

DATED _____ <<Date>>

(1) <<Name of Seller>> LIMITED/PLC

-and-

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

SHARE SALE AND PURCHASE AGREEMENT

-relating to-

<<Name of Company being sold>> LIMITED/PLC

THIS AGREEMENT is made on

<<Date>> between:

- (1) <<Name of Seller>> **LIMITED/PLC**, a company registered in England under number <<Insert company number>>, whose registered office is at <<Insert registered office address>> ("the Seller"); and
- (2) <<Name of Buyer>> **LIMITED/PLC**, a company registered in England under number <<Insert company number>>, 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 expressions shall have the meanings set out below:

| | |
|---------------------------------------|---|
| "the Accounts" | (a) the audited accounts of the Company and of each of the Subsidiaries comprising (in each case) an audited balance sheet as at the Accounts Date and audited profit and loss account for the financial period ended on the Accounts Date; [and] |
| | (b) [the audited consolidated accounts of the Group comprising an audited consolidated balance sheet as at the Accounts Date and an audited consolidated profit and loss account for the financial period ended on the Accounts Date;] |
| | together (in each case) with the reports of the directors and auditors, any cash flow statements and all notes relating to such Accounts; |
| "the Accounts Date" | <<Insert Accounts Date>>; |
| "the Act" | the Companies Act 2006. |
| "the Applicable Data Protection Laws" | the Data Protection Act 1998 and the Telecommunications (Data Protection and Privacy) (Direct Marketing) Regulations 1998; |
| "Business Day" | any day (other than Saturday) on which clearing banks are open for normal banking business in London; |
| "the Buyer's Solicitors" | <<Insert Name of Buyer's Solicitors>> or any successor firm; |
| "the Company" | <<Name of Company being acquired>> Limited/PLC (of which particulars are given in part 1 of schedule 1); |
| "Completion" | completion of the sale and purchase of the Shares in |

| | |
|------------------------------------|--|
| | accordance with the provisions of this Agreement; |
| “Completion Date” | the |
| “Confidential Information” | all commercial, financial and technical know-how, trade secrets, inventions, confidential information whatsoever and in whatever form and whether disclosed orally or in writing, and all reproductions in whatsoever form or parts of it; |
| “the Disclosure Letter” | the Solicitors to the Buyer with the same effect; |
| “the Disclosed Schemes” | the Pension Scheme, the Pension Schemes and the Pension Scheme(s) and the State Pension Scheme(s); |
| “Encumbrance” | any charge, mortgage, lien, pledge, hypothecation, security, or other security agreement or arrangement, whether or not; |
| “GPP” | means the pension plan underwritten by the Group Life Assurance Company; |
| “the Group” | together with the Subsidiaries; |
| “Intellectual Property” | (a) patents, trademarks, service marks, registered designs, registered rights to apply for any of those rights, trade names, company names, internet domain names, addresses, unregistered trade names, copyrights, database rights, and inventions; (b) all other intellectual property rights in paragraph (a); (c) all other intellectual property rights of a similar effect or nature as or to those in paragraph (b) which now or in the future may be registered; (d) all other intellectual property rights in paragraph (a) which are not infringements of any of the foregoing; |
| “Intellectual Property Rights” | all intellectual property rights, whether or not used, owned, used or required to be used; |
| “Intellectual Property Agreements” | means all agreements relating (wholly or partly) to the disclosure, use, assignment, or exploitation of any invention, discovery, process, formulae or other know-how; |
| “Life Assurance” | means the Group Life Assurance |

| | | |
|--------------------------------|------------------------------|--|
| Scheme” | Sch | <Insert Name of Provider>; |
| ["the Management Accounts” | the Sub from atta | of the Company, of each of the up, in each case for the period <<Date>> copies of which are etter;] |
| “Member of the Seller’s Group” | any | er’s Group from time to time; |
| “Notice” | incl com | demand, consent or other |
| “Pension Scheme(s)” | mea occ | scheme(s) (to be used for es)>>; |
| “Personal Pension Scheme(s)” | mea for pen | of each scheme (to be used es excluding group personal |
| “the Property” | all sch eac | particulars of which are in m and each and every part of |
| “Release” | any arra effe | compromise or any other having similar or analogous |
| “Relevant Business” | mea mat | consists of or includes to a ture of business>>; |
| “Restricted Area” | mea | cal area>>; |
| “the Seller’s Group” | toge und Act) of th | any company (including any aning of section 1161 of the the meaning of section 474(1) company and the Subsidiaries; |
| “the Seller’s Solicitors” | <<In | olicitors>> or a successor firm; |
| “the Shares” | all t | f the Company; |
| “Stakeholder Scheme” | mea Cor Pro | ion scheme designated by the en by <<Insert Name of Pro |
| “the Subsidiaries” | the “Su | art 2 of schedule 1 (each a |
| “the Tax Covenant” | the sch | f the Seller set out in part 3 of |

- “Tax” as defined in paragraph 3;
- “the Tax Warranties” the Tax Warranties set out in paragraph 2 of schedule 3;
- “the Warranties” the Warranties set out in paragraph 4 and the Tax Warranties set out in paragraph 5 of schedule 4 and the Tax Warranties set out in paragraph 6 of schedule 5 followed by a number reference to the paragraph of schedule 3;
- 1.2 Unless the context otherwise requires, the words and expressions which are otherwise defined in the Act shall have the meaning when used in this Agreement, but “company” shall include both “company” and “body corporate”, as in each case defined in the Act;
- 1.3 A reference to a particular statute or subordinate legislation is a reference to it as it is in force at the time being in force made or amended, taking account of any amendment or re-enactment of that statute, statutory provision or subordinate legislation which in force would not impose any new or extended obligation, liability or duty 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 shall include the neuter gender and a reference to a “person” includes a reference to an unincorporated body (whether or not having separate legal personality).
- 1.6 The singular includes the plural.
- 1.7 A document referred to as being signed or initialled for the parties shall be in the form of that document signed or initialled for the parties on behalf of the parties.
- 1.8 A person shall be deemed to be connected with such other within the meaning of the Income & Corporation Taxes Act 1988.
- 1.9 References to “indemnify” and “indemnity” shall include indemnifying and keeping indemnified from 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 of this Agreement.
- 1.11 The Buyer enters into this Agreement for the purpose of the enforcement of any provision of the Company or any of the Subsidiaries, as trustee for and on behalf of the Seller or any company concerned.
2. **AGREEMENT FOR SALE AND PURCHASE**
- 2.1 On the terms of this Agreement the Seller and the Buyer shall buy, with

- effect from Completion, the Encumbrance and together with them including, in particular, declared, made or paid on or after Completion, the Seller shall guarantee, free from any (or may in the future attach) to dividends and distributions or otherwise.
- 2.2 The Buyer shall not be obliged to purchase any of the Shares unless the purchase of all the Shares is made.
- 2.3 The Seller hereby waives any 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 7.
4. **COMPLETION**
- 4.1 Completion shall take place on the Completion Date at <<Specify location>> or at such other location agreed between the parties.
- 4.2 On Completion the Seller shall deliver the Shares as set out at schedule 6.
- 4.3 On Completion, and on the condition that the Seller has complied with its obligations under clause 4.2, the Buyer shall
- 4.3.1 make the payments due to the Seller on Completion in accordance with clause 3; and
- 4.3.2 acknowledge receipt of the Shares.
- 4.4 If any of the preceding provisions of this Agreement are not complied with on the Completion Date, then (without prejudice to any other rights of action it may have) the party not in default may rescind this Agreement by notice in writing.
5. **WARRANTIES AND TAX COVENANTS**
- 5.1 The Seller warrants to the Buyer that the information contained in the Warranties is true and accurate in all respects and not misleading.
- 5.2 The Seller undertakes with the Buyer a Tax Covenant.
- 5.3 Any Warranty qualified by the words "to the best of the Seller's knowledge and belief" or "so far as the Seller is aware" shall be deemed to include knowledge, information and belief of any person from whom the Seller would have had if it had made such enquiry or of whom it is stated to be reasonable to make such enquiry.
- 5.4 The rights and remedies of the Buyer under the Warranties and the Tax

