

NZ-CPcsl01

Company purchase agreement: part payment retention

Contents

1. Definitions
2. Interpretation
3. Entire agreement
4. Calculation of the Purchase Price
5. Buyer New Shares: Buyer's obligations
6. Buyer's acknowledgment of inspection
7. Agreement for Sale and issuance of Buyer New Shares
8. The Retention and shortfall
9. Completion and delivery of documents
10. Warranties applicability and limitation
11. Warranties by Sellers
12. Trustee Warranties
13. Restrictive agreement
14. Sellers' protection
15. The Guarantee
16. Publicity / Announcements
17. Miscellaneous matters

- Schedule 1
 - Part 1 Shareholdings
 - Part 2 Details of the Company
 - Part 3 Press release
- Schedule 2
 - Part 1 Properties
 - Part 2 Assets
- Schedule 3
 - Warranties
 - General
 - No damaging effect of this agreement
 - Company structure and operation
 - Accounts
 - Cash flow
 - Taxation
 - Guarantees and borrowing
 - Assets
 - Trading and contracts
 - Properties – all
 - Properties rented by the Company
 - Employment
 - Pensions
 - Insurance
 - Intellectual Property
 - Information technology ("IT")

Agreement for the Sale and Purchase ■ ■ ■ ■ [■ ■ ■ ■ ■ ■ ■ ■]

This agreement is dated: [date]

[illegible]

OR

The Seller is: [name] of [private address]

OR

The Sellers are: those persons whose names are set out in Part 1 ■■■
■ ■ ■ ■ ■ 1 ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ .

The Buyer is: [DEF] Limited, a company incorporated in New Zealand
[under company number] [number] ■ ■ ■ ■] ■ ■ ■ ■ ■ ■
■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ [■ ■ ■ ■ ■ ■ ■ ■ ■ ■].

The First Guarantor is: [name] of [private address]

The Second Guarantor is: [name] of [private address]

1. Definitions

So far as the context permits, the following words ■■■■■■■■■■
■■■■■ :

“Accounting Date” means the date to which the Accounts have historically been prepared and to ■■■■■■■■■■ ■■■■■■■■■■.

[illegible][illegible]

“Buyer New Shares” means the ordinary shares of \$[1] each in the

2. Interpretation

In this agreement unless the context otherwise requires:

- [illegible]

- [illegible]

6. Buyer's acknowledgment of inspection

The Buyer admits that:

- [illegible]

7. Agreement for Sale and issuance of Buyer New Shares

- [illegible]

- [illegible]

8. The Retention and the shortfall

For the purpose of this paragraph “Warranted Net Profit” .

- [illegible]

OR

- 8.5. The cost of the
..... .
- 8.6. The parties shall promptly provide to the
.....
..... .
- 8.7. The Warranted \$[147 , 000].
- 8.8. The Buyer agrees that he will not take
..... , ,
..... .
- 8.9. If the Net Profit shown by the First Year Accounts is
..... ,
..... [3]
..... .
- 8.10. The shortfall shall be paid out of the Retention
..... .
..... .
- 8.11. If the Net Profit shown by the First Year Accounts
..... ,
.....
..... .
- 8.12. No claim lies for a breach of Warranty insofar as
.....
.....
..... .

9. Completion and delivery of documents

- 9.1. Completion of this Sale shall
..... ,
- 9.1.1 a bank draft
..... ;
- 9.1.2 a second bank draft
..... [.....];
- 9.1.3 letters of allotment of the Buyer New Shares;

10.6. Each Seller waives any claim he might have against the _____

 _____, _____
 _____.

11. Warranties by Sellers

[illegible][illegible][illegible]

11.1.3 except as disclosed in the Disclosure Letter, all of the [REDACTED]
[REDACTED] 3
[REDACTED], [REDACTED]
[REDACTED];

[illegible][illegible][illegible][illegible][illegible][illegible]

OR

- [illegible]

12. Trustee Warranties

Each of the Trustees warrants:

- [illegible]

13. Restrictive agreement

- [illegible]

[illegible][illegible][illegible]

14.3. In any event, the maximum [REDACTED]
[REDACTED] \$ [100 , 000].

[illegible]

© Andrew Taylor and Net Lawman Ltd

Signed by [Seller name in full]

Signed by [Guarantor / Director name in full]

Schedule 1: Part 1 Shareholdings

[Here list all sellers' names, addresses and
.....
.....].

