

F. 7862 2016

THE COMPANIES ORDINANCE  
CORPORATION Limited by Shares  
MEMORANDUM OF ASSOCIATION OF  
JAZA ENERGY INC.



**Incorporated:**

January 8, 2015

**Founders:**

Jeff Bryan Schnurr

Sebastian Callaghan Manchester

**Business Registrations:**

CANADA  
Nova Scotia  
New Brunswick

Branch in Zanzibar, Tanzania (Pending)

**Jurisdictions with Employees:**

Nova Scotia  
New Brunswick  
Ontario

**Shares:**

The shares of the company are 1,000,000 common shares.

**Issuance:**

The shares are issued as follows:  
Jeff Schnurr – 500,000  
Sebastian Manchester – 500,000



## UNANIMOUS SHAREHOLDER AGREEMENT

THIS AGREEMENT is made as of the 8<sup>th</sup> day of January, 2015.

BETWEEN:

JAZA ENERGY INC., a corporation governed by the laws of Canada (hereinafter referred to as the "Corporation")

- and -

THE PERSONS IDENTIFIED ON SCHEDULE "A"

- and -

Any Person who becomes a party to this Agreement in accordance with the terms of this Agreement

RECITALS:

- A. The authorized capital of the Corporation consists of an unlimited number of Class A and Class B shares (the "Shares") and the parties to this Agreement, other than the Corporation, together own all of the issued and outstanding Shares in the capital of the Corporation.
- B. The parties have entered into this Agreement to record their agreement as to the manner in which the Corporation's affairs are to be conducted and to grant certain rights and obligations with respect to the ownership of the shares of the Corporation.

THE PARTIES agree as follows:

### ARTICLE 1 DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions

Whenever used in this Agreement, the following words and terms have the following meanings:

"Acceptance Notice" has the meaning given to it in Section 4.4(d).

"Acceptance Period" has the meaning given to it in Section 4.4(b).

"Act" means the *Canada Business Corporations Act*.



"**Agreement**" means this Shareholder Agreement, including all schedules and all amendments or restatements, and references to "Article" or "Section" mean the specified Articles or Sections of this Agreement.

"**Arm's length**" has the meaning that it has for purposes of the *Income Tax Act* (Canada).

"**Articles**" means the articles of the Corporation, as amended from time to time.

"**Board of Directors**" means the board of directors of the Corporation.

"**Business Day**" means any day, other than a Saturday or a Sunday, on which the principal commercial banks located in Moncton, New Brunswick are open for commercial banking business during normal banking hours.

"**By-Laws**" means the by-laws of the Corporation, as amended from time to time.

"**Competitive Business**" means any business that is, at the relevant time, engaged in the design, development, marketing, sale or licensing of any product that is in form and function directly competitive with any of the principal products that are, at the time the applicable Shareholder's employment or engagement with the Corporation ceases, being developed, marketed, sold or licensed by the Corporation.

"**Drag-Along Offer**" has the meaning given to it in Section 4.6(a)(i).

"**Family Member**" means, in respect of an individual, any parent, spouse, child, spouse of a child, grandchild, sibling or trust created for the benefit of one or more of them, a custodian of property of any of them, or the estate of any of them.

"**New Securities**" means, collectively, equity securities in the capital of the Corporation, whether or not currently authorized, as well as rights, options, or warrants to purchase such equity securities, or securities of any type that are, or may become, convertible or exchangeable into or exercisable for such equity securities.

"**Notice of Sale**" has the meaning given to it in Section 4.4(a).

"**Offered Shares**" has the meaning given to it in Section 4.4(a).

"**Offeree**" has the meaning given to it in Section 4.4(a) for purposes of Section 4.4.

"**Offeror**" has the meaning given to it in Section 4.4(a) for purposes of Section 4.4, and in Section 4.5(a) for purposes of Section 4.5.

"**Person**" includes any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his capacity as trustee, executor, administrator, or other legal representative.

"**Jaza Energy**" means Jaza Energy Inc.

"Shares" means all of the issued and outstanding shares in the capital of the Corporation.

"Shareholder(s)" means any Person that becomes a party to this Agreement as a holder of Shares.

"Third Party" has the meaning given to it in Section 4.4(a) for purposes of Section 4.4, and in Section 4.5(a) for purposes of Section 4.5.

"Third Party Offer" has the meaning given to it in Section 4.4(a).

## 1.2 Additional Definitions

- (a) Affiliate. For the purposes of this Agreement, a Person is an affiliate of another Person if:
- (i) one of them is the subsidiary of the other; or
  - (ii) each of them is controlled by the same Person.
- (b) Control. For purposes of this Agreement:
- (i) a corporation is considered controlled by a Person (or group of Persons) if voting securities of the corporation carrying more than 50 percent of the votes for the election of directors are held, otherwise than by way of security only, by or for the benefit of the Person (or group of Persons);
  - (ii) a partnership (other than a limited partnership) is considered controlled by a Person (or group of Persons) that holds more than 50 percent of the interests in the partnership;
  - (iii) a limited partnership is considered controlled by each of its general partners; and
  - (iv) a trust is considered controlled by each of its trustees.
- (c) As Converted. For purposes of this Agreement, if a calculation of a number of Shares is to be made on an "as-converted basis", the number of Shares is determined as the number of Shares that would be held by the applicable Shareholders if all securities held by them that are, directly or indirectly, exercisable or exchangeable for or convertible into the Shares are so exercised, exchanged or converted.
- (d) Definitions in Act. Unless there is something inconsistent in the subject matter or context, or unless otherwise set out in this Agreement, all words and terms used in this Agreement that are defined in the Act have the meanings set out in the Act.

