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1. Interpretation

In this Schedule the following terms shall have the meanings set out opposite each respectively

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“Buyer’s Group”

a company (wherever incorporated) or any company of which that company, any company of which that company is a subsidiary (its holding company) or any such holding company is a subsidiary of any such holding company in a group is a member of that group;

unless the context otherwise requires, the definition of Group to any term will apply to the company or companies mentioned in the definition;

“the Buyer’s Accountants”

the accountants named in Schedule 1 of the Offer Document of <<Insert firm's name>>

“EBIT”

the Business’s Earnings Before Interest

“Earn-Out Period”

the period comprising the Business’s Earn-Out Period from <<Insert range of years e.g. 2010 to 2012 (inclusive)>>;

“Profits”

the Business’s EBIT shown by the Business’s relevant financial statements for the Earn-Out Period, and in each case in accordance with the provisions of Schedule 1;

“the Seller(‘s)(s’) Accountants”

the accountants named in Schedule 1 of the Offer Document of <<Insert firm's name>>

“Subsidiary”

any company (wherever incorporated or formed) means a "subsidiary" as defined in section 1159 of the Companies Act 2006 or any other company which is a subsidiary (as so defined) of a company which is a member of such holding company;

unless the context otherwise requires, the definition of Subsidiary to any term will apply to the company or companies mentioned in the definition;

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2. Consideration

2.1 Purchase Price

The Purchase Price shall consist of the Initial Consideration and the Deferred Consideration.

2.2 Initial Consideration

The Buyer shall pay the Initial Consideration in the sum of £<<Amount in figures>> (<<Amount in words>>), to the Seller(s) Solicitor(s) (on behalf of the Seller(s)) ("the Initial Consideration Solicitor(s)").

2.3 Deferred Consideration

The Deferred Consideration shall be an amount equal to the average Profits during the Earn-Out Period, multiplied by <<Insert multiplier>>, less the amount of any such amount to be satisfied in cash.

2.4 Payment Date for Deferred Consideration

The Deferred Consideration shall be paid within 7 days of the Seller(s) Accounts for the last Earn-Out Period being agreed or determined (the "Payment Date").

2.5 Events where Deferred Consideration will not be paid (or only partially paid)

If <<Name(s)>> ceases to be employed by the Business or by any member of the Buyer's Group at the end of the Earn-Out Period:

2.5.1 <<Name(s)>> shall be entitled to the full Deferred Consideration if <<Name(s)>> is/are employed by the Business or by any member of the Buyer's Group at the end of the Earn-Out Period and <<Name(s)>> is/are dismissed under such service agreement as to which <<Name(s)>> is/are entitled to the full Deferred Consideration as set out in paragraph 2.3 above; and

2.5.2 <<Name(s)>> shall be entitled to the full Deferred Consideration as set out in paragraph 2.3 above, save as provided in paragraph 2.5.1 above the Seller(s) shall be entitled to the full Deferred Consideration as set out in paragraph 2.3 above, which is equal to the amount of the Deferred Consideration as set out in paragraph 2.3 above, which <<Name(s)>> was/were employed by the Business or by any member of the Buyer's Group at the end of the Earn-Out Period; it/they shall not be entitled to the full Deferred Consideration to which it/they might otherwise be entitled to.

2.6 Cap on Consideration

The maximum aggregate amount of the Initial Consideration and the Deferred Consideration to be paid that amount shall not exceed <<Insert amount>>. Upon the Buyer having paid that amount, the Initial Consideration and the Deferred Consideration shall be paid to the provisions of this Agreement or voluntarily agreed to be paid to the provisions of this Agreement relating to the Deferred Consideration shall cease to apply.

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