NON-DISCLOSURE AGREEMENT [AUCTION PROCESS, TWO-way disclosure]

PARTIES:

1. **[⚫]**, [⚫*legal form*] incorporated and existing under the laws of [⚫*country*], having its registered office at [⚫*registered office address*], registered with the [⚫*trade register name*] under number [⚫] (the “**Selling Party**”);

**AND**

1. **[⚫]**, [⚫*legal form*] incorporated and existing under the laws of [⚫*country*], having its registered office at [⚫*registered office address*], registered with the [⚫*trade register name*]under number [⚫] (the “**Interested Party**”).

The Selling Party and the Interested Party are hereinafter referred to individually as a “**Party**” and together as the “**Parties**”.

**RECITALS:**

1. The Selling Party owns [⚫]% of the shares issued by [⚫], [⚫*legal form*] incorporated and existing under the laws of [⚫*country*], having its registered office at [⚫*address*], and registered with the [⚫*trade register name*] under number [⚫](hereinafter, the “**Target**”).
2. The Target is the holding company of [⚫], a group active in [⚫*sector*], [⚫*location*]..
3. The Selling Party is contemplating the potential sale of its shares in the Target (hereinafter, the “**Potential Transaction**”). The Interested Party has expressed its interest in the potential acquisition of the shares in the Target.
4. In this context, the Parties will receive certain Information (as defined below) of a confidential nature for the sole and exclusive purpose of (assessing the opportunity of) the Potential Transaction. This non-disclosure agreement (the “**Agreement**”) sets out the undertakings about the non-disclosure and use of Information.

 **IT IS HEREBY AGREED AS FOLLOWS:**

 **“Affiliate”** means, with respect to a Person: a Person Controlling, or Controlled by, that Person, or which is Controlled by a Person who also Controls that Person, including funds managed by, or under common Control with, such Person, whereby “**Control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through ownership of voting interests, by contract or otherwise. “**Controlling**” and “**Controlled**” are construed accordingly.

# "Disclosing Party" means the Party that discloses, or whose Representatives disclose, Information to the other Party or any of its Representatives.

# "Group" means, in respect of a Person: that Person and its Affiliates, and in respect of the Selling Party includes the Company and its Affiliates.

 **“Information”** means any information of whatever nature in whatever form furnished by or on behalf of the Disclosing Party to the Recipients, whether deliberately or not, directly or indirectly, on or after the date of this Agreement, in relation to the Potential Transaction, the Disclosing Party, the Disclosing Party’s Representatives (as defined below), the Disclosing Party’s Group, or their respective business(es), including Transaction Information, but excluding information that (i) is or becomes publicly known, other than by breach of this Agreement by a Recipient, (ii) is or becomes lawfully available to a Recipient from a third party without restrictions or breach of this Agreement or any other confidentiality undertaking that the Recipient is aware of or (iii) is independently developed by a Recipient without reference to any Information furnished pursuant to this Agreement.

 **“Permitted Purpose”** means the investigation, evaluation, negotiation and/or implementation of the Potential Transaction.

# "Receiving Party" means the Party that receives, or whose Representatives receive, Information from the other Party or any of its Representatives.

# “Person” means any individual, company, corporation, partnership, or unincorporated association (whether or not having separate legal personality).

# “Recipient” means the Receiving Party and any of its Representatives that receives Information in the framework of the Potential Transaction, provided that the Receiving Party may solely disclose Information to its Representatives who reasonably need to know or receive such Information in connection with the Permitted Purpose and, if the Receiving Party is a fund or fund manager, the Receiving Party may only disclose Information to portfolio companies which are active in the same or similar business as the Disclosing Party’s Group with the prior written consent of the Disclosing Party (and thereafter, taking any additional clean-team restrictions into account).

# “Representative” means in relation to a Person: that Person and its Affiliates, and its and their respective directors, officers, employees, fund managers, limited partners, professional advisers, consortium partners or co-parties in a cooperation or on-sale agreement (subject to the provisions of paragraph 11), W&I brokers and providers of W&I insurance (subject to the provisions of paragraph 10) and potential providers of debt finance (subject to the provisions of paragraph 10).

# “Transaction Information” means the existence and terms of this Agreement, the fact that the Parties are considering the Potential Transaction, and the contents and status of their discussions and negotiations in connection with the Potential Transaction.

1. Permitted Purpose

# The Recipients may only use Information for the Permitted Purpose.

1. Recipients

# The Receiving Party shall procure that each of the other Recipients is made aware of and is directed to act in a manner consistent with the provisions of this Agreement. Accordingly, the Receiving Party shall be responsible and liable for any breach by it or any of the other Recipients of the provisions of this Agreement, unless and until such Recipient executes a written undertaking towards the Disclosing Party on the basis of which it individually and separately adheres to, and becomes responsible for compliance with, the obligations of this Agreement that apply to the Recipient. The Receiving Party shall notify the Disclosing Party of any disclosure of Information in breach of this Agreement as soon as it becomes aware thereof.

1. Use and treatment of information

Each Recipient shall hold all Information in strictest confidence, using at least the same degree of care as it uses to safeguard its own Information of a confidential nature.

1. Protection of personal data

Each Party undertakes to respect the applicable data protection legislation, including the EU General Data Protection Regulation (GDPR) 2016/679 (as well as any applicable national implementing and supplementing laws), and to ensure compliance with such legislation by its directors, representatives, agents, subcontractors and employees to the extent that the disclosure, consultation and/or use of Information pursuant to this Agreement entails a processing of any Information relating to an identified or identifiable individual, including employees or (contact persons with) suppliers or customers (“**Personal Data**”) by such Party to this Agreement.

1. Restricted contact

No Recipient shall make or have any contact with any Representative, supplier, customer or subcontractor of the Disclosing Party or the Disclosing Party’s Group in relation to the Potential Transaction (the “**Restricted Parties**”), other than these Restricted Parties specifically identified in writing by the Disclosing Party for this purpose. Nothing in this Agreement shall prevent a Recipient from contacting such Restricted Parties in the ordinary course of business without reference to the Potential Transaction and/or conducting any ordinary course of business commercial or market review, provided that such review is conducted (i) on a “no names” basis, (ii) without reference to the Potential Transaction, (iii) without disclosing any Information and (iv) without treating the Disclosing Party’s Group differently than any other party in the relevant industry.

1. Rights to the Information

All Information shall become, shall be and shall remain the exclusive property of the Disclosing Party and the Disclosing Party’s Group, and except as specifically provided hereunder, nothing in this Agreement shall give, or shall be construed as giving, the Recipients any right, title, ownership, interest, licence or any other right in or to any Information.

1. Process

Except as set forth in a signed definitive agreement regarding the Potential Transaction, neither the Disclosing Party nor any of its Representatives makes any representation or warranty, whether express or implied, as to the accuracy, reliability or completeness of any Information nor does any of them have any duty to update or correct any Information. Except as may be agreed otherwise in writing, (i) the provision of Information under this Agreement and any discussions held in connection with the Potential Transaction are on a non-exclusive basis, (ii) neither the Selling Party, nor the Interested Party nor any of their respective Representatives has any obligation to enter into or continue discussions or negotiations, or any other duty or care in respect of the Potential Transaction and (iii) the Selling Party and its Representatives may at any time, without giving any reason for doing so, modify the procedures, scope and structure of the Potential Transaction.

1. Required disclosure

If a Recipient is required to disclose any Information by law or regulatory or governmental authority, the relevant Recipient shall, as soon as practicable and to the extent permitted by law, (i) notify the Disclosing Party in writing about all material details of the required disclosure so that the Disclosing Party may seek a protective order or other appropriate remedy, (ii) co-operate with the Disclosing Party and take such actions as are reasonably requested by the Disclosing Party to prevent or limit (the scope and consequences of) such disclosure, and (iii) furnish only that portion of Information that is legally required to be disclosed.

1. Return or destruction of Information

As soon as possible after a written request from the Disclosing Party to the Receiving Party, each Recipient will return, or at the Recipient's sole discretion, destroy all copies of any document or materials that contain Information. The undertaking of this paragraph 9 shall not apply to (i) reports, analyses, compilations, studies, or other documents or data prepared by, on behalf of, or for a Recipient that contain Information, (ii) electronic copies made pursuant to automatic archiving, computer back-up procedures and/or disaster recovery systems (so long as no attempt is made to access any retained Information other than by IT, legal or compliance personnel in connection with their ordinary duties) and (iii) Information which a Recipient is obliged to store under law, regulation or otherwise for bona fide internal compliance, audit or insurance purposes, consistently applied, it being understood that such Information retained shall remain subject to the undertakings of this Agreement and such undertakings shall survive the lapse of the term of this Agreement. Upon written request of the Disclosing Party, the Receiving Party shall confirm in writing that all Recipients have returned or destroyed all such Information.

1. No third party engagement

The Interested Party and its Representatives shall not directly or indirectly [⚫exclusively][[1]](#footnote-1) engage, enter into or continue any agreement or understanding, written or oral, with any (potential) provider of debt financing[⚫, nor any W&I insurer or broker][[2]](#footnote-2) in connection with the Potential Transaction without the prior written consent of the Disclosing Party.

1. No consortium or on-sale

The Interested Party confirms that it is acting as principal and that neither the Interested Party nor any of its Representatives is acting as nominee, agent or broker for any other person. The Interested Party and its Affiliates shall not, directly or indirectly, enter into, or continue any consortium, on-sale or other co-operation agreement with any third party in relation to the Potential Transaction, without the prior written consent of the Selling Party. [⚫In deviation of the above, it is acknowledged that if the Interested Party is a fund or fund manager, the limited partners in the relevant fund may, alongside the Interested Party or its Affiliates, co-invest in connection with the Potential Transaction.]

