

MAINE SUCCESSION PARTNERS

mainesuccession.com · Portland, Maine

Sell-Side Engagement Letter

Exclusive engagement of Maine Succession Partners, LLC as sell-side M&A advisor

Date:

COMPANY / SELLER

Seller principal name: Title:

Company legal name:

Entity type / State: Trade name (d/b/a):

Street address:

City / State / ZIP: Email:

Phone: Project code name:

Re: Exclusive Engagement of Maine Succession Partners, LLC (“Advisor”) as Sell-Side M&A Advisor

Dear :

This letter confirms the terms on which the company named above (the “Company”) engages Advisor as its exclusive advisor in connection with a possible sale of the Company, whether structured as a sale of assets, equity, or a controlling interest, or any merger, recapitalization, or similar transaction (a “Transaction”).

- Services.** Advisor will: (a) analyze and prepare the Company’s financial information for presentation to prospective acquirers and their lenders; (b) prepare marketing materials, including a confidential business review; (c) identify, contact, and qualify prospective acquirers; (d) coordinate buyer diligence and data-room access; (e) assist in structuring, evaluating, and negotiating offers; and (f) coordinate the closing process with the parties’ respective counsel, accountants, and lenders. Advisor does not provide legal, tax, or accounting advice.
- Exclusivity; Term.** This engagement is exclusive for months from the date above (the “Term”), continuing month-to-month thereafter until either party gives thirty (30) days’ written notice. During the Term, the Company will refer all inquiries regarding a Transaction to Advisor.
- Success Fee.** Upon closing of a Transaction during the Term or the Tail Period, the Company shall pay Advisor at closing, from closing proceeds, a fee calculated on Total Consideration as follows:
 - 10% of the first \$1,000,000 of Total Consideration;
 - 8% of the second \$1,000,000 of Total Consideration;
 - 6% of the third \$1,000,000 of Total Consideration;
 - 4% of the fourth \$1,000,000 of Total Consideration; and
 - 2% of all Total Consideration above \$4,000,000.

The Success Fee is in all events subject to a **minimum fee of \$60,000**, payable at closing from closing proceeds.

- Total Consideration.** “Total Consideration” means the aggregate value of all consideration paid or payable, directly or indirectly, in connection with a Transaction, including: cash; promissory notes at face value; equity of the acquirer at fair value; assumption or repayment of interest-bearing debt; earnout or contingent payments at target value (trued up when paid, if greater); the fair market value of real estate transferred in or alongside the Transaction; amounts paid under consulting, employment, or non-competition arrangements in excess of reasonable market

compensation; and amounts held in escrow (payable on release with respect to Advisor's fee percentage).

5. **Work Fee.** The Company shall pay Advisor a non-refundable work fee of \$5,000 in the aggregate, payable \$1,000 upon signing of this letter and \$1,000 per week for each of the four (4) weeks thereafter, each weekly installment due on the same weekday as the signing date. The full \$5,000 work fee is credited, dollar for dollar, against the Success Fee at closing. All amounts payable to Advisor other than the work fee constitute the Success Fee and are earned and payable only at closing of a Transaction.
6. **Expenses.** The Company will reimburse Advisor for third-party expenses approved by the Company in writing in advance (e.g., equipment appraisal, quality-of-earnings support, data-room subscription). Advisor's ordinary internal costs are Advisor's own.
7. **Tail.** If, within twenty-four (24) months after expiration or termination of the Term (the "Tail Period"), the Company closes a Transaction with any party that Advisor identified, contacted, or with which Advisor or the Company held discussions during the Term, the Success Fee is due in full. Advisor will deliver a written list of such parties within fifteen (15) days after expiration or termination.
8. **Excluded Parties.** The parties listed on Schedule 1 — a maximum of three named parties with whom the Company had documented, pre-existing sale discussions before the date of this letter — are excluded from the Success Fee for ninety (90) days from the date of this letter, after which they are treated as covered parties for all purposes.
9. **Company Cooperation; Information.** The Company will furnish Advisor with information reasonably requested and warrants that information furnished will be complete and correct in all material respects and not misleading. Advisor may rely on that information without independent verification.
10. **Indemnification.** The Company will indemnify and hold harmless Advisor and its members, employees, and agents from losses arising out of or relating to this engagement, except to the extent finally judicially determined to have resulted from Advisor's gross negligence or willful misconduct.
11. **No Guarantee; Status.** Advisor does not guarantee that a Transaction will close or that any particular price will be achieved. Advisor acts as an independent contractor and, with respect to any transaction structured as a securities transaction, intends to act within the federal M&A Broker exemption and applicable Maine law; the parties will structure the process accordingly.
12. **Confidentiality.** The mutual confidentiality agreement between the parties dated _____ remains in effect and governs information exchanged under this engagement.
13. **Governing Law; Disputes.** This letter is governed by the laws of the State of Maine, without regard to its conflict-of-laws rules. The parties consent to exclusive jurisdiction and venue in the state and federal courts sitting in Cumberland County, Maine, and each waives any right to trial by jury.
14. **Entire Agreement.** This letter and its schedules constitute the entire agreement of the parties regarding its subject matter, supersede all prior understandings, and may be amended only in a writing signed by both parties. This letter may be signed in counterparts and by electronic signature, each of which is an original.

If the foregoing is acceptable, please sign and date below and return one executed copy to Advisor.

ADVISOR

MAINE SUCCESSION PARTNERS, LLC

By (signature): _____

Print name: _____

Title: _____

Date: _____

COMPANY

Company named above

By (signature): _____

Print name: _____

Title: _____

Date: _____

Schedule 1 — Excluded Parties

Maximum three (3) parties. Excluded from the Success Fee for ninety (90) days from the date of this letter, after which each is treated as a covered party.

Complete one block per excluded party. Leave unused blocks blank. If no party is listed, no party is excluded.

EXCLUDED PARTY 1

Company or individual name:

Street address:

City / State / ZIP:

Phone number:

Contact person / email:

Date of last documented discussion:

EXCLUDED PARTY 2

Company or individual name:

Street address:

City / State / ZIP:

Phone number:

Contact person / email:

Date of last documented discussion:

EXCLUDED PARTY 3

Company or individual name:

Street address:

City / State / ZIP:

Phone number:

Contact person / email:

Date of last documented discussion:

Schedule 1 forms part of the engagement letter dated above and is subject to all of its terms.

ADVISOR

MAINE SUCCESSION PARTNERS, LLC

By (signature):

Print name:

Date:

COMPANY

Company named above

By (signature):

Print name:

Date: