

Shareholders' Agreement

THIS SHAREHOLDERS AGREEMENT made this [Insert date]

BETWEEN:

[Insert name] of [Insert address]

and

[Insert name] of [Insert address]

and

[Insert name] of [Insert address]
(the "Company")

BACKGROUND:

A. The Company is incorporated in the United States under the Corporations Act (the "Act").

B. The Shareholders have decided to enter into this agreement (the "Agreement") to govern their respective interests, obligations, liabilities, ownership and rights in the Company.

C. All of the Shareholders have executed this Agreement.

D. The Company has executed this Agreement for the purpose of acknowledging notice of this Agreement and, where necessary, for the purpose of agreeing to give effect to the terms of this Agreement.

IN CONSIDERATION OF the premises and mutual covenants and agreements in this Agreement, the sufficiency of which is hereby acknowledged, the parties agree as follows:

Interpretation

1. In this Agreement

- a. "Board" means the board of directors of the Company;
- b. "Business Day" means a day other than a Saturday or Sunday or public holiday;
- c. "Fair Market Value" means the fair market value as determined by this Agreement;
- d. "Party" or "Parties" means all of the Shareholders and the Company;
- e. "Share" or "Shares" refers to a share or shares in the capital of the Company;

- f. "Shareholder" means any one of the Shareholders who is or later becomes a Shareholder in the Company;
- g. "Shareholders" mean any two or more of the Shareholders who are or later become Shareholders in the Company.
- h. For the purposes of interpreting this Agreement and the Shareholders rights and obligations under this Agreement, the constitution of the Company will be read, wherever possible, in such a way as to give effect to the provisions of this Agreement.

Shareholder Agreement

2. This Agreement restricts the Board's power to manage and supervise the Company to the extent necessary to effect the Shareholders objectives as such objectives are set out in this Agreement and transfers such powers to the Shareholders. The Shareholders acknowledge that to the extent the Board's powers are restricted and transferred to the Shareholders, the obligations and liabilities of the Board, and the individual directors thereon, are also transferred to the Shareholders.

Warranties

- 3. The Company warrants that it has the necessary corporate power and authority to enter into this Agreement and to perform its obligations under this Agreement.
- 4. Each Shareholder warrants that he or she is not prevented by reason of law or any other contractual agreement from entering into this Agreement.

Management of the Company

5. The Board will consist of a number of directors equal to the number of Shareholders, and each Shareholder will be entitled to appoint one person to the Board and will have the sole right to remove and replace such appointee.

Capital Requirements of the Company

6. If all of the Shareholders determine by written resolution that the Company requires additional funds to meet the Company's obligations to its creditors or to achieve the purpose for which the Company was incorporated the Shareholders will, at the request of the Board and on a pro rata basis, provide the Company with an interest-free shareholder loan (the "Loan") in an amount that is sufficient to enable the Company to meet such obligations or objectives, as the case may be. The Shareholders may exempt any Shareholder from contributing to the Loan, but if less than all of the Shareholders contribute to the Loan, the Shareholders who contribute to the Loan will be entitled to interest at a reasonable commercial rate.

Pre-Emptive Rights

7. Subject to the limitations on pre-emptive rights in the Act any Shares issued by the Company will be offered and issued in accordance with the following provisions:

- a. The Shares will be offered first to the Shareholders of the class of Share being issued (the "First Offer") on a pro rata basis.
- b. Any Shares remaining after the First Offer will be offered on an equal basis to the other Shareholders of that class (the "Second Offer") for not less than the subscription price specified in the First Offer and on terms not more favourable than those in the First Offer.
- c. Any Shares remaining after the Second Offer will be offered on an equal basis to all Shareholders in the Company (the "Third Offer") for not less than the subscription price specified in the Second Offer and on terms not more favourable than those in the First Offer.
- d. Any Shares remaining after the Third Offer may be offered to any person or persons (the "Final Offer") for not less than the subscription price specified in the Third Offer and on terms not more favourable than those in the First Offer.

