



**DEED OF OPTION
OVER ISSUED SHARES**

DATED THE _____ DAY OF _____ 20____

Andrew Smith

Of the First Part

Other Company Pty Ltd ACN 555 666 999

Of the Second Part

Real New Company Pty Ltd ACN 999 888 777

Of the Third Part

THIS DEED OF OPTION DATED _____ 20__ .

BETWEEN: Andrew Smith of 1 Perth Street Perth 5000 (the “Grantor”) of the First Part;

AND: Other Company Pty Ltd ACN 555 666 999 a company duly incorporated in the State of Queensland and having its registered in that State at 1 Brisbane Street Brisbane 7000 (the “Grantee”) of the Second Part;

AND: Real New Company Pty Ltd ACN 999 888 777 a company duly incorporated in the State of Western Australia and having its registered in that State at 1 Perth Street Perth 5000 (the “Company”) of the Third Part.

WHEREAS:

- A. The Grantor has agreed to grant this option to the Grantee to acquire from the Grantor that number of the shares described in Part A of Schedule One and issued to the Grantor in the Company at the time the Exercise Date (all of the shares held by the Grantor at the Exercise Date are here called “the Option Shares”) upon and subject to these terms, covenants and conditions.
- B. All the Other shareholders have signed a Written Consent to the granting of this Option by the Grantor to the Grantee.

NOW BY THIS DEED it is agreed as follows:

1. DEFINITIONS

1.1. In this Deed these words and phrases have the following meanings:

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

“Deed” means this Deed of Option.

“Exercise Date” means the date the Grantee serves a signed Exercise Notice in proper form on the Grantee together with a bank cheque for the Purchase Price.

“Exercise Notice” means the notice in the form set out in Schedule One.

“Grantor’s Shares” means the shares issued to the Grantor in the Company as at the date hereof.

“Issued Shares” means all of the issued shares in the Company as at the date hereof.

“Legislation” means all Acts, statutes, by-laws, ordinances and regulations that in any way relate to this Agreement or to any of the parties or to any act or thing done by any of the parties and includes all amendments to such legislation.

“Nominated Director” means the individual nominated by the Grantee in the Exercise Notice to be a director of the Company.

“Nominee” means a person nominated by the Grantee in the Exercise Notice as the person to acquire the Option Shares.

“Other Shareholders” means the persons named and described in Part C of Schedule One and who between them hold all of the Issued Shares in the Company other than the Grantor’s Shares.

“Option” means the option granted to the Grantee by the Grantor by this Deed.

“Option Price” means 12 000 dollars (\$125 000).

“Option Period” means the period commencing on the date hereof and expiring on 01/01/2011.

“Option Shares” means all the issued shares in the Company held by the Grantor as at the Exercise Date.

“Person” means any individual wheresoever resident, company wheresoever incorporated or trust wheresoever created.

“Purchase Price” means the sum of 15 000 dollars (\$80 000) which includes the Option Price.

“Secretary” means the company secretary of the Company at any applicable time.

“Service Address” means any of the following if applicable:

- (a) 1 Perth Street Perth 5000 which is the Grantor’s current business address or such other address where the Grantor is carrying on business; or
- (b) (if the Grantor is a Company) the Grantor’s registered office; or
- (c) (if the Grantor is an individual) the residential address of that individual.

“Share Transfer” means the share transfer whereby the Grantor transfers to the Grantee or its Nominee all of the Option Shares for the Purchase Price.

“Written Consent” means a written consent in the form set out in Schedule Three.

1.2. In the interpretation of this Deed the following apply:

- 1.2.1. the singular includes the plural and vice versa;
- 1.2.2. words imparting any gender shall, if applicable, include every other gender;
- 1.2.3. the provision of an index, headings and clause numbers are for convenience of reference only and shall not affect the construction thereof;
- 1.2.4. the appendices and schedules form part of this Deed;
- 1.2.5. a reference to any Legislation or code, regulation or by-law or to any section,

sub-section or paragraph thereof includes any amendments or re-enactments thereof for the time being in force;

1.2.6. A reference to any expression which is defined in the Corporations Act shall be deemed to have the same meaning in this Agreement subject to any necessary adaptations.

2. GRANT OF OPTION

2.1. In consideration of the Option Price paid to the Grantor by the Grantee (the receipt whereof is hereby acknowledged by the Grantee) the Grantor hereby grants unto the Grantee an option to purchase the Option Shares for the Purchase Price.

3. EXERCISE OF OPTION

3.1. This Option can be exercised by the Grantee or its Nominee after the happening of any of the events set out in Part B during the Option Period.

3.2. To exercise this Option, the Grantee must serve on the Grantor at any one of the addresses included in the definition of Service Address an Exercise Notice duly completed and signed by an officer of the Grantee. The date of service of the Notice is the Exercise Date. The Exercise Notice must be in the form set out in Schedule Two and if it is not in that form it will not be an effective Exercise Notice and the Option will be deemed not to have been exercised by that Exercise Notice.

3.3. Service of the Exercise Notice will be effective if it is hand delivered to the Grantor or served on the Grantor in any manner permitted by Section 109X of the Corporations Act for the service of documents on companies. An Exercise Notice served by post shall be deemed served two days after the day of posting.

3.4. The Grantee must also deliver to the Grantor at the time of service of the Exercise Notice a form of Share Transfer identifying the transferor as the Grantor and the Grantee or its Nominee as the transferee. The form of Share Transfer must otherwise be acceptable to the Company and must be duly completed for signing by the Grantor so as to effect, subject to the Corporations Act, the transfer of the Option Shares to the Grantee or its Nominee upon its registration.

4. PAYMENT OF PURCHASE PRICE AND TRANSFER OF OPTION SHARES

4.1. Upon the exercise of the Option the Grantor shall use its best endeavours to arrange for a directors meeting of the Company or for the signing by all directors of a minute of resolution consenting and approving of the Share Transfer and its registration subject only to stamp duty being paid thereon.

- 4.2. The parties will all use their best endeavours to ensure that the payment of the Purchase Price and the holding of the directors meeting referred to in clause 4.1 or the signing of the minute of directors resolution occur within fourteen (14) days of the Exercise Date or within such other period as the Grantor and the Grantee may in writing agree.
- 4.3. Upon and simultaneously with the payment of the Purchase Price the following will occur:
- 4.3.1. the Grantor must simultaneously execute and deliver to the Grantee the Share Transfer; and
 - 4.3.2. the Grantor must simultaneously deliver the share certificate or certificates for the Option Shares or if the share certificate(s) is lost, a statutory declaration to that effect; and
 - 4.3.3. a board meeting of the Company must be held approving the Share Transfer for registration subject only to stamping; and
 - 4.3.4. subject to his/her consent, the appointment of the Nominated Director to the board of the Company; and
 - 4.3.5. the resignation of Western Australia from all offices with the Company is duly signed and delivered to the Company Secretary or to the Chairman of the Board.

5. COVENANTS BY THE GRANTOR

- 5.1. The Grantor covenants with the Grantee that it will not during the Option Period without the prior written consent of the Grantee:
- 5.1.1. mortgage, pledge, sell, transfer or create or grant any interest over any of the Option Shares;
 - 5.1.2. do any act or omit to do any act which would or could preclude the Grantee from obtaining the full benefit of this Option and full unencumbered title to the Option Shares;
 - 5.1.3. consent to the transfer by any Other Shareholder of their shares in the Company;
 - 5.1.4. consent to the allotment of any further shares in the Company;
 - 5.1.5. consent to any sale or disposal of the Company's business or any major assets of the Company;

5.1.6. do any act or omit to do any act so as to cause detriment to or devalue any of the assets of the Company.

5.2. The Grantor will during the Option Period ensure that all steps are taken so as to ensure that the Company complies with all Legislation applicable to its business activities and that all key licences and contracts are maintained and kept in good standing.

6. APPOINTMENT OF ATTORNEY

6.1. The Grantor hereby appoints the Secretary at the time of the Exercise Date as its due and lawful attorney and agent for the purposes of executing and delivering the Share Transfer. Provided however that this power of attorney will only be exercisable by that Secretary if the Grantee has served an Exercise Notice on the Grantor thereby exercising the Option.

6.2. The Grantor will deliver to the Secretary all its share certificates relating to the Option Shares to be held by the Secretary during the Option Period subject to the terms of this Deed. Upon a proper and lawful exercise of the Option the Secretary is irrevocably authorised by the Grantor to deliver the said share certificates to the Grantee or its duly appointed representative in accordance with and subject to clause 4.2 and clause 4.3.

7. COVENANTS BY THE COMPANY

7.1. The Company covenants with the Grantee, with the consent of the Grantor and all Other Shareholders, that:

7.1.1. the Company will not change its business during the Option Period without the written consent of the Grantee;

7.1.2. the Company will not mortgage, charge or encumber any of its assets without the consent of the Grantee;

7.1.3. the Company will not allot any shares or grant any option over its unissued shares without the consent of the Grantee;

7.1.4. the Company will not dispose of any substantial asset without the consent of the Grantee;

7.1.5. the Company will not change the classes of any of the shares or any of the rights attaching to any of the classes of shares issued in the Company, and

7.1.6. the Company will not incur any liability other than in the ordinary course of its business.

- 7.2. The Company covenants with the Grantee that it will during the Option Period keep the Grantee informed of any events or circumstances that might arise which could reasonably be expected to have a material and detrimental effect upon the value of the Company or any of the shares in the Company.

SAMPLE ONLY
YOUR DOCUMENT WILL VARY DEPENDING ON THE ANSWERS YOU
PROVIDE THROUGH THE BUILDING PROCESS

EXECUTED BY THE PARTIES AS A DEED

SIGNED as a Deed by)
Andrew Smith)
in the presence of:

Sign

Signature of Witness

Print Name

Print Name

SIGNED AS A DEED BY)
Other Company Pty Ltd)
ACN 555 666 999)
was hereunto affixed pursuant to Section)
127 of the *Corporations Act* 2001 with the)
authority of its Board of Directors in the)
presence of:

Director

Print Name

Signature of Witness

Director/Secretary

Print Name:

Print Name

SIGNED AS A DEED BY)
Real New Company Pty Ltd)
ACN 999 888 777)
was hereunto affixed pursuant to Section)
127 of the *Corporations Act* 2001 with the)
authority of its Board of Directors in the)
presence of:

Director

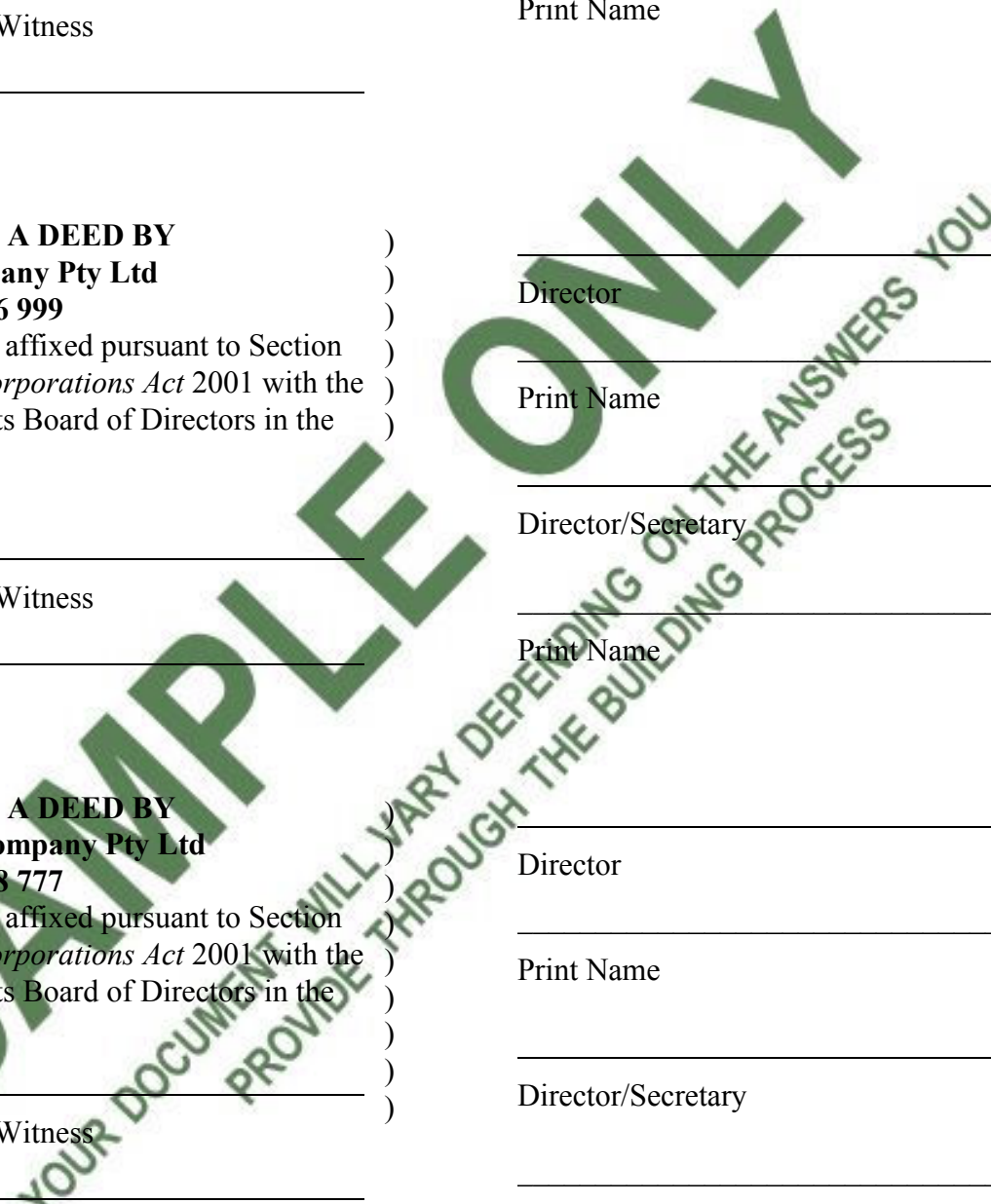
Print Name

Signature of Witness

Director/Secretary

Print Name:

Print Name



SCHEDULE ONE

Part A - The Option Shares¹

Number of Shares	Class	Fully or partly paid	Date of issue in the Company

Part B - Events that trigger the right to exercise the option²

1. _____ and/or
2. _____ and/or
3. _____ and/or
4. _____ and/or
5. _____

Part C - The other shareholders³

Name	Number of shares held	Class	Fully or partly paid

¹ Complete these details of all Options Shares.

² Set out the event(s), if any, that must occur to enable the Grantee to exercise the Option. Must all the events occur or any one of them? (delete either 'and' or 'or' at end of line).

³ What is the name of each of the Shareholders in the Company? How many shares are held by that shareholder? What class? Are they fully or partly paid?

SCHEDULE TWO
EXERCISE NOTICE

TO: _____ Pty Limited ACN _____

**EXERCISE BY _____ PTY LIMITED ACN _____ OF ITS
OPTION TO ACQUIRE SHARES IN _____ PTY LIMITED ACN _____**

WHEREAS by a Deed of Option dated _____ 20____, _____ (“the
Grantor”) granted an option to _____ Pty Limited ACN _____ (“the
Grantee”) to acquire all of his/her shares in _____ Pty Limited ACN _____
 (“the Company”)

AND WHEREAS an event giving rise to an entitlement in the Grantee to exercise this Option has
occurred and the Grantee has resolved to exercise the Option.

THEREFORE TAKE NOTICE:

1. The Grantee exercises its option to acquire all of the shares from the Grantor in the Company
for the purchase price of \$ _____;
2. The Grantee nominates itself _____ as the transferee to take up all of the shares, the
subject of the option, and be registered in the register of members of the Company as the
holder of those shares;
3. The Grantee nominates _____ (subject to his/her consent) to be appointed to the
board of Company.

Dated this ____ day of _____ 20__.

SIGNED BY

_____ Pty Limited)
ACN _____)

was hereunto affixed pursuant to Section)
127 of the *Corporations Act* 2001 with the)
authority of its Board of Directors in the)
presence of:)

_____))
Signature of Witness)

_____)

Print Name:

Director

Print Name

Director/Secretary

Print Name

SCHEDULE THREE

CONSENT OF OTHER SHAREHOLDERS

TO: _____ Pty Limited ACN _____

WE the undersigned being collectively the holders of all the shares in _____ Pty Limited ACN _____ hereby consent to the granting by _____ Pty Limited ACN _____ (“the Grantor”) of the option to _____ Pty Limited ACN _____ (“the Grantee”) all acquire all of its shares in _____ Pty Limited ACN: _____ (“the Company”) on the terms contained in this Deed of Option.

DATED this _____ day of _____ 20____

No of shares held _____

Signed

DATED this _____ day of _____ 20____

No of shares held _____

Signed

