Standard Terms and Conditions

Sell-side corporate-finance advisory | Version 1.0 | [DATE]

PRIVATE & CONFIDENTIAL

These Standard Terms apply where incorporated into an engagement letter issued by A3 Advisory. Defined terms in the Engagement Letter and Fee Schedule have the same meanings here.

1. Parties and agreement

1.1 A3 means Abrams Brothers Ltd, trading as A3 Advisory, company number 13778604, of [REGISTERED OFFICE / BUSINESS ADDRESS]. The Client means each company, shareholder, owner or other person identified as a client or selling party in the Engagement Letter. Where more than one person is the Client, references to the Client include each of them.

1.2 The Agreement comprises the Engagement Letter, these Standard Terms, the Transaction and Fee Schedule, the Buyer Schedule and any signed written variation. The Engagement Letter states the order of precedence.

1.3 Each signatory warrants that it has authority to enter into the Agreement and, if signing for another person, to bind that person. The Client company and all Selling Shareholders are jointly and severally liable for payment and performance, unless the Engagement Letter expressly states otherwise.

2. Appointment and standard of service

2.1 The Client appoints A3 as its sole and exclusive sell-side corporate-finance adviser for the Mandate. A3 accepts that appointment subject to completion of conflict, identity, sanctions, source-of-funds and regulatory-perimeter checks.

2.2 A3 will perform the Services with reasonable skill and care. A3 may select the sequence, method, personnel, research sources and technology used, while respecting agreed disclosure controls and the Client’s legitimate instructions.

2.3 A3 may use employees, consultants and specialist providers. A3 remains responsible for its own Services, but not for the work of an independently engaged legal, tax, accounting, diligence, environmental, pensions, insurance or other adviser.

2.4 The Services are not an assurance engagement, audit, verification exercise, valuation for statutory purposes, fairness opinion or guarantee of outcome. Any valuation or price range is an informed commercial opinion based on available information and market conditions at the relevant time.

3. Scope of Services

3.1 Module 01 may include valuation and sale-readiness review; transaction planning; preparation of a blind teaser and information memorandum; disclosure sequencing; offer comparison; commercial structure and negotiation support; coordination of heads of terms; data-room organisation; diligence management; and deal management through completion.

3.2 Module 02 may include buyer-universe research; prioritisation and conflict screening; direct approaches approved under the contact protocol; qualification of interest and financial capacity; NDA coordination; controlled release of information; management of meetings, bids and competitive tension; and negotiation support.

3.3 A3 is not obliged to approach any person, publish any listing, disclose the Client’s identity or release confidential information without the approval required by the agreed process. A3 may decline to approach a person where it reasonably identifies a conflict, legal risk, sanctions issue, reputational concern or lack of credibility.

3.4 Changes to scope, target, structure, timetable or deliverables must be agreed in writing. Email agreement by an authorised representative is sufficient unless it changes the fee percentages, exclusivity or liability cap, which requires signature by both parties.

4. Exclusivity, enquiries and non-circumvention

4.1 During the Exclusive Period, the Client must not appoint or instruct another broker, finder, corporate-finance adviser or intermediary in relation to a Transaction. The Client may retain professional advisers who do not source or broker the Transaction.

4.2 The Client must promptly notify A3 of, and refer to A3, every direct or indirect approach, enquiry, indication of interest or proposal relating to a Transaction, including approaches received before the Commencement Date that remain active.

4.3 The Client must not bypass A3, conceal discussions, redirect value, use an affiliate or acquisition vehicle, postpone completion, split a transaction or otherwise structure dealings with the purpose or effect of avoiding a fee properly due under the Agreement.

4.4 A Transaction completed during the Exclusive Period attracts the applicable fee whether the buyer was sourced by A3, the Client or another person, subject to the agreed lower Module 01 basis for a Client Buyer listed on the Buyer Schedule.

5. Buyer Schedule and protected buyers

5.1 The Client must provide a complete Buyer Schedule before work begins, identifying every person or group with whom it or its advisers have had substantive sale discussions during the preceding 24 months, and the status of each discussion.

5.2 A person is a Client Buyer only if expressly identified and accepted as such in the Buyer Schedule. The classification includes a named buyer’s controlled affiliates and a special-purpose acquisition vehicle formed principally for that buyer, but not an unrelated consortium member first identified by A3.

5.3 An A3 Protected Buyer means any person or group that, during the Engagement: (a) A3 identifies in a written buyer universe accepted by the Client; (b) A3 contacts or introduces; (c) receives information about the Business from or through A3; (d) signs an NDA or participates in discussions, a meeting or a bid process; or (e) is introduced by or acts with any such person. A3 will provide a written protected-buyer list within 20 Business Days after termination on request. An inadvertent omission does not remove protection where contemporaneous records demonstrate the buyer’s involvement.