### 1.3 Certain Rules of Interpretation

In this Agreement:

- (a) **Consent** - Whenever a provision of this Agreement requires an approval or consent and the approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the party whose consent or approval is required is conclusively deemed to have withheld its approval or consent.
- (b) **Currency** - Unless otherwise specified, all dollar amounts refer to lawful money of Canada.
- (c) **Governing Law** - This Agreement is a contract made under, governed by and construed in accordance with the laws of Canada and the laws of the Province of New Brunswick, where applicable.
- (d) **Headings** - Headings of Articles and Sections are inserted for convenience of reference only and do not affect the construction or interpretation of this Agreement.
- (e) **Including** - Where the word "including" or "includes" is used in this Agreement, it means "including (or includes) without limitation".
- (f) **Number and Gender** - Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders.
- (g) **Severability** - If, in any jurisdiction, any provision of this Agreement or its application to any party or circumstance is restricted, prohibited or unenforceable, that provision is, as to that jurisdiction, ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement and without affecting the validity or enforceability of the provision in any other jurisdiction and without affecting its application to other parties or circumstances.
- (h) **Statutory references** - A reference to a statute includes all regulations and rules made pursuant to such statute and, unless otherwise specified, the provisions of any statute, regulation or rule that amends, supplements or supersedes the statute, regulation or rule.
- (i) **Time** - Time is of the essence in the performance of the parties' respective obligations.
- (j) **Time Periods** - Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done are calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the following Business Day if the last day of the period is not a Business Day.

#### **1.4 Entire Agreement**

This Agreement constitutes the entire agreement between the parties and sets out all the covenants, promises, warranties, representations, conditions, understandings and agreements between the parties concerning the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, oral or written, express, implied or collateral between the parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement.

#### **1.5 Conflict with Articles and By-Laws**

If there is any inconsistency between the provisions of this Agreement and any provision in the Articles or the By-laws, the terms of this Agreement are paramount. The Shareholders will use their reasonable best efforts to ensure that the Articles and By-laws reflect the terms of this Agreement and are not amended to include provisions that are or could be inconsistent with the provisions of this Agreement. The Shareholders will vote the Shares held by them so as to cause the Articles and the By-laws to be amended to resolve any conflict in favour of the terms of this Agreement.

### **ARTICLE 2 COMPLIANCE WITH AGREEMENT**

#### **2.1 Shareholder Agreement**

- (a) The power of the Board of Directors to manage or supervise the management of the business and affairs of the Corporation is restricted in accordance with the terms of this Agreement.
- (b) Where provided in this Agreement, a Shareholder has all the rights, powers and duties of the directors and all obligations and liabilities relating to such rights, powers and duties, whether arising under the Act or otherwise. To the extent that this Agreement restricts the discretion or powers of the directors to manage or supervise the management of the business and affairs of the Corporation, the directors are relieved of their duties and liabilities to the same extent.
- (c) No amendment to this Agreement that affects the rights, powers and duties of any of the directors is effective until the directors have been given notice of the proposed amendment and an opportunity to resign.

#### **2.2 Compliance by Corporation**

- (a) Each Shareholder will vote and act as a shareholder of the Corporation to fulfil the provisions of this Agreement and in all other respects to comply with, and use all reasonable efforts to cause the Corporation to comply with, this Agreement.

- (b) The Corporation will carry out and be bound by the provisions of this Agreement to the extent that it has the capacity and power at law to do so.

### ARTICLE 3 MANAGEMENT OF THE CORPORATION

#### 3.1 Board of Directors

- (a) The Corporation shall at all times during the term of this Agreement have a Board of Directors composed of directors who are qualified to act as directors of the Corporation under the Act and any other applicable law.
- (b) Board Size. The number of directors on the Board of Directors shall at all times be within the minimum and maximum prescribed in the Articles.
- (c) Board Composition. Each Shareholder shall vote, or cause to be voted, all Shares owned by such Shareholder, or over which such Shareholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to ensure that at each annual or special meeting of shareholders at which an election of directors is held or pursuant to any written resolution of the shareholders, the following persons shall be elected to the Board:
- (i) One director shall be nominated by Jeff Bryan Schnurr who shall initially be Jeff Bryan Schnurr; and
  - (ii) One director shall be nominated by Sebastian Callaghan Manchester who shall be Sebastian Callaghan Manchester.
- (d) Failure to Designate a Board Member. In the absence of any designation from the Persons or groups with the right to designate a director as specified above, the director previously designated by them and then serving shall be re-elected if still eligible to serve as provided herein.
- (e) Removal of Board Members. Each Shareholder shall vote, or cause to be voted, all Shares owned by such Shareholder, or over which such Shareholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to ensure that:
- (i) no director elected pursuant to this Section may be removed from office unless such removal is directed or approved by the affirmative vote of the Person, or Persons, entitled under this Section to designate that director;
  - (ii) any vacancies created by the resignation, removal or death of a director elected pursuant to this Section shall be filled pursuant to the provisions of this Section; and



