

# CLIENT PORTFOLIO TRANSFER AGREEMENT.

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## PARTIES.

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THIS AGREEMENT is made on ..... between the following parties:

<Insert full name of Seller>, ABN <insert ABN> of <insert full address> ("Seller")

Contact name: <insert contact name>

Email address: <insert email address>

and

<Insert full name of Buyer>, ABN <insert ABN> of <insert full address> ("Buyer")

Contact name: <insert contact name>

Email address: <insert email address>

## BACKGROUND.

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- A. The Seller carries on a general insurance <broking/agency> business and has a portfolio of clients.
- B. The Seller wants to sell, and the Buyer wants to acquire, certain proprietary rights used in connection with the Seller's portfolio of clients (including any Goodwill and client records) to enable the Buyer to offer general insurance <broking/agency> services to those clients directly.

## AGREEMENT.

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### 1. Definitions

Where appearing in this agreement, the following words have the meaning set out below.

**Actual Portfolio Income** means the Commission Income and Fee Income earned by the Buyer in respect of the Insurance Portfolio in the Post-Sale Measurement Period.

**Agreed Place** has the meaning given in Item 1B of Schedule 1.

**ASIC** means the Australian Securities and Investment Commission.

**Associate** in respect of a person means anyone who is that person's associate under section 318 of the *Income Tax Assessment Act 1936* (Cth).

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from acquiring a security (including under a right of pre-emption, a right of first refusal or right of first offer), retention of title agreement, defect in title or restriction of any kind or nature, or exercise of any other attribute of ownership of the Client Data or Insurance Portfolio including an agreement to create any of the aforementioned or to allow any of them to exist.

**[OPTIONAL – delete this if “Escrow Account” Option will be deleted – see instructions in clause 5.5]**

**Escrow Account** means an account maintained with an Australian bank or other authorised deposit taking institution under the *Banking Act 1959* (Cth):

- a. Established as a trust account for the benefit of the Seller;
- b. Such account to be held in the joint names of the Buyer and the Seller; and
- c. Pursuant to which the Buyer and the Seller are signatories and must give authority before funds can be withdrawn from the account.

**Execution Date** means the date this document is signed by the parties.

**Fee Income** means the income payable by Clients as a <brokerage / administration> fee in respect of the Insurance Portfolio. Fee income does not include Commission Income.

**Final Instalment** has the meaning given in Item 4 of Schedule 1.

**Financial Services** mean general insurance broking services (and any ancillary services such as premium finance).

**Goodwill** means the goodwill of the Seller in providing the Financial Services to the Clients including the exclusive right of the Buyer to represent itself as carrying on the Business as the successor to the Seller.

**GST** means GST within the meaning of the GST Act.

**GST Act** means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**Insurance Portfolio** means the insurance policies held by the Clients in respect of which the Seller provided Financial Services in the period up to the Completion Date.

**[OPTIONAL: This definition of Material Adverse Effect should only be kept if clause 4 - Recission of the Agreement is being kept in the document]** **Material Adverse Effect** means a material adverse effect on the Portfolio Value including but not limited to something that:

- a. Adversely affects the ability of the Buyer to retain the Clients after the Completion Date;
- b. Would result in failure of the Seller passing good title in the Insurance Portfolio to the Buyer;
- c. Would otherwise affect the financial performance of the Insurance Portfolio (but excluding anything that would generally affect the insurance broking industry which is outside of the control of the Seller); or
- d. Reduces the Portfolio Value by <insert percentage e.g. five (5%)> or more.

**Portfolio Value** means the amount stated in Item 4A of Schedule 1.

**Post-Sale Measurement Period** means the timeframe stated in Item 3 of Schedule 1.

**Pre-Sale Measurement Period** means the timeframe stated in Item 2 of Schedule 1.

**Purchase Price** means the amount calculated in accordance with Items 4, 4A and 4B of Schedule 1.