

## Lockout Agreement

### Notes:

- (1) This is a stand-alone preliminary document comprising lockout (exclusivity) provisions. Its provisions can "lockout" third party competitors for a period of time during which they can negotiate with each other on an exclusive basis.
- (2) These provisions can instead be included in a fuller pre-contract document (such as those included in this subfolder). Instead of using this template, you can use the Lockout Clause (Part 1) for Commercial Transactions in this subfolder. Please also see the notes about use of such fuller pre-contract documents.
- (3) The template overleaf can be used as a sign-off of a full legally binding contract, i.e. a "Proposed Transaction" referred to in Clause 6 below. The "Proposed Transaction" would follow discussions done in the clause referred to in Clause 6 below.
- (4) The Proposed Transaction should be described in Clause 6 below) in sufficient detail to identify the general scope of the Proposed Transaction.
- (5) The Proposed Transaction could be for a one off or ongoing appointment of a distributor of goods, equipment or premises, for hiring of a facility, for outsourcing facilities, for software or website development, for the mark or copyright, for the sale or lease of property, or for the sale of a business.
- (6) This Lockout Agreement (Part 1) does not include confidentiality clauses. For more information see the Commercial Transactions does not include confidentiality clauses. For more information see the Commercial Transactions, in order to keep this template as short as possible.
- (7) These Notes do not form part of the agreement.

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**THIS LOCKOUT AGREEMENT**

day of

**BETWEEN:**

<<Name of Party 1>> [a company registered in England and Wales under number <<Company Registration Number>> whose registered office is at <<insert Address>>] and

<<Name of Party 2>> [a company registered in England and Wales under number <<Company Registration Number>> whose registered office is at <<insert Address>>]

<<Name of Party 2>> [a company registered in England and Wales under number <<Company Registration Number>> whose registered office is at <<insert Address>>]

<<Name of Party 2>> [a company registered in England and Wales under number <<Company Registration Number>> whose registered office is at <<insert Address>>]

1. Each Party undertakes to refrain from entering into or further negotiations about the Proposed Transaction from the above date then:

in consideration of it engaging in such negotiations with that other Party after the above date then:

1.1 if, at the above date, it is engaged in Third Party Negotiations, it will terminate such Third Party Negotiations immediately;

in consideration of it engaging in such negotiations with that other Party after the above date then:

1.2 it will not within the Lockout Period:

in consideration of it engaging in such negotiations with that other Party after the above date then:

1.2.1 engage in Third Party Negotiations;

in consideration of it engaging in such negotiations with that other Party after the above date then:

1.2.2 enter into or agree to enter into any legally binding agreement or arrangement;

in consideration of it engaging in such negotiations with that other Party after the above date then:

1.2.3 make available to any third party which might enter into or agree to enter into any legally binding agreement or arrangement which might be publicly available information about itself or the Proposed Transaction;

in consideration of it engaging in such negotiations with that other Party after the above date then:

1.3 it will notify the other Party of any such Third Party Negotiations during the Lockout Period, any such Third Party Negotiations to be terminated immediately and any such Third Party Negotiations to be terminated immediately and any such Third Party Negotiations to be terminated immediately.

in consideration of it engaging in such negotiations with that other Party after the above date then:

2. The Parties will not have discussions with each other or enter into any agreement or arrangement about the Proposed Transaction during the Lockout Period.

in consideration of it engaging in such negotiations with that other Party after the above date then:

3. Either Party may at any time terminate discussions between the Parties about the Proposed Transaction.

in consideration of it engaging in such negotiations with that other Party after the above date then:

4. Each Party will ensure that its employees comply with this Lockout Agreement.

in consideration of it engaging in such negotiations with that other Party after the above date then:

5. This Lockout Agreement shall be binding as a contract.

in consideration of it engaging in such negotiations with that other Party after the above date then:

6. Definitions:

in consideration of it engaging in such negotiations with that other Party after the above date then:

6.1 "Lockout Period" means the period of time from the above date to the date of the Proposed Transaction (e.g. 28 days, 56 days etc.>>)

in consideration of it engaging in such negotiations with that other Party after the above date then:

6.2 "Party" means either Party.

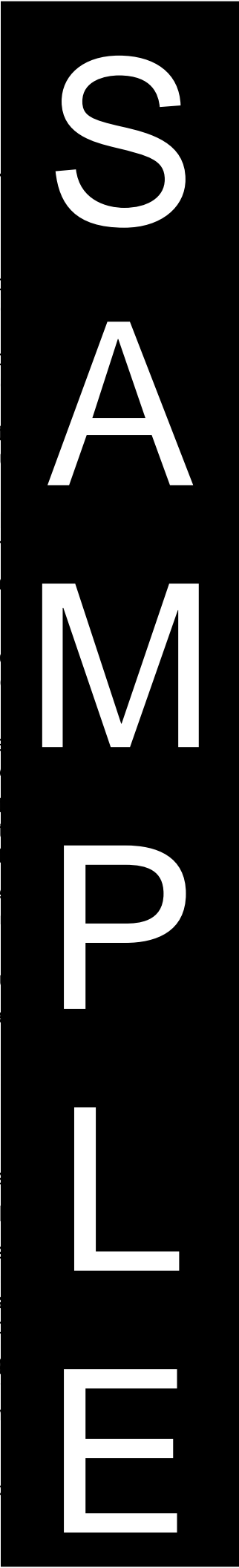
in consideration of it engaging in such negotiations with that other Party after the above date then:

6.3 "Proposed Transaction" means any description of the proposed commercial transaction which is intended to be subsequently fully documented by a legally binding agreement which will supersede this document.

in consideration of it engaging in such negotiations with that other Party after the above date then:

6.4 "Third Party Negotiations" means discussions or negotiations with any third party with a view to entering into or likely to be entered into any legally binding agreement or arrangement which might be publicly available information about itself or the Proposed Transaction.

in consideration of it engaging in such negotiations with that other Party after the above date then:



SIGNED for and on behalf of Pa  
<<Name and Title of person sign

\_\_\_\_\_  
Authorised Signature

Date: \_\_\_\_\_

SIGNED for and on behalf of Pa  
<<Name and Title of person sign

\_\_\_\_\_  
Authorised Signature

Date: \_\_\_\_\_

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