Share Subscription Agreement

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This document is a Share Subscription Agreement (the “Agreement”) and is effective [DATE],

**BETWEEN: [FIRST PARTY NAME]** (the "Issuer"), a company operating under the laws of [STATE/PROVINCE], located at:

[YOUR COMPLETE ADDRESS]

**AND: [SECOND PARTY NAME]** (the "Purchaser"), a company operating under the laws of [STATE/PROVINCE], located at:

[COMPLETE ADDRESS]

**RECITALS**

The Purchaser offers to subscribe for [NUMBER] Shares of the Company, [COMPANY NAME], at price [PRICE] per share.

Through this Subscription Agreement, both parties understand and acknowledge that the Company is relying upon the compliance with obligations applicable under state securities laws. Both parties understand and acknowledge that they have read the Private Placement Memorandum; the parties must be familiar with the terms and provisions within.

The parties agree to the following:

1. **DEFINITIONS**

The following definitions have been agreed upon:

“Agreement” refers to this Share Subscription Agreement along with attached schedules which have been referred to. Words or phrases that are reasonably interpreted to referring to this agreement, also refer to this agreement.

“Assets” refers to the assets of the Issuer which includes but is not limited to real property such as physical assets but also intangible property such as trademarks, logos and other forms of intellectual property.

“Business” means the Business of [SPECIFY]

“Business Day” means any day excluding Saturday, Sunday and any other day which in [STATE/PROVINCE], [COUNTRY] is a legal holiday or a day on which financial institutions are authorized by law or by local proclamation to close.

“Closing” refers to the completion of the formalities, such as delivery of documents etc, of the subscription for the relevant shares in this Agreement.

“Closing Date” is [TIME], [STATE/PROVINCE] on [DATE] or any other date as agreed by the parties in writing.

“Financial Statements” means:

1. the audited financial statements of the Issuer relating to its Business for the fiscal period of [TIME PERIOD (START AND END DATE)]; this document must include all details generally accepted to be within an audited financial statement. and
2. the unaudited interim financial statements of the Issuer relating to its Business for the interim fiscal period of [TIME PERIOD]; this document must include all details generally accepted to be within an unaudited financial statement. A copy of this can be found in Schedule [SPECIFY] hereto.

“Funding Agreements” has the meaning established in Subsection 4.40.

“Intellectual Property Rights” refers to all intellectual property of the Issuer in connection with the Business. These includes but is not limited to trade names, trade marks, trade secrets.

“Issuer Contacting Documents” means the certificate and articles of incorporation of the Issuer and all amendments thereto together with the by-laws of the Issuer in force as of the date hereof.

“Lien” means any interest in property or in the income or profits which has come about from an obligation such as a debt and is a method of securing this obligation (for the current purposes, this shall include a possessor under a title retention agreement and a lessee under a lease herein below described).

“Material Adverse Effect” refers to an effect which is materially adverse to the Business; this may be seen through impacts on financial condition, operating results, employee relations etc.

“Person or persons” includes any individual, company, corporation, partnership, firm, trust, sole proprietorship, government authority, regulatory body or agency howsoever designated or constituted.

“Purchase Price” refers to the price as established in in Section 2;

“Subscribed Shares” means [NUMBER] Class A common shares in the share capital of the Issuer.

1. **SUBSCRIBED SHARES**

This is an Agreement to Purchase and Sell Shares in the capital stock of the Issuer and is subject to the terms and conditions contained in this Agreement. The Purchaser agrees to purchase [AMOUNT] of shares for an aggregate purchase price of [AMOUNT] and the Issuer agrees to allot the relevant shares to the Purchaser for the aforementioned amount, free and clear of any and all options, rights, charges, calls, commitments, rights of first refusal, mortgages, pledges, privileges, liens, demands restrictions and encumbrances whatsoever.

The Purchaser shall acquire and the Issuer shall issue the Subscribed Shares in accordance with the following schedule:

[NUMBER] Class A common shares at Closing;

[NUMBER] Class A common shares on the first anniversary date of Closing; and

[NUMBER] Class A common shares on the second anniversary date of Closing.

1. **PAYMENT OF PURCHASE PRICE AND DELIVERY OF SHARE CERTIFICATES**

The Purchase Price shall be paid in [NUMBER] installments as follows:

* 1. **Closing**

At Closing, [AMOUNT] shall be paid by the Purchaser by certified check or bank draft payable to or to the order of the Issuer against delivery by the Issuer of a share certificate representing [NUMBER] Class A common shares duly registered in the name of the Purchaser.

* 1. **First Anniversary of Closing**

On the first anniversary date of Closing, [AMOUNT] shall be paid by the Purchaser by certified check or bank draft payable to or to the order of the Issuer against delivery by the Issuer of a share certificate representing [NUMBER] Class A common shares duly registered in the name of the Purchaser.

* 1. **Second Anniversary of Closing**

On the second anniversary date of Closing, [AMOUNT] shall be paid by the Purchaser by certified check or bank draft payable to or to the order of the Issuer against delivery by the Issuer of a share certificate representing [NUMBER] Class A common shares duly registered in the name of the Purchaser.

Upon payment of each installment of the Purchase Price as set forth above, the Issuer shall deliver to the Purchaser the certificates representing the Subscribed Shares attributable to such installment and all other necessary deeds, conveyances, assurances, transfers, assignments and any other documents necessary or reasonably required effectively to issue the said shares to the Purchaser with a good and marketable title, free and clear of all Liens.

1. **REPRESENTATIONS AND WARRANTIES OF THE ISSUER**

The Issuer hereby represents and warrants to the Purchaser and acknowledges and confirms that the Purchaser is relying upon such representations and warranties in connection with the purchase by the Purchaser of the Subscribed Shares:

* 1. **Existence, Status, Authorization and Qualification to Carry on Business**

The Issuer is a corporation duly incorporated and organized and is validly existing under the [YOUR COUNTRY LAW] of [COUNTRY] and is in good standing under the [YOUR COUNTRY LAW] of [COUNTRY] and the Province of [NUMBER] with regard to its obligation to file annual corporate information returns. The Issuer has all necessary right, power and authority to enter into, execute and deliver this Agreement and to perform its obligations hereunder. The entry into, execution and delivery of this Agreement and the performance by the Issuer of its obligations hereunder have been duly authorized and approved by all necessary corporate action of the board of directors of the Issuer.

The Issuer has the corporate power to own its property and to carry on the Business as now being conducted by it. The Issuer is duly qualified (and has all required permits, licenses, certificates and authorizations necessary) to transact and carry on the Business in the manner and to the extent currently carried on in all jurisdictions in which it presently carries on business and is so duly licensed or qualified in each jurisdiction whereby by virtue of the nature of the Business, such licensing and qualification is necessary except for such failures to be so qualified or licensed, if any, which, in the aggregate, would not have a Material Adverse Effect. The only jurisdictions in which the Issuer carries on business or owns or leases property are set forth in Schedule [SPECIFY].

