**BUY-SELL AGREEMENT**

**Background:**

This Buy-Sell agreement (the “Agreement”) is created and effective as of the [INSERT DATE] (the “Commencement Date”).

Each of the individuals listed at Schedule 1 shall be referred to as a “Shareholder” or collectively the “Shareholders”.

This Agreement is between:

* 1. [INSERT COMPANY DETAILS] (the “Company”).
  2. The Shareholders listed at Schedule 1.

**Agreement**

* 1. **Shares.** The Shareholders own all of the outstanding shares of the Company (the “Shares”) in line with Schedule 1.

**Shareholders Obligations**

* 1. The Shareholders have entered into this agreement to:**(Insert all those that apply)**
     1. [Restrict share transfer;]
     2. [Ensure that shares are sold in accordance with the share sale procedures;]
     3. [Provide stability and continuity in the management of the Company;]
     4. [Maintain and oversee ownership or control of the Company;]
     5. [Facilitate the sales of Shares;]
     6. [Determine a procedure in the event that shares are transferred due to a death, disability, or other involuntary transfer of shares;]
     7. [Set an estate tax value for a deceased Shareholder’s Shares;]
     8. [Establish a purchase price of the shares;]
     9. [INSERT OTHER OBLIGATIONS]

**Share Transfer Restrictions**

* 1. Except as expressly permitted within this Agreement, the Shareholders cannot sell, transfer, assign, create an encumbrance over or otherwise dispose of the shares (“Transfer”).
  2. Any Transfer not in accordance with this Agreement is ineffective and void.
  3. All shares’ certificates and other transactional documents in relation to the acquisition of the shares shall contain an explicit reference to the effect of: ‘The shares are subject to the encumbrances outlined within the Buy-Sell Agreement. A copy of this Agreement is available on the intranet.’

**Voluntary Transfers**

* 1. [The Shareholders are not permitted to Transfer any shares, except as expressly permitted within this Agreement.]

OR

* 1. [The Shareholders are permitted to Transfer their shares in the following circumstances (“Permitted Transferees”):
     1. [To other Shareholders;]
     2. [To a revocable trust;]
     3. [To the shareholders immediate family;]
     4. [INSERT OTHER PERMITTED TRANSFERS].
  2. [Any Permitted Transferee shall hold the shares in accordance with this Agreement.]

**Transfer Notice**

* 1. If the Shareholder wishes to sell any of their shares, except to a Permitted Transferee, the Shareholder must notify the Company and other Shareholders in writing of their intent to do so (“Transfer Notice”).
  2. To constitute as a Transfer Notice it must stipulate the following:
  3. Purchasers name and address (the “Third Party Purchaser”);
  4. Number of shares to be sold (the “Offered Shares”);
  5. Price per share;
  6. Payment terms;
  7. [INSERT OTHER SALE TERMS.]

**Share Transfer**

* 1. All share transfers must be in accordance with the Transfer Notice set out within clauses 8-15.

**Insert if written notice is provided to the remaining Shareholders, then the company**:

* 1. [The remaining Shareholders shall have [ENTER NUMBER DAYS] days upon receipt of the Transfer Notice to purchase the Offered Shares at the price in proportion to their respective ownership interests of the outstanding Shares.
  2. If any Remaining Shareholder fails to give notice or not to purchase its proportionate share, the other Remaining Shareholders will have the option to purchase that Remaining Shareholder’s proportionate share of the Offered Shares, in proportion to their respective ownership interests of the outstanding Shares.
  3. At the end of the [INSERT OPTION PERIOD] day (the “Option Period”), the Remaining Shareholders must notify the Company of the number of Offered Shares they intend to purchase.
  4. Following the expiration of the Option Period, the Company will have the option to purchase any Offered Shares not purchased by the Remaining Shareholders.
  5. If the Remaining Shareholders and/or the Company elect to purchase less than all of the Offered Shares, the Offering Shareholder may sell [the Offered Shares to the Third-Party Purchaser] OR [any Offered Shares not purchased by the Remaining Shareholders and/or the Company to the Third Party Purchaser.]

OR

**Insert if written notice is provided to the Company, then the Shareholders:**

* 1. [The Company shall have [ENTER NUMBER DAYS] days upon receipt of the Transfer Notice to purchase the Offered Shares at the price in proportion to their respective ownership interests of the outstanding Shares.
  2. At the end of the [INSERT OPTION PERIOD] day (the “Option Period”), the Company must notify the Remaining Shareholders of the number of Offered Shares they intend to purchase.
  3. Following the expiration of the Option Period, the Remaining Shareholders will have the option to purchase any Offered Shares not purchased by the Company.
  4. If the Remaining Shareholders and/or the Company elect to purchase less than all of the Offered Shares, the Offering Shareholder may sell [the Offered Shares to the Third-Party Purchaser] OR [any Offered Shares not purchased by the Remaining Shareholders and/or the Company to the Third-Party Purchaser.]
  5. **Transferees Duties.** Except as expressly stated within this Agreement, as a pre-condition of the Share Transfer, any Third-Party Purchasers and any other purchaser or transferee shall be bound to the terms of this Agreement.
  6. [Each Third-Party Purchaser and any other purchaser or subsequent transferee shall become a party to this Agreement by executing the deed attached hereto as schedule 1.]

**Involuntary Transfers**

* 1. **Involuntary Transfers.** The following events shall each constitute an “Involuntary Transfer Event” and the affected Shareholder (the “Withdrawing Shareholder”) and the remaining Shareholders (the “Non-Withdrawing Shareholders”):
     1. Shareholder death;
     2. Shareholder mental health and physical disability;
     3. Termination of a Shareholder’s employment with the Company; and
     4. Shareholder bankruptcy or insolvency.
  2. **Sale of Shares**. Upon the occurrence of any of the events specified in clause 28, the Withdrawing Shareholder or the personal representative of the Withdrawing Shareholder shall notify the Company of the Involuntary Transfer Event.
  3. **Upon receipt of Transfer Notice:**

**If the Company shall purchase all of the Shares upon receipt of the Transfer Notice**.

* 1. [The Company shall redeem or purchase for cancellation all of the Shares owned by the Withdrawing Shareholder within [ENTER DAYS] days from receipt of the Transfer Notice.]

OR

**If the Company will purchase the Shares first, followed by the Non-Withdrawing Shareholders upon receipt of the Transfer Notice.**

* 1. [The Company may redeem or purchase for cancellation the Shares owned by the Withdrawing Shareholder within [ENTER DAYS] days from receipt of the notice.
  2. If the Company redeems or purchases less than all of the Shares owned by the Withdrawing Shareholder, the Company shall notify the Non-Withdrawing Shareholders informing them of the number of unpurchased Shares remaining.
  3. The Non-Withdrawing Shareholders will have [ENTER DAYS] from receipt of the notice to purchase all of the Shares owned by the Withdrawing Shareholder on a pro-rata basis.]

OR

**If the non-Withdrawing Shareholders will purchase all Shares upon receipt of the Transfer Notice**.

* 1. [The Company shall notify the Non-Withdrawing Shareholders to inform them of the Involuntary Transfer Event and the number of Shares owned by the Withdrawing Shareholder.
  2. The Non-Withdrawing Shareholders will have [ENTER DAYS] from receipt of the notice to purchase all of the Shares owned by the Withdrawing Shareholder on a pro-rata basis.]

OR

**If the Non-Withdrawing Shareholders will purchase Shares first and then the Company upon receipt of the Transfer Notice**.

* 1. [The Company shall inform the Non-Withdrawing Shareholders of the Involuntary Transfer Event and the number of Shares owned by the Withdrawing Shareholder.
  2. The Non-Withdrawing Shareholders will have [ENTER DAYS] from receipt of the notice to purchase all of the Shares owned by the Withdrawing Shareholder on a pro-rata basis.
  3. If the Non-Withdrawing Shareholders decide not to purchase all of the shares owned by the Withdrawing Shareholder, the Company shall purchase the remaining Shares within [ENTER DAYS] days from receipt of the notice.]