Name	Address	Number of Shares	Signature

Schedule 1: Part 2 Details of the Company

1. The Company

Company number: [■ ■ ■ ■] ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ : [■ ■ ■ ■]

Share capital:

Authorised\$ [■ ■ ■ ■] ■ ■ ■ ■ \$ [■ ■ ■ ■]

Registered office: [address]

Directors: [list all names in full]

Secretary: [name in full]

Schedule 1: Part 3 Press release

Schedule 2: Part 1 Properties

[Please ■■■■■■]

- Freehold Properties
- Leasehold Properties
- Any other particulars

Schedule 2: Part 2 Assets

[Please list ■■■■■■■■■■■■, ■■■■■■■■■■■■]

Schedule 3: The Warranties

General

1. All of the information and .
2. All facts and data which could , .
3. No information has been held back , , .
4. No governmental organisation .
5. The Company has fulfilled every .
6. The Company has at all times complied with current practice recommended by any department of government , , , , .
7. The Company is not bound .
8. The Company is not involved , .
9. No Seller knows of any circumstance which might , , .
10. Since the Last Year , .

No damaging effect of this agreement

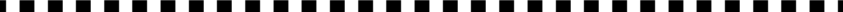
11. _____

 _____ - _____
 _____, _____, _____.
12. No term of this agreement conflicts with:

20. $\frac{\text{number of } \text{C}_{10}\text{H}_8 \text{ molecules}}{\text{number of } \text{C}_{10}\text{H}_6 \text{ molecules}} = \frac{1}{2}$.


21. ■■■■■■■■■■ , ■■■■■■■■■■
■■■■■ , ■■■■■■■■■■ , ■■■■
■■■■■■■■■ , ■■■■■■■■■■ .

[illegible]

23. 

Accounts

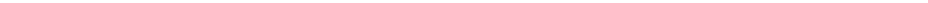
[illegible][illegible]

26.  .

27. The Accounts:

27.1.

[illegible][illegible][illegible]

28.  :

its purchase price;

its production cost;

its net realisable value.

[illegible]

30. Since the Last Year End:

[illegible][illegible][illegible][illegible]

Cash flow

[illegible][illegible][illegible][illegible][illegible]

34. $\begin{bmatrix} 1 & 2 & 3 & 4 & 5 & 6 & 7 & 8 & 9 & 10 & 11 & 12 & 13 & 14 & 15 & 16 & 17 & 18 & 19 & 20 & 21 & 22 & 23 & 24 & 25 & 26 & 27 & 28 & 29 & 30 & 31 & 32 \\ 2 & 3 & 4 & 5 & 6 & 7 & 8 & 9 & 10 & 11 & 12 & 13 & 14 & 15 & 16 & 17 & 18 & 19 & 20 & 21 & 22 & 23 & 24 & 25 & 26 & 27 & 28 & 29 & 30 & 31 & 32 & 33 & 34 \\ 3 & 4 & 5 & 6 & 7 & 8 & 9 & 10 & 11 & 12 & 13 & 14 & 15 & 16 & 17 & 18 & 19 & 20 & 21 & 22 & 23 & 24 & 25 & 26 & 27 & 28 & 29 & 30 & 31 & 32 & 33 & 34 & 35 & 36 \\ 4 & 5 & 6 & 7 & 8 & 9 & 10 & 11 & 12 & 13 & 14 & 15 & 16 & 17 & 18 & 19 & 20 & 21 & 22 & 23 & 24 & 25 & 26 & 27 & 28 & 29 & 30 & 31 & 32 & 33 & 34 & 35 & 36 & 37 & 38 \end{bmatrix}$

Taxation

[illegible]

.....
.....

44.
.....
.....

45., , ..
.....
.....

46.
.....

Assets

47.
.....:

47.1. are in its possession and control.

47.2.,
.....
.....

47.3.
.....

47.4.
.....

47.5.
.

Trading and contracts

48., ..
.. - .. - .., / ..,
.....

49.
.....

50. Since the Last Year End:

50.1.
.....
.....

[illegible][illegible]

51. _____, _____
_____:

[illegible]

51.3. all contracts comply with the relevant law.

[illegible]

52. $\frac{1}{2} \left(\frac{1}{2} + \frac{1}{2} \right) = 1$


53.1. is beyond the normal course of business.

[illegible]

53.4. is priced in a currency other than dollars.

[illegible]

54. $\frac{1}{2} \left(\frac{1}{2} + \frac{1}{2} \right) = \frac{1}{2}$, $\frac{1}{2} \left(\frac{1}{2} + \frac{1}{2} \right) = \frac{1}{2}$, $\frac{1}{2} \left(\frac{1}{2} + \frac{1}{2} \right) = \frac{1}{2}$.

55.  .

56. $\begin{bmatrix} 1 & 2 & 3 & 4 & 5 & 6 & 7 & 8 & 9 & 10 \\ 2 & 3 & 4 & 5 & 6 & 7 & 8 & 9 & 10 & 11 \\ 3 & 4 & 5 & 6 & 7 & 8 & 9 & 10 & 11 & 12 \\ 4 & 5 & 6 & 7 & 8 & 9 & 10 & 11 & 12 & 13 \\ 5 & 6 & 7 & 8 & 9 & 10 & 11 & 12 & 13 & 14 \\ 6 & 7 & 8 & 9 & 10 & 11 & 12 & 13 & 14 & 15 \\ 7 & 8 & 9 & 10 & 11 & 12 & 13 & 14 & 15 & 16 \\ 8 & 9 & 10 & 11 & 12 & 13 & 14 & 15 & 16 & 17 \\ 9 & 10 & 11 & 12 & 13 & 14 & 15 & 16 & 17 & 18 \\ 10 & 11 & 12 & 13 & 14 & 15 & 16 & 17 & 18 & 19 \end{bmatrix}$, $\begin{bmatrix} 1 & 2 & 3 & 4 & 5 & 6 & 7 & 8 & 9 & 10 \\ 2 & 3 & 4 & 5 & 6 & 7 & 8 & 9 & 10 & 11 \\ 3 & 4 & 5 & 6 & 7 & 8 & 9 & 10 & 11 & 12 \\ 4 & 5 & 6 & 7 & 8 & 9 & 10 & 11 & 12 & 13 \\ 5 & 6 & 7 & 8 & 9 & 10 & 11 & 12 & 13 & 14 \\ 6 & 7 & 8 & 9 & 10 & 11 & 12 & 13 & 14 & 15 \\ 7 & 8 & 9 & 10 & 11 & 12 & 13 & 14 & 15 & 16 \\ 8 & 9 & 10 & 11 & 12 & 13 & 14 & 15 & 16 & 17 \\ 9 & 10 & 11 & 12 & 13 & 14 & 15 & 16 & 17 & 18 \\ 10 & 11 & 12 & 13 & 14 & 15 & 16 & 17 & 18 & 19 \end{bmatrix}$.

.....,

.....

[illegible][illegible]

Pensions

[illegible]

85.1. copies of the trust deeds;

85.2. the latest actuarial report;

[illegible][illegible]

Insurance


[illegible]

88. No policy contains any special term or restriction.

89. $\left[\begin{pmatrix} 1 & 0 \\ 0 & 1 \end{pmatrix} \right]_{\mathbb{R}^2}$, $\left[\begin{pmatrix} 1 & 0 \\ 0 & 1 \end{pmatrix} \right]_{\mathbb{R}^2}$, $\left[\begin{pmatrix} 1 & 0 \\ 0 & 1 \end{pmatrix} \right]_{\mathbb{R}^2}$.

[illegible][illegible]

Intellectual Property

92.  .

[illegible][illegible][illegible][illegible][illegible][illegible][illegible]

Information technology (“IT”)

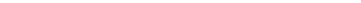
[illegible]

100.1. the name;

100.2. name and contact information of registrant;

100.3. tag holder name, land address and website;

100.4. date to which the name is registered.

101. 

[illegible]

[illegible][illegible][illegible][illegible][illegible]

106.2. technical, customer and client support services;

[illegible]

106.4. an email service provider.

[illegible][illegible][illegible][illegible]

109.2. what password he uses;

[illegible]

[illegible]

Explanatory notes

Company purchase agreement: part payment retention

General notes

1. The parties

This agreement has been drawn assuming either a company seller or two or more shareholders selling a company to one ■■■■■■■■■■. ■■■■■■■■■■
■■■■■

2. Complete when agreement dated or later?

[illegible]

3. Basis of retention and shortfall

We have used only net profit, specifically defined. Depending on the business of the company it may be more efficient to either edit the definition of net profit or to refer instead, or as well, to net assets. If you are dealing with a company which ■■■■■■■■■■, ■■■■■■■■■■
■■■■■■■■■■ (■■■■■■■■).

Paragraph-specific notes

Notes numbering refers to paragraph numbers.

1. Definitions

The definitions have been considered very carefully. At Net Lawman we try to avoid a large raft of definitions, but in this agreement there is no alternative. There is no reason why you should not change any if you need to do so, but ■

[illegible]

If the same accountants conduct the audits, that should present no problem. If the buyer is likely to appoint new accountants, he would be wise to obtain a written statement from the sellers' accountants setting out the method of calculation, so that he can instruct new accountants to use the same methodology. It may also be necessary further

[illegible][illegible][illegible]

© Andrew Taylor and Net Lawman Ltd

6. Buyer's acknowledgment of inspection

7. Agreement for Sale and issuance of Buyer New Shares

8. The Retention and the shortfall

The following steps may be taken in considering ■ ■ ■ ■ ■ ■ ■ ■ :

- © Andrew Taylor and Net Lawman Ltd

[illegible][illegible][illegible][illegible]

This paragraph protects the buyer against a seller who spends the sale proceeds and refuses to assist as this agreement requires. That will arise only when the

In that case, your guarantors will be the directors of the holding company seller. If _____, _____
_____-_____, _____.

A judge will usually treat a guarantee as a matter only of money. We have worded this one clearly so that there is no doubt.

This may not be important to ■■■■ . ■■■■■■■■■■■■■■■■■■■■■■.

17. Miscellaneous matters

A number of special points. We have identified each of these as important to protect you. Some are relevant to particular paragraphs in the document, some apply more . , .

[REDACTED]

[REDACTED], [REDACTED]. [REDACTED]

[REDACTED]

[REDACTED].

Schedule 1 and 2

We have no comment.

Schedule 3- The Warranties

Note: matters relating to warranties

[illegible]

Warranties are the essence of the deal. They are listed in a schedule. Do make sure that the paragraph of

These warranties have been drawn to provide as large a "menu" as

For maximum protection.

1. Delete any warranties that cannot apply to your _____
_____.
2. Do not delete warranties relating to matters about which full information has already been provided. If you _____, _____, _____, _____, _____.
3. Take the document to your accountant to _____
_____.
4. For sellers, the strength of a warranty may be greatly reduced simply by changing _____ " _____ " _____ " _____ " _____
_____.

Explanation of warranties

[illegible][illegible][illegible]

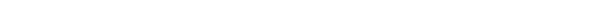
How to use warranties?

If you are seller

[illegible]

As a seller, you have a number of :

- [illegible]

✓ Being the seller it is 

[illegible][illegible][illegible]

© Andrew Taylor and Net Lawman Ltd

Pensions

We have no comment.

Insurance

We have no comment.

Intellectual Property

All companies acquire some intellectual property. Even a quite small

[illegible]

Information technology (“IT”)

[illegible]

End of notes