

SALE OF YOUR EXISTING EAZI-BUSINESS LICENSED BUSINESS

This document is to guide you through the sale process, but please contact us if you have any questions. This document has no legal effect and is for guidance only. The official legal documents are the only ones that have legal effect.

1. Please refer to and read the sale terms and clauses of your existing network member agreement (“NMA”). You will see the conditions, which include for example that there must not be any outstanding breach of the NMA by you prior to the sale. **You must continue to comply with your NMA in all aspects right up until the day of the completion of the sale.**
2. If you wish to sell your licence, please contact us as soon as possible. The sale must be a transfer of your business, and not for example a sale of the shares in any company if applicable. If your licensee is a company, then you will be required to give personal guarantees.
3. You are responsible for finding a buyer for your business, but the buyer must be approved by us in accordance with our normal criteria for new licensees. If we find the buyer for you (or the buyer is an existing licensee of ours) then the process is the same but you will also pay us 10% of the sale price in commission, in accordance with your NMA.
4. Please provide us with full details of your prospective buyer, including full names and addresses, telephone numbers and other contact details, and details of whether they will be trading as a sole trader, partnership, LLP or company (in which case they will give personal guarantees).
5. Each potential buyer must sign an application form that incorporates our non-disclosure agreement (see www.eazi-business.com/nda) or a separate non-disclosure agreement that we can provide at an early stage before any information can be disclosed to them. At all times, you must comply with our instructions on disclosure of confidential information during a sale (see the last page of this document for more details).
6. After signing the application form, the buyer will pay us a deposit to cover costs. The deposit agreement is usually set up using digital signature or may be included within the application form. The buyer may lose most of the deposit in document costs reimbursement if they do not proceed. You as the seller are liable to reimburse us for any costs not covered by the buyer (for example if they do not pay a deposit). The buyer does not receive the pack of legal documents (see below) until after paying the deposit, due to document costs.
7. Once the price has been set with your buyer, you and the buyer must notify the price to us, bearing in mind in addition the amounts payable to us as licensor (see later).
8. We will notify you if we wish to use our right of first refusal to buy the business (although we rarely use it if the buyer has been approved as a licensee).

9. After we receive the deposit and signed application form and deposit agreement, you and the buyer will each be emailed a pack of blank documents. This will depend on our processes at the time, but may include: A copy of these instructions, a copy of your existing NMA, a blank NMA (in our then current standard form), a blank termination agreement (which terminates your existing NMA subject to ongoing provisions and sets out that the buyer will sign the new NMA) and a blank business sale agreement (a template for you both to use only if you wish, but this is not currently available so you should use your own unless told otherwise), plus a form to fill in.
10. Both you and the buyer are advised to take independent legal advice if you wish to do so, in particular for any business sale agreement, which is an agreement between you and the buyer.
11. Once you are both ready to proceed, you and the buyer will need to notify us with all the details required to prepare the signature legal agreements (you may be sent a form to complete).
12. Signature agreements will then be prepared with instructions for your signature, usually by digital signature.
13. When you sign (or on the payment date set out in the documents), the buyer transfers to us payment of the full sale price and amounts owed to us unless we notify otherwise. We will deduct our costs, fees and anything owed to us by you or the buyer and transfer the balance to you on completion date or within 10 working days of receipt if later.
14. The sale costs owed to us as licensor are currently set at the following:

Legal document and admin costs reimbursement – £500 + VAT if the sale and licence proceed to completion. If the buyer withdraws earlier, these costs will be lower.

Training and admin – the buyer must pay us the proportion of the current initial fee that represents the training and the items in the buyer's package plus our administration costs. These are currently £600 + VAT in addition to the amount for document costs. The detail is set out in the front sheet pages to the NMA that the buyer will be sent.

Commission – we are owed 10% commission by you if the buyer is an existing licensee of ours, or if we found or introduced her to you.
15. You arrange on completion date directly with the buyer for the physical handover of items and payment by you to the buyer of any adjustment payment (client prepayments at the date of completion, with an updated list and details plus copies of all documents and legal novations of all ongoing contracts with clients or others).

See the following page for further instructions in relation to confidentiality.

If the buyer decides not to proceed at any stage, please let us know immediately.

If you have any questions at any stage, please do not hesitate to contact us for guidance.

DEALING WITH CONFIDENTIAL INFORMATION ON THE SALE OF YOUR EAZI-BUSINESS LICENSED BUSINESS

16. Nothing must be disclosed to the potential buyer and nothing further must happen until the buyer has signed an application form that incorporates our non-disclosure agreement (see www.eazi-business.com/nda) or a separate non-disclosure agreement (NDA) that we can provide.
17. After signing the NDA, only minimal information must be given to the potential buyer until they have executed a deposit agreement (if we require a separate one) and paid a deposit. At all times during the sale process, you must continue to comply with your NMA (and any instructions from us) in relation to confidential information.
18. You must never at any stage in the process disclose any of the following:
 - Any part of our materials or online tools, including your Admin Panel, Sales and Training Academy, Member Resources
 - Any financial forecast or business plan tools
 - Anything that falls within the definition of Confidential Information in your NMA
 - Any log-in details to any of your online tools
 - your own NMA or any other legal documentation between us and you
 - anything supplied to you that has been marked as confidential or that is by its nature very likely to be confidential to the business.
19. You must decide how much of your own business details to disclose, such as your accounts and financial forecasts, staff details and client contracts, but none of these may be disclosed prior to the buyer paying the deposit to us.
20. You must refer the buyer to us for information about the business as a whole or the licence (remember that the buyer will sign the latest version of the NMA, which may differ from yours).
21. Remember your legal obligations not to bring us or the network into disrepute and therefore not to make negative comments to any potential buyers (this would obviously not be in your own interests anyway).
22. Anything that you disclose to the buyer must be confirmed in writing and copied to us at the same time, or, in the case of potentially confidential information, approved by us in advance.
23. **IF IN DOUBT, CHECK WITH EAZI-BUSINESS HEAD OFFICE BEFORE DISCLOSING INFORMATION!**