1. Third party stipulation

The Receiving Party agrees that [⚫the Affiliates of the Disclosing Party / the Affiliates of the Disclosing Party, as well as any shareholder, director, the Representative, agent, subcontractor or employee of the Disclosing Party and of any of its Affiliates], (hereinafter, the “**Beneficiaries**”) are hereby constituted as third party beneficiaries as applicable in accordance with the applicable law to this Agreement, in respect of the Receiving Party's undertakings to the Disclosing Party under this Agreement, so that the Beneficiaries may enforce this Agreement to the same extent and in the same manner as the Disclosing Party can enforce it.

1. Term

Unless specifically provided for otherwise in this Agreement or otherwise agreed between the Parties in writing, the undertakings under this Agreement shall continue until the earlier of (i) a period of two (2) years after the date of this Agreement or (ii) the entry into force of any definitive agreement(s) relating to the Potential Transaction with the Interested Party, or any party designated by it. Each Recipient acknowledges and agrees that the rights of the Disclosing Party as a result of an attributable breach of a Recipient in the performance of its obligations under this Agreement that dates from before the termination of the Agreement continue to apply in full.

1. No termination

Each Party waives the right to (seek to) rescind, nullify or otherwise terminate or amend this Agreement, in whole or in part, in or out of court.

1. No assignment

No Party can assign or transfer all or part of its rights and/or obligations under this Agreement to any third Person, without the prior written consent of the other Party, provided that the Selling Party can assign or transfer this Agreement (or any rights or obligations under this Agreement) to the ultimate purchaser of (the business of) the Company or the Company’s Group or any Person designated by such purchaser.

1. Partial invalidity

If any term or provision of this Agreement is found by a court or arbitral tribunal of competent jurisdiction to be invalid or unenforceable, the remaining terms and provisions hereof shall not in any way be affected or impaired and shall remain in full force and effect.

1. Amendment

Any amendment or variation of this Agreement is not valid, unless agreed between the Parties in writing.

1. Waiver

No Party shall be deemed to have waived any of its rights under this Agreement, unless such waiver has been made explicitly and in writing.

1. Headings

The headings are included for convenience of reference only and shall not affect the interpretation of this Agreement or of any provisions thereof.

1. Entire agreement

Unless otherwise agreed in this Agreement, the Agreement, together with its (possible) schedules, contains the entire Agreement and understanding between the Parties with respect to the matter hereof and supersedes and replaces all prior agreements or understandings, whether written or oral, with respect to the same matter that are still in force between the Parties.

1. Governing law

This Agreement and any non-contractual obligations arising out of or in connection with it, shall be governed by and construed exclusively in accordance with the laws of the Netherlands.

1. Dispute resolution

Any dispute arising out of or in connection with this Agreement shall in first instance be exclusively submitted to the competent courts in Amsterdam, the Netherlands.

1. Counterparts

This Agreement may be signed through electronic signatures, or in one or more counterpart originals, each of which shall constitute an original document.

**THUS AGREED UPON AND EXECUTED:**

|  |
| --- |
| On behalf of **[⚫*Selling Party*]**, |
|  |
|   |  |
| Name:  | Name:  |
| Title:  | Title:  |

|  |
| --- |
| On behalf of **[⚫*Interested Party***], |
|  |
|   |  |
| Name:  | Name:  |
| Title:  | Title:  |

**RIDERS**

Non-solicitation (include a new paragraph 11)

The Recipients may not, for a period of [⚫] months following the date of this Agreement, without the prior written consent of the Disclosing Party, directly or indirectly, solicit or enter into an agreement regarding the employment (or consultancy, secondment, or similar position) of any Person who is engaged in the Proposed Transaction with the Disclosing Party or the Disclosing Party’s Group on the date of this Agreement, provided that the recruitment of a Person (i) through an employment agency (it being understood that the Receiving Party may not instruct or encourage that agency to approach any such Person), (ii) resulting from placing an advertisement of a position available to a member of the public in general, (iii) that contacts the Receiving Party on his/her own initiative for the purpose of seeking employment with the Receiving Party or (iv) whose employment at the Disclosing Party’s or the Disclosing Party’s Group has been terminated at the request of the Disclosing Party or the Disclosing Party’s Group, in each case without any direct or indirect solicitation by or encouragement from the Receiving Party, will not constitute a breach of this Agreement. This paragraph shall not apply to brokers, insurers, potential providers of debt finance and professional advisers.

Arbitration (replacement for paragraph 22)

Any dispute arising out of or in connection with this Agreement shall be finally settled in accordance with the Arbitration Rules of the Netherlands Arbitration Institute (*Nederlands Arbitrage Instituut*) as at present in force. The arbitral proceedings shall be conducted in the English language in Amsterdam, the Netherlands. The tribunal shall comprise of 3 arbitrators. The tribunal shall decide in accordance with the rules of law.

1. Note: part between brackets to be deleted if there should be a general restriction on engaging (exclusively or non-exclusively)

with providers of finance. [↑](#footnote-ref-1)
2. Note: part between brackets to be deleted if no W&I insurer or broker has been or will be engaged by the sell-side as part of

the auction. [↑](#footnote-ref-2)