

CONFIDENTIALITY AGREEMENT ON PURCHASE OF SHARES

File No.

Date

(1) [Name of Shareholder]
[Address]

Gentlemen:

(2) [Name of Target Company]

In connection with our consideration of a possible transaction (the "Transaction") involving (2) ("■") or any of its affiliated or related corporations and (3)[Name of Prospective Purchaser] (the "Prospective Purchaser"), the Prospective Purchaser has agreed and confirmed to (1) ("■") that it has requested certain information regarding (2) which is confidential, proprietary or otherwise not generally available to the public. All such information, including, without limitation, any notes, summaries, analysis or other documents or information prepared or derived therefrom, whether by (1) and/or (2) or by the Prospective Purchaser or any of its directors, officers, employees, agents, consultants, legal advisors or financial advisors (collectively, "Representatives"), and whether in writing, oral or stored electronically in a computer or in any other form, is hereinafter referred to as the "Information".

In consideration of and as a condition of (1) and/or (2) making the Information available to us, we agree as follows:

1. **Non-Disclosure of Information.** The Information will be used solely for the purpose of evaluating a possible Transaction with (1) or (2) and the Information will be kept confidential by the Prospective Purchaser and its Representatives and will not be used by the Prospective Purchaser or its Representatives for any other purpose. The Prospective Purchaser may, however, disclose the Information to its Representatives who need to know the Information for the purpose of evaluating a possible Transaction with (1) and/or (2), provided, however, that:

(a) prior to any such disclosure, the Representatives will be informed of the confidential nature of the Information and shall agree to be bound by this agreement as if an original signatory hereto; and

(b) the Prospective Purchaser will be responsible for any breach of this agreement by its Representatives (including any Representatives who, subsequent to the first date of disclosure of Information hereunder, become former Representatives).

The Prospective Purchaser agrees that a list shall be maintained identifying all Representatives to whom Information has been disclosed, which list shall be made available to (1) on request.

Without the prior written consent of (1), the Prospective Purchaser will not, and will direct its Representatives not to, disclose to any person that Information has been made available to the Prospective Purchaser and that any Transaction of the nature referred to herein is being contemplated or discussed, except as required by law as to which we will promptly notify (1).

2. **Notice Preceding Compelled Disclosure.** If the Prospective Purchaser or any of its Representatives are requested to disclose any Information, the Prospective Purchaser will not, to the extent permitted by law, make such disclosure and will promptly notify (1) to permit (1) to seek a protective order or take other appropriate action if necessary. The Prospective Purchaser will also co-operate in efforts to obtain a protective order or other reasonable assurance that confidential treatment will be accorded the Information. If, in the absence of a protective order, the Prospective Purchaser or any of its Representatives are, in the written opinion of its counsel addressed to (2), compelled as a matter of law to disclose the Information, the Prospective Purchaser may disclose to the party compelling disclosure only the part of the Information as is required by law to be disclosed (in which case, prior to such disclosure, the Prospective Purchaser will advise and consult with (2) and (2)'s counsel as to such disclosure and the nature and working of such disclosure) and the Prospective Purchaser will use reasonable best efforts to obtain confidential treatment of such Information.

3. **Treatment of Information.** The Prospective Purchaser will keep a record in reasonable detail of the Information furnished to it, the number of copies made and the location of the Information. The Prospective Purchaser will maintain all Information in the manner that reasonably ensures that individuals not authorized access thereto are unable to access such Information, regardless of the medium on which Information is contained. As soon as possible upon (1)'s written request or upon the termination of discussions regarding a Transaction, the Prospective Purchaser and its Representatives will return to (1) or (2) all Information and all copies thereof which has been provided by (1) or (2) and will destroy (or, at its option, return to (1) or (2)) all materials or documents (including electronically stored documentation) prepared by the Prospective Purchaser or its Representatives based on or reflecting the Information. Such destruction (or return) will be confirmed in writing to (1). Any Information not so destroyed (or returned) will remain subject to this agreement. Return or destruction of Information shall in no way relieve the Prospective Purchaser or its Representatives from the obligations of confidentiality contained herein.

4. **Public Information.** This agreement will not apply to such portions of the Information which:

(a) are or become generally available to the public through no action by the Prospective Purchaser or its Representatives; or

(b) are or become available to the Prospective Purchaser on a non-confidential basis from a source, other than (1) or its Representatives, which the Prospective Purchaser believes, after reasonable enquiry, is not prohibited from disclosing such portions to the Prospective Purchaser by a contractual, legal or fiduciary obligation.

5. **Rights in Information.** The Prospective Purchaser agrees that (1) or (2), as the case may be, shall continue to have all right, title and interest in and to the Information provided by it, which shall be held by the Prospective Purchaser and any Representatives in trust for the benefit of (1) or (2), as the case may be.

6. **No Warranty of Accuracy.** The Prospective Purchaser understands that (1) and/or (2) will endeavour to include in the Information materials it believes to be relevant in connection with the possible Transaction, but the Prospective Purchaser acknowledges that neither (1), (2) nor any of its shareholders, lenders or Representatives make any representation or warranty of any sort, whether express or implied, as to the accuracy or completeness of any Information. The Prospective Purchaser agrees that neither (1), (2) nor any of its shareholders, lenders or Representatives will have any liability to the Prospective Purchaser or its Representatives resulting from the use of the Information made available to the Prospective Purchaser or any of its Representatives.

The Prospective Purchaser further agrees that any contract entered into by it relating to the acquisition of an ownership interest in (2) will contain a confirmation that the Prospective Purchaser has not relied upon or been induced to enter into that contract by any representation or warranty, except as provided therein. The Prospective Purchaser acknowledges and agrees that (1) and (2) do not undertake to provide it with access to any Information or update any confidential Information or to correct any inaccuracies in any confidential Information which may become apparent. The Prospective Purchaser further agrees that no Information or documents made available to it in connection herewith shall constitute an offer by or on behalf of (1) or (2) to the Prospective Purchaser, nor shall any such documents or Information form the basis of any contract. (1) or (2) shall have the right, without prior notice, to change the procedure undertaken in respect of a possible Transaction with (2) or to terminate discussions and the delivery of Information at any time before the signing of any agreement relating to any Transaction, without stating reasons. Any costs incurred by the Prospective Purchaser in connection with the performance of due diligence with respect to (2) shall be for the account of the Prospective Purchaser.

7. **No Solicitation of Employees.** Without the prior written consent of (2), the Prospective Purchaser will not, for a period of two years from the date of this agreement, directly or indirectly solicit for employment any person who is now employed by (2) who is identified by the Prospective Purchaser as a result of this investigation of (2).

8. **General Provisions.** (a) No failure or delay in exercising any right hereunder will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right. This agreement will be binding on and enure to the benefit of the parties hereto and their respective successors and assigns.

(b) Money damages would not be a sufficient remedy for any violation of the terms of this agreement and, accordingly, each of (1) and (2) will be entitled to specific performance and injunctive remedies available at law or equity. Each of the parties hereto hereby

agrees irrevocably that any legal action or proceeding by or against it with respect to this agreement shall be brought in, and only in, the courts of the Province of Ontario. This agreement will be governed by and construed in accordance with the laws of the Province of Ontario.

(c) Reference herein to (2) shall include its affiliates.

Please sign and return one copy of this agreement to evidence your acceptance of the foregoing.

Title

(3) _____
Company

Address

Accepted and agreed to as of
the date first above written.

(1)

By: _____

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