

**Date:** 20[ ] (Effective Date)

## **BETWEEN:**

- (1) [PARTY 1] OF [ADDRESS] (**Party A**); and
- (2) [PARTY 2] OF [ADDRESS] (**Party B**),

each a "**Party**" and together the "**Parties**"

## **BACKGROUND**

- (A) These Heads of Terms set out the principal terms and condition on and subject to which the Parties are willing to enter into the transaction outlined below (**Transaction**) subject to the agreement and signing by the Parties of a detailed and legally binding agreement (**Formal Agreement**).
- (B) [INSERT DETAILS OF TRANSACTION].
- (C) These Heads of Terms are not exhaustive nor are they intended to be legally binding between the Parties unless explicitly stated.

## **1 COMMERCIAL TERMS**

- 1.1 [INSERT THE KEY COMMERCIAL TERMS WHICH HAVE BEEN AGREED].
- 1.2

## **2 TIME LIMITS**

- 2.1 The Parties agree to negotiate in good faith with a view to executing the Formal Agreement on or before [DATE].
- 2.2 Either Party may at any time by notice to the other terminate negotiations for the Transaction and entry into the Formal Agreement, without having to give any reasons for doing so or