

Commercial Contract

SHARE SALE/PURCHASE AGREEMENT



Small and Medium Enterprises Development Authority

Ministry of Industries & Production

Government of Pakistan

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January 2013

1. SHARE SALE/PURCHASE AGREEMENT

THIS SHARE SALE/PURCHASE AGREEMENT (hereinafter referred to as the "Agreement") is made at [insert place] on this ____ (insert date) day of _____ (insert month), 20__ (insert year)

BY AND BETWEEN:

M/s [insert Name], a public/private company incorporated under the Companies Ordinance, 1984, having its registered office at [insert Address] through its [insert Designation], Mr/Mrs/Ms [insert Name];

OR

M/s [insert Name], a partnership concern of Mr/Mrs/Ms [insert Name] and Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through its Partner, Mr/Mrs/Ms [insert Name];

OR

M/s [insert Name], a sole proprietorship concern of Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through Mr/Mrs/Ms [insert Name];

OR

Mr/Mrs/Ms [insert Name], son/wife/daughter of [insert Name], r/o [insert Address] CNIC # [insert Number]

(hereinafter referred to as the "Seller", which expression shall, wherever the context so provides, include its successors, assigns, nominees and agents)

AND

M/s [insert Name], a public/private company incorporated under the Companies Ordinance, 1984, having its registered office at [insert Address] through its [insert Designation], Mr/Mrs/Ms [insert Name];

OR

M/s [insert Name], a partnership concern of Mr/Mrs/Ms [insert Name] and Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through its Partner, Mr/Mrs/Ms [insert Name];

OR

M/s [insert Name], a sole proprietorship concern of Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through Mr/Mrs/Ms [insert Name];

OR

Mr/Mrs/Ms [insert Name], son/wife/daughter of [insert Name], r/o [insert Address] CNIC # [insert Number]

(hereinafter referred to as the "Buyer", which expression shall, wherever the context so provides, include its successors, assigns, nominees and agents).

(The Buyer and the Seller are hereinafter collectively referred to as the "Parties", and individually as the "Party".)

WHEREAS [insert name of the Company] (hereinafter referred to as the "Company") is a company existing under the laws of [insert name of the country], having an authorized share capital of [insert amount], divided into [insert number of shares] shares of [insert amount] each, and paid up share capital of [insert amount], divided into [insert number of shares] shares.

AND WHEREAS the Seller is the owner of [insert number] shares of the Company, constituting of [insert percentage] percent of the paid up share capital (hereinafter referred to as the "Shares").

AND WHEREAS the Buyer wishes to buy, and the Seller has agrees to sell the Shares.

NOW THEREFORE the Parties have entered into this Agreement on the following terms and conditions:

1. REPRESENTATION OF THE SELLER

The Seller hereby represents and confirms that it is the owner in possession of the Shares, and that the Shares are free from all encumbrances, liens or any other interest of any third party, and that the Seller has the full and absolute authority to sell, assign and transfer the Shares to the Buyer.

2. SCOPE OF AGREEMENT

The Seller hereby sells, assigns, conveys and transfers its rights in the Shares to the Buyer, its rights and title in the Shares, along with all its obligations thereunder, and the Buyer hereby purchases and accept all of the Seller's rights, title, interests and obligations in and towards the Shares.

3. CONSIDERATION

- (1)The Buyer shall pay to the Seller an amount of Rs. _____/- (Rupees _____) (insert amount) as consideration for the purchase of the shares (hereinafter referred to as the "Consideration").
- (2)The Buyer shall pay [insert percentage]% of the Consideration (hereinafter referred to as the "Part Payment") to the Buyer on the date of execution of this Agreement, and the remaining Consideration, i.e. [insert percentage]% shall be paid by the Buyer to the Seller on the date of the Seller providing the Buyer with the Share Certificates, and any other document related to the Shares, which date shall not be extended beyond [insert date].
- (3)In case of the Buyer failing to fulfill its obligations under this Agreement, the Part Payment shall be forfeited.
- (4)In case of the Seller failing to provide the Buyer with the Share Certificates and other documents with respect to the Shares, the Seller shall pay to the Buyer Rs. _____/- (Rupees _____) (insert amount).

4. INDEMNIFICATION

Either Party agrees to indemnify the other Party form any loss or damage which the other Party may incur due to the indemnifying Party's breach of this Agreement.

5. SETTLEMENT OF DISPUTE

Any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the Pakistan Arbitration Act, 1940, subject to the exclusive jurisdiction of the Courts of [insert place].

6. FORCE MAJEURE

- (1)Force Majeure shall mean any event that is beyond the reasonable control of a Party, or the effects of which adversely affect the performance by such Party of its obligations under this Agreement, including, but not limited to, acts of God, sabotage, insurrection, terrorism, riots, hostilities or war (whether declared or not), acts of the public enemy, civil disturbances, any kind of fire, explosion, flood or accidental damage, epidemics, landslides, washouts, lightening, storms, earthquakes, lockouts, blockades, shortage of labor or material, major equipment failure, or other causes beyond the control of the Party affected.

- (2) Notwithstanding anything contained hereinabove, neither Party shall be liable to the other if it is unable to perform any of its obligations under this Agreement due to the occurrence of Force Majeure.
- (3) The Party affected by the Force Majeure event shall be entitled to suspend performance of its obligations under the Agreement to the extent that such performance is impeded or made impossible by the events of Force Majeure.
- (4) Each Party shall give a notice within [insert number] days of the occurrence of the event of Force Majeure and shall promptly thereafter consult the other Party for the purpose of finding a mutually acceptable solution to the Force Majeure event.

7. AMENDMENTS

This Agreement may be modified, extended, enlarged or amended from time to time by mutual agreement and consent of the Parties.

8. NONWAIVER

The failure of either Party to exercise any right provided in this Agreement shall not be construed as a waiver its right to subsequently enforce such provision or any other provision of this Agreement.

9. GOVERNING LAW AND RULES OF CONSTRUCTION

- (1) The validity, interpretation, and the performance of this Agreement shall be governed by the laws of [insert place].
- (2) If any term or provision of this Agreement is determined to be invalid, it shall not affect the validity and enforcement of the remaining terms and provisions of the Agreement.
- (3) This Agreement shall be binding upon, and inure to the benefit of, the respective successors, assigns, representatives, and/or heirs of the Parties herein.

IN WITNESS WHEREOF, the Parties hereto have set their hands and seals the day, month and year mentioned hereinabove.

 For and on behalf of
The Buyer

 For and on behalf of
The Seller

WITNESS NO. 1

WITNESS NO. 2

Signature: _____

Signature: _____

Name: _____

Name: _____

Designation: _____

Designation: _____

Date: _____

Date: _____