Acquisition of Shares Agreement

This Acquisition of Shares Agreement (the “Agreement”) is made in two original copies, effective [DATE]

**BETWEEN: [YOUR COMPANY NAME]** (the "Seller"), a Company operating under the laws of [STATE/PROVINCE], located at:

[YOUR COMPLETE ADDRESS]

**AND:** [**PURCHASER NAME**] (the "Purchaser"), an individual or Company operating under the laws of [STATE/PROVINCE], located at:

[COMPLETE ADDRESS]

Seller owns all the issued shares of [YOUR COMPANY NAME] (the "Company");

It is agreed as follows:

1. **SUBJECT-MATTER**
   1. The Purchaser agrees to buy and the Seller agrees to sell to the Purchaser all of the shares owned by the Seller in the Company (the "Shares").
2. **PURCHASE PRICE**
   1. The purchase price payable for the Shares is the total of the amounts allocated among the Shares as follows:
3. for all the [INSERT CLASS] shares - [AMOUNT]
4. for all the [INSERT CLASS] shares - [AMOUNT] ETC.
5. **TERMS OF PAYMENT**
   1. The Seller acknowledges receiving a check for [AMOUNT] from the Purchaser on execution of this agreement to be held by the Seller as a deposit on account of the purchase price of the Shares and as security for the Purchaser's due performance of this agreement.
   2. The Purchaser shall pay the balance of the purchase price of the Shares by certified check on closing.
   3. It is understood and agreed that the purchase price of the Shares is based on the financial position of the Company shown in the balance sheet produced by the Seller for the Company and appended as Schedule A. If the net book value of the Company as of the date of closing is less than [%] of the net book value of the Company shown in Schedule A, the Seller shall refund the Purchaser the dollar value difference within a reasonable time of receipt of written notice of the difference. For the purposes of this paragraph, the net book value of the Company means the dollar book value of the assets of the Company minus the dollar book value of the liabilities, other than for shareholder equity, of the Company determined in accordance with generally accepted accounting principles.
6. **CONDITIONS, REPRESENTATIONS AND WARRANTIES**

* 1. In addition to anything else in this agreement, the following are conditions of completing this agreement in favor of the Purchaser:

1. That the Seller owns all the issued shares of the Company;
2. That the Shares are fully paid-up and non-assessable;
3. That no agreement or option exists pursuant to which the Company is or may be obliged to issue further shares of its authorized capital;
4. That the Shares are sold free and clear of all liens, encumbrances and charges;
5. That any consent required for the transfer of the Shares in accordance with the Purchaser's direction is given;
6. That the Company is duly incorporated, validly subsisting and in good standing under the laws of its jurisdiction of incorporation;
7. That the Company is not party to any collective agreement with a labor union;
8. That the Seller give the Purchaser and all duly authorized representatives of the Purchaser full and complete access during normal business hours to the business premises and corporate, business, accounting, tax and employment records of the Company for the purpose of investigating the business and affairs of the Company;
9. That the Purchaser obtain financing on terms satisfactory to the Purchaser to complete the purchase;
10. That the Seller supply or deliver on closing all of the closing documents.
    1. The Purchaser agrees that, unless and until the purchase of the Shares contemplated in this agreement is completed, the Purchaser shall keep confidential all confidential information obtained by the Purchaser from the Seller or the Company about the Seller and the business and affairs of the Company.
    2. The following representations and warranties are made and given by the Seller to the Purchaser and expressly survive the closing of this agreement. The representations are true as of the date of this agreement and will be true as of the date of closing when they shall continue as warranties according to their terms. At the option of the Purchaser, the representations and warranties may be treated as conditions of the closing of this agreement in favor of the Purchaser. However, the closing of this agreement shall not operate as a waiver or otherwise result in a merger to deprive the Purchaser of the right to sue the Seller for breach of warranty in respect of any matter warranted, whether or not ascertained by the Purchaser prior to closing:
11. The Seller is a resident of [YOUR COUNTRY] within the meaning of the Income Tax Act of [YOUR COUNTRY];
12. The Articles of Incorporation and all amendments to the Articles of Incorporation of the Company are as stated in Schedule B;
13. The issued share capital of the Company is as stated in Schedule C;
14. The balance sheet appended in Schedule A and the financial statements for the last [NUMBER] complete fiscal years of the Company produced by the Seller appended in Schedule D have been prepared in accordance with generally accepted accounting principles applied on a consistent basis and are fair and accurate;
15. The Company owns the assets recorded in the balance sheet appended in Schedule A free and clear of liens, charges and encumbrances except as noted in Schedule E;
16. The Company has properly reported and is not in arrears of payment of any direct or indirect taxes or of any employee-related statutory deductions or remittances;
17. The corporate, business, accounting, tax and employment records of the Company are complete in all material respects;
18. The business of the Company will not be adversely affected in any material respect in any way, whether by the Seller or by any other person or cause whatsoever, up to closing and the Seller will not do anything before or after closing to prejudice the goodwill of the Company;
19. The Company will carry on business as usual until closing except that it will not declare any dividends or make any any other distributions of capital or retained earnings or undertake or compromise any major contractual liabilities without the express written consent of the Purchaser;
20. There are no outstanding legal actions or judgments against the Company and the Company is not in default of any agreement to which the Company is a party and that all such agreements are in good standing and the Company is entitled to all stated benefits in such agreements;
21. The Seller has made full and fair disclosure in all material respects of any matter that could reasonably be expected to affect the Purchaser's decision to purchase the Shares on the terms set out in this agreement;
22. The Seller will execute such assignments, consents, clearances or assurances after closing, prepared at the Purchaser's expense, as the Purchaser considers necessary or desirable to assure the Purchaser of the proper and effective completion of this agreement.
    1. The following warranty is made and given by the Purchaser to the Seller in consideration of the closing of this agreement: the Purchaser will personally indemnify and save the Seller harmless from claims on any outstanding personal guarantees given by the Seller for the contractual obligations of the Company.
23. **NON-COMPETITION**
    1. The Seller covenants with the Purchaser that, in consideration of the closing of this agreement, the Seller will not operate a [TYPE OF BUSINESS] business or in any way aid and assist any other person to operate such a business in [GEOGRAPHICAL AREA] for a period of [PERIOD] from the date of closing.
24. **CLOSING DOCUMENTS**
    1. The Seller shall deliver to the Purchaser, in registrable form where applicable, the following closing documents (the "closing documents"), prepared or obtained at the Seller's expense, on or before closing:

