

# SHAREHOLDER AGREEMENT (Long Form)

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# SHAREHOLDER AGREEMENT (Long Form)

**SHAREHOLDER AGREEMENT** entered into in the City of ....., (name of city), Province of ..... (name of province), Canada.

**BETWEEN:** **V1** ..... (name of individual), ..... (occupation), domiciled and residing at ..... (civic number and street name), in the City of ..... (name of city), Province of ..... (name of province), ..... (postal code), doing business as ..... (business name);

**OR**

**V2** ..... (corporate name), a legal person duly incorporated under the ..... Act (name of statute under which the corporation was incorporated), having its principal place of business at ..... (civic number and street name), in the City of ..... (name of city), Province of ..... (name of province), ..... (postal code), and duly registered under the designating number ..... in accordance with the ..... Act (name of the statute respecting the legal publicity of enterprises under which the corporation is registered);

**V2.1 (Authorized Representative) (to be added after V2, if applicable)**  
, represented by ..... (name of representative), its ..... (title of representative), duly authorized for the purposes hereof, as he/she so declares;

**V2.2 (Authorized Representative by Resolution) (to be added after V2, if applicable)**  
, represented by ..... (name of representative), its ..... (title of representative), duly authorized for the purposes hereof as indicated in the resolution of the sole director [OR board of directors], attached hereto as Schedule A;

**OR**

**V3** ..... (common business name), [a general partnership], **OR** [a limited partnership represented by ..... (name of its general partner), its general partner] **OR** [an undeclared partnership], **OR** [a joint venture], **OR** [a collaboration], **OR** [a group of persons] exercising an organized economic activity of a commercial nature, duly formed under the [..... Act (identify applicable statute)] **OR** [Civil Code of Québec] **OR** [applicable general law], having its head or registered office at ..... (civic number and street name), in the City of ..... (name of city), Province of ..... (name of province), ..... (postal code), and duly registered (as the case may be) under the designating number ..... in accordance with the ..... Act (name of the statute respecting the legal publicity of enterprises under which the corporation is registered) represented by ..... (name of representative), its ..... (title of representative), duly authorized for the purposes hereof as he/she so declares **OR** [as indicated in the resolution of the partners of the general partnership], **OR** [as indicated in the resolution of the sole director [or Board of Directors] of the general partner of the limited partnership], **OR** [as indicated in the resolution of the partners of the undeclared partnership], **OR** [as indicated in the resolution

SHAREHOLDERS			CORPORATION
"A"	"B"	"C"	

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of the sole director [or Board of Directors] of each participant in the joint venture, **OR** [as indicated in the resolution of the sole director [or Board of Directors] of each participant in the collaboration], **OR** [as indicated in the resolution of the members of the group of persons], attached hereto as Schedule A;

**OR**

V4 ..... (*name of individual*), acting as trustee for the ..... (*name of trust*), domiciled and residing at ..... (*civic number and street name*), in the City of ..... (*name of city*), Province of ..... (*name of province*), ..... (*postal code*);

**HEREINAFTER REFERRED TO AS “SHAREHOLDER A”;**

**AND:** ..... (*identify shareholder B*);

**HEREINAFTER REFERRED TO AS “SHAREHOLDER B”;**

**AND:** ..... (*identify shareholder C*);

**HEREINAFTER REFERRED TO AS “SHAREHOLDER C”;**

**HEREINAFTER COLLECTIVELY REFERRED TO AS THE “SHAREHOLDERS”.**

**AND:** ..... (*corporate name*), a corporation, duly incorporated under the ..... Act (*name of statute under which the corporation was incorporated*), having its head or registered office at ..... (*civic number and street name*), in the City of ..... (*name of city*), Province of ..... (*name of province*), ..... (*postal code*), and duly registered under number ..... (.....) in accordance with ..... (*name of statute under which entity is registered*), represented by ..... (*name of representative*), its ..... (*title of representative*), duly authorized for the purposes hereof as he/she so declares as indicated in the resolution of the sole director [**OR** Board of directors], Schedule A;

**HEREINAFTER REFERRED TO AS THE “CORPORATION”;**

SHAREHOLDERS			CORPORATION
“A”	“B”	“C”	

# SHAREHOLDER AGREEMENT (Long Form)

## RECITALS

THE SHAREHOLDERS DECLARE AS FOLLOWS:

- (A) The SHAREHOLDERS hold all the issued and outstanding shares of the CORPORATION according to the following allocation:

	SHAREHOLDER	SHARES HELD	CERTIFICATE NUMBER	PERCENTAGE
1)	.....	...	...	...%
2)	.....	...	...	...%
3)	.....	...	...	...%
4)	.....	...	...	...%

- (B) The SHAREHOLDERS are all part of one of the classes of investors listed in section 2.4(2) of *Regulation 45-106 respecting prospectus exemptions*, CQLR c V-1.1, r 21, as it appears from their respective declarations attached hereto as Schedules C1 to C...;

- (C) The SHAREHOLDERS acknowledge the importance of entering into an agreement that addresses both the governance of the CORPORATION and the terms and conditions of their association within the CORPORATION;

- (D) The purpose of this Agreement is to promote good governance of the CORPORATION by setting down rules that will prevent events causing prejudice to the CORPORATION, and that will, if necessary, enable the resolution of situations that could cause it harm;

- (E) The SHAREHOLDERS also wish to protect the financial value of each SHAREHOLDER's investment in the CORPORATION and to facilitate the capitalization of this value in a timely manner and under the best possible conditions, considering the circumstances;

- (F) The SHAREHOLDERS agree that, when necessary, the Agreement is to be liberally construed so as to comply with their intentions and to promote equity and fairness between the SHAREHOLDERS;

SHAREHOLDERS			CORPORATION
"A"	"B"	"C"	

# SHAREHOLDER AGREEMENT (Long Form)

(G) The SHAREHOLDERS freely negotiated the fundamental provisions of the agreement and it is their intent that their agreement be construed as a contract by mutual agreement.

NOW, THEREFORE, THE SHAREHOLDERS AGREE AS FOLLOWS:

**0.00 INTERPRETATION**

**0.01 Definitions**

Unless otherwise indicated, capitalized words and expressions appearing in the Agreement or in any ancillary or subordinate documentation will be interpreted or construed as follows:

**0.01.01 Activities**

means ..... *(describe corporation's business activities);*

**0.01.02 Agreement**

means this agreement including its recitals and schedules, any related or ancillary documentation identified therein, as well as any amendment made thereto from time to time by the SHAREHOLDERS in accordance with Section 12.05; the terms "herein", "hereof", "hereto", "herewith", "hereunder", "hereby" and other similar terms, when used in the Agreement, generally refers to this agreement as a whole rather than to a specific part thereof, unless otherwise indicated in the text;

**0.01.03 Annual Budget**

means, for every financial year, both the operating and capital budgets of the business and includes without limitation, any forecasted balance sheet, statement of results, income statement regarding its cash position, and statement regarding the projected remuneration of the primary officers, such information being provided in a reasonably detailed manner;

**0.01.04 Articles**

means the articles of incorporation of the CORPORATION, including any subsequent amendments as well as any articles of amalgamation;

**0.01.05 Best Efforts**

means the efforts that a Person, including a SHAREHOLDER, desirous of achieving a result and acting prudently and diligently would use in similar circumstances to maximize, to the

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SHAREHOLDERS			CORPORATION
"A"	"B"	"C"	