

# ESCROW AGREEMENT (Share Purchase)

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ESCROW 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), duly attests that it is a legal person duly incorporated under 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), duly attests that it is a legal person duly incorporated under 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;

HEREINAFTER REFERRED TO AS THE "PURCHASER";

AND: ..... (identification of vendor);

HEREINAFTER REFERRED TO AS THE "VENDOR";

HEREINAFTER JOINTLY REFERRED TO AS THE "PRINCIPALS";

|           |        |              |
|-----------|--------|--------------|
| PURCHASER | VENDOR | ESCROW AGENT |
|           |        |              |

AND: ..... (identification of escrow agent);

HEREINAFTER REFERRED TO AS THE "ESCROW AGENT";

HEREINAFTER COLLECTIVELY REFERRED TO AS THE "PARTIES".

RECITALS

THE PARTIES MAKE THE FOLLOWING REPRESENTATIONS:

- (A) The PURCHASER has purchased, under an agreement for the sale of shares entered into on ..... 20..., all of the issued and outstanding shares of the share capital of ..... (hereinafter the "Primary Agreement");
- (B) Notwithstanding the fact that the PARTIES have signed the Primary Agreement, some of the closing conditions with respect to the sale have not yet been met;
- (C) In the interim, the PARTIES have agreed to deliver to the ESCROW AGENT, concurrently with the execution hereof, the closing documents and the portion of the sale price [OR sale price] payable under the Primary Agreement in order that the ESCROW AGENT may maintain custody of same until the completion of the closing conditions or until the cancellation of the transaction, should any condition not be met prior to the agreed upon closing date, as well as release them in accordance with the agreement;
- (D) The PARTIES wish to record the terms of their agreement regarding such purpose in a private writing;
- (E) It is the intent of the PARTIES that their agreement be construed as a contract by mutual agreement.

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL REPRESENTATIONS AND THOSE SPECIFIC TO EACH PARTY, AS THE CASE MAY BE, CONTAINED IN THE AGREEMENT, THE PARTIES INTEND TO BE LEGALLY BOUND AND AGREE AS FOLLOWS:

|           |        |              |
|-----------|--------|--------------|
| PURCHASER | VENDOR | ESCROW AGENT |
|           |        |              |

**0.00 INTERPRETATION**

**0.01 Definitions**

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

**OR**

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

**0.01.01 Activities**

means:

- (a) with regard to the PURCHASER, ..... (describe its principal business activities);
- (b) with regard to the VENDOR, ..... (describe its principal business activities); and
- (c) with regard to the ESCROW AGENT, ..... (describe its principal business activities);

**0.01.02 Agreement**

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 12.09; the terms “herein”, “hereof”, “hereto”, “herewith”, “hereunder”, “hereby” and other similar terms, when used in the Agreement, generally refers to this agreement as a whole rather than to a specific part thereof, unless otherwise indicated in the text;

**0.01.03 Breach**

means any misrepresentation, inaccuracy, error, omission as well as any non-compliance, infringement, failure or other contravention in respect of any representation, obligation or other provision of the Agreement;

**0.01.04 Closing Conditions**

|           |        |              |
|-----------|--------|--------------|
| PURCHASER | VENDOR | ESCROW AGENT |
|           |        |              |