* 1. **Binding Nature**

This Agreement constitutes a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms.

* 1. **Authorized Capital**

The authorized share capital of the Issuer consists of an unlimited number [TO VERIFY] of Class A common shares without par value, [NUMBER] of which are outstanding and issued, and an unlimited number of preferred shares [TO VERIFY] without par value, none of which [TO VERIFY] are issued or outstanding. All issued Class A common shares have been duly and validly allotted and issued and are outstanding as fully-paid and non-assessable shares in the share capital of the Issuer. No options, warrants or other rights or agreements to purchase shares or other securities of the Issuer have been authorized or agreed to be issued or are outstanding.

* 1. **Issued Capital**

The issued and outstanding Class A common shares of the Issuer are owned of record and beneficially as follows, free and clear of all Liens:

[COMPANY NAME] [NUMBER] Class A common shares

[COMPANY NAME] [NUMBER] Class A common shares

* 1. **Right to Issue Subscribed Shares**

The Issuer has the unqualified right to issue to the Purchaser good, valid and marketable title to the Subscribed Shares, free and clear of all Liens. The Issuer has taken all necessary or desirable actions, steps and corporate proceedings to approve or authorize validly and effectively the allotment and issuance of the Subscribed Shares to the Purchaser.

* 1. **Subscribed Shares and Shareholding**

The Subscribed Shares, once issued and duly paid for, will be Class A common shares of the share capital of the Issuer validly issued and outstanding as fully paid and non-assessable and (a) will represent [PERCENTAGE %] of all issued and outstanding equity and voting shares of the Issuer and (b) together with the [NUMBER] issued and outstanding Class A common shares of the Issuer to be purchased by the Purchaser from [COMPANY NAME] on [DATE], will ultimately result in the Purchaser becoming the registered holder and beneficial owner of [PERCENTAGE %] of the issued and outstanding equity and voting shares of the Issuer. Until all of the Subscribed Shares have been issued in accordance with the terms and conditions of this Agreement, the Issuer will not change or amend the authorized share capital provisions of the Issuer Contacting Documents.

* 1. **Other Rights of Purchase**

Except as provided for herein, no person, firm or corporation has any written or oral agreement, option, understanding or commitment, or any other right or privilege (whether by [YOUR COUNTRY LAW], by contract or otherwise) including but not limited to convertible or exchangeable securities, warrants, convertible obligations of any kind, pre-emptive rights and rights of first refusal):

1. for the purchase or other acquisition from the Issuer of any of the Assets or of any of its undertaking, property and assets other than in the ordinary course of the routine daily affairs of its Business, or
2. for the purchase of any of the issued and outstanding shares of any class of the Issuer or for the subscription or other acquisition of any of the authorized and unissued shares of any class of the Issuer.
   1. **Title of Assets**

The Assets are owned by the Issuer by good and marketable title thereto, free and clear of all Liens or of any rights or privileges capable of becoming Liens, except statutory liens, if any, none of which prevent in any material way the use of any of the Assets. The Issuer represents and warrants to the Purchaser that there are no such Liens. The Issuer further undertakes, at its sole cost and expense, to free all of the Assets of all such Liens within a period of [NUMBER] days of becoming aware thereof.

The real property demised by the lease attached as Schedule [SPECIFY] hereto constitutes all of the real property used or occupied by the Issuer (the “Immoveable”). The Immoveable has reasonable access to public roads and to all utilities, including electricity, sanitary sewer, potable water, natural gas or its equivalent. The Immoveable and all improvements thereon conforms in all material respects with all material zoning, environmental and other land use [YOUR COUNTRY LAW], occupational health and safety [YOUR COUNTRY LAW], ordinances, rules and regulations and other requirements of [YOUR COUNTRY LAW] and such improvements do not encroach in any respect on property of others.

All material occupancy and other certificates or permits for the occupancy and lawful use of the Immoveable and the improvements thereto have been issued and are presently in full force and effect. All notices of violations issued by any governmental agency or instrumentality having jurisdiction against or affecting the Immoveable and improvements have been materially complied with. No use of the Immoveable and improvements is dependent upon the continuance of a non-conforming use or a special permit or license.

The Issuer owns no assets reflected in the Financial Statements that have been disposed of since the date thereof, other than those which have been sold or otherwise disposed of in the ordinary and normal course of the routine daily affairs of business.

* 1. **No Violation**

The entering into of this Agreement and the transactions contemplated hereby will not result in the violation of, or default under, any of the terms and provisions of the Issuer Contacting Documents or of any resolutions of the directors or shareholders of the Issuer or of any indenture or other agreement, written or oral, to which the Issuer may be a party or by which it is bound.

* 1. **Minute Books and Corporate Records**

The corporate records and minute books of the Issuer contain complete and accurate minutes of all meetings (or resolutions in lieu of meetings) of the directors and shareholders thereof, held since the date of incorporation thereof, all of which meetings were duly called and held, and the share certificate books, registers of shareholders, registers of transfers and registers of directors of the Issuer are and shall be complete and accurate and all eligible security transfer tax payable in connection with the transfer of any securities of the Issuer shall then have been duly paid.

* 1. **Accounting Books and Records**

All accounts, books and records of the Issuer kept in connection with the Business fairly and correctly set out and disclose, in all material respects, in accordance with generally accepted accounting principles, the financial position of the Business as at the date hereof and all material financial transactions of the Issuer relating to the Business have been accurately recorded in such books and records.

* 1. **Ordinary Course**

The Business has been carried on in the ordinary and normal course and will be carried on in the ordinary and normal course after the date hereof and up to the Closing Date. Issuer will use commercially reasonable efforts to (a) preserve intact the present organization and reputation of the Business, (b) keep available (subject to dismissals and retirements in the ordinary course of business consistent with past practice) the services of the present officers, employees and consultants of the Business, and (c) maintain the good will of customers, suppliers, lenders and other persons to whom it sells goods or provides services or with whom it otherwise has significant business relationships.

* 1. **Leases**

The Issuer is not a party, as lessee, to any lease or agreement in the nature of a lease or a conditional sale agreement, capitalized lease or other title retention agreement with respect to moveable property in connection with the Business except for those leases and other title retention agreements set forth and described in Schedule [SPECIFY], which specify the parties to each lease, dates of execution and expiry dates, options to renew, description of the leased moveable property and the rental payable, and which leases are all the leases required in connection with the Business. Subject to obtaining the lessor consents, such leases are enforceable in accordance with their terms and the Issuer is not in default under any such lease, which default would reasonably be expected to lead to cancellation of such lease, the eviction of Issuer or the payment of any additional amounts, excluding interest.

