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UNANIMOUS SHAREHOLDER AGREEMENT QUESTIONNAIRE

NAME OF CORPORATION:____

1. Shareholders

	Name of Individual or Corporate Shareholder	Number of Shares	Class of Shares
a.			
b.			
c.			
d.			
e.			
f.			
g.			
h.			
i.			
j.			
k.			

2. Corporate Organization

a.	How many directors are to be elected to the board of directors?	
b.	Are the directors entitled to compensation from the Corporation for their services as directors of the Corporation?	Yes ☐ No ☐
c.	Are the directors entitled to reimbursement for expenses from the Corporation for their services as directors of the Corporation?	Yes ☐ No ☐

3. Conduct of Shareholders' Meetings

a. Limits may be placed on the amount of any single capital expenditure or aggregate capital expenditures made or incurred by the Corporation in any fiscal year, unless such expenditures are approved by an affirmative vote of the shareholders representing not less than 100% of the outstanding voting shares of the Corporation.

i.	What shall the limit be for any single capital expenditure?	$__________________
ii.	What shall the limit be for the aggregate amount of capital expenditures per fiscal year?	$__________________

b. The following actions of the Corporation typically require unanimous approval of all Shareholders. Please confirm that you wish the following actions to require unanimous approval:

i.	Changing the Articles or By-laws of the Corporation.	Yes ☐ No ☐
ii.	Changing the authorized or issued capital of the Corporation.	Yes ☐ No ☐
iii.	Entering into any agreement or making any offer or granting any right capable of becoming an agreement to allot or issue any shares of the Corporation.	Yes ☐ No ☐
iv.	Taking any action which may lead to or result in a material change in the nature of the business of the Corporation.	Yes ☐ No ☐
v.	Entering into any agreement other than in the ordinary course of the Corporation's business.	Yes ☐ No ☐
vi.	Borrowing money, giving any security, giving of guarantees, mortgaging or creating any security interest in any of the undertaking, property or assets of the Corporation.	Yes ☐ No ☐

vii.	Taking any steps to wind-up or terminate the corporate existence of the Corporation.	Yes ☐ No ☐
viii.	Selling, leasing, exchanging, disposing or encumbering of all or any substantial part of the undertaking, property or assets of the Corporation.	Yes ☐ No ☐
ix.	Making, directly or indirectly, loans or advances to, or giving security for or guaranteeing the debts of, any person or company.	Yes ☐ No ☐
x.	Declaring or paying any dividend for any shares.	Yes ☐ No ☐
xi.	Entering into an amalgamation, merger or consolidation with any other person or company.	Yes ☐ No ☐
xii.	Taking, holding, subscribing for or agreeing to the purchase or acquire shares in the capital of any person or company.	Yes ☐ No ☐
xiii.	Entering into a partnership or any arrangement for the sharing of profits, union of interests, joint venture or reciprocal concession with any person or company.	Yes ☐ No ☐
xiv.	Appointing, removing or changing the directors of the corporation.	Yes ☐ No ☐
xv.	Paying any compensation or reimbursement of expenses to directors of the Corporation.	Yes ☐ No ☐
xvi.	Other:	Yes ☐ No ☐
xvii.	Other:	Yes ☐ No ☐

4.	**Management Reporting Obligations**	
a.	On what date shall the fiscal year of the Corporation commence?	____/____ [dd/mm]
b.	Should there be a requirement that the Corporation's financial statements be provided to each shareholder?	Yes ☐ No ☐
5.	**Events of Default and Remedies**	
a.	If a shareholder defaults under the USA, there are certain remedies that a non-defaulting shareholder can pursue. Should one of the remedies allow for the purchase of the defaulting shareholder's shares by a non-defaulting shareholder?	Yes ☐ No ☐
6.	**Buy-Sell Provisions**	
a.	Should the USA include any of the following buy-sell provisions?	

i.	**The "Shotgun":**	Any shareholder (the "Offeror") has the right to serve notice on another shareholder (the "Offeree") to purchase the Offeree's shares. The Offeree must then either sell its shares to the Offeror at the asking price, or purchase the Offeror's shares at the asking price.	Yes ☐ No ☐
ii.	**The "Call" Option:**	The Corporation (or a shareholder) has the ability to purchase the shares of a shareholder (the "Subject Shareholder") at any time, or after a given date, or after the occurrence of one or more specified events (e.g. the Subject Shareholder goes into bankruptcy, dies, ceases to be an employee of the Corporation, etc.).	Yes ☐ No ☐ If yes, what would trigger the Call Option? ____________________ ____________________ ____________________
iii.	**The "Put" Option:**	A shareholder (the "Subject Shareholder") has the ability force the Corporation (or other shareholders) to purchase the shares of the Subject Shareholder at any time, or after a given date, or after the occurrence of one or more specified events (e.g. the Subject Shareholder goes into bankruptcy, dies, ceases to be an employee of the Corporation, etc.).	Yes ☐ No ☐ If yes, what would trigger the Put Option? ____________________ ____________________ ____________________

iv.	**The Mandatory Buyout:**	The parties are required to buy and sell shares on the occurrence of a specified event (e.g. upon the permanent disability of a shareholder, the remaining shareholders would be obliged to purchase all of the disabled shareholder's shares and the disabled shareholder would be obliged to sell).	Yes ☐ No ☐ If yes, what would trigger the Buyout? _____________________________ _____________________________ _____________________________
v.	**The Right of First Refusal:**	A shareholder (the "Subject Shareholder") has the ability to sell its shares to a third party, but only if the other shareholders are first given the opportunity to purchase the Subject Shareholder's shares on the same terms.	Yes ☐ No ☐
vi.	**The Pre-emptive Right:**	The Corporation can issue new shares, but only if it first offers the shares to the existing shareholders.	Yes ☐ No ☐
vii.	**The "Piggy Back":**	A shareholder can sell its shares, but only if the other shareholders are given an opportunity to join in that sale as well.	Yes ☐ No ☐
viii.	**The "Reverse Piggy Back":**	All of the shareholders must join in a sale of shares at the instance of any one or more of the other shareholders (usually at the instance of a majority).	Yes ☐ No ☐
b.	Should the USA provide that: i. a shareholder cannot transfer shares to a third party without the approval of the board of directors? ii. a corporate shareholder can transfer shares to an Affiliate without the approval of the board of directors?		Yes ☐ No ☐ Yes ☐ No ☐
7.	**Death of a Shareholder**		
a.	Which of the following provisions should be included in the USA to dictate what occurs following the death of a shareholder or the death of a shareholder of a corporate shareholder which would cause a change in control of the corporate shareholder (collectively the "Deceased Shareholder")?		
i.	**The Mandatory Buyout:**	The surviving shareholders would be obliged to purchase all of the deceased shareholder's shares and the deceased shareholder's estate would be obliged to sell.	Yes ☐ No ☐
ii.	**The Conversion of Shares from Voting to Non-Voting**	The shares of the Deceased Shareholder would automatically convert to non-voting, preferred shares such that the Deceased Shareholder's heirs would continue to benefit from the Corporation financially without having the ability to vote	Yes ☐ No ☐

<u>Note</u> *It is common to place insurance on the life of the shareholders so that on death there are funds available to purchase shares from the estate of the Deceased Shareholder. Even in the absence of a buy-sell, insurance on the life of an important shareholder ("key man insurance") will bring money into the company which might then be used to hire replacement personnel, to retire bank indebtedness or generally to help tide things over during what may be a period of significant disruption.*

8. Other Comments, questions and/or concerns:

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