



TERMS AND CONDITIONS

WHEREAS, Lomax Corporate Consultants (LOMAX) are engaged in business as corporate consultants acting as brokers to facilitate a Transaction on behalf of their Client for which the Client shall pay a Brokerage Fee, which fees shall be payable on the terms set out below.

1. Definitions

- 1.1. "Associate" - any holding company, subsidiary, wholly-owned subsidiary or associate of the Client or the Interested Party, as the case may be, as such expressions are defined respectively in Section 736 of the Companies Act 1985 and Section 52 of the Companies Act 1989.
- 1.2. "Brokerage Fee" - the brokerage fee to be calculated as set out at Clause 3.
- 1.3. "Client" - the body corporate partnership or individual whether as prospective vendor purchaser or otherwise which engages LOMAX to facilitate a Transaction and the expression "Client" in the case of a body corporate shall include the shareholders or officers which instruct LOMAX and in the case of a partnership shall include all the partners.
- 1.4. "Interested Party" - a prospective vendor purchaser or other interested party.
- 1.5. "Introduction" - an introduction by LOMAX of an Interested Party to the Client.
- 1.6. "LOMAX" – Lomax Corporate Consultants
- 1.7. "Third Party" - a body corporate partnership or individual introduced directly or indirectly by the Client or its Associate to the Interested Party or its Associate.
- 1.8. "Transaction" - a sale, merger, reconstruction, purchase, management buy in, management buy out, rights issue, share subscription, restructuring of finances, raising of capital or other transaction to include but not limited to a combination of any of the above.

2. Responsibility for Brokerage Fees and Introductions

- 2.1. The Client shall be responsible for the Brokerage Fee. Unless otherwise stated in writing or save as set out at Clause 2.3 LOMAX do not seek a Brokerage Fee from any other party.
- 2.2. LOMAX reserves the right to enter into fee sharing arrangements with other professionals or with the provider of any finance.
- 2.3. Where LOMAX makes an Introduction and the Interested Party or its Associate subsequently enters into a Transaction with a Third Party, the Brokerage Fee shall be payable to LOMAX by any or all of the Client, the Interested Party, their Associates (if any) or the Third Party.
- 2.4. Any Introduction made wholly or in part by LOMAX in conjunction with any other party shall constitute an introduction by LOMAX for which a Brokerage Fee shall be payable by the Client.



- 2.5. Where the Client effects a Transaction without the involvement of LOMAX while these Terms and Conditions apply then Client shall be responsible for LOMAX Brokerage Fees as if LOMAX had facilitated the Transaction or effected an Introduction.

3. Brokerage Fees

- 3.1. Brokerage Fees are payable by the Client (or the parties referred to at clause 2.3) to LOMAX in full forthwith upon legal completion of any Transaction and where the Client is a vendor by way of deduction from the consideration payable.
- 3.2. The Brokerage Fee shall, subject to the minimum figure specified at clause 3.3 below, represent a percentage of the aggregate total consideration of the Transaction which consideration shall include but shall not be limited to:-
- 3.2.1. repayment of company indebtedness, dividends and any other form of structuring used to affect the price;
 - 3.2.2. amounts payable for assets or shares;
 - 3.2.3. amounts payable under contingent formulae to include but not limited to "earn-outs" and other deferred payments;
 - 3.2.4. any benefit received or payment made to or on behalf of or at the direction of any party and irrespective of the way in which the Transaction may be arranged or structured for the convenience of the parties involved;
 - 3.2.5. the value of any consideration shares;
 - 3.2.6. the value of any loan or share capital raised; and
 - 3.2.7. any asset (valued at the price it was purchased pursuant to the Transaction and regardless of ownership of that asset) utilised by the business, which is the subject of the Transaction, which is sold as a result of the Introduction effected by LOMAX.
 - 3.2.8. any other sum which in the reasonable opinion of LOMAX shall constitute consideration.
- 3.3. The Brokerage Fee shall be 2% on the first £2,000,000.00 of the aggregate total consideration of the Transaction and 1% on any excess thereafter, subject always to a minimum fee of £20,000.00 or such other sum as shall be agreed in writing between LOMAX and the Client. V.A.T. will be added as applicable.

4. Administration Fee

The Client shall pay to LOMAX an Administration Fee of £1,000 upon the signing of these Terms and Conditions. V.A.T. will be added as applicable.

5. Duty of Good Faith

The Client shall act and shall procure that other parties act in good faith towards LOMAX at all times to ensure that LOMAX receives the Brokerage Fee to which it is hereby entitled upon completion of a Transaction.



6. Production of Documentation

The Client hereby agrees that it shall

- 6.1. provide to LOMAX forthwith upon receipt completed copies of offer letters, sale and purchase agreements, investment agreements and any other documentation, emails or correspondence evidencing the terms of the Transaction and in particular all such documentation which is relevant to the Brokerage Fee payable to LOMAX.
- 6.2. notify LOMAX in writing in advance of any meetings to discuss or conclude any proposed Transaction to which a representative of LOMAX shall be invited to attend.
- 6.3. instruct its professional advisers forthwith upon conclusion of any Transaction and upon the request of LOMAX, to disclose promptly in writing to LOMAX the material terms of such Transaction.

7. Termination

- 7.1. Subject as provided below either LOMAX or the Client may terminate the engagement of LOMAX as corporate consultants upon seven days' notice in writing to the other party but in any event no earlier than twelve months of the Client engaging LOMAX. Termination of this agreement in the first twelve months by the Client shall be subject to a Fee of £5,000, V.A.T. will be added as applicable.
- 7.2. If LOMAX serve notice in accordance with clause 7.1, such notice shall be without prejudice to the Client's ongoing duties and obligations to LOMAX hereunder.
- 7.3. If the Client shall serve notice in accordance with clause 7.1 and a Transaction between any of the parties envisaged in these Terms and Conditions is subsequently completed within three years of the date of the service of such notice then the Brokerage Fee shall be payable to LOMAX in full notwithstanding such termination. The Client hereby undertakes to notify LOMAX forthwith of any such Transaction.
- 7.4. If the Client shall fail to comply with the undertaking at clause 7.3 then for the purposes of clause 8.3, the "due date" shall be, the date of completion of the Transaction rather than the date of submission of the LOMAX invoice.
- 7.5. If the Client shall in LOMAX's reasonable opinion prevent LOMAX from effecting a potential Transaction then this shall constitute a termination of this agreement

8. Miscellaneous

- 8.1. Where Brokerage Fees are payable by more than one party or where the expression "Client" constitutes more than one party, such fees shall be payable on a joint and several basis.
- 8.2. Brokerage Fees shall be payable without assertion of set off counterclaim withholding or other deduction.
- 8.3. Unpaid Brokerage Fees shall bear compound interest from the due date at the rate of 2% per month or part thereof.



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8.4. No amendment change or addition to these Terms and Conditions shall be binding on any party unless it is in writing and has been signed by each of the parties or their authorised representatives.

9. Notice

Any such notice hereunder shall be in writing and shall be signed by or on behalf of the party giving it. Any such notice shall be served by Royal Mail Special Delivery at the address, in the case of LOMAX as set out herein and in the case of the Client, as notified in writing to LOMAX upon their engagement. Any notice and/or any document relating to any action or proceedings so served by Royal Mail Special Delivery shall be deemed to have been received 48 hours from the time of posting it from and to an address in the United Kingdom or Northern Ireland or five days from the time of posting it from or to an address elsewhere.

Signed	
Name (Block Capitals)	
Date	