

**SHARE SUBSCRIPTION  
AGREEMENT  
(Long Form)**

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b>RECITALS</b> .....	<b>9</b>
<b>0.00 INTERPRETATION</b> .....	<b>9</b>
0.01 Definitions .....	9
0.01.01 Activities .....	9
0.01.02 Agreement .....	10
0.01.03 Breach.....	10
0.01.04 Closing Date .....	10
0.01.05 Confidential Information .....	10
0.01.06 Creditor .....	11
0.01.07 Dispute .....	11
0.01.08 Encumber or Encumbrance .....	11
0.01.09 Equipment .....	11
0.01.10 Force Majeure .....	11
0.01.11 Hazardous Materials .....	11
0.01.12 Improvements .....	12
0.01.13 Intellectual Property .....	12
0.01.14 Law .....	12
0.01.15 Legal Representatives .....	12
0.01.16 Loss .....	13
0.01.17 Offer to Subscribe .....	13
0.01.18 Ordinary Course of Business.....	13
0.01.19 PARTY .....	13
0.01.20 Person .....	13
0.01.21 Prime Rate .....	13
0.01.22 Related Person .....	14
0.01.23 Securities .....	14
0.01.24 Shareholders .....	14
0.01.25 Shares .....	14
0.01.26 Subscribed Shares .....	14
0.01.27 Subscription .....	14
0.01.28 Subsidiary .....	14
0.01.29 Territory .....	14
0.01.30 Unanimous Shareholder Agreement .....	15
0.01.31 Warrant .....	15
0.02 Entire Agreement .....	15
0.03 Applicable Laws .....	15
0.04 Non-Compliance .....	15
0.04.01 Severability .....	15

# SHARE SUBSCRIPTION AGREEMENT (Long Form)

0.04.02	Substitute Provision.....	15
0.05	Miscellaneous .....	16
0.05.01	Cumulative Rights .....	16
0.05.02	No Waiver .....	16
0.05.03	Time and Days .....	16
	a) Time of the Essence.....	16
	b) Computation of Time .....	16
	c) Delays .....	17
0.05.04	Financial References .....	17
0.05.05	Cross-References .....	17
0.05.06	Gender and Number .....	17
0.05.07	Headings .....	18
0.05.08	Accounting Standards .....	18
<b>1.00</b>	<b>PURPOSE .....</b>	<b>18</b>
1.01	Initial Subscription.....	18
1.01.01	Undertakings .....	18
1.01.02	Warrant .....	18
1.01.03	Conditions .....	18
	a) Unanimous Shareholder Agreement.....	18
	b) Warrant .....	19
	c) Financial Statements .....	19
1.01.04	Election.....	19
<b>2.00</b>	<b>CONSIDERATION.....</b>	<b>19</b>
2.01	Initial Subscription.....	19
2.02	Additional Subscription .....	20
<b>3.00</b>	<b>TERMS OF PAYMENT .....</b>	<b>20</b>
3.01	Initial Subscription.....	20
3.02	Additional Subscription .....	20
3.03	Interest .....	20
3.04	Waiver.....	20
3.05	Loss of Term.....	20
<b>4.00</b>	<b>SECURITY .....</b>	<b>21</b>
<b>5.00</b>	<b>MUTUAL REPRESENTATIONS AND WARRANTIES .....</b>	<b>21</b>
5.01	Authority .....	21
5.02	Binding Agreement.....	21
5.03	Canadian Resident .....	21
5.04	Commission .....	21
5.05	Nominee.....	21
5.06	Independent Legal Advice .....	22
5.07	Disclosure .....	22

**SHARE SUBSCRIPTION  
AGREEMENT  
(Long Form)**

<b>6.00</b>	<b>REPRESENTATIONS AND WARRANTIES OF SUBSCRIBER .....</b>	<b>22</b>
6.01	Status.....	22
6.02	Accredited Investor.....	22
6.03	Conflicts of Interest .....	23
6.04	Default .....	23
<b>7.00</b>	<b>REPRESENTATIONS AND WARRANTIES OF ISSUER .....</b>	<b>23</b>
7.01	Status.....	23
7.02	Insurance.....	23
7.03	Books and Registers .....	23
7.04	Private Issuer .....	24
7.05	Share Capital.....	24
7.06	Subscribed Shares .....	24
7.07	Activities.....	25
	7.07.01 Compliance.....	25
	7.07.02 Competition.....	25
	7.07.03 Permits.....	25
7.08	Assets.....	25
7.09	Financial Statements.....	25
7.10	Subsequent Events.....	26
	7.10.01 Insurance.....	26
	7.10.02 Sale of Assets.....	26
	7.10.03 Changes.....	26
	7.10.04 General Business Matters.....	27
7.11	Legal Proceedings.....	27
7.12	Tax Position.....	27
7.13	Solvency.....	28
7.14	Security and Personal Guarantee.....	28
7.15	Occupancy Rights.....	28
7.16	Equipment.....	28
7.17	Inventory.....	28
7.18	Accounts Receivable .....	28
	7.18.01 Recording.....	28
	7.18.02 Collecting.....	28
7.19	Intellectual Property.....	29
	7.19.01 Sufficiency.....	29
	7.19.02 Claims.....	29
	7.19.03 Right to Use.....	29
7.20	Continuous Operations .....	29
7.21	Environmental Matters .....	29
	7.21.01 Hazardous Materials.....	29
	7.21.02 Compliance.....	29
	7.21.03 Authorizations Obtained .....	29
7.22	Important Agreements .....	30

# SHARE SUBSCRIPTION AGREEMENT (Long Form)

7.22.01	Limits .....	30
7.22.02	Related Persons .....	30
7.22.03	Previous Shareholder Agreements .....	30
7.23	Labour Relations.....	30
7.23.01	Collective Agreements .....	30
7.23.02	Labour Standards.....	30
7.23.03	Health and Safety .....	30
7.24	Professional Conduct .....	31
<b>8.00</b>	<b>MUTUAL DUTIES AND OBLIGATIONS .....</b>	<b>31</b>
8.01	Confidential Information .....	31
8.01.01	Undertaking .....	31
8.01.02	Duration of Undertaking .....	32
8.02	Continuation of Representations and Warranties .....	32
8.03	Indemnification.....	32
8.03.01	Procedure.....	32
8.03.02	Deductible .....	33
8.03.03	Limitation.....	33
8.04	Reimbursement of Legal Costs.....	33
8.05	Disclosure of Agreement.....	34
8.05.01	Undertaking .....	34
8.05.02	Public Announcement .....	34
8.05.03	Exception.....	34
8.05.04	Default.....	34
8.06	Further Assurances .....	34
<b>9.00</b>	<b>DUTIES AND OBLIGATIONS OF SUBSCRIBER.....</b>	<b>34</b>
9.01	Conflict of Interests .....	34
9.01.01	Acknowledgement.....	34
9.01.02	Undertaking .....	35
9.01.03	ISSUER's Rights.....	35
9.02	Non-Competition .....	35
9.02.01	Scope of Undertaking.....	35
9.02.02	Breach of Undertaking .....	35
a)	Penalty.....	36
b)	Payment .....	36
c)	Protective Measures.....	36
9.02.03	Reasonableness of Clause .....	36
9.03	Non-Solicitation of Personnel.....	36
9.03.01	Scope of Undertaking.....	36
9.03.02	Breach of Undertaking .....	37
a)	Penalty .....	37
b)	Payment .....	37
c)	Protective Measures.....	37