1. Certificates of the Shares duly assigned in accordance with the direction of the Purchaser together with satisfactory proof of the giving of any consent required for the assignment;
2. All the corporate, business, accounting, tax and employment records of the Company;
3. The written resignation of each director and officer of the Company effective as of the date of closing together with each director's and officer's personal release of all contracts with and claims against the Company;
4. A duly certified record of a resolution passed by the shareholders of the Company electing [NAME(S)] to the Board of Directors of the Company effective as of the date of closing;
5. A statutory declaration that the Seller is a resident of [YOUR COUNTRY] within the meaning of the Income Tax Act of [YOUR COUNTRY] as of the date of closing;
6. Such other assignments, consents, clearances or assurances as the Purchaser reasonably considers necessary or desirable to assure the Purchaser of the proper and effective completion of this agreement.
7. **CLOSING DATE**
   1. The purchase and sale in this agreement shall close on [DATE].
8. **MISCELLANEOUS**
   1. In this agreement, the singular includes the plural and the masculine includes the feminine and neuter and vice versa unless the context otherwise requires.
   2. The capitalized headings in this agreement are only for convenience of reference and do not form part of or affect the interpretation of this agreement.
   3. If any provision or part of any provision in this agreement is void for any reason, it shall be severed without affecting the validity of the balance of the agreement.
   4. Time is of the essence of this agreement.
   5. There are no representations, warranties, conditions, terms or collateral contracts affecting the transaction contemplated in this agreement except as set out in this agreement.
   6. This agreement binds and benefits the parties and their respective heirs, executors, administrators, personal representatives, successors and assigns.
   7. This agreement is governed by the laws of the [State/Province] of [STATE/PROVINCE].

1. **ACCEPTANCE**
   1. This agreement executed on behalf of the Purchaser constitutes an offer to purchase which can only be accepted by the Seller by return of at least one originally accepted copy of agreement to the Purchaser on or before [DATE] failing which the offer becomes null and void. If this offer becomes null and void or is validly revoked before acceptance or this agreement is not completed by the Purchaser for any valid reason, any deposit tendered with it on behalf of the Purchaser shall be returned without penalty or interest.

Signed, Sealed and Delivered in the Presence of:

SELLER PURCHASER

Authorized Signature Authorized Signature

Print Name and Title Print Name and Title