5.4 If a Transaction completes during the Tail Period with an A3 Protected Buyer, the Success Fee and Ratchet are payable as if completion occurred during the Engagement. No fee is payable after the Tail Period unless binding transaction documents were signed before it expired, in which case protection continues until that transaction is completed, abandoned in writing or lapses.

6. Client responsibilities

6.1 The Client must cooperate promptly, nominate an authorised decision-maker and provide the personnel, information, records and access reasonably needed to perform the Services.

6.2 The Client warrants on an ongoing basis that Client Materials are complete, accurate and not misleading in any material respect; estimates and forecasts are prepared honestly on reasonable assumptions; it has the right to disclose the materials; disclosure and use will not infringe rights or duties owed to others; and it will promptly correct any change, error or omission.

6.3 A3 may rely on Client Materials without independent verification. A3 may identify apparent inconsistencies and conduct a readiness review, but does not assume the Client’s responsibility for disclosure or verification.

6.4 The Client must review and approve every Teaser, Information Memorandum, management presentation, financial schedule and other substantive marketing document before external circulation. Approval confirms the warranties in clause 6.2 as at the approval date and each later circulation date.

6.5 The Client is responsible for deciding whether a buyer, offer, structure, price and Transaction are suitable and for obtaining legal, tax, accounting and other specialist advice. The Client must not describe A3 as recommending an investment to any buyer or investor.

7. Confidentiality and marketing control

7.1 Each party must keep the other's Confidential Information confidential and use it only for the Agreement and proposed Transaction. This does not apply to information that is public other than through breach, already lawfully known, independently developed or lawfully obtained without restriction.

7.2 A3 may disclose Confidential Information to approved prospective buyers and their advisers under an NDA or other confidentiality safeguards A3 reasonably considers appropriate; to its personnel and providers on a need-to-know basis; and where required by law, court, regulator or professional obligation.

7.3 The Client acknowledges that no NDA eliminates leakage risk. A3 is not liable for an unaffiliated recipient's breach unless caused by A3's failure to exercise reasonable skill and care in applying the agreed disclosure process.

7.4 The Client must not circulate or repurpose A3 Materials outside the Mandate without written consent. A3 retains intellectual-property rights in its methodologies, templates, databases, research processes and generic know-how. The Client retains rights in Client Materials and grants A3 a non-exclusive licence to use them for the Services.

8. Fees, invoices and payment

8.1 The Client must pay the Retainer, Success Fee, Ratchet, VAT and Approved Costs calculated under the Fee Schedule. Retainers are payable monthly in advance, are non-refundable once the relevant month begins, and fund availability and ongoing work rather than a fixed quantity of hours.

8.2 A Success Fee is earned on Completion and, for Deferred Consideration where the Fee Schedule so provides, when the relevant amount is actually received. Any retainer credit is applied once only, against the Success Fee, not against the Ratchet, VAT, costs or legal fees, and cannot create a refund.

8.3 The Client must provide A3 promptly with signed heads, definitive agreements, completion statements and later statements or evidence needed to calculate fees. A3 may invoice on the best information reasonably available, subject to correction when definitive information is supplied.

8.4 The Client irrevocably authorises A3 to give its invoices and calculation to the completion solicitors and must instruct those solicitors to pay fees due at Completion from monies under their control. This is a payment mechanism only and does not release the Client if payment is not made.

8.5 Invoices are due on the date stated in the Fee Schedule or, if none, within 7 days. Amounts are payable in cleared funds without set-off, counterclaim, deduction or withholding except as required by law.

8.6 Overdue sums carry interest and compensation under the Late Payment of Commercial Debts (Interest) Act 1998 where applicable; otherwise interest accrues at 4% per annum above the Bank of England base rate, calculated daily. The Client must reimburse reasonable external recovery costs.

9. Consideration and Transaction mechanics

9.1 Consideration and Completion are defined in the Fee Schedule. Substance prevails over form. A series of connected steps, acquisitions, options or arrangements will be treated as one Transaction where they form part of the same commercial outcome.

9.2 Consideration received by a Selling Shareholder, the Client, a connected person, trustee, employee, affiliate or nominee counts where it is attributable to the Transaction. Genuine arm's-length remuneration for post-completion services counts only to the extent it exceeds a reasonable market amount or is in substance purchase price.

9.3 Ordinary-course dividends declared consistently with past practice before Completion are excluded. A pre-completion extraction, reorganisation or transfer designed materially to reduce the stated purchase price may be added back to the extent it transfers transaction value to a Client beneficiary.

