Dated: [Date]

[On letterhead of Buyer]

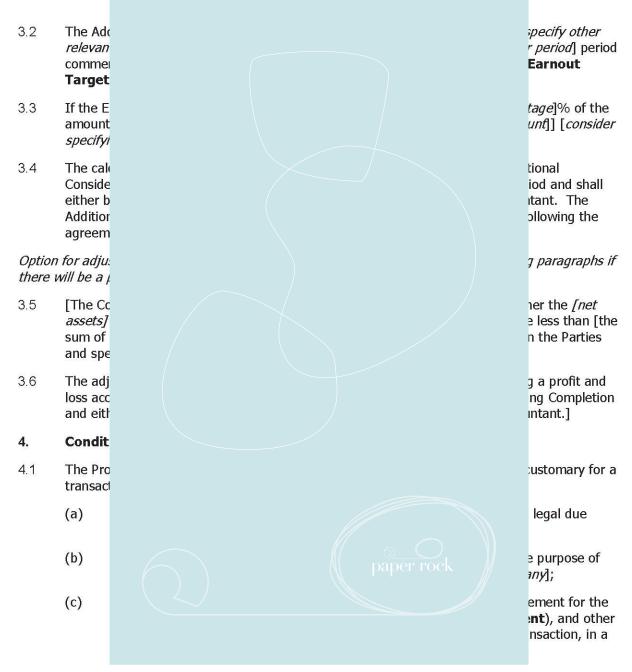
[Names and Addresses of Sellers] (the Sellers)

[Name] Limited (the Company) We refer to our ne Buyer) from the Sellers of th ion). This letter of int This letter is no e is there is a separate exclus exclusivity period] paragra g Law and Jurisdiction), wl e Parties and each a Party). 1. The Co 1.1 The Cor its registered office is 1.2 The Cor 2. **Shares** 2.1 The Buy sing [number] ordinary y owned by the Sell-Seller of Sale Shares [Nan Percentage]% [Nan Percentage]% TOT/ 100.00% 3. Consid Option 1 - Con: 3.1 The cor 4mount] (the Consid posed Transac Option 2 - Con: n one or more further instalme

- 3.1 The consideration for the acquisition of the Sale Shares shall be the sum of $\mathcal{E}[Amount]$ (the **Consideration**), payable by the Buyer:
 - (a) as to £[Amount], in cash at completion of the Proposed Transaction (**Completion**); and
 - (b) as to the balance of $\pounds[Amount]$, in cash [on the date which is [Number] months following Completion].

Option 3 – Consideration payable partly at Completion and partly following Completion on an earnout basis depending on the future performance of the Company

- 3.1 The consideration for the acquisition of the Sale Shares (the **Consideration**) shall be:
 - (a) the sum of $\mathcal{E}[Amount]$ (the **Initial Consideration**), payable by the Buyer in cash at completion of the Proposed Transaction (**Completion**); and
 - (b) additional consideration to be calculated and navable in accordance with paragraphs

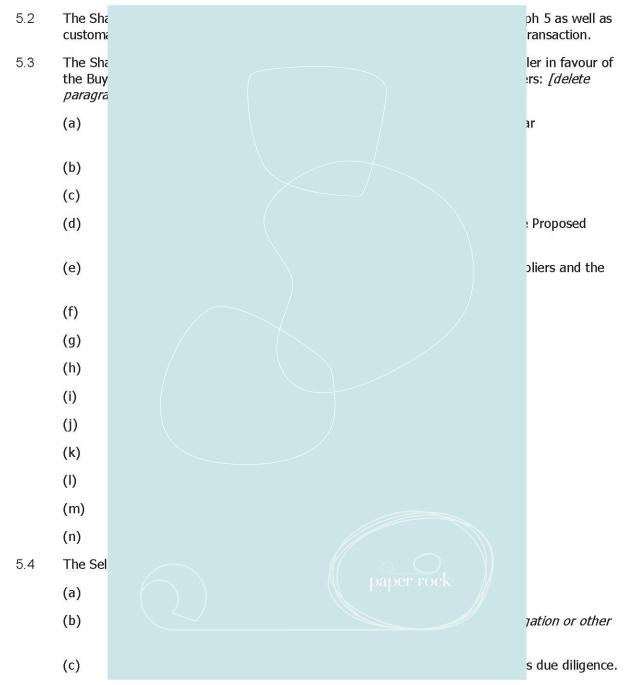


- (d) [name of Seller] entering into a new service agreement with the Company for a term of [period] years [at an annual salary of £[] [specify any other agreed terms];]
- (e) [the approval of the Proposed Transaction by the [board of directors] [shareholders] of the [Buyer] [name of Seller]; and
- (f) [any other conditions specific to the transaction].

4.2 The Parties anticipate that the signature of the Share Purchase Agreement and Completion will take place simultaneously, with all conditions being satisfied either prior to or simultaneously at Completion.

