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SAMPLE

BUSINESS SALE AGREEMENT

between

BLUE OCEAN LAW GROUP PTY LTD
(ACN 618 974 879)

and

NEWLAW CONGLOMERATE PTY LTD
(ACN 555 555 555)

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Date

Parties

Vendor	BLUE OCEAN LAW GROUP PTY LTD (ACN 618 974 879) Address: C/- Work Club, L8/99 Elizabeth Street, Opp. NSW Supreme Court, Sydney NSW 2000 Fax: +61 (02) 9475 0075 Email: ahoy@blueocean.law (the <i>Vendor</i>)
Purchaser	NEWLAW CONGLOMERATE PTY LTD (ACN 555 555 555) Address: C/- Work Club, L8/99 Elizabeth Street, Sydney NSW 2000 Email: conglomerate@new.law (the Purchaser)

Recitals

- A The Business is now, and has for some time been, carried on by the Vendor under the Business Names.
- B The Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Business (including the Assets) as a going concern in accordance with this agreement.
- C This agreement is intended to be legally binding and the parties agree to give effect to the arrangements contemplated by it.

Operative provisions

1. Definitions and interpretation

Definitions

- 1.1 The following definitions apply in this agreement unless the context requires otherwise:

Accounting Standards means:

- (a) in respect of a company incorporated in Australia:
- (i) the accounting standards applicable for the purposes of the Corporations Act; and

- (ii) the requirements of the Corporations Act for the preparation and content of financial statements, directors' reports and auditors' reports; and
- (b) generally accepted and consistently applied accounting principles and practices in Australia (except, in respect of a company incorporated in Australia, those inconsistent with the standards or requirements referred to in paragraphs (a) of this definition above).

Accounts means:

- (a) the statement of financial performance and statement of cash flows of the Vendor for the 12-month period ending on the Accounts Date;
- (b) its statement of financial position as at the Accounts Date; and
- (c) all reports and notes attached to, or intended to be read with, those statements as at the Accounts Date.

Accounts Date means 30 June 2020.

Assets means the property, rights and assets of the Business agreed to be sold pursuant to clause 3.1.

Assumed Leave Entitlements means the accrued leave entitlements of the Transferring Employees to be assumed by the Purchaser in accordance with clauses 5.6(a) and 5.8(a).

Assumed Liabilities means the Existing Liabilities and the Post-Completion Liabilities, but excluding the Excluded Liabilities.

Authorisation means:

- (a) a consent, registration, filing, agreement, notice of non-objection, notarisation, certificate, licence, approval, permit, authority or exemption from, by or with a Governmental Agency; and
- (b) any consent, registration or approval required from any non-governmental body to enable the Purchaser to conduct the Business,

and includes, in relation to anything that a Governmental Agency may prohibit or restrict within a specific period, the expiry of that period without intervention or action.

Business means the business described in Schedule 1 carried on by the Vendor under the Business Name.

Business Contracts means the:

- (a) Customer Contracts;
- (b) IP Licences;
- (c) Insurance Policies; and
- (d) Supplier Contracts,

and all other contracts, arrangements, licences and other commitments relating to the Business entered into on or before, and which remain to be performed in whole or in part at, Completion, which have been entered into by or for the benefit of the Vendor, or the benefit of which is held in trust for or has been assigned or subcontracted to the Vendor.

Business Day means a day (other than a Saturday, Sunday or public holiday) when banks in Sydney, New South Wales are open for business.

Business Information means all information, know-how and techniques (whether or not confidential and held in whatever form) that in any way (whether wholly or partially) relate to:

- (a) all or any part of the Business or the Assets;
- (b) any products manufactured or sold, or services rendered, by the Business;
- (c) any documentation, formulae, designs, specifications, drawings, data, manuals or instructions relating to (a) or (b);
- (d) the operations, management, administration or financial affairs of the Business (including any business plans and forecasts, information relating to future business development or planning and information relating to litigation or legal advice); or
- (e) the sale or marketing of any of the products manufactured or sold, or services rendered, by the Business, including all customer names and lists and sales and marketing information (including targets, sales and market share statistics, market surveys and reports on research).

Business Names means all business names and trade names under which the Business, or any part of it, is carried on, including the name set out in section 2 of Schedule 5.

Claims means any claims including actions, complaints, debts, demands, dues, proceedings, suits or other legal recourse (whether in contract or tort, at law or in equity or under statute) and including any causes of action or rights to bring or make any such claim.

Completion means the completion of the sale and purchase of the Assets in accordance with clause 8.

Completion Amount means AUD\$ 9,999,999.00.

Completion Date means the date that is 20 Business Days after the date on which the Conditions Precedent are satisfied or waived in accordance with this agreement.

Completion Place means the offices of the Vendor or any other place agreed in writing by the parties.

Completion Time means 11:00 AM, or any other time of day agreed in writing by the parties, on the Completion Date.