**Share Valuation**

* 1. **Purchase Price.** The total consideration for the Transfer of the Shares in an Involuntary Transfer Event is [$[ENTER AMOUNT] per share] OR [equivalent to the book value of the Shares. This will be determined by a regular independent certified public account, in accordance with generally accepted accounting principles.] OR [equivalent to the market value of the Shares. The market value shall be determined by the Company and the Shareholders. Upon receiving an enquiry regarding the purchase price of the shares, they will have [ENTER DAYS] days to agree a fair market value of the shares. If they fail to come to an agreement, it shall be determined by an independent appraiser in good faith.] OR [ equivalent to the value determined by a qualified appraiser mutually agreed between the Company and the selling Shareholders] OR [INSERT OTHER PURCHASE PRICE] (the “Purchase Price”).
  2. [INSERT OTHER PROVISIONS]

**Share Transfer and Payment**

* 1. In the event that a Shareholder dies, the Purchase Price shall be payable out of any life insurance policy of the Withdrawing Shareholder to the Shareholders or the Company.
  2. If there is no insurance policy or the proceeds fall short of the Purchase price, the remaining shall be payable by [cash] OR [a promissory note] OR [[NUMBER] instalments].
  3. Any payments that are due or become payable in relation to this Agreement, subject to clause 42, shall be payable by [cash] OR [a promissory note] OR [[NUMBER] instalments].
  4. No Shareholder shall create any encumbrance over, transfer or otherwise dispose of or give any rights in or over any shares or any interest in any Share, except as permitted or required by this Agreement.
  5. **Transfer of title**. Upon receipt of the sale of the Shares, the Withdrawing Shareholder shall deliver all certification and transaction documents to the buyer.
  6. **Life Insurance**. [Shareholders are not required to hold life insurance.] OR [The Company shall carry a life insurance policy of at least $[ENTER AMOUNT] on behalf of each shareholder. The Company will be responsible for all costs relating to the insurance policy.] OR [Each Shareholder is required to obtain and hold a life insurance policy of at least $[ENTER AMOUNT].

**Termination**

* 1. This Agreement will terminate if any of the following events occur:
     1. All Shareholders die or due to incapacity.
     2. Bankruptcy, receivership, insolvency, or dissolution of the company.
     3. Majority vote of the Shareholders to terminate the Agreement.
     4. All Shares owned by one Shareholder.

**Variation and Waiver**

* 1. No variation of this Agreement shall be effective unless it is in writing and signed by or on behalf of each party for the time being. A waiver of any right or remedy under this Agreement or by law is only effective if it is given in writing and is signed by the party waiving such right or remedy. Any such waiver shall apply only to the circumstances for which it is given and shall not be deemed a waiver of any subsequent breach or default.

**Notices**

* 1. A notice given to a party under or in connection with this Agreement shall be in writing and shall be delivered by hand or sent by pre-paid first-class post, recorded delivery or special delivery in each case to that party's address.

**Assignment and Other Dealings**

* 1. No party shall assign, transfer, mortgage, charge, subcontract, declare a trust over a deal in any other manner with any or all of his rights and obligations under this Agreement (or any other document referred to in it) without the prior written consent of the other party (such consent not to be unreasonably withheld or delayed). Each party confirms that he is acting on his own behalf and not for the benefit of any other person.

**Severance**

* 1. If any provision or part-provision of this agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause 52 shall not affect the validity and enforceability of the rest of this Agreement

**Entire Agreement**

* 1. This Agreement (together with the documents referred to in it) constitutes the entire Agreement between the parties and supersedes and extinguishes all previous discussions, correspondence, negotiations, drafts, agreements, promises, assurances, warranties, representations, arrangements, and understandings between them, whether written or oral, relating to its subject matter. Each party acknowledges that in entering into this Agreement (and any documents referred to in it), he does not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement or those documents. Nothing in this clause 53 shall limit or exclude any liability for fraud.

**Third Parties**

* 1. Except as expressly provided elsewhere in this Agreement, no one other than a party to this Agreement, its successors and permitted assignees, shall have any right to enforce any of its terms.

**Governing Law and Jurisdiction**

* 1. This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of [INSERT JURISDICTION]. Each party irrevocably agrees that the courts of [INSERT JURISDICTION] shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims).

**Dispute**

* 1. If a dispute arises under or in connection with this agreement (“Dispute”), including any Dispute arising out of any amount due to a party, then before bringing any legal proceedings or commencing any other alternative dispute resolution procedure in connection with such Dispute, a party must first give written notice (“Dispute Notice”) of the Dispute to the other party describing the Dispute and requesting that it is resolved under the dispute resolution procedure described in this clause 56. Disputes arising under this agreement shall be resolved by: (Insert those that apply)
     1. [Bringing proceedings in the courts of [INSERT JURISDICTION].]
     2. [Arbitration in accordance with the American Arbitration Association.]
     3. [Mediation. If the parties fail to come to an agreement by mediation, then it shall be resolved through arbitration.]