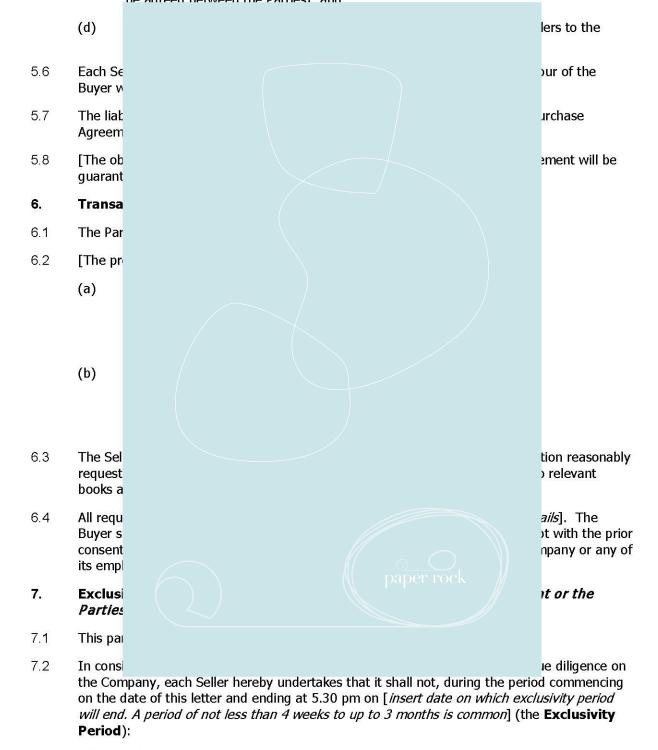
5. Share Purchase Agreement

5.1 The Buyer will instruct its solicitors to prepare the first draft of the Share Purchase Agreement.



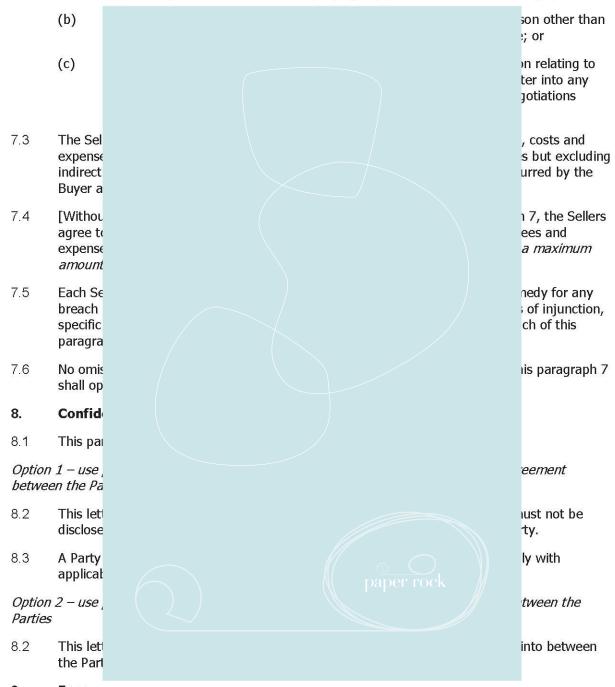
- The liability of the Sellers under the warranties [and indemnities] in the Share Purchase Agreement shall be subject to customary limitations for a transaction the nature of the Proposed Transaction[, including: [delete paragraphs (a) (d) if not desired to negotiate specific limitations at this stage]
 - (a) time limits for claims to be brought by the Buyer [to be agreed between the Parties] [, being:

- (i) in the case of non-tax claims, [24/36 months] following Completion; and
- (ii) in the case of tax claims, [seven] years following Completion;
- (b) the aggregate liability of the Sellers being limited to [the Consideration] [£[amount]];
- (c) [an exclusion for individual claims of less than £[amount] and a claims basket of £[amount]] OR [an exclusion for individual claims and a claims basket in amounts to be agreed between the Parties]: and



(a) induce, solicit any or enter into any agreement, arrangement or understanding (whether or not legally binding) relating to:

- (i) the sale or other disposal to any person other than the Buyer of all or any of the issued share capital of the Company;
- (ii) the sale or other disposal to any person other than the Buyer of all or any part of the undertaking, business or assets of the Company (other than in the ordinary course of business); or
- (iii) any investment in the Company by any person other than the Buyer; or



9. Fees

- 9.1 This paragraph is legally binding between the Parties.
- 9.2 [Save as provided in paragraph [7.4]], each party will bear its own costs and expenses in relation to this letter and the Proposed Transaction.

10. Governing Law and Jurisdiction

- 10.1 This paragraph is legally binding between the Parties.
- 10.2 This letter and any dispute, claim or obligation (whether contractual or non-contractual) arising out of or in connection with this letter, its subject matter or formation shall be governed by English law.
- 10.3 The Parties irrevocably agree that the English courts shall have exclusive jurisdiction to settle any dispute or claim (whether contractual or non-contractual) arising out of or in connection with this letter its subject matter or formation

