

Summary of main changes made in the Contract for the Sale of Business 2015 Edition

ITEM	CHANGE	RATIONALE
Page 2 – List of documents -	Update List of documents, including references to legislation.	Updated for legislative and practice changes.
Page 3, Warning 1	Update names of Government Departments, entities and utilities.	Currency
Page 3, Warning 7	New warning in relation to Personal Property Securities Act 2009 and re-number the clauses.	Alert for parties and practitioners.
Clause 1 Definitions	Definitions of “bank”, and “settlement cheque” revised. New definitions added for “employees”, “employee entitlements”, “FW Act”, “PPS Act”, “terminating employee” and “transferring employee”.	Updated for legislative change and clarity of meaning.  New definitions added to give effect to new clauses 31-35.
Clause 10.1.3	Amend clause 10.1.3.	To incorporate reference to a security interest under the PPS Act.
Clause 15	Insert a new clause 15.2 and re-name the clause.	The new clause 15.2 sets out the purchaser’s rights to terminate due to the vendor’s default. The clause has been re-named to reflect this change.
Clause 17.1.1	Insert ‘financier’ after the word ‘director’.	The new term has been added for completeness.
Clause 20.1.2	Insert amended clause 20.1.1.	Currency and to reflect ASIC process.
Clause 24 Miscellaneous	Insert amended clause 24.6.	Rights under clause 35 to continue after completion.
Clause 31 Employees – notices	New clause to replace (together with clauses 32, 33 and 34) clause 31.	Currency, and to reflect common practice.
Clause 32 Proposed transfer of employees.	New clause to replace (together with clauses 31, 33 and 34) clause 31.	Currency, and to reflect common practice.

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<p>Clause 33</p> <p>Employee entitlements – terminating employees.</p>	<p>New clause to replace (together with clauses 31,32, and 34) clause 31.</p>	<p>Currency, and to reflect common practice.</p>
<p>Clause 34</p> <p>Employee entitlements – transferring employees.</p>	<p>New clause to replace (together with clauses 31, 32 and 33) clause 31.</p>	<p>Currency, and to reflect common practice.</p>
<p>Clause 35</p> <p>Release of perfected security interests</p>	<p>New clause added.</p>	<p>This clause has been added to deal with security interests under the PPS Act.</p>
<p>Schedule A</p>	<p>A new Schedule A is added (see definition of employees).</p>	<p>This schedule stipulates the names and entitlements of employees for the purposes of clauses 31-34.</p>