- Covenant shall not be affected by the act or omission of the Buyer.
- 5.5 Each Warranty is a separate contract and shall not be limited or restricted by reference to or inference from any other Warranty.
- 5.6 Each of the Warranties and the Tax Covenant shall apply equally to each of the Subsidiaries and shall take effect as if each Subsidiary were in turn substituted for "the Company" throughout schedule 4.
- 5.7 The Seller shall indemnify the Buyer for all legal costs (including without limitation legal costs on a full indemnity basis) which it may incur, either before or after the instigation of any proceedings for breach of any Warranty, in connection with any legal proceedings pursuant to the Tax Covenant in respect of any such judgment.
- 5.8 Any payment by the Seller for the Warranties or under the Tax Covenant shall constitute part of the consideration of and reduction in the consideration for the Shares.
- 5.9 The Buyer shall as soon as reasonably practicable notify the Seller in writing of any claim made against it by a third party in respect of a claim for breach of any Warranty (other than a claim for breach of the Tax Covenant). Failure to give such notice shall not affect the rights of the Buyer.
- 5.10 The Seller shall notify the Buyer as soon as it becomes aware of any fact or circumstance which constitutes a breach of the Warranties.
- 6. LIMITATIONS ON CLAIMS**
- 6.1 No claim in respect of any breach of any Warranty (other than the Warranty in paragraph 1 of schedule 4) or of the Tax Covenant shall be made (except in any case of fraud, dishonesty or misfeasance) unless notice thereof has been given by or on behalf of the Buyer to the Seller within the period specified in the following provisions:
- 6.1.1 in respect of any breach of any Warranty other than the Tax Covenant, before the end of the period of <<Number, usually 3 years>> years following Completion;
- 6.1.2 pursuant to the Tax Covenant, before the end of the period of six months following the end of the accounting reference period of the company in which the seventh anniversary of Completion falls.
- 6.2 Except in any case of fraud, dishonesty or misfeasance, the Seller's liability in respect of any breach of any of the Warranties (except for the Tax Covenant) when aggregated together shall not exceed the amount received by the Seller under the Warranties unless:
- 6.2.1 the Seller's liability in respect of any breach of any of the Warranties (except for the Tax Covenant) when aggregated together shall not exceed the amount received by the Seller under the Warranties unless:
- 6.2.2 the Seller shall have received notice of any claim by the Buyer under the Warranties (except for the Tax Covenant) within the period specified in figures>> (<<'X' amount in
- 6.2.2.1 the amount of the claim shall be equal to or less than the amount of the claim in figures>> (<<'X' amount in

- words>> pounds)
- 6.2.2.2 would, whether such claims against the Seller of, £>> (<<'X' amount in words>> pounds) or £<<'Y' amount in figures>> (<<'Y' amount in words>> pounds) in which case the whole amount (and the limit in this clause 6.2.2.2 is £>> by the Buyer;
- and for the purposes of this clause any claim arising out of the same subject-matter shall be treated as one single claim.
- 6.3 The Seller shall not if any claim is made against the Buyer under the terms of this Agreement, make any claim against or any of the Subsidiaries or any director or any employee of the Buyer or of the Subsidiaries on which it or on whom it may have relied in connection with any term of this Agreement or authorising any statement in the said term of this Agreement.
- 6.4 The Seller shall not be liable in respect of the Warranties if and to the extent that the losses occasioned by the Seller are recovered under the Tax Covenant (and vice versa).
- 6.5 The Seller shall not plead the limitation period in respect of any claims made under the Tax Warranties or Tax Covenant in more than years after the Completion Date.
7. **CONFIDENTIAL INFORMATION**
- 7.1 The Seller shall, and shall procure that each of the Seller's Group shall, following Completion, keep as secret and confidential all Confidential Information which it or its business or is used in its business and shall not use or disclose any such Confidential Information to any person.
- 7.2 The obligations of confidentiality shall extend to any matter which is in or becomes part of the public domain by reason of a breach of the obligations of confidentiality in respect of which the Seller receives from a third party independently entitled to the Confidential Information the Seller is required by law or regulatory authority to disclose.
8. **NON-COMPETITION**
- 8.1 The Seller covenants with the Buyer that it will procure that no Member of the Seller's Group from time to time, whether directly and whether alone or in conjunction with, or on behalf of, any other person:
- 8.1.1 at any time during the period of <<number of months>> months beginning with Completion, or at any time during the period of <<number of months>> months who has been at any time during the period of 12 months immediately preceding that date, an officer, director, employee of the Company or any of the Subsidiaries; or
- 8.1.2 at any time during the period of <<number of months>> months

SAMPLE

beginning with Completion of any person who is a customer of the Company

or otherwise seek the custom of any person who has been at any time during the period of 12 months preceding that date, a client or subsidiary; or

8.1.3 at any time during the period of months beginning with Completion of the Subsidiaries and any person who had supplied goods or services to the Company or any of the Subsidiaries at any time during the period of 12 months immediately preceding Completion, if that supplier ceases to supply goods and/or services to the Company or any of the Subsidiaries; or

number of months>> months from the Company or any of the Subsidiaries at any time during the period of 12 months immediately preceding Completion, if that supplier ceases to supply goods and/or services to the Company or any of the Subsidiaries; or

8.1.4 at any time during the period of months beginning with Completion of the Subsidiaries or a consultancy to any person for a period of 12 months prior to, Completion of the Subsidiaries and in possession of Confidential customer relationship information of the Company or any of the Subsidiaries; or

number of months>> months from the Company or any of the Subsidiaries (directly or indirectly) offer employment or consultancy to any person at any time during the period of 12 months prior to, Completion of the Company or any of the Subsidiaries (in the opinion of the Buyer) to be in possession of Confidential information to, or able to influence the business of the Company or any of the Subsidiaries; or

8.1.5 at any time during the period of months beginning with Completion of the Subsidiaries or a consultancy to any person for a period of 12 months prior to, Completion of the Subsidiaries and in possession of Confidential customer relationship information of the Company or any of the Subsidiaries; or

number of months>> months from the Company or any of the Subsidiaries (directly or indirectly) offer investment of less than 5% in nominal value of the capital of a company whose shares are listed on a stock exchange (within the meaning of the Financial Markets Act 2000) be engaged, directly or indirectly, in any Relevant Business; or

8.2 The Seller undertakes that it and the Seller's Group shall, at any time during the period of 12 months prior to, Completion of the Subsidiaries and in possession of Confidential customer relationship information of the Company or any of the Subsidiaries; or

secure that no Member of the Seller's Group shall, at any time during the period of 12 months prior to, Completion of the Subsidiaries and in possession of Confidential customer relationship information of the Company or any of the Subsidiaries; or

8.3 Each of the undertakings in clause 8.1.3, 8.1.4, 8.1.5, 8.2 and 8.3 shall be enforceable by the Buyer (on behalf of itself and any of the Subsidiaries) separately and independently of the other undertakings in clause 8.1.3, 8.1.4, 8.1.5, 8.2 and 8.3

8.3.1 considered by the parties to be enforceable by the Buyer (on behalf of itself and any of the Subsidiaries) separately and independently of the other undertakings in clause 8.1.3, 8.1.4, 8.1.5, 8.2 and 8.3

enforceable by the Buyer (on behalf of itself and any of the Subsidiaries) separately and independently of the other undertakings in clause 8.1.3, 8.1.4, 8.1.5, 8.2 and 8.3

8.3.2 a separate undertaking given for the purpose of the business and goodwill of the Company or any of the Subsidiaries and in consideration of the Shares to be acquired on the terms of this Agreement

Buyer the full benefit of the business and goodwill of the Company or any of the Subsidiaries and in consideration of the Shares to be acquired on the terms of this Agreement

8.3.3 given for the purpose of the business and goodwill of the Company or any of the Subsidiaries and in consideration of the Shares to be acquired on the terms of this Agreement

Accordingly, if any restriction is deleted or the restriction is reduced, the restriction shall apply with such modifications as to make it valid and enforceable

valid, but would be valid if any restriction reduced, the restriction shall apply with such modifications as to make it valid and enforceable

enforceable.

8.4 Nothing in the undertakings set out in clause 8.2 shall be deemed to prohibit any action in respect of any business in which (otherwise than as a result of any breach of any agreement by the Seller) the Company, the Subsidiaries and the Buyer or any Member of the Buyer have ceased to be involved prior to any event, or which would but for this clause 8.4 give rise to a claim, under any such agreement.

9. [GUARANTEES]

The Buyer undertakes with the Seller to use reasonable endeavours (short of actual payment of any monies by the Buyer or any Member of the Seller and any Member of the Seller's Group) to procure the release of the Seller and any Member of the Seller's Group from liability under any and all agreements given by the Seller or any Member of the Seller's Group in connection with the Agreement and listed below in respect of monies borrowed and/or advanced by the Company and/or any Member of the Seller's Group against any such liability. The guarantees in question are:

<<Specify details of guarantee>>

10. INDEMNITIES

The Seller shall indemnify the Company and its Subsidiaries] against and shall reimburse the Company as to all losses, damages, costs or incurred by the Company as a result of:

- 10.1 any breach, whether before or after completion, of any covenant or any other term contained or implied in any lease or agreement entered into by the Company or by any of the Subsidiaries before Completion;
- 10.2 any defect or alleged defect in any goods sold by the Company or by any of the Subsidiaries;
- 10.3 any industrial or other work-related injury suffered by any employee or former employee of the Company or Subsidiaries in respect of or in connection with the Agreement;
- 10.4 any VAT chargeable against any of the Company's Group[; or]
- 10.5 [<<Specify other issues arising out of the Agreement and 10.3) to the extent that recovery is made by the Company or Subsidiaries concerned] under any policy of insurance.

11. PUBLICITY

11.1 The parties shall forthwith upon the announcement and] announcement to the customers and suppliers of the Company

procure to be made [a press announcement] of the Company and to the public in accordance with the Terms.

11.2 Each of the parties shall both before and after the announcement keep the contents of this Agreement confidential and shall not disclose any or all of them to any person without the prior written consent of the other party. The parties hereby agreed upon except to the extent required by the Buyer and the Seller shall be entitled to make references to the facts and figures disclosed in their respective future annual reports and financial statements.

on, but subject to clause 11.1, the parties shall keep the contents of this Agreement confidential and shall not disclose any or all of them to any person without the prior written consent of the other party. The parties hereby agreed upon except to the extent required by the Buyer and the Seller shall be entitled to make references to the facts and figures disclosed in their respective future annual reports and financial statements.

12. PENSION SCHEME

Schedule 5 shall apply in relation to the Pension Scheme.

13. THIRD PARTY RIGHTS

13.1 For the avoidance of doubt [a number of clause giving right to the Subsidiaries>>], nothing in this Agreement shall prevent any third party from enforcing any provisions of this Agreement.

provided in clause <<Insert Clause 10 if it applies to the Subsidiaries>> on any third party the right to enforce any provisions of this Agreement.

13.2 Notwithstanding that any provision of this Agreement and its amendments, rescinded or terminated by the agreement of any third party.

may be enforceable by any third party. This Agreement shall not be amended, waived, modified, terminated or rescinded without the consent or agreement of any third party.

14. ASSIGNMENT

14.1 Except as provided otherwise in this Agreement, no party may assign, or grant any security interest, or create any encumbrance or security interest in any document referred to in it.

party may assign, or grant any security interest, or create any encumbrance or security interest in any document referred to in it.

14.2 Each party that has rights under this Agreement may exercise them on its own behalf.

on its own behalf.

14.3 The Buyer may assign its rights under this Agreement) to a wholly owned subsidiary, or a company of which it is wholly owned, on the same terms and conditions as the Seller on the same terms and conditions.

for any document referred to in this Agreement) to a wholly owned subsidiary, or a company of which it is wholly owned, on the same terms and conditions as the Seller on the same terms and conditions. The assignee shall be bound by the terms and conditions of this Agreement.

14.4 If there is an assignment:

14.4.1 the Seller may disclose the information to the assignor until it receives the assignment;

under this Agreement to the assignor until it receives the assignment; and

14.4.2 the assignee may enforce the rights under this Agreement, but the Buyer shall remain liable to the Seller under this Agreement.

if it were a party to it, but the Buyer shall remain liable to the Seller under this Agreement.

15. **WHOLE AGREEMENT**

This Agreement together with the documents referred to in it, constitute the entire agreement between the parties in relation to its subject matter and supersede all previous agreements, understandings and discussions between the parties. The parties acknowledge that they arise out of the fraud or fraudulent misrepresentation of the Seller.

into or to be entered into in connection with the Agreement between the parties in relation to its subject matter and supersede all previous agreements, understandings and discussions between the parties. The parties acknowledge that they arise out of the fraud or fraudulent misrepresentation of the Seller.

16. **VARIATION AND WAIVER**

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

signed by or on behalf of the parties.

16.2 Any waiver of any right under this Agreement applies only to the party to whom it is given and shall not be a precedent for any subsequently relying on the provisions of this Agreement.

effective if it is in writing and it applies only to the party to whom it is given and shall not be a precedent for any subsequently relying on the provisions of this Agreement.

16.3 A party that waives a right in relation to this Agreement against that party, does not affect its right to take any action against any other party.

takes or fails to take any action against that party, does not affect its right to take any action against any other party.

16.4 No failure to exercise or delay in exercising any right under this Agreement or by law constitutes a waiver of that right or shall prevent any future exercise in whole or in part.

remedy provided under this Agreement or by law constitutes a waiver of that right or shall prevent any future exercise in whole or in part.

16.5 No single or partial exercise of a right under this Agreement shall preclude or restrict the further exercise of that right or remedy.

under this Agreement shall preclude or restrict the further exercise of that right or remedy.

16.6 Unless specifically provided otherwise, the rights and remedies under this Agreement are cumulative and do not exclude any other rights or remedies.

under this Agreement are cumulative and do not exclude any other rights or remedies.

17. **PROVISIONS SURVIVING COMPLETION**

Insofar as the provisions of this Agreement survive Completion, they shall remain in full force and effect.

not have been performed at Completion, they shall remain in full force and effect notwithstanding Completion.

18. **FURTHER ASSURANCE**

The Seller shall (at its reasonable expense) execute and deliver all such documents, and do all such things as may be required from time to time reasonably necessary for the purpose of giving effect to the provisions of this Agreement.

execute and deliver all such documents, and do all such things as may be required from time to time reasonably necessary for the purpose of giving effect to the provisions of this Agreement.

19. **COUNTERPARTS**

This Agreement may be executed in counterparts, each of which is an original and which together have the same effect as if each party had signed the same document.

counterparts, each of which is an original and which together have the same effect as if each party had signed the same document.

20. **COSTS**

Each party shall, except where provided to this Agreement and its subject matter, indemnify the Buyer against all costs of and incidental to this Agreement and its subject matter, if the Buyer shall lawfully exercise any right hereby conferred by the Agreement, the Seller shall indemnify the Buyer against all costs incurred by it in connection with this Agreement and its subject matter.

21. **SEVERANCE**

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

22. **NOTICES**

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

22.2 Any such Notice shall, if sent by post, be deemed to have been served 24 hours after despatch and, if delivered by hand, be deemed to have been served at the time of such delivery.

If, however, in the case of delivery by hand, the 24 hours after despatch would expire on, or if, in the case of delivery by electronic means, such delivery or transmission occurs on, a day which is not a Business Day or after 4.00 p.m. on a Business Day, then service shall be deemed to have been made 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, addressed and made to the correct number or an email delivery receipt.