10. Regulatory perimeter and financial promotions

10.1 A3 is not authorised by the Financial Conduct Authority. The Services are limited to activities that are outside regulation or fall within an applicable exclusion. The parties intend any share-sale Mandate to satisfy Article 70 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 or another confirmed exclusion, and any communication to satisfy section 21 FSMA or an applicable exemption, including Article 62 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 where relevant.

10.2 A3 does not: advise any person as an investor or potential investor; recommend subscription for, retention of or disposal of investments outside a confirmed exclusion; arrange fundraising or a passive minority investment; arrange regulated lending; safeguard assets or client money; approve a financial promotion; or hold itself out as authorised.

10.3 The Client must notify A3 before any change to the percentage or class of shares, asset/share structure, identity or composition of buyer or sellers, acquisition vehicle, financing, rollover equity, reinvestment, retained interest, option, earn-out or commercial objective.

10.4 A3 may immediately pause or restrict work, withhold a communication, require an opinion from specialist regulatory counsel at the Client's cost, refer regulated work to an appropriately authorised person, or terminate if it reasonably considers that continuing could breach applicable law. A3 is not liable for resulting delay or loss of opportunity unless arising from its negligence or wilful default.

11. Legal and other professional services

11.1 A3 is a corporate-finance adviser and does not provide legal services under this Agreement. Any law firm, including a firm sharing principals, premises or branding with A3, acts under a separate engagement and regulatory framework. The Client remains free to select its legal adviser.

11.2 Coordination, shared project management and the attendance of lawyers in an A3 process do not make A3 responsible for legal advice or make the law firm responsible for A3's Services. Confidentiality and privilege should be addressed in the relevant legal engagement and disclosure protocol.

11.3 A3 does not provide tax, accounting, audit, investment, pensions, environmental or insurance advice. The Client is responsible for obtaining such advice before relying on a structure or completing a Transaction.

12. Conflicts, independence and other clients

12.1 A3 may advise other businesses, including businesses in the same sector, provided it protects the Client's Confidential Information and does not accept a directly conflicting sell-side mandate where doing so would materially prejudice the Client without informed consent.

12.2 A3 may receive information from prospective buyers subject to duties owed to them and is not obliged to disclose their confidential information. A3 will not act as adviser to both buyer and seller on the same Transaction without the Client's informed written consent and appropriate safeguards.

12.3 A3 will disclose any material referral fee or other economic interest connected with a proposed provider or counterparty. Unless agreed otherwise, A3 will account to the Client for transaction-specific third-party commissions received in connection with the Mandate.

13. Data protection, systems and records

13.1 Each party will comply with applicable data-protection law. A3's privacy notice is available at a3advisory.co.uk/privacy.html. The Client warrants that it has a lawful basis to provide personal data and to permit its use and controlled disclosure for the Transaction.

13.2 The Client must minimise personal data supplied before it is required and must identify special-category, criminal-offence or highly sensitive data. The parties will agree additional safeguards where necessary.

13.3 A3 may use reputable cloud, data-room, research, automation and artificial-intelligence tools subject to reasonable security and confidentiality controls. A3 will not knowingly place unapproved identifying Client information into a public generative-AI service.

13.4 A3 may retain engagement records for at least six years after termination, or longer where reasonably required for legal, insurance or regulatory purposes, and may destroy them thereafter without further notice.

14. Anti-bribery, sanctions and compliance

14.1 Each party must comply with applicable anti-bribery, sanctions, fraud-prevention and anti-money-laundering laws. The Client must provide identity, ownership, source-of-funds and source-of-wealth information reasonably requested by A3 or transaction advisers.

14.2 A3 may suspend or terminate immediately if checks are incomplete or unsatisfactory, if it reasonably suspects illegality or dishonesty, or if performance may expose A3 or its personnel to sanctions or criminal, civil or professional liability. A3 need not disclose a reason where prohibited by law.

15. Publicity

Before Completion, neither party may make a public announcement naming the other or the Transaction without consent, except where legally required. After public announcement of Completion, A3 may state that it acted for the Client and use the Client's name and logo in a factual tombstone, unless the Engagement Letter opts out or the Client objects in writing before Completion. No price or confidential term may be disclosed without consent.

16. Liability

16.1 Nothing excludes or limits liability for death or personal injury caused by negligence; fraud or fraudulent misrepresentation; deliberate default; breach of title; or any liability that cannot lawfully be excluded or limited.

16.2 Subject to clause 16.1, A3 is not liable for loss of profit, revenue, business, opportunity, anticipated saving, goodwill or reputation, or for indirect or consequential loss, except that this does not exclude the direct cost of correcting A3's defective deliverable where otherwise recoverable.

