

DATED

Seller

and

New Co. Limited (2)

SHARE SALE AND PURCHASE AGREEMENT

RELATING TO THE ACQUISITION OF

C o n t e n t s

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SCHEDULE 1 – INFORMATION ABOUT THE COMPANY

THIS AGREEMENT is made on

BETWEEN

; and

New Co. LIMITED with company number 1234567 of New Co Address
(the "**Buyer**").

THE PARTIES AGREE as follows:

1. **INTERPRETATION**

1.1 In this Agreement (except where the context otherwise requires):

| | |
|-------------------------------|--|
| <i>Act</i> | means the Companies Act 2006; |
| <i>Agreed Form</i> | means the form agreed between the Buyer and the Sellers, on or prior to the date of this Agreement; |
| <i>Agreement</i> | means this Agreement together with any Schedule; |
| <i>Associate</i> | shall be interpreted in accordance with section 435 of the Insolvency Act 1986, and a person shall be regarded as "connected" or "associated" with any person who or which is an associate of his and with any company of which any director is an associate of his; |
| <i>Business Day</i> | means a day other than a Saturday or Sunday or public holiday in England and Wales; |
| <i>Buyer's Group</i> | means any subsidiary or holding company of the Buyer |
| <i>Company</i> | |
| <i>Completion</i> | means completion of the sale and purchase of the Shares in accordance with this Agreement; |
| <i>Completion Date</i> | means the date of Completion; |

Confidential Information

means all or any information of a confidential nature relating to the Company or in respect of which the Company owes an obligation of confidentiality to any third party including, without limitation:

- (i) any of the trade secrets, secret or confidential operations, processes or dealings of the Company;
- (ii) any information concerning the organisation, business or finances of the Company or any of its customers or clients;
- (iii) business plans, dealings, transactions, maturing new business opportunities, research and development projects, sales statistics, marketing surveys and plans of the Company;
- (iv) the names, addresses and contact details of customers and potential customers or suppliers and potential suppliers of the Company;

Consideration

means the sum of payable in accordance with Clause 3.2;

Debts Due

includes (without limitation) monies, loans, debts, receivables, applications for payment and retentions in each case whether invoiced or not and whether presently due for payment or not;

Disclosed

means fairly disclosed (with sufficient details to enable a buyer to identify the nature of the matter disclosed) in or under the Disclosure Letter and 'Disclosure' shall be construed accordingly;

Effective Date

means close of business on the last Business Day prior to the Completion Date

Initial Consideration

means the sum set out in Clause 3.2.1

Intellectual Property Rights

means patents, copyrights, trade marks, database rights, topography rights, know-how, design rights and other generally recognised intellectual property rights subsisting anywhere in the world and shall include applications for any such rights;

| | |
|--|--|
| <i>IT Systems</i> | means any computer hardware, software, operating systems, firmware or networking equipment currently used by the Company; |
| <i>Parties</i> | means the Buyer and the Seller and their legal personal representative successors or permitted assigns and the expression "Party" shall be construed accordingly; |
| <i>Potential Customer</i> | means any person with which either of the Sellers has had contact, (including but not limited to discussions, meetings or written correspondence to or from any such person), regarding a prospective business relationship between such person and the Company at any time during the Relevant Period; |
| <i>Relevant Claim</i> | means any claim by the Buyer involving or relating to a breach of and/or a claim under the Warranties or a Rates Claim; |
| <i>Relevant Customer</i> | means any person who either of the Sellers knows was at any time during the Relevant Period a customer of the Company and with whom either of the Sellers was materially concerned or with whom either of the Sellers had personal contact (including but not limited to discussions, meetings or written correspondence to or from such person) during the Relevant Period; |
| <i>Relevant Territory</i> | means the United Kingdom; |
| <i>Relevant Goods or Services</i> | means umbrella company or payroll services competitive with those supplied by the Company at any time during the Relevant Period; |
| <i>Relevant Period</i> | means the period of 12 months ending on the Completion Date; |
| <i>Relevant Person</i> | means any person other than the Sellers whom either of the Sellers knows was at any time during the Relevant Period: <ul style="list-style-type: none"> (i) employed or engaged by the Company in a managerial, sales position or as a consultant or independent contractor; and |

- (ii) who by reason of their position possesses any Confidential Information or who by reason of their experience, skills and knowledge is not readily replaceable in a reasonable time without material expense on the part of the Company;

Shares

means Ordinary Shares of £1 each

Substantiated Claim

means a Relevant Claim in respect of which liability is admitted by the Sellers, or which has been adjudicated on by a Court of competent jurisdiction and no right of appeal lies in respect of such adjudication, or the parties are debarred by passage of time or otherwise from making an appeal;

Taxation

means all forms of taxation, withholdings, duties, imposts and levies whether arising in the United Kingdom or elsewhere in the world including (without limitation) corporation tax, advance corporation tax, insurance premium tax, income tax, P.A.Y.E, capital gains tax, value added tax, customs and other import duties, national insurance contributions, stamp duty, stamp duty reserve tax, stamp duty land tax, inheritance tax, foreign taxation and any payment whatsoever which may be or become bound to be made to any person as a result of the operation of any enactment relating to taxation but excluding water and general rates and uniform business rates and all penalties, fines, charges, costs and interest relating to any of the foregoing or any obligation in respect of any of the foregoing;

Warranties

means the General Warranties

ICTA

Income and Corporation Taxes Act 1988;

| | |
|----------------|--|
| TMA | Taxes Management Act 1970; |
| UK GAAP | Generally accepted accounting principles in England and Wales; |
| VATA | Value Added Taxes Act 1994; |

2. **SALE AND PURCHASE**

- 2.1 The Seller agrees to sell with full title guarantee the Shares to the Buyer and the Buyer agrees to buy the Shares and all rights attaching to the Shares at or after the date of this Agreement.
- 2.2 The Seller shall sell his Shares free from any lien, charge, equity, encumbrance or other rights of third parties and with all rights attaching to such Shares at the date of this Agreement. The Buyer shall be entitled to receive and retain any dividends or other distributions declared or payable on any of the Shares on or after the date of this Agreement.
- 2.3 The Seller hereby waives, and shall ensure that there will be waived before Completion, all pre-emption rights and other restrictions on the transfer of the Shares he may have relating to the Shares, whether conferred by the Company's articles of association or otherwise.
- 2.4 Neither the Buyer nor the Seller shall be obliged to complete the purchase of any of the Shares unless the purchase of all the Shares is completed simultaneously.

3. **CONSIDERATION**

- 3.1 The total consideration for this sale and purchase shall be the payment by the Buyer of the Consideration.

3.2 The Consideration shall be paid as follows:

3.2.1 in cash at Completion; and

3.2.2 payable in arrears at per month for months, such payments to commence 1 month after Completion.

3.2.3 At completion it is agreed that

The seller

3.3 The payment of the Initial Consideration by the Buyer to the Seller shall be made by means of an electronic transfer (same day funds) remitted to the Sellers's nominated bank account

3.4 Payment of the monthly instalments of the Consideration due under clause 3.2.2 and any interest due under clause 3.5 below shall be made by electronic transfer to the Sellers' account so that he receives payment in cleared funds no later than the due date.

3.5 If any monthly instalment of the Consideration due under clause 3.2.2 is not paid within 2 Business Days of the due date then such instalment will attract interest at 3% above the base lending rate from time to time of Lloyds Banking Group plc from the due date until the date of actual payment of the outstanding instalment of the Consideration such interest to be payable monthly in arrears and to be payable without prejudice to any other remedies of the Seller.

3.6 If any monthly instalment of the Consideration due under clause 3.2.2 is not paid within 20 Business Days of the due date then the full amount of the outstanding balance of the Consideration due under clause 3.2.2 shall immediately become due and payable and the Buyer shall indemnify the Seller for all costs and expenses incurred by the Seller in enforcing the payment of the outstanding balance of such Consideration.

4. **COMPLETION**

4.1 Completion shall take place at the companies registered premises

immediately after the execution of this Agreement.

4.2 The Seller shall procure that a board meeting of the Company is held where:

4.2.1 the registration of the Buyer as a member of the Company in respect of the Shares (subject to the production of properly stamped transfers) be approved;

4.2.2 the Board appoints persons nominated by the Buyer as director, and if requested, auditors of the Company with effect from the end of the meeting; and

4.2.3 each existing mandate given by the Company for the operation of its bank accounts is revoked and the resolutions contained in new mandate(s) giving authority to persons nominated by the Buyer or (at the request of the Buyer) with effect from the end of the meeting are passed and the secretary be authorised to notify its bankers and provide specimen signatures of the new officers of the Company in connection with each existing mandate given by the Company for the operation of its bank accounts.

4.3 At Completion the Seller shall:

4.3.1 procure that all Debts Due to the Company from the Seller shall be repaid; and

4.3.2 shall waive any sums owed by the Company to the Seller;

4.4 And in exchange therefore at Completion the Buyer shall pay the Initial Consideration to the Seller.

5. **WARRANTIES**

5.1 In consideration of the Buyer entering into this Agreement, the Seller hereby warrant to the Buyer that:

5.1.1 they each have full power and authority to enter into and perform this Agreement;

- 5.1.2 there is and at Completion will be no pledge, lien, equity, charge or other encumbrance on, over or affecting the Shares sold by him and there is and at Completion will be no agreement or arrangement to give or create any such encumbrance and no claim has been or will be made by any person to be entitled to any of the foregoing;
- 5.1.3 he will be entitled to transfer the full legal and beneficial ownership of the Shares being sold by him to the Buyer on the terms of this Agreement without the consent of any third party;
- 5.1.4 the Shares will at Completion constitute the entire issued and allotted share capital of the Company and at Completion there will be no agreement or arrangement in force that he or the Company has entered into other than this Agreement which grants to any person the right to call for the issue allotment or transfer of any share or loan capital of the Company;
- 5.1.5 these Warranties are true and accurate in all material respects at the date of this Agreement;
- 5.2 Each of the Warranties set out in Clause 5.1 is without prejudice to any other Warranty.
- 5.3 The rights and remedies of the Buyer in respect of any breach of the Warranties set out in Clause 5.1 shall not be affected by Completion, by any investigation made by the Buyer or on its behalf into the affairs of the Company, by the knowledge of any information the Buyer may have received or been given or have implied or constructive notice of prior to the signing of this Agreement other than as Disclosed
- 5.4 The provisions of Clause 5.1.1 to 5.1.4 are not subject to the limitations set out in Clause 6.

6. LIMITATIONS ON THE SELLERS' LIABILITY

- 6.1 The aggregate liability of the Seller in respect of Relevant Claims from time to time shall not exceed the amount of the Consideration paid to the Seller.

6.2 The Seller shall not be liable for a Relevant Claim unless:

6.2.1 the amount of a Relevant Claim, is less than £5,000.00; and

6.2.2 The Seller shall not be liable in respect of a Relevant Claim unless the Buyer has given the Sellers written notice of the Relevant Claim (stating in reasonable detail the nature of the Relevant Claim and, if reasonably practicable, the amount claimed):

6.2.2.1 on or before the first anniversary of Completion in respect of a Relevant Claim or for breach of the Warranty

provided that if a Relevant Claim has not been resolved on or before 12 months from the date on which the Buyer first notified the Seller in writing of the circumstances to which it relates the Relevant Claim shall be deemed to have been resolved in the Sellers' favour, unless the Buyer has by then issued and served legal proceedings in respect of the Relevant Claim on the Seller and the Seller shall have no liability in respect of an amendment or addition to a Relevant Claim in legal proceedings which would constitute a new Relevant Claim other than the original Relevant Claim unless notice of the circumstances giving rise to the amendment or addition was served on the Seller

6.3 The Buyer shall not be entitled to set-off the amount of any Relevant Claim against the Consideration payable under clause 3.2.2 unless it is a Substantiated Claim but shall thereafter set-off the amount of any Substantiated Claim against any outstanding payments due under clause 3.2.2 to the extent it is possible to do so before taking any other action against the Seller in respect of such Substantiated Claim.

6.4 Any payment made by the Seller in respect of a Relevant Claim or any other claim under this Agreement or the exercise of the Buyer's right of set-off under clause 6.3 shall be treated by the Seller and the Buyer as a reduction in the purchase price of the Shares to the extent of the payment or set-off.

6.5 The provisions of this Clause 6 shall not apply in relation to any

Relevant Claim that arises as a result of fraud by the Sellers in relation to the Buyer.

7. RESTRICTIONS

7.1 In consideration of the Buyer entering into this Agreement the Seller covenants severally with the Buyer that he will not directly or indirectly whether alone or in conjunction with or on behalf of any other person in any capacity:

7.1.1 at any time during the period of five years following the Completion Date carry on or be engaged, concerned or interested (save as the holder for the purpose of investment only of not more than 5% of the issued ordinary shares of any company whose shares are listed or dealt in on a recognised investment exchange (as defined in s 285 Financial Services and Markets Act 2000)) in any business which is carried on within the Relevant Territory, which supplies or is proposing to supply Relevant Goods or Services in competition with the Company;

7.1.2 at any time during the period of five years following the Completion Date, in competition with the Company:

7.1.2.1 seek orders or custom from any Relevant Customer in relation to the supply of any Relevant Goods or Services;

7.1.2.2 seek orders or custom from any Potential Customer in relation to the supply of any Relevant Goods or Services;

7.1.2.3 deal or contract (other than and to the extent permitted by Clause 7.1.4) with any Relevant Customer in relation to the supply of any Relevant Goods or Services;

7.1.2.4 deal or contract (other than and to the extent permitted by Clause 7.1.4) with any Potential Customer in relation to the supply of any Relevant

Goods or Services;

7.1.2.5 at any time during the period of five years following the Completion Date, in connection with any business in competition with or proposing to be in competition with the Company:

7.1.2.6 endeavour to entice away from the Company any Relevant Person;

7.1.2.7 employ, engage, appoint or cause to be employed, engaged or appointed any Relevant Person.

7.1.3 at any time during the period of five years following the Completion Date be engaged, concerned or interested in any business which at any time during the Relevant Period was a customer of the Company if such engagement, concern or interest causes or would cause the customer to cease or materially reduce its orders or contracts with the Company;

7.2 The Seller agrees that he shall use reasonable endeavours (so far as he is aware of any proposed publication or disclosure and it is reasonably within his powers to do so) to prevent the unauthorised publication or disclosure of Confidential Information and shall not now or at any time hereafter:

7.2.1 (other than whilst he remains in the employment of or acts as a consultant to the Company and in the proper course of his duties) disclose to any person or authorise or enable any person to acquire any Confidential Information;

7.2.2 (other than whilst he remains in the employment of or acts as a consultant to the Company and in the proper course of his duties) use or attempt to use any Confidential Information; or

7.2.3 obtain or seek to obtain (other than whilst he remains in the employment of or acts as a consultant to the Company and for the benefit of the Company) any financial advantage, whether direct or indirect, from the disclosure or use of Confidential Information.

- 7.3 The Seller covenants with the Buyer that he will not at any time after Completion (other than whilst he remains in the employment of or acts as a consultant to the Company and in respect of the Company), directly or indirectly whether alone or in conjunction with or on behalf of any person in any capacity:
- 7.3.1 in any way hold himself out, or permit himself to be held out, as being interested in, or in any way connected with the Company; or
 - 7.3.2 trade under the name or any other name, style, logo or imprint which is the same as, similar to or which includes or may be confused with such name or any other name or trade name used by the Company.
- 7.4 The Seller acknowledges that:
- 7.4.1 each of the foregoing Sub-Clauses of this Clause 7 constitutes an entirely separate and independent restriction on him;
 - 7.4.2 the duration, extent and application of each of the restrictions are no greater than is necessary for the protection of the goodwill of the Company;
 - 7.4.3 he has covenanted with the Buyer under this Clause 7 as purchaser and also as trustee on behalf of the Company so that the provisions of this Clause may be enforceable directly by the Buyer, the Company or either of them;
 - 7.4.4 the Buyer shall have the right at any time by written notice to him to reduce the scope or extent of any of the restrictions contained in this Clause 7;
 - 7.4.5 each restriction contained in this Clause 7 is intended to be separate and severable. If any such restriction shall be adjudged to be void or ineffective for whatever reason, but would be adjudged to be valid and effective if part of the wording (including but without limitation the wording of any of the definitions set out in Clause 1 which are used in this Clause 7) were deleted, such restriction will apply with so

much of the wording deleted as may be necessary to make it valid and effective.