All property leased by the Issuer in connection with the Business is in a state of good maintenance and repair and it is adequate and suitable for the purposes for which it is presently being used. Each lease is in good standing and in full force and effect without amendment thereto and the Issuer is not in breach of any of the covenants, conditions or agreements contained in each such lease, except for breaches which are not, in the aggregate, material to the particular lease in question.

* 1. **Uses**

The conduct of the operations of the Business and the uses to which the leased property referred to in subsection 4.13 above have been put are not in breach of any statute, by-law, regulation, covenant, restriction or plan, except for breaches with respect to any particular property which in the aggregate are not material.

* 1. **Work Orders**

There are no outstanding work orders relating to any of the Assets from or required by any police or fire department, sanitation, health or factory authorities or from any other federal, provincial, or municipal authority or any matters under discussion with any such departments or authorities relating to work orders.

* 1. **Litigation**

Except as described in Schedule 4.16 (a), there are no actions, suits or proceedings pending or threatened against or affecting the Issuer at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign relating to the Business or any of the Assets, which actions, suits or proceedings involve the possibility of any judgment against or liability of the Issuer or the Business for an amount not covered by insurance in excess of [AMOUNT] in respect of any individual matter or group of related matters arising out of the same occurrence.

Except as disclosed in Schedule 4.16 (b), or otherwise disclosed to the Purchaser prior to the signing of this Agreement, there is no existing ground on which any such action, suit or proceeding, involving the possibility of a judgment against or liability of the Issuer or the Business for an amount not covered by insurance in excess of [AMOUNT] in respect of any individual matter or group of related matters arising out of the same occurrence, might be commenced against the Issuer, the Business or the Assets with any reasonable likelihood of success in whole or in part.

The Issuer shall be entitled but not obliged to consult with the Purchaser with respect to any action proposed to be taken or omitted by it and if the Purchaser consents to or acquiesces in such action or omission then it shall be deemed to have waived its right to rescind this Agreement with respect to such action or omission.

* 1. **Intellectual Property Rights**

The Issuer owns by good and marketable title, free and clear of all Liens, all Intellectual Property Rights, which are necessary or desirable for the conduct of the Business as presently conducted and as proposed to be conducted. All Intellectual Property Rights are in full force and effect and the Issuer has taken all necessary action to protect its rights therein. None of the Intellectual Property Rights are now being challenged or threatened with challenge. The Issuer has not granted any license or other permission to any third party to use any Intellectual Property Rights and, to the best of the Issuer’s knowledge, no third party has infringed upon or misappropriated any Proprietary Right.

* 1. **Infringement of Intellectual Property Rights**

None of the Assets nor the use thereof by the Issuer, to the best of the Issuer’s knowledge, infringes or conflicts with any proprietary rights, confidential information or trade secrets of any third party in [COUNTRY], the [COUNTRY] or elsewhere.

* 1. **Compliance with Governing Law**

The Issuer is conducting the Business in compliance with all applicable laws, rules and regulations, judgments and decrees of each jurisdiction in which the Business is carried on, is not in breach of any such [YOUR COUNTRY LAW], rules or regulations, judgments or decrees, except for breaches which in the aggregate, would not have a Materially Adverse Effect.

* 1. **Governmental Consents**

All material consents, approvals, orders or authorizations of, or registrations, qualifications, designations, declarations or filings with any federal, state or provincial governmental authority on the part of the Issuer required in connection with the subscription and issue of the Subscribed Shares, shall have been obtained prior to, and be effective as of, the Closing.

* 1. **Employment Agreements**

Attached as Schedule 4.21 is a list of all employees of the Business (the “Employees”). Information set forth therein with respect to position and title, age, base salary or hourly rate, benefits, bonus and years of service is true and complete. Each Employee who is subject to the collective agreement referred to in Schedule 4.22 has been identified in Schedule 4.21 as has each employee on long term or short term disability or presently receiving payments under any occupational health and safety legislation. All Employees have been employed on the basis of the standard form engagement letter annexed hereto as part of Schedule 4.21, except as expressly noted therein. The Issuer has complied, in all material respects, with all [YOUR COUNTRY LAW] relating to the employment of labor, including, without limitation, provisions thereof relating to wages, hours and collective bargaining rights.

* 1. **Labor Unions**

The Issuer has not made any agreements with any labor union or employee association in connection with the Business nor made commitments to or conducted negotiations with any labor union or employee association with respect to any future agreement in connection with the Business other than as set out in Schedule 4.22 relating to certain employees employed at [SPECIFY] (the “Collective Agreement”) and the Issuer is not aware of any current attempts to organize or establish any labor union or employee association in connection with the Business.

* 1. **Labor Practices**

No unfair labor practice complaint against the Issuer in connection with the Business is pending before any labor relations board or similar government tribunal or agency. There are no disputes with labor unions, grievances, claims, demands, suits, actions, arbitration procedures or any other litigious matters generally relating to or emanating from, directly or indirectly, any labor agreement, petition to secure certification or any union certification applying to the employees of the Issuer. There are neither any complaints of unfair labor practices pending against the Issuer under the Labor Code ([STATE/PROVINCE]) nor any civil action or complaint under the Act respecting Labor Standards ([STATE/PROVINCE]), or any other applicable legislation in any relevant jurisdiction existing or pending against the Issuer concerning its employees.

* 1. **Pension Plans**

The only pension plans for the Employees are disclosed in Schedule 4.24; such plans are duly registered where required by, and are in good standing and in compliance with, all applicable taxation and pension legislation; all required employee contributions thereunder as of the date hereof have been made and the respective pension funds under such pension plans are fully funded for past and future liabilities in accordance with the rules of the plans and with federal and provincial regulations and no past service funding liabilities exist thereunder. The Issuer does not maintain or contribute to any other retirement plans, profit sharing, option or incentive plans, or insurance disability, medical, surgical, dental or other employee benefit plans for Employees except as set forth in Schedule.

* 1. **Restrictive Documents**

The Issuer is not subject to, or a party to, any Issuer Contacting Documents provision, mortgage, demand, lien, lease, license, permit, agreement, contract, conditional sales contract, hire-purchase agreement, security interest agreement or other title retention agreement or lease of personal property, instrument, [YOUR COUNTRY LAW], rule, ordinance, regulation, order judgment or decree or any other restriction of any kind or character which would prevent consummation of the transactions contemplated by this Agreement or which would affect the continued operation of the Business after the Closing Date on substantially the same basis as heretofore operated.

* 1. **Outstanding Long Term Indebtedness**

Except as disclosed in the Financial Statements, the Issuer has no outstanding bonds, debentures, mortgages, notes or other indebtedness maturing more than one year after the date of their creation or issuance nor is under any agreement to create or issue any bonds, debentures, mortgages, notes or other indebtedness maturing more than one year after the date of their creation or issuance.

* 1. **Outstanding Guarantees**

The Issuer is not a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person, firm or corporation.

* 1. **Insurance**

The Issuer has been and is insured by financially sound and reputable insurers unaffiliated with the Issuer in such amounts and against such risks as are sufficient for compliance with [YOUR COUNTRY LAW] and as are adequate in the judgments of the Issuer to protect the properties and businesses of the Issuer, which relate to the Business.

The Issuer shall maintain the insurance covering the Business and, with respect to the Business, comparable to that in effect on the date hereof. The Issuer is not in default with respect to any of the provisions contained in any such notice or present any claim in due and timely fashion.

* 1. **Taxes**

All domestic and foreign tax returns of the Issuer which are required to be filed have been duly prepared and timely filed and all taxes shown thereon and all assessments, reassessments and all governmental charges, penalties, interest and fines due and payable have been paid or full provision has been made therefor in the Financial Statements. The income tax returns of the Issuer have all been reviewed and finally assessed by the appropriate government authorities up to and including [DATE], and all such assessments have been satisfied. All taxes including real and personal, property and business taxes, sales or other taxes, rates, assessments, excise taxes or other governmental or regulatory levies of any nature or kind whatsoever payable by the Issuer for their last completed fiscal period have been paid or are provided for in their books and are reflected in the Financial Statements and full provision has been made in the books of the Issuer for the current period for which tax returns are required to be filed.

No proceedings or other action has been taken against the Issuer for the assessment or collection of additional taxes, levies or other assessments of any nature or kind whatsoever. All other tax returns of any nature and kind required to be filed and any and all corporate returns required under the [YOUR COUNTRY LAW] of [COUNTRY], or any province thereof, have been filed and such returns are complete and correct. There are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return or the payment of any tax or governmental charge and there are no actions, suits, proceedings, investigations or claims now threatened or pending against the Issuer in respect of taxes, governmental charges or assessments or any matters under discussion with any governmental authorities respecting charges or assessments asserted by any such authority. The Issuer is not liable for any [COUNTRY] federal, provincial or municipal or local taxes, assessments or other imposts due and unpaid might result in a claim or lien of any kind affecting the Assets.

* 1. **Withholdings**

The Issuer has withheld from each payment made to any of its shareholders, officers, directors, former directors, non-resident creditors and employees the amount of all taxes, including but not limited to income tax, and other deductions required to be withheld therefrom and has paid the same to the proper tax or other receiving officers within the time required under any applicable legislation.

* 1. **Condition of Assets**

All of the Assets are in good operating condition and are in a state of Assets good repair and maintenance.

* 1. **Clients and Suppliers**

No client or supplier of the Business has indicated that it will decrease the rate of business done with the Issuer. Schedule 4.32 contains true and complete lists of suppliers to the Business, current clients of the Business and each client of the Business with which, in any of the fiscal periods terminated in [DATE], the Issuer has had annual sales in the aggregate of [AMOUNT] or more.

* 1. **Vacation Pay**

All vacation pay, bonuses, furlough, travel, commissions and other emoluments in connection with the Business are, or will be on the Closing Date reflected and have been, or will be on the Closing Date, accrued in the books of account of the Issuer.

* 1. **Residence**

The Issuer is resident in [COUNTRY] within the meaning of the Income Tax Act ([COUNTRY]).

* 1. **Knowledge**

The Issuer does not have any information or knowledge of any facts relating to the Assets or the Business which might be reasonably expected to materially diminish any investor’s appreciation of the worth or profitability of such business, or which, if known to the Purchaser, might reasonably be expected to deter the Purchaser from completing the transactions herein contemplated.

* 1. **Undisclosed Liabilities**

There are no liabilities or obligations of the Issuer of any kind whatsoever (whether absolute, accrued, contingent or otherwise, and whether due or to become due) in respect of which the Purchaser may become liable on or after the consummation of the transactions contemplated by this Agreement, other than (a) liabilities disclosed on, reflected in or provided for in the Financial Statements, (b) liabilities disclosed or referred to in this Agreement or in the Schedules attached hereto, and (c) commercial liabilities and obligations incurred since the date of the Financial Statements in the ordinary course of business and consistent with past practice since the date thereof. Except as aforesaid, there is no valid basis for the assertion against the Issuer of any liability or obligation not fully reflected or reserved against in the Financial Statements or incurred in the ordinary course of business and consistent with past practice since the date thereof.

* 1. **Financial Statements**

The Financial Statements have been prepared in accordance with generally accepted accounting principles consistently applied and fairly present the financial position of the Business as of their respective dates and the results of its operations for the periods then ended. The respective statements of income included in the Financial Statements do not contain any items of special or non-recurring income except as expressly disclosed therein and the balance sheets included in the Financial Statements do not reflect any write-up or revaluation increasing the book values of the assets. The financial records of the Business are kept in accordance with generally accepted accounting principles and are complete and correct and fully and fairly reflect all transactions of the Business.

* 1. **Absence of Certain Developments**

Since [DATE], the Issuer has not agreed to do or permit any of the following:

1. borrowed any amount or incurred or become subject to any material liabilities except (i) current liabilities incurred in the ordinary and normal course of the routine daily affairs of business and (ii) liabilities under contracts entered into in the ordinary and normal course of the routine daily affairs of business;
2. discharged and satisfied any Lien or paid any material liability, other than current liabilities in the ordinary and normal course of the routine daily affairs of business, and current portions of term liabilities;
3. mortgaged, pledged or subjected to any Lien any of the Assets except with respect to liens for current property taxes not yet due and payable;
4. sold, assigned or transferred any of the Assets except in the ordinary and normal course of the routine daily affairs of business, or which in the aggregate do not exceed [AMOUNT], or cancelled any material debts or claims;
5. sold, assigned or transferred any Intellectual Property Rights or disclosed any material proprietary information or other intangible assets to any competitor or affiliate thereof;
6. suffered any extraordinary losses or waived any rights of material value, whether or not in the ordinary course of business or consistent with past practice;
7. entered into any material transaction other than in the ordinary and normal course of the routine daily affairs of business;
8. suffered any theft, damage, destruction or casualty loss in excess of [AMOUNT] to the Assets whether or not covered by insurance; or made any capital expenditures which in the aggregate exceed [AMOUNT];
9. made any material change in any method of accounting or any accounting limitation, any change in depreciation or amortization policies or rates;
10. conducted the Business other than in the ordinary course;
    1. **No Material Adverse Change**

Since [DATE] there has been no Material Adverse Change and the Issuer has no knowledge of any present condition or contingency, which could result in a Material Adverse Change. The Issuer shall promptly notify the Purchaser of changes in the business of the Issuer which might reasonably be regarded as material including but not limited to major accidents, labor disputes or attempts to organize new bargaining units, significant rental losses and additions, threatened major lawsuits, cancellation of or material amendment to insurance or threats of such cancellation or amendment.

* 1. **Other Agreements**
  2. Since [DATE], the Issuer has not been a party to any outstanding agreement (excluding written employment agreements disclosed hereby), contract or commitment, assignments or transfers of properties or assets, whether written or oral, of any nature or kind whatsoever, except (i) agreements, contracts and commitments in the ordinary course of the routine daily affairs of the Business which can be terminated by the Issuer, without any liability arising from such termination in excess of [AMOUNT] in the aggregate in respect of all such agreements, contracts and commitments, (ii) prepaid service contracts on office building and plant equipment, and (iii) the agreements regarding certain government grants and loans between the Issuer and each of the [SPECIFY] more fully described in Schedule 4.40 (the “Funding Agreements”), or referred to specifically herein.
  3. The Issuer and (to the best knowledge of the executive officers of the Issuer) has performed in all material respects all obligations required to be performed by it to date under the Funding Agreements and, at Closing, is not in breach or default in any respect thereunder, except for such breaches and defaults which, individually or in the aggregate, do not, and, insofar as reasonably can be foreseen, in the future will not, have a Material Adverse Effect.
  4. Except as set forth on Schedule [SPECIFY] or as otherwise contemplated by this Agreement, Issuer is not party to any non-competition agreements.
  5. Except as otherwise contemplated by this Agreement, Issuer will not do or omit to do any act, or permit any act or omission to act, which will cause a breach of any contract, commitment or obligation of Issuer which is material to the Business, taken as a whole, or any material breach of any representation, warranty, covenant or agreement made by Issuer herein.
  6. The Issuer will not:
     1. grant any increase in the salary of any officer, employee or agent engaged in the operation of the Business, except normal wage or salary increases for employees (other than officers and other management employees) in the ordinary course of business and consistent with past practice,
     2. or by means of any bonus or pursuant to any plan or arrangement or otherwise, increase by any amount the benefits or compensation of any such officer, employee or agent.
  7. Other than in the ordinary course of business and except as otherwise expressly provided in this Agreement, Issuer will not create, or agree to create, any indebtedness for borrowed money, or permit or allow any of the properties or assets used by the Business, whether moveable or immoveable, to be mortgaged, pledged or subjected to any Liens other those permitted herein.
  8. **Environmental Matters**

The Issuer and its officers, directors, agents and employees or any predecessor thereof is conducting its business in compliance with all applicable environmental statutes, [YOUR COUNTRY LAW], rules and regulations of each jurisdiction in which its business is carried on. The Issuer is not in breach or default of any environmental statutes, [YOUR COUNTRY LAW], rules, regulations, ordinance, order or decree to which the Issuer, the Business or the Assets may be or are subject. The Issuer does not use, store, handle, transport or dispose of any Hazardous Waste and Solid Waste (as these terms are defined respectively in the [YOUR COUNTRY] [SPECIFY]).

There has been no emission, deposit, issuance or discharge of a contaminant in a greater quantity or concentration than that provided for by regulation of the Government or that the presence in the environment is prohibited or is likely to affect the life, health, safety, welfare or comfort of human beings or to cause any damages to or otherwise impair the quality of the soil, vegetation, wild life or property on, in, onto, into, under or from any of the Assets. Neither the Issuer nor its officers, directors, agents and employees nor any predecessor thereof has conducted any evaluation, assessment, study or test relating to the presence of any contaminant at the request or on behalf of any governmental authority or third party. The Issuer has no knowledge of any prior or current storage, release or threatened release of any hazardous substance, toxic materials or other pollutants on or from any immoveable property owned or leased by the Issuer.

* 1. **Reliance**

The Issuer hereby expressly acknowledges that the Purchaser is relying on the covenants, representations and warranties of the Issuer contained in this Agreement and in any certificates or other document delivered pursuant hereto in connection with the Purchaser’s subscription and purchase of the Subscribed Shares.

* 1. **Evidence**

The Issuer shall furnish the Purchaser with evidence satisfactory to the Purchaser that except as otherwise contemplated hereby the facts with respect to each of the respective representations and warranties of the Issuer contained herein were as set out hereinabove at the Closing Date, provided that the receipt of such evidence and the closing of the transaction herein provided for shall not be a waiver of the representations and warranties of the Issuer contained herein, which representations and warranties shall continue to full force and effect as provided for herein.

* 1. **Standard of Conduct**

In determining whether or not reasonable efforts have been used by the Issuer, the standard of business judgment to be expected from it shall be the same as that applied in its previous conduct of its affairs.

1. **REPRESENTATIONS AND WARRANTIES OF THE PURCHASER**

The Purchaser hereby covenants, represents and warrants to the Issuer as follows:

* 1. **Existence and Authorization**

The Purchaser is duly incorporated, properly organized and validly subsisting under the [YOUR COUNTRY LAW] of the State of [STATE/PROVINCE]. The Purchaser has all necessary right, power and authority to enter into, execute and deliver this Agreement and to perform its obligations hereunder. The entry into, execution and delivery of this Agreement and the performance by the Purchaser of its obligations hereunder have been duly authorized and approved by all necessary corporate action of the Purchaser.

* 1. **Binding Nature**

This Agreement constitutes a legal, valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency or other [YOUR COUNTRY LAW] of general application affecting the rights of creditors and except that specific performance is an equitable remedy which may only be awarded in the discretion of the court.

* 1. **No Violation**

The entering into of this Agreement and the transactions contemplated hereby will not result in the violation of, or default under, any of the terms and provisions of the contacting documents of the Purchaser or of any resolutions of the directors or shareholders of the Purchase or of any indenture or other agreement, written or oral, to which the Purchaser may be a party or by which it is bound.

1. **COVENANTS**

The Issuer covenants and agrees with the Purchaser that on or before the Closing Date it will do or will cause to be done those things set forth herein.

* 1. **Continued Operation in Normal Course**

The Issuer will use all reasonable efforts (i) to cause the Issuer to carry on its Business in the ordinary and normal course of the routine daily affairs thereof (with such changes thereto as may from time to time be approved in writing by the Purchaser), (ii) to ensure that, except as otherwise contemplated hereby, each of the representations and warranties of the Issuer contained in Article [NUMBER], remains true and correct in all material respects until the Closing Date and (iii) to promptly notify the Purchaser of changes in the business of the Issuer which might reasonably be regarded as having a Material Adverse Effect, including but not limited to major accidents, labor disputes or attempts to organize new bargaining units, significant rental losses and additions, threatened major lawsuits, cancellation of or material amendment to insurance or threats of such cancellation or amendment.

In determining whether or not reasonable efforts have been used by the Issuer, the standard of business judgment to be expected from it shall be the same as that applied in its previous conduct of its affairs. The Issuer shall be entitled but not obliged to consult with the Purchaser with respect to any action proposed to be taken or omitted by it and if the Purchaser consents to or acquiesces in such action or omission then such action or omission shall be deemed to not result in a breach of the foregoing covenant.

The Issuer shall furnish the Purchaser with evidence satisfactory to the Purchaser that except as otherwise contemplated hereby the facts with respect to each of the respective representations and warranties of the Issuer contained herein were as set out in Article [NUMBER] hereof at the Closing Date and that the Issuer has fulfilled each of the covenants required to be performed by it hereunder, provided that the receipt of such evidence and the closing of the transaction of subscription and issue herein provided for shall not be a waiver of the covenants, representations and warranties of the Issuer contained herein, which covenants, representations and warranties shall continue to full force and effect as provided for herein.

* 1. **Resignation of Directors**

The Issuer shall cause such directors and officers of the Issuer as the Purchaser may specify to resign in favor of nominees of the Purchaser, such resignations to be effective as at the Closing Date.

* 1. **Investigations**

The Issuer shall:

* + 1. forthwith make available to the Purchaser and its directors, officers, auditors, counsel and other authorized representatives all title documents, abstracts of title, deeds, leases, contracts and agreements and other documents in its possession or under its control relating to any of property or assets of the Issuer;
    2. forthwith make available to the Purchaser and its said authorized representatives for examination all books of account, accounting records, documents, business, legal and accounting information and data relating to its Business including all audit working papers, tax return files and working papers for all past and current reporting years;
    3. cause the auditors of the Issuer to prepare unaudited interim financial statements for the interim fiscal period ended [DATE] on or before the Closing Date;
    4. afford the Purchaser and its said authorized representatives every reasonable opportunity to have access to the personnel employed by the Issuer and to have access to and to inspect the property and assets of same, it being agreed that the exercise of any rights of access or inspection by or on behalf of the Purchaser under this clause shall not affect or mitigate the covenants, representations and warranties of the Issuer hereunder which shall continue in full force and effect as provided in Article [NUMBER] hereof; and
    5. deliver by hand to the Purchaser not less than [NUMBER] days prior to the Closing Date a list showing:
       1. the name of each bank, trust company or similar financial institution in which the Issuer has accounts or safe deposit boxes, the identification numbers of each such account or safe deposit box and the names of all persons authorized to draw thereon or have access thereto;
       2. and the name of each person, firm or corporation or business organization holding a general or special power of attorney from the Issuer and a summary of the terms thereof.
  1. **Unanimous Shareholders Agreement**

The Issuer shall have entered into and executed a Unanimous Shareholders’ Agreement with the Purchaser and [COMPANY NAME] regarding the activities of the Issuer and transfer of its securities, substantially in the form of the draft unanimous shareholders’ agreement attached as Schedule 6.4.

* 1. **Funding Agreements**

The Issuer shall have obtained amendments to the Funding Agreements in a form which is satisfactory to the Purchaser, including written waivers from each of [SPECIFY] regarding any breach or default of the Funding Agreements by the Issuer which may have been outstanding prior to Closing.

* 1. **Letters of Intent**

The Issuer shall have obtained letters of intent for research and development agreements and purchaser orders with [COMPANY NAME].

Employment Agreement. The Issuer shall have amended its existing employment agreement with [INDIVIDUAL NAME] substantially in the form of the draft employment agreement attached as Schedule

* 1. **R & D Agreement**

The Issuer shall have entered into and executed an amended and restated research and development agreement with [COMPANY NAME] substantially in the form of the draft research and development agreement attached as Schedule [SPECIFY].

* 1. **Sub-license Agreement**

The Issuer shall have entered into and executed sub-license agreement the Purchaser substantially in the form of the draft sub-license agreement attached as Schedule [SPECIFY]

* 1. **Opinion of Issuer’s Counsel**

The Issuer shall have delivered to the Purchaser an opinion of legal counsel to the Issuer in form and terms satisfactory to legal counsel to the Purchaser with respect to certain matters referred to in Article [NUMBER] hereof and stating that all necessary corporate action has been taken and all regulatory approvals or consents have been obtained by the Issuer to authorize the allotment and issuance of the Subscribed Shares to the Purchaser and as to such other matters incidental to the matters herein contemplated as legal counsel to the Purchaser may reasonably request.

1. **SURVIVAL OF COVENANTS, REPRESENTATIONS AND WARRANTIES**
   1. **Survival of Issue’s Representations**

The covenants, representations and warranties of the Issuer contained in this Agreement or contained in any document or certificate given pursuant hereto shall survive the Closing of the purchase and sale of the Subscribed Shares provided for herein, and notwithstanding such Closing, or any investigation made by or on behalf of the Purchaser, shall continue in full force and effect for the benefit of the Purchaser, provided, however that:

* + 1. The covenants, representations and warranties of the Issuer, except those relating to tax liability of the Issuer, shall terminate at the expiry of [NUMBER] years following the Closing Date;
    2. Those covenants, representations and warranties of the Issuer relating to tax liability of the Issuer shall terminate on [DATE].
    3. There shall be no limit on the covenants, representations and warranties of the Issuer relating to tax liability of the Issuer or any of the Consolidated Companies based upon any misrepresentation made or fraud committed in filing a return or in supplying information.
  1. **Survival of Purchaser’s Representations**

The covenants, representations and warranties of the Purchaser contained in this Agreement or contained in any document or certificate given pursuant hereto shall survive the Closing of the purchase and sale of the Subscribed Shares provided for herein and, notwithstanding such Closing, or any investigation made by or on behalf of the Issuer, shall continue in full force and effect for the benefit of the Issuer for a period of [NUMBER] years following the Closing Date.

1. **CLOSING AND CONDITIONS PRECEDENT TO THE SALE**
   1. **Closing Arrangements**

The purchase and sale of the Subscribed Shares herein contemplated shall take place at the offices of [INDIVIDUAL NAME], [FULL ADDRESS, [STATE/PROVINCE], at [HOUR] hours on the Closing Date or such other Business Day as is agreed to by the parties in writing. A pre-closing shall take place at the same location [NUMBER] Business Day prior thereto.

