



Adapt. Chart new markets.

SAMPLE

SECURITYHOLDERS' DEED

between

BLUE OCEAN LAW GROUP PTY LTD
(ACN 618 974 879)

and

JAMES D. FORD

&

≡ **CAPTAIN CICERO**

&

≡ **KAPTAIN KIRBY**

&

SCROOGE McDUCK

acting as the trustee of

the McDuck Family Trust (ABN 44 444 444 444)

&

VASCO DA GAMA

&

≡ **CAPTAIN JAMES COOK**

&

CHRISTOPHER COLUMBUS

&

CONFUSE US INSTITUTE

&

LUDWIG VON DRAKE

&

HENRI VAN DE VELDE

CONTENTS

1.	Definitions and interpretation	8
	Definitions	8
	Interpretation	14
	Joint holders	15
2.	Boards of directors	15
	Appointment and removal of directors	15
	Nominee directors	16
	Remuneration and reimbursement of directors	16
	Frequency of board meetings	16
	Notice of board meetings	16
	Quorum for board meetings	16
	Directors have proportionate voting rights	16
	Resolution decided by majority of votes capable of being cast	17
	Chairman does not have casting vote	17
	Conflicts of interest	17
3.	Information	17
	Financial information	17
	Inspection rights	18
4.	Business and competition	18
	Business	18
	Non-solicitation	18
	Non-compete	18
	Covenants reasonable and severable	19
	Benefit of this clause	19
5.	Control	20
	Reserved matters	20
	Deadlock Events	20
6.	Mediation	21
	Referral for mediation	21
	Court and arbitration proceedings	21
7.	Deadlock resolution	22
	Deadlock Resolution Notice	22
	Recipient's election	22
	Completion of deadlock resolution sale	22
8.	Further funding	23
	Pre-emption rights on new issues	23
	No obligation to provide further funding	24
9.	Dealings with Securities	24
	Consent to Dealings	24
	Permitted transfers	24
	Pre-emption rights on transfers	24

	Drag-along rights	25
	Accession deed	25
10.	Default	25
	Events of Default	25
	Pre-emption Offer of defaulting party's Securities	26
	Suspension of rights and entitlements	27
	Other remedies	27
11.	Valuation	27
12.	Buy/Sell Insurance Policies	28
	Maintenance of policies	28
	Payment of premiums	28
	Annual review of policies	29
	Price reduction for payout to Defaulting Party	29
13.	Termination	29
	Termination events	29
	Ceasing to be a party	29
14.	Confidentiality	29
	Permitted use	30
	Notice of breach	30
15.	Non-disparagement	30
16.	Mutual warranties	30
17.	Further assurances	31
18.	Payments	32
	Method of payment	32
	No set-off or deduction	32
	Default interest	32
19.	GST	32
	Definitions regarding GST	32
	Consideration is exclusive of GST	33
	Receiving Party to pay additional amount	33
	Fines, penalties and interest	33
	Reimbursement	33
	Adjustment events	33
20.	Trustee Parties	33
	Trustee warranties	34
21.	Notices	34
22.	General	35
	Fractions	35
	Joint parties	35
	Third parties	36
	Costs	36
	Entire agreement	36

Severability	36
No waiver	36
Ipsa facto legislation	36
Amendment	37
Assignment	37
Counterparts	37
Electronic exchange	37
Instrument a deed	37
Governing law and jurisdiction	37
SCHEDULE 1 - Business and non-compete details	38
1 Business	38
2 Restraint Period(s)	38
3 Specified region(s)	38
SCHEDULE 2 - Reserved matters	39
Part 1 Reserved matters - majority approval	39
Part 2 Reserved matters - unanimous approval	40
SCHEDULE 3 - Pre-emption rights on new issues	41
1 Notice of Issue	41
2 Acceptance and allocation	41
3 Completion of issue	42
4 Securities not taken up	42
SCHEDULE 4 - Pre-emption rights on transfers	43
1 Notice of Sale	43
2 Power of attorney	43
3 Buy-back or cancellation of Sale Securities	43
4 Pre-emption Offer	44
5 Remaining Securityholders' option to buy Sale Securities	44
6 Allocation of Sale Securities	44
7 Sale Securities not allocated	45
8 Completion of the sale of the Sale Securities	46
SCHEDULE 5 - Drag-along rights	47
1 Drag-Along Right	47
2 Exercise of Drag-Along Right	47
3 Completion of sale of Dragged Party Securities	48
4 Power of attorney	48
5 Drag Terms	48
EXECUTION	50

Date

Parties

Company	<p>BLUE OCEAN LAW GROUP PTY LTD (ACN 618 974 879) Address: C/- Work Club, L8/99 Elizabeth Street, Opp. NSW Supreme Court, Sydney NSW 2000 Fax: +61 (02) 9475 0075 Email: ahoy@blueocean.law</p> <p>(the <i>Company</i>)</p>
Initial Securityholders	<p>JAMES D. FORD Address: c/- Work Club, L8/99 Elizabeth Street, Opp. NSW Supreme Court, Sydney NSW 2000 Email: jdf@blueocean.law</p> <p>::= CAPTAIN CICERO Address: c/- Work Club, L8/99 Elizabeth Street, Opp. NSW Supreme Court, Sydney NSW 2000 Email: cc@blueocean.law</p> <p>::= KAPTAIN KIRBY Address: c/- Work Club, L8/99 Elizabeth Street, Opp. NSW Supreme Court, Sydney NSW 2000 Email: kk@blueocean.law</p> <p>SCROOGE MCDUCK acting as the trustee of the McDuck Family Trust (ABN 44 444 444 444) Address: c/- Dreamworld, Gold Coast QLD 0000 Email: scrooge@blueocean.law</p> <p>VASCO DA GAMA Address: c/- São Gabriel (ship) the flagship of Vasco da Gama's armada on his first voyage to India in 1497-1499.</p> <p>::= CAPTAIN JAMES COOK Address: c/- HMS Endeavor (ship) first voyage to Australia and New Zealand from 1769 to 1771.</p> <p>CHRISTOPHER COLUMBUS Address: c/- La Santa María (The Saint Mary), alternatively La Gallega, was the largest of the three ships used by Christopher Columbus in his first voyage across the Atlantic Ocean in 1492, the others being the Niña and the Pinta.</p>

	<p>CONFUSE US INSTITUTE Address: c/- Good Luck Finding Us</p> <p>LUDWIG VON DRAKE Address: c/- Fox Studios, Sydney NSW 2000</p> <p>HENRI VAN DE VELDE Address: c/- Everglades Historic House & Gardens, Leura NSW 2780</p> <p>(together, the <i>Initial Securityholders</i> and each an <i>Initial Securityholder</i>)</p>
--	---

Recitals

- A The parties have agreed that the operation of the Business, and their relationship as Securityholders, will be governed by this deed.
- B This deed is intended to be legally binding and the parties agree to give effect to the arrangements contemplated by it.

Operative provisions

1. Definitions and interpretation

Definitions

- 1.1 The following definitions apply in this deed unless the context requires otherwise:

Bad Leaver means a Securityholder who becomes a Leaver at any time and for any reason where the Securityholder is not a Good Leaver.

Business means the business described in paragraph 1 of Schedule 1 or any other business conducted by the Group from time to time as approved in accordance with Schedule 2.

Business Day means a day (other than a Saturday, Sunday or public holiday) when banks in Sydney, New South Wales are open for business.

Buy-Back Notice has the meaning given in paragraph 3.1 of Schedule 4.

Buy/Sell Insurance Policies has the meaning given in clause 12.1.

Change of Control means, in respect of a particular entity, a person who Controls that entity ceasing to do so or another person acquiring Control of it.

Confidential Information means all confidential information (however recorded or preserved) of a party or its Related Entities that is obtained (whether in writing, orally or by any other means and whether directly or indirectly) by another party or its Related Entities before, on or after the date of this deed, including:

- (a) the existence and terms of this deed;

- (b) any information that would be regarded as confidential by a reasonable person relating to the business, affairs, customers, clients, suppliers, distributors, joint venture partners, proposals, market opportunities, technologies, products, business and product development plans, financial information, services, pricing, capabilities, capacities, operations, processes, product information or Intellectual Property Rights of the first-mentioned party or its Related Entities or the Business; and
- (c) any information developed by the parties and/or their Related Entities in the course of carrying out this deed (including the results of any tests or investigations conducted in respect of the Business and any reports, summaries, data, analysis and other documentation or information developed by any of them in respect thereof),

and includes any compilation of otherwise public information in a form not publicly known.

Control has the meaning given in Section 50AA of the Corporations Act.

Controller has the meaning given in the Corporations Act.

Corporations Act means the *Corporations Act 2001* (Cth).

Deadlock Buyer has the meaning given in clause 7.4.

Deadlock Date has the meaning given in clause 5.2.

Deadlock Event has the meaning given in clause 5.2.

Deadlock Resolution Date has the meaning given in clause 7.1.

Deadlock Resolution Initiator has the meaning given in clause 7.1.

Deadlock Resolution Notice has the meaning given in clause 7.1.

Deadlock Seller has the meaning given in clause 7.4.

Deal means, in respect of a Security, to sell, assign, transfer, alienate or create a trust or Encumbrance over or in respect of the Security or the right to exercise any votes attached to the Security.

Debenture has the meaning given to the term “debenture” in section 9 of the Corporations Act, but does not have the extended meaning given to that term in respect of Chapter 8 of the Corporations Act.

Debt Security means a Debenture, bond, convertible note or other debt or hybrid-debt security issued by the Company.

Default Rate means a rate of interest of 5.00% per annum.

Encumbrance means any mortgage, charge (fixed or floating), pledge, lien, hypothecation, guarantee, trust, right of set-off or other right or interest (legal or equitable) including any assignment by way of security, reservation of title or other security interest of any kind, howsoever created or arising, or any other agreement or arrangement (including a sale and repurchase agreement) having similar effect.

Event of Default has the meaning given in clause 10.1.

Financial Indebtedness means any obligation of the Company to pay or repay money (whether present or future, actual or contingent, sole or joint) as a result of:

- (a) borrowing or raising money (with or without security), including any premium and any capitalised interest on that money;
- (b) any bond, note, loan stock, debenture, commercial paper or similar instrument;
- (c) any acceptance credit facility or dematerialised equivalent, bill-discounting, note purchase or documentary credit facilities;
- (d) monies raised by selling, assigning or discounting receivables or other financial assets on terms that recourse may be had to the Company in the event of non-payment of such receivables or financial assets when due;
- (e) any deferred payments for assets or services acquired, other than trade credit that is given in the ordinary course of trading and which does not involve any deferred payment of any amount for more than 60 days;
- (f) any rental or hire charges under finance leases (whether for land, machinery, equipment or otherwise), other than finance leases over common office equipment in the ordinary course of the Business;
- (g) any counter-indemnity obligation in respect of any guarantees, bonds, indemnities, standby letters of credit or other instruments issued by a third party in connection with the performance of contracts by the Company;
- (h) any other transaction that has the commercial effect of borrowing (including any forward sale or purchase agreement and any liabilities that are not shown as borrowed money in the financial statements of the Company because they are contingent, conditional or otherwise);
- (i) any derivative transaction entered into in connection with protection against, or benefit from, fluctuation in any rate or price; and
- (j) any guarantee, counter-indemnity or other assurances against financial loss that the Company has given for any item referred to in paragraphs (a) to (i) of this definition that has been incurred by any other person.

Good Leaver means a Securityholder who becomes a Leaver at any time:

- (a) as a result of:
 - (i) death of the Securityholder (or a Key Person in respect of the Securityholder); or
 - (ii) the Securityholder (or a Key Person in respect of the Securityholder) becoming permanently incapable of efficiently discharging the duties of his/her employment or engagement with a Group Company by reason of ill health, infirmity, injury or disability of mind or body of the Securityholder or Key Person (as applicable), evidenced to the satisfaction of the Company;
- (b) as a result of the termination of the employment or engagement of the Securityholder (or a Key Person in respect of the Securityholder) as an employee of, or consultant to, a Group Company upon notice by the Group Company, unless the Group Company is reasonably terminating on the grounds of breach by the relevant employee/consultant of its/his/her contract of employment/engagement with the Group Company or general law duties to the Group Company; or