

THIS SHAREHOLDERS DEED is made the _____ day of _____ One thousand nine hundred and eighty eight

BETWEEN: ^E DAMIAN CODOGNOTTO of 22 Tooranga Road, East Malvern in the State of Victoria, Company Director (hereinafter called "DC")
of the first part
233 WEST GARTH ST, NORTHCOTE.

AND JULIAN BUTLER of ~~7 Fraser Street, Richmond~~ in the said State, Company Director (hereinafter called "JB")
of the second part

AND PETER STEPHENS PROSPECTING PTY. LTD. a Company incorporated in Victoria and having its registered office at 339 Elizabeth Street, Melbourne in the said State (hereinafter called "PSP")
of the third part

AND STEVE CHIODO of _____ in the said State, Company Director (hereinafter called "SC")
of the fourth part

AND VINCENT CHIODO of _____ in the said State, Company Director (hereinafter called "VC")
of the fifth part

WHEREAS:

- A. DC and JB, SC and VC ("the directors") are directors of TWENTY FIRST MARCHURCH PTY. LTD. a Company incorporated in Victoria and having its registered office at Suite 5, 1st Floor, 138-148 Walker Street, Dandenong in the said State.
- B. DC, JB and PSP ("the shareholders") are shareholders in the Company, DC holding one issued share, JB holding one issued share and PSP holding two issued shares.
- C. DC and JB are directors and shareholders of National Motorcycle Consultants Pty. Ltd. ("NMC") which Company is the registered owner of a business name BIG KOALA MOTORCYCLE TOURS AUSTRALIA ("the business name").
- D. DC & JB are qualified to develop and manage the business of the Company of promotion development and management of businesses directly or indirectly related to motorcycle touring which businesses include and shall initially be the development promotion and management of motorcycle tours throughout Australia ("the Business").
- E. PSP is a Company which can arrange finance for the Company to enable it to commence, develop and run its business and also is a related corporated to PETER STEPHENS MOTOR CYLES PTY. LTD. which latter Company will supply the Company with motorcycles, spare parts and undertake maintenance of the

motorcycles.

- F. SC and VC are directors of PSP and of Peter Stephens Motor Cycles Pty. Ltd. and have agreed to give the covenants warranties and undertakings hereinafter set out.

NOW IT IS HEREBY AGREED AND DECLARED as follows:

1.0 BUSINESS NAME

- 1.1 DC and JB agree to procure the sale and transfer by NMC of the business name to the Company and the Company hereby agrees to offer to purchase the business name from NMC for the sum of \$25,000.

2.0 THE BUSINESS

- 2.1 The Company shall conduct the Business described in Recital D hereto and the Shareholders and Directors do mutually agree, undertake and covenant with each other to use their best endeavours at all times to promote the Business of the Company.

3.0 ASSETS AND PROFITS

- 3.1 The Shareholders shall be entitled to all Company property on a winding up and to the net profits of the Company in proportion to their shareholdings.

4.0 MANAGEMENT

- 4.1 The management and control of the Company shall be vested in the Board of Directors.

- 4.2 DC and JB shall be appointed joint Managing Directors and shall be responsible for carrying out the resolutions of the Board of Directors and the daily operations of the Company.

- 4.3 A Chairman shall be appointed from the Directors. The office of Chairman shall be rotated on a quarterly basis in the order of DC, SC, JB and VC. The nominee or proxy of any Chairman unable to attend a meeting shall constitute such nominee or proxy Chairman for that meeting.

- 4.4 DC and JB shall each be entitled to one representative each on the Board of Directors and PSP shall be entitled to nominate two representatives to the said Board. Any nomination or removal of a director (or proxy) may be made under the hand of the Director making such nomination for removal.

- 4.5 The decisions of the Board of Directors shall be by simple majority but in the event of there being an equality of votes at any meeting of the Board then the Chairman shall have a second or casting vote.

- 4.6 The Board of Directors shall meet together for the despatch of business, adjourn

and otherwise regulate their meetings and proceedings as they think fit provided however that the Board shall meet at least once in each month. The Board shall not be deemed to have met unless there shall be a quorum. The quorum at any meeting of the board shall be three.

4.7 Each of the shareholders hereto shall exercise his or its best endeavours to ensure that the nominees (or their proxies) on the Board of Directors will, unless prevented by ill health or other ^{UN}avoidable cause, attend meetings of the said Board.

5.0 AUDIT

5.1 Once at least in every year the accounts of the Company shall be audited and the correctness of the profit and loss account and balance sheet ascertained by the auditor. The auditor shall be appointed by and may be removed by the Board of Directors.

6.0 ACCOUNTS

6.1 That proper books of account shall be kept by the Company and entries made therein of all sales bookings, receipts and income of the Company and all such other matters, transactions and things as are usually entered in books of account of a similar nature and such books of account shall be kept at the principal place of business of the Company from time to time and shall be open for inspection and examination of each Shareholder.

MARK LEWIS TO DO BOOKS?

7.0 CAPITAL

7.1 The initial capital contribution of the Shareholders to the Company shall be \$100,000 ("the initial sum").

7.2 The initial sum shall be provided by way of a loan or overdraft facilities through the Australia and New Zealand Bank, Elizabeth Street Branch, to be arranged by PSP and equally guaranteed by the Shareholders and the Directors.

7.3 Should the Board of Directors determine that further financial contributions are necessary or desirable it shall call upon each Shareholder in the percentage proportion of his or its shareholding to the total issued capital and the Shareholders agree to supply the amount so called within thirty days after the date of the making of such call or such other date as the Board of Directors may agree upon and PROVIDED THAT no such call shall be made unless PSP shall first secure, if required, by DC and JB a loan for the amount to be contributed by DC and JB to the Company.

7.4 The Board of Directors may resolve in lieu of the method set out in sub-clause 7.3 herein to arrange to borrow the monies required by the Company and the parties

hereto, if required, shall jointly and severally guarantee the due repayment thereof together with such interest as may be payable thereon.

→8.0 RETURN OF CAPITAL

8.1 If at any time or times prior to the final winding up of the Company the Shareholders decide that a return of capital shall be made to the Shareholders such return shall be made pro rata in proportion to the financial contributions contributed up to the date of such return by the Shareholders.

9.0 USE OF ASSETS

9.1 If any of the Shareholders or any related company (as defined by the Companies Code) of any Shareholder or any company controlled by any Shareholder shall use or permit the use of any of its assets in connection with the Business of the Company there shall be paid to such Shareholder or company as the case may be a rental for the plant or equipment at the then prevailing normal commercial rates PROVIDED HOWEVER that no such plant and equipment may be hired without the prior approval of the Board of Directors.

10.0 EXPENSES AND OUTGOINGS

10.1 All expenses and outgoings including salaries of the Managing Directors or any other employee of the Company, reasonable travel, accomodation and meals, advertising the cost of repair or replacement of all equipment (including motorcycles and motor vehicles), floor coverings and curtains, electric light, gas, fuel, and power of all kind, telephone, debts, losses or damages which shall be incurred in carrying on the said business shall (except as otherwise herein provided) be borne and paid out of the funds of the Company and in the case of deficiency thereof by the Shareholders in proportions equal to their shareholdings.

10.2 PSP, SC and VC agree that for a period of twelve (12) months from the commencement of business of the Company that the payment of any debt owing to PSP or to any related company including PETER STEPHENS MOTORCYCLES PTY. LTD. shall if necessary for the well being and solvency of the Company may be deferred until such times as the Company can reasonably be expected to pay such debts PROVIDED HOWEVER that any such debts shall rank pari passu with any other unsecured debts of the Company upon a winding up of the Company.