* 1. **Conditions Precedent to Closing in Favor of the Purchaser**

The obligation of the Purchaser to purchase the Subscribed Shares and to perform its obligations hereunder are subject to the fulfillment of the following conditions precedent to its satisfaction on or before the Closing Date, it being understood that the said conditions are included for the exclusive benefit of the Purchaser and may be waived, in writing by the Purchaser, either in whole or in part at any time:

* + 1. Accuracy of Representations and Warranties. The representations and warranties of the Issuer contained in this agreement or in any Schedule hereto or certificate or other document delivered to the Purchaser pursuant hereto shall be true, correct and complete in every detail as at the Closing Date with the same force and effect as though such representations and warranties had been made at and as of such time with respect to the state of facts then existing, and the Issuer shall deliver to the Purchaser the solemn declaration of its President to such effect; provided that the closing of the transaction of purchase and sale herein provided for shall not be nor be deemed to be a waiver of the representations and warranties contained in this Agreement and Schedules, which representations and warranties shall continue in full force and effect for the benefit of the Purchaser as provided in this Agreement.
    2. Compliance with Covenants. The Issuer shall have complied with all covenants, terms and conditions herein agreed to be performed by it, including all covenants made by it in [SPECIFY] hereof, at or prior to Closing Date, and shall have provided to the Purchaser evidence thereof reasonably satisfactory to the Purchaser.
    3. Governmental Consents. There shall have been obtained from all appropriate federal, provincial, municipal or other governmental bodies or regulatory agencies all such approvals and consents in form and terms satisfactory to counsel for the Purchaser as may be required in order to permit the allotment and issuance of the Subscribed Shares to the Purchaser (without in any such case adversely affecting or resulting in the cancellation or termination of any license, permit or other authorization which is necessary to the operation of the Issuer’s Business), including but not limited to such certificates as the Purchaser’s counsel considers desirable pursuant to the Competition Act ([COUNTRY]) and the Investment [COUNTRY] Act ([COUNTRY]).
    4. No Adverse Actions. No action or proceeding in [COUNTRY] or the [COUNTRY], at law or in equity, shall be pending by any Person to disallow, enjoin or prohibit the allotment and issue of the Subscribed Shares contemplated hereby or the right of the Purchaser to own the Subscribed Shares.
    5. No Substantial Damage or Adverse Change. No substantial damage to the Assets shall have occurred prior to the Closing Date and no Material Adverse Change in the financial condition or prospects of the Issuer as reflected in the Financial Statements shall, in the reasonable opinion of the Purchaser, have occurred prior to the Closing Date.
    6. No Adverse Legislation. No legislation (whether by statute, regulation, by-law or otherwise) shall have been enacted or introduced which, in the reasonable opinion of the Purchaser, has or may have a Material Adverse Effect.
    7. Terms and Conditions of Contracts. The Purchaser and its legal counsel shall be satisfied with all the terms and conditions of the material contracts detailed on Schedule [SPECIFY] hereto and with all the terms and conditions of all contracts between the Issuer and any non-arm’s length Person as well as any amounts owing between such parties.
    8. Due Diligence and Approval of Counsel. The Purchaser and its legal counsel shall be satisfied with the results of its due diligence review of the Issuer, which review shall include a full and complete investigation of the Issuer, its assets and liabilities and such other matters as the Purchaser shall in its sole discretion deem relevant including but not limited to pro forma financial statements for the Issuer. All actions, proceedings, instruments and documents required to implement this Agreement, or instrumental thereto, and all other legal matters relating to the purchase of the Subscribed Shares shall have been approved as to form and legality by the Purchaser’s outside counsel, [INDIVIDUAL NAME].
    9. Closing Documents. All documents relating to the due authorization and completion of the transaction contemplated hereby shall be satisfactory to legal counsel for the Purchaser and the Purchaser shall have received copies of all such documents in form and substance satisfactory to legal counsel for the Purchaser; such documents to include:
    10. a certified copy of the certificate and articles of incorporation of the Issuer and any certificate and articles of amendment issued to the Issuer;
    11. a certified copy of the by-laws of the Issuer;
    12. the Financial Statements, for the period ended the month immediately preceding the Closing Date certified by the chief financial officer of the Business to be true and correct in all material respects and to have been prepared in accordance with generally accepted accounting principles consistently applied;
    13. a certified copy of a resolution of the board of directors of the Issuer authorizing the execution and delivery of this Agreement, allotting the Subscribed Shares to be purchased by the Purchaser hereunder, and authorizing the issuance of the Subscribed Shares and the delivery of the certificates therefor and other documents required to be issued by the Issuer hereunder;
    14. an incumbency certificate listing all the officers and the directors of the Issuer who sign any documents in connection with this Agreement, allotting the Subscribed Shares to be purchased by the Purchaser hereunder, and authorizing the issuance of the Subscribed Shares and the delivery of the certificates therefor and other documents required to be issued by the Issuer hereunder; and
    15. the solemn declaration by the President of the Issuer referred to in Subsection 8.2.1.
  1. **Conditions Precedent to Closing in Favor of the Seller**

The purchase and sale of the Subscribed Shares is subject to the satisfaction on or before the Closing Date, of the following terms and conditions which are included herein for the exclusive benefit of the Issuer and which may be waived in whole or in part, only by the Issuer:

* + 1. Truth of Representations and Warranties. The representations and warranties of the Purchaser to the Issuer contained in this Agreement and Schedules hereto shall be true, correct and complete in every detail as at Closing Date with the same force and effect as if such representations and warranties were made at and as of such time and the Purchaser shall deliver to the Seller the solemn declaration of its President to such effect; provided that the closing of the transaction of purchase and sale herein provided for shall not be contained in this Agreement and Schedules, which representations and warranties shall continue in full force and effect for the benefit of the Seller as provided in this Agreement.
    2. Compliance with Covenants. The Purchaser shall have substantially complied with all covenants, terms and conditions herein agreed to be performed by it at or prior to the Closing Date and shall have provided to the Issuer evidence thereof reasonably satisfactory to it.
  1. **Notification**

If the Purchaser becomes aware that any of the foregoing conditions are not likely to be fulfilled at or before the Closing Date, it shall so notify the Issuer with a view to permitting it to take such action as may be necessary to enable it to cause such conditions to be fulfilled at or before the Closing Date. In case any of the foregoing conditions shall not be fulfilled on or before the Closing Date to the reasonable satisfaction of the Purchaser, the Purchaser may rescind this Agreement by notice to the Issuer and in such event the Purchaser shall be released from all obligations hereunder and, unless the condition for the non-performance of which the Purchaser has rescinded this Agreement are reasonably capable of being performed or caused to be performed by the Issuer, the Issuer shall also be released from all obligations hereunder; provided that any such condition, to the extent that it is for the benefit of the Purchaser, may be waived in whole or in part by the Purchaser without prejudice to its rights of rescission in the event of the non-fulfillment of any other condition or conditions, any such waiver to be binding on the Purchaser only if the same is in writing.]