- (iii) upon the request of any party entitled to designate a director as provided in this Section to remove such director, such director shall be removed.
- (f) All Shareholders shall execute any written resolutions required to perform the obligations of this Agreement, and the Company shall, at the request of any party entitled to designate directors, to call a special meeting of shareholders for the purpose of electing directors.

### 3.2 Board Matters

- (a) Quorum.
  - (i) A quorum for meetings of the Board of Directors consists of a majority of the members of the Board of Directors.
  - (ii) If, at a meeting of the Board of Directors, quorum is not present within 30 minutes after the time fixed for holding the meeting, the meeting stands adjourned to a day and time determined by the directors present at the meeting, and at least 48 hours' written notice must be given of the adjourned meeting. If quorum is not present within 30 minutes after the time fixed for holding the adjourned meeting, the quorum at the adjourned meeting is a majority of the members of the Board of Directors present (and no particular directors need be present).
- (b) Notice. Directors shall be entitled to not less than forty-eight (48) hours' notice (the "Notice Period") of any meeting of the Board of Directors. However, notwithstanding the foregoing, with the unanimous consent of the directors, the Notice Period may be waived and a meeting of the Board of Directors may be held at any time unanimously consented to, including, for greater certainty, immediately following notice of the meeting.
- (c) Attendance by Telephone. Any or all directors may participate in a meeting of the Board of Directors by means of such telephone, electronic or other communication facilities as permit all directors participating in the meeting to hear and communicate with each other simultaneously and a director participating in such a meeting by such means is deemed to be present at the meeting.
- (d) Decisions. Decisions of the Board of Directors shall be made by majority vote of those members of the Board of Directors in attendance provided that a quorum was in attendance at the commencement of the meeting. Each member of the Board of Directors shall have one vote and, upon an equal division, the chairman shall have a casting vote.
- (e) Insurance and Indemnities. The Corporation will indemnify each director for claims against the director in his or her capacity as a director to the fullest extent permitted by law, and will, on the request of a director, enter into indemnity agreements to that effect with each of such directors.

- (f) Expenses of Directors. The Corporation will reimburse each director for the reasonable out-of-pocket expenses of the director incurred in connection with attending meetings of the Board of Directors, but no director is entitled to any other compensation for participation at meetings of the Board of Directors or any committees of the Board of Directors or for carrying out activities as a director in connection with the Corporation's business (other than any compensation payable to an Independent Director if the compensation is approved by a majority of the members of Board of Directors other than the Independent Director).

### 3.3 Committees

The Board of Directors shall be entitled to establish such committees as it deems appropriate, provided that the Board of Directors shall only delegate its responsibility in accordance with applicable law.

### 3.4 Shareholder Quorum

A quorum for meetings of shareholders of the Corporation consists of holders of a majority of the outstanding Shares (calculated on an as-converted basis), being present in person (or by representative) or by proxy. If a quorum is not obtained at any meeting, the meeting shall be adjourned and may be reconvened upon not less than three Business Days' notice to the Shareholders, at which reconvened meeting the quorum shall be at least two Shareholders present in person or by proxy at such meeting provided that only matters contained in the notice delivered with respect to the adjourned meeting shall be transacted. Subject to the terms hereof, all questions before the Shareholders shall be decided by a majority of those voting. The chairman of the meeting of the Shareholders shall have a casting vote.

## ARTICLE 4 DEALING WITH SHARES

### 4.1 Restrictions on Transfer of Shares

- (a) Except in accordance with sections 4.5, 4.6 and 4.7 below, the Corporation's securities, other than non-convertible debt securities, shall not be transferred with out either (a) the sanction of a majority of the directors of the Corporation, or (b) the sanction of a majority of the shareholders of the Corporation, and in either case of (a) or (b), only as specifically permitted by this Agreement and only in accordance with the terms of this Agreement.
- (b) No Shareholder may transfer, and the Corporation may not issue, Shares unless the proposed transferee or subscriber, if not already bound by the terms of this Agreement, agrees, in writing, to become a party to and to be bound by the terms of this Agreement; and

- (c) Any Person required to become a party to this Agreement as a result of an issuance or transfer of Shares may do so by executing a counterpart to this Agreement in the form set out in Schedule "B" or such other form acceptable to the Corporation. Upon such execution, and acceptance of the acknowledgement by the Corporation, such Person becomes a party to this Agreement without any further act by any other party.

