TEMPLATE

Letter of Intent

This is a template, not legal advice

This document is a general-purpose template provided for information only. It is not legal advice, it does not create a lawyer–client relationship, and nobody has reviewed it against your situation.

Laws differ by country, state and province, and they change. A clause that is standard in one place can be unenforceable — or illegal — in another. Terms that are ordinary between two businesses can be void in a consumer or employment context.

Read every clause before you use it, fill in every blank, and delete anything that does not apply. For anything high-value, unusual, or that you could not afford to lose a dispute over, have a qualified lawyer in your jurisdiction review it before it is signed.

How to use this template

1. Read it end to end and delete any clause that does not apply to you. Blanks are shown as a grey label on a line.
2. Need the other party to sign too, with an audit trail and a tamper-evident seal? That is what the paid product does.

Letter of Intent

Date: [Date]

[Recipient full legal name] [Recipient address]

Dear [Recipient contact name] ,

This Letter of Intent (this "Letter") is delivered by [Proposing Party full legal name] of [Proposing Party address] (the "Proposing Party") to [Recipient full legal name] (the "Recipient", and together with the Proposing Party, the "Parties"). It sets out the Proposing Party's intention to pursue the transaction described below (the "Transaction") on the outline terms in Section 2, and the process the Parties propose to follow to get there.

This Letter is not an offer capable of acceptance and does not itself commit either Party to complete the Transaction. Section 3 states which parts of this Letter are binding and which are not — read it before relying on anything above it.

1. Statement of Intent

The Proposing Party intends to pursue the Transaction with the Recipient on the outline terms set out in Section 2, subject to completion of due diligence to the Proposing Party's satisfaction, and subject to the negotiation and execution of a definitive, binding agreement covering the Transaction (the "Definitive Agreement").

This Letter records that intention and the process the Parties propose to follow. It is not itself the Definitive Agreement, and delivering or signing it does not obligate either Party to reach one.

2. Proposed Transaction — Outline Terms

The Transaction the Proposing Party proposes is: [Describe the transaction, e.g. an asset purchase, a share purchase, or a partnership] .

The outline terms currently proposed are:

(a) Price/consideration: [Proposed price or consideration, and how it would be paid — cash at closing, instalments, equity, etc.]

(b) Structure: [Deal structure, e.g. asset purchase, share purchase, merger, licence]

(c) Key conditions: [Conditions the Transaction would be subject to, e.g. satisfactory due diligence, financing, required third-party or regulatory approvals, board a...]

(d) Anticipated timeline: [Target date(s) for completing diligence and for signing/closing the Definitive Agreement]

(e) [Additional outline term, if any — or delete this line]

3. Non-Binding Effect

Except for Sections 4 (Exclusivity), 5 (Confidentiality), 6 (Expenses), 8 (Governing Law) and this Section 3, nothing in this Letter — including the outline terms in Section 2 — is intended to be, and shall not be construed as, a binding offer or a binding agreement to enter into or complete the Transaction.

Neither Party is obligated to proceed with the Transaction, to negotiate on the outline terms above, or to reach or sign a Definitive Agreement. Either Party may, at any time before a Definitive Agreement is signed, decide not to proceed, propose different terms, or walk away, for any reason or no reason, without liability to the other Party for doing so — except as set out in Sections 4, 5 and 6 below.

4. Exclusivity / No-Shop (Binding)

From the date of this Letter until [Exclusivity end date] (the "Exclusivity Period"), the Recipient shall not, and shall cause its officers, directors, employees, agents and advisers not to, directly or indirectly: (a) solicit, initiate, or encourage any inquiry, offer or proposal from any third party relating to a sale, merger, recapitalization or other transaction involving the Recipient or the subject matter of the Transaction; (b) participate in any discussions or negotiations with, or provide any non-public information to, any third party regarding such a transaction; or (c) enter into any agreement or understanding with any third party regarding such a transaction.