8. ASSIGNMENT

- 8.1 Neither Party shall without the prior written consent of the other Party assign, transfer or hold on trust this Agreement or any of its or his rights under it, or purport to do any of the same. Each Party is entering into this Agreement for its benefit and save as aforesaid not for the benefit of another person.
- 8.2 The Buyer shall be entitled to assign all or any of its rights under this Agreement to any member of the Buyer's Group. The Buyer shall procure that if any such permitted assignee ceases to be a member of the Buyer's Group, immediately before it ceases to be so, it shall assign all its rights under this Agreement to another member of the Buyer's Group. For the avoidance of doubt no such assignment shall operate to relieve the Buyer of any of its obligations hereunder.
- 8.3 The Buyer may grant security over or assign by way of security, all or any of its rights under this Agreement or any document entered into pursuant to this Agreement.
- 8.4 Subject to and upon any assignment permitted by this Agreement, any assignee of the Parties shall in its own right be able to enforce any term of this Agreement in accordance with the terms of this Agreement as if it were a Party, but until such time any such assignee of the Parties shall have no such rights whether as a third party or otherwise.

9. ANNOUNCEMENTS

- 9.1 Subject to Clause 9.2, and save to the extent that such information is already in the public domain (other than as a result of disclosure by the Party in breach or his agents or advisers in breach of the Sellers's obligations hereunder) except with the prior written consent of the other Party neither Party shall and shall procure that none of their agents, representatives or advisers shall issue any press release or other public document containing, or make any public statement containing, or otherwise disclose (whether publicly or privately) to any person who is

not a Party that this sale and purchase has taken place, the existence of, information which relates to the terms of or is connected with or arises out of this Agreement, its negotiation or the matters contained in it, including the amount of the Consideration.

9.2 The provisions of Clause 9.1 shall not apply to the disclosure of any information by either Party to his professional advisers or in connection with any proceedings arising in relation to this Agreement and if and to the extent required by law or a Court, if a Party is required to make or send it has if practicable, first consulted and taken into account the reasonable requirements of the other Party.

9.3 The restrictions contained in this Clause shall continue to apply after Completion without limit in time.

10. RIGHTS OF THIRD PARTIES

10.1 This Agreement does not create any right enforceable by any person who is not a party (other than a personal representative, trustee in bankruptcy or person in a similar representative capacity or a permitted assignee).

10.2 Notwithstanding that any term of this Agreement may be or become enforceable by a person who is not a Party to it at the date of this Agreement, the terms of this Agreement or any of them may be varied, amended or modified or this Agreement may be suspended, cancelled or terminated by agreement in writing between the Parties or this Agreement may be rescinded (in each case), without the consent of any such third party.

11. GOVERNING LAW AND JURISDICTION

11.1 This Agreement is governed by English Law.

11.2 The courts of England have exclusive jurisdiction to hear and decide any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this Agreement (respectively, "Proceedings" and "Disputes") and, for these purposes, each Party irrevocably submits to the jurisdiction of the Courts of England.

11.3 Each Party irrevocably waives any objection which it might at any time have to the courts of England being nominated as the forum to hear and decide any Proceedings and to settle any Disputes and agrees not to claim that the courts of England are not a convenient or appropriate forum.

12. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, is an original, but all the counterparts together constitute the same document.

SCHEDULE 1

INFORMATION ABOUT THE COMPANY

1. Registered number:
2. Date of Incorporation:
3. Place of Incorporation: England and Wales
4. Address of registered office:
5. Type of Company: Private Limited Company
6. Authorised share capital: Ordinary Shares of £1 each
7. Issued share capital: Ordinary shares of £1 each
8. Shareholder