

Sale of Shares by exiting director

Between and and

Date:

()

Telephone:

Facsimile:

Email:

Website:

By this **Deed** dated

between:

of (the Seller)

and

of (the Buyer)

and

of (the Company)

Recitals

- A. The Seller and the Buyer are the only Directors and shareholders in the Company.
- B. The Seller is the beneficial owner of shares in the Company ("**the Shares**").
- C. The Buyer has agreed to purchase the Shares from the Seller for the sum of \$ ("**the Price**") and otherwise on the terms and conditions hereinafter appearing.
- D. The parties to this deed are parties to a Shareholders Agreement dated ("**the Shareholder Agreement**"). That agreement provides a procedure to be followed for termination of the agreement. The parties agree to waive adherence to that procedure, having already agreed upon the buyer and price of the shares of the exiting share holder. For the removal of doubt, the Shareholders agreement will merge (terminate) upon completion of this Deed.
- E. The parties acknowledge that the person named in the Shareholder Agreement are the same persons as named in this Deed.

Operative Part

- 1. Except where the context otherwise requires a reference in this Deed to:-
 - 1.1 laws, statutes regulations ordinances or by-laws shall be deemed for all purposes to be extended to include a reference to all statutes regulations ordinances or by-laws amending consolidation or replacing the same from time to time;
 - 1.2 any gender includes a reference to the other genders and each of them;
 - 1.3 any parties, persons, facts, events, documents or securities alternatively or collectively shall be construed as a reference to all of them and to each and any one or more of them;
 - 1.4 any person shall mean and include the legal personal representatives, successors in title or assigns of such person as the context may require;
 - 1.5 a clause number shall mean a reference to the respective clauses to this Deed;
 - 1.6 a receiver includes a receiver and manager and a manager;
 - 1.7 a liquidator includes a provisional liquidator and an official manager and an administrator;
 - 1.8 the singular number includes a reference to the plural number and vice versa;

- 1.9 currency or '\$' or 'dollars' means and refers to the currency of Australia unless otherwise indicated; and

2. SALE OF SHARES

- 2.1 Subject to other provisions of this Deed the Seller severally agrees to sell and the Buyer agrees to purchase the Shares for the Price.
- 2.2 The Price is to be paid by one instalment upon completion, being a date 42 days following the date of execution of this document or an earlier date as mutually agreed between the parties ("the Completion date" or "Completion").
- 2.3 Should the Buyer fail to pay the full amount of the Price on or before the date the payment is due then interest will accrue and be payable by the Buyer on the amount outstanding under that payment from the date that payment is due until final payment of the full amount of the payment at the rate of 10% per annum.
- 2.4 The parties agree that the Buyer will have made payment of the Price referred to in clauses 2.2, 2.3 and 2.4 by delivering a bank or solicitor's trust cheque in the amount of \$ to the Seller's solicitor at (, however should the due date fall on a non-business day, then the business day immediately prior to the due date.
- 2.5 After execution of this deed and prior to completion, the Buyer and the Seller will cause to be produced and will agree upon final accounts up to and including the end of the month of , using their usual book-keepers and accountants. The final accounts shall be prepared within the following parameters:
- 2.5.1 The remuneration to each shareholder will be calculated according to the following formula: Each shareholder is entitled to be paid for all payments received as a result of that shareholder's work as a consultant, less that consultant's personal expenses and one half of the shared expenses of the company for the period to which the payments relate.
- 2.5.2 All incoming funds will be attributed to the director/ shareholder who generated them. Where incoming funds were generated jointly, then they shall be divided according to days worked.
- 2.5.3 The Company's book keepers and/ or accountants will produce a schedule of income and expenses and calculate an adjustment(**"the Adjustment amount"**), being a net payment from the company to each shareholder, calculated in accordance with the parameters in this deed, and as mutually agreed between the parties.