**ASSET PURCHASE AGREEMENT**

This Asset Purchase Agreement (the “Agreement”) is effective [DATE],

**BETWEEN: [YOUR COMPANY NAME]** (the "Purchaser"), a company organised and existing under the laws of the [STATE/PROVINCE] of [COUNTRY], with its head office located at:

[YOUR COMPLETE ADDRESS]

**AND: [FIRST PART]** (the "Company"), a company organised and existing under the laws of the [STATE/PROVINCE] of [COUNTRY], with its head office located at:

[COMPLETE ADDRESS]

**AND: [SECOND PART]** (the "Seller”), a company organised and existing under the laws of the [STATE/PROVINCE] of [COUNTRY], with its head office located at:

[COMPLETE ADDRESS]

WHEREAS the Seller carries on the business of [NUMBER]

WHEREAS the Seller has agreed to sell and the Purchaser has agreed to buy certain assets relating to the Business upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS HEREIN CONTAINED AND OTHER GOOD AND VALUABLE CONSIDERATION, THE [COMPANY NAME] HERETO AGREE AS FOLLOWS:

1. **INTERPRETATION**
   1. **Definitions**

Unless the subject matter or context otherwise requires:

“Affiliate” has the meaning ascribed to the term “affiliated corporations” in the [COUNTRY BUSINESS COMPANYS ACT].

“Associate” has the meaning ascribed to the term “associate” in the [COUNTRY BUSINESS COMPANYS ACT].

“Balance of Price” has the meaning ascribed thereto in Section 3.1.2.

“Books and Records” means any books and records (originals or copies thereof) of the Seller relating exclusively to the Business including, without limitation, books and records relating to the purchase materials and supplies, the manufacture, assembly and processing of products, sales of products, dealings with customers and franchises, invoices, customer lists, mailing lists, suppliers lists, trademarks and trade names, financial records, personnel records (to the extent permitted by law) and taxes (excluding Seller’s income tax and other tax records unrelated to the Business).

“Business Day” means any day excluding Saturday, Sunday and any other day which in [STATE/PROVINCE], [COUNTRY] is a legal holiday or a day on which financial institutions are authorised by law or by local proclamation to close.

“Claims” means any demand, action, cause of action, damage, loss, cost, liability, expense or requirements, governmental or otherwise, including the cost of legal representation *in re*spect thereof and any interest or penalty arising in connection therewith.

“Closing” means the completion of the sale to and purchase by the Purchaser of the Purchased Assets under this Agreement by the transfer and delivery of documents of title thereto and the payment of the Purchase Price therefore in accordance with this Agreement.

“Closing Date” has the meaning ascribed thereto at Section 4.1.

“Collective Agreement” has the meaning ascribed thereto at Section 5.1.15.

“Employees” has the meaning ascribed thereto at Section 5.1.15.

“Excluded Assets” has the meaning ascribed thereto at Section 2.2.

“Goodwill” has the meaning ascribed thereto in Subsection 2.1.12.

“Immovables” has the meaning ascribed thereto in Subsection 2.1.4.

“Financial Statements” means:

* + 1. the audited financial statements of the Seller relating to its Business for the fiscal periods ended [NUMBER] through [NUMBER] inclusive, consisting of a balance sheet, statements of income and retained earnings, statement of profits and losses, changes in financial position, auditor(s)’ report and notes thereto; and
    2. the unaudited interim financial statements of the Seller relating to its Business for the interim fiscal period ended [NUMBER], consisting of a balance sheet, statements of income and retained earnings, statement of profits and losses, changes in financial position, auditor(s)’ report and notes thereto; true and exact copies of which are attached as APPENDIX 1.1a) hereto.

“Inventories” means any product held for sale by the Seller and any materials (including components, spare parts, raw materials, work-in-process, finished products, packaging), held by the Seller in connection with the manufacturing, processing, assembly and sale of products, whether or not located on the Seller’s premises, on consignment to a third party or in possession of sub-contractors, in transit or in storage.

“Letter of Credit” means the irrevocable letter of credit issued by the [BANK] to the Seller in the amount of [AMOUNT].

“Liabilities” means all the liabilities, debts and obligations of the Seller whether present or future, whether pertaining to the Business, the Purchased Assets or otherwise, including, without limiting the generality of the foregoing:

* + 1. Liabilities under any service, management or other contract entered into by the Seller;
    2. Liabilities under any plans, programmes or arrangements of any kind with respect to the benefits provided to each person employed by the Seller at the Closing Date;
    3. Any Liabilities for any accidents, breach of contract, delict and *quasi*-delict, occupational health and safety violations, and all other types of claims and lawsuits connected with or arising out of any matter, incident, occurrence or a set of facts or circumstances prior to the Closing Date;
    4. Liabilities relating to defects of any product sold at any time by the Seller prior to the Closing Date;
    5. Any Liabilities under [YOUR COUNTRY ACT/LAW/RULE] relating to the protection of the environment, including but not limited to the use, storage, handling, transportation or disposal of any hazardous waste or solid waste (as these terms are defined in [YOUR COUNTRY ACT/LAW/RULE])
    6. or emission, deposit, issuance or discharge of a contaminant (as that term is defined in [YOUR COUNTRY ACT/LAW/RULE) in a greater quantity or concentration than that provided for by regulation of the Government to the extent that any such incident, occurrence or set of facts or circumstances arose prior to the Closing Date;
       1. Any Liabilities due to facts or circumstances occurring prior to the Closing Date, constituting any violation of federal, provincial, local or foreign [YOUR COUNTRY LAW], or any regulation of requirement of any governmental body, other than those described in (v);
       2. Any Liabilities of the Seller or related to the Purchased Assets for any national, provincial, local or foreign taxes (including interest and penalties);
    7. Any other Liabilities of the Seller not expressly assumed by the Purchaser in this Agreement.

“Lien” means any interest in property or the income or profits therefrom securing an obligation owed to, or a claim by, a Person other than the owner (which for the purposes hereof shall include a possessor under a title retention agreement and a lessee under a lease hereinbelow described) of such property, whether such interest is based on common [YOUR COUNTRY LAW], civil [YOUR COUNTRY LAW], statute or contract, and including but not limited to any security interest, hypothec, mortgage, pledge, lien, claim, charge, cession, transfer, assignment, encumbrance, title retention agreement, lessor’s interest under a lease which would be capitalised on a balance sheet of the owner of such property or analogous interest in, of or on any property or the income or profits therefrom of a Person.

“Material Adverse Change” means an event, which is materially adverse to the business, assets, liabilities, financial condition or results of operations of the Business [taken as a whole.]

“Net Worth Adjustment Amount” has the meaning ascribed thereto in Section 3.8.

“Proprietary Rights” has the meaning ascribed thereto at Section 2.1.8.

“Person or persons” means any individual, company, corporation, partnership, firm, trust, sole proprietorship, government or entity howsoever designated or constituted.

“Purchase Price” has the meaning ascribed thereto at Section 3.1.

“Purchased Assets” has the meaning ascribed thereto at Section 2.1

“Receivables” means all [accounts receivable], trade accounts receivable, [notes receivable book debts and other debts due] or accruing to the Seller in connection with the Business which have been outstanding from the date of issue for less than [NUMBER] days at the Closing Date, which are not owing to the Seller by any Associate or Affiliate of the Seller, and the full benefit of all securities for such accounts, notes or debts.

“Tangible Net Worth” means for the Seller the total (which shall be added to if positive or deducted if negative) of (i) its share capital and (ii) its retained earnings less (iii) any loans or advances to or accommodations made for the benefit of any Affiliate of the Seller and (iv) all its intangible assets.

“This Agreement”, the “Agreement”, “hereto”, “hereof”, “herein”, “hereby”, “hereunder” and similar expressions mean or refer to this Agreement as amended from time to time and any indenture, agreement or instrument supplemental or ancillary hereto or in implementation hereof, and the expressions “section”, “subsection” and “clause” followed by a number or letter mean and refer to the specific section, subsection or paragraph of this Agreement.

* 1. **Extended Meanings**

Words importing the singular number include the plural and *vice versa* and words importing the masculine gender include the feminine and neuter genders.

* 1. **Interpretation Not Affected by Headings**

The division of this Agreement into articles and insertion of headings is for convenience and reference only and shall not affect the construction or interpretation of this Agreement.

* 1. **Applicable Law**

This Agreement shall be deemed to have been made in the [STATE/PROVINCE] of [STATE/PROVINCE] and shall be interpreted and enforced in accordance with and be governed by the [YOUR COUNTRY LAW] of [STATE/PROVINCE] and the [YOUR COUNTRY LAW] of [COUNTRY] applicable therein.

* 1. **Funds**

All amounts referred to in this Agreement are in lawful money of [COUNTRY].

* 1. **Financial Documents**

All calculations and financial documents required to be made or produced under or pursuant to this Agreement shall be made or produced in accordance with generally accepted accounting principles which are from time to time approved by the [COUNTRY] Institute of Chartered Accountants as set forth in the publication known as the “CICA Handbook” and applicable as at the date on which any calculation or financial document is required to be made or produced, save and except as may be specifically defined herein.

* 1. **Invalidity**

If any provision of this Agreement shall be held invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall attach only to such provision in such jurisdiction and shall not in any manner affect or render invalid or unenforceable such provision in any other jurisdiction or any other provision of this Agreement in any jurisdiction.

* 1. **Business Day**

In the event that any action to be taken hereunder falls on a day, which is not a Business Day, then such action shall be taken on the next succeeding Business Day.

* 1. **Preamble**

The preamble forms an integral part of this Agreement.

1. **PURCHASED ASSETS**
   1. **Purchased Assets**

Subject to the terms and conditions hereof, the Seller agrees to sell, assign, convey and transfer to the Purchaser on the Closing Date and with effect therefrom as a going concern, the undertaking and all of the property and assets of the Business (the “Purchased Assets”), moveable and immovable, of every kind and description and wheresoever situate, other than the Excluded Assets, said Purchased Assets including, without limiting the generality of the foregoing:

* + 1. all Inventories as listed in [YOUR ATTACHED APPENDIX] hereto;
    2. all accounts receivable, trade accounts receivable, notes receivable, book debts and other debts due or accruing due to the Seller;
    3. all machinery, equipment, moulds, dies, tools, small tools and parts including, without limitation:
       1. maintenance items, in-store materials, handling equipment, accessories and supplies;
       2. all machinery, equipment, moulds, dyes and tools listed in [YOUR ATTACHED APPENDIX] hereto;
       3. all machinery, equipment, moulds, dyes and tools in the possession of sub-contractors or other third parties;
       4. machinery and equipment which may fall into the category of immovables by destination including, without limitation, overhead cranes, boilers, compressors, batching plants, mixers, conveyors, electrical control panels, heaters and ventilators.
    4. all immovables including, without limitation, all land, buildings, plants, leaseholds, improvements and fixtures owned by the Seller, including immovables for which the Seller has an option to purchase for the Business, the whole as more fully described in [YOUR ATTACHED APPENDIX] hereto;
    5. all locomotive cranes, lift trucks, cars and other vehicles of all kinds of the Seller used by the Business;
    6. all data processing equipment and software programmes including, without limitation, software programmes relating to [NUMBER];
    7. all furniture, furnishings, fixtures and office equipment;
    8. all trade names, trademarks, trademark applications, service marks, service mark applications, standard drawings, designs, copyrights, patents, patent applications, know-how, trade secrets and other intellectual property rights of the Seller used in connection with the Business including, without limiting the generality of the foregoing, the name [[NUMBER]] (collectively the “Proprietary Rights).
    9. all rights and interest in the name “[NUMBER]“ and the telephone number(s) of the Business;
    10. all licences and permits of the Business and all licences and permits required by government or regulatory authorities, to the extent transferable, and all rights of the Business against third parties (including all rights in connection with third-party guarantees, warranties and representations); unfilled orders, customer contracts [and outstanding quotations] in connection with the Business listed in [YOUR ATTACHED APPENDIX];
    11. all books, records and documentation of the Business, [including the Seller’s [NUMBER] year forecasts, true, complete and exact copies of which are attached in [YOUR ATTACHED APPENDIX], customer lists, sales and sales promotional data and advertising material including, without limitation, templates therefore, credit information, cost and pricing information, supplier lists, product catalogues, and other similar data;
    12. the goodwill of the Business, together with the exclusive right to the Purchaser to represent itself as carrying on the Business in continuation of and in succession to the Seller, including the rights and interest in the name “[NUMBER]“ and the telephone number(s) of the Business (the “Goodwill”);
    13. all other property, assets and rights, moveable and immovable, corporeal or incorporeal, owned by the Seller used or to which it is entitled in connection with the Business.
  1. **Excluded Assets**

Notwithstanding anything to the contrary contained herein, the [COMPANY NAME] acknowledge and agree that the following property and assets of the Business (the “Excluded Assets”) are excluded from the sale, assignment, conveyance, and transfer by the Seller to the Purchaser herein contemplated:

* + 1. cash and securities;
    2. all prepaid items including, without limitation, insurance, taxes and other similar items;
    3. all leases of moveable property, conditional sales and agreements, and other agreements where ownership of the property is retained by the Seller thereof;
    4. all leases of land, buildings, plants, leaseholds, improvements and fixtures;
    5. any rights (including indemnification) and claims and recoveries under litigation of Seller against third parties arising out of or relating to events prior to the Closing Date; and
    6. any rights or interests in any employee benefit plan maintained by Seller and any policy of insurance on or relating to Seller’s properties, products or business and all claims or rights thereunder.
  1. **Leases and Retention of Ownership Agreements**

Attached as [YOUR ATTACHED APPENDIX] hereto is a list of all leases of moveable and immovable property and other agreements used in connection with the Business. The Purchaser may, at any time prior to the Closing Date, require the Seller to provide it with a true, exact and complete copy of any lease listed in [YOUR ATTACHED APPENDIX] hereto. The Purchaser shall have the right, but not the obligation, to assume all rights, title, interest and obligations of the Seller under any such lease accruing due as of and from the Closing Date. The Purchaser shall give written notice to the Seller as to leases, which it wishes to assume no later than the [NUMBER] Business Day immediately preceding the Closing Date.

* 1. **Removal of Purchased Assets**

The Seller acknowledges that it shall be necessary for the Purchaser to destroy or damage the buildings in which the Purchased Assets are located in order to remove same. The Purchaser shall have no responsibility to repair or replace any buildings so damaged or destroyed.

* 1. **Forward Commitments**

Attached as [YOUR ATTACHED APPENDIX] hereto are true, exact and complete copies of all forward commitments by the Seller for supplies or materials for the Business. The Purchaser shall have the right, but not the obligation, to the full benefit of all such forward commitments provided that it assumes all obligations of the Seller thereunder accruing due as of and from the Closing Date. The Purchaser shall give written notice to the Seller as to the forward commitments it wishes to assume no later than the [[NUMBER]] Business Day immediately preceding the Closing Date.

* 1. **Assets Used in the Business**

Except as set forth in [YOUR ATTACHED APPENDIX], there are no assets not included in the Assets which individually or in the aggregate are material to the conduct of the Business as presently conducted.

1. **PURCHASE AND SALE**
   1. **Purchase Price**

The purchase price for the Purchased Assets (the “Purchase Price”) shall be [AMOUNT] which shall be paid by the Purchaser to the Seller as follows:

([AMOUNT]) by bank certified cheque or bank draught to the order of the Seller on the Closing Date;

* + 1. [AMOUNT] (the “Balance of Price”) by bank certified cheque or bank draught to the order of the Seller on [NUMBER] against surrender by the Seller to the Purchaser of the Letter of Credit.

- OR -

Payment of Purchase Price. The Purchase Price, [as adjusted pursuant to Section 3.8] shall be paid in accordance with the provisions of articles [NUMBER] (a) and following of the Civil Code of Lower [COUNTRY], in the following manner:

* + 1. The Purchaser shall pay to the Seller the sum of [AMOUNT] on the Closing Date;
    2. Subject to Section 5.4, the Purchaser shall pay to the Seller the sum of [AMOUNT], [NUMBER] days following the Closing Date, with interest thereon at the rate of [NUMBER] per annum for the [NUMBER] day period and Purchaser will deliver at Closing to the Seller a Promissory Note in the form attached in Schedule 3.1.2 hereto, as security for the indebtedness;
    3. Subject to Section 3.8, the Purchaser shall pay to the Seller or as the Seller may otherwise direct, the Final Payment Amount with interest therein at the interest rate of [NUMBER] per annum calculated from the Closing Date to the date of payment on the latter of [DATE] or the Business Day next following the date upon which a final determination is made with respect to the calculation of the Final Payment Amount pursuant to Section 3.8.
  1. **Default**

In the event of any default of payment, then, (i) the obligation of the Seller to make further accommodations hereunder shall immediately terminate; and (ii) at the Seller’s option, the [Outstanding Principal Obligations] and all interest and fees accrued thereon and all other amounts payable under this Agreement shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Purchaser. The foregoing in no way detracts from the Seller’s right and ability at any time to demand the performance of all obligations of the Purchaser to the Seller, notwithstanding that no default has occurred or is continuing.

* 1. **Balance of Price**

The Purchaser may pre-pay the Balance of Price or any portion thereof at any time, without interest or penalty.

* 1. **Allocation of the Purchase Price**

The Purchase Price shall be allocated in the manner set forth in [YOUR ATTACHED APPENDIX] hereto provided that if the Purchase Price shall be adjusted pursuant to Section 3.7 hereto, the allocation shall be adjusted to agree to the Purchase Price.

* 1. **No Assumption of Liabilities**

The Purchaser shall not assume and shall not be deemed to assume any Liabilities and the Seller undertakes to pay all its obligations and Liabilities as same become due and payable and to indemnify and save harmless the Purchaser shall any claim be made against the Purchaser in connection therewith. In consideration of the Seller’s foregoing undertaking to pay, the Purchaser hereby waives its right to require the Seller to provide it with a bulk sales affidavit conforming to the provisions of [YOUR COUNTRY LAW] (see 4.2.12).

The Purchaser’s obligation to indemnify the Seller as aforesaid shall be expressly conditional upon:

* + 1. the Seller giving prompt notice of any threatened or actual claim and/or action to which such indemnity applies and a reasonable opportunity to defend the same in the Seller’s name through counsel of the Purchaser’s own choosing, all at the Purchaser’s own expense and cost;
    2. the Seller co-operating with the Purchaser and the Purchaser’s counsel in the defence or any such claim or action, and,
    3. the Seller is refraining from settling or compromising or offering to settle or compromise any such claim or action without the Purchaser’s prior written consent.

Nevertheless in the event that any creditor of the Seller threatens to have the transaction contemplated by this Agreement set aside by reason of failure to comply with the said bulk sales provisions, the Seller shall immediately, upon receipt of notice of such threat, pay to such creditor the amount claimed by it, irrespective of whether such amount is then due by the Seller to such creditor or whether there is any dispute between the Seller and creditor with respect to such claim. Should the Seller fail to make such payment, as herein provided, the Purchaser may do so, in which event the Seller shall reimburse the Purchaser the amount so paid by the Purchaser, within [NUMBER] Business Days of Purchaser’s written demand to the Seller therefore.

* 1. **Payment of Taxes**

The Purchaser shall be liable for and shall pay all land transfer taxes, national taxes, goods and services tax, and provincial sales taxes, excise taxes and all other taxes, duties or other like charges properly payable upon and in connection with the conveyance and transfer of the Purchased Assets by the Seller to the Purchaser, provided that the Seller shall do or shall cause to be done such things as are reasonably requested to enable the Purchaser to comply with such obligations in an efficient manner.

* 1. **Adjustments**

All adjustments shall be made as of the Closing Date, notably with respect to hypothec payments, real estate taxes, insurance, heating, operating and other like items.

* 1. **Net Worth Adjustment**

The Purchase Price has been agreed to by the Purchaser on the basis of the representation of the Seller that the Tangible Net Worth of the Inventories at the Closing Date shall not be less than [AMOUNT]. Should the Tangible Net Worth as determined from the Financial Statements (as agreed upon or determined by arbitration award) not equal at least [AMOUNT] the Purchase Price shall be reduced by [AMOUNT] by which the Tangible Net Worth is below [AMOUNT] (the “Net Worth Adjustment Amount”). The Seller shall pay the Purchaser the Net Worth Adjustment Amount on the [NUMBER] day following the acceptance or deemed acceptance of the Financial Statements, or, as the case may be, the rendering of the arbitration award in connection therewith.

* 1. **Disagreement Regarding Adjustment of Purchase Price**

If the Purchaser and the Seller are unable to resolve any disagreement between them regarding the Adjustment to Purchase Price within [NUMBER] days after the giving of notice of such disagreement, the items in dispute will be referred to determination to an independent accountant as may be agreed to by the Purchaser and the Seller (the “Accountants”), which firm does not perform material services for the Purchaser and the Seller or any of their respective Affiliates, as promptly as practicable.

* 1. **Escrow of Purchase Price**

Escrow of Purchase Price pending registration of Deed of Sale, radiation of liens and charges on Purchased Assets and full and final payment of all liabilities.

1. **CLOSINGS AND CONDITIONS PRECEDENT TO THE SALE**
   1. **Closing Date**

The purchase herein contemplated shall take place at the offices of [INDIVIDUAL NAME], [FULL ADDRESS], [STATE/PROVINCE] at [HOUR] hours (the “Time of Closing”) on [NUMBER] or such other Business Day as is agreed to by the [COMPANY NAME] in writing. A pre-closing shall take place at the same location [NUMBER] Business Day prior thereto.

* 1. **Conditions Precedent to Closing in Favour of the Purchaser**

The obligation of the Purchaser to buy the Purchased Assets and to perform its obligations hereunder are subject to the fulfilment of the following conditions precedent to its satisfaction on or before the Closing Date, it being understood that the said conditions are included for the exclusive benefit of the Purchaser and may be waived, in writing by the Purchaser, either in whole or in part at any time:

* + 1. Corporate Authorisation

The Purchaser shall have received from the Seller a certified copy of the certificate and articles of incorporation of the Seller and any certificate and articles of amendment issued to the Seller, a certified copy of a resolution of the board of directors and of the Shareholders of the Seller authorising the execution and delivery of this Agreement and approving the sale of the Purchased Assets to the Purchaser, an incumbency certificate listing all of the officers and the directors of the Seller who sign any documents in connection with this Agreement, and authorising the issuance of the certificates and other documents required to be issued by the Seller hereunder, and Deed of Sale for the land, building and plant of the Seller.

* + 1. Statements

The delivery of Financial Statements of the Seller relating to the Business, for the period ended the month immediately preceding the Closing Date certified by the chief financial officer of the Business to be true and correct in all material respects and to have been prepared in accordance with generally accepted accounting principles consistently applied.

* + 1. Truth of Representations and Warranties

The representations and warranties of the Seller to the Purchaser contained in this Agreement and the Appendices thereto shall be true, correct and complete in every detail at the Time of Closing on the Closing Date with the same force and effect as if such representations and warranties were made at and as of such time with respect to the state of facts then existing and the Seller shall deliver to the Purchaser the solemn declaration of its President to such effect; provided that the closing of the transaction of purchase and sale herein provided for shall not be nor be deemed to be a waiver of the representations and warranties contained in this Agreement and Appendices, which representations and warranties shall continue in full force and effect for the benefit of the Purchaser.

* + 1. Compliance with Terms and Conditions

All the terms, covenants and conditions of this Agreement to be complied with or performed by the Seller on or before the Time of Closing on the Closing Date shall have been complied with or performed.

* + 1. Government Approvals

There shall have been obtained from all appropriate nation consents as are required to permit the change of ownership of the Purchased Assets contemplated hereby, including, without limiting the generality of the foregoing, such certificates as the Purchaser’s counsel considers desirable pursuant to the Competition [YOUR COUNTRY ACT/LAW/RULE] and the Investment [YOUR COUNTRY ACT/LAW/RULE].

* + 1. Approval of Purchaser’s Counsel

All actions, proceedings, instruments and documents required to implement this Agreement, or instrumental thereto, and all other legal matters relating to the purchase of the Purchased Assets, including title of the Seller to the Purchased Assets, shall have been approved as to form and legality by counsel for the Purchaser, [INDIVIDUAL NAME].

* + 1. Prohibited Actions

No action or proceeding at law or in equity, shall be pending or threatened by any person, firm, company, government, governmental authority, regulatory body or agency to enjoin, restrict or prohibit:

* + - 1. the purchase and sale of the Purchased Assets contemplated hereby, or
      2. the right of the Purchaser to conduct the Business.
    1. Delivery of Documents and Title Deeds

The Seller shall have delivered to the Purchaser all documents or copies thereof required to be delivered, all title documents, deeds, leases, contracts and agreements and other documents in its possession or under its control relating to any of the Purchased Assets or the Business, including all Books and Records, which documents, Books and Records shall become the property of the Purchaser.

* + 1. Legal Opinion of Seller’s Counsel

The Purchaser and its counsel, [INDIVIDUAL NAME], shall have received a legal opinion of [INDIVIDUAL NAME]. [NUMBER], counsel to the Seller, substantially in the form [YOUR ATTACHED APPENDIX] hereto.

* + 1. Non-Competition Agreements

The Seller and each Affiliate of the Seller shall enter into a non-competition agreement in the form of [YOUR ATTACHED APPENDIX] hereof providing for non-solicitation and non-competition covenants with respect to [SPECIFY], for a term of [NUMBER] years from the Closing Date within [YOUR COUNTRY], [STATE/PROVINCE].

* + 1. Residence

The Seller shall have furnished the Purchaser with evidence in the form of a statutory declaration of a duly authorised officer of the Seller, that the Seller is a resident of [COUNTRY] within the meaning of the Income Tax Act [COUNTRY].

* + 1. Bulk Sale Affidavit

The Seller shall have executed and delivered to the Purchaser a bulk sale affidavit containing the names and addresses of all creditors of the Seller and the amounts due or to become due to each such creditor and the origin of each such claim, in the form of [YOUR ATTACHED APPENDIX] hereto, the whole in conformity with articles [NUMBER] and following [YOUR COUNTRY LAW].

* + 1. Election Form

The Seller and Purchaser shall each execute tax form [PLEASE SPECIFY YOUR COUNTRY’S TAX FORM NUMBER(S)] with respect to the sale of the debts receivable as contemplated by [YOUR COUNTRY ACT] and [YOUR Province ACT].

* + 1. Powers of Attorney

The Seller shall deliver by hand to the Purchaser not less than [NUMBER] days prior to the Closing Date a list showing the name of each person, company or company or business organisation holding a general or special power of attorney from the Seller and a summary of the terms thereof.

* + 1. Consents

All consents of third parties necessary to permit the transfer and assignment of any of the Purchased Assets shall have been obtained.

* + 1. Due Diligence

The Purchaser and its legal counsel shall have conducted a due diligence review of the Business, including its books and records, which shall be satisfactory to the Purchaser in all respects.

* + 1. No Substantial Damage or Adverse Change

Subject to section 4.4, no substantial damage to the Assets shall have occurred prior to the Closing Date and no adverse material change in Purchased Assets or the financial condition or prospects of the Business shall, in the reasonable opinion of the Purchaser, have occurred prior to the Closing Date.

* + 1. No Adverse Legislation

No legislation (whether by statute, regulation, by-law or otherwise) shall have been enacted or introduced which, in the reasonable opinion of the Purchaser, adversely affects or may adversely affect the Purchased Assets or Business.

* + 1. Delivery of Documents

The Seller shall execute and deliver to the Purchaser all such bills of sale, assignments, instruments of transfer, assurances, consents and other documents as shall be necessary effectively to transfer to the Purchaser all the Seller’s rights, title and interest in, to and under, or *in re*spect of, the Purchased Assets, and shall deliver up to the Purchaser possession of the Purchased Assets, free and clear of any liens, charges or encumbrances or rights of third Persons; and shall effect such registrations, recordings and filings with public authorities as may be required in connection with the transfer of ownership to the Purchaser of the Purchased Assets.

* 1. **Conditions Precedent to Closing in Favour of the Seller**

The purchase and sale of the Purchased Assets is subject to the satisfaction on or before the Time of Closing on the Closing Date, of the following terms and conditions which are included herein for the exclusive benefit of the Seller and which may be waived in whole or in part, only by the Seller:

* + 1. Letter of Credit

The delivery to the Seller of the Letter of Credit.

* + 1. Truth of Representations and Warranties.

The representations and warranties of the Purchaser to the Seller contained in this Agreement and Appendices hereto shall be true, correct and complete in every detail at the Time of Closing on the Closing Date with the same force and effect as if such representations and warranties were made at and as of such time and the Purchaser shall deliver to the Seller the solemn declaration of its President to such effect; provided that the closing of the transaction of purchase and sale herein provided for shall not be contained in this Agreement and Appendices, which representations and warranties shall continue in full force and effect for the benefit of the Seller as provided in Article [NUMBER].

* + 1. Compliance with Terms and Conditions

All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser at or before the Time of Closing on the Closing Date shall have been complied with or performed.

* + 1. Legal Opinion of Purchaser’s Counsel

The Seller and its counsel shall have received a legal opinion of counsel to the Purchaser, substantially in the form [YOUR ATTACHED APPENDIX] hereto.

* 1. **Risk of Loss**

4.4.1 If prior to the Closing Date any part of the Purchased Assets shall be destroyed or damaged by any cause whatsoever, including fortuitous events, or shall be expropriated or seized by governmental authority, the Purchaser and the Seller shall enter into negotiations to determine the amount by which the Purchase Price shall be reduced to compensate for such loss or damage. Negotiations shall continue for a period of [NUMBER] days. If the [COMPANY NAME] have not reached agreement on the amount by which the Purchase Price shall be reduced within such period, the Seller shall give the Purchaser within a further period of [NUMBER] days, a written notice stipulating the amount by which the Seller considers the Purchase Price should be reduced.

4.4.2 The Purchaser shall have a period of [NUMBER] days from the giving of the Seller’s notice, to give written notice to the Seller of its acceptance or refusal of the amount of the reduction in the Purchase Price. Should the Purchaser accept the amount of the reduction, it shall proceed to purchase the Purchased Assets for the agreed upon reduced Purchase Price and upon the other terms and conditions herein, save and except that the Closing Date shall be extended by a period equal to the period of the delay to reach agreement on the reduced Purchase Price.

4.4.3 Should the Purchaser refuse the amount of the reduction or not give written notice within the required delay, this Agreement shall be null and void and of no further effect and neither party shall have any recourse against the other.

* 1. **Notification**

If the Purchaser becomes aware that any of the foregoing conditions are not likely to be fulfilled at or before the Closing Date, it shall so notify the Seller with a view to permitting it to take such action as may be necessary to enable it to cause such conditions to be fulfilled at or before the Closing Date. In case any of the foregoing conditions shall not be fulfilled on or before the Closing Date to the reasonable satisfaction of the Purchaser, the Purchaser may rescind this Agreement by notice to the Seller and in such event the Purchaser shall be released from all obligations hereunder and, unless the condition for the non-performance of which the Purchaser has rescinded this agreement are reasonably capable of being performed or caused to be performed by the Seller, the Seller shall also be released from all obligations hereunder; provided that any such conditions, to the extent that it is for the benefit of the Purchaser, may be waived in whole or in part by the Purchaser without prejudice to its rights of rescission in the event of the non-fulfilment of any other condition or conditions, any such waiver to be binding on the Purchaser only if the same is in writing.

1. **REPRESENTATIONS AND WARRANTIES OF THE SELLER AND THE PURCHASER**
   1. **Representations and Warranties of Seller**

The Seller hereby represents and warrants to the Purchaser and acknowledges and confirms that the Purchaser is relying upon such representations and warranties in connection with the purchase by the Purchaser of the Purchased Assets:

* + 1. Due Incorporation and Qualification to Carry on Business

5.1.1.1 The Seller is a company duly incorporated and organised and is validly subsisting under the [YOUR COUNTRY LAW] of [COUNTRY]. The Seller has all necessary right, power and authority to enter into, execute and deliver this Agreement and to perform its obligations hereunder. The entry into, execution and delivery of this Agreement and the performance by the Seller of its obligations hereunder have been duly authorised and approved by all necessary corporate action of the board of directors of the Seller. The Seller has the corporate power to own its property and to carry on the Business as now being conducted by it.

5.1.1.2 The Seller is duly qualified (and has all required permits, licenses, certificates and authorisations necessary) to transact and carry on the Business in the manner and to the extent currently carried on in all jurisdictions in which it presently carries on business and is so duly licenced or qualified in each jurisdiction whereby by virtue of the nature of the Business, such licencing and qualification is necessary except for such failures to be so qualified or licensed, if any, which, in the aggregate, would not have a Material Adverse Effect. The only jurisdictions in which the Seller carries on business or owns or leases property are set forth in Schedule 5.1.1 hereto.

* + 1. Binding Nature

This Agreement constitutes a legal, valid and binding obligation of the Seller enforceable in accordance with its terms.

* + 1. Title of Assets

5.1.3.1 The Purchased Assets are owned by the Seller by good and marketable title thereto, free and clear of all Liens or of any rights or privileges capable of becoming Liens, except statutory liens, if any, none of which prevent in any material way the use of any of the Purchased Assets. The Seller represents and warrants to the Purchaser that, to the best of its knowledge, there are no such Liens. The Seller further undertakes, at its sole cost and expense, to free all of the Purchased Assets of all such Liens within a period of [NUMBER] days of becoming aware thereof.

5.1.3.2 The Immovables have reasonable access to public roads and to all utilities, including electricity, sanitary sewer, potable water, natural gas or its equivalent. All Immovables and all improvements thereon conform in all material respects with all material zoning, environmental and other land use [YOUR COUNTRY LAW], occupational health and safety [YOUR COUNTRY LAW], ordinances, rules and regulations and other requirements of law and such improvements do not encroach in any respect on property of others. All material occupancy and other certificates or permits for the occupancy and lawful use of the Immovables and the improvements thereto have been issued and are presently in full force and effect.

5.1.3.3 All notices of violations issued by any governmental instrumentality having jurisdiction against or affecting any of the Immovables and improvements have been materially complied with. No use of any Immovables and improvements is dependent upon the continuance of a non-conforming use or a special permit or license. No condemnation or taking by a public authority of any Immovables owned by the Seller is pending or, to the best of the Seller’s knowledge, threatened.

5.1.3.4 The Seller owns no assets reflected in the Financial Statements that have been disposed of since the date thereof, other than those which have been sold or otherwise disposed of in the ordinary and normal course of the routine daily affairs of business.

* + 1. Options, Commitments

No person, company or company has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming an agreement, for the purchase from the Seller of any of the Purchased Assets, other than:

* + - 1. the Purchaser pursuant to this Agreement; and
      2. customers pursuant to purchase orders accepted by the Seller in the ordinary course of the Business.
    1. No Violation

The entering into of this Agreement and the transactions contemplated hereby will not result in the violation of, or default under, any of the terms and provisions of the constating documents or by-laws of the Seller or of any resolutions of the directors or shareholders of the Seller or of any indenture or other agreement, written or oral, to which the Seller may be a party or by which it is bound or in the creation of any lien or other encumbrance on any of the Purchased Assets.

* + 1. Books and Records

All accounts, books and records of the Seller kept in connection with the Business fairly and correctly set out and disclosed, in all material respects, in accordance with generally accepted accounting principles, the financial position of the Business as at the date hereof and all material financial transactions of the Seller relating to the Business have been accurately recorded in such books and records.

* + 1. Business Conducted in Ordinary Course

The Business has been carried on in the ordinary and normal course and will be carried on in the ordinary and normal course after the date hereof and up to the Closing Date, [except that the Seller shall not, after the date hereof issue quotations to, negotiate with or accept orders from any person in connection with the supply by the Seller to such person of any products manufactured or processed by the Business] and that the Seller shall use its best efforts to minimise the Inventories to be purchased by the Purchaser. The Seller undertakes that, after the date hereof, it shall refer all such persons as well as all inquiries with respect to products manufactured or processed by the Business to the Purchaser.

Seller will use commercially reasonable efforts to

* + - 1. preserve intact the present organisation and reputation of the Business,
      2. keep available (subject to dismissals and retirements in the ordinary course of business consistent with past practice) the services of the present officers, employees and consultants of the Business, and
      3. maintain the goodwill of customers, suppliers, lenders and other persons to whom it sells goods or provides services or with whom it otherwise has significant business relationships.
    1. Leases

5.1.8.1 The Seller is not a party, as lessee, to any lease or agreement in the nature of any lease or agreement in the nature of a lease or a conditional sale agreement, capitalised lease or other title retention agreement with respect to moveable property in connection with the Business except for those leases and other title retention agreements set forth and described [YOUR ATTACHED APPENDIX], which specify the parties to each lease, dates of execution and expiry dates, options to renew, description of the leased moveable property and the rental payable, and which leases are all the leases required in connection with the Business. Subject to obtaining the lessor consents, such leases are enforceable in accordance with their terms and the Seller is not in default under any such lease, which default would reasonably be expected to lead to cancellation of such lease, the eviction of Seller or the payment of any additional amounts, excluding interest.

5.1.8.2 All property leased by the Seller in connection with the Business is in a state of good maintenance and repair and it is adequate and suitable for the purposes for which it is presently being used. Each lease is in good standing and in full force and effect without amendment thereto and the Seller is not in breach of any of the covenants, conditions or agreements contained in each such lease, except for breaches which are not, in the aggregate, material to the particular lease in question.

* + 1. Uses

The conduct of the operations of the Business and the uses to which the leased property referred to in subsection 5.1.8 above have been put are not in breach of any statute, by-law, regulation, covenant, restriction or plan, except for breaches with respect to any particular property which in the aggregate are not material.

* + 1. Work Orders

There are no outstanding work orders relating to any of the Purchased Assets from or required by any police or fire department, sanitation, health or factory authorities or from any other federal, provincial, or municipal authority or any matters under discussion with any such departments or authorities relating to work orders.

* + 1. Litigation

5.1.11.1 Except as described in [YOUR ATTACHED APPENDIX] a) there are no actions, suits or proceedings (whether or not purportedly on behalf of the Business), pending or threatened against or affecting the Seller at [YOUR COUNTRY LAW] or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign relating to the Business or any of the Purchased Assets, which actions, suits or proceedings involve the possibility of any judgement  against or liability of the Seller or the Business for an amount not covered by insurance in excess of [AMOUNT] *in re*spect of any individual matter or group of related matters arising out of the same occurrence.

5.1.11.2 Except as disclosed in [YOUR ATTACHED APPENDIX] b), or otherwise disclosed to the Purchaser prior to the signing of this Agreement, to the best of the knowledge, information and belief of the Seller, there is no existing ground on which any such action, suit or proceeding, involving the possibility of a judgement  against or liability of the Seller or the Business for an amount not covered by insurance in excess of [AMOUNT] *in re*spect of any individual matter or group of related matters arising out of the same occurrence, might be commenced against the Seller, the Business or the Purchased Assets with any reasonable likelihood of success in whole or in part.

5.1.11.3 The Seller shall be entitled but not obliged to consult with the Purchaser with respect to any action proposed to be taken or omitted by it and if the Purchaser consents to or acquiesces in such action or omission then it shall be deemed to have waived its right to rescind this Agreement with respect to such action or omission.

* + 1. Proprietary Rights

The Seller owns by good and marketable title, free and clear of all Liens, all Proprietary Rights which are necessary or desirable for the conduct of the Business as presently conducted and as proposed to be conducted. All Proprietary Rights are in full force and effect and the Seller has taken all necessary action to protect its rights therein. None of the Proprietary Rights are now being challenged or threatened with a challenge. The Seller has not granted any licence or other permission to any third party to use any Proprietary Rights and, to the best of the Seller’s knowledge, no third party has infringed upon or misappropriated any Proprietary Right.

* + 1. Infringement of Proprietary Rights

None of the Purchased Assets nor the use thereof by the Seller, to the best of the Seller’s knowledge, infringes or conflicts with any proprietary rights, confidential information or trade secrets of any third party in [COUNTRY] or elsewhere.

* + 1. Compliance with [YOUR COUNTRY LAW]

The Seller is conducting the Business in compliance with all applicable laws, rules and regulations, judgments and decrees of each jurisdiction in which the Business is carried on, is not in breach of any such [YOUR COUNTRY LAW], rules or regulations, judgments or decrees, except for breaches which in the aggregate are not material, and is duly licensed, registered or qualified in each jurisdiction in which the Seller owns or leases property or carries on the Business to enable the Business to be carried on as now conducted and its property and assets to be owned, leased and operated. All such licenses, registrations and qualifications are valid and subsisting and in good standing and none of the same contains any burdensome term, provision, condition or limitation which has or may have an adverse effect on the operation of the Business.

* + 1. Employment Agreements

Attached as [YOUR ATTACHED APPENDIX] is a list of all employees of the Business (the “Employees”). The information set forth therein with respect to position and title, age, base salary or hourly rate, benefits, bonus and years of service is true and complete. Each Employee who is subject to the collective agreement referred to in Appendix 5.1.16 has been identified in Appendix 5.1.15 as has each employee on long term or short term disability or presently receiving payments under any occupational health and safety legislation. All Employees have been employed on the basis of the standard form engagement letter annexed hereto as [YOUR ATTACHED APPENDIX], except as expressly noted therein. The Seller has complied, in all material respects, with all laws relating to the employment of labour, including, without limitation, provisions thereof relating to wages, hours and collective bargaining rights.

* + 1. Labour Unions

The Seller has not made any agreements with any labour union or employee association in connection with the Business nor made commitments to or conducted negotiations with any labour union or employee association with respect to any future agreement in connection with the Business other than as set out in [YOUR ATTACHED APPENDIX] and the Seller is not aware of any current attempts to organise or establish any labour union or employee association in connection with the Business.

* + 1. Labour Practices

No unfair labour practise complaint against the Seller in connection with the Business is pending before any labour relations board or similar government tribunal or agency. There are no disputes with labour unions, grievances, claims, demands, suits, actions, arbitration procedures or any other litigious matters generally relating to or emanating from, directly or indirectly, any labour agreement, petition to secure certification or any union certification applying to the employees of the Seller.

There are neither any complaints of unfair labour practises pending against the Seller under the Labour Code [STATE/PROVINCE] nor any civil action or complaint under the Act respecting Labour Standards, or any other applicable legislation in any relevant jurisdiction existing or pending against the Seller concerning its employees.

* + 1. Pension Plans

The only pension plans for the Employees are disclosed in [YOUR ATTACHED APPENDIX]; such plans are duly registered where required by, and are in good standing and in compliance with, all applicable taxation and pension legislation; all required employee contributions thereunder as of the date hereof have been made and the respective pension funds under such pension plans are fully funded for past and future liabilities in accordance with the rules of the plans and with federal and provincial regulations and no past service funding liabilities exist thereunder. The Seller does not maintain or contribute to any other retirement plans, profit sharing, option or incentive plans, or insurance disability, medical, surgical, dental or other employee benefit plans for Employees except as set forth in [YOUR ATTACHED APPENDIX].

* + 1. Restrictive Documents

The Seller is not subject to, or a party to, any charter or by-law provision, mortgage, demand, lien, lease, license, permit, agreement, contract, conditional sales contract, hire-purchase agreement, security interest agreement or other title retention agreement or lease of personal property, instrument, [YOUR COUNTRY LAW], rule, ordinance, regulation, order judgement  or decree or any other restriction of any kind or character which would prevent consummation of the transactions contemplated by this Agreement or which would affect the continued operation of the Business after the Closing Date on substantially the same basis as heretofore operated.

* + 1. Outstanding Long-Term Indebtedness

Except as disclosed in the Financial Statements, the Seller has no outstanding bonds, debentures, mortgages, notes or other indebtedness maturing more than one year after the date of their creation or issuance nor is under any agreement to create or issue any bonds, debentures, mortgages, notes or other indebtedness maturing more than one year after the date of their creation or issuance.

* + 1. Outstanding Guarantees

The Seller is not a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person, firm or corporation.

* + 1. Insurance

The Seller has been and is insured by financially sound and reputable insurers unaffiliated with the Seller in such amounts and against such risks as are sufficient for compliance with [YOUR COUNTRY LAW] and as are adequate in the judgement  of the Seller to protect the properties and businesses of the Seller that relate to the Business.

The Seller shall maintain the insurance covering the Business and, with respect to the Business, comparable to that in effect on the date hereof. The Seller is not in default with respect to any of the provisions contained in any such notice or present any claim in a due and timely fashion.

* + 1. Taxes

5.1.23.1 All domestic and foreign tax returns of the Seller which are required to be filed have been duly prepared and timely filed and all taxes shown thereon and all assessments, reassessments and all governmental charges, penalties, interest and fines due and payable have been paid or full provision has been made therefore in the Financial Statements. The income tax returns of the Seller have all been reviewed and finally assessed by the appropriate government authorities up to and including [DATE], and all such assessments have been satisfied.

5.1.23.2 All taxes including real and personal, property and business taxes, sales or other taxes, rates, assessments, excise taxes or other governmental or regulatory levies of any nature or kind whatsoever payable by the Seller for their last completed fiscal period have been paid or are provided for in their books and are reflected in the Financial Statements and full provision has been made in the books of the Seller for the current period for which tax returns are required to be filed. No proceedings or other action has been taken against the Seller for the assessment or collection of additional taxes, levies or other assessments of any nature or kind whatsoever.

5.1.23.3 All other tax returns of any nature and kind required to be filed and any and all corporate returns required under the laws of [COUNTRY] or any province thereof, have been filed and such returns are complete and correct. There are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return or the payment of any tax or governmental charge and there are no actions, suits, proceedings, investigations or claims now threatened or pending against the Seller *in re*spect of taxes, governmental charges or assessments or any matters under discussion with any governmental authorities respecting charges or assessments asserted by any such authority. The Seller is not liable for any [COUNTRY] Federal, Provincial or Municipal or local taxes, assessments or other imposts due and unpaid might result in a claim or lien of any kind affecting the Purchased Assets.

* + 1. Withholdings

The Seller has withheld from each payment made to any of its shareholders, officers, directors, former directors, non-resident creditors and employees the amount of all taxes, including but not limited to income tax, and other deductions required to be withheld therefrom and has paid the same to the proper tax or other receiving officers within the time required under any applicable legislation.

* + 1. Condition of Purchased Assets

All of the Purchased Assets are in good operating condition and are in a state of Purchased Assets good repair and maintenance.

* + 1. Clients and Supplies

No client or supplier of the Business has indicated that it will decrease the rate of business done with the Seller. [YOUR ATTACHED APPENDIX] contains true and complete lists of suppliers to the Business, current clients of the Business and each client of the Business with which, in any of the fiscal periods terminated in [DATE], the Seller has had annual sales in the aggregate of [AMOUNT] or more.

* + 1. Vacation Pay

All vacation pay, bonuses, furlough, travel, commissions and other emoluments in connection with the Business are, or will be on the Closing Date reflected and have been, or will be on the Closing Date, accrued in the books of account of the Seller.

* + 1. Residence

The Seller is resident in [COUNTRY] within the meaning of the Income Tax Act [COUNTRY].

* + 1. Knowledge

The Seller does not have any information or knowledge of any facts relating to the Purchased Assets or the Business which might be reasonably expected to materially diminish any investor’s appreciation of the worth or profitability of such business, or which, if known to the Purchaser, might reasonably be expected to deter the Purchaser from completing the transactions herein contemplated.

* + 1. Liabilities

There are no liabilities of the Seller of any kind whatsoever in connection with the Business, whether or not accrued and whether or not determined or determinable, *in re*spect of which the Purchaser may become liable on or after the consummation of the transactions contemplated by this Agreement, other than

* + - 1. liabilities disclosed on, reflected in or provided for in the Financial Statements,
      2. liabilities disclosed or referred to in this Agreement or in the Appendices attached hereto.
      3. There shall be no limit on the representations and warranties of the Seller relating to the tax liability of the Seller based upon any misrepresentation made or fraud committed in filing a return or in supplying information, and
      4. commercial liabilities and obligations incurred since the date of the Financial Statements in the ordinary course of business and consistent with past practise since the date thereof.
    1. Inventories

The Inventories consist of items of a quantity usable in the ordinary course of business and are of merchantable quality, fit for their intended purpose and do not include obsolete items or items in need of repair.

* + 1. Financial Statements

The Financial Statements have been prepared in accordance with generally accepted accounting principles consistently applied and fairly present the financial position of the Business as of their respective dates and the results of its operations for the periods then ended. The respective statements of income included in the Financial Statements do not contain any items of special or non-recurring income except as expressly disclosed therein and the balance sheets included in the Financial Statements do not reflect any write-up or revaluation increasing the book values of the assets. The financial records of the Business are kept in accordance with generally accepted accounting principles and are complete and correct and fully and fairly reflect all transactions of the Business.

* + 1. Absence of Certain Developments

Since [DATE], the Seller has not agreed to do or permit any of the following:

* + - * 1. borrowed any amount or incurred or become subject to any material liabilities except (i) current liabilities incurred in the ordinary and normal course of the routine daily affairs of business and (ii) liabilities under contracts entered into in the ordinary and normal course of the routine daily affairs of the business;
        2. discharged and satisfied any material lien or encumbrance or paid any material liability, other than current liabilities in the ordinary and normal course of the routine daily affairs of business, and current portions of term liabilities;
        3. mortgaged, pledged or subjected to any lien, charge or any other encumbrance, any of the Purchased Assets except with respect to liens for current property taxes not yet due and payable;
        4. sold, assigned or transferred any of the Purchased Assets except in the ordinary and normal course of the routine daily affairs of business, or which in the aggregate do not exceed [AMOUNT], or cancelled any material debts or claims;
        5. sold, assigned or transferred any Proprietary Rights or disclosed any material proprietary information or other intangible assets to any competitor or affiliate thereof;
        6. suffered any extraordinary losses or waived any rights of material value, whether or not in the ordinary course of business or consistent with past practice;
        7. entered into any material transaction other than in the ordinary and normal course of the routine daily affairs of the business;
        8. suffered any theft, damage, destruction or casualty loss in excess of [AMOUNT] to the Purchased Assets whether or not covered by insurance; or made any capital expenditures which in the aggregate exceed [AMOUNT];
        9. made any material change in any method of accounting or any accounting limitation, any change in depreciation or amortisation policies or rates; conducted the Business other than in the ordinary course;
    1. No Material Adverse Change

Since [DATE] there has been no Material Adverse Change and the Seller has no knowledge of any present condition or contingency which could result in a material adverse change in the Business or its financial condition, operating results, employee relations, customer relations or business process. The Seller shall promptly notify the Purchaser of changes in the business of the Seller which might reasonably be regarded as material including major accidents, labour disputes or attempts to organise new bargaining units, significant rental losses and additions, threatened major lawsuits, cancellation of or material amendment to insurance or threats of such cancellation or amendment.

* + 1. Other Agreements
       1. Since [DATE], the Seller has not been a party to any outstanding agreement (excluding written employment agreements disclosed hereby), contract or commitment, assignments or transfers of properties or assets, whether written or oral, of any nature or kind whatsoever, except (a) agreements, contracts
       2. and commitments in the ordinary course of the routine daily affairs of the Business which can be terminated by the Seller, without any liability arising from such termination in excess of [AMOUNT] in the aggregate *in re*spect of all such agreements, contracts and commitments, (b) prepaid service contracts on office building and plant equipment, and (c) the contracts, leases and agreements listed in the [YOUR ATTACHED APPENDIX].
       3. The Seller and (to the best knowledge of the executive officers of the Seller) the other [COMPANY NAME] thereto, have performed in all material respects all obligations required to be performed by them to date under the contracts listed at [YOUR ATTACHED APPENDIX] and are not in breach or default in any respect thereunder, except for such breaches and defaults which, individually or in the aggregate, do not, and, insofar as reasonably can be foreseen, in the future will not, have a Material Adverse Effect. Except as set forth on [YOUR ATTACHED APPENDIX] or as otherwise contemplated by this Agreement, Seller is not party to any non-competition agreements.
       4. Except as otherwise contemplated by this Agreement, Seller will not do or omit to do any act, or permit any act or omission to act, which will cause a breach of any contract, commitment or obligation of Seller which is material to the Business, taken as a whole, or any material breach of any representation, warranty, covenant or agreement made by Seller herein.
       5. The Seller will not (a) grant any increase in the salary of any officer, employee or agent engaged in the operation of the Business, except normal wage or salary increases for employees (other than officers and other management employees) in the ordinary course of business and consistent with past practice, or (b) by means of any bonus or pursuant to any plan or arrangement or otherwise, increase by any amount the benefits or compensation of any such officer, employee or agent.
       6. Other than in the ordinary course of business and except as otherwise expressly provided in this Agreement, Seller will not create, or agree to create, any indebtedness for borrowed money, or permit or allow any of the properties or assets used by the Business, whether movable or immovable, to be mortgaged, pledged or subjected to any Liens other those permitted herein.
    2. Environmental Matters

5.1.36.1 The Seller and its officers, directors, agents and employees or any predecessor thereof is conducting its business in compliance with all applicable environmental statutes, [YOUR COUNTRY LAW], rules and regulations of each jurisdiction in which its business is carried on. The Seller is not in breach or default of any environmental statutes, [YOUR COUNTRY LAW], rules, regulations, ordinance, order or decree to which the Seller, the Business or the Purchased Assets may be or are subject. The Seller does not use, store, handle, transport or dispose of any Hazardous Waste and Solid Waste (as these terms are defined respectively in [YOUR COUNTRY ACT/LAW/RULE]).

5.1.36.2 There has been no emission, deposit, issuance or discharge of a contaminant in a greater quantity or concentration than that provided for by regulation of the Government or that the presence in the environment is prohibited or is likely to affect the life, health, safety, welfare or comfort of human beings or to cause any damages to or otherwise impair the quality of the soil, vegetation, wildlife or property on, in, onto, into, under or from any of the Purchased Assets.

5.1.36.3 Neither the Seller nor its officers, directors, agents and employees nor any predecessor thereof has conducted any evaluation, assessment, study or test relating to the presence of any contaminant at the request or on behalf of any governmental authority or third party. The Seller has no knowledge of any prior or current storage, release or threatened release of any hazardous substance, toxic materials or other pollutants on or from any immovable property owned or leased by the Seller.

* + 1. Reliance

The Seller hereby expressly acknowledges that the Purchaser is relying on the covenants, representations and warranties of the Seller contained in this agreement and in any certificates or other document delivered pursuant hereto in connection with the sale and purchase of the Purchased Assets hereunder.

* + 1. Evidence

The Seller shall furnish the Purchaser with evidence satisfactory to the Purchaser that except as otherwise contemplated hereby the facts with respect to each of the respective representations and warranties of the Seller contained herein were as set out hereinabove at the Closing Date, provided that the receipt of such evidence and the closing of the transaction herein provided for shall not be a waiver of the representations and warranties of the Seller contained herein, which representations and warranties shall continue to full force and effect as provided for herein.

* + 1. Standard of Conduct

In determining whether or not reasonable efforts have been used by the Seller, the standard of business judgement  to be expected from it shall be the same as that applied in its previous conduct of its affairs.

* 1. **Representations and Warranties of the Purchaser**

The Purchaser hereby represents and warrants to the Seller and acknowledges and confirms that the Seller is relying upon such representations and warranties in connection with the sale by the Seller of the Purchased Assets:

* + 1. Due Incorporation

The Purchaser is a company duly incorporated and organised and is validly subsisting under the [YOUR COUNTRY LAW] of the [STATE/PROVINCE] of [STATE/PROVINCE]. The Purchaser has all necessary right, power and authority to enter into, execute and deliver this Agreement and to perform its obligations hereunder. The entry, execution and delivery of this Agreement and the performance by the Purchaser of its obligations hereunder have been duly authorised and approved by all necessary corporate action on the part of the Purchaser.

* + 1. Binding Nature

This Agreement constitutes a legal, valid and binding obligation of the Purchaser enforceable against it in accordance with its terms.

* + 1. No Violation

The entering into of this Agreement and the transactions contemplated hereby will not result in the violation of any terms and provisions of the constating documents or by-laws of the Purchaser or of any resolutions of the directors of shareholders of either of them or of any indenture or other agreement, written or oral, to which either of them may be a party or by which it is bound.

* 1. **Survival**

The representations and warranties of the Seller and the Purchaser contained in this Agreement and in any certificates or documents delivered pursuant to or in connection with the transactions herein provided for shall survive the closing of the purchase and sale of the Purchased Assets herein provided for and, notwithstanding such closing, and regardless of any investigation by or on behalf of the Purchaser with respect thereto.

* 1. **Indemnification of the Purchaser**

5.4.1 The Seller shall indemnify the Purchaser and hold the Purchaser harmless against any Claims made upon, brought against, suffered or incurred by the Purchaser by reason of or arising from any incorrectness in, breach of or default under any representation, warranty or covenant contained herein or made by the Seller in connection herewith, provided that each such Claim is made upon, brought against, suffered or incurred by the Purchaser within [NUMBER] years of the Closing Date or in the case of the representations and warranties contained in Section 5.1.11, such Claim is made upon, brought against, suffered or incurred by the Purchaser no later than [NUMBER] year after final judgement  in any such suit, action, litigation or proceeding. Notwithstanding the foregoing provisions of this Section 5.4, there is no time limit within which a Claim must be made based upon a breach of or inaccuracy in any representation or warranty set forth at Section 5.1.1or in connection with a breach of a representation, warranty and covenant in Article [NUMBER] hereof.

5.4.2 The Seller further agrees that the Purchaser shall be indemnified on a Rand for Rand basis for any reduction in the assets or any increase in Purchaser’s liabilities which results from the incorrectness in, default under or breach of any representation, warranty or covenant.

5.4.3 For the purposes of this Section, the determination of whether there has been a breach of any representation contained in [YOUR ATTACHED APPENDIX] shall be determined as if such Section did not contain a qualifier that such representation is not breached if the effect would not have a Material Adverse Effect.

5.4.4 [The Purchaser’s obligation to indemnify the Seller as aforesaid shall be expressly conditional upon:

* + - 1. the Seller giving prompt notice of any threatened or actual claim and/or action to which such indemnity applies and a reasonable opportunity to defend the same in the Seller’s name through counsel of the Purchaser’s own choosing, all at the Purchaser’s own expense and cost;
      2. the Seller co-operating with the Purchaser and the Purchaser’s counsel in the defence or any such claim or action, and,
      3. the Seller is refraining from settling or compromising or offering to settle or compromise any such claim or action without the Purchaser’s prior written consent.]
  1. **Warranty Work**

5.5.1 Purchaser agrees to replace or repair any products shipped, sold or distributed by Seller prior to the Closing Date during the full duration of the standard product warranty or warranties arising under [YOUR COUNTRY LAW] and Seller shall indemnify and hold Purchaser harmless for all such costs. As used herein, the costs of warranty work consists of reasonable costs of material and supplies used to furnish warranty work, the cost of necessary labour at the rate of [AMOUNT] per man hour, returns for repair costs, replacement costs, freight costs and legally valid customer credits and back charges. Seller will have the right, at its expense, to audit Purchaser’s records to verify the reasonableness of the costs incurred. Before commencing any warranty work with a projected cost in excess of [AMOUNT], Purchaser shall notify the Seller.

5.5.2 [The Purchaser’s obligation to indemnify the Seller as aforesaid shall be expressly conditional upon:

* + - 1. the Seller giving prompt notice of any threatened or actual claim and/or action to which such indemnity applies and a reasonable opportunity to defend the same in the Seller’s name through counsel of the Purchaser’s own choosing, all at the Purchaser’s own expense and cost;
      2. the Seller co-operating with the Purchaser and the Purchaser’s counsel in the defence or any such claim or action, and,
      3. the Seller is refraining from settling or compromising or offering to settle or compromise any such claim or action without the Purchaser’s prior written consent.]

1. **EMPLOYEES**
   1. **List of Non-Unionised Employees**

All non-unionised employees of the Seller employed in the Business, along with their position, salary, date of birth and years of service are listed in [YOUR ATTACHED APPENDIX] hereto.

* 1. **Employment to Non-Unionised Employees**

The Purchaser has offered employment to the non-unionised employees listed in [YOUR ATTACHED APPENDIX] hereto.

* 1. **Claims by Non-Unionised Employees**

The Seller shall be responsible for and indemnify the Purchaser with respect to Claims with respect to employment with the Seller made by non-unionised employees listed in [YOUR ATTACHED APPENDIX] hereto who are not offered employment by the Purchaser and by non-unionised employees listed in [YOUR ATTACHED APPENDIX] hereto who shall refuse offers of employment made by the Purchaser pursuant to Section 6.2 hereof.

[The Purchaser’s obligation to indemnify the Seller as aforesaid shall be expressly conditional upon:

* + 1. the Seller giving prompt notice of any threatened or actual claim and/or action to which such indemnity applies and a reasonable opportunity to defend the same in the Seller’s name through counsel of the Purchaser’s own choosing, all at the Purchaser’s own expense and cost;
    2. the Seller co-operating with the Purchaser and the Purchaser’s counsel in the defence or any such claim or action, and,
    3. the Seller is refraining from settling or compromising or offering to settle or compromise any such claim or action without the Purchaser’s prior written consent.]
  1. **Pension Plan for Employees**

The Seller shall assume all liabilities under its pension plans, up to the Closing Date, for all of the employees of the Business, unionised and non-unionised, whose rights shall be dealt with by the Seller in accordance with the provisions of such pension plans and the applicable pension legislation.

* 1. **Assumption of Collective Agreement**

6.5.1 The Purchaser shall assume as of and from the Closing Date the obligations of the Seller under the Collective Agreement save and except as hereinafter provided. The Seller represents and warrants to the Purchaser that there are no pending grievances by any unionised employee of the Business. The [COMPANY NAME] acknowledge that the Collective Agreement terminates on [NUMBER]. Between the Closing Date and [NUMBER] hours on [NUMBER], [NUMBER] should any unionised employee who has accepted employment with the Purchaser exercise his rights pursuant to [YOUR ATTACHED APPENDIX] of the Collective Agreement to early retirement, the Seller shall be responsible to pay as and when due to each such employee all amounts to which he is entitled or becomes entitled pursuant to the Collective Agreement.

6.5.2 The Seller shall indemnify the Purchaser with respect to any Claims made by any such employee against the Purchaser with respect to all payments of amounts due or falling due to such employee pursuant to the Collective Agreement other than with respect to wages owing to him for the period between the Closing Date and [NUMBER] hours on [NUMBER]. Furthermore, the [COMPANY NAME] agree that should the Purchaser lay off any unionised employee reporting to work between the Closing Date and [NUMBER], the Seller shall reimburse the Purchaser for any amounts which the Purchaser is required to pay each such employee as a lay-off assistance package pursuant to the Collective Agreement.

* + 1. [The Purchaser’s obligation to indemnify the Seller as aforesaid shall be expressly conditional upon:
       1. the Seller giving prompt notice of any threatened or actual claim and/or action to which such indemnity applies and a reasonable opportunity to defend the same in the Seller’s name through counsel of the Purchaser’s own choosing, all at the Purchaser’s own expense and cost;
       2. the Seller co-operating with the Purchaser and the Purchaser’s counsel in the defence or any such claim or action, and,
       3. the Seller is refraining from settling or compromising or offering to settle or compromise any such claim or action without the Purchaser’s prior written consent.]
  1. **List of Unionised Employees**

All the unionised employees of the Seller employed by the Business, along with their job classification, hourly rate, date of birth and years of service are listed in [YOUR ATTACHED APPENDIX] hereto. Any unionised employee on short-term or long-term disability has been identified on [YOUR ATTACHED APPENDIX].

* 1. **Offers to Unionised Employees**

The Seller has made the following gratuitous offer to unionised employees:

* + 1. Unionised employees with less than [NUMBER] year of service listed in [YOUR ATTACHED APPENDIX] hereto are offered [NUMBER] week of pay in exchange for their voluntary resignation, to be effective as of the Closing Date, Unionised employees with more than [NUMBER] year of service and less than [NUMBER] years of service, listed in [YOUR ATTACHED APPENDIX] hereto, are offered [NUMBER] weeks of pay in exchange for their voluntary resignation, to be effective as of the Closing Date.
    2. Unionised employees listed in [YOUR ATTACHED APPENDIX] who meet all of the requirements for early retirement under the Collective Agreement are offered, in addition to their pension entitlement under the Collective Agreement, a supplemental amount equivalent to [AMOUNT] per month for each year of credited service under the pension plan until they reach the age of [NUMBER], such offer to be accepted prior to the Closing Date and effective as of the Closing Date, failing which it becomes null and void.
  1. **Short-Term and Long-Term Disability**

The Seller shall be responsible for all costs related to unionised employees on short and long-term disability and the cost of all other benefits which such employees who are unionised are entitled to receive under the Collective Agreement for the period over which such employees remain disabled. Should such employees become fit to return to work before [NUMBER], they will be governed by the Collective Agreement.

* 1. **Benefit Plans**

The Seller has not implemented any bonus, profit sharing, pension, retirement, hospitalisation or other employee benefit arrangements or plans for unionised employees except as described in [YOUR ATTACHED APPENDIX] hereto.

1. **MUTUAL COOPERATION**
   1. **Conduct of Business Prior to Closing**

During the period from the date of this Agreement to the Date of Closing the Seller covenants and agrees to do the following:

* + 1. Conduct Business in the Ordinary Course. Except as otherwise contemplated or permitted by this Agreement, conduct the Business in the ordinary and normal course thereof.
    2. Continue Insurance. Continue in full force and affect all existing policies of insurance presently maintained by the Seller *in re*spect of the Business.
    3. Perform Obligations. Comply with all [YOUR COUNTRY LAW], rules and regulations affecting the operation of the Business.
  1. **Access for Investigation Prior to Closing**

The Seller shall permit the Purchaser and its employees, agents, counsel, accountants, other representatives and investors between the date hereof and the Time of Closing, without interference to the ordinary conduct of the Business, to have free and unrestricted access during normal business hours to the premises used in the Business and to:

* + 1. all title documents, abstracts of title, deeds, leases, contracts and agreements and other documents in its possession or under its control relating to the Business and the Purchased Assets;
    2. all books of account, accounting records, documents, business, legal and accounting information and data relating to the Business and the Purchased Assets including all audit working papers, tax return files and working papers for all past and current reporting years;
    3. to have access to the personnel employed by the Seller and to have access to and to inspect the property and assets of same, it being agreed that the exercise of any rights of access or inspection by or on behalf of the Purchaser under this clause shall not affect or mitigate the covenants, representations and warranties of the Seller hereunder which shall continue in full force and effect as provided in Article [NUMBER] hereof;
    4. The Seller and the Purchaser hereby agree that, so long as the books and records retained by the Seller relating directly to the Purchased Assets, or the books and records delivered to the Purchaser hereunder, remain in existence and are available, each party shall have the right to inspect and, at its expense, to make copies of some at any time during business hours for any proper purpose.
    5. The Purchaser will not destroy, without first having offered in writing to deliver to the Seller, any of the books and records delivered to the Purchaser hereunder for a period of [NUMBER] years following the Closing Date. Each party agrees that it shall make available to the other party, and to any accountants or attorneys or tax agents authorised by such other party, at the expense of the party requesting some, any such records or information needed in connection with any tax, accounting, litigation or similar matters.
  1. **Actions to Satisfy Closing Conditions**

Each of the Seller and the Purchaser hereby agrees to take all such actions as are within its power to control and to use all reasonable efforts to cause other actions to be taken which are not within its power to control so as to ensure compliance with any conditions set forth herein which are for the benefit of the other party. [The Purchaser will use its reasonable best efforts to cooperate with the Seller in obtaining, prior to the Closing Date, the Required Consents and such Lessor Consents as the Purchaser reasonably believes are desirable; provided, however, the Purchaser shall not be required to make any other payment of any kind whatsoever to the Seller or any third party in connection with obtaining any such Required Consent or Lessor Consent. If the Seller fails to obtain any Required Consents, the Seller and the Purchaser will use their reasonable best efforts to enter into mutually satisfactory arrangements to place the Purchaser in substantially the same position as if such Required Consent had been obtained as of the Closing Date.]

* 1. **Transfer of Purchased Assets**

The Seller shall take all necessary steps and such proceedings as may be approved by counsel for the Purchaser, acting reasonably, to permit the Purchased Assets to be duly and validly transferred to the Purchaser.

* 1. **Assistance in Judicial Claims**

The Purchaser shall reasonably cooperate with and assist the Seller with respect to the Seller’s involvement in any judicial claims or proceedings relating to the Business, its employees or the Purchased Assets. The Seller shall indemnify the Purchaser for all expenses incurred with respect to such assistance.

[The Purchaser’s obligation to indemnify the Seller as aforesaid shall be expressly conditional upon:

7.5.1 the Seller giving prompt notice of any threatened or actual claim and/or action to which such indemnity applies and a reasonable opportunity to defend the same in the Seller’s name through counsel of the Purchaser’s own choosing, all at the Purchaser’s own expense and cost;

7.5.2 the Seller co-operating with the Purchaser and the Purchaser’s counsel in the defence or any such claim or action, and,

7.5.3 .the Seller refraining from settling or compromising or offering to settle or compromise any such claim or action without the Purchaser’s prior written consent.]

* 1. **Collection of Receivables**

The Purchaser shall use all reasonable efforts following the Closing Date to collect all of the Receivables in accordance with their terms and, at the expiry of [NUMBER] days from the Closing Date, the Seller shall pay to the Purchaser the full face amount of any uncollected Receivables and the Purchaser thereupon re-assign to the Seller such uncollected Receivables and any security therefore. The [COMPANY NAME] agree that unless otherwise designated by the payer, any amounts collected on accounts receivable (including the Receivables) shall be collected on a first-in, first-out basis.

* 1. **Accounts Receivable**

The Purchaser agrees to cooperate with Seller in Seller’s collection of trade accounts receivable which are part of the Excluded Assets as follows:

* + 1. Purchaser agrees that within [NUMBER] business days of receipt of any payments on said accounts receivable, Purchaser will pay the same to the escrow agent as provided in [SPECIFY].
    2. When a customer has repaid balance owed to both Seller and Purchaser, all payments received will be deemed applicable to the oldest invoice and the Purchaser will forward such payments as provided in paragraph (i) unless, as a result of a *bona fide* dispute with Seller, a customer designates in writing that the payment is for a different invoice.
    3. When Seller receives a payment from any such customer, Seller will apply such payment *in re*duction of its accounts receivable from the customer and remit any balance to Purchaser within [NUMBER] business days of receipt. Before instituting any suit for collection against a prior customer to recover accounts arising from sales before the Closing Date, Seller will provide [NUMBER] business days written notice to the Purchaser.
  1. **Differentiation of Products**

The Purchaser will use its reasonable best efforts to differentiate and identify products of the Business manufactured or sourced after the Closing Date from products manufactured or sourced by the Seller prior to the Closing Date.

1. **MISCELLANEOUS**
   1. **Successors and Assigns**

The provisions of this Agreement shall, except as otherwise provided herein, ensure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns and each and every person so bound shall make, execute and deliver all documents necessary to carry out this Agreement.

* 1. **Brokers**

The Seller represents and warrants to the Purchaser and the Purchaser represents and warrants to the Seller that no broker, agent or other intermediary acted for the Seller or the Purchaser, as the case may, in connection with the sale of the Purchased Assets and the Seller and the Purchaser, as the case may be, agree to indemnify and save the other party from any claims whatsoever for any commission or other remuneration payable or alleged to be payable to any such broker, agent or other intermediary.

[The Purchaser’s obligation to indemnify the Seller as aforesaid shall be expressly conditional upon:

* + 1. the Seller giving prompt notice of any threatened or actual claim and/or action to which such indemnity applies and a reasonable opportunity to defend the same in the Seller’s name through counsel of the Purchaser’s own choosing, all at the Purchaser’s own expense and cost;
    2. the Seller co-operating with the Purchaser and the Purchaser’s counsel in the defence or any such claim or action, and,
    3. the Seller is refraining from settling or compromising or offering to settle or compromise any such claim or action without the Purchaser’s prior written consent.]
  1. **Legal Fees**

The Seller and the Purchaser shall each bear and be responsible for all of its own costs and expenses, including legal fees, incurred in connection with this Agreement and the transaction hereby contemplated.

* 1. **Public Announcement**

Except as required by [YOUR COUNTRY LAW], no press release related to this Agreement or the transaction contemplated herein shall be issued without the jointly written approval of the Seller and the Purchaser, such approval not to be unreasonably withheld.

* 1. **Entire Agreement**

This Agreement and the Appendices hereto constitute the entire agreement between the [COMPANY NAME] with respect to the subject matter hereof and the transactions herein contemplated and replaces all previous agreements and understandings, if any, between the [COMPANY NAME] with respect to the subject matter hereof and the transaction contemplated herein.

* 1. **Notices**

Any notice to be given under this Agreement shall be in writing and delivered or, except in the event of disruption of postal service, mailed by prepaid registered mail addressed to the party to whom it is to be given at the address as shown below and such notice shall be deemed to have been given on the day of delivery or on the [NUMBER] business day after mailing as aforesaid, as the case may be.

if to the Purchaser:

[NUMBER]

[NUMBER]

[NUMBER]

Attention: [NUMBER], President

with a copy to:

[INDIVIDUAL NAME]

[FULL ADDRESS]

[STATE/PROVINCE]

Attention: [NUMBER]

if to the Vendor:

[NUMBER]

[NUMBER]

[NUMBER]

Attention: The [NUMBER]

with a copy to:

[NUMBER]

[NUMBER]

[NUMBER]

Attention: [NUMBER]

Notice of change of address may be given by any party in the same manner.

* 1. **Time of Essence**

Time shall be of the essence of this Agreement.

* 1. **Counterparts**

This Agreement may be executed in one or more counterparts each of which when so executed shall be deemed to be original and such counterparts together shall constitute but one of the same instrument.

1. **GUARANTEE**
   1. **Intervention of the Guarantor**

[NUMBER], (the «Guarantor»), hereby acknowledges to have taken cognisance of the present Agreement and hereby guarantees to the Seller, jointly and severally with the Purchaser, without benefit of division and discussion, the prompt payment when due of the [Purchased Assets covered by guarantee] and the prompt and complete observance and performance by the Purchaser of all the terms, covenants, agreements, obligations and indemnities to be observed or performed by the Purchaser pursuant to Article [NUMBER] hereof (collectively, the “Purchaser’s Obligations”).

* 1. **Indulgence**

This guarantee shall not be affected by any indulgence, whether of time for payment or performance or otherwise, on the part of the Seller and shall remain in full force and effect notwithstanding any act or omission by the Seller that otherwise would, by operation of [YOUR COUNTRY LAW], partially or wholly relieve the Guarantor from its liability under this guarantee.

Without limiting the generality of the foregoing, the Seller shall not be obliged to make any demand against, pursue any action against or exhaust its remedies against the Purchaser before making any demand upon or taking action against the Guarantor with respect to this guarantee and may take and give up guarantees of, or security for, the performance by the Purchaser of the Purchaser’s Obligations and may accept compositions from and may otherwise deal with the Purchaser and others without relieving the Guarantor from its liability under this guarantee or otherwise modifying such liability.

* 1. **Disability of Purchaser**

The Guarantor shall remain liable under this guarantee notwithstanding any disability or lack of status or power of the Purchaser or any impediment whatsoever to obtaining payment or performance from the Purchaser. In the event that any demand is made upon the Guarantor with respect to this guarantee, the Guarantor shall be bound to the Seller with respect to the payment of the sums or performance of the covenants and obligations hereby guaranteed as if the Guarantor had been principal and not a surety.

No person other than the Seller, its successors and permitted assigns shall have or acquire any right under or by virtue of the provisions of this Article [NUMBER], whether as a third-party beneficiary or otherwise.

IN WITNESS WHEREOF, each party to this agreement has caused it to be executed at [PLACE OF EXECUTION] on the date indicated above.

PURCHASER COMPANY

Authorised Signature Authorised Signature

Print Name and Title Print Name and Title

SELLER

Authorised Signature

Print Name and Title