Rollover Agreement

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

**BETWEEN: [FIRST PARTY NAME]** (the "Seller"), a company organised and existing under the laws of the [Country] of [COUNTRY], with its head office located at:

[YOUR COMPLETE ADDRESS]

**AND: [SECOND PARTY NAME]** (the "Purchaser"), a company organised and existing under the laws of the [Country] of [COUNTRY], with its head office located at:

[COMPLETE ADDRESS]

WHEREAS the Seller represents that there are [NUMBER] common shares issued and outstanding in the capital stock of [COMPANY NAME] - [COMPANY NAME] (the Company), a company incorporated under the [YOUR COUNTRY LAW] of [COUNTRY], and that the Seller is the owner of the said [NUMBER] common shares (the Shares);

WHEREAS the parties hereto have determined that the fair market value of the Shares is [AMOUNT] or [AMOUNT] per share;

WHEREAS the Shares have an aggregate stated capital of [AMOUNT];

WHEREAS the Purchaser desires to purchase and the Seller desires to sell the Shares;

IT IS HEREBY AGREED THAT:

1. **SHARES SOLD AND PURCHASE PRICE**
   1. Subject to the terms and conditions set forth in this Agreement, the Seller hereby sells the Shares to the Purchaser, hereto present and accepting, and delivers to the Purchaser certificates representing the Shares duly endorsed to the Purchaser for transfer.
   2. The aggregate purchase price for the Shares is [AMOUNT] (the Purchase Price) which the parties consider to be the fair market value of the Shares, payable as set forth as Article [NUMBER] hereof.
   3. The Purchase Price for the Shares may be adjusted as provided in Article [NUMBER] hereof.
2. **PAYMENT OF THE PURCHASE PRICE**

The Seller acknowledges that he has received certificates representing [NUMBER] Class D preferred shares (the Class D Shares) of the Purchaser in full payment of the Purchase Price. The parties hereto determine that the Class D Shares have a fair market value of and are, in all circumstances of the transaction, the fair equivalent of a consideration payable in cash equal to the fair market value of the Shares.

1. **SELLER’S REPRESENTATIONS AND WARRANTIES**
   1. The Seller represents and warrants to the Purchaser that:
      1. the Company is incorporated under the [YOUR COUNTRY LAW] of [COUNTRY] and is duly organised and validly existing thereunder;
      2. the Shares are owned by the Seller by good and marketable title;
      3. the Shares have been validly allotted and issued and are outstanding as fully paid and non-assessable shares;
      4. the Seller is a resident of [COUNTRY] for the purposes of the Income Tax Act ([COUNTRY]) (the National Act) and the Taxation Act ([COUNTRY]) (the [COUNTRY] Act);
      5. the sale and delivery of the Shares as provided for in this Agreement shall not conflict with or result in or cause the occurrence of an event or condition which, immediately or after notice or lapse of time or both, constitutes a breach of or default under the Company’s articles or by-laws or under any agreement, instrument, order, judgement  or decree to which the Seller or the Company is subject; and
      6. this Agreement constitutes a valid and binding obligation of the Seller enforceable against the Seller in accordance with its terms, provided that enforcement may be limited by bankruptcy, insolvency, liquidation, reorganisation, reconstruction and other similar [YOUR COUNTRY LAW] generally affecting enforceability of creditors’ rights.
2. **PURCHASER’S REPRESENTATIONS AND WARRANTIES**

4.1 The Purchaser represents and warrants to the Seller that:

* + 1. the Purchaser is a company incorporated under the [YOUR COUNTRY LAW] of [COUNTRY] and is duly organised and validly existing thereunder;
    2. all necessary corporate action and proceedings have been taken to permit the execution of this Agreement; no approval or consent of any public or private authority is required to enter into this Agreement or to consummate the transaction provided for herein;
    3. the aforementioned actions do not conflict with or result in or cause the occurrence of an event or condition which, immediately or after notice or lapse of time or both constitutes a breach of or default under the articles or by-laws of the Purchaser or under any agreement, instrument, order, judgement  or decree to which the Purchaser is subject;
    4. the Class D Shares have been validly allotted and issued and are registered in the name of the Seller;
    5. the Purchaser is a taxable [COUNTRY] company within the meaning of the National Act and the [COUNTRY] Act; and
    6. this Agreement constitutes a valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, provided that enforcement may be limited by bankruptcy, insolvency, liquidation, reorganisation, reconstruction and other similar laws generally affecting the enforceability of creditors’ rights.