1. **INDEMNIFICATION**
   1. **Indemnification of Purchaser**

The Issuer shall indemnify and save harmless the Purchaser and its directors and officers from and against any loss whatsoever, including all claims, demands, costs and expenses arising out of, under or pursuant to:

* + 1. all debts, liabilities, contracts or engagements whatsoever, including any liabilities for federal, provincial, sales, excise, income, corporate or any other taxes of the Issuer existing at the Closing Date and not disclosed on or included or reflected in the Financial Statements;
    2. any reassessment for income or corporate tax, interest and/or penalties for any period up to the Closing date for which no adequate reserve has been provided for and disclosed in the Financial Statements;
    3. any loss suffered by the Purchaser or the Issuer as a result of any breach of any representation, warranty or covenant of the Issuer contained in this Agreement; and
    4. all claims, demands, costs and expenses in respect of the foregoing.
  1. **Termination of Indemnification**

The indemnification set forth in section 9.1 shall terminate as follows:

* + 1. as to the indemnifications in respect of the liabilities of the Issuer referred to in subsection 10.1, on [SPECIFY] for the purposes of [YOUR COUNTRY] federal and provincial income and corporation tax legislation;
    2. as to all other indemnifications in section 9.1, at the end of [NUMBER] years following the Closing Date.
  1. **Payment of Indemnification**

In the event of a valid claim by the Purchaser to be indemnified by the Issuer pursuant to the provisions of section 9.1 hereof, the Purchaser shall be entitled to recover, in addition to any other amounts to which it is entitled under the indemnification, an amount equal to the amount of any deficiency suffered by the Issuer as a result of a breach of any representation, warranty or covenant of the Issuer contained in this Agreement. The parties hereto intend that the Purchaser will be indemnified on a dollar for dollar basis for any reduction in the assets or any increase in the liabilities of the Issuer arising out of, under or pursuant to a breach of any representation, warranty or covenant of the Issuer contained in this Agreement. The foregoing is subject to and limited in accordance with the following:

* + 1. The Issuer shall not be required to indemnify the Purchaser hereunder unless the aggregate of all amounts for which indemnity would otherwise be due exceeds [AMOUNT], in which case the Issuer shall be responsible only for such indemnification amount in excess of [AMOUNT]; and
    2. The Issuer’s obligation to indemnify Purchaser shall be satisfied (i) first, by recourse to [INDIVIDUAL NAME] (as Chief Executive Officer and indirect controlling shareholder of the Issuer) and (ii) second, by recourse to the Issuer.
    3. in the event that any breach by the Issuer of a representation or warranty hereunder shall be cured by the Issuer or result in a smaller reduction in any asset or less liability to the Issuer than is evidenced by the indemnification payment which the Purchaser shall have received as a result of such breach, then the Purchaser shall be obligated to repay to the party which made the indemnification payment the amount by which such indemnification payment exceeded the actual reduction in assets or increase in liabilities suffered by the Issuer as a result of such breach.
  1. **Intervention**

[INDIVIDUAL NAME] hereby acknowledges to have taken cognizance of the present Agreement and hereby agrees that the Issuer’s obligation to indemnify the Purchaser pursuant to Article [NUMBER] shall first be satisfied by recourse to [INDIVIDUAL NAME] (as Chief Executive Officer and indirect controlling shareholder of the Issuer). [INDIVIDUAL NAME] expressly agrees to be bound by the provisions of this Article [NUMBER] to the same extent as the Issuer is so bound and all references in this Article to the Issuer shall be read as referring also to [INDIVIDUAL NAME].

1. **GENERAL PROVISIONS**
   1. **Notices**

All notices, requests, demands and other communications hereunder shall be in writing with specific reference to this Agreement and shall be deemed to have been duly delivered on the date of delivery, if by hand, with a signed acknowledgement of receipt of delivery; on the [NUMBER]) business day after transmission, if sent by telex, telegraph or telecopier; or on the [NUMBER] business day following the day on which it was mailed, sent by first class, certified or registered mail, if sent by mail, as follows:

* + 1. **in the case of the Issuer, addressed to:**

[NUMBER]

[NUMBER]

[NUMBER]

[NUMBER]

Attention: [NUMBER]

* + 1. **in the case of the Purchaser, addressed to:**

[NUMBER]

[NUMBER]

[NUMBER]

[NUMBER]

[NUMBER]

Attention: [NUMBER]

or such other address as the parties may from time to time advise the other party by notice in writing.

* 1. **Extended Meanings**

Words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders.

* 1. **Interpretation Not Affected by Headings**

The division of this Agreement into articles and insertion of headings is for convenience and reference only and shall not affect the construction or interpretation of this Agreement.

* 1. **Preamble**

The preamble forms an integral part of this Agreement.

* 1. **Funds**

All amounts referred to in this Agreement are in lawful money of [COUNTRY].

* 1. **Financial Documents**

All calculations and financial documents required to be made or produced under or pursuant to this Agreement shall be made or produced in accordance with generally accepted accounting principles which are from time to time approved by the [COUNTRY] Institute of Chartered Accountants as set forth in the publication known as [YOUR COUNTRY] “CICA Handbook” and applicable as at the date on which any calculation or financial document is required to be made or produced, save and except as may be specifically defined herein.

* 1. **Binding Contract**

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, legal representatives, successors and assigns, provided however that this Agreement cannot be assigned by either party without the consent of the other party.

* 1. **Entire Agreement**

This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations, agreements and understandings, if any.

* 1. **Further Documents**

The Issuer and the Purchaser will each execute and deliver such further documents and instruments and do such acts and things after the Closing Date as may be reasonably required by the other to carry out the intent and meaning of this Agreement.

* 1. **Headings**

This Agreement may be executed simultaneously in two or more counterparts each of which shall be deemed an original but all of which together shall constitute but one and the same instrument. The headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

* 1. **Invalidity**

If any provision of this Agreement shall be held invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall attach only to such provision in such jurisdiction and shall not in any manner affect or render invalid or unenforceable such provision in any other jurisdiction or any other provision of this Agreement in any jurisdiction.

* 1. **Applicable Governing Law**

This Agreement shall be governed by and construed in accordance with the [YOUR COUNTRY LAW] of the Province of [STATE/PROVINCE] and the [YOUR COUNTRY LAW] of [COUNTRY] applicable therein. The [COMPANY NAME] hereby irrevocably submit to the jurisdiction of the courts of the Province of [STATE/PROVINCE] in respect of all matters or disputes arising from this Agreement.

* 1. **No Commissions**

The Issuer and the Purchaser shall each bear and be responsible for all of its own costs and expenses, including legal fees, incurred in connection with this Agreement and the transaction hereby contemplated. The Issuer undertakes to indemnify and save harmless the Purchaser from and against any claims whatsoever for any commission or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who acted for the Issuer in connection with the transaction contemplated hereby.

* 1. **Time of Essence**

Time shall be of the essence of this Agreement.

IN WITNESS WHEREOF, each party to this agreement has caused it to be executed at [PLACE OF EXECUTION] on the date indicated above.

# FIRST PARTY SECOND PARTY

Authorized Signature Authorized Signature

Print Name and Title Print Name and Title