

SECURITIES PURCHASE AGREEMENT

AMONG

IMPACT DEVELOPMENT GROUP INC.

-AND-

FUSION SOFTWARE LLC

-AND-

[REDACTED]

dated as of

OCTOBER 24, 2024

TABLE OF CONTENTS

Article 1	INTERPRETATION	1
1.1.	Defined Terms	1
1.2.	Schedules and Exhibits	7
1.3.	Currency	8
1.4.	Governing Law, Jurisdiction	8
1.5.	Interpretation Not Affected by Headings or Party Drafting	8
1.6.	Number and Gender	8
1.7.	Knowledge	8
Article 2	PURCHASE AND SALE	9
2.1.	Purchase and Sale	9
2.2.	Purchase Price ^{2F}	9
2.3.	Earn-Out	9
2.4.	Lock-Up	9
2.5.	9.9% Limit	9
Article 3	REPRESENTATIONS AND WARRANTIES	10
3.1.	Representations and Warranties by the Company and the Vendor	10
3.2.	Representations and Warranties by the Purchaser	21
Article 4	COVENANTS	24
4.1.	Covenants of the Vendor	24
4.2.	Covenants of the Purchaser	26
4.3.	Preparation of Tax Returns ^{5F}	27
Article 5	CONDITIONS	28
5.1.	Conditions to Obligations of the Purchaser	28
5.2.	Conditions to the Obligations of the Vendor and the Company	29
Article 6	CLOSING	30
6.1.	Closing Arrangements	30
6.2.	Documents to be Delivered	30
Article 7	INDEMNIFICATION	31
7.1	Survival	31
7.2	Indemnification by the Vendor and the Company	32
7.3	Indemnification by the Purchaser	32
7.4	Certain Limitations	33
7.5	Indemnification Procedures	33
7.6	Payments	35
7.7	Tax Treatment of Indemnification Payments	35
7.8	Effect of Investigation	35
7.9	Other Rights and Remedies	35
7.10	Fraud	36
Article 8	TERMINATION	36
8.1.	Rights of Termination	36
8.2.	Effect of Termination	36
Article 9	GENERAL PROVISIONS	37
9.1.	Further Assurances	37
9.2.	Remedies Cumulative	37
9.3.	Notices	37
9.4.	Counterparts	39
9.5.	Independent Legal Advice	39
9.6.	Expenses of Parties	39
9.7.	Announcements	39
9.8.	Assignment	40

9.9.	Binding Effect, Successors, and Assigns	40
9.10.	Entire Agreement	40
9.11.	Non-Merger	40
9.12.	Additional Remedies	40
9.13.	Waiver	40
9.14.	Amendments	41
9.15.	Severability	41
9.16.	No Third-Party Beneficiaries	41
Exhibit A	.....	44
Exhibit B	.....	50
Schedule A	.....	51
Schedule 2.2(a)	.....	52
Schedule 2.2(b)	.....	53
Schedule 3.1(f)	.....	54
Schedule 3.1(n)	.....	55
Schedule 3.1(o)	.....	56
Schedule 3.1(r)	.....	57
Schedule 3.1(t)	.....	58
Schedule 3.1(v)	.....	59
Schedule 3.1(w)	.....	60
Schedule 3.1(y)	.....	61
Schedule 3.1(kk)	.....	62
Schedule 3.1(mm)	.....	64
Schedule 3.1(pp)	.....	65
Schedule 3.1(uu)	.....	66

SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT (this “**Agreement**”) is made on the 24th day of October, 2024

AMONG:

IMPACT DEVELOPMENT GROUP INC., a corporation incorporated under the Laws (as defined herein) of the Province of Ontario, having a registered office at 1 Adelaide Street East, Suite 801, Toronto, Ontario, M5C 2V9, Canada

(the “**Purchaser**”);

-and-

FUSION SOFTWARE LLC, a limited liability company existing under the Laws of the State of Ohio, having a registered office at 1780 Stoney Hill Drive, Suite A, Hudson, Ohio 44236, United States

(the “**Company**”);

-and-

██████████ an individual resident in ██████████
(the “**Vendor**”)

WHEREAS:

- A. As at the date hereof, the Vendor is the registered and beneficial owner of 100% of the membership interests of the Company (the “**Membership Interests**”); and
- B. The Purchaser wishes to purchase, and the Vendor wishes to sell, transfer, and convey to the Purchaser, all of the Membership Interests on and subject to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the premises and the mutual agreements and covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties (as defined herein) hereto covenant and agree as follows:

Article 1 INTERPRETATION

1.1. Defined Terms

In this Agreement and the recitals, Schedules and Exhibits attached hereto, unless there is something in the subject matter or context inconsistent therewith, the following words and terms will have the indicated meanings and grammatical variations of such words and terms will have corresponding meanings:

“**Accounts Payable**” means, at any point of determination, all trade and other accounts payable, notes payable and other debts due or accruing by the Company in connection with the Business relating to goods and/or services received by the Company prior to such time;

“**Accounts Receivable**” means, at any point of determination, all trade and other accounts receivable,

notes receivable and other debts due or accruing to the Company in connection with the Business relating to goods and/or services provided by the Company prior to such time;

“**Accredited Investor Questionnaire and Certification**” means the accredited investor questionnaire and certification, attached hereto as Exhibit A;

“**Acquisition Proposal**” has the meaning set out in Section 4.1(i)(i)(d);

“**Affiliate**” has the meaning set out in the *Business Corporations Act* (Ontario), as amended from time to time;

“**Agreement**” has the meaning set out in the preamble and includes the Schedules and Exhibits, all as the same may be amended, modified or replaced from time to time upon the written agreement of the Parties;

“**Annualized Recurring Revenue**” shall mean, as of the applicable date (a) the Recurring Revenue of the last quarter for the fiscal year most recently ended on or prior to such date for which financial statements have been, or are required to have been, filed on SEDAR+ by the Purchaser, multiplied by (b) 4;

“**Assessment**” means an assessment or reassessment from any governmental authority in respect of any Tax Return;

“**Assets**” means all the assets, real and personal, tangible and intangible of the Company;

“**Basket**” has the meaning set out in Section 7.1(a);

“**Books and Records**” means (a) all of the Company’s books of account, accounting records and other financial data and information, including copies of filed Tax Returns and Assessments for each of the financial years of the Company commencing after the Tax year ended seven years before the date of this Agreement; (b) the corporate records of the Company; (c) all sales and purchase records, lists of suppliers and customers, credit and pricing information, formulae, business, engineering and consulting reports and research and development information of, or relating to, the Company or the Business; and (d) all other books, documents, files, records, telephone call recordings, correspondence, data and information, financial or otherwise, that are in the possession or under the control of the Company, Vendor or an Affiliate thereof, including all data and information stored electronically or on computer related media;

“**Business Day**” means any day other than a day which is a Saturday, Sunday or statutory holiday in Toronto, Ontario or Columbus, Ohio;

“**Business**” means the development and licensing of the Company’s software platform designed to manage highly regulated reporting information under the Low-Income Housing Tax Credit Program in the U.S., and such other business as is carried on by the Company;

“**Closing Date**” means the date of closing of the Transaction;

“**Closing Time**” means 10:00 a.m. (Toronto time) on the Closing Date or such other time as the Parties may agree upon in writing;

“**Closing**” means the completion of the Transaction;

“**Common Shares**” means the common shares in the capital of the Purchaser;

“**Company IP Agreements**” means all licences, sublicences, consent to use agreements, settlements, coexistence agreements, covenants not to sue, permissions and other Contracts (including any right to receive or obligation to pay royalties or any other consideration), whether written or oral, relating to Intellectual Property to which the Company is a party, beneficiary or otherwise bound;

“**Company IP Registrations**” means all Company IP that is subject to any issuance registration, application, or other filing by, to or with any Governmental Entity or authorized private registrar in any jurisdiction, including registered trademarks, domain names and copyrights, issued and reissued patents and pending applications for any of the foregoing;

“**Company IP**” means all Intellectual Property that is owned or held for use by the Company;

“**Company**” has the meaning set out in the preamble;

“**Confidentiality Agreement**” means the confidentiality agreement entered into between the Purchaser and the Company dated as of May 1, 2024;

“**Consideration Shares**” has the meaning set out in Section 2.2;

“**Contracts**” means all contracts, leases, deeds, mortgages, licences, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments and legally binding arrangements, whether written or oral;

“**Current Assets**” means, in respect of the Company and as of the Closing Date, cash, prepaid expenses, Accounts Receivable owned by the Company, any taxes receivable by the Company and any other item to the extent such item is considered to be a current asset calculated on an accrual basis in accordance with the Company’s past practices;

“**Customers**” means all Persons who are customers of the Business carried on by the Company;

“**Direct Claim**” has the meaning set out in Section 7.5(c);

“**Earn-Out Shares**” has the meaning set out in Section 2.2(b);

“**Encumbrances**” means all capital lease obligations, mortgages, charges, pledges, security interests, liens, encumbrances, actions, claims, demands and equities of any nature whatsoever or howsoever arising and any rights or privileges capable of becoming any of the foregoing;

“**Financial Statements**” means the unaudited unconsolidated financial statements of the Company for the financial period ended September 11, 2024, statement of earnings (loss) and retained earnings, statement of cash flows and the related notes thereto;

“**First Investment**” has the meaning set out in Section 4.21.7(c);

“**Fundamental Representations**” has the meaning set out in Section 7.1;

“**Fusion**” has the meaning set out in Schedule 3.1(kk);

“**Governmental Entity**” means any applicable: (a) multinational, federal, provincial, territorial, state, municipal, local or other governmental or public department, court, commission, board, tribunal, bureau, agency or instrumentality, domestic or foreign; (b) any subdivision or authority of any of the foregoing; or (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, and in each case having proper jurisdiction;

“**Indemnified Party**” has the meaning set out in Section 7.5;

“**Indemnifying Party**” has the meaning set out in Section 7.5;

“**Initial Consideration Shares**” has the meaning set out in Section 2.2(a);

“**Intellectual Property**” or “**IP**” means any intellectual property (whether foreign or domestic, registered or unregistered) used in the operation, conduct or maintenance of the Business, as it is currently and has historically been operated, conducted or maintained, including: (a) all inventions, patents, patent applications and patent disclosures, together with all reissues, continuations, continuations-in-part, revisions, extensions and re-examinations thereof; (b) all trademarks, trade-names, corporate names, domain name registrations, web addresses, web pages, websites and related content, accounts with X®, Facebook® and other social media companies and the content found thereon and related thereto, URLs, formulas, data, websites, concepts, licenses, sub-licenses, trademark applications, copyrights, copyright applications, business and marketing plans, customer lists, vendor lists, customer databases, customer purchasing history and other customer information, data, software, source code, executable code, systems, tools, firmware, XML schema designs, XSL scripts, supporting databases (SQL), hardware, and all goodwill associated therewith; (c) works of authorship, expressions, designs and design registrations, whether or not copyrightable, including copyrights, author, performer and moral rights, and all registrations, applications for registration and renewals of such copyrights; (d) all confidential information, including all trade secrets, processes, procedures, know-how, methods, data, compilations, databases and the information contained therein (including, for greater certainty, all seismic and other geological or geophysical information); together with: (i) all copies and tangible embodiments of the foregoing, in whatever form or medium (including all other computer software and related documentation); (ii) all improvements, modifications, translations, adaptations, refinements, derivations and combinations thereof; (iii) and all applications, registrations and renewals in connection therewith; and (iv) all Intellectual Property Rights related thereto;

“**Intellectual Property Rights**” includes any right or protection existing from time to time in any jurisdiction, whether registered or not, under any patent Laws or other invention or discovery Laws, copyright Laws, moral rights Laws, trademark or unfair competition Laws, industrial design or design Laws, confidential information Laws, trade secret Laws or other similar Laws and includes any legislation or regulation by any Governmental Entity and judicial decisions under common law or equity;

“**Interim Period**” means the period between the execution of this Agreement and the Closing Date;