#### 4.1.2 Equity Participation

Each of the Shareholders represents and warrants to each other and to the Corporation that:

- a) Such Shareholder at the date hereof (or, if such Shareholder becomes a party following the date of this Agreement, at the date such Shareholder acquired its Shares), owns beneficially and of record the number of Shares set forth opposite such Shareholder's name on Schedule "A" or Schedule "B" attached hereto, as applicable (as such schedules may be amended from time to time to reflect changes in shareholdings);
- b) The Shares held by such Shareholder are held beneficially and of record by such Shareholder, such Shares are not subject to any mortgage, lien, charge, pledge, encumbrance, security interest or adverse claim and no Person has any rights to become a holder or possessor of any of the Shares or of the certificates representing same, if applicable;
- c) If the Shareholder is an individual, such Shareholder has the capacity to enter into and give full effect to this Agreement;
- d) If the Shareholder is a corporation, that it is duly incorporated and validly existing under the laws of its jurisdiction of incorporation and that it has the corporate power and capacity to own its assets and to enter into and perform its obligations under this Agreement;
- e) This Agreement has been duly authorized by such Shareholder and duly executed and delivered by such Shareholder and constitutes a valid and binding obligation enforceable in accordance with its terms, subject to the usual exceptions as to bankruptcy and the availability of equitable remedies;
- f) That the execution, delivery and performance of this Agreement does not and shall not contravene the provisions of its articles, by-laws, constating documents or other organizational documents or the documents by which such Shareholder was created or established or the provisions of any indenture, agreement or other instrument to which such Shareholder is a party or by which such Shareholder may be bound; and
- g) That, subject to the terms of this Agreement, all of the foregoing representations and warranties (other than the representation and warranty at paragraph (a)) shall continue to be true and correct during the continuance of this Agreement.

## 4.2 Endorsement on Certificates

In addition to any legends required by applicable securities laws, share certificates of the Corporation representing Shares will bear the following language either as an endorsement or on the face of the certificate:

*"The shares represented by this certificate are subject to the terms and conditions of a Shareholder Agreement made as of the 8<sup>th</sup> day of January, 2015 as it may be amended from time to time, which agreement contains, among other things, restrictions on the right of the holder of the shares represented by this certificate to transfer or sell the shares."*

## 4.3 Permitted Transfers

- (a) With the consent of a majority of the Board of Directors, each Shareholder may transfer all or any part of the Shares owned by it to:
- (i) an Affiliate of the Shareholder;
  - (ii) a corporation controlled by the Shareholder and/or his or her Family Members;
  - (iii) a custodian, trustee (including an RRSP, RIF, IRA or similar retirement or investment fund) or other fiduciary for the Shareholder and/or his or her Family Members;
  - (iv) in the case of a Shareholder that is a corporation, to any shareholder or shareholders of such corporate Shareholder; or
  - (v) in the case of a Shareholder that is a trust, to any beneficiary or beneficiaries of the trust.

provided that, in each case, such transferee agrees to become a party to and to be bound by this Agreement by signing a counterpart agreement in the form attached as Schedule "B" and, if requested by the Board of Directors, signs an irrevocable voting trust in respect of the transferred Shares in a form acceptable to the Corporation in favour of the transferor Shareholder.

- (b) If the transferee to whom Shares are transferred pursuant to Section 4.3(a) is no longer:
- (A) an Affiliate of the transferor (in the case of a transfer pursuant to Section 4.3(a)(i));
  - (B) controlled by the Shareholder and/or his or her Family Members (in the case of a transfer pursuant to Section 4.3(a)(ii)); or

- (C) a custodian, trustee or fiduciary for the Shareholder and/or his or her Family Members (in the case of a transfer pursuant to Section 4.3(a)(iii)),

the transferee will immediately transfer all of the transferred Shares back to the transferor.

- (c) At all times after the transfer of Shares pursuant to Section 4.3(a), the transferor is jointly and severally liable with the transferee for the observance and performance of obligations of the transferee under this Agreement.
- (d) Section 4.4 (Right of First Refusal) and Section 4.5 (Tag Along Rights) do not apply to any transfer permitted or required under this Section 4.3.

#### 4.4 Right of First Refusal

- (a) If a Shareholder (the "Offeror") receives from a third party (the "Third Party"), acting as principal and dealing at arm's length with the Offeror, a bona fide written offer (the "Third Party Offer") to purchase all or any of the Shares then held by the Offeror (the "Offered Shares"), which Third Party Offer the Offeror has accepted (subject to compliance with the provisions of this Section), the Offeror will deliver a notice in writing (the "Notice of Sale") to the other Shareholders (individually, the "Offeree", and collectively, the "Offerees") offering to sell to the Offerees the Offered Shares at the same price and in all other respects on the same terms and conditions as provided in the Third Party Offer (except that the Notice of Sale is deemed to contain the provisions of Section 5.1).
- (b) The Offeror will deliver with the Notice of Sale, a true copy of the Third Party Offer and, if the Third Party is a corporation, the names of the principal shareholders (if available), officers and directors of the Third Party. The offer contained in the Notice of Sale is irrevocable except with the consent of the Offerees and will be open for acceptance for a period of 20 Business Days after the date upon which the Notice of Sale was last received by the Offerees (the "Acceptance Period").
- (c) Upon the Notice of Sale being given, the Offerees have the right to purchase all, but not less than all, of the Offered Shares. The right of the Offerees is shared among such Offerees pro rata based upon the number of Common Shares beneficially owned by such Offerees as of the date the Notice of Sale is given (calculated on an as-converted basis) or to purchase in such other proportion as such Offerees agree in writing.
- (d) Within the Acceptance Period, each of the Offerees may accept the offer by giving to the Offeror a notice in writing (an "Acceptance Notice") accepting the offer contained in the Notice of Sale and specifying the maximum number of Offered Shares it wishes to acquire (which number may be greater than or less than its pro rata entitlement).

