

# SPECIAL CONDITION

## Due Diligence



This Agreement is subject to and conditional upon:

1. The Vendor of the Business allowing the Purchaser to investigate the Due Diligence Matters:  
\*prior to the  day of    
\*within  days after the execution of this Agreement  
(\*strike out as applicable).
2. During the Due Diligence Period the Vendor will provide to the Purchaser all information reasonably required by the Purchaser as soon as is reasonably practicable so as to enable the Purchaser to investigate the Due Diligence Matters.
3. All information provided or made available to the Purchaser for the purpose of this Special Condition, is confidential unless the Vendor states otherwise. The Purchaser must keep confidential any confidential information of the Vendor, and must not reproduce or disclose it without the prior written approval of the Vendor, except to the extent the law requires, or the information has entered the public domain other than through a breach of this Special Condition.
4. If during the Due Diligence Period the Purchaser concludes, on reasonable grounds, that in respect of one or more of the Due Diligence Matters there is a material reason for it not to complete the purchase of the Business, the Purchaser may terminate this Agreement by written notice to the Vendor prior to the expiration of the Due Diligence Period.
5. If the Purchaser terminates this Agreement in accordance with clause 4 of this Special Condition then all monies paid by the Purchaser under this Agreement shall be repaid to the Purchaser and all rights and liabilities under this Agreement shall cease.
6. If the Purchaser does not exercise the right of termination pursuant to clause 4 of this Special Condition within the Due Diligence Period, then this Special Condition will be deemed to have been satisfied.
7. Time shall be of the essence in respect of any date or period specified in this Special Condition.
8. In this Special Condition
  - 8.1 **"Due Diligence Matters"** means (\*add or delete as appropriate for the Business):
    - 8.1.1 Franchise documents, licence agreements, tenancy agreements, supply contracts and any other relevant documentation;
    - 8.1.2 Financial matters related directly to the operation of the Business;
    - 8.1.3 Operational and maintenance of plant and equipment of the Business including computer systems and procedures;
    - 8.1.4 Accreditation programs and procedures;
    - 8.1.5 (specify)
    - 8.1.6 (specify)
    - 8.1.7 (specify)
    - 8.1.8 (specify)
  - 8.2 **"Due Diligence Period"** means the period commencing on the date of execution of this Agreement by the Purchaser and ending on the date specified or the end of the time period specified in clause 1 of this Special Condition.
  - 8.3 **"Material Reason"** means a reason so significant that it would fundamentally change the purchase price or viability of the Business including but not limited to financial performance, intellectual property rights, employment or quality of goods and services.

INITIALS