The Recipient shall promptly notify the Proposing Party in writing if it receives any unsolicited inquiry or proposal of the kind described above during the Exclusivity Period.

5. Confidentiality (Binding)

Each Party shall keep confidential, and shall not disclose to any third party, the existence and terms of this Letter and any non-public information received from the other Party in connection with the Transaction or due diligence (the "Confidential Information"), except: (a) to its officers, directors, employees, agents and advisers who need it to evaluate or pursue the Transaction and who are bound by confidentiality obligations at least as protective as this Section; (b) as required by law, regulation, court order or a regulator; or (c) with the prior written consent of the other Party.

Confidential Information does not include information that is or becomes public through no fault of the receiving Party, was already lawfully known to it without a duty of confidentiality, or is independently developed without reference to the Confidential Information.

If the Transaction does not proceed, each Party shall, on the other Party's written request, promptly return or destroy the Confidential Information it received, to the extent practicable and subject to ordinary backup and legal-retention requirements.

6. Expenses (Binding)

Each Party shall bear its own costs and expenses (including legal, accounting and advisory fees) incurred in connection with this Letter, the due diligence process, and the negotiation of a Definitive Agreement, regardless of whether the Transaction is completed and regardless of which Party decides not to proceed.

[Exception to the expense rule above, e.g. a break fee — or write "None"]

7. Due Diligence and Definitive Agreement

During the Exclusivity Period stated in Section 4, the Recipient is expected to give the Proposing Party and its representatives reasonable access, during normal business hours and on reasonable notice, to the books, records, personnel, facilities and other information reasonably requested to evaluate the Transaction.

The Parties intend to negotiate in good faith toward a Definitive Agreement containing terms consistent with the outline terms in Section 2 and such other representations, warranties, covenants and conditions as are customary for a transaction of this kind. Consistent with Section 3, nothing in this Section creates a binding obligation to give access, to negotiate on any particular term, or to sign a Definitive Agreement on terms either Party does not accept.

8. Governing Law (Binding Provisions)

Sections 4, 5, 6 and this Section 8 are governed by the laws of [Governing law, e.g. the State of Delaware] , and the Parties submit to the exclusive jurisdiction of the courts of [Jurisdiction] for any dispute arising out of those Sections. This Section does not govern the outline terms in Section 2, which are non-binding under Section 3 and would instead be governed by whatever law the Definitive Agreement specifies.

9. Expiration

This Letter, including the Exclusivity Period in Section 4, expires automatically on [Expiration date] unless the Parties agree in writing to extend it. It also terminates earlier, automatically, on whichever of the following happens first: (a) either Party gives the other written notice that it does not wish to proceed; or (b) the Parties sign a Definitive Agreement, at which point the Definitive Agreement governs and this Letter has no further effect.

Sections 5 (Confidentiality) and 6 (Expenses) survive expiration or termination of this Letter for [Survival period, e.g. two (2) years] .

10. General

This Letter is the entire understanding between the Parties regarding the matters covered by Sections 4, 5, 6 and 8, and replaces any earlier discussion or understanding on those matters. It may only be amended in writing signed by both Parties.

Neither Party may assign this Letter without the other's written consent. If any provision is held unenforceable, the rest continues in force.

This Letter may be signed in counterparts and by electronic signature, each of which is an original and all of which together form one Letter.

By signing below, the Parties agree to be bound by Sections 4 (Exclusivity), 5 (Confidentiality), 6 (Expenses) and 8 (Governing Law) of this Letter. The outline terms in Section 2 remain non-binding proposals, as stated in Section 3, unless and until a Definitive Agreement is negotiated and signed.

Proposing Party

Signature: ______________________________

Printed name: ______________________________

Company: ______________________________

Title: ______________________________

Date: ______________________________

Recipient

Signature: ______________________________

Printed name: ______________________________

Company: ______________________________

Title: ______________________________

Date: ______________________________