

CONFIDENTIALITY AGREEMENT

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CONFIDENTIALITY AGREEMENT, entered into in the City of, Province of, Canada.

BETWEEN: V1 (name of natural person), (occupation), domiciled and residing at (civic number and street name), in the City of (name of city), Province of (name of province), (postal code);

OR

V2 (corporate name), a legal person duly incorporated pursuant to the Act (name of statute under which the corporation was incorporated), having its principal place of business at (civic number and street name), in the City of (name of city), Province of (name of province), (postal code), and duly registered under the designating number (.....) in accordance with the Act (name of the statute respecting the legal publicity of enterprises under which the corporation is registered);

OR

V3 (corporate name), a legal person duly incorporated pursuant to the Act (name of statute under which the corporation was incorporated), having its head or registered office at (civic number and street name), in the City of (name of city), Province of (name of province), (postal code), and duly registered under the designating number (.....) in accordance with the Act (name of the statute respecting the legal publicity of enterprises under which the corporation is registered) represented by (name of representative), its (title of representative), duly authorized for the purposes hereof;

OR

V4 (corporate name), a legal person, duly incorporated pursuant to the Act (name of statute under which the corporation was incorporated), having its head or registered office at (civic number and street name), in the City of (name of city), Province of (name of province), (postal code), and duly registered under the designating number (.....) in accordance with the Act (name of the statute respecting the legal publicity of enterprises under which the corporation is registered) represented by (name of representative), its (title of representative), duly authorized for the purposes hereof as he/she so declares [or as indicated in the resolution of the [sole director or board of directors]];

Table with 2 columns: VENDOR, PURCHASER

V5 (*common business name*), [general partnership], **OR** [limited partnership represented by (*name of its general partner*), its general partner] **OR** [undeclared partnership], **OR** [joint venture], **OR** [collaboration], **OR** [any other group of persons] operating a business through the exercise of an organized economic activity of a commercial nature, duly formed pursuant to [any applicable general law] **OR** [any other applicable statute], having its head or registered office at (*civic number and street name*), in the City of (*name of city*), Province of (*name of province*), (*postal code*), and duly registered (*as the case may be*) under the designating number (.....) in accordance with the Act (*name of the statute respecting the legal publicity of enterprises under which the corporation is registered*), represented by (*name of representative*), its (*title of representative*), duly authorized for the purposes hereof as he/she so declares [or as indicated in the resolution of the partners of the general partnership], **OR** [as indicated in the resolution of the sole director [or Board of Directors] of the general partner of the limited partnership], **OR** [as indicated in the resolution of the partners of the undeclared partnership], **OR** [as indicated in the resolution of the sole director [or Board of Directors] of each participant in the joint venture, **OR** [as indicated in the resolution of the sole director [or Board of Directors] of each participant in the collaboration] **OR** [as indicated in the resolution of the members of any other group of persons];

HEREINAFTER REFERRED TO AS THE “VENDOR”;

AND: (*identify purchaser*);

HEREINAFTER REFERRED TO AS THE “PURCHASER”;

HEREINAFTER COLLECTIVELY REFERRED TO AS THE “PARTIES”.

RECITALS

THE PARTIES MAKE THE FOLLOWING REPRESENTATIONS:

(A) (*identify vendor*) is engaged in the business of (*describe principal business activities*) and operates a business located at

VENDOR	PURCHASER

..... (civic number and street name), in the City of
(name of city), Province of Québec, under the name (the
“Business”);

- (B) (identify purchaser) wishes to study to possibly of acquiring the Business;
- (C) For the purposes of evaluating the possible acquisition and to determine the terms and conditions thereof, the PARTIES shall be required to exchange confidential information;
- (D) The PARTIES and their respective representatives shall exchange technical, commercial or financial information during meetings, telephone calls, written correspondence, emails, faxes or other means of communication, which information is essential to evaluating the plan to purchase/sell the shares/assets of said business;
- (E) Certain information so exchanged may be of a confidential nature and its disclosure to third parties could cause harm to the disclosing PARTY, thus the importance of protecting the private and confidential nature of such information;
- (F) The PARTIES wish to set out in writing the terms of their agreement regarding the exchange, disclosure, reproduction, use, storage and return of such confidential information;
- (G) It is the intent of the PARTIES that their agreement be construed as a contract by mutual agreement.

V1 (Short Form) NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

OR

V2 (Long Form) NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL REPRESENTATIONS AND THOSE SPECIFIC TO EACH PARTY, AS THE CASE MAY BE, CONTAINED HEREIN, THE PARTIES, INTENDING TO BE LEGALLY BOUND HEREBY, AGREE AS FOLLOWS:

0.00 INTERPRETATION

0.01 Definitions

V1 (Sole Agreement) Unless otherwise indicated, the following capitalized terms or expressions throughout the Agreement shall have the meaning indicated below:

VENDOR	PURCHASER

OR

V2 (Multiple Agreements) Unless otherwise indicated, capitalized words and expressions appearing in the Agreement or in any ancillary or subordinate documentation shall be interpreted or construed as follows:

0.01.01 Activities

V1 (Short Form) means, regarding the VENDOR, (describe its principal business activities) and, regarding the PURCHASER, (describe its principal business activities);

OR

V2 (Long Form) means regarding the VENDOR, (describe business activities) and includes any other activity related thereto and any new area of activity in which the VENDOR may carry on business from time to time during the term of the Agreement, and means regarding the PURCHASER, (describe business activities) and includes any other activity related thereto and any new area of activity in which the PURCHASER may carry on business from time to time during the term of the Agreement;

0.01.02 Agents

means, the shareholders, directors, officers, employees, agents, advisors, consultants, bankers, insurers and other representatives of each PARTY, respectively;

0.01.03 Agreement

V1 (Short Form) means this agreement including its recitals and schedules, any related or ancillary documentation identified therein, as well as any amendment made thereto from time to time by the PARTIES in accordance with Section 12.05;

OR

V2 (Long Form) means this agreement including its recitals and schedules, any related or ancillary documentation identified therein, as well as any amendment made thereto from time to time by the PARTIES in accordance with Section 12.05; the terms “herein”, “hereof”, “hereto”, “herewith”, “hereunder”, “hereby” and other similar terms, when used in the agreement, shall generally refer to this agreement as a whole rather than to a specific part thereof, unless otherwise indicated in the text;

0.01.04 Breach

VENDOR	PURCHASER

means any misrepresentation, inaccuracy, error, omission, non-compliance, infringement, failure, claim or other circumstance in respect of any representation, obligation or other provision of the Agreement leading to:

- (a) any infringement of the Agreement; or
- (b) any claim by any Person or other occurrence or circumstance that (i) is inconsistent with any representation, obligation or other provision of the Agreement and (ii) causes harm to any Person;

0.01.05 Confidential Information

means any commercial, technical, scientific, financial, legal, personal or other information disclosed by a PARTY relating to the disclosing PARTY's business activities, strategies or opportunities, intellectual property, suppliers, customers, financial situation or employees which, at the time of disclosure, is identified as confidential, is disclosed in confidence, or would be understood by the receiving PARTY, exercising reasonable business judgment, to be confidential, but excludes:

- (a) information known to the receiving PARTY prior to the date of its disclosure;
- (b) information known by the public or available to the public prior to the date of its disclosure;
- (c) information that becomes known by or available to the public after the date of its disclosure and that does not result from a breach of confidentiality on the part of the receiving PARTY;
- (d) information received at any time by a Person not bound to one of the PARTIES by an undertaking of confidentiality with regard to such information;
- (e) information independently produced by the receiving PARTY;
- (f) personal information provided by an individual when such information is being used for the purpose for which it was previously disclosed or any other purpose permitted by Law;

0.01.06 Disclosing PARTY

means any PARTY who, at its own discretion, discloses any Confidential Information that belongs to it to the Receiving PARTY;

0.01.07 Force Majeure

VENDOR	PURCHASER

means any event beyond the control of a PARTY that could not have been reasonably foreseen and against which it could not have protected itself such as, without limiting the generality of the foregoing, natural disasters, epidemics, fires, accidents, acts of war (whether declared or not), insurrections, riots, acts of terrorism, wildcat strikes, partial or total work stoppages or slowdowns, lock-outs, changes in market conditions, power or communication breakdown, interventions by civil or military authorities, non-compliance with any orders of governmental authorities, courts or tribunals or public authorities;

0.01.08 Intellectual Property

means any intangible asset, the proprietary rights of which may be protected by contract such as trade secrets, know-how and other similar assets and any intangible asset, the proprietary rights of which are protected by Canadian or foreign Laws such as patents, copyright, trademarks, industrial designs, integrated circuit topographies or plant varieties and includes any application made to and any registration or patent issued by a public authority for the purpose of securing intellectual property rights to such intangible assets;

0.01.09 Law

means, as the case may be, any law, regulation, ordinance, order, decree, code, guideline, policy, rule or other legislative or executive instrument, and any judicial or administrative order, agreement, decree or ruling issued by a public or quasi-public authority in any federal, provincial municipal or foreign jurisdiction, as well as any general rule of law, and includes, when required, an international treaty or inter-provincial or inter-governmental agreement, it being understood that any reference to a repealed statute shall be considered to refer to the statute and the regulations thereunder as they read immediately prior to the repeal of said statute;

The use of this definition is incompatible with the detailed version at Subsection 0.03.01 of the agreement. As such, if the detailed version is preferred, this definition of "Law" should be deleted and the term "Law" that appears throughout the agreement must not be written with a capital "L."

0.01.10 Legal Representatives

means, in respect of each PARTY, as the case may be, its duly authorized assignee: (i) when a natural person - the executors of his estate or administrators of his property, his legal heirs, legatees, successors or mandataries, (ii) when a legal person - its directors, officers, shareholders, members, employees or mandataries, and (iii) when a partnership, joint venture, collaboration or any other group of persons, as the case may be, its authorized partners, general partners or authorized mandataries or members;

0.01.11 PARTY

VENDOR	PURCHASER