- (e) If any Offeree does not give an Acceptance Notice or specifies in its Acceptance Notice a number of Shares less than its pro rata entitlement, then any unaccepted Offered Shares are deemed to have been offered, by the Offeror, to any Offerees who specified in their Acceptance Notice a desire to acquire a number of the Offered Shares greater than their pro rata entitlement, and each such Offeree is, subject to the maximum number of Offered Shares specified in its Acceptance Notice, entitled to acquire its pro rata share of the unaccepted Offered Shares based upon the number of Shares beneficially owned by such Offerees, as between themselves (calculated on an as-converted basis), or in such other proportion as such Offerees agree in writing.
- (f) If the Offerees, or any of them, give Acceptance Notices within the Acceptance Period confirming their agreement to purchase all of the Offered Shares, the sale of the Offered Shares to such Offerees will be completed 20 Business Days following the expiry of the Acceptance Period (or such other date agreed to by the Offeror and the Offerees).
- (g) If the Offeror does not receive Acceptance Notices from the Offerees, or any of them, within the Acceptance Period confirming their agreement to purchase all or any part of the Offered Shares, the Offeror may sell any Offered Shares not taken up by the Offerees to the Third Party at the price and upon the terms and conditions specified in the Third Party Offer. Any transfer to the Third Party pursuant to this Section 4.4(g) must be completed within 60 days following the expiry of the Acceptance Period, failing which the provisions of this Agreement again apply to any proposed transfer of Shares by the Shareholder, and so on from time to time. The Offerees who provided Acceptance Notices confirming their agreement to acquire a part of the Offered Shares must complete the purchase of such shares within 30 days of the Transfer of the remaining Offered Shares by the Offeror to the Third Party.
- (h) All Acceptance Notices or other notices under this Section 4.4 must be given concurrently to all Offerees.
- (i) To permit the practical implementation of this Section 4.4, no Shares may be sold by any Shareholder as part of or incidental to the sale of any other assets or any other transaction.

#### 4.5 Tag Along Rights

- (a) Subject to Section 4.6(a) below, if a Shareholder (the "Offeror"), having complied with the provisions of Section 4.4, proposes to sell all or a portion of the Shares of such Offeror to a third party (the "Third Party"), the Offeror is free to sell such Shares to the Third Party if, prior to the completion of such sale, the Offeror causes the Third Party to offer to purchase the Shares held by the other Shareholders on substantially the same terms as those upon which the Offeror will sell to the Third Party.

- (b) If the Third Party has specified a limited number of Shares that it is willing to purchase in the aggregate, then each Shareholder has the right to sell to the Third Party up to such Shareholder's pro rata number of Shares.
- (c) If any Shareholder does not elect to sell the full number of Shares that it is entitled to sell, the Offeror is entitled to sell additional Shares to make up the aggregate number of Shares being so purchased.

#### 4.6 Drag Along Rights

- (a) If a bona fide offer (a "Drag Along Offer") is made or proposed to any Shareholders or to the Corporation:
  - (i) that provides for:
    - (A) the amalgamation or merger of the Corporation with another corporation, or an arrangement, pursuant to which the holders of voting securities of the Corporation immediately prior to the transaction hold, immediately after such transaction, directly or indirectly, less than 50% of the voting power to elect directors of the corporation resulting from the transaction;
    - (B) a sale, lease or license (other than the non-exclusive license of intellectual property rights in the ordinary course of business) of all or substantially all of the assets of the Corporation and any of its Subsidiaries;
    - (C) a sale of all or substantially all of the outstanding Shares (other than Shares held by the third party offeror or any Person acting jointly or in concert with the third party offeror); or
    - (D) any combination of the above; and
  - (ii) that is irrevocably accepted or approved by the holders of at least 70% of the Shares (calculated on an as-converted basis),

then, any Shareholder who has not accepted or approved the Drag Along Offer is deemed to have done so upon being notified by such third party offeror or the Corporation of the names of Shareholders who have irrevocably accepted or approved such Drag Along Offer and the number of Shares in respect of which they have accepted or approved the Drag Along Offer. Each Shareholder shall be required to transfer all of its Shares to the third party offeror and/or to vote or cause to be voted all of its Shares to accomplish and give effect to the terms and conditions of the Drag Along Offer.

- (b) To the maximum extent permitted by law, each Shareholder hereby waives any statutory right of dissent and/or appraisal remedy to which it would otherwise be entitled in connection with any transaction contemplated in this Section 4.6.

- (c) If a Shareholder fails to execute or deliver any document required pursuant to this Section within three days following a written request to do so by another Shareholder, the Corporation or the Person making the Drag Along Offer, then the Person making the Drag Along Offer may, without prejudice to any other rights that any Person may have, execute and deliver such document on behalf of such Shareholder, and the Shareholder hereby irrevocably appoints such Person its attorney in that behalf, with full powers of substitution. Such appointment and power of attorney, being coupled with an interest, will not be revoked by the insolvency or bankruptcy of the transferor, and the transferor hereby ratifies and confirms and agrees to ratify and confirm all that the transferee may lawfully do or cause to be done by virtue of such appointment and power. The execution of this Agreement does not terminate any power of attorney granted by a Shareholder previously, and this power of attorney will not be terminated by the execution by a Shareholder in the future of a power of attorney, and each Shareholder agrees not to take any action that results in the termination of the Right of First Offer below.

4.7 **Right of First Offer.** Subject to applicable securities laws, if the Corporation proposes to offer or sell any New Securities, excepting any New Securities issued as equity-based compensation to an eligible recipient pursuant to an approved equity compensation plan of the Corporation, the Corporation shall first offer such New Securities to each Shareholder. A Shareholder shall be entitled to apportion the right of first offer hereby granted to it in such proportions as it deems appropriate, among (i) itself, (ii) its Associates and Affiliates and (iii) its beneficial interest holders, such as limited partners, shareholders or any other Person having beneficial ownership, of such Shareholder ("**Shareholder Beneficial Owners**"); provided that, each such Associate, Affiliate or Shareholder Beneficial Owner: (x) is not a Competitor, unless such party's purchase of New Securities is otherwise consented to by the Board, and (y) such party agrees to enter into this Shareholder Agreement, as a "Shareholder".

- (a) The Corporation shall give notice (the "**Offer Notice**") to each Shareholder, stating (i) its *bona fide* intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.
- (b) By notification to the Corporation within 20 days after the Offer Notice is given, each Shareholder may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to that portion of such New Securities that equals the proportion that the Shares then held by such Shareholder (including all Shares then issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of any derivative securities then held by such Shareholder) bears to the total number of Shares then outstanding (assuming full conversion and/or exercise, as applicable, of all derivative securities (including any allocated but unexercised options in the capital of the Corporation)). At the expiration of such 20 day period, the Corporation shall promptly notify each Shareholder that elects to purchase or acquire all the New Securities available to it (each, a "**Fully Exercising Shareholder**") of any other Shareholder's failure to do likewise. During the 10 day period commencing after the Corporation has given such notice, each Fully

Exercising Shareholder may, by giving notice to the Corporation, elect to purchase or acquire, in addition to the number of shares specified above, up to that portion of the New Securities for which Shareholders were entitled to subscribe for but that were not subscribed for by the Shareholders that is equal to the proportion that the Shares issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of any derivative securities then held, by such Fully Exercising Shareholder bears to the Shares issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of any derivative securities then held, by all Fully Exercising Shareholders who wish to purchase such unsubscribed New Securities. The closing of any sale pursuant to this Section 4.7(b) shall occur on the later of 90 days of the date that the Offer Notice is given and the date of initial sale of New Securities pursuant to Section 4.7(c).

- (c) If all New Securities referred to in the Offer Notice are not elected to be purchased or acquired as provided in Section 4.7(b), the Corporation may, during the 90-day period following the expiration of the periods provided in Section 4.7(b), offer and sell the remaining unsubscribed portion of such New Securities to any Person or Persons at the same price and upon the same terms as specified in the Offer Notice. If the Corporation does not enter into an agreement for the sale of the New Securities within such period, or if such agreement is not consummated within 30 days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Shareholders in accordance with this Section 4.7.

## ARTICLE 5 ARRANGEMENTS REGARDING DISPOSITIONS

### 5.1 Closing

If a purchase and sale of Shares is effected pursuant to this Agreement, the following provisions shall apply, subject to any agreement to the contrary:

- (a) Payment of Purchase Price and Delivery of Certificates. The purchase price shall be paid by certified cheque on closing against receipt by the purchaser of the share certificate or certificates representing the Shares being purchased and sold, duly endorsed in blank for transfer with signatures guaranteed by a Canadian chartered bank or trust company together with signed and dated resignations by the vendor or his nominee as a director and officer of the Corporation, if applicable. Any transfer of Shares pursuant to this Agreement shall be conditional on the transferee first becoming a party to this Agreement by signing a counterpart to this Agreement in the form attached as Schedule "B";
- (b) Closing. Closing shall take place at 10:00 a.m. local time on the date for completion of the sale at the registered office of the Corporation;