Conditions Precedent means the conditions precedent to Completion set out in Schedule 2.

Confidential Information means all confidential information (however recorded or preserved) of a party or its Related Entities that is obtained (whether in writing, orally or by any other means and whether directly or indirectly) by another party or its Related Entities before, on or after the date of this agreement, including:

- (a) the existence and terms of this agreement;
- (b) any information that would be regarded as confidential by a reasonable person relating to the business, affairs, customers, clients, suppliers, proposals, market opportunities, technologies, products, business and product development plans, financial information, services, pricing, capabilities, capacities, operations, processes, product information or Intellectual Property Rights of the first-mentioned party or its Related Entities or the Business; and

- (c) any information developed by the parties and/or their Related Entities in the course of carrying out this agreement (including the results of any tests or investigations conducted in respect of the Business and any reports, summaries, data, analysis and other documentation or information developed by any of them in respect thereof),

and includes any compilation of otherwise public information in a form not publicly known.

Connected means, in respect of two or more Vendor Warranty Claims, that they arise out of the occurrence of the same event or otherwise relate to substantially similar facts, matters or circumstances.

Control has the meaning given in section 50AA of the Corporations Act.

Controller has the meaning given in the Corporations Act.

Corporations Act means the *Corporations Act 2001* (Cth).

Customer Cash means all cash sums belonging or referable to Customers or potential customers of the Business that are held by, or deposited with, the Vendor as deposits for, or advance or instalment payments in relation to, any Customer Contract or any contract or order that any potential customer may place with the Business in the future.

Customer Contracts means all contracts, engagements and orders entered into on, or prior to, Completion by, or on behalf of, the Vendor with Customers for the manufacture, sale, loan or hire of goods or equipment or the provision of services by the Vendor in connection with, and in the ordinary course of, the Business which, at Completion, remain to be performed in whole or in part by the Vendor.

Customers means the customers and former customers of the Business.

Default Rate means a rate of interest of 5.00% per annum.

Deposit has the meaning given in clause 6.1.

Disclosed means, in respect of the making/giving of a Vendor Warranty at a Warranty Time, fairly disclosed to the Purchaser by or on behalf of the Vendor in writing prior to that Warranty Time, with sufficient detail such that a prudent purchaser in the position of the Purchaser, and possessing its experience of the industries and markets in which the Vendor operates, ought reasonably be able to identify (including by way of inference) the nature, scope and implications of the matter disclosed.

Employees means all of the persons employed by the Vendor in the Business as at the date of this agreement.

Employment Entitlements means any:

- (a) wages, salary, commissions, bonuses, allowances, superannuation contributions and other remuneration;
- (b) Leave Entitlements; and
- (c) other accruals, benefits and entitlements relating to a person's employment,

including in relation to any redundancy or other termination of employment, howsoever arising (eg, whether under any contract, legislation, industrial award, workplace agreement or other arrangement).

Encumbrance means any mortgage, charge (fixed or floating), pledge, lien, hypothecation, guarantee, trust, right of set-off or other third party right or interest (legal or equitable) including any assignment by way of security, reservation of title or other security interest of any kind, howsoever created or arising, or any other agreement or arrangement (including a sale and repurchase agreement) having similar effect.

Excluded Assets means the assets and rights used in the Business set out in clause 3.2 as being excluded from the sale pursuant to this agreement.

Excluded Liabilities means:

- (a) all Pre-Completion Liabilities;
- (b) all bank and other overdrafts and other borrowings of the Vendor; and
- (c) all liabilities, debts and obligations of the Vendor (whether accrued, absolute, contingent, known or unknown) that fall due for payment or performance at any time, including after Completion, and arise in connection with, or are attributable to:
 - (i) any breach of duty (including any action, omission, default or neglect) on the part of the Vendor; or
 - (ii) any breach of contract by the Vendor.

Excluded Matter means, in respect of the making/giving of a Warranty at a Warranty Time, any fact, matter, event or circumstance that was:

- (a) Disclosed; or
- (b) actually known to the Purchaser at that Warranty Time.

Existing Liabilities means the liabilities and obligations of the Vendor at Completion:

- (a) for the Trade Debts; and
- (b) for the Assumed Leave Entitlements.

Goodwill means the goodwill, custom and connection of the Vendor in relation to the Business, together with the exclusive right for the Purchaser and its successors and assigns to carry on the Business under the Business Names and to represent itself as carrying on the Business in succession to the Vendor, including the right to all lists of Customers and suppliers of the Business.

Governmental Agency means any government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity whether foreign, federal, state, territorial or local.

GST has the same meaning given to that expression in the GST Law.

GST Act means *A New Tax System (Goods and Services Tax) Act 1999* (Cth), as in force from time to time.

GST Law has the same meaning given to that expression in the GST Act.

Insolvency Event means, in respect of a particular person, the occurrence of any one or more of the following events in relation to that person:

- (a) for a person that is a body corporate: