Put Option Agreement

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This document is a Put Option Agreement (the “Agreement”) and is effective [DATE],

**BETWEEN: [YOUR COMPANY NAME]** (the "First Quorum"), a company operating under the laws of [STATE/PROVINCE], located at:

[YOUR COMPLETE ADDRESS]

**AND: [COMPANY NAME]** (the "Second Quorum"), a company operating under the laws of [STATE/PROVINCE], located at:

[COMPLETE ADDRESS]

**AND: [COMPANY NAME]** (the "First Investor"), a company operating under the laws of [STATE/PROVINCE], located at:

[COMPLETE ADDRESS]

**AND: [COMPANY NAME]** (the "Second Investor"), a company operating under the laws of [STATE/PROVINCE], located at:

[COMPLETE ADDRESS]

**AND: [COMPANY NAME]** (the "Company"), a company operating under the laws of [STATE/PROVINCE], located at:

[COMPLETE ADDRESS]

Pursuant to the Financing Agreement dated [DATE] each of [SPECIFY] (the “Investors”) have each agreed to make a convertible subordinated term loan, convertible in whole or in part into common shares of the Company and each have agreed to subscribe for common shares of Company all in accordance with the terms and conditions set forth in the Financing Agreement (the shares issuable upon conversion of the loan together with the shares subscribed for as aforesaid are hereafter the “Company Shares”);

The Company and the Investors have agreed that, subject to the satisfaction of the conditions set forth in section [SPECIFY] of the Financing Agreement, each of the Investors shall have the right to put all of its Company Shares to Company in exchange for cash, upon the terms and subject to the conditions of this Agreement;

NOW, THEREFORE, for the purposes of this agreement the parties agree as follows:

1. **PUT OPTION**
   1. **Grant of Option**

Upon the terms and subject to the conditions of this Agreement, Company hereby grants to each of the Investors an option (the “Option”) to require Company to purchase from each of the Investors all but not less than all of its Company Shares held by each of the Investors on the Effective Date (as defined below).

* 1. **Effectiveness**

The Option shall become effective and exercisable on or after [DATE] (the “Effective Date”) unless an Initial Public Offering, Secondary Public Offering or Private Sale (as those terms are defined in the Financing Agreement) has been completed prior to such date, but in any case shall expire on [DATE].

* 1. **Exercise of Option**
     1. Delivery of Put Notice. Any Investor may exercise the Option by delivering to Company, at the address designated and in the manner described in Section 2, at any time after the Effective Date written notice of such exercise (the “Put Notice”).
     2. Put Notice. The Put Notice shall specify (i) the date on which the Option will be completed (the “Put Completion Date”), which may be no earlier than [NUMBER] days following the date an Investor sends the Put Notice to Company and; (ii) the name and address of the entity or person to whom payment of the Put Purchase Price (as defined below) shall be made.
  2. **Purchase Price**

The aggregate purchase price for the CompanyShares (the “Put Purchase Price”) to be purchased by Companyupon exercise of the Option pursuant to this Section 1 shall be at any particular date, the dollar amount per share equal to the fair market value per share of the Company Shares as at such date as determined by an evaluation board appointed in the manner set forth in paragraph [SPECIFY] of the shareholders agreement made [DATE] among the parties hereto and others (the “Shareholders Agreement”), which determination shall be final and binding on the parties hereto. Such evaluation board shall deliver its report within [NUMBER] days of its appointment.

* 1. **Payment of Purchase Price**

The Put Purchase Price shall be payable, as to [PERCENTAGE %] thereof, on the Put Completion Date, and as to balance thereof in equal installments on the last day of each of the [NUMBER], [NUMBER], [NUMBER], [NUMBER], [NUMBER], [NUMBER], [NUMBER], [NUMBER] and [NUMBER] months following the Put Completion Date, and shall bear interest at the Prime Rate (as defined in the Financing Agreement) until payment in full of the Put Purchase Price and all accrued and unpaid interest thereon is made. On Closing, Company shall deliver promissory notes to the Investors securing the unpaid balance of the Put Purchase Price. Such unpaid balance of the Put Purchase Price and all accrued interest thereon shall be evidenced by a promissory note and shall be secured by such security as the Investors may reasonably request and as may be permitted by [YOUR COUNTRY LAW], including without limitation a subordination and postponement of any debt of Company to any Shareholder of Company (other than the Investors who is a party to this Agreement.

* 1. **Closing**
     1. Place, Time and Date. The closing of the sale and purchase of the Company Shares (the “Closing”) shall take place at the offices of [INDIVIDUAL NAME], [FULL ADDRESS], [STATE/PROVINCE] at [HOUR] local time, on the Put Completion Date or such other place, time or date as the parties may agree.
     2. At the Closing, the Investors shall deliver to Companycertificates representing the Company Shares, duly endorsed for transfer to Company or its designee, and Company shall deliver to the Investors the Put Purchase Price in the manner described in section 1.5. On the Closing, the Investors shall deliver a certificate to Company certifying that the Investors have valid and marketable (other than as applicable [COUNTRY] securities [YOUR COUNTRY LAW] may affect marketability) title to the Company Shares, and full right, power and authority to sell, assign, transfer and deliver the Company Shares to Company in accordance with Section 1 free and clear of all liens, encumbrances, equities, restrictions and claims whatsoever, other than as contemplated pursuant to the provisions of the Shareholders Agreement.

1. **NOTICES**
   1. **Method of Notice**

Any notice required to be given pursuant to this Agreement shall be deemed to have been given (a) on the date of delivery or transmission thereof if given in person or by facsimile transmission, or (b) [NUMBER] day after dispatch if sent by overnight courier, receipt of which has been verified, addressed to the party being notified at the address specified below or at such other address of which the addressee may notify the other party in writing.

* 1. **Addresses**

Until otherwise notified, notices shall be directed as follows:

1. as to Investors:

[FULL ADDRESS]

[STATE/PROVINCE]

Attention: President

Facsimile: [FAX NUMBER]

with a courtesy copy to:

[INDIVIDUAL NAME]

[FULL ADDRESS]

[STATE/PROVINCE]

Attention: President

[FULL ADDRESS]

Attention: [INDIVIDUAL NAME]

Facsimile: [FAX NUMBER]

1. as to Investors

[FULL ADDRESS]

[STATE/PROVINCE]

Attention: [INDIVIDUAL NAME]

Facsimile: [FAX NUMBER]

with a courtesy copy to:

[INDIVIDUAL NAME]

[FULL ADDRESS]

[STATE/PROVINCE]

Attention: [INDIVIDUAL NAME]

Facsimile: [FAX NUMBER]

1. as to Investors:

[FULL ADDRESS]

[STATE/PROVINCE]

Attention: [INDIVIDUAL NAME]

Facsimile: [FAX NUMBER]

with a courtesy copy to:

[INDIVIDUAL NAME]

[FULL ADDRESS]

[STATE/PROVINCE]

Attention: [INDIVIDUAL NAME]

Facsimile: [FAX NUMBER]

1. as to Company:

[FULL ADDRESS]

[STATE/PROVINCE]

Attention: [INDIVIDUAL NAME]

Facsimile: [FAX NUMBER]

with a courtesy copy to:

[INDIVIDUAL NAME]

[COMPANY NAME]

[FULL ADDRESS]

Attention: [INDIVIDUAL NAME]

Facsimile: [FAX NUMBER]

Any Party may from time to time notify the other Parties hereto in accordance with the provisions hereof, of any change of address, which thereafter, until changed by like notice, shall be the address of such Party for all purposes of this Agreement. In the event of actual or threatened postal interruption, notice shall be made by delivery or telecopy. Receipt of a courtesy copy of any notice or other communication shall not be a condition to the effectiveness thereof.

1. **MISCELLANEOUS**
   1. **Specific Perform**

Each of the parties hereto expressly agrees that the other parties will be irreparably damaged if this Agreement is not specifically enforced. Upon a breach or threatened breach of the terms, covenants or conditions of this Agreement by any party hereto, the other party, in addition to all other remedies, shall be entitled to a temporary or permanent injunction, without showing any actual damage and without posting bond, and a decree for specific performance, in accordance with the provisions of this Agreement.

* 1. **Successors**

The provisions of this Agreement shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns.

* 1. **Counterparts**

This Agreement may be executed in one or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute one and the same instrument.

* 1. **Amendment**

Except as otherwise provided herein, no amendment, waiver, interpretation, alteration or modification of any provision of this Agreement shall be binding unless in writing and signed by authorized representatives of all parties hereto.

* 1. **Applicable Law**

This Agreement shall for all purposes be governed by and construed in accordance with the [YOUR COUNTRY LAW] of the Province of [STATE/PROVINCE], without regard to the choice of [YOUR COUNTRY LAW] provisions thereof.

* 1. **Waivers**

Any failure of any party hereto to insist upon or enforce strict performance of any of the provisions of this Agreement or to exercise any rights for remedies under this Agreement shall not be interpreted or construed as a waiver or relinquishment to any extent of such party’s right to assert or rely upon any such provision, right or remedy in that or any other instance.

* 1. **Headings**

The headings of the sections of this Agreement are for convenience of reference only and shall not by themselves determine the interpretation of this Agreement.

* 1. **Severability**

If any term or provision, or any portion of a provision of this Agreement, or the application thereof to any party hereto or other set of circumstances shall, in any jurisdiction and to any extent, be finally held invalid or unenforceable, such term or provision shall be ineffective only as to such jurisdiction, and only to the extent of such invalidity or unenforceability, without invalidating or rendering unenforceable the entire Agreement or any other term or provision of this Agreement or under any other circumstances, and the parties hereto shall negotiate in good faith a substitute provision that comes as close as possible to the invalidated or unenforceable term or provision and that puts each party in a position as nearly comparable as reasonably possible to the position such party would have had but for the finding of invalidity or unenforceability, while remaining valid and enforceable.

* 1. **Entire Agreement**

This Agreement contains the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes all prior understandings and representations.

* 1. **Equities**

The obligations and rights of the Parties are unconditional and shall be unaffected by any other rights, claims, obligations or equities between any of the Parties.

IN WITNESS WHEREOF, each party to this agreement has caused it to be executed at [PLACE OF EXECUTION] on the date indicated above.

FIRST QUORUM SECOND QUORUM

Authorized Signature Authorized Signature

Print Name and Title Print Name and Title

FIRST INVESTOR SECOND INVESTOR

Authorized Signature Authorized Signature

Print Name and Title Print Name and Title

COMPANY

Authorized Signature

Print Name and Title