**SHARE SUBSCRIPTION  
AGREEMENT  
(Long Form)**

9.04	Non-Solicitation of Clients .....	37
9.04.01	Scope of Undertaking .....	37
9.04.02	Breach of Undertaking .....	37
	a) Penalty .....	37
	b) Payment .....	37
	c) Protective Measures .....	38
<b>10.00</b>	<b>DUTIES AND OBLIGATIONS OF ISSUER .....</b>	<b>38</b>
10.01	Insurance .....	38
10.01.01	Insured Risks .....	38
10.01.02	Amount of Coverage .....	38
10.01.03	Issuer .....	38
10.01.04	Prior Notice .....	38
10.01.05	Certificates of Insurance .....	38
10.01.06	Notice of Modification or Cancellation .....	38
10.02	Board of Directors .....	39
10.03	Closing Session .....	39
10.03.01	Issuance .....	39
10.03.02	Unanimous Shareholder Agreement .....	39
10.04	Dilution .....	39
10.05	General Undertakings .....	39
10.05.01	Senior Management .....	39
10.05.02	Maintenance of Corporate Existence .....	40
10.05.03	Permits and Licences .....	40
10.05.04	Business Operations .....	40
10.05.05	Maintenance of Immovable Property .....	40
10.05.06	Visits and Inspections .....	40
10.05.07	Other Fees and Expenses .....	40
10.06	Public Disclosure .....	41
10.06.01	By ISSUER .....	41
10.06.02	By SUBSCRIBER .....	41
<b>11.00</b>	<b>SPECIAL PROVISIONS .....</b>	<b>41</b>
11.01	Assignment .....	41
11.01.01	Prohibition .....	41
11.01.02	Reasonable Cause .....	41
11.01.03	Effect of Breach .....	42
11.01.04	Exception .....	42
11.02	Force Majeure .....	42
11.02.01	Limitation on Liability .....	42
11.02.02	Duty .....	42
11.02.03	Right of Other PARTY .....	42
11.03	Relationship Between the PARTIES .....	42
11.04	Reimbursement of Legal Costs .....	43

**SHARE SUBSCRIPTION  
AGREEMENT  
(Long Form)**

11.05	Remedies.....	43
11.05.01	Choice .....	43
11.05.02	No Limitations .....	43
<b>12.00</b>	<b>GENERAL PROVISIONS .....</b>	<b>44</b>
12.01	Notice.....	44
12.02	Dispute Resolution.....	44
12.02.01	Good Faith Negotiations .....	44
a)	Written Notice .....	44
b)	Meeting.....	44
c)	Legal Proceedings.....	44
d)	Protective Measures.....	44
12.02.02	Mediation .....	44
a)	Process .....	44
b)	Mediator .....	45
c)	Settlement .....	45
d)	Legal Proceedings [OR Arbitration] .....	45
12.02.03	Arbitration .....	45
a)	Notice .....	45
b)	Reply.....	46
c)	Appointment of a Third Arbitrator .....	46
d)	Subcontracts .....	46
e)	Confidentiality.....	46
f)	Hearing .....	47
g)	Ruling.....	47
h)	Costs .....	47
i)	Supplementary Rules.....	47
12.03	Choice of Forum .....	47
12.04	Counterparts.....	47
12.05	Amendment.....	48
12.06	No Waiver of Rights .....	48
12.07	Electronic Transmission .....	48
<b>13.00</b>	<b>TERMINATION .....</b>	<b>48</b>
13.01	Upon Expiry or By Mutual Consent.....	48
<b>14.00</b>	<b>EFFECTIVE DATE.....</b>	<b>49</b>
<b>15.00</b>	<b>DURATION .....</b>	<b>49</b>
15.01	Definite Term.....	49
15.02	Survival.....	49
<b>16.00</b>	<b>SCOPE .....</b>	<b>49</b>
16.01	PARTIES .....	49
16.02	Previous Agreements .....	49

**SHARE SUBSCRIPTION  
AGREEMENT  
(Long Form)**

**SCHEDULES**

	<b>PAGE</b>
<b>SCHEDULE A – EXCERPT OF A RESOLUTION OF SUBSCRIBER.....</b>	<b>51</b>
<b>SCHEDULE B – EXCERPT OF A RESOLUTION OF ISSUER .....</b>	<b>52</b>
<b>SCHEDULE 0.01.17 – OFFER TO SUBSCRIBE .....</b>	<b>53</b>
<b>SCHEDULE 0.01.25 – LIST OF CURRENT SHAREHOLDERS .....</b>	<b>54</b>
<b>SCHEDULE 0.01.30 – UNANIMOUS SHAREHOLDER AGREEMENT.....</b>	<b>55</b>
<b>SCHEDULE 0.01.31 – WARRANT .....</b>	<b>55</b>
<b>SCHEDULE 7.05 – SHARE CAPITAL .....</b>	<b>55</b>
<b>SCHEDULE 7.09 – FINANCIAL STATEMENTS .....</b>	<b>55</b>
<b>SCHEDULE 9.02.01 – PRODUCTS AND SERVICES (NON-COMPETITION).....</b>	<b>56</b>
<b>SCHEDULE 9.04.01 – CLIENT LIST (NON-SOLICITATION).....</b>	<b>56</b>

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**SHARE SUBSCRIPTION  
AGREEMENT  
(Long Form)**

**SHARE SUBSCRIPTION AGREEMENT** entered into in the City of ....., Province of ..... (*name of province*), Canada.

**BETWEEN:** **V1** ..... (*name of individual*), ..... (*occupation*), domiciled and residing at ..... (*civic number and street name*), in the City of ..... (*name of city*), Province of ..... (*name of province*), ..... (*postal code*), doing business as ..... (*business name*);

**OR**

**V2** ..... (*corporate name*), 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 applicable statute governing legal registration of the corporation*);

**V2.1 (Authorized Representative) (to be added after V2, if applicable)**

, represented by ..... (*name of representative*), its ..... (*title of representative*), duly authorized for the purposes hereof, as he/she so declares;

**V2.2 (Authorized Representative by Resolution) (to be added after V2, if applicable)**

, represented by ..... (*name of representative*), its ..... (*title of representative*), duly authorized for the purposes hereof as indicated in the resolution of the sole director [OR board of directors], attached hereto as Schedule A;

**HEREINAFTER REFERRED TO AS THE “SUBSCRIBER”;**

**AND:** ..... (*corporate name*), 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 applicable statute governing legal registration of the corporation*), represented by ..... (*name of representative*), its ..... (*title of representative*), duly authorized for the purposes hereof as indicated in the resolution of the sole director [OR board of directors], attached hereto as Schedule B;

**HEREINAFTER REFERRED TO AS THE “ISSUER”;**

SUBSCRIBER	ISSUER

**SHARE SUBSCRIPTION  
AGREEMENT  
(Long Form)**

HEREINAFTER COLLECTIVELY REFERRED TO AS THE “PARTIES”.

**RECITALS**

THE PARTIES DECLARE AS FOLLOWS:

- A) The ISSUER is engaged in the business of ..... (*identify business sector*);
- B) Prior to completion of the subscription contemplated herein, the registered shareholders of the ISSUER are as appears in the table attached hereto as Schedule 0.01.25;
- C) The SUBSCRIBER wishes to subscribe to ..... (.....) Class “...” shares of the ISSUER, subject to the terms and conditions herein;
- D) The PARTIES wish to record the terms of their agreement regarding such purpose in a private instrument;
- E) It is the intent of the PARTIES that their agreement be construed as a contract by mutual agreement.

ACCORDINGLY, THE PARTIES AGREE AS FOLLOWS:

**0.00 INTERPRETATION**

**0.01 Definitions**

Unless otherwise indicated herein or inconsistent with the context, capitalized words and expressions appearing in this agreement [and in any ancillary or subordinate documentation] will be interpreted as follows:

**0.01.01 Activities**

means, regarding the SUBSCRIBER, ..... (*describe its principal business activities*) and, regarding ISSUER, ..... (*describe its principal business activities*);

SUBSCRIBER	ISSUER

# SHARE SUBSCRIPTION AGREEMENT (Long Form)

## 0.01.02 Agreement

means this agreement including its recitals and schedules, any related or ancillary documentation identified therein, as well as any amendments thereto that the PARTIES may make from time to time in accordance with Section 12.05 herein;

## 0.01.03 Breach

means, with respect to any representation or warranty, obligation or other provision of the Agreement:

- a) any misrepresentation, inaccuracy, error, or failure to disclose;
- b) any non-compliant performance or failure to perform an obligation; or
- c) any non-compliance, infringement, default or failure to satisfy any other provision;

## 0.01.04 Closing Date

means the date that the Subscribed Shares are issued to the SUBSCRIBER, or any other date that the PARTIES agree to for the signing of the documents required to execute the Subscription;