- (c) Title. The vendor shall warrant that he has good and marketable title to the Shares being sold free and clear of any lien, charge, encumbrance or security interest of any nature or kind whatsoever, except the terms of this agreement, and shall deliver to the purchaser all such documents and instruments and shall take all such steps and do all such acts and things as may be necessary or desirable to vest such title in the purchaser;
- (d) Failure to Complete Sale. If on the date of closing the vendor shall have failed, neglected or refused to complete the sale, the purchaser shall have the right to deposit the purchase price for the account of the vendor in the designated bank of the Corporation, or such other bank as may be designated by the Board of Directors of the Corporation and thereafter to execute and deliver such deeds, transfers of share certificates, resignations and other documents that may be necessary or desirable in order to complete the transaction with respect to such purchaser; and such purchaser is hereby irrevocably constituted and appointed the attorney of the vendor in that behalf;
- (e) Vendor Indebted to Corporation. If at the time of such sale the vendor shall be indebted to the Corporation, the purchaser shall have the right out of the purchase price payable for the Common Shares to pay, satisfy and discharge such indebtedness; and
- (f) Assignment of Indebtedness. If at the time of such sale the Corporation shall be indebted to the vendor, the purchaser shall, upon the closing of such sale, purchase such indebtedness from the vendor for a price equal to the amount thereof and shall pay such price to the vendor on closing by certified cheque against delivery of a valid assignment to the purchaser of such indebtedness.

## ARTICLE 6

### INFORMATION RIGHTS, CONFIDENTIALITY AND NON-COMPETITION

#### 6.1 Information Rights

Each of the Shareholders shall have reasonable access to the Articles, By-laws, and financial statements of the Corporation.

#### 6.2 Confidentiality

- (a) No Shareholder may, without the consent of the Corporation, directly or indirectly communicate or disclose to any Person (other than the other parties to this Agreement and their employees, agents, advisors, representatives and limited partners) or make use of (except in connection with its interest in the Corporation) any confidential knowledge or information relating to or concerning the customers, products, technology, trade secrets, systems or operations, or other confidential information regarding the property, business and affairs, of the Corporation, such confidential information shall be identified by the Corporation as confidential with conspicuous markings, or otherwise identified with a legend as being confidential, except:

- (i) information that is or becomes generally available to the public (other than by disclosure by such Shareholder or its employees, agents, advisors or representatives contrary to this Section);
  - (ii) information that is reasonably required to be disclosed by a Shareholder to protect its interests in connection with any legal proceeding under this Agreement, as established by documentary evidence;
  - (iii) information that is required to be disclosed by law or by the applicable regulations or policies of any regulatory agency of competent jurisdiction or any stock exchange, as established by documentary evidence; or
  - (iv) in connection with a proposed transfer of such Shareholder's interest in the Corporation, but only if such Shareholder provides notice to the Corporation and obtains a prior written covenant of confidentiality from the Person to whom it proposes to disclose such information.
- (b) Each Shareholder acknowledges that disclosure of any confidential information regarding the Corporation in contravention of this Section may cause significant harm to the Corporation and that remedies at law may be inadequate to protect against a breach of this Section. Accordingly, each Shareholder acknowledges that the Corporation is entitled, in addition to any other relief available to it, to the granting of injunctive relief without proof of actual damages or the requirement to establish the inadequacy of any of the other remedies available to it. No Shareholder may assert any defence in proceedings regarding the granting of an injunction or specific performance based on the availability to the Corporation of any other remedy.

### 6.3 Non-Solicitation

- (a) For so long as any Shareholder, or any Eligible Transferee of such Shareholder, remains a shareholder of the Corporation, and for two (2) years thereafter, such Shareholder agrees not to:
- (i) induce or attempt to induce or directly or indirectly participate in the inducement of, any employee of the Corporation to breach that employee's contract of employment with the Corporation;
  - (ii) directly or indirectly solicit, attempt to solicit, canvass or interfere with any Person that is or was a customer of the Corporation in connection with the activities of a Competitive Business; or
  - (iii) perform work related to the business of the Corporation for any Person that was a customer of the Corporation during the twelve (12) month period prior to the date on which such Shareholder or such Shareholder's Eligible Transferee, if any, ceased to be a Shareholder of the Corporation, in connection with a Competitive Business.

- (b) The restrictions in this Section 6.3 are acknowledged to be separate, distinct and severable covenants and to be reasonable and valid, and each Shareholder and each such Shareholder's Eligible Transferee, if any, hereby waives all defences to the strict enforcement thereof. Without limiting the generality of the foregoing, each Shareholder and each such Shareholder's Eligible Transferee, if any, acknowledges that the Corporation's market may extend across multiple jurisdictions.

## ARTICLE 7 GENERAL

### 7.1 Application of this Agreement

The terms of this Agreement will apply *mutatis mutandis* to any shares:

- (a) resulting from the conversion, reclassification, redesignation, subdivision or consolidation of the Shares; and
- (b) of the Corporation or any successor body corporate that may be received by the Shareholders on a merger, amalgamation, arrangement or other reorganization of or including the Corporation,

and prior to any such action being taken the parties will give due consideration to any changes that may be required to this Agreement in order to give effect to the intent of this Section 7.1.

