each of the Sellers against any such liability arising from the guarantees in question are:

9.1.1 <<Specify details>>

10. INDEMNITIES

- 10.1 The Sellers shall indemnify the Company [and each of the Subsidiaries] against a sum equal to all liabilities suffered or incurred by the Company in connection with:-
- 10.2 10.1 any breach, whether before or after Completion, of any covenant or any other term contained or implied in any property assigned by the Company or by any of the Subsidiaries to any third party;
- 10.3 any defect or alleged defect in any property produced or sold by the Company or by any of the Subsidiaries prior to Completion;
- 10.4 any industrial or other injury suffered by any employee or former employee of the Company or any of the Subsidiaries in respect of or in relation to any period ending on or before Completion [or]
- 10.5 [<<Specify other issues of relevance>>]
- 10.6 save, (in the circumstances in which 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] a press announcement 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 keep the contents of the Agreed Terms private and confidential and shall not disclose any or all of them to any person other than the parties to the transactions hereby agreed upon except to the extent required by law. It is agreed that the Buyer and the Sellers shall be entitled to make such statements in their respective future annual reports and financial statements.

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14.4 If there is an assignment

14.4.2 the assignee shall be bound by the Agreement as if it were a party to it, but the Buyer shall not be bound by the obligations under this Agreement.

This Agreement together with the Exhibits 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, to the extent that they arise out of the fraud or fraudulent misstatements of the other party.

16.1 Any variation of this Agreement shall be in writing and signed by or on behalf of the

- parties.
- 16.2 Any waiver of any right or remedy provided under this Agreement is only effective if it is in writing and it applies only to the party to whom it is addressed and to the circumstances for which it is given and the party who has given the waiver from subsequently relying on it.
- 16.3 A party that waives a right or remedy provided under this Agreement against that party, does not waive that right or remedy in relation to any other party.
- 16.4 No failure to exercise a right or remedy provided under this Agreement or by law or any other agreement shall prevent any future exercise in whole or in part of such right or remedy.
- 16.5 No single or partial exercise of a right or remedy under this Agreement shall preclude or restrict the exercise of any such right or remedy.
- 16.6 Unless specifically provided otherwise, the rights arising under this Agreement are cumulative and do not exclude any other rights provided by law.
- 17. PROVISIONS SURVIVING COMPLETION**
- Insofar as the provisions of this Agreement shall not have been performed at Completion, they shall nevertheless remain in effect notwithstanding Completion.
- 18. FURTHER ASSURANCE**
- The Sellers shall (at the request of the Buyer) 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 giving effect to the provisions of this Agreement.
- 19. COUNTERPARTS**
- This Agreement may be executed in any number of counterparts, each of which is an original and which together constitute the entire agreement between the parties. Each counterpart shall have the same effect as if each party had signed the same document.
- 20. COSTS**
- Each party shall, except as otherwise provided, pay its own costs of and incidental to this Agreement and the exercise of any right hereunder. Except that, if the Buyer shall lawfully exercise any right hereunder and this Agreement, the Sellers shall indemnify the Buyer against the costs incurred by it in connection with this Agreement and its exercise.
- 21. SEVERANCE**

The provisions of this Agreement shall be valid and enforceable at any time any of such provisions may be found to be invalid, legality or enforceability shall not in any way be affected or impaired thereby.

22. NOTICES

22.1 Any Notice relating to this Agreement shall be served by pre-paid first class post or by any other method of service given herein or by any other way of service upon all the Sellers.

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

If, however, in the case of a letter, the period of 24 hours after despatch would expire on, or if, in the case of a transmission by electronic means, such delivery or transmission occurs on a Business Day or after 4.00 p.m. on a Business Day, then service shall occur on the next following Business Day.

22.3 In proving service it shall be sufficient to produce a fax transmission report showing that transmission was properly stamped and, in the case of a letter, that such letter was properly stamped and in the post and, in the case of a transmission by electronic means, sufficient to produce a fax transmission report showing that transmission was properly made to the correct number or an email delivery receipt.

22.4 Any notice relating to this Agreement shall be given to each of the Sellers as provided in this clause 23 on any day when such notice is given to each of the Sellers.

22.5 Any such notice shall be given to the personal representatives of a deceased Seller, if such a grant of representation has been made in respect of his or her estate, or to his or her personal representative in accordance with clause 23.1, or to the Seller by name or to his or her personal representative at the Seller's address given herein or at such other address as may be notified by them in writing to the sender as being their address for the purposes of this Agreement.

22.6 Each of the Sellers irrevocably and exclusively appoints the Sellers' Solicitors as its agent for the service of notices arising out of or in connection with this Agreement and for all other purposes.

23. PROPER LAW AND JURISDICTION

This Agreement and the subject matter (including all disputes arising therefrom or associated with it) 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 the Agreement

and distinct from one another, and, if any of such provisions may be found to be invalid, illegal or unenforceable, the provisions shall not in any way be affected or impaired thereby.

in writing delivered personally or sent by pre-paid first class post to the address of the party to be notified for this purpose (or, by any other way of service upon all the Sellers' Solicitors).

ed to have been served 24 hours after despatch and, if delivered by electronic means, be deemed to have been served at the time of its transmission.

period of 24 hours after despatch would expire on, or if, in the case of a transmission by electronic means, such delivery or transmission occurs on a Business Day or after 4.00 p.m. on a Business Day, then service shall occur on the next following Business Day.

in the case of a letter, that such letter was properly stamped and in the post and, in the case of a transmission by electronic means, sufficient to produce a fax transmission report showing that transmission was properly made to the correct number or an email delivery receipt.

ed as provided in this clause 23 on any day when such notice is given to each of the Sellers.

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inally appoints the Sellers' Solicitors as its agent for the service of notices arising out of or in connection with this Agreement and for all other purposes.

arising out of or in connection with its subject matter (including all disputes arising therefrom or associated with it) shall be governed by the laws of England and Wales and subject to the jurisdiction of the English courts.

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Name and Address of Seller		Proportions
<<Name and Address>>		<<Amount of Consideration due>>
<<Name and Address>>		<<Amount of Consideration due>>
<<Name and Address>>		<<Amount of Consideration due>>

Name: << >>

Registered in England no: << >>

Date of incorporation: << >>

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

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

Secretary: << >>

Auditors: << >>

Registered office: << >>

Name: << >>

Registered in England no: << >>

Date of incorporation: << >>

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

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

Secretary: << >>

Auditors: << >>

Registered office: << >>

<<Insert details of Property>>

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<<Insert details of Tax Covenant

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3.3 All returns and other documents required to be filed by the Companies, or with the SEC, or any other regulatory agency, shall be duly filed and were correct and complete.

to be filed with the Registrar of
respect of the Company have been

4. **INSURANCES**

- 4.1 The Company maintains at all times has maintained, adequate insurance cover against fire, theft, professional negligence, product liability, accident, damage to property, loss (including product liability), loss of profit and other risks and all Assets and the Property have been covered for the relevant period.
- 4.2 The Disclosure Letter contains details of all policies of insurance maintained by or on behalf of the Company and all such policies are in full force and effect.
- 4.3 There are no material circumstances likely to affect the validity of, or in respect of the validity of, any of those policies. Sellers are aware, there are no circumstances likely to affect the validity of any of those policies.
- 4.4 All the insurance policies are in full force and effect, are not void or voidable, and nothing has been done which could make any of them void or voidable and Complete does 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 of the relevant jurisdiction and neither the Company nor any of its employees have committed, or omitted to do, any act or omission which could give rise to any fine, penalty, default proceedings or other legal proceedings against the Company.
- 5.2 The Company has not given any undertaking or assurance given to any court or government authority which is not in full force.

6. **LICENCES**

- 6.1 The Company has obtained all necessary consents, permits and authorities of a statutory or regulatory body or authority expedient 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 none of the Sellers is aware of any of them should be suspended, cancelled or revoked on any material terms.

7. **LITIGATION**

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

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

8. **INSOLVENCY**

8.1 The Company is not insolvent within the meaning of the Insolvency Act 1986; and has paid its debts 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 its debts has been or prevented; or

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

8.2.3 a person is acting in the affairs, business and assets of the Company as if he or she were a creditor; or

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

8.3 In relation to the Company:

8.3.1 no administration order has been made;

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 (as defined in Schedule B1 to the Insolvency Act 1986).

8.4 No process has been taken to lead to 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 substances have been or stored or otherwise handled by the Company on the Premises. The Company has at all times held all necessary licences, consents, permits or approvals necessary to enable it to use, store or otherwise handle or dispose of hazardous substances used, stored, otherwise handled or disposed of on the Premises or elsewhere.]

9.2 There has been no breach of any statutory provision by the Company, the Company has no responsibility for any breach of any statutory provision of the environment by any third

party and there has been no rise to any pollution

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.

by the Company which could give

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 regulations and in accordance with generally accepted accounting practices;
- 10.1.2 have been prepared on a consistent basis and using principles and methods which are consistent with those used in the preparation of the audited consolidated accounts for 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 Accounts Date and of the profit or loss of the Company for the accounting period ended on that date.

10.2 The Accounts:

- 10.2.1 make provision for all bad and doubtful debts, for contingent liabilities and for deferred Tax;
- 10.2.2 do not overstate assets or fixed assets; and
- 10.2.3 do not understate liabilities (whether actual or contingent).

10.3 The Accounts are not affected by any unusual or misleading items or any other factor that would make the Accounts misleading.

10.4 [Since the Accounts are prepared on a going concern basis]

- 10.4.1 the Company has been carried on in the ordinary and usual course and there has been no material alteration in the nature, scope or manner of its business;
- 10.4.2 the Company has not disposed of any asset, assumed any liability, entered into any other transaction which is outside its 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 are prepared using the same accounting principles, policies and methods as the Accounts (consistently applied) and

fairly reflect the transactions to which they relate

Company as at the date and for the period

11. FINANCE OF THE COMPANY

11.1 Full and accurate statement of all assets, loans or other financial facilities outstanding or available to the Company (and true and complete copies of the same) shall be attached to the Disclosure Letter and the Company shall do nothing whereby the creditworthiness of the Company might be affected or

assets, loans or other financial facilities are contained in the Disclosure Letter and the Company shall do nothing whereby the creditworthiness of the Company might be affected or

11.2 A statement of all the credit or debit balances on such accounts as are shown in this Agreement and the books and records of the Company shall be attached to the Disclosure Letter and the Company shall do nothing whereby the creditworthiness of the Company might be affected or

the Company and of the credit or debit balances on such accounts as are shown in this Agreement and the books and records of the Company shall be attached to the Disclosure Letter and the Company shall do nothing whereby the creditworthiness of the Company might be affected or

12. THE ASSETS OF THE COMPANY

12.1 The Company owns all the assets used by it.

Company owns all the assets used by it.

12.2 The Company has no other assets.

Company has no other assets.

12.3 The amounts due from the Company in the ordinary course of business and in arrears of the Company following the date of the Disclosure Letter shall be subject to any counterclaim or set-off

able in full in the ordinary course of business and in arrears of the Company following the date of the Disclosure Letter shall be subject to any counterclaim or set-off

13. INTELLECTUAL PROPERTY

13.1 The Company:

13.1.1 is the sole proprietor of all the registered Intellectual Property which is used by the Company

and (where it is capable of registration) all the registered Intellectual Property used by it, all of which shall be used by the Company for the purposes of the business

13.1.2 has not entered into any licence or agreement for the use of or assignment of any Intellectual Property rights

Intellectual Property Agreements other than those which are necessary for the purposes of the business or authorised any person to make any use of or assignment of any Intellectual Property rights

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

design right (whether registered or unregistered) in the products and is the proprietor of any such designs.

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13.2.1 None of the Sellers are or have been or will be, directly or indirectly, agents, representatives, employees, or contractors of the Company (so far as the Company is aware) and none of the Sellers own or have any right in or to any Intellectual Property of any other person.

13.2.2 None of the Sellers are or have been or will be, directly or indirectly, agents, representatives, employees, or contractors of the Company (so far as the Company is aware) and none of the Sellers own or have any right in or to any Intellectual Property of any other person. No rights are being used by, or are being used by, or are being opposed or attacked by any other person.

14. PLANT

Each item of the Plant used in the business of the Company is in good repair and condition (subject to normal wear and tear) and all vehicles and office and other equipment used in the business of the Company is in good repair and in satisfactory working order.

15. COMPUTER SYSTEMS

15.1 The Hardware has been maintained and supported and has the benefit of an appropriate maintenance and support agreement which is not capable of being terminated by less than 12 months' notice.

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

15.3 In this paragraph 15.3 "Hardware"

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

15.3.2 "Software" means all instructions for execution by microprocessor, whether in any form or medium, for the benefit of the Company at any time, irrespective of the form or medium.

16. THE CONTRACTS

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

16.1.1 involves obligations, restrictions, expenditure or revenue of a substantial, onerous or exceptional nature; or

16.1.2 is in any way outside the ordinary and proper course of the business of the Company on its normal length terms.

16.2 There is not outstanding at any time during the last three years any debt or liability, whether or not secured, between the Company and any person which is not of a normal nature.

16.3 The Sellers are not to indicate that any of the existing customers of or suppliers of the Company are likely materially to reduce the

volume of their purchases in comparison with the volume of their purchases during the period of the Agreement.

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

17. EMPLOYMENT

17.1 There is no employment between the Company and any of its directors or employees other than those copies of which are annexed to the Company's Memorandum and Articles of Association.

or engagement between the Company
other than those copies of which are

17.2 There is no employment between the Company and any of its employees which cannot be terminated by the Company without giving rise to a claim for redundancy payment or compensation (other than a statutory claim for unfair dismissal).

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

17.3 The Disclosure Letter shall disclose the period of continuous employment of each employee of the Company and the terms of the contract of employment of each such employee.

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

17.4 The Company is not obliged to increase the rate of remuneration of any employee.

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

17.5 Except as disclosed in the Disclosure Letter, the Company has not:

Company has not:

17.5.1 incurred any liability in connection with the termination of an employment contract including any redundancy payment, protective award or compensation for unfair dismissal, unfair dismissal and failure to reinstate or re-engagement of an employee.

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

17.5.2 incurred any liability in connection with the termination of a consultancy agreement;

termination of a consultancy agreement;

17.6 The Company has not made any award made by or on behalf of the Company or any collective agreement entered into by the Company with its employees or a trade union.

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

17.7 Within the year ending 31st March 2004 the Company has not given notice of redundancy to the Secretary of State or started consultations with appropriate representatives under Chapter II of Part IV of the Trade Union and Labour Relations (Consolidation) Act 1992 or failed to comply with its obligations under Chapter II of Part IV of the Trade Union and Labour Relations (Consolidation) Act 1992.

greement the Company has not given
etary of State or started consultations
Chapter II of Part IV of the Trade Union
1992 or failed to comply with its
t Act.

17.8 The Company has not entered into any agreement (whether under the Information and Consultation of Employees Regulations 2004 or otherwise) with and does not recognise a trade union, staff association or other body representing any of its employees or has not received any notice or request nor are there any arrangements in place (whether by agreement or arrangement).

ement (whether under the Information
2004 or otherwise) with and does not
l, 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 agreed to contribute towards relevant benefits as defined in Chapter 2 of the Income Tax (Earnings & Pensions) Act 2003.

18.2 The Sellers have supplied documents 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 information to reflect the factual position>>

18.3 In determining the existence of any breach of any Warranty in this paragraph 18, it shall be assumed that the Disclosed Schemes are as follows:

18.3.1 the Company shall make whatever payments to provide the benefits under the Disclosed Schemes (as defined in that paragraph) on the basis of the Disclosed Schemes and shall not add or discontinue any of the Disclosed Schemes.

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

19. MATERIAL DISCLOSURE

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

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

19.3 The sale of the Shares shall not by virtue of the terms of any agreement or arrangement be a party cause the Company to lose the benefit of any agreement or arrangement presently enjoys or entitle any person to, the Company.

19.4 The replies to the Letters of Enquiry dated <<Date>> raised on behalf of the Buyer were valid and true, complete and accurate.

20. **PROPERTY**

- 20.1 The Particulars of the Property in Schedule 3 are true and correct and the Company has good title to and the exclusive occupation and possession of the Property free from any mortgage, debenture or charge (whether specific or floating, legal or equitable charge, lien or other encumbrance, lease, sub-lease, licence, reservation, occupation, reservation, covenant, stipulation, profit à prendre, easement, grant, restriction, easement, quasi-easement or any privilege in favour of any third party.
- 20.2 There are appurtenant rights and easements necessary for its use and enjoyment of the Property.
- 20.3 The Company has under its control all duly stamped deeds and documents which evidence its title to the Property.
- 20.4 There are no restrictions, restrictions, agreements, orders, charges, restrictions, legislation, or orders, charges, matters which preclude the use of the Property for the purposes for which the Property is now used and each such use is the purpose of the provisions of the Town and Country Planning Acts 1971, the statutory re-enactment thereof and all statutory instruments made thereunder and is in accordance with the requirements of the Acts and all restrictions, conditions and covenants imposed by the said Town and Country Planning Acts have been observed and no agreements have been entered into under section 52 of the Town and Country Planning Act 1971, section 106 of the Town and Country Planning Act 1971, section 33 of the Local Government (Miscellaneous Provisions) Act 1971 in respect of the Property.
- 20.5 All replies by or on behalf of the Company to inquiries relating to the Property made by or on behalf of the said persons have been given and are now true complete and correct.
- 20.6 The Company has not incurred any liabilities in respect of any properties previously occupied or held any interest (or as a surety for the obligations of any person in relation to such property) including leasehold premises or otherwise disposed of and the Company has not made any indication whatsoever from any party that any claim has been made in respect of any such existing or contingent liabilities.

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<<Insert any operative provisions or arrangements>>

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Sellers' Completion

On Completion the Sellers shall

1.1 deliver to the Buyer:

1.1.1 transfers of the shares and holders thereof in favour of the Buyer together with the original and certified copies of any power of attorney under which such transfers may have been executed;

1.1.2 certificates in respect of shares in the capital of each of the Subsidiaries and transfers 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 and certificates of incorporation or registration and certificate of change of name and common seals (if any);

1.1.4 letters of resignation as directors [and resolutions of the Company and each of the Subsidiaries pursuant to paragraph 7;

1.1.5 [a certificate in writing from the Sellers' Solicitors as to the title of the Property;]

1.1.6 [the title deeds

1.1.7 [the resignation of directors [and the appointment of the Buyer shall nominate [and the employer in respect of [the Pension Scheme];]

1.1.8 all credit and documents relating to the Company and each of the Subsidiaries and each of the Subsidiaries are in the possession of or under the control of the Sellers and the Company; and

1.1.9 the Disclosure

1.2 procure:

1.2.1 the transaction 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 may be required 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)>>] [and the Company and each of the Subsidiaries employees;

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|--------|---|
| 1.2.4 | the written resolution of the Board of Directors of the Company and each of the Subsidiaries that they have no claim against the Company or any of the Subsidiaries for any fees or disbursements incurred by them in connection with Completion and the performance of the obligations of the Company and the Subsidiaries under the Agreed Terms; |
| 1.2.5 | [the release in full of the Company and the Subsidiaries from all banking arrangements entered into by the Company and the Subsidiaries with any bank or financial institution] |
| 1.2.6 | the release [in full] of the Company and each of the Subsidiaries from all encumbrances (including mortgages, liens, pledges, guaranties, and other security interests) given by the Company or any of the Subsidiaries to its bankers or otherwise) and of all encumbrances given by the Company or each of the Subsidiaries in respect of the obligations of the Company or any of the Subsidiaries under the Agreed Terms; |
| 1.2.7 | the repayment (including set-off of any amounts due to the Buyer directs) without deduction or set-off of any amounts due to the Company and to each of the Subsidiaries by the Company or any of the Subsidiaries to the Company or any of the Subsidiaries as a result of the obligations of the Company or any of the Subsidiaries under the Agreed Terms; |
| 1.2.8 | the release [in full] of the Company and the Subsidiaries from all claims and all claims against the Company or any person who is an associate of or connected with the Company or any of the Subsidiaries requiring an acknowledgment by each that there is no agreement or understanding under which any such claim might arise in the future; |
| 1.2.9 | [that the Company and the Subsidiaries] [name of company/firm/individual]>> [and the Company and the Subsidiaries] [individual]>>] enter into [service] agreements with the Company and the Subsidiaries under the Agreed Terms; and] |
| 1.2.10 | that each of the Subsidiaries convenes a general meeting on short notice of the Company and the Subsidiaries, adopts new articles of association in accordance with the Agreed Terms; |

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1.1 The purchase price for the Shares shall be the sum of £<<Amount in figure>> (<<Number of Shares>> shares) (<<Number of Shares>> shares) pounds), which shall be due to the Sellers in the P... paid in cash on Completion.

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

Bank: << >>

Branch: << >>

Sort Code: << >>

Account Name: << >>

Account Number: << >>

[Bank: << >>

Branch: << >>

Sort Code: << >>

Account Name: << >>

Account Number: << >>

[Bank: << >>

Branch: << >>

Sort Code: << >>

Account Name: << >>

Account Number: << >>

Signed by <<Name of Seller>

Signed by <<Name of Seller>

Signed by <<Name of Seller>

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

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