

DATED <Date>>

(1) >

(2) <<Shareholder>>

(3) >

SHARE SALE AGREEMENT

- relating to the <<Percentage>>% of –

<<Name>> LIMITED

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THIS AGREEMENT is made the <<Month>> <<Day>> <<Year>>

**BETWEEN:**

- (1) <<Name of Seller>> of <<Insert Seller's address>> (the "Seller");
- (2) <<Name of Continuing Shareholder>> of <<Insert Continuing Shareholder's address>> (the "Continuing Shareholder");
- (3) <<Name of Buyer>> of <<Insert Buyer's address>> (the "Buyer")

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**BACKGROUND:**

- A. At all material times the Company (<<Insert Company Name>> and whose details are set out in Schedule 1) is a private limited liability company which on the date of this Agreement has an issued share capital of <<Insert Amount>> divided into <<Insert Number of Shares>> ordinary shares of £<<Amount>> each (the "Shares").
- B. The Seller is the registered holder of <<insert relevant number of shares, e.g. 50%>> of the Shares and is proposing to sell all of these shares to the Buyer (the "Sale Shares").
- C. The Continuing Shareholder is the registered holder and beneficial holder of <<insert relevant number of shares, e.g. 50%>> of the Shares. The Continuing Shareholder is proposing to join this Agreement for the sole purpose of providing comfort to the Buyer in relation to their ongoing relationship and liabilities.
- D. The Seller is proposing to sell the Sale Shares to the Buyer on the terms and subject to the terms of this Agreement.

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**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 and accounts of the Company comprising the Balance Sheet as at the Accounts Date and the 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 the Company's Accounts;

<sup>1</sup> If there is more than one continuing shareholder, the Buyer shall be satisfied with the accounts of the Company as well.

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**“the Accounts Date”**

**“the Act”**

**“Articles”**

**“Business Day”**

**“the Company”**

**“Completion”**

**“Completion Date”**

**“Conditions”**

**“Confidential Information”**

**“Encumbrance”**

**“notice”**

**“the Warranties”**

**“the Warrantors”**

1.2 Unless the context of this Agreement or otherwise requires, the words and expressions used in this Agreement which they have in the Act shall have the same meaning as in the Act, and include both “company” and “body corporate” as defined in the Act.

<sup>2</sup> As the seller and the continuing shareholder they may wish to enter into a side agreement in relation to a warranty claim arises.

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association of the Company;

(Saturday) on which clearing banks are open for banking business in London;

some of whose shares are being

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

ent;

to Completion set out in Clause

Confidential commercial, financial and other information, know-how, trade secrets, patents, trademarks, software and other information in whatever form or medium and whether written or oral, in writing, together with all other information in whatever form or medium and any part

any person (including any right to exercise a right of pre-emption) or any mortgage, charge, assignment, hypothecation, security, or any other security agreement or other agreement, monetary or not;

demand, consent or other

as defined in Schedule 4 and the word “number” shall be deemed to be a reference to a paragraph of Schedule 4 with that

Warranties jointly and severally, and the Continuing Shareholder.<sup>2</sup>

words, phrases, words and expressions used in this Agreement shall have the same meaning as in the Act, but “company” shall mean “body corporate”, as “company” and “body

they are being made jointly and severally liable, and responsible for which area of the business if a

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1.3 A reference to a part includes any amendment to the Agreement from time to time, extension or re-enactment, liability or restriction of

provision or subordinate legislation in force at the date of the enactment of it after the date of this Agreement to the extent that such amendment, extension or re-enactment, any new or extended obligation, or restriction may affect the rights of, any party.

1.4 The Schedules form part of the Agreement.

1.5 A reference to any person shall include a reference to a "person" (whether or not a body (whether or not

of either and neuter gender and a reference to any corporate or unincorporated body (whether or not a person or a personality).

1.6 The singular includes the plural.

a.

1.7 A person shall be deemed to be connected with such person if that person is connected with such person for the purposes of Corporation Taxes Act 1988.

connected with another if that person is connected with another for the purposes of section 839 of Income & Corporation Taxes Act 1988.

1.8 References to "indemnify" any person against any liability, loss, expense, damages, costs, expenses and interest which he may incur in connection with or arising out of that circumstance.

"indemnify" any person against any liability, loss, expense, damages, costs, expenses and interest which he may incur in connection with or arising out of that circumstance.

1.9 The headings are for reference only and shall not affect the construction or interpretation of the Agreement.

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**2. SALE AND PURCHASE OF SHARES**

On the terms of this Agreement the Seller shall sell and the Buyer shall buy, with effect from Completion, the Shares free from any Encumbrance and together with all dividends and distributions thereon including, in particular, those declared, made or paid on or after the date of Completion.

The Seller shall sell and the Buyer shall buy, with effect from Completion, the Shares free from any Encumbrance and together with all dividends and distributions thereon including, in particular, those declared, made or paid on or after the date of Completion.

**3. CONSIDERATION**

The purchase price payable by the Buyer for the Sale Shares shall be as set out in Schedule 2.

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**4. CONDITIONS**

4.1 Completion is subject to the following Conditions having been either waived in writing or fully satisfied:

Completion is subject to the following Conditions having been either waived in writing or fully satisfied:

4.1.1 [The Seller [and the Buyer] hereby waiving any pre-emption rights in respect of the Sale Shares.]<sup>3</sup>

[The Seller [and the Buyer] hereby waiving any pre-emption rights in respect of the Sale Shares.]<sup>3</sup>

4.1.2 The Seller [and the Buyer] waiving any other rights or restrictions that may apply to the Sale Shares or agree to waive any such rights or restrictions which may otherwise apply to the Sale Shares.

[The Seller [and the Buyer] waiving any other rights or restrictions that may apply to the Sale Shares or agree to waive any such rights or restrictions which may otherwise apply to the Sale Shares.]

<sup>3</sup> As the sale shares do not involve a new issue of shares, when a sale or transfer of shares is proposed, it is not necessary for the agreement are checked so that all parties know the details of the proposed sale.

pre-emption rights will not be relevant. However, when a sale or transfer of shares is proposed, it is not necessary for the articles of association and any shareholders' agreements to be checked so that all parties know the details of the proposed sale.

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exist whether  
in order to en  
the Sale Shar

eholders' agreement or otherwise  
which may restrict the transfer of

4.1.3 Each of the S  
Warranties as

Shareholder agreeing to give the  
nt.

4.1.4 The Seller re  
writing that  
shareholder, c

the Company and confirming in  
st the Company whether as a

4.1.5 [«Add any  
circumstances

t may be necessary to the

4.2 The Seller shall pro  
satisfied, in each ca  
place in accordance

able) that the Conditions will be  
etion, and that Completion takes

**5. COMPLETION**

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5.1 Completion shall take  
at such other location

n Date at «Specify location» or  
ties.

5.2 On Completion, and  
Shareholder] ha[s/v  
above, the Buyer sha  
in accordance with C

the Seller [and the Continuing  
eir] obligations under Clause 4  
quired to be made on Completion

5.3 If any of the provi  
Completion Date, the  
have pursuant to the  
default may rescind t  
the others.

are not complied with on the  
any and all rights of action it may  
ent or otherwise) the party not in  
mediate effect by notice in writing to

5.4 Completion shall con

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5.4.1 the Seller sha  
demonstrating

such evidence as he may require  
ons has been satisfied;

5.4.2 the Seller (as  
the Buyer a t  
with the relev  
the name of  
Company's re

of the Sale Shares) shall deliver to  
es in favour of the Buyer together  
I procure that the Company enters  
npany's share register [and the  
nificant control];<sup>4</sup>

5.4.3 the Seller del  
Company's co

ertified] copy of the minutes of the  
at which:

«Insert nam  
director of the

nominee» was appointed as a

<sup>4</sup> As the sale will involve a change to the parti  
the sale is likely to represent 25%+ of the  
reflect this change.

icial interest in the shares in the company and  
pany's PSC register will need to be altered to

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the transfer for... er were approved; and  
the resignation... tor of the Company was submitted  
and accepted

5.5 Following Completion... the release of the Seller from any  
guarantees given by... npany.

5.6 The Seller undertake... ion, he shall immediately repay to  
the Company any su... or not due for repayment on that  
[date].

5.7 The shareholdings in... ely post Completion are as set out  
in Schedule 3.

5.8 [Following Completio... ontinuing Shareholder shall enter  
into good faith disc... executing a formal shareholders'  
agreement to regula... onship and the workings of the  
Company going forw... of Completion>>.]<sup>5</sup>

**6. WARRANTIES**

6.1 The Warrantors join... nt to the Buyer that each of the  
Warranties is true a... ts and not misleading as at the  
date of this Agreeme

6.2 Any Warranty qualif... "to the best of the Warrantors'  
knowledge and belie... rantors are aware" or any similar  
expression shall be... edge, information and belief which  
the Warrantors hav... f they had made all reasonable  
enquiries and includ... nation and belief of any person or  
persons of whom it v... make such enquiry or of whom it is  
stated that such enq

6.3 The Warrantors ack... e given the Warranties with the  
intention of inducin... his Agreement and that the Buyer  
has relied on the W... to this Agreement. However, the  
Buyer also acknow... not been influenced by any  
representation or wa... ranties.

6.4 The rights and reme... ect of the Warranties shall not be  
affected by Completio... sion of the Buyer.

6.5 Each Warranty is a s... hall not be limited or restricted by  
reference to or infer... nty.

6.6 Any payment by the... n of any of the Warranties shall  
constitute pound for... and reduction in the consideration  
for the Sale Shares.

6.7 The Warrantors sha... diately they become aware of any  
fact or circumstance... ch may constitute a breach of the

<sup>5</sup> This clause should only be included if the pa...  
part of the sale.

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the level of control that is being given away as



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or who has immediately p or

uring the period of [6] months ent or customer of the Company;

9.1.2 at any time d beginning wi custom of an time during th client or custo

sert number of months>> months s, solicit or otherwise seek the mpletion, or who has been at any mmediately preceding that date, a

9.1.3 at any time d beginning with supplier to the Company at Completion, f such supplier those goods a

sert number of months>> months ntice away from the Company any plied goods and/or services to the [ ] months immediately preceding tice causes or would cause r materially reduce its supply of, mpany; or

9.1.4 at any time d beginning with employ or (d any person w to, Completio reasonable o Information re connections d

sert number of months>> months ntice away from the Company or employment or a consultancy to ring the period of [6] months prior the Company and likely (in the be in possession of Confidential ence the customer relationships or

9.2 The Seller undertake connection with any domain name, desig the Company which confusion with such address.

any time after Completion, use in rade or service mark, business or or social media address used by ppinion of the Buyer, capable of sign, logo, e-mail or social media

9.3 Each of the above ur

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9.3.1 considered by

able;

9.3.2 given for the enjoy the full

ssurance to the Buyer so he can s;

9.3.3 a separate ur independently

able by the Buyer separately and y one or more of the restrictions.

9.4 Accordingly, if any re valid if any part of it apply with such mo enforceable.

to be unenforceable, but would be riod reduced, the restriction shall necessary to make it valid and

10. MISCELLANEOUS

10.1 This Agreement is rights hereunder, o hereunder, except i

nd no party may assign any of its se delegate any of its obligations rms of this Agreement.

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10.2 For the avoidance of doubt, this Agreement shall confer on any third party any benefit or advantage arising from any provisions of this Agreement.

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10.3 Insofar as any provision of the Articles, the provisions of this Agreement shall conflict with any provisions of the Articles, the provisions of this Agreement shall prevail.

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10.4 This Agreement and any other agreement between the parties shall be deemed to be incorporated into and supersede and replace all previous agreements and understandings between the parties.

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

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10.6 This Agreement shall not be deemed to create a partnership or joint venture between the parties.

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10.7 Any amendment, variation or modification of this Agreement shall be in writing and signed by all the parties.

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10.8 No failure or delay in the performance of any obligation shall operate as a waiver of that obligation or any other right in the future.

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10.9 The signatories to this Agreement shall execute all documents necessary to put this Agreement into effect.

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10.10 Insofar as the provisions of this Agreement shall not have been performed at the time of Completion, they shall have full force and effect notwithstanding Completion.

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10.11 Each party shall, except where stated, pay its own costs of and incidental to this Agreement and any shall have no liability in respect of them.

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10.12 The provisions of this Agreement shall be severable and distinct from one another, and, if at any time any provision is or becomes invalid, illegal or unenforceable, the validity and enforceability of the others shall not in any way be affected.

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10.13 In the event of a dispute between the parties to this Agreement, they shall engage with each other in good faith mediation before resorting to any other means of dispute resolution.

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10.14 All notices to be given under this Agreement shall be in writing and shall either be delivered personally or sent by post or sent by email and shall be deemed duly served if:

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- a) in the case of a notice delivered personally, at the time of delivery;
- b) in the case of a notice sent by post, by first class prepaid post, 2 clear business days after the date of posting; and
- c) in the case of a notice sent by email, during normal business hours then at the time of sending and outside normal business hours

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- b) in the case of a notice sent by post, by first class prepaid post, 2 clear business days after the date of posting; and
- c) in the case of a notice sent by email, during normal business hours then at the time of sending and outside normal business hours

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then on the  
copy is sent  
next Business

Day provided that a confirmatory  
post or by hand by the end of the

**11. GOVERNING LAW AND JURISDICTION**

This Agreement shall be governed by the law of  
England and Wales. The jurisdiction of the courts of

shall be determined in accordance with the laws of  
to the [exclusive] [non-exclusive]

The parties or their authorised representatives have entered into  
this Agreement is delivered on the date of the execution of this Agreement.

The parties have entered into this Agreement as a deed and  
this Agreement shall be binding on the parties from the date of its execution.

**SIGNED** by or on behalf of the party whose name appears below in

the presence of the other party or parties as set out below in writing

Signed as a Deed by <<Seller>>

.....

<<Full Name>>

In the presence of <<Witness>>

Witness's Signature .....

Name .....

Address .....

Signed as a Deed by <<Continuing Party>>

.....

<<Full Name>>

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In the presence of <<Witness>>

Witness's Signature .....

Name .....

Address .....

Signed as a Deed by <<Buyer>>

.....

<<Full Name>>

In the presence of <<Witness>>

Witness's Signature .....

Name .....

Address .....

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Name:	
Registered Office:	
Directors:	
[Secretary:]	
Registered Number:	
Date of Incorporation:	
[Authorised Share Capital:]	
Issued Share Capital:	
Accounting Reference Date:	



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Postings

Member	Number of Shares	Percentage of equity share capital held (%)
Continuing Shareholder		
Buyer		
Total		

# A

# M

# P

# L

# E

S

A

M

P

L

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[This warranty schedule is short extended depending on the trans be reviewed carefully, to ensure th

warranties and may need to be e warranties, whilst basic, need to ction of the Company's position.]

1. The Seller is the legal an them for anyone else. The to any Encumbrance.

e Sale Shares and is not holding id for and none of them is subject

2. The information in Schedu

n all respects.

3. The Accounts are accurate and have been prepared applicable statutes and reg

are not misleading in any respect nd comply with all relevant and

3.1 show a true and fair Accounts Date and a or non-recurring item

osition of the Company as at the unusual, extraordinary, exceptional

3.2 are in accordance t current Statements of Standards, all of whic

g accounting principles and with Practice and Financial Reporting y applied.

4. Since the Accounts Date t or trading position of the C

al adverse change in the financial

5. The management accoun Accounts, and they fairly Completion and for the pe the management accounts

on a basis consistent with the position of the Company as at he Accounts Date and the date of

6. There is no litigation or dis the Company and any third

t, pending or threatened between

7. The Company is not subj given any legal promise to

nt or other ruling, and it has not uthority.

8. All intellectual property w software, creative content

e Company's business [such as

8.1 owned legally by the

8.2 not being held by the

else;

8.3 has not been charge

8.4 if it is registrable, it is

8.5 none of it infringes th

son.

9. No one is infringing the Co

erty rights.

10. The Company has compli that it handles data of indiv

a protection legislation in the way ved any notice of breach.

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11. The Company has no debt that have been outstanding for more than three months, and all such debt has been paid to it in full.

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12. The Company has not granted any security interest or any of its assets (such as an Encumbrance).

13. All the Company's assets, fixtures and fittings are in good condition (allowing for fair wear and tear) and are not held by the Company on behalf of any other person.

14. The Company is not a signatory to any arrangement (including loans) to which any director or shareholder (or any person connected with them) is also a signatory.

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15. There are no outstanding benefits of employment, service contracts with directors or consultants under any of them except those which this Agreement is dated.

16. The Company has not received (and does not expect to receive) any claims for redundancy, unfair, constructive dismissal, or any kind of discrimination, from any of its employees, directors or consultants.

17. The Company has no outstanding pension allowances or other benefits payable to directors or consultants.

18. The Company has complied with all laws, regulations and other legal requirements that apply to it, and has obtained all the permissions, licences and consents that it needs to carry out its business.

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19. Neither the Company nor any of its directors, officers or employees has committed any crime (other than, in the case of its directors, an offence under section 2 of the Fraud Act 2001).

20. The Company has kept all its accounts up-to-date as required by law.

21. The Company has paid all its taxes and other liabilities in full to date; all the policies are in full force; the Company has not done, anything that means that the policies cannot be relied on in the circumstances that might give rise to an insurance claim by the Company.

22. The Company has not been a subsidiary of any other company.

23. The Company has no long-term investments, and it has no significant capital commitments.

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24. None of the Company's directors or officers is being recruited because it is entering into this Agreement.

25. The Company has not given any director or officer any guaranteed compensation such as indemnities, and it is not entering into any partnership, joint venture, option, profit-sharing or any agreement with any other companies or tax reliefs with any other companies.

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- 26. The Company is not in bre
- 27. The Company is not in bre  
outstanding borrowings.
- 28. No arrangement has been  
owes money to) about th  
(including an administrator  
behalf of its creditors or an
- 29. No action has been taken o
- 30. The Company is not insolv
- 31. The Company has filed all  
and Customs (HMRC). It is  
any country, and it does no
- 32. The Company has paid or  
and it is not subject to any
- 33. The Company has not en  
for the avoidance of taxati

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anking arrangements and it has no

pany's creditors (i.e. the people it  
nent of their debts, and no one  
manage the Company's affairs on

on behalf of a creditor.

f the Insolvency Act 1986.

t to have filed with HM Revenue  
RC or any other taxing authority in  
to lead to such a dispute.

axation for which it is responsible,

ent designed completely or partly