## 0.01.05 Confidential Information

means any information (commercial, technical, scientific, financial, legal, personal or other information) that a PARTY discloses [before and] during the term of the Agreement and that the receiving PARTY, exercising reasonable business judgment, understands to be confidential, including, in particular, any information related to its Activities, business strategies and opportunities, finances, Intellectual Property, suppliers, clients or employees, but excludes:

- a) information known to the receiving PARTY prior to the date of its disclosure;
- b) information known by 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 the confidentiality undertaking by the receiving PARTY;
- d) information received at any time by a Person who is not bound to one of the PARTIES by a confidentiality undertaking with regard to that information;
- e) information independently produced by the receiving PARTY;

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SUBSCRIBER	ISSUER

**SHARE SUBSCRIPTION  
AGREEMENT  
(Long Form)**

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      Creditor**

means an individual creditor, a group of creditors or all of the creditors of the ISSUER, as the case may be, as at the date of the subscription as well as any new creditor of the latter after such date, until the Closing Date;

**0.01.07      Dispute**

means any problem, difficulty, dispute or litigation between the PARTIES arising from the interpretation, application, execution or cancellation of the agreement or related to their legal or business relationship;

**0.01.08      Encumber or Encumbrance**

Encumber means to create or grant an Encumbrance, and Encumbrance means, whether created by agreement or by operation of Law, a legal cause of preference, a dismemberment of ownership rights, an ownership interest, a restriction on the right to sell or convey any security interest of any kind, including any right capable of becoming any of the foregoing;

**0.01.09      Equipment**

means any machinery, rolling stock, furniture, supplies, material, computer software or other equipment, whether or not located on the premises occupied by the ISSUER, that is used for the latter's Activities;

**0.01.10      Force Majeure**

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 any natural disaster, epidemic, fire, accident, act of war (whether declared or not), insurrection, riot, act of terrorism, wildcat strike, spontaneous work stoppage or slowdown, lock-out, change in market conditions, power or communication breakdown, intervention by civil or military authorities, or non-compliance with any order issued by any governmental authority, court, tribunal or public authority [**OR** ..... (identify any other event that is relevant in the context of the agreement)];

**0.01.11      Hazardous Materials**

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SUBSCRIBER	ISSUER

# SHARE SUBSCRIPTION AGREEMENT (Long Form)

means any material which, in its liquid, solid or gaseous state, has an adverse impact on the environment or on the health of individuals exposed to it and includes any “pollutant” or “contaminant,” as defined in the Quebec *Environment Quality Act*, CQLR, c Q-2, and any “air pollution” or “substance,” as defined in the *Canadian Environmental Protection Act*, 1999, SC 1999, c 33;

## 0.01.12 Improvements

refers to any change, updating, enhancing, or other form of improving the ISSUER’s existing Intellectual Property as at the effective date of the Agreement;

## 0.01.13 Intellectual Property

means all the intellectual assets of the ISSUER, including:

- a) those protected by contract, such as know-how, trade secrets, recipes and other similar assets; and
- b) those protected by any Law relating to patents, copyright, trademarks, industrial designs, integrated circuit topographies or plant varieties;

and includes any application made to a public authority for the purpose of securing intellectual property rights to such assets;

## 0.01.14 Law

means, relating to any federal, provincial municipal or foreign jurisdiction, any law, regulation, order, decree, guideline, administrative policy or other legislative or executive instrument issued by a public or quasi-public authority, any general rule of law as well as any legal or administrative decision by a competent court relating to the validity, interpretation and application thereof, and includes, when required, an international treaty or inter-provincial or inter-governmental agreement, it being understood that any reference in the Agreement to a specific Law, includes any regulations adopted thereunder, any amendments thereto as well as any law or regulation that supplements or replaces such law or regulation, as the case may be;

## 0.01.15 Legal Representatives

means, in respect of each PARTY or, if applicable, its duly authorized assignee:

- a) when a natural person, the executors of his estate or administrators of his property, his legal heirs, legatees, successors or mandataries, as the case may be;

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SUBSCRIBER	ISSUER