23. **PROPER LAW AND JURISDICTION**

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

SIGNED by or on behalf of the parties the day of the month of the year written

S
Part 1

Name: << >>

Registered in England no: << >>

Date of incorporation: << >>

Share capital: £<<Total share capital>> in <<Number of shares>> ordinary shares of <<Nominal value of shares>> and <<Number of other type of shares>> <<Other type of shares>> shares of <<Nominal value of each other type of shares>>

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

Secretary: << >>

Auditors: << >>

Registered office: << >>

Part 2

Name: << >>

Registered in England no: << >>

Date of incorporation: << >>

Share capital: £<<Total share capital>> in <<Number of shares>> ordinary shares of <<Nominal value of shares>> and <<Number of other class of shares>> <<Other class of shares>> shares of <<Nominal value of each other class of shares>>

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

Secretary: << >>

Auditors: << >>

Registered office: << >>

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<<Insert details of Property>>

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Schedule

Part 1

1. **INTERPRETATION**

1.1 In this schedule, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Accounts Relief”

the following words and

which was treated as an
the Company in the
or

which was taken into
in computing (and so
or eliminating) any
or Tax which appears in
nts or which would have
in the Accounts but for the
availability of such Relief;

“CAA”

Act 2001;

“Event”

tion, event, fact or
soever (whether actual or
d as occurring for any

“ICTA”

ation Taxes Act 1988;

“ITEPA”

ings and Pensions) Act

“loss”

, denial, clawback or
e or in part of any Relief
s (such as “lost”) shall be
ly;

“Post Completion Relief”

which arises as a result
has occurred or occurs
Date or in respect of any
on or after the Accounts

“Relevant Person”

person (except the Buyer

re Completion was a
f the same group of
for any Tax purpose
erson”); or

, before Completion the
or, at any time, the Seller
up Person is connected;

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“Relief”

“Tax”

“Tax Authority”

“Tax Claim”

“Tax Legislation”

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person who stands or has
a direct or indirect
relationship with the Company at
any time before Completion such
as by such person at any
time any Tax could result in
a payment on the Company
under section 767A or section
767A;

allowance, exemption,
deduction or credit available
under the Tax Act, or in relation to, Tax
computation for any Tax
on income, profits or gains;

repayment of Tax;

duty, impost, levy,
or withholding, past or
present, in the United Kingdom or
any other country and

tax, charge, surcharge,
fine or other imposition
or arising in connection
with tax, duty, impost, levy,
or withholding mentioned
in paragraph (a) of this definition or
document, record, form, return
or statement required to be kept,
maintained or submitted
in connection with the purpose of any
duty, impost, levy,
or withholding;

person located in the United
Kingdom or elsewhere, competent to
collect Tax, including HM
Revenue and Customs;

document, assessment, letter or
notice issued, or action taken, by
any Tax Authority and the
relevant Tax form, return or
statement, in either case, it
being a matter that the Company is or
may be liable to a Tax Liability or other
obligation of which the Seller is or
may be aware in this schedule 3;

any instrument, regulation
or provision providing for,

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to, Tax;

“Tax Liability”

y (including a liability
primary liability of some
on and whether or not
right of recovery against
erson) to make an actual
an amount in respect of

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y (including a liability
primary liability of some
on and whether or not
right of recovery against
son) to make a payment
d payment of Tax which
e arisen but for being
voided or reduced by any
relief or Post Completion

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wance, loss, clawback,
restriction or modification
unts Relief;

“Tax Warranties”

tained in part 2 of this

“TCGA”

ble Gains Act 1992;

“VAT”

“VATA”

t 1994;

“VAT Group”

panies for the purpose of
which the Company is or
ember on or before

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- 1.2 In this schedule, “Company” shall include any subsidiary of the Company in addition to the Company and the provisions of this schedule shall apply to each of them and be given in respect of each of them.
- 1.3 Any reference to an Event or Events occurring on or before Completion shall include the following:
- 1.3.1 any two or more Events occurring on or before Completion which shall have taken place or be deemed (for the purposes of this schedule) to have taken place on or before Completion;
- 1.3.2 any two or more Events occurring on or before Completion which shall have taken place or be deemed (for the purposes of this schedule) to have occurred on or before Completion.

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- 1.4 Any reference to a Tax Liability accrued or received on or before the date of Completion in respect of income, profits or gains earned, accrued or received for the purposes of the Tax Legislation on or before the date of Completion and any reference to a Tax Liability where such reference is made in question) is deemed to have occurred.

profits or gains earned, include a Tax Liability in or treated or regarded as the Tax Legislation on or before the date of Completion and any reference to a Tax Liability where such reference is made in question) is deemed to have occurred.

- 1.5 Any stamp duty which would be produced as evidence in Court (in the United Kingdom), provided establish the title of the Company enforcement or production of which fine or penalty relating to any such document the Company to make an actual document was executed and "Tax

ment in order for it to be document is presently within is either necessary to is a document in the interest, and any interest, deemed to be a liability of the date on which the document was executed and "Tax

- 1.6 In determining for the purposes of to sell, mortgage or charge, any at any time, the fact that any Tax liability shall be disregarded and such charge or power to sell, mortgage on which HM Revenue & Customs the Buyer.

er a charge on, or power of the Company exists at may be paid by instalments becoming due and the liability to the Company or

Part 2 Tax

1. GENERAL

- 1.1 All notices, returns (including all respect of PAYE and National reports, accounts, computations any other necessary information for the purposes of Tax have been applicable time limits, were accurate and complete in all mat

uments or information in and transaction returns), documents and registrations and any to any Tax Authority is, were submitted within been supplied and remain

- 1.2 The Company is not involved in within the past 12 months, been or access order by any Tax Authority facts or circumstances existing with discovery or access order will be

tax Authority and has not, investigation, discovery or is aware there are no visit, audit, investigation, months.

- 1.3 The Company has (to the extent possession complete and accurate Company has sufficient records of loss, balancing charge or balance arise on any disposal or on the Date or acquired since that date

erved and retained in its its Tax affairs and the calculate the profit, gain, (for tax purposes) which would owned at the Accounts

2. PAYMENT OF TAX

- All Tax (whether of the UK or else or is liable to account for, has been paid).

Company has been liable such Tax ought to have

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3. **CONCESSION**

The Disclosure Letter gives all the details of any concession, formal or informal unpublished, general or specific to the Company or which purports to exempt the Company from any obligation to make or submit a return to any Tax Authority.

Company has relied on any concession or practice (whether formal or informal unpublished, general or specific to the Company or which purports to exempt the Company from any obligation to make or submit a return to any Tax Authority).

4. **DEDUCTIONS AND WITHHOLDINGS**

All Tax and National Insurance contributions payable under the PAYE system and/or any other system of deduction, have been deducted from the Company's payments to its employees. All amounts due to the Revenue on Completion have been so paid, and all amounts due for benefits provided for directors, employees or any persons required to be treated as employees of the Company have been so paid.

and payable under the PAYE system and/or any other system of deduction, have been deducted from the Company's payments to its employees. All amounts due to the Revenue on Completion have been so paid, and all amounts due for benefits provided for directors, employees or any persons required to be treated as employees of the Company have been so paid.

5. **PAYE**

The Disclosure Letter gives full details of all PAYE returns submitted by the Company under Section 6 of ITEPA 2003 and of all settlement agreements entered into by the Company.

returns or notices received by the Revenue (including any notices of assessments) and of all PAYE returns submitted by the Company under Part 11 of ITEPA by the Company.

6. **CLOSE COMPANIES**

6.1 The Company has never been a close company within the meaning of sections 414 and 415 of ICTA 1988.

the meaning of sections 414 and 415 of ICTA 1988.

6.2 No distribution within section 418 of ICTA 1988 has been made by the Company during the last six years ending 31 December 2010, and no such distribution has been made between the Accounts for the years ended 31 December 2010 and 31 December 2011.

made by the Company during the last six years ending 31 December 2010, and no such distribution has been made between the Accounts for the years ended 31 December 2010 and 31 December 2011.

6.3 Any loans or advances made, or any other financial assistance provided, by the Company within sections 419 and 420 or 422 of ICTA 1988 are disclosed in the Disclosure Letter. The Company has not released any such loans or advances, the whole or any part of any such loans or advances, or any other financial assistance provided, by the Company within sections 419 and 420 or 422 of ICTA 1988.

by the Company within sections 419 and 420 or 422 of ICTA 1988 are disclosed in the Disclosure Letter. The Company has not released any such loans or advances, the whole or any part of any such loans or advances, or any other financial assistance provided, by the Company within sections 419 and 420 or 422 of ICTA 1988.

7. **CAPITAL GAINS**

7.1 The book value shown in, or ascertainable from, the Accounts as the value of each of the assets of the Company, and the chargeable gain or allowable loss on a disposal of such asset at the time of disposal, in each case, disregarding any statutory provisions other than amounts deductible under section 18 of the CGA 2006.

of, the Accounts as the value of each of the assets of the Company, and the chargeable gain or allowable loss on a disposal of such asset at the time of disposal, in each case, disregarding any statutory provisions other than amounts deductible under section 18 of the CGA 2006.

7.2 No transaction has been entered into by the Company to which the provisions of section 18 (transactions between connected persons) of the CGA 2006 have been or could be applied.

to which the provisions of section 18 (transactions between connected persons) of the CGA 2006 have been or could be applied.

8. CAPITAL ALLOWANCES

- 8.1 If any asset of the Company were shown in, or adopted for the consideration actually given for (since the Accounts Date), no legislation relating to capital jurisdictions outside the UK would
- 8.2 No event has occurred since the course of business) whereby any or any disposal value may fall to the CAA (or any other legislation relating to relief for the UK.
- 8.3 The Disclosure Letter contains full
- 8.3.1 all expenditure incurred allowances can be claimed
- 8.3.2 all capital allowances 14 of Part 2 of the CAA

9. SECONDARY LIABILITY

So far as the Seller is aware, no Company is made or held liable chargeable against or attributable Company.

10. STAMP DUTIES

- 10.1 Any document that may be needed Company to any asset which is a document which the Company must have been duly stamped for stamp duty
- 10.2 The Company has not entered interest in real property situated Completion.
- 10.3 The Company has complied in Finance Act 1986 (Stamp Duty) such legislation.
- 10.4 The Company is not and has not purposes of section 43 Finance Act

11. ANTI-AVOIDANCE

All transactions or arrangements arm's length terms. There are Schedule 28AA to, the ICTA or any Tax Authority to make an admission or arrangement is treated as being

enquiry has been made by a person in connection with any such transactions or arrangements.

12. **VALUE ADDED TAX**

12.1 The Company is registered as a company for the purposes in the United Kingdom under schedule 1 VAT Regulations 1995 (and is not treated as (nor applied to be) a member of a group of companies for the purposes of those Regulations).

12.2 The Company is not registered (or treated as registered) for local VAT or its equivalent in any state other than the United Kingdom.

12.3 The Company has complied in all respects with all the requirements of VATA and all application regulations and has fully maintained complete, correct and up-to-date records and other necessary documents.

12.4 The Company is not in arrears with respect to any return (fully and properly completed) and is not liable or likely to become liable to a default surcharge or any forfeiture or other penal provision.

12.5 No circumstances exist whereby the Company might become liable for VAT pursuant to the provisions of VATA (or the provisions of VATA for representatives) VATA.

12.6 The Company has not made any election under VATA pursuant to paragraph 2 of schedule 1 of the Value Added Tax Regulations 1995.

12.7 The Company has not been party to any arrangement which Article 5 of the Value Added Tax (Special Provisions) Regulations 1995 (concern) has (or has purported to) entered into.

12.8 No asset of the Company is a chargeable asset for the purposes of section XV of the Value Added Tax Regulations 1995.

13. **GROUPS**

13.1 No Tax is or may become payable by the Company pursuant to section 190 TCGA (tax on one member or group of companies) in respect of any chargeable gain accruing to the Company.

13.2 The Company has not at any time since the date of this document acquired any asset (other than trading stock) from any other company which at the time of acquisition was a member of the same group of companies as the Company (as defined in section 170 TCGA (groups of companies: definitions)) and no other company of which the Company is, or has at any material time been, a member (as defined in section 170 TCGA (groups of companies: definitions)) has so acquired any asset.

13.3 The Company has not in the last 12 months been a member of a group of companies for the purposes of section 170 TCGA (company ceasing to be member of a group).

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13.4 There are no assets currently in respect of which a charge may arise on the sale of the Company to this Agreement under Section 179 TCGA (company ceases to be a group).

14. **LOAN RELATIONSHIPS**

14.1 Each amount in relation to which the Company is a debtor or creditor and which is reflected in the Accounts or exists by virtue of an agreement constitutes a loan relationship of the Company.

14.2 No Tax Liability or non-trading debt of the Company as a result of any debt or loan relationship being settled in full or in part at Completion.

14.3 In relation to each of its loan relationships, the Company operates and has, in each accounting period of the Company, operated an accruals basis of accounting authentication of the Finance Act 1996.

15. **INHERITANCE TAX**

There is no unsatisfied liability in respect of the assets of the Company or the shares of the Company and neither such assets nor shares are subject to an HMRC charge.

16. **FOREIGN CONNECTIONS**

16.1 The Company has never been resident in the United Kingdom for the purposes of any tax legislation.

16.2 The Company does not have (and at the time of this document has not had) a permanent establishment (within the meaning of the OECD Model Agreement) outside the United Kingdom.

16.3 The Company does not have (and at the time of this document has not had) any interest in a controlled foreign company within the meaning of sections 747 and 752 ICTA.

Part 3

1. **SELLER'S COVENANT**

Subject to part 4 of this schedule, the Seller covenants with the Buyer to pay to the Buyer an amount equal to:

1.1 any Tax Liability of the Company

1.1.1 resulting from or by virtue of the Company's operations occurring on or before Completion or in respect of income, profits or gains earned, accrued or received on or before Completion; or

1.1.2 resulting from or by virtue of the Company's operations profits or gains earned, accrued or received on or before Completion; or of a period ended on or before Completion.

- 1.1.3 arising or assessed as a result of the failure of a Relevant Person at any time to pay or discharge any such liability;
- 1.2 any Tax Liability resulting from any supply or importation made or deemed to be made for the purpose of any member of any VAT Group other than the Company;
- 1.3 any liability of the Company to make good, or in consequence of, any indemnity, covenant or guarantee given by the Company on or before Completion;
- 1.4 any liability in respect of inheritance tax which arises as a result of the death of any person within seven years after the death of any person (or a deemed transfer of value) on or before Completion or in connection with the disposal of any assets of the Company or in connection with the exercise of any power to sell, mortgage or charge any of the shares in the Company; or
- 1.4.1 is at or becomes after Completion or in connection with the death of any person (or a deemed transfer of value) on or before Completion or in connection with the disposal of any assets of the Company or in connection with the exercise of any power to sell, mortgage or charge any of the shares in the Company; or
- 1.4.2 arises as a result of a liability which is incurred or being deemed to occur on or before Completion or in connection with the death of any person (or a deemed transfer of value) which increased or decreased the value of any asset of the Company; or
- 1.5 any Tax Liability in respect of the Company or any director or officer of the Company arising from the Company or any director or officer of the Company in kind of employees or directors of the Company arising from the Company or any director or officer of the Company ended on or before Completion and arising from the Company or any director or officer of the Company in kind of employees or directors of the Company arising from the Company or any director or officer of the Company or in respect of services rendered by the Company or any director or officer of the Company where Tax has not been properly accounted for by the Company or any director or officer of the Company where Tax has not been made in respect of such services or in respect of emoluments and which the Company or any director or officer of the Company is liable for such Tax may be the liability of the Company or any director or officer of the Company; and
- 1.6 any reasonable costs, fees or expenses incurred by the Company or the Buyer in connection with:
- 1.6.1 any Tax Liability or other liability of the Seller which the Seller is liable to pay or discharge under any of paragraphs 1.1 to 1.4;
- 1.6.2 taking or defending any proceedings (including any arbitration proceedings) under this schedule at the request of the Buyer.