### 7.2 Notices

Any notice, consent or approval required or permitted to be given in connection with this Agreement (a "Notice") must be in writing and is sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by fax or e-mail:

- (a) in the case of a Notice to the Corporation at:

Jaza Energy Inc.  
10 School Lane  
Sackville, NB E4L 3J9

Attention: Jeff Schnurr  
E-mail: [jeff@jazaenergy.com](mailto:jeff@jazaenergy.com)

- (b) in the case of any Shareholder, at the address, fax number or e-mail address listed on Schedule "A" hereto or as shown on the records of the Corporation, or such other address as may be designated by Notice by a Shareholder to the Corporation.

Any Notice delivered or transmitted to a party as provided above is deemed to have been given and received on the day it is delivered or transmitted if it is delivered or transmitted on a Business Day prior to 5:00 p.m. local time in the place of delivery or receipt. If the Notice is delivered or transmitted after 5:00 p.m. local time or if such day is not a Business Day, then the Notice is deemed to have been given and received on the next Business Day. Any party may, from time to time, change its address by giving Notice to the other parties in accordance with the provisions of this Section.

### 7.3 Amendment

- (a) No amendment, supplement, modification or waiver of this Agreement is binding unless, and each such amendment, supplement, modification or waiver is binding on all parties without further action if, approved by the Corporation and the holders of at least a majority of the Shares. However, any amendment that would materially and adversely affect one or more Shareholders in a manner different than the other Shareholders of the same class is ineffective against such adversely affected Shareholder or Shareholders without the prior written consent of the adversely affected Shareholder or, if there is more than one adversely affected Shareholder, the adversely affected Shareholders holding at least a majority of the Shares of such class held by such adversely affected Shareholders.
- (b) If this Agreement is amended or restated without the written consent of all Shareholders, the Corporation will provide a copy of the amendment or restatement, forthwith following the effective date of such amendment or restatement, to each Shareholder who did not provide its written consent.

### 7.4 Termination

This Agreement terminates:

- (a) upon approval by the Corporation and the holders of at least a majority of the Shares;
- (b) immediately prior to an initial public offering of Common Shares by the Corporation;
- (c) upon the dissolution or bankruptcy of the Corporation or the making by the Corporation of an assignment under the provisions of the *Bankruptcy and Insolvency Act*; or
- (d) one Person becoming the beneficial owner of all of the Shares.

### 7.5 Execution and Delivery

This Agreement may be executed by the parties in counterparts and may be executed and delivered by fax, and all such counterparts and faxes together constitute one agreement.

## 7.6 Benefit of the Agreement

This Agreement enures to the benefit of and is binding upon the respective heirs, executors, administrators, successors and permitted assigns of the parties.

## 7.7 Assignment

Each Shareholder is entitled, on prior written notice to the Corporation, to assign all of its rights, benefits, remedies and obligations under this Agreement to any Person to whom Shares are transferred (subject to compliance with the provisions of this Agreement applicable to such transfer). Otherwise, none of the parties may assign its rights, benefits, remedies and obligations under this Agreement without the prior written consent of the holders of at least a majority of the Shares.

## 7.8 Legal Advice

The undersigned acknowledges and confirms that prior to executing this Agreement the Corporation requested the undersigned to obtain independent legal advice with respect to the undersigned's rights and obligations under this Agreement. The undersigned confirms and agrees that: (i) the undersigned has executed this Agreement on the undersigned's own volition and without any duress whatsoever from the Corporation, the other Shareholders or any other Person; and (ii) if the undersigned did not obtain legal advice prior to executing this Agreement, the undersigned will not in any proceeding relating to the enforcement of rights or obligations under the Agreement raise that fact as a defence or otherwise.

## 7.9 Language

The Parties confirm that it is their wish that this Agreement, as well as any other documents relating to this Agreement, including notices, schedules and authorizations, have been and will be drawn up in the English language only. *Les signataires confirment leur volonté que la présente convention, de même que tous les documents s'y rattachant, y compris tout avis, annexe et autorisation, soient rédigés en anglais seulement.*

[Signature Page Follows]

IN WITNESS WHEREOF the parties have duly executed this Agreement.


JAZA ENERGY INC.

By:   
Jeff Bryan Schnurr  
Chief Executive Officer

  
Witness

  
Jeff Bryan Schnurr

  
Witness

  
Sebastian Callaghan Manchester

[Signature Page to Unanimous Shareholder Agreement of Jaza Energy Inc.]

**SCHEDULE "A"  
SHAREHOLDERS**

| NAME OF SHAREHOLDER                   | ADDRESS OF SHAREHOLDER        |
|---------------------------------------|-------------------------------|
| Jeff Schnurr - 500,000 Shares         | 10 School Lane, Sackville, NB |
| Sebastian Manchester - 500,000 Shares | 5651 Bilby St, Halifax, NS    |
|                                       |                               |