8. The First Offer, the Second Offer, the Third Offer and the Final Offer (collectively and individually the "Offer") will be in writing and will specify:

- a. the subscription price at which the Shares are offered;
- b. the date by which the Offer must be accepted, which will be not less than 10 Business Days from the date on which the Offer is made;
- c. the terms of the Offer; and
- d. the closing date for the transaction, which will be between 30 and 90 Business Days from the date on which the Offer is accepted.

9. If the Offer is not accepted within the time period specified for accepting the Offer, the Offer will be deemed to be declined.

10. Shares will not be issued unless:

- a. the subscriber is a party to this Agreement; or
- b. the subscriber agrees to be bound by and to become a party to this Agreement and gives a written and legally binding undertaking to be bound by and become a party to this Agreement.

11. Notwithstanding the above provisions with respect to the pre-emptive right of existing Shareholders to acquire Shares, Shareholders will have no pre-emptive right in respect of Shares to be issued for consideration other than money, as a Share dividend, or pursuant to the exercise of conversion privileges, options or rights previously granted by the Company.

Restrictions on Transfer or other Disposal of Interest

12. Shareholders will not and will not agree to directly or indirectly sell, assign, transfer, give, pledge, hypothecate or otherwise dispose of or in any other way encumber any Share or any interest in any Share and will not create any security interest in or grant any option with respect to any Share or any interest in any Share, except in accordance with the express provisions of this Agreement or except with the prior written approval of all of the Shareholders.

Dispute Resolution

13. In the event a dispute arises between two or more Shareholders, the Shareholders will attempt to resolve the dispute through friendly consultation. If the dispute is not resolved within a reasonable period, then any or all outstanding issues may be submitted to mediation in accordance with any statutory rules of mediation. If mediation is not successful in resolving the entire dispute or is unavailable, any outstanding issues will be submitted to final and binding arbitration in accordance with the laws of [Insert country]. The arbitrator's award will be final, and judgment may be entered upon it by any court having jurisdiction within [Insert country].

14. The dispute resolution process may be commenced by any of the Shareholders by the delivery of written notice (the "Notice of Dispute") to all other Shareholders. The Notice of Dispute will specify the dispute to be mediated or arbitrated, the issues of fact and law to be determined and the proposed mediator or arbitrator.

15. Any Shareholder may object to a proposed mediator and propose an alternate by delivering a written notice of objection to all other Shareholders within 15 Business Days of receiving the Notice of Dispute. All of the proposed mediators will jointly appoint a mediator. If the proposed mediators are unable to agree upon a mediator, any party to the dispute may apply to the Court for the appointment of a mediator.

16. Any Shareholder may object to a proposed arbitrator and propose an alternate by delivering a written notice of objection to all other Shareholders within 15 Business Days of receiving the Notice of Dispute. All of the proposed arbitrators will jointly appoint an arbitrator. If the proposed arbitrators are unable to agree upon an arbitrator, any party to the dispute may apply to the Court for the appointment of an arbitrator.

17. If no Shareholder objects by written notice to the proposed mediator or arbitrator within 15 Business Days of receiving the Notice of Dispute, the proposed mediator or arbitrator will be presumed acceptable.

18. Every mediator and arbitrator, and all proposed mediators and arbitrators will be at arm's-length from every Party to this Agreement and will not have any interest in the dispute.

19. The mediator or arbitrator will, subject to applicable legislation, determine the procedure for hearing the dispute but will give written reasons for material findings of fact and a written decision.

20. The mediator or arbitrator will determine the liability among the parties to the dispute for the cost of the dispute resolution process and for the payment of the mediator or arbitrator.

Shot Gun Provision

21. If any of the Shareholders have a dispute (a "Material Dispute") regarding:

- a. the manner in which the affairs of the Company are to be conducted;
- b. the business in which the Company should engage; or

c. any other matter where the disagreement is of such a nature that it is likely to prejudice the operations or profitability of the Company

and if the Material Dispute cannot be resolved within a reasonable period or through the provisions for mediation and arbitration within this Agreement, then any Shareholder (the "Initiating Shareholder") may initiate a forced buy or sell agreement (the "Shot Gun Provision").

22. If there are only two Shareholders to this Agreement at the time this Shot Gun Provision is utilised, the Initiating Shareholder will give a written offer (the "Initiating Offer") to the other Shareholder (the "Offeree") specifying the price per Share (the "Price") at which the Initiating Shareholder is willing to:

- a. sell all of the Shares owned by the Initiating Shareholder; or
- b. purchase all of the Shares owned by the Offeree.

23. The Offeree will, within 15 Business Days of receiving the Initiating Offer, give notice to the Initiating Shareholder indicating that the Offeree has elected to either:

- a. purchase the Initiating Shareholder's Shares at the Price; or
- b. sell the Offeree's Shares at the Price.

24. If the Offeree does not respond to the Initiating Offer before 5 o'clock in the afternoon on the 15th Business Day after the date on which the Initiating Offer was received, the Offeree will be deemed to have agreed to sell the Offeree's Shares to the Initiating Shareholder at the Price.

25. If the Offeree elects to purchase the Initiating Shareholder's Shares, the Offeree will tender a bank draft for the Price within 10 Business Days of notifying the Initiating Shareholder that the Offeree has elected to purchase the Initiating Shareholder's Shares, and the Initiating Shareholder will transfer or cause to be transferred to the Offeree all of the Initiating Shareholder's Shares on receipt of the Price.

26. If the Offeree elects or is deemed to elect to sell the Offeree's Shares to the Initiating Shareholder, the Initiating Shareholder will tender a bank draft for the Price within 10 Business Days of either the date on which the Initiating Shareholder receives notice that the Offeree has elected to sell the Offeree's Shares or the date on which the Offeree is deemed to have elected to sell the Offeree's Shares to the Initiating Shareholder, and the Offeree will transfer or cause to be transferred to the Initiating Shareholder all of the Offeree's Shares on receipt of the Price.

27. Failure to make a payment required by this Shot Gun Provision or failure to transfer the Shares as required by this Shot Gun Provision will be deemed to be a breach of contract and the non-defaulting party will, in addition to any other remedies available by statute or at law or equity, be entitled to and may elect to, by written notice within 30 Business Days of the default, purchase the defaulting party's Shares at 75% of the Price.

28. If there are more than two Shareholders to this Agreement, the Initiating Shareholder may make an Initiating Offer to one of the other Shareholders, and the procedure in this Shot Gun

Provision will apply as if there were only two Shareholders. The Initiating Shareholder may also make an offer to the other Shareholders as a group, and the other Shareholders will either come to an agreement among themselves to buy the Initiating Shareholder's Shares or will, as a group, elect to sell all of their Shares to the Initiating Shareholder, and the procedure in this Shot Gun Provision will apply.

Right of First Refusal

29. Shareholders are prohibited from selling, transferring or otherwise disposing of their Shares or any interest in their Shares unless:

- a. the Shares are first offered at not more than Fair Market Value to the Shareholders of the class of Share being sold on a pro rata basis ("Offer One"); and
- b. the Shares remaining after Offer One are offered to all other Shareholders on an equal basis ("Offer Two") for not less than the price specified in Offer One and on terms not more favourable than those in Offer One.

30. The Shares remaining after Offer Two may be offered to any person or entity (the "Third Party Offer") for a period of 180 days from the date on which Offer Two was made for not less than the price specified in Offer Two and on terms not more favourable than those in Offer One.

31. Offer One, Offer Two and the Third Party Offer (collectively and individually the "RoFR Offer") will be in writing and will specify:

- a. the price at which the Shares are offered;
- b. the date by which time the RoFR Offer must be accepted, which will be not less than 10 Business Days from the date on which the RoFR Offer is made;
- c. the terms of the RoFR Offer; and
- d. the closing date for the sale of the Shares, which will be between 30 and 90 Business Days from the date on which the RoFR Offer is accepted.

32. Any RoFR Offer not accepted within the time period specified for accepting the RoFR Offer will be deemed to be declined.

Tag-Along Provisions

33. If a transaction involving the sale of Shares to a person, firm, partnership, association, or other entity that was not previously a Shareholder of the Company (a "Third Party") will result in the Third Party acquiring 50% or more of the Shares in the Company, the selling Shareholder or Shareholders ("Selling Shareholder") will not be entitled to sell the Shares unless the Third Party offers the following options to each remaining Shareholder ("Remaining Shareholder"):

- a. The Third Party will offer to purchase any Remaining Shareholder's Shares. This offer will remain open for a period of 90 days from the date on which the Third Party first acquires Shares in the Company.
- b. If the Remaining Shareholder is selling Shares of the same class and series as the Shares purchased by the Third Party, the price will be the same.

- c. If the Remaining Shareholder is selling Shares of a class or series other than the Shares purchased by the Third Party, the price will be the Fair Market Value of the Shares. If the Fair Market Value of the Shares is unknown, the Third Party will bear the cost of determining the Fair Market Value of the Shares.
- d. The Third Party will purchase the Remaining Shareholder's Shares on terms that are substantially similar to and not less favourable to the Remaining Shareholder than those in the transaction between the Selling Shareholder and the Third Party.

Valuation

34. The Fair Market Value of the Shares will be set by the Shareholders on an annual basis and will be communicated by way of a Shareholders Resolution declaring that the Shareholders agree that the Fair Market Value of each Share of each class and series is a specified amount.

35. If the Shareholders cannot agree on the Fair Market Value of the Shares or fail to set the Fair Market Value on an annual basis for whatever reason, the Fair Market Value will be determined as follows:

- a. The Shareholder or Shareholders desiring the valuation will give written notice to all other Shareholders that a valuation is required (the "Valuation Notice").
- b. The Valuation Notice will specify the reason for the valuation and will name three (3) firms or persons that specialise in and have substantial experience in business valuation that are at arm's-length from all Parties (the "Potential Valuers").
- c. The Shareholders receiving the Valuation Notice will select one of the Potential Valuers to act as the valuator (the "Valuator").
- d. The Valuator will value the Shares in accordance with generally accepted accounting principles in the jurisdiction in which the Company is incorporated or continued.

36. The Shareholders will share the cost of valuating the Shares, and each Shareholder will pay an equal amount of the cost of valuation.

Conflict of Opportunities and Non-Competition

37. Each Shareholder agrees that any business opportunity that comes to the attention of the Shareholder while the Shareholder is a Shareholder, director, officer or employee of the Company and that is similar to or that relates to the current or anticipated business opportunities of the Company or that arises out the Shareholder's connection with the Company, belongs to the Company.

38. Each Shareholder agrees that while a Shareholder, director, officer or employee of the Company and for a period of 6 months after ceasing to be a Shareholder, director, officer or employee of the Company, the Shareholder will not, solely or jointly with others:

- a. undertake, plan, organise or be involved in any way with any business or any business activity that competes with the current or anticipated business of the Company in the geographic area in which the Company carries on its usual business; or

b. divert or attempt to divert from the Company any business the Company enjoyed, solicited, or attempted to solicit from its customers, prior to the Shareholder ceasing to be a Shareholder.

39. Each Shareholder agrees that for so long as the Shareholder is a Shareholder, director, officer or employee of the Company, the Shareholder will not engage or participate in any other business activities that conflict with the best interests of the Company.

Non-Solicitation

40. Each Shareholder agrees that while a Shareholder, director, officer or employee of the Company and for a period of 6 months after ceasing to be a Shareholder, director, officer or employee of the Company, the Shareholder will not in any way, directly or indirectly, induce any Shareholder, director, officer or employee of the Company to leave their position with the Company or to compete in any way with the Company and will not interfere with the Company's relationship with its other Shareholders, directors, officers or employees. Such enticement or interference would be harmful and damaging to the Shareholders and to the Company.

Notice of this Agreement on Share Certificates

41. Any and all share certificates issued by the Company will have subscribed on them the following notice, or a notice in substantially the following form:

The shares represented by this certificate are subject to the provisions of a ""Shareholder Agreement, made the [Insert date], which restricts the right to sell, transfer or encumber any share in the Company, including the shares represented by this certificate. Notice of the said agreement is hereby given. A copy of the said agreement may be obtained by sending a written request to the Board of Directors for the Company.

Effective Date and Term

42. This Agreement will come into effect on the date of its execution.

43. This Agreement will remain in effect until the earliest of:

- a. the date specified in a written agreement, signed by all of the Shareholders, terminating this Agreement; or
- b. the bankruptcy, winding-up or dissolution of the Company.

Address for Notice

44. Service of all notices under this Agreement will be sufficient if delivered personally or mailed certified, return receipt requested, postage prepaid, to the following addresses:

_____, _____

_____, _____

_____, _____

45. Any Shareholder may, on written notice to all other Shareholders and the Company, change the Shareholder's address for notice under this Agreement. If the Company's registered address changes, the Company may, on written notice to all Shareholders, change its address for notice under this Agreement.

Severability

46. If there is a conflict between any provision of this Agreement and its governing legislation (the "Legislation"), the Legislation will prevail and this Agreement will be amended in order to comply with the Legislation. Further, any provisions required by the Legislation are incorporated into this Agreement.

47. If there is a conflict between any provision of this Agreement and any form of Agreement prescribed by the Legislation, that prescribed form will prevail and such provisions of the Agreement will be amended or deleted as necessary in order to comply with that prescribed form. Further, any provisions that are required by that prescribed form are incorporated into this Agreement.

48. In the event that any of the provisions of this Agreement are held to be invalid or unenforceable in whole or in part, those provisions to the extent enforceable and all other provisions shall nevertheless continue to be valid and enforceable as though the invalid or unenforceable parts had not been included in this Agreement and the remaining provisions had been executed by the Parties subsequent to the expungement of the invalid provision.

General Provisions

49. This Agreement will not be amended or modified except by the written agreement of all the Shareholders. All Shareholders, without the consent of the Company, may modify, amend or rescind this Agreement.

50. This Agreement constitutes the entire agreement between the Parties and supersedes any previous agreement or representation with respect to the matters set forth in this Agreement, and there are no conditions, warranties, representations, agreements, express or implied, relating to such matters.

51. This Agreement will be construed in accordance with and governed by the laws of the United States.

52. Headings are inserted for the convenience of the Parties and for the purpose of interpreting this Agreement. Words in the singular mean and include the plural and vice versa. Words in the

masculine mean and include the feminine and vice versa. Words in the neuter mean and include the masculine and feminine and vice versa.

53. This Agreement will inure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns, as the case may be, of the Parties.

54. This Agreement may be executed in counterparts. Facsimile signatures are binding and are considered to be original signatures.

55. Time is of the essence in this Agreement.

56. The Parties will do all acts and things and execute all documents that are reasonably necessary or advantageous to enforce this Agreement according to its tenor and intent and each Party will bear that Party's own expenses in connection with the same.

57. All monetary amounts in this Agreement refer to USD (United States Dollars), and all payments required to be paid under this Agreement will be paid in USD (United States Dollars) unless the Parties agree otherwise.

58. No Party will be liable in damages or have the right to terminate this Agreement for any delay or default in performance if such delay or default is caused by conditions beyond that Party's control including, but not limited to acts of God or government restrictions, wars, insurrections, natural disasters, such as earthquakes, hurricanes or floods and/or any other cause beyond the reasonable control of the Party whose performance is affected.

IN WITNESS WHEREOF the Parties have SIGNED, PUBLISHED AND DECLARED this Agreement as a DEED on this [Insert date].

_____ Shareholder

_____ Shareholder

_____ Corporation

Per: _____ (SEAL)