

DATE

<<Date>>

(1) <<

ND OTHERS

(2)

ITED/PLC

SHARE

AGREEMENT

<<Name

> LIMITED/PLC

THIS AGREEMENT is made on

<<Date>> between:

(1) THE INDIVIDUALS whose names are set out in column 1 of Schedule 1 of this Agreement (collectively “the Sellers”); and

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

IT IS AGREED AS FOLLOWS:

1. INTERPRETATION

In this Agreement:

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

“the Accounts”

means the financial statements of the Company comprising an income statement as at the Accounts Date and a profit and loss account for the financial period ending on the Accounts Date together with the reports of the auditors, any cash flow statements and such other documents as may be required for such Accounts;

“the Accounts Date”

<<Date>>;

“the Act”

means the Companies Act 2006;

“Business Day”

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

“the Buyer’s Solicitors”

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

“the Company”

means <<Name of Company being acquired>> Limited/PLC (of which the details are given in Schedule 1);

“Completion”

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

“Completion Date”

means the date of Completion;

“Confidential Information”

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

“the Disclosure Letter”

means the letter from the Sellers’ Solicitors to the Buyer with the details of the terms of the Agreement;

“the Disclosed Schemes”

“Encumbrance”

“Intellectual Property”

“Intellectual Property Rights”

“Intellectual Property Agreements”

“Life Assurance Scheme”

[“the Management Accounts”

“Notice”

“Pension Scheme(s)”

“Personal Pension Scheme(s)”

“the Property”

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

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

marks, service marks, registered as and rights to apply for any of those ness and company names, internet e-mail addresses, unregistered trade marks, copyrights, database rights, designs and inventions;

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

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

e for past infringements of any of the

roperty owned, used or required to be ny;

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

ert Name of Group Life Assurance tten by <<Insert Name of Provider>>;

ccounts of the Company, of each of the the Group, in each case for the period Date to <<Date>> copies of which are losure Letter;]

tice, demand, consent or other

ame of scheme(s) (to be used for n schemes)>>;

scription of each scheme (to be used n schemes excluding group personal

riefly described in Schedule 3 and each

		and every part of each of them;
“Proportions”		purchase price due for the Shares to which ed respectively, details of which are set chedule 1;
“Release”		over or compromise or any other y kind having similar or analogous
“Relevant Business”		ss which consists of or includes to a pecify nature of business>>;
“Restricted Area”		eographical area>>;
“the Sellers’ Solicitors”		uyer's Solicitors>> or a successor firm;
“the Shares”		capital of the Company;
“Stakeholder Scheme”		nder pension scheme designated by the nderwritten by <<Insert Name of
[“the Tax Covenant”		the part of the Sellers set out in
[“Tax”		ule 4;]
[“the Tax Warranties”		ut in Schedule 4;]
“the Warranties”		out in Schedule 5 [and the Tax word “Warranty” followed by a number o be a reference to the paragraph of t number;
1.2	Unless the context of otherwise defined in Agreement, but “com corporate”, as in each	es, words and expressions which are e same meaning when used in this include both “company” and “body
1.3	A reference to a partic reference to it as it is amendment or re-en subordinate legislation the time being in force extended obligation, li of, any party.	rovision or subordinate legislation is a his Agreement, taking account of any any statute, statutory provision or enacts and subordinate legislation for d that it would not impose any new or or otherwise adversely affect the rights
1.4	The schedules form pa	
1.5	A reference to any gen	er and neuter gender and a reference

- to a "person" includes a company or unincorporated body (whether or not having separate legal personality).
- 1.6 The singular includes the plural.
- 1.7 A document referred to in the Agreement shall be in the form of that document signed or initialed by or on behalf of the parties.
- 1.8 A person shall be deemed to be connected with another if that person is connected with that other within the meaning of section 839 of Income & Corporation Taxes Act 1988.
- 1.9 References to "indemnify" include indemnifying against and against all liabilities, losses, claims, demands, damages, costs and interest which he may suffer or incur in connection with any circumstance.
- 1.10 The headings are inserted for convenience only and shall not affect the construction or interpretation of this Agreement.
- 1.11 The Buyer enters into this Agreement for so far as may be necessary for the enforcement of any provisions of the Company, as trustee for and on behalf of the Company.
- 1.12 All warranties, undertakings, obligations given or entered into by the Company in connection with this Agreement are, unless otherwise stated, given or entered into jointly and severally.
- 2. AGREEMENT FOR SALE**
- 2.1 On the terms of this Agreement the Sellers shall sell and the Buyer shall buy, with effect from Completion, the Shares with full title guarantee, free from any Encumbrance and together with all rights attaching to them including, in particular, the right to receive all dividends and distributions declared, made or paid in connection with this Agreement.
- 2.2 The Buyer shall not be entitled to the purchase of any of the Shares unless the purchase of all the Shares is completed simultaneously.
- 2.3 Each of the Sellers hereby irrevocably and exclusively assigns all the rights and interests they may have in relation to the Shares.
- 3. CONSIDERATION**
- The purchase price payable by the Buyer for the Shares shall be as set out in Schedule 8.
- 4. COMPLETION**
- 4.1 Completion shall take place on the Completion Date at <<Specify location>> or at

- such other location agreed between the Sellers and the Buyer.
- 4.2 On Completion the Sellers shall comply with the provisions set out at Schedule 7.
- 4.3 On Completion, and on or before the date of Completion, the Sellers have complied with their obligations under clause 4.3.1 and 4.3.2.
- 4.3.1 make the payment due on Completion in accordance with clause 3; and
- 4.3.2 acknowledge the receipt of the Letter.
- 4.4 If any of the preceding provisions of clause 4 are not complied with on the Completion Date, then the Buyer may, at its sole discretion and all rights of action it may have (whether or not it is barred by limitation) (and otherwise) the party not in default may rescind this Agreement and the other.
- 5. WARRANTIES [AND TAX COVENANT]**
- 5.1 The Sellers jointly and severally warrant to the Buyer that each of the Warranties is true and accurate in all material aspects as at the date of this Agreement.
- 5.2 [The Sellers jointly and severally warrant to the Buyer in the terms of the Tax Covenant.]
- 5.3 Any Warranty qualified by "to the best of the Sellers' knowledge and belief" or "so far as the Sellers are aware" or any similar expression shall be deemed to include knowledge, information and belief which the Sellers have or which the Sellers would have had if they had made reasonable enquiries and includes the knowledge, information and belief of any person of whom it would be reasonable to make such enquiry or of whom such enquiry has been made.
- 5.4 The rights and remedies under the Warranties [and the Tax Covenant] shall not be limited or restricted by any act or omission of the Buyer.
- 5.5 Each Warranty is a separate and independent obligation and shall not be limited or restricted by any act or omission of the Buyer.
- 5.6 The Sellers shall indemnify the Buyer for any costs (including without limitation legal costs on a full indemnity basis) which it may incur, either before or after the instigation of legal proceedings, in connection with any legal proceedings for breach of the Warranties [or pursuant to the Tax Covenant] in which judgment is given for the Buyer in respect of enforcement of any such judgment.
- 5.7 [Any payment by the Seller under the Warranties or under the Tax Covenant shall constitute full and final settlement and repayment of and reduction in the price paid by the Buyer for the Shares.]
- 5.8 The Buyer shall as soon as it becomes aware of any fact or circumstance which constitutes a breach of the Warranties or may give rise to a claim for breach of the Warranties (other than a claim for breach of the Tax Covenant) notify the Sellers in writing of any such breach or failure to give such notice shall not affect the rights of the Buyer under the Warranties.
- 5.9 The Sellers 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 a paragraph 1 of Schedule 1 of the Tax Covenants shall be made (except in any case of fraud, or disclosure) unless notice thereof has been given by or on behalf of the Company.

6.1.1 in respect of the Warranties [other than the Tax Warranties], the period of <<Number, usually 3 years>> year or

6.1.2 pursuant to the Warranties, but in any event, within a period of six months following the end of the accounting period of the Company in which the seventh anniversary of the date of the breach occurs.

6.2 Except in any case of [REDACTED] non-disclosure:

6.2.1 the Sellers' Indemnification Obligations shall not include any claim by the Buyer under any of the Warranties (except for the Tax Covenant] when aggregated together shall not exceed the total consideration received by the Sellers under clause 3;

6.2.2 the Sellers shall not be liable in respect of any claim by the Buyer under the Warranties.

6.2.2.1 equal to <<'X' amount in figures>> (<<'X' amount in word

6.2.2.2 would be added to all other such claims against the Seller in the event the figures>> (<<'X' amount in words>> pour excéder, £<<'Y' amount in figures>> (<<'Y' amount in pounds) in which case the whole amount by which the limit in this clause 6.2.2 would be increased would be payable by the Buyer;

6.3 and for the purposes of [REDACTED] claims arising out of the same subject-matter shall be treated [REDACTED] than as individual claims.

6.4 The Sellers shall not indemnify or hold the Buyer harmless from or against any claims, damages, losses, costs or expenses (including reasonable attorneys' fees) incurred by the Buyer under the terms of this Agreement, made in reliance on any statement or representation of the Company or any director or any employee of the Company, or any claim, damage, loss, cost or expense to which it may have relied before agreeing to any term of this Agreement, or any claim, damage, loss, cost or expense stated in the Disclosure Letter.

6.5 [The Sellers shall not be liable for any damages, including reasonable attorneys' fees, in connection with a breach of the Warranties if and to the extent that the losses have been recovered under the Tax Covenant (and vice versa).

6.6 [The Sellers shall not [REDACTED] 1980 in respect of any claims made under the Tax Warrant [REDACTED] to seven years after the Completion Date.]

7. CONFIDENTIAL INFORMATION

7.1 Each of the Sellers shall keep and be kept secret and confidential all Confidential Information of the Company or its business or is used in its business and shall not disclose it to any person any such Confidential Information.

7.2 The obligations of confidentiality shall not extend to any matter which is in or becomes part of the public domain other than by reason of a breach of the obligations of confidentiality or which any of the Sellers receive from a third party independent of the Company or those it or which any of the Sellers are required by law or regulation to disclose.

8. NON-COMPETITION

8.1 Each of the Sellers covenants and warrants that he/she will not directly or indirectly for or on behalf of or by way of assistance to, any other person:

8.1.1 at any time beginning with the date of Completion and ending on the date who has been at Completion, or the period of 12 months immediately preceding that date, a client or customer of the Company; or

8.1.2 at any time beginning with the date of Completion and ending on the date any person who has been at any time during the period of 12 months immediately preceding that date, a client or customer of the Company;

8.1.3 at any time beginning with the date of Completion and ending on the date supplier to the Company or its business or supplied goods and/or services to the Company or its business at any time during the 12 months immediately preceding that date, that solicitation or enticement causes or would cause the Company to cease supplying, or materially reduce its supply of, the goods or services supplied to the Company; or

8.1.4 at any time beginning with the date of Completion and ending on the date employ or (directly or indirectly) employ or a consultancy to any person who has been at any time during the period of 12 months prior to, Completion and likely (in the reasonable opinion of the Seller) to be involved in the possession of Confidential Information relating to, or the disclosure of, the Company's customer relationships or connections

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

8.2 The Sellers undertake not to use, at any time after Completion, use in connection with any trade or service mark, business or domain name, design or logo, or any other mark or design used by the Company which is, in the reasonable opinion of the Company, likely to cause confusion with such words, mark, name, design or logo or e-mail address.

8.3 Each of the undertakings in clauses 8.1 and 8.2 shall be enforceable as follows:

8.3.1 Each of the undertakings shall be considered binding and enforceable;

8.3.2 Each of the undertakings shall be enforceable by the Buyers and the Sellers and is enforceable by the Company (on behalf of the Company) separately and independently of any one or more of the restrictions in clause 8.1 and 8.2;

8.3.3 The Company shall give to the Buyer the full benefit of the undertakings in clauses 8.1 and 8.2 and in consideration of the Company's agreement to issue the Shares on the terms of this Agreement.

8.4 Accordingly, if any restriction in clauses 8.1 and 8.2 is not enforceable, but would be valid if any part of it were deleted or modified, the restriction shall nevertheless apply with such modification as to make it valid and enforceable.

8.5 Nothing in the undertakings in clauses 8.1 and 8.2 shall be deemed to prohibit any action in respect of the Company or any business in which (otherwise than as a result of any breach of the undertakings by the Sellers) the Company and the Buyer and every subsidiary of the Buyer have ceased to be involved prior to any event giving rise to a claim, under the undertakings in clauses 8.1 and 8.2 which would but for this clause 8.4 give rise to a claim, under the undertakings in clauses 8.1 and 8.2.

9. [GUARANTEES]

9.1 The Buyer undertakes to use reasonable endeavours (short of the expenditure of money and the substitution of the guarantee of any person) to procure the release of the Sellers at the date of this Agreement and to discharge any and all outstanding guarantees given by the Sellers and to indemnify each of the Sellers against and to reimburse the Company and to indemnify each of the Sellers against and to reimburse the Company after Completion. The guarantees in question are:

9.1.1 <<Specify details of guarantees>>

10. INDEMNITIES

10.1 The Sellers shall indemnify the Company [and its subsidiaries and affiliates] against and shall pay to the Buyer a sum equal to the amount of any loss or incurred by the Company as a result of or in connection with the Company's completion of the Shares Sale Agreement.

10.2 10.1 any breach, whether or not it is a breach of any term contained or implied in the Shares Sale Agreement, of any covenant or any other term of the Shares Sale Agreement or of any duty assigned by the Company before Completion to any third party.

- 10.3 any defect or alleged defect in the goods produced or sold by the Company prior to Completion;
- 10.4 any industrial or other injury suffered by any employee or former employee of the Company or in relation to any period ending on or before Completion[;]
- 10.5 [<<Specify other issues<>>]
- 10.6 save, (in the circumstances of clauses 10.2 and 10.3) to the extent that recovery is made by the Company under its policy of insurance.
- 11. PUBLICITY**
- 11.1 The parties shall forthwith make or procure to be made [a press announcement and] and to the employees of the Company and to the customers and suppliers in accordance with the Agreed Terms.
- 11.2 Each of the parties shall keep the contents of the Agreement private and confidential and shall not disclose any or all of them to any person without the prior written consent of the other party. The transactions hereby agreed upon except to the extent required by law. It is agreed that the Buyer and the Sellers shall not be entitled to make any statements in connection with the transactions hereby agreed upon in their respective future annual financial statements.
- 12. PENSION SCHEME**
- Schedule 6 shall apply to the Pension Scheme.
- 13. THIRD PARTY RIGHTS**
- 13.1 For the avoidance of doubt, nothing in this Agreement shall confer on any third party any rights or benefits expressly provided in clause <<Insert number of clause giving rise to the rights>>], nothing in this Agreement shall confer on any third party any rights or benefits by provisions of this Agreement.
- 13.2 Notwithstanding that any provision of this Agreement may be enforceable by any third party this Agreement may be amended, waived, modified, rescinded or terminated by the parties to this Agreement without the consent or approval of any third party.
- 14. ASSIGNMENT**
- 14.1 Except as provided otherwise in the Agreement, no party may assign, or grant any Encumbrance or security interest in any of its rights under this Agreement or any document referred to in the Agreement.
- 14.2 Each party that has rights under this Agreement is acting on its own behalf.

14.3 The Buyer may assign (or any document referred to in this Agreement) to a wholly owned subsidiary of the same holding company of which it is a wholly owned subsidiary of the same holding company, providing that any assignee is bound by the terms of this Agreement.

14.4 If there is an assignment of the obligations under this Agreement to the assignor until the assignment; and

14.4.1 the Sellers may assign the obligations under this Agreement to the assignor until the assignment; and

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

15. WHOLE AGREEMENT

This Agreement together with the other documents referred to in this Agreement entered into or to be entered into pursuant to its provisions constitute the entire agreement between the parties in relation to its subject matter and supersede all prior agreements, understandings and discussions between the parties to the extent that they arise out of the same.

16. VARIATION AND WAIVER

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

16.2 Any waiver of any right or remedy provided under this Agreement is only effective if it is in writing and it applies only to the particular circumstances addressed and to the circumstances for which it is given and the party who has given the waiver from subsequently relying on it.

16.3 A party that waives a right or remedy provided under this Agreement against that party, does not waive any other right or remedy provided under this Agreement to any other party.

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

16.5 No single or partial exercise of a right or remedy provided under this Agreement shall preclude or restrict the exercise of any other right or remedy.

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

17. PROVISIONS SURVIVE

Insofar as the provisions of this Agreement shall not have been performed at Completion, they shall nevertheless remain in effect notwithstanding Completion.

18. FURTHER ASSURANCE

The Sellers shall (at the Buyer's request) promptly execute and deliver all such documents, and do all such acts as the Buyer may from time to time reasonably require for the purpose of giving effect to the provisions of this Agreement.

19. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which is an original and which together constitute the entire Agreement, and shall be as effective as if each party had signed the same document.

20. COSTS

Each party shall, except as otherwise provided, pay its own costs of and incidental to this Agreement and the exercise of any right hereunder. Except that, if the Buyer shall lawfully terminate this Agreement, the Sellers shall indemnify the Buyer against the costs incurred by it in connection with this Agreement and its termination.

21. SEVERANCE

The provisions of this Agreement shall be separate and distinct from one another, and, if any provision is found to be invalid, 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 in writing delivered personally or sent by pre-paid first class mail to the address of the party to be served given herein or by any other address which may be notified for this purpose (or, by any other means as may be agreed in writing between the parties' Solicitors).

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

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

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

22.4 Any notice relating to the Shares shall be deemed to have been given to each of the Sellers as provided in this clause 23 on any day on which the notice is given to each of the Sellers.

22.5 Any such notice shall be deemed to have been given to the personal representatives of a deceased Seller, notwithstanding that no statement of representation has been made in respect of his or her estate, if the notice is given to the Sellers' Solicitors in accordance with clause 23.1 or to the Seller by name or to his or her personal representative at the Seller's address given herein or at such other address as may be specified by them in writing to the sender as being their address for service of legal proceedings.

22.6 Each of the Sellers irrevocably and exclusively appoints the Sellers' Solicitors as its agent for the service of legal proceedings arising out of or in connection with this Agreement and the Shares.

23. PROPER LAW AND JURISDICTION

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

SIGNED by or on behalf of the parties to the Agreement in the presence of two or more witnesses before written

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Name and Address of Seller	\$	Proportion
<<Name and Address>>	<	<<Amount of Consideration due>>
<<Name and Address>>	<	<<Amount of Consideration due>>
<<Name and Address>>	<	<<Amount of Consideration due>>

Name: << >>

Registered in England no: << >>

Date of incorporation: << >>

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

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

Secretary: << >>

Auditors: << >>

Registered office: << >>

<<Insert details of Property>>

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<<Insert details of Tax Covenant

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1. **THE COMPANY AND**

1.1 Each of the Sellers has agreed to and perform the provisions of this Agreement, which contains covenants, conditions and warranties on the Sellers in accordance with its terms.

1.2 Each of the Sellers is to deliver to the Buyer the number of Shares set opposite his/her name in Schedule 1 to the Agreement to dispose of them to the Buyer or its nominee(s) in full and together with all rights now or hereafter attaching to them.

1.3 No indebtedness is or shall be incurred by the Company or any of its subsidiaries or liabilities (actual or contingent) shall be incurred by the Company or any of its subsidiaries between the Company or any of its subsidiaries and any person who is an associate of or connected with the Company or any of its subsidiaries.

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

2.1 The particulars of the Company's affairs set out in Schedule 2 are true, complete and accurate and its issued capital is as stated.

2.2 No person has the right (whether or not contingent) to call for or demand the repayment of any loan or capital of the Company or any of its subsidiaries or any other agreement (including without limitation conversion rights) in respect of any loan or capital of the Company or any of its subsidiaries.

3. **STATUTORY AND OTHER 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 to be entered therein and no notice or allegation that any of the records are false or misleading has been received by the Company or the Sellers.

3.2 The Company's accounts are maintained 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 competent authority, in respect of the Company have been duly filed and were correct and accurate.

4. **INSURANCES**

4.1 The Company maintains and shall at all times maintain adequate insurance cover against all risks of fire, theft, professional negligence, product liability, accident, damage to property, loss of business, etc.

and perform the provisions of this Agreement, which contains covenants, conditions and warranties on the Sellers in accordance with its terms.

the number of Shares set opposite his/her name in Schedule 1 to the Agreement to dispose of them to the Buyer or its nominee(s) in full and together with all rights now or hereafter attaching to them.

re no contracts, arrangements or liabilities (actual or contingent) shall be incurred by the Company or any person who is an associate of or connected with the Company or any of its subsidiaries.

RS AND CONSTITUTIONAL AND ADMINISTRATIVE AFFAIRS

chedule 2 are true, complete and accurate and its issued capital is as stated.

ow or in the future and whether or not contingent) to call for or demand the repayment of any loan or capital of the Company or any of its subsidiaries or any other agreement (including without limitation conversion rights) in respect of any loan or capital of the Company or any of its subsidiaries.

CORDS

ancial and other records of the Company are in the possession of the Company and contain true and accurate records of all matters required to be entered therein and no notice or allegation that any of the records are false or misleading has been received by the Company or the Sellers.

n the requirements of the Act.

o be filed with the Registrar of Companies, or with any other competent authority, in respect of the Company have been duly filed and were correct and accurate.

times has maintained, adequate insurance cover against all risks of fire, theft, professional negligence, product liability, accident, damage to property, loss of business, etc.

- of profit and other risks have been covered for their full term. All Assets and the Property have been covered for their full term.
- 4.2 The Disclosure Letter states that the policies of insurance maintained by or on behalf of the Company are in full force and effect.
- 4.3 There are no material changes in any of those policies or in the circumstances likely to affect them. However, or in respect of the validity of, the policies of insurance maintained by Sellers are aware, there are no changes in any of those policies.
- 4.4 All the insurance policies in full force and effect, are not void or voidable, and nothing has been done which could make any of them void or voidable and Completion does not entitle any insurer to terminate, any such policy.
5. **COMPLIANCE WITH LAWS**
- 5.1 The Company has complied with all applicable laws and regulations in carrying out its business in accordance with all applicable laws and regulations in the relevant jurisdiction and neither the Company nor any of its directors, officers or employees have committed, or omitted to do, any act or thing which gives rise to any fine, penalty, default, proceedings or other liabilities against the Company.
- 5.2 The Company has not given any undertaking or assurance given to any court or governmental authority which is in breach of force.
6. **LICENCES**
- 6.1 The Company has obtained all necessary statutory or regulatory licences, permits, permits and authorities of a competent authority to enable it to carry on its business effectively in the manner in which it is now carried on.
- 6.2 All such licences, consents, permits and authorities are valid and subsisting, and none of the Sellers know of any of them should be suspended, cancelled or revoked or any of them should be suspended, cancelled or revoked on any of the terms.
7. **LITIGATION**
- 7.1 The Company is not engaged in any litigation or other proceedings with any customer or supplier or in connection with its business.
- 7.2 So far as the Sellers are aware, there are no litigation or other proceedings pending or threatened by or against the Company which could give rise to any litigation or other proceedings.
- 7.2.1 no litigation or other proceedings are pending or threatened by or against the Company.
- 7.2.2 there are no litigation or other proceedings pending or threatened by or against the Company.

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8. **INSOLVENCY**

8.1 The Company is not insolvent within the meaning of the Insolvency Act 1986 or any other legislation applicable to the company concerned; and has not become insolvent as they fall due.

8.2 No step has been taken by or under which:

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

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

8.2.3 a person is appointed to manage the affairs, business and assets of the Company on behalf of its creditors; or

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

8.3 In relation to the Company:

8.3.1 no administrator

8.3.2 no document has been presented to the court for the appointment of an administrator;

8.3.3 no notice of intention to appoint an administrator has been given by the relevant company or a qualifying floating charge holder (as defined in rule B1 to the Insolvency Act 1986).

8.4 No process has been issued against the Company being dissolved and its assets being distributed to the Company's creditors, shareholders or other contributors.

8.5 No distress, execution or other legal process has been levied on an asset of the Company.

9. **POLLUTION OF THE**

9.1 [No hazardous substances have been stored or otherwise handled by the Company on the Property. The Company has at all times held all necessary licences, consents, permits or approvals to use, store or otherwise handle or dispose of hazardous substances used, stored, otherwise handled or disposed of 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 pollution of the environment by any third party and there has been no action taken by the Company which could give rise to any pollution of the environment.

For the purpose of
environment” and “pro
Environmental Protecti

the expressions “pollution of the
the meanings as in section 1 of the

10. THE ACCOUNTS

10.1 The Accounts:

- 10.1.1 have been prepared in accordance with the requirements of the Act and all other applicable regulations and in accordance with generally accepted accounting practices;
- 10.1.2 have been prepared on a going concern basis, on the principles and using methods which are consistent with the preparation of the audited accounts of the accounting period falling wholly or partly within the accounting period ended on the Accounts Date; and
- 10.1.3 show a true and fair view of the state of affairs of the as at the Accounts Date and of the profit or loss of the Company for the accounting period ended on the Accounts Date.

10.2 The Accounts:

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

10.3 The Accounts are not affected by any factor that would make them unusual or misleading in any way.

10.4 [Since the Accounts Date]

- 10.4.1 the Company has not changed its business in the ordinary and usual course and has not effected any alteration in the nature, scope or manner thereof;
- 10.4.2 the Company has not disposed of any asset, assumed any liability, made any transaction which was not in the ordinary course of business and for full value; and
- 10.4.3 there has been no material change in the financial position or prospects of the Company.

10.5 [The Management Accounts are prepared using the same accounting principles, policies and methods as the audited accounts (consistently applied) and fairly reflect the trading results of the Company as at the date and for the period to which they relate.]

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11. **FINANCE OF THE COMPANY**

11.1 Full and accurate details of all loans or other financial facilities outstanding or available to the Company (and true and complete copies of the Disclosure Letter) are attached to the Disclosure Letter and the Company has done nothing whereby the performance of such facilities in full force and effect might be affected or prevented.

11.2 A statement of all the credit or debit balances on such accounts as at the date of this Agreement and a copy of the books and records of the Company in relation to this Agreement are attached to the Disclosure Letter and such statement is drawn up in accordance with instructions given for the purpose of such accounts, except in the ordinary course of business.

loans or other financial facilities contained in the Disclosure Letter and the Company has done nothing whereby the performance of such facilities in full force and effect might be affected or prevented.

company and of the credit or debit balances on such accounts as at the date of this Agreement are attached to the Disclosure Letter and such statement is drawn up in accordance with instructions given for the purpose of such accounts, except in the ordinary course of business.

12. **THE ASSETS OF THE COMPANY**

12.1 The Company owns freehold and leasehold interests in all assets used by it.

12.2 The Company has possession of all assets used by it.

12.3 The amounts due from the Company in the ordinary course of business and in any other circumstances following the date of the Agreement are subject to any counterclaim or set-off.

all assets used by it.

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in full in the ordinary course of business and in any other circumstances following the date of the Agreement are subject to any counterclaim or set-off.

13. **INTELLECTUAL PROPERTY**

13.1 The Company:

13.1.1 is the sole and exclusive owner of all Intellectual Property (where it is capable of registration) used by it, all of which is validly protected;

13.1.2 has not entered into any Intellectual Property Agreements other than those authorised by the Company and has not authorised any person to make any use of or to infringe any Intellectual Property rights.

(where it is capable of registration) used by it, all of which is validly protected;

Intellectual Property Agreements other than those authorised by the Company and has not authorised any person to make any use of or to infringe any Intellectual Property rights.

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

sign right (whether registered or unregistered) in the Company and is the proprietor of any registrations or applications for registrations.

13.2.1 None of the Intellectual Property of the Company (so far as the Company is the proprietor of Intellectual Property of any other person).

s of the Company (so far as the Company is the proprietor of Intellectual Property of any other person).

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13.2.2 None of the [redacted] are being used by, or are being
or have been [redacted] proposed or attacked by any other
person.

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14. **PLANT**

Each item of the plant [redacted] all vehicles and office and other
equipment used in connection with the business of the Company is in good repair
and condition (subject to [redacted]) and in satisfactory working order.

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15. **COMPUTER SYSTEMS**

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

15.2 Where any of the records [redacted] stored electronically, the Company
is the owner of all hardware [redacted] takes necessary to enable it to keep,
copy, maintain and use [redacted] course of its business and does not
share any hardware or [redacted] records with any person.

15.3 In this paragraph 15:-

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

15.3.2 "Software" means [redacted] instructions for execution by
microprocesses [redacted] benefit of the Company at any time,
irrespective of [redacted] or medium.

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16. **THE CONTRACTS OF**

16.1 The Company is not [redacted] to any agreement, transaction,
obligation, commitment [redacted] agreement or liability which:

16.1.1 involves or [redacted] obligations, restrictions, expenditure or
revenue of a [redacted] rous or exceptional nature; or

16.1.2 is in any way [redacted] ordinary and proper course of the
business of [redacted] n's length terms.

16.2 There is not outstanding [redacted] any time during the last three years
been outstanding, any [redacted] ent between the Company and any
person which is not en [redacted] ture.

16.3 The Sellers are not a [redacted] indicate that any of the existing
customers of or supply [redacted] re likely materially to reduce the
volume of their purchase [redacted] to, the Company in the future by
comparison with the volume [redacted] from, or supplies to, the Company
during the period of [redacted] months prior to the date of this
Agreement.

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17.9 The Company does not have any share option, profit sharing plan, directors', other officers'

...ing to introduce a share incentive,
... incentive scheme for any of its

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18. **PENSIONS**

18.1 The Disclosed Schemes are the arrangements under which the Company has or could have any obligation to contribute towards relevant benefits as defined in Chapter 2 of the Pension Schemes Act 1993 (Earnings & Pensions) Act 2003.

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

<<Insert any additional information to reflect the factual position>>

18.3 In determining the date of any breach of any Warranty in this paragraph 18, it shall be assumed that the Disclosed Schemes are as set out in the Disclosed Schemes.

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

18.3.2 the Company shall not be obliged to continue to provide any benefit (including without limitation any benefit) which it now provides or is now proposing to provide or to maintain without amendment or without amendment of a kind referred to in that paragraph without the prior written consent of the Company.

19. **MATERIAL DISCLOSURE**

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

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

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

19.4 The replies to the Legal Enquiries dated <<Date>> raised on behalf of the Buyer were when they were made complete and accurate.

20. **PROPERTY**

20.1 The Particulars of the Property in Schedule 3 are true and correct and the Company has good and lawful possession of the Property and the exclusive occupation and possession of the Property (whether specific or floating, leasehold or freehold, lease, sub-lease, tenancy, charge, lien or other encumbrance, occupation, reservation, covenant, easement, restriction, easement, quasi-

SAMPLE

ne or any privilege in favour of any

its and easements necessary for its

its control all duly stamped deeds
title to the Property.

ns, legislation, or orders, charges, matters which preclude the use of the the Property is now used and each provisions of the Town and Country tory re-enactment thereof and all hereunder and is in accordance with and all restrictions, conditions and d Town and Country Planning Acts greements have been entered into nning Act 1971, section 106 of the ction 33 of the Local Government of the Property.

inquiries relating to the Property made
given and are now true complete

abilities in respect of any properties
or held any interest (or as a surety
relation to such property) including
or otherwise disposed of and the
indication whatsoever from any party
e in respect of any such existing or

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<<Insert any operative provisions here>>gements>>

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arrangements

- 1.2.6 the release [of the Company] of all Encumbrances given by the Company (whether or not otherwise) and of all guarantees given by the Company or any third party;
- 1.2.7 the repayment (or set-off of a debt) of the sum of money so received by the Buyer directs) without deduction or set-off of any sum of money payable to the Company by the Sellers, the directors of the Company or any person who is an associate of or connected with the Company;
- 1.2.8 the release [of the Company] of any and all claims against the Company by any person who is an associate of or connected with the Company by stating an acknowledgment by each person who is an associate of or connected with the Company under which any such claim might arise in the future;
- 1.2.9 [that the Company] of company/firm/individual>> [and <<Insert Name of individual>>] enter into [service] [consultancy] Agreed Terms; and]
- 1.2.10 that the Company shall meet at a general meeting on short notice and, at such meeting, shall agree to the terms of association in the Agreed Terms.

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1.1 The purchase price payable for the Shares shall be the sum of £<<Amount in figures>> (> pounds), which shall be due to the Sellers in the Property in cash on Completion.

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

Bank: << >>

Branch: << >>

Sort Code: << >>

Account Name: << >>

Account Number: <<

[Bank: << >>

Branch: << >>

Sort Code: << >>

Account Name: << >>

Account Number: <<

[Bank: << >>

Branch: << >>

Sort Code: << >>

Account Name: << >>

Account Number: <<

Signed by <<Name of Seller>>

Signed by <<Name of Seller>>

Signed by <<Name of Seller>>

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

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