

Letter of Intent

A letter that records the main terms of a proposed deal before a final agreement. Template v1.0.

Date of this letter: _____

From (the Company): _____

To (the Other party): _____

This letter sets out the main terms on which the Company and the Other party intend to negotiate the deal described below.

Important: Sections 1 to 4 describe what the parties intend and are not binding. Sections 5 to 9 are binding on both parties once both have signed. Neither party is bound to complete the deal unless and until a final agreement is signed.

1. The proposed deal (not binding)

The deal:

2. Main terms (not binding)

Proposed price: _____

Structure:

Target timing: _____

These terms are a starting point. They may change after due diligence and negotiation.

3. Due diligence (not binding)

After both parties sign, the Company intends to review the business, records, contracts and other matters it reasonably needs to judge the deal. The Other party intends to give reasonable access to its records and people for this. Information shared is protected by Section 6.

4. Final agreement (not binding)

The parties intend to negotiate in good faith a final written agreement that contains these terms and the usual promises and conditions for a deal of this kind. The deal will exist only when that final agreement is signed by both parties.

5. Exclusivity (binding)

Exclusivity period in days (zero means none): _____

The exclusivity period starts when both parties have signed this letter. During it, the Other party will not seek, encourage or negotiate any offer from anyone else for the same deal. The period ends early

if either party stops negotiating under Section 8. If the period is zero, this section does not apply.

6. Confidentiality (binding)

Each party will keep confidential this letter, the negotiations and all information it receives about the other party. It will use that information only to judge the deal and share it only with advisers and funders who need it and are bound to keep it confidential. This does not apply to information that is public or that the law requires to be disclosed. This duty lasts for two years after negotiations end, unless a final agreement replaces it.

7. Costs (binding)

Each party pays its own costs of the deal, including the fees of its advisers, whether or not the deal goes ahead.

8. Freedom to stop negotiating (binding)

Either party may stop negotiating at any time and for any reason by written notice to the other. Stopping creates no liability, except for a breach of Sections 5 to 9 that happened before it.

9. Governing law (binding)

This letter is governed by the laws of:

10. Expiry and signing

Sign by this date or the letter lapses: _____

If the Other party has not signed by that date, this letter lapses and no part of it applies. It may be signed electronically and in counterparts. A change is valid only in writing signed by both parties.

Other party

Signature

Name

Date

Title

Company

Signature

Name

Date

Title