

BUY/SELL FUNDING AGREEMENT

CONTENTS

- 1 Definitions 3
- 2 Insurance 4
 - 2.1 Life Insurance 4
 - 2.2 Additional cover 4
- 3 Payment of Policy Proceeds 4
 - 3.1 Payment on exercise of option 4
- 4 Payment Amount 4
 - 4.1 Reduction of purchase price 4
- 5 General Provisions 5
 - 5.1 Insurance premiums 5
 - 5.2 Termination 5
 - 5.3 Costs 5
 - 5.4 Notices 5
 - 5.5 Counterparts 5
- 6 Interpretation 5
 - 6.1 Jurisdiction 5
 - 6.2 In the interpretation of this agreement: 6

BUY/SELL FUNDING AGREEMENT

THIS DEED dated day of 20

Between

 of
and
 of
and
 of
and
 of

RECITALS

- A. The parties are partners / shareholders / unit holders under Partnership Deed/Shareholder agreement / unit trust.
- B. The parties have entered into a Buy Sell Agreement governing the transfer of each proprietors interest in the business should specified events occur.
- C. [REDACTED].

OPERATIVE PART

1 Definitions

In this agreement:

- (a) **Market value** means the value at which a party may be required to dispose of their [REDACTED];
- (b) **Buy-Sell Agreement** means the Buy Sell Agreement dated ;
- (c) **Policy** means each policy of insurance on the life and on total permanent disablement of each party which:
 - (i) Has been unanimously approved by all parties;
 - (ii) [REDACTED]
 - (iii) Is owned by the party legally entitled to receive the policy proceeds.
- (d) **Policy register** means the register maintained by the parties with up-to-date details of [REDACTED]

2 Insurance

2.1 Life Insurance

- (a) On the execution of this agreement all parties must arrange policies for life insurance and for insurance against total permanent disablement for the amounts set out in the [REDACTED]
- (b) The amount of insurance cover must, so far as is practicable, be the same as the value of their interest in the business.
- (c) The parties must ensure, as far as possible, that the benefit payable at any time [REDACTED]

2.2 Additional cover

- (a) If, because of a change in the value of the business, additional insurance cover [REDACTED]
- (b) A policy register must be maintained by the parties at all times.
- (c) No policy is to be transferred, assigned, cancelled, charged or otherwise dealt with unless approved by all parties to this agreement.

3 Payment of Policy Proceeds

3.1 Payment on exercise of option

- (a) In the event that an option is exercised pursuant to the Buy Sell Agreement by [REDACTED]
- (b) The terminating proprietor or their personal representative must do all things necessary on their part to expeditiously receive all the proceeds of the policy [REDACTED].
- (c) Immediately following the terminating proprietor receiving the proceeds, the terminating proprietor must notify the other parties (continuing proprietors) of that receipt.

4 Payment Amount

4.1 Reduction of purchase price

- (a) Despite the provisions of the Buy-Sell Agreement relating to the amount of the consideration payable by the continuing proprietors to the terminating proprietors in respect of the terminating proprietor's interest in the business, and if the terminating [REDACTED]

- (b) If the proceeds are less because of a breach of this agreement by the terminating [REDACTED].
- (c) If the proceeds are not available, or payable for any reason or if the policy has lapsed then the amount payable shall be paid in accordance with the partnership agreement / shareholder agreement / unit trust.

5 General Provisions

5.1 Insurance premiums

For the term of this agreement all parties must contribute to the payment of the premiums in regard to each policy as stated in the schedule. If any party defaults in paying their [REDACTED]

5.2 Termination

This agreement will terminate in respect of all parties upon the earlier to happening of:

- (i) Unanimous agreement of all parties; and
- (ii) Termination of the Buy-Sell Agreement
- (iii) Termination of the partnership agreement / shareholder agreement / unit trust.

5.3 Costs

[REDACTED]

5.4 Notices

A communication required by this agreement, by a party to another, must be in writing and may be given to them by being:

- (a) Delivered personally; or
- (b) Posted to their address specified in this agreement, or as later notified by them, in [REDACTED]
- (c) Faxed to the facsimile number of the party with acknowledgment of receipt received [REDACTED]
- (d) Sent by email to their email address, when it will be treated as received on that day.

5.5 Counterparts

This agreement may be executed in any number of counterparts each of which will be an [REDACTED]

6 Interpretation

6.1 Jurisdiction

This agreement is governed by the laws of the state of New South Wales, and the parties, submit to the non-exclusive jurisdiction of the courts of that state.

6.2 In the interpretation of this agreement:

- (a) References to legislation or provisions of legislation include changes or re-
[REDACTED]
- (b) Words denoting the singular include the plural and vice versa; words denoting individuals or persons include bodies corporate and vice versa; references to
[REDACTED]
- (c) Parties must perform their obligations on the dates and times fixed by reference to the capital city of the state of New South Wales;
- (d) [REDACTED]
- (e) If the day on or by which anything is to be done is a Saturday, a Sunday or a public holiday in the place in which it is to be done, then it must be done on the next business day;
- (f) References to a party are intended to bind their executors, administrators and permitted transferees; and
- (g) [REDACTED]

EXECUTED AS A DEED

SIGNED SEALED & DELIVERED by in the presence of:		
..... Signature of Witness Name of Witness	 Signature

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..... Signature of Witness Name of Witness	 Signature

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