1. **STATED CAPITAL ACCOUNT, CONTRIBUTED SURPLUS ACCOUNT AND ADJUSTMENTS**
   1. The Seller and the Purchaser agree that the Purchaser shall, in accordance with Subsection [SPECIFY] of the [COUNTRY] Business Companies [ACT/LAW/RULE], add [AMOUNT] to its stated capital account *in re*spect of the Class D Shares, being an amount equal to the cost to the Purchaser of the Shares. The difference, if any, between the Purchase Price and the amount added to the stated capital account *in re*spect of the Class D Shares, shall be added to the contributed surplus account of the Purchaser *in re*spect of the Class D Shares.
   2. In the event that the amount referred to in paragraph 5.1 hereof is determined by final determination of the [COMPANY NAME] or the [COMPANY NAME] for the Province of [COUNTRY] (hereinafter collectively referred to as the Minister) or otherwise to be other than the amount added to the stated capital account *in re*spect of the Class D Shares as aforesaid, then the Purchaser shall forthwith take all action as may be necessary or advisable to adjust such stated capital account *nunc pro tunc* to reflect any such determination and the contributed surplus account shall, *ipso facto*, be deemed to be amended accordingly.
   3. The parties hereto confirm that it is their intention that the Purchase Price shall represent the fair market value of the Shares. The parties hereto agree that in the event the Minister shall assert, directly or indirectly, assess or reassess either or both of the parties hereto or otherwise make a final determination (collectively referred to herein as the Final Determination) on the basis that the fair market value (the Ministerial Fair Market Value) of the Shares as of their date of disposition is greater or less than the Purchase Price, the Purchase Price shall be adjusted by an amount equal to the difference between the Purchase Price and the Ministerial Fair Market Value (the Price Difference) and an amount equal to the Price Difference shall be added or subtracted, as the case may be, to or from the Purchase Price in the manner provided in paragraph 5.4 hereof.
   4. The parties hereto agree that should a Price Difference be payable by either the Seller or the Purchaser, the Basic Redemption Price of the Class D Shares shall be adjusted by an amount equal to the Price Difference, and the contributed surplus account maintained *in re*spect of the Class D Shares of the Purchaser shall *ipso facto* be deemed to be adjusted accordingly.
   5. In the event that the Seller and the Purchaser do not agree with the Ministerial Fair Market Value, the Purchase Price shall be adjusted to equal the amount determined by final adjustment of a competent court (the Judicial Fair Market Value) and the provisions of paragraphs 5.3 and 5.4 shall apply *mutatis mutandis* to such adjustment.
   6. In addition to the price adjustments described in paragraphs 5.2 to 5.5, if any dividends shall have been paid on the Class D Shares, or if any of the Class D Shares shall have been redeemed, between the date hereof and the date of the Final Determination, the party paying the price adjustment in virtue of this Article [NUMBER] shall also pay to the other party a dividend or redemption adjustment in cash to compensate the other party for the deficiency in dividends or redemption price received, as the case may be, arising from the Price Difference. In addition to any dividend or redemption adjustment paid pursuant to this paragraph 5.6, the party making such payment shall also pay an amount as interest on the dividend or redemption adjustment at the rate of [PERCENTAGE %] percent per annum calculated annually as of and from the date of the dividend payment or the date of redemption, as the case may be, to the date of the payment of the aforementioned dividend or adjustment.
2. **ELECTIONS**

After the Closing Date (as hereinafter defined), the Seller and the Purchaser shall, within the prescribed time periods, execute and deliver elections in the forms prescribed by the [YOUR COUNTRY] National Act and the [COUNTRY] Act and prepared and filed by [COMPANY NAME], to have the provisions of Section [SPECIFY] of the [YOUR COUNTRY] National Act and any other relevant provisions thereof and the provisions of Section [SPECIFY] of the [COUNTRY] Act and any other relevant provisions thereof apply to the sale and transfer of the Shares to the Purchaser and for the purposes of such elections the parties shall elect the Seller’s Cost Amount of the Shares for tax purposes, as defined in Subsection [SPECIFY] of the [YOUR COUNTRY] National Act and Section [SPECIFY] of the [COUNTRY] Act as the Seller’s proceeds of disposition and the Purchaser’s cost of acquisition of the Shares. In the event that the Seller’s Cost Amount of the Shares is determined by the [COMPANY NAME] or the [COMPANY NAME] for the Province of [COUNTRY] to be greater or less than the amount elected by the parties hereto, amended elections will be filed by the parties so as to reflect the Seller’s Cost Amount of the Shares as determined by the [COMPANY NAME] or the [COMPANY NAME] for the Province of [COUNTRY].

1. **MISCELLANEOUS**
   1. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, legatees, executors, legal representatives, successors and assigns.
   2. This Agreement contains the entire agreement between the parties with respect to the transactions contemplated herein and supersedes all prior negotiations, agreements and understandings if any.
   3. The representations and warranties set forth in Articles [NUMBER] and [NUMBER] hereof shall survive the purchase and sale of the Shares hereunder.
   4. Each of the parties hereto covenants and agrees that it will from time to time hereafter execute and deliver such additional documents and instruments and do such acts and things as may be reasonably necessary fully and effectually to sell, assign and transfer the Shares to the Purchaser pursuant to this Agreement and to otherwise carry out the intent and purpose of this Agreement.
   5. This Agreement shall be governed by and construed in accordance with the [YOUR COUNTRY LAW] of the Province of [COUNTRY] and the applicable [YOUR COUNTRY LAW] of [COUNTRY]. The courts of [COUNTRY] shall have non-exclusive jurisdiction with respect to any matter arising hereunder or related hereto.
   6. All notices, requests, demands and other communications in connection herewith shall be in writing with specific reference to this Agreement and shall be deemed to have been duly delivered when
2. personally, delivered to a responsible officer of such party; or
3. except during a period of strike, lockout or other postal disruption, sent by registered mail, postage prepaid; or
4. sent by telex, telegraph, telecopier or other form of recorded communication, charges prepaid, confirmed by prepaid registered mail; as follows:
   * 1. If to the Seller:

[FULL ADDRESS]

[COUNTRY]

* + 1. If to the Purchaser:

[FULL ADDRESS]

[COUNTRY]

or such other address as either party may from time to time specify by notice to be given to the other party for such purpose in writing at least [NUMBER] days in advance.

* 1. The effective date and closing date for the sale of the Shares herein provided for shall be the [DATE] day of [MONTH, YEAR] (the Closing Date).

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

# SELLER PURCHASER

Authorised Signature Authorised Signature

Print Name and Title Print Name and Title