16.3 Subject to clause 16.1, A3's aggregate liability arising from the Agreement, whether in contract, tort, misrepresentation, restitution, breach of statutory duty or otherwise, is limited to the greater of: (a) £[LIABILITY FLOOR]; and (b) the Retainers and Success Fees actually paid to A3 under the Agreement in the 12 months preceding the event giving rise to the claim, capped in all cases at £[OVERALL CAP].

16.4 A3 is not liable for: inaccuracies or omissions in Client Materials; a buyer's acts, solvency or failure to perform; decisions reserved to the Client; changes in markets, finance availability or law; or acts of independent advisers, except to the extent A3 failed to exercise reasonable skill and care in selecting a provider it directly appointed.

16.5 No claim may be brought more than two years after the Client became aware, or ought reasonably to have become aware, of the facts giving rise to it, and in any event more than six years after the relevant act or omission, except where law prevents that restriction.

17. Indemnity

The Client will indemnify A3 against third-party claims, losses and reasonable costs arising from materially inaccurate, incomplete, unlawful or unauthorised Client Materials or from the Client's breach of clause 6, except to the extent caused by A3's negligence, wilful default or breach of the Agreement. A3 must notify the Client promptly and allow reasonable participation in the defence; no settlement admitting Client liability may be made without consent, not to be unreasonably withheld.

18. Term and termination

18.1 The Agreement begins on the Commencement Date and continues for the Exclusive Period. It then continues until Completion or termination by either party on 30 days' written notice.

18.2 Either party may terminate immediately if the other commits a material breach incapable of remedy, or fails to remedy a remediable material breach within 14 days after written notice; becomes insolvent or ceases substantial business; or acts unlawfully in connection with the Mandate.

18.3 A3 may also terminate or suspend immediately under clauses 10 or 14, for non-payment more than 14 days overdue, or where trust and confidence necessary for the Mandate has materially broken down through the Client's conduct.

18.4 Termination does not itself trigger a Success Fee and does not affect accrued Retainers, Approved Costs, fees already earned, the Tail Period or clauses intended to survive, including confidentiality, fees, intellectual property, liability, indemnity, records and governing law.

19. Notices

Notices must be in writing and sent by email to the addresses in the Engagement Letter (for A3: hello@a3advisory.co.uk) with a copy by prepaid first-class post or tracked delivery for termination, breach or legal proceedings. Email is received when no delivery failure is returned and, if sent after 5.00 pm on a Business Day, on the next Business Day. This clause does not govern service of court proceedings.

20. General

20.1 Neither party may assign the Agreement without the other's written consent, not to be unreasonably withheld, except A3 may assign receivables or transfer the Agreement to a group company that has the capability and legal right to perform, on written notice. A3 may subcontract while remaining responsible for its Services.

20.2 Neither party is liable for delay caused by events beyond reasonable control, except that this does not excuse payment already due. The affected party must notify the other and take reasonable mitigating steps.

20.3 The Agreement is the entire agreement concerning its subject matter. Neither party relies on a statement not set out in it, without excluding fraud. A variation must be in writing and authorised as required by clause 3.4.

20.4 A failure or delay to exercise a right is not a waiver. If a provision is invalid, it will be modified to the minimum extent necessary and the remainder continues. Rights are cumulative.

20.5 No person other than a party has rights under the Contracts (Rights of Third Parties) Act 1999. The Agreement may be signed in counterparts and electronically.

21. Governing law and jurisdiction

The Agreement and any non-contractual obligation arising from it are governed by the law of England and Wales. The courts of England and Wales have exclusive jurisdiction.

Schedule 1 – Core definitions

TERM	MEANING
A3 Materials	Any teaser, information memorandum, buyer universe, model, analysis, presentation, process document, template, database output or other material created by A3, excluding embedded Client Materials.
Approved Costs	Third-party expenses approved in writing before commitment, plus VAT where applicable.
Business Day	A day other than Saturday, Sunday or public holiday in England when banks in London are open.
Client Buyer	A buyer expressly classified as such in the agreed Buyer Schedule.
Client Materials	Information, documents, data and materials supplied by or for the Client.

TERM	MEANING
Commencement Date	The date specified in the Engagement Letter or, if none, the date the last party signs.
Confidential Information	Non-public commercial, financial, technical, personal or transaction information disclosed in connection with the Agreement.
Exclusive Period	The period stated in the Engagement Letter, normally 12 months.
Mandate	The proposed sale or control transaction described in the Engagement Letter.
Selling Shareholder	Each direct or indirect owner identified in the Engagement Letter whose interests are proposed to be sold.
Services	The selected Module 01 or Modules 01 + 02 services.
Tail Period	The period stated in the Engagement Letter, beginning on termination.

Drafting note: this first version requires completion of A3 entity details, privacy notice, liability cap and insurance alignment before client use.