

PURCHASE MONEY PROMISSORY NOTE (Option Shares)

PRINCIPAL: CAN\$ _____ (the "Principal")

DATE: [date]

For value received, [Name of Party making the note - (*the maker is an employee shareholder of the Corporation*)] (the "Maker") promises to pay to [Name of Corporation] (the "Holder"), or order, at [*insert full address of the holder*], in lawful money of Canada, the above-noted Principal, together with interest thereon or so much thereof as shall from time to time remain unpaid at the rate of [INTEREST RATE] (___%) PER CENT per year.

All payments received on account of this Note shall be applied firstly to interest, secondly to charges and fees payable hereunder, and lastly to the unpaid principal balance hereof.

This Note is made and given in connection with a loan to the Maker by the Holder made in connection with the tax liability incurred by the Maker upon the exercise of options to purchase shares in the Holder ("Option Shares"). The amounts due under this Note are subject to setoff against certain amounts due to the Maker from the Holder.

Interest shall accrue on a monthly basis to be paid at the same time as the Principal. The Principal and interest under this Note is due and payable on the earlier of (i) ___ days after the date that the Maker sells any of the Option Shares, or (ii) _____ [*set out a definitive due date*].

As partial payment to be applied against the Principal and interest owing hereunder, the Holder shall have the right to withhold and apply _____ percent (##%) of any amounts which would otherwise be payable to the Maker as bonus compensation (calculated on an after-tax basis) until this Note is paid in full. Notwithstanding the foregoing, the Maker may, at his/her sole option, prepay this Note at any time or from time to time, in whole or in part.

[optional, if applicable: In addition to, and not in lieu of, any and all other remedies which the Holder may have in equity or at law, or pursuant to this Note, the Holder shall have the right to set off and retain any amounts payable to the Maker with respect to the repurchase of any or all of the Option Shares by the Holder [pursuant to the Stock Repurchase Agreement dated the ___ day of _____, _____ between the Holder and its shareholders], against any amounts due hereunder in order to make the Holder whole and/or to indemnify and hold the Holder harmless in respect of all such amounts.]

If the Maker ceases to be employed by the Holder for any reason other than (i) termination without cause, (ii) death, (iii) disability, or (iv) retirement (such termination herein referred to as an "Event of Default"), the Holder shall have the right and option to declare this Note mature and all sums then owing hereunder shall be due and payable immediately; provided, however, that the failure of the Holder to exercise its option to accelerate shall have no effect on its right of acceleration thereafter whenever an Event of Default shall have occurred and be continuing.

The Maker hereby waives all presentment, demand, protest, notice of maturity, non-payment, protest or dishonour, and diligence in taking any action to collect amounts hereunder.