**Miscellaneous**

* 1. [INSERT ANY OTHER PROVISIONS].

**Schedule 1**

**Individual Shareholders**

|  |  |  |  |
| --- | --- | --- | --- |
| **Name** | **Address and Email** | **Class of Shares** | **Number of Shares** |
| [NAME] | [ADDRESS]  [EMAIL] | [SHARE CLASS] | [NUMBER OF SHARES] |
| [NAME] | [ADDRESS]  [EMAIL] | [SHARE CLASS] | [NUMBER OF SHARES] |
| [NAME] | [ADDRESS]  [EMAIL] | [SHARE CLASS] | [NUMBER OF SHARES] |

**Corporate Shareholders**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Name** | **Company No** | **Registered Office** | **Email** | **Class of Shares** | **Number of Shares** | **PSC** |
| [NAME] | [COMPANY NO.] | [REGISTERED OFFICE] | [EMAIL ADDRESS] | [CLASS OF SHARES] | [NUMBER OF SHARES] |  |
| [NAME] | [COMPANY NO.] | [REGISTERED OFFICE] | [EMAIL ADDRESS] | [CLASS OF SHARES] | [NUMBER OF SHARES] |  |
| [NAME] | [COMPANY NO.] | [REGISTERED OFFICE] | [EMAIL ADDRESS] | [CLASS OF SHARES] | [NUMBER OF SHARES] |  |
| [NAME] | [COMPANY NO.] | [REGISTERED OFFICE] | [EMAIL ADDRESS] | [CLASS OF SHARES] | [NUMBER OF SHARES] |  |

**IN WITNESS WHEREOF,** the parties have executed and entered into this Agreement as of the Commencement Date.



**Company Name Representative Signature Representative Name**

Shareholders:



**Shareholder Name Shareholder Signature**

****

**Shareholder Name Shareholder Signature**



**Shareholder Name Shareholder Signature**

**Schedule 2**

**DEED OF ADHERENCE**

**Deed of adherence**

**Dated** [DATE]

**By** [COMPANY NAME] a company incorporated in England and Wales (registered number [COMPANY REGISTERED NUMBER]) whose registered office is at [OFFICE ADDRESS] OR [INDIVIDUAL’S NAME] an individual, resident at [INDIVIDUAL’S ADDRESS] (the New Shareholder) in favour of the persons whose names and addresses are set out in the Schedule to this Deed (the Continuing Parties).

**Introduction**

* 1. This Deed is supplemental to a Shareholders’ Agreement dated [DATE OF SHAREHOLDER’S AGREEMENT] between the Initial Shareholders and the Company (the Shareholders' Agreement), as subsequently amended.
  2. The New Shareholder wishes to [subscribe for **OR** acquire] [NUMBER OF SHARES] Shares in the capital of the Company from [TRANSFEROR’S NAME].
  3. The Shareholder’s Agreement provides that no person other than a Shareholder shall acquire shares in the Company (whether by way of transfer or allotment or otherwise) unless he enters into a Deed of Adherence in substantially the form of this Deed.

**Agreed Terms**

* 1. The New Shareholder confirms that they have been given a copy of the Shareholders’ Agreement and covenants with the Continuing Parties to observe, perform and be bound by every provision of the Shareholders’ Agreement (other than the Excluded Clauses) as if the New Shareholder had been an original party to it.​
  2. In this Deed the Excluded Clauses shall mean clauses [INSERT NUMBERS OF CLAUSES TO BE EXCLUDED IE ONES CONTAINING A PERSONAL OBLIGATION] of the Shareholders’ Agreement.
  3. Unless the context requires otherwise, words and expressions defined in the Shareholders’ Agreement shall have the same meanings when used in this Deed.
  4. This Deed shall be governed by and construed in accordance with English law.
  5. This Deed of Adherence has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

**SCHEDULE TO THE DEED**

[INSERT NAMES AND ADDRESSES OF CONTINUING PARTIES TO THE SHAREHOLDERS AGREEMENT]

**IN WITNESS WHEREOF,** the Transferee has executed this Agreement as of the Commencement Date

|  |  |  |
| --- | --- | --- |
|  |  |  |
| **Transferee Signature** |  | **Transferee Name and Title** |