10.3 NMC shall be entitled to invoice the Company at its usual charge out rate for all services provided to the Company including services rendered prior to the signing hereof which services were performed for the benefit of the Company.

11.0 SALARIES

11.1 Subject to review as to increase by the Board of Directors from time to time the

salaries for DC and JB shall be fixed as to amounts for the periods herein set out

	<u>Period</u>	<u>Name</u>	<u>Amount</u>
(a)	to 1st September, 1988	JB	\$200 per week
	to 1st Septemeber, 1988	DC	\$100 per week
(b)	1st September, 1988 to	JB	\$250 per week
	28th February, 1989	DC	\$200 per week

11.2 The Shareholders agree that the salaries paid to DC and JB are currently based on a sum of \$100 per eight (8) hour working day.

12.0 LEASE

12.1 The Company shall as soon as is practicable after the signing of this Agreement arrange a lease of suitable premises from which to conduct the Business.

12.2 PSP, SC and VC shall arrange temporary accommodation for a reasonable period for the Company at the offices of PETER STEPHEN MOTORCYCLES PTY. LTD. situate at Elizabeth Street, Melbourne such accomodation to include the use of telephone, facsimile machine and all other necessary services.

13.0 ANNUAL LEAVE

13.1 That DC and JB shall be entitled to take with full pay annual leave of four (4) weeks duration in each year.

14.0 INSURANCE

14.1 That the Company shall take out and maintain the following insurance policies and pay premiums in respect thereto from the Company's funds:-

(a) Full comprehensive insurance cover against theft, fire, loss or damage to all or any part of the motorcycles, motor vehicles, plant, equipment, fittings, furnishings or other chattels belonging to the Company.

(b) A Public Risk policy to insure against claims by customrs injured whilst on motorcycles or on the business premises.

14.2 The Company shall pay all amounts required by/or for the operation of its Business and without limiting the generality of the foregoing:

(a) Work Care levy

(b) Compulsory third party insurance

15.0 COVENANTS BY SHAREHOLDERS

15.1 That the Shareholders shall employ themselves diligently in and devote themselves to the Busines of the Comany and use their utmost endeavours to promote the

interest thereof. It is hereby agreed that as between the Shareholders the allocation of duties and all matters of policy in respect of the conduct of the Business and any matters not specifically dealt with in the agreement shall be decided by the Shareholders in general meeting provided in the Articles of Association.

15.2 That the Shareholders shall be just and faithful to each other and furnish to each other when required full accounts in writing of all matters and transactions relating to the Company.

15.3 That none of the Shareholders shall during the currency of the Company without the previous consent in writing of the others of them:-

(a) Employ any money property or effects belonging to the Company or engage the credit thereof or contract any debts on account thereof except in the due and regular course of business and upon the account or for the benefit of the Company;

(b) Compound release or discharge any debt due to the Company without receiving the full amount thereof;

(c) Enter into any bond or draw endorse or accept any Bill of Exchange or Promissory Note or become bail surety or security for any person or persons whomsoever;

(d) Do or knowingly suffer any act or thing whereby the property or effects of the Company or any part hereof may be attached siezed or taken in execution;

(e) Lend any money of the Company or otherwise give credit to any person or persons whom the other or others of them shall be notice in writing have forbidden him to trust;

(f) Assign mortgage or charge his interests in the Company or in the property or profits thereof (except as hereinafter provided);

15.4 Nothing in this clause or generally in this Agreement shall be construed or interpreted to in any manner limit the existing or future business of any of the Shareholders PROVIDED THAT this clause shall not exempt from its operations any business of a Shareholder which was prior to its commencement carried on by the Company.

16.0 WARRANTIES OF PSP, SC and VC

16.1 PSP, SC and VC do jointly and each of them severally warrant to DC and JB and the Company to arrange the following to be provided by PETER STEPHENS MOTORCYCLES PTY. LTD.

- (a) the sale to the Company at cost price of motorcycles, spare parts and motorcycle riding apparel as required by the Company from time to time; and
- (b) the provision of maintenance and repair services in respect of the motorcycles of the Company at a charge rate to be agreed with the Company but in any event not to exceed normal charge out rates for such maintenance and repair services
- (c) credit facilities to the Company of thirty (30) days after the end of the month of invoicing.

17.0 EXPULSION

- 17.1 That if any Shareholder shall become insane or become bankrupt or go into liquidation in the case of a Company or compound or make any arrangement with his creditors or grossly neglect the Business of the Company or commit any breach of the Articles of Association of the Company or shall be guilty of conduct calculated to injure the business of the Company the other Shareholders shall have power to acquire compulsorily the share of the offending Shareholder and to require him or its nominee as the case may be to resign as Director(s) of the Company by notice in writing of their intention so to do or leaving the same for such Shareholder at the address first state herein. If any question shall arise as to whether a Shareholder has committed any of the acts abovementioned such question shall be referred to arbitration under the Clause in that behalf hereinafter contained.

18.0 RESTRICTIVE COVENANT

- 18.1 That in the event of any one or more of the Shareholders transferring or selling his or its shareholding in the Company in accordance with the provisions contained in the Articles of Association then such Shareholder and its nominee directors as the case may be shall not for a period of three (3) years within any State of the Commonwealth of Australia in which the Company carries on its Business without the previous consent in writing of the remaining Shareholders directly or indirectly either alone, or in association or partnership with or as an employee, agent, direct, member, Shareholder or Trustee of, or as a Consultant or advisor or financier to any person firm association or corporation be engaged concerned or interest in a Business of the type operated by the Company.

19.0 ARBITRATION

- 19.1 Every dispute or difference arising as between the Shareholders hereto or their respective representatives with regard to this agreement or the dissolution or

winding up of the Company or the duties powers or liabilities of either party hereunder or with regard to the construction of any clause hereof or any act or thing to be done in pursuance thereof or arising out of anything herein contained whether during the continuance of this agreement or upon or after its termination by act of all or any of the shareholders hereto or any account or division of assets debts or liabilities to be made hereunder or otherwise shall be referred to a single arbitrator to be appointed by the Secretary for the time being of the Victorian branch of the Institute of Chartered Accountants who shall act in accordance with the provisions of the Commercial Arbitration Act (Vic.) 1984 or any re-enactment or modification thereof for the time being in force and the award of determination of such Arbitrator shall be final and binding on all the shareholders PROVIDED THAT in any such arbitration the following shall apply:-

- (a) Each Shareholder shall have the right at an arbitration to be represented before an arbitrator by a person who is a Barrister or Solicitor.
- (b) Each Shareholder shall bear its or his own costs.
- (c) The rules of evidence shall apply to any such arbitration hearing.
- (d) The Agreement shall for the purposes of the clause be deemed to be a Arbitration Agreement within the meaning of this Act.

20.0 NOTICES

20.1 All notices required to be given to any party shall be delivered or sent by pre-paid mail to the address of that party as stated in this Deed or to the address shown in the record of the Company and such notice shall be deemed to have been received by such party within thirty six hours of posting.

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IN WITNESS WHEREOF that parties have hereto set their hands and seals the day and year first hereinbefore mentioned.

SIGNED SEALED AND DELIVERED by the)
said DAMIAN CODOGNOTTO in the)
presence of: E)

SIGNED SEALED AND DELIVERED by the)
said JULIAN BUTLER in the presence)
of:)

THE COMMON SEAL of PETER STEPHENS
PROSPECTING PTY. LTD. was hereunto
affixed in accordance with its
Articles of Association in the
presence of:)
)
)
)
)

..... Director

..... Secretary

SIGNED SEALED AND DELIVERED by the
said STEVE CHIODO in the presence
of:)
)
)

SIGNED SEALED AND DELIVERED by the
VINCENT CHIODO in the presence of:)
)