Part 4 Limitation

2. **RESTRICTION ON SELLER'S LIABILITY**
- 2.1 The provisions of clauses 6.2 (restriction on Seller's liability) shall apply to this schedule as if the same were included in the contract and the liability of the Seller under this schedule shall be limited accordingly.
- 2.2 The covenants contained in paragraph 1.1 shall not extend to any Tax Liability to the extent that:
- 2.2.1 such Tax Liability was incurred by the Seller on or before the Accounts Date and such payment has been made or is due to be made in the Accounts;
- 2.2.2 such Tax Liability arises from a specific provision or reserve (including a deferred tax provision or reserve) in respect of the Seller's liability to the extent that such provision or reserve is included in the Accounts;

- 2.2.3 such Tax Liability arise as a result of any change in Tax Legislation or any increase in the rate of Tax (in each case) announced after Completion which
- 2.2.4 such Tax Liability would not arise for any voluntary act or transaction carried out by the Buyer or Company, provided that this paragraph shall not apply to any act or transaction:
- 2.2.4.1 required by or pursuant to any agreement created or entered into before Completion
- 2.2.4.2 which consists of the provision of information to any Tax Authority; or
- 2.2.4.3 carried out by the Company in the ordinary course of its business
- 2.3 The Seller shall not be liable in respect of any loss of the Warranties if and to the extent that the loss occurs under the Tax Covenant and vice versa in respect of the same matter.
3. **RECOVERY FROM THIRD PARTIES**
- 3.1 If, before the sixth anniversary of Completion, the Company recovers from any other person a sum payable to a Tax Liability of the Company in respect of which the Company has made a payment under this schedule, the Buyer will repay to the Company:
- 3.1.1 the amount so recovered, less the costs, damages and expenses properly and reasonably incurred by the Company, or the Buyer or any other member of the group of companies as the Buyer as a result of effecting such recovery (the "Recovery Amount"); and
- 3.1.2 the amount paid by the Company in respect of the Tax Liability in question, less the amount previously repaid to the Seller under any previous schedule or otherwise.
4. **NO DEDUCTIONS OR WITHHOLDINGS**
- 4.1 Save only as may be required by law, any sum payable by the Seller under this schedule shall be paid free and clear of any deductions or withholdings.
- 4.2 If any deductions or withholdings are made from any payment under this schedule, the Seller shall, within the sum as will, after the deduction or withholding has been made, be entitled to recover with the same amount as it would have been entitled to recover had there been no such requirement to make a deduction or withholding.
5. **TAX ON PAYMENTS**
- If any sum payable by the Seller under this schedule is (or but for the availability of any Accounts Relief would be) subject to a Tax Liability in the hands of the Seller, the Seller shall pay to the Buyer such

sum as is necessary to ensure that the amount paid is not less than the amount it would have received if it had not been subject to Tax.

by the Buyer is not less than the amount it would have received if it had not been subject to Tax.

6. DATE FOR PAYMENT

6.1 Where the Seller becomes liable to make a payment pursuant to the provisions of this schedule, the due date for the payment in cleared funds shall be:

suant to the provisions of this schedule, the due date for the payment in cleared funds shall be:

6.1.1 the date falling 5 Business Days after the date on which the Company or (as the case may be) the Buyer becomes liable to make the payment required to be made to the person entitled to receive the payment (whether or not such person is the Seller of the amount of the payment).

on which the Company or (as the case may be) the Buyer becomes liable to make the payment required to be made to the person entitled to receive the payment (whether or not such person is the Seller of the amount of the payment).

6.1.2 in any case involving a payment for the purchase of goods or services, the date falling 5 Business Days after the date on which the Company or (as the case may be) the Buyer becomes liable to make the payment required to be made to the person entitled to receive the payment (whether or not such person is the Seller of the amount of the payment) or the date on which the payment is actually made to the person entitled to receive the payment (whether or not such person is the Seller of the amount of the payment), whichever is the later date (subject to any postponement of the date on which the payment is made to the person entitled to receive the payment obtained).

or the Buyer to make an actual payment (whether or not such person is the Seller of the amount of the payment), the later of the date falling 5 Business Days after the date on which the Company or (as the case may be) the Buyer becomes liable to make the payment required to be made to the person entitled to receive the payment (whether or not such person is the Seller of the amount of the payment) or the date on which the payment is actually made to the person entitled to receive the payment (whether or not such person is the Seller of the amount of the payment), whichever is the later date (subject to any postponement of the date on which the payment is made to the person entitled to receive the payment obtained).

7. INTEREST ON LATE PAYMENT

If any payment required to be made by the Seller under this schedule is not made by the due date for payment then the payment shall carry interest from that due date until the date when the payment is actually made at the rate of <<percentage>> per cent above the base rate of <<Name of bank>> Bank PLC compounded monthly.

his schedule is not made by the due date for payment then the payment shall carry interest from that due date until the date when the payment is actually made at the rate of <<percentage>> per cent above the base rate of <<Name of bank>> Bank PLC compounded monthly.

8. PRICE REDUCTION

Any payment by the Seller under this schedule shall be treated as a reduction in the consideration paid for the Shares, provided that nothing in this paragraph 8 shall be construed as affecting the liability of the Seller under this Agreement.

treated as a reduction in the consideration paid for the Shares, provided that nothing in this paragraph 8 shall be construed as affecting the liability of the Seller under this Agreement.

9. TAX CLAIMS

9.1 If the Buyer or the Company shall become liable to give rise to a liability of the Seller for Tax, the Buyer shall procure that the Company shall do so as soon as is reasonably practicable. Such requirement shall be a condition precedent to the liability of the Seller hereunder.

Tax Claim which is likely to give rise to a liability of the Seller for Tax, the Buyer shall (or shall procure that the Company shall) do so as soon as is reasonably practicable. Such requirement shall be a condition precedent to the liability of the Seller hereunder.

9.2 If the Seller shall indemnify the Buyer for any loss or damage (including interest on overdue payments) suffered by the Buyer in accordance with any reasonable instructions of the Seller, the Seller shall be liable to the Buyer (subject to paragraphs 9.2.1 to 9.2.4) to avoid, dispute, resist, appeal, compromise or defend such claim, provided that the Seller shall always that:

buyer to the reasonable damages and expenses incurred thereby, the Buyer shall be liable to the Seller in accordance with any reasonable instructions of the Seller (subject to paragraphs 9.2.1 to 9.2.4) to avoid, dispute, resist, appeal, compromise or defend such claim, provided that the Seller shall always that:

9.2.1 the Company shall not be liable to the Seller for any assessment for Tax raised on it if, having received notice of the receipt of that

against any assessment for Tax raised on it if, having received notice of the receipt of that

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assessment, it has not received instructions from the Seller, in accordance with the provisions of this paragraph 9.2.1, to make that appeal.

After received instructions in accordance with the provisions of this paragraph

9.2.2 the Buyer and the Company shall be obliged to comply with any instruction of the Seller regarding the assessment of the Tax before any court or tax authority (excluding the Tax Authority in question) has issued its written opinion of Tax. The Seller shall inform the Buyer with the written opinion of Tax. The Seller shall, on the basis of an appeal against the assessment, be obliged to work out the probabilities, be worked out.

After received instructions in accordance with the provisions of this paragraph 9.2.1, to make that appeal.

9.2.3 the Buyer and the Company shall be obliged to comply with any instruction of the Seller regarding the assessment of the Tax before any court or tax authority (excluding the Tax Authority in question) has issued its written opinion of Tax. The Seller shall inform the Buyer with the written opinion of Tax. The Seller shall, on the basis of an appeal against the assessment, be obliged to work out the probabilities, be worked out.

After received instructions in accordance with the provisions of this paragraph 9.2.1, to make that appeal.

SCHEDULE

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1. **THE COMPANY AND THE SELLER**

1.1 The Seller has full power to execute the provisions of this Agreement, which constitutes a contract between the Seller in accordance with its terms.

1.2 The Seller is the beneficial owner of the shares and has the right to dispose of them to the Buyer or as it directs and to execute the same and together with all rights now or hereafter attaching to them.

1.3 No indebtedness is outstanding or has been incurred by the Company or its subsidiaries or any of them in part to be performed by the Company or any director of the Company or any director of the Company's Group or any person who is an associate of or connected with the Company.

2. **THE COMPANY'S SCHEDULED CONSTITUTIONAL AND ADMINISTRATIVE AFFAIRS**

2.1 The particulars of the Company's affairs as set out in the Schedule are true, complete and accurate and its issued share capital is fully paid up.

2.2 The Company is the beneficial owner of the whole of the issued share capital of each of the Subsidiaries and is free from any Encumbrance of the whole of the issued share capital of each of the Subsidiaries.

2.3 No person has the right (whether or not contingent) to call for the repayment of any loan or advance of capital of the Company under a contract or agreement (including without limitation conversion rights and rights of redemption) which is not fully paid up.

3. **STATUTORY AND OTHER BOOKS AND RECORDS**

3.1 All registers, accounts, books and other records of the Company are in the possession of the Company and contain true and accurate records of all matters required by law to be kept and no notice or allegation that any of them is incorrect has been received by the Company or the Seller.

3.2 The Company's accounting records are kept in accordance with the requirements of the Act.

3.3 All returns and other documents required to be filed with the Registrar of Companies, or with any other authority, have been duly filed and were correct when filed.

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4. **INSURANCES**

- 4.1 The Company maintains, and has maintained, adequate insurance cover against occupational negligence, product liability, accident, damage, injury (including product liability), loss of profit and other risks normally covered by such insurance policies and the Property have been covered for their full re-instatement.
- 4.2 The Disclosure Letter sets out full details of the insurance maintained by or on behalf of the Company, all of which is in full force and effect.
- 4.3 There are no material outstanding claims under any of those policies and so far as the Seller is aware there are no circumstances likely to give rise to any claim under any of those policies.
- 4.4 All the insurance policies are in full force and effect and are not void or voidable, and the Seller has not taken any of them void or voidable and Completion will not be affected by any insurer to terminate, any such policy.

5. **COMPLIANCE WITH LAWS**

- 5.1 The Company has conducted all its business in accordance with all applicable laws and regulations of the jurisdiction and neither the Company nor any of its officers, directors or employees have committed, or omitted to do, any act or thing capable of giving rise to any fine, penalty, default, proceedings or other liability on the part of the Company.
- 5.2 The Company has not been party to any proceedings in any court or governmental agency which would cast doubt on the assurance given to any of the above.

6. **LICENCES**

- 6.1 The Company has obtained all licences, permits and authorities of a statutory or regulatory nature necessary to enable it to carry on its business effectively in the places 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 reason why any of them should be suspended, cancelled or revoked or not renewed on the expiry of their term.

7. **LITIGATION**

- 7.1 The Company is not engaged in any litigation or other proceedings with any customer or supplier or in any other way which might materially affect its business.
- 7.2 So far as the Seller is aware:
- 7.2.1 no litigation or other proceedings are pending or threatened by or against the Company;

7.2.2 there are no circumstances in which the Company is or may be involved in any litigation or other proceedings.

8. **INSOLVENCY**

8.1 The Company is not insolvent or unable to pay its debts within the meaning of the Insolvency Act 1986 or any other legislation applicable to the company concerned; and has not stopped or suspended payment of any debt which is or has become fall due.

8.2 No step has been taken to initiate or defend any proceedings in which:

8.2.1 the ability of the creditors to enforce their debts is suspended; or

8.2.2 some or all of the creditors have accepted, by Agreement or in pursuance of a court order, to accept less than the respective sums owing to them in satisfaction of their debts, with a view to preventing the dissolution of the Company;

8.2.3 a person is appointed receiver or manager of the business and assets of the Company on behalf of the creditors; or

8.2.4 the holder of a charge over the assets of the Company is appointed to control the business and assets of the Company.

8.3 In relation to the Company:

8.3.1 no administrator has been appointed;

8.3.2 no documents have been submitted to or for the appointment of an administrator; and

8.3.3 no notice of intention to appoint an administrator has been given by the relevant company, its directors or any person acting as a floating charge holder (as defined in paragraph 73(2) of the Insolvency Act 1986).

8.4 No process has been initiated with a view to the winding up of the Company or the company being dissolved and its assets being distributed to the 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 will be stored, used, stored, otherwise handled or disposed of by it, whether on the Property or elsewhere.]

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

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

For the purpose of this para
environment” and “process” sha
Environmental Protection Act 199

company which could give

sions “pollution of the
gs 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 s and in accordance with generally accepted ac

10.1.2 have been prepared o and using methods which are consistent with t preparation of the audited accounts of the Comp consolidated accounts for the Group in each ca period falling wholly or partly within the period the Accounts Date; and

10.1.3 show a true and fair v of the Company [and of the Group] as at the the profit or loss of the Company [and of the the period ended on that date.

10.2 The Accounts:

10.2.1 make proper and adee for all bad and doubtful debts, for depreciatio for liabilities (including contingent liabilities) a ed Tax);

10.2.2 do not overstate the va ssets; and

10.2.3 do not understate any or contingent).

10.3 The Accounts are not affected by rurring items or any other factor that would make the finan shown by the Accounts unusual or misleading in any ma

10.4 [Since the Accounts Date:

10.4.1 the Company has ca the ordinary and usual course and without an n in the nature, scope or manner thereof;

10.4.2 the Company has not any asset, assumed any liability, made any pay y other transaction which was not in the ordinary nd for full value; and

10.4.3 there has been no def position or prospects of the Company.]

10.5 [The Management Accounts ha ing the same accounting principles, policies and bases as consistently applied) and

fairly reflect the trading position to which they relate.]

the date and for the period

11. FINANCE OF THE COMPANY

11.1 Full and accurate details of all outstanding or available to the Company (and true and complete copies of the Disclosure Letter), and neither whereby the continuance of any affected or prejudiced.

other financial facilities in the Disclosure Letter thereto are attached to the Company has done anything force and effect might be

11.2 A statement of all the bank account balances on such accounts as at this Agreement and a reconciliation and records of the Company as the Disclosure Letter and are true, such statement is drawn up to the instructions given for any payment such accounts, except for routine course of business.

and of the credit or debit to days before the date of debit balances to the books of the Company are attached to the Disclosure Letter. Since the date to which payments out of, and no cheques drawn against, any bank account in the ordinary

12. THE ASSETS OF THE COMPANY

12.1 The Company owns free from any charges the assets used by it.

12.2 The Company has possession of

12.3 The amounts due from debtors in the ordinary course of business and in any event not less than 90 days following the date of this Agreement counterclaim or set-off.

in the ordinary course of of days e.g. 90>> days of the debts is subject to any

13. INTELLECTUAL PROPERTY

13.1 The Company:

13.1.1 is the sole and beneficial owner of the registered proprietorship which is valid and in full

is capable of registration) of the property used by it, all of

13.1.2 has not entered into any Agreements other than any listed in the Disclosure Letter any person to make any use of or to do anything that otherwise infringe any Intellectual Property Rights

Agreements other than any person to make any use of or to do anything that otherwise infringe any

13.2 The Company owns the copyright (whether registered or unregistered) in the designs or registrations or applications to register

(whether registered or unregistered) is the proprietor of any

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13.2.1 None of the processes or methods (so far as the Seller is aware) infringes any patent or other intellectual property right of any other person.

13.2.2 None of the Intellectual Property Rights used by, or are being used by, or are being claimed or have been claimed or attacked by any other person.

14. **PLANT**

Each item of the plant and machinery and equipment used in connection with the business is in good repair and condition (subject to fair wear and tear) and is in satisfactory working order.

15. **COMPUTER SYSTEMS**

15.1 The Hardware has been satisfied that the Software is supported and has the benefit of an appropriate maintenance agreement which is not capable of being terminated by the Company without 12 months' notice.

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

15.3 In this paragraph 15:-

15.3.1 "Hardware" means any tangible asset used by or for the benefit of the Company at any time, whether or not it is software;

15.3.2 "Software" means any program or data stored on a microprocessor used by or for the benefit of the Company at any time, whether or not it is hardware.

16. **THE CONTRACTS OF THE COMPANY**

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

16.1.1 involves or is likely to involve the expenditure of revenue of a long term nature; or

16.1.2 is in any way otherwise prejudicial to the interests and proper course of the business of the Company.

16.2 There is not outstanding, and there has not been outstanding, any agreement, contract, arrangement or understanding between the Company and any Member of the Seller's Group at the time of the Sale, or to, nor has its profit or loss or financial position been affected by, any such agreement or arrangement during the last three years, which is not entirely of an arm's length nature.

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16.3 The Seller is not aware of any arrangements between the Company and its customers of or suppliers to the Company that are intended or likely to materially reduce the volume of their purchases from the Company in the future by comparison with the value of the purchases made by the Company from its suppliers to, the Company during the period of <<Number of years>> prior to the date of this Agreement.

17. EMPLOYMENT

17.1 There is no employment or other arrangement between the Company and any of its directors or other persons whose copies of which are annexed to the Company Disclosure Letter.

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

17.3 The Disclosure Letter contains details of the date of start of employment, period of continuous employment, salary, benefits, grade and age of each employee of the Company and the terms and conditions of contract of employment of each such employee.

17.4 The Company is not obliged to increase the rate of remuneration of a director or employee by a provision to increase the rate of remuneration of a director or employee.

17.5 Except as disclosed in the Accounts, the Company has not:

17.5.1 incurred a liability for damages or compensation in respect of an employment contract including, without limitation, a claim for breach of contract, protective award or unfair dismissal and failure to comply with an order for reinstatement or re-engagement of an employee;

17.5.2 incurred a liability for breach of a consultancy agreement;

17.6 The Company has complied with any order made under, statute, award made under, statutory instrument, collective agreement, custom and practice, or relations between it and its employees or a trade union or other body representing its employees.

17.7 Within the year ending on the date of the Disclosure Letter, the Company has not given notice of redundancies to the relevant authorities or started consultations with appropriate representatives of its employees in accordance with Part IV of the Trade Union and Labour Relations (Consolidation) Act 1974 or failed to comply with its obligations under Chapter II of Part IV of the Trade Union and Labour Relations (Consolidation) Act 1974.

17.8 The Company has no agreement or arrangement (whether or not written) under the Information and Consultation of Employees Regulations 2004 (otherwise) with and does not recognise a trade union, workers' association or other body representing any of its employees or request nor are there any negotiations or arrangements in progress (whether or not written) in relation to any such agreement or arrangement).

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

18. PENSIONS

18.1 The Disclosed Schemes are the only arrangements under which the Company has or could have any liability to provide or pay towards relevant benefits as defined in Chapter 2 of Part 6 of the Pension Schemes & Pensions) Act 2003.

18.2 The Seller has supplied to the Buyer a true and correct, full, accurate and up to date details of each of the Disclosed Schemes and of the Company's obligations and liabilities under it.

<<Insert any additional pensions details in the factual position>>

18.3 In determining the damages flowing from the breach of any Warranty in this paragraph 18, it shall be assumed that the Company has complied with the following:

18.3.1 the Company is liable to provide the benefits under the Disclosed Schemes on the basis that any power to amend or terminate any of the Disclosed Schemes is disregarded.

18.3.2 the Company is liable to provide any benefit (including without limitation any benefit now provides or is now proposing to provide and any benefit which each respectively is now providing or proposing to provide) and to maintain without amendment any scheme or arrangement referred to in that paragraph which are not otherwise provided for.

19. MATERIAL DISCLOSURE

19.1 All information contained in or referred to in the Disclosure Letter is true and accurate.

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

19.3 The sale of the Shares to the Buyer shall not be subject to the terms of any agreement or arrangement to which the Buyer is a party cause the Company to lose the benefit of any right or to terminate any contract with, or to incur any liability to, any person.

19.4 The replies to the Legal Due Diligence enquiries raised on behalf of the Buyer were when given and are true and accurate.

20. **PROPERTY**

- 20.1 The Particulars of the Property set out in the Schedule are true and correct and the Company has good and marketable title to the Property free from any mortgage, charge, lien, or other encumbrance, lease, sub-lease, tenancy or other right, reservation, covenant, condition, easement, quasi-easement or any agreement for the same in favour of any third party.
- 20.2 There are appurtenant to the Property such rights, easements necessary for its use and enjoyment.
- 20.3 The Company has in its possession all duly stamped deeds and documents which are necessary for the title to the Property.
- 20.4 There are no restrictive covenants, restrictions, agreements, conditions or other matters which preclude the use of the Property for the purpose or purposes for which such use is the permitted use under the Town and Country Planning Acts 1971 to 1990 and all statutory instruments and regulations made thereunder and is in accordance with the requirements of any Local Acts and all covenants imposed by or pursuant to the same have been observed and performed and no proceedings have been entered into under section 52 of the Town and Country Planning Act 1971, section 106 of the Town and Country Planning Act 1990 or of the Local Government (Miscellaneous Provisions) Act 1954 in respect of the Property.
- 20.5 All replies by or on behalf of the Company to any requisition made by or on behalf of the Purchaser in relation to the Property made are now true complete and accurate and correct.
- 20.6 The Company has no existing or contingent liabilities in respect of any properties previously occupied by it or in which it has any interest (or as a surety for the obligations of any other person) including such property) including leasehold premises assigned to it and the Company has not at any time released or discharged whatsoever from any party that any claim has been made or may be made in respect of any such existing or contingent liabilities.

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<<Insert any operative provisions regarding >>

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SCHEDULE 1
Seller's Obligations

On Completion the Seller shall:

1.1 deliver to the Buyer:

- 1.1.1 transfers of the Shares to the Buyer together with the original and certified copies of any power of attorney under which the transfers may have been executed;
- 1.1.2 certificates in respect of the Shares representing the capital of each of the Subsidiaries and duly executed in favour of such shares held by any nominee in favour of such shares; and
- 1.1.3 all the statutory and other documents (to date) of the Company and each of the Subsidiaries, including certificates of incorporation or registration and certificates of change of name and common seals (if any);
- 1.1.4 letters of resignation in writing from the persons resigning as directors [and the resignation of the persons resigning as directors pursuant to Schedule 6];
- 1.1.5 [a certificate in the Agreement of Sale signed by the Solicitors as to the title of the Company and the Subsidiaries;]
- 1.1.6 [the title deeds to the Property];
- 1.1.7 [the resignation of the persons resigning as directors [and the resignation of the persons resigning as directors pursuant to Schedule 6] and the appointment in their place of the persons appointed by the Buyer shall nominate [and the appointment of the persons appointed by the Buyer shall nominate] [the Pension Scheme];]
- 1.1.8 all credit and charge cards and all documents relating to the Company and each of the Subsidiaries in the possession of or under the control of the Seller; and
- 1.1.9 the Disclosure Letter, duly signed by the Seller;

1.2 procure:

- 1.2.1 the transaction of the other documents in the completion board minutes of the Company and the Subsidiaries in the Agreed Terms;
- 1.2.2 such persons as the Buyer shall nominate to be validly appointed as additional directors of the Company and the Subsidiaries;
- 1.2.3 upon such appointment the persons appointed as directors [other than

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Company and each of the
as employees:

- | | |
|--------|---|
| 1.2.4 | the written resignation of the Company and each of the Subsidiaries stating that they have no claim against any of the Subsidiaries for any fees or disbursements incurred, billed, in respect of the period up to Completion referred to in section 519 of the Act; |
| 1.2.5 | [the release in the Agreement from all banking arrangements, guarantees, sureties and obligations of Members of the Seller's Group and all liabilities given by any one or more of the Company and the Subsidiaries (subject thereof); |
| 1.2.6 | the release [in the Agreement] of the Company and each of its subsidiaries (together to its bankers or otherwise) and of all guarantors of the Company and each of the Subsidiaries in respect of all commitments and obligations of Members of the Seller's Group or of any third party (subject thereof); |
| 1.2.7 | the repayment (by such means as set-off of any and all sums due to the Company and the Subsidiaries by the Seller, the directors of the Company and any person who is an associate of or connected with the Seller and any person who is |
| 1.2.8 | the release [in the Agreement] of all claims against the Company and the Subsidiaries by any Member of the Seller's Group and any person who is connected with any of them, incorporating an agreement or arrangement for the future; each that there is no claim might arise in the future; |
| 1.2.9 | [that the Company and <<Insert Name of company/firm/individual>> [and <<Insert Name of company/firm/individual>> enter into [service] [consultancy] agreement] and] |
| 1.2.10 | that each of the Companies convenes a general meeting on short notice and adopts new articles of association in the Agreed |

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- 1.1 The purchase price payable to the Seller shall be the sum of £<<Amount in figures>> (<<Amount in figures>>), which shall be paid in cash on Completion.
- 1.2 The sum payable to the Seller pursuant to this clause shall be paid by way of a [banker's draft in favour of the Seller] (whose receipt thereof shall be sufficient discharge to the Seller) or by way of a telegraphic transfer to the following account:
- Bank: << >>
- Branch: << >>
- Sort Code: << >>
- Account Name: << >>
- Account Number: << >>]

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

Signed by <<Name>>for and
on behalf of <<Name of Buyer>>
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