“**Investment**” has the meaning set out in Section 4.21.7(c);

“**Laws**” means any and all applicable laws including all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, policies, guidelines, and general principles of common and civil law and equity of any Governmental Entity, binding on or affecting the Person referred to in the context in which the word is used;

“**Liabilities**” means liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise;

“**Licences**” has the meaning set out in Section 3.1(f);

“**Losses**” means any amounts on account of damages, losses, deficiencies, costs, liabilities, claims, causes of action, indemnities, fines, penalties and expenses;

“**Low-Income Housing Tax Credit Program**” means the program in the U.S. which subsidizes the acquisition, construction, and rehabilitation of affordable rental housing for low- and moderate-income tenants;

“**Material Adverse Change**” means, with respect to any Person, any change, effect, fact, circumstance, occurrence or event that, individually or in the aggregate, is, or would reasonably be expected to be, material and adverse to the Business, operations, assets, cash flow, liabilities, capitalization, financial condition of such Person and its subsidiaries, taken as a whole, or would, or would reasonably be expected to, prevent, materially delay or materially impair the ability of a Party to consummate the Transaction; *provided, however*, that a Material Adverse Change shall not include any change, effect, fact, circumstance, occurrence or event relating to or resulting from: (i) changes in general economic, financial, currency exchange conditions in Canada; (ii) changes in securities or commodity prices in Canada; (iii) conditions affecting the specific industry in which the Company operates as a whole, and not specifically relating to any Person and/or its subsidiaries, including changes in Laws; (iv) any matter which has been publicly disclosed prior to the date hereof; or (v) any changes or effects arising from matters expressly permitted by this Agreement *provided, however*, that any such change referred to above does not primarily relate only to (or have the effect of primarily relating only to) the Company or disproportionately adversely affect the Company compared to other entities of similar size operating in the industries in which the Company operates;

“**Material Contracts**” has the meaning set out in 3.1(uu);

“**Membership Interests**” has the meaning set out in the recitals;

“**Non-Competition Agreement**” means the non-competition and non-solicitation agreement to be entered into among the Vendor and the Purchaser, in a form acceptable to the Parties acting reasonably;

“**Ordinary Course of Business**” or “**Ordinary Course**” means the ordinary course of business consistent with prior custom and practice of the entity to whom such term relates (including with respect to quantity, risk, terms, value and frequency);

“**Outside Date**” means October 31, 2024;

“**Parties**” means the parties to this Agreement and “**Party**” means any of them;

“**Person**” includes any individual, company, limited liability company, unlimited liability company, partnership, firm, joint venture, syndicate, association, trust, government, Governmental Entity and any other form of entity or organization;

“**Personal Information**” means private information about an identifiable individual but does not include

business contact information provided the collection, use or disclosure, as the case may be, of the business contact information is for the purposes of contacting an individual in that individual's capacity as an employee or an official of an organization and for no other purpose;

“**Purchase Price**” has the meaning set out in Section 2.2;

“**Purchaser Indemnitees**” has the meaning set forth in Section 7.2;

“**Purchaser**” has the meaning set out in the preamble;

“**Purchaser's Counsel**” means Garfinkle Biderman LLP;

“**Recurring Revenue**” shall mean, for each month, all revenue of the Company during such month from customers that have binding subscription agreements or contractually recurring maintenance agreements as of the last day of such month, calculated on a ratable basis over the term of such contract and consistent with past practices;

“**Representative**” means, with respect to any Person, any, and all, directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person;

“**Revenue Milestone 1**” has the meaning set out in Schedule 2.2(b);

“**Revenue Milestone 2**” has the meaning set out in Schedule 2.2(b);

“**Revenue Milestone 3**” has the meaning set out in Schedule 2.2(b);

“**Revenue Milestones**” has the meaning set out in Schedule 2.2(b);

“**Revenue**” means the revenue of the Company as determined to by the Purchaser, acting reasonably, as shown on the consolidated financial statements of the Purchaser for the applicable fiscal year;

“**Second Investment**” has the meaning set out in Section 4.21.7(c);

“**SEDAR+**” means the System for Electronic Document Analysis and Retrieval Plus;

“**Software**” means computer programs, operating systems, applications, interfaces, applets, software scripts, macros, firmware, middleware, development tools and other codes, instructions or sets of instructions for computer hardware or software, including SQL and other query languages, hypertext markup language, wireless markup language, xml and other computer markup languages, in object, source code or other code format;

“**Subsidiary**” means, with respect to any Person, any company, limited liability company, unlimited liability company, public liability company, private limited company, joint venture, partnership or other entity of which such Person (a) beneficially owns, either directly or indirectly, more than fifty percent (50%) of (i) the total combined voting power of all classes of voting securities of such entity, (ii) the total combined equity interests, or (iii) the capital or profit interests, in the case of a partnership; or (b) otherwise has the power to vote or to direct the voting of sufficient securities to elect a majority of the board of directors or similar governing body;

“**Tax Returns**” includes all returns, reports, declarations, designations, elections, notices, filings, forms, statements and other documents (whether in tangible, electronic or other form), including any amendments, schedules, attachments, supplements, appendices and exhibits thereto, claims for refund and information return made, prepared, filed or required to be made, prepared or filed under applicable Laws in respect of Taxes;

“**Tax**” or “**Taxes**” means all U.S., Canadian, foreign, federal, provincial, state, territorial, municipal or local taxes, levies, duties, tariffs, imposts or assessments, including those relating to net income, capital, goods and services, gross receipts, gross income, capital stock, membership units, franchise, profits, employees and payroll, withholding, unemployment, disability, real property, personal property, intangibles, stamp, excise, sales, use, transfer, occupation, value added, ad valorem, customs, premium, windfall profits, or alternative minimum taxes, and any taxes payable under any foreign tax Law, together with any interest, penalties or additions to tax with respect to the foregoing;

“**Third Investment**” has the meaning set out in Section 4.21.7(c);

“**Third-Party Claim**” has the meaning set out in Section 7.5(a);

“**Transaction Documents**” means, collectively, this Agreement, the Transitional Services Agreement, and the Non-Competition Agreement;

“**Transaction**” means the acquisition by the Purchaser of all of the Membership Interests and the transactions ancillary thereto, all as further described and provided for herein;

“**Transferred Information**” means the Personal Information to be disclosed or conveyed to the Purchaser or any of its Representatives or agents by or on behalf of the Vendor or the Company as a result of or in conjunction with the Transaction, and includes all such Personal Information disclosed to the Purchaser during the period leading up to and including the completion of the Transaction;

“**Transitional Services Agreement**” has the meaning set out in Section 6.1(a)(ix);

“**TSXV**” means the TSX Venture Exchange;

“**U.S. Accredited Investor**” means an “accredited investor” within the meaning of Rule 501(a) of Regulation D under the U.S. Securities Act;

“**U.S. GAAP**” means generally accepted accounting principles in the U.S.;

“**U.S. Securities Act**” means the United States Securities Act Of 1933, as amended;

“**United States**” or “**U.S.**” means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

“**Vendor Indemnitees**” has the meaning set out in Section 7.3; and

“**Vendor**” has the meaning set out in the preamble.

1.2. Schedules and Exhibits

The Schedules and Exhibits that are attached to this Agreement are incorporated into this Agreement by reference and are deemed to be a part hereof.

1.3. Currency

Unless otherwise indicated, all dollar amounts referred to in this Agreement are stated in lawful money of the United States.

1.4. Governing Law, Jurisdiction

This Agreement, and each of the documents contemplated by or delivered under or in connection with this Agreement (to the extent no choice of law is specified therein) shall be governed by and construed in accordance with the Laws of the Province of Ontario and the federal Laws of Canada applicable therein, without reference to principles of conflicts of law which would result in the application of the Laws of a different jurisdiction. Each of the Parties irrevocably attorns and submits to the exclusive jurisdiction of the courts of the Province of Ontario in respect of the subject matter of this Agreement.

1.5. Interpretation Not Affected by Headings or Party Drafting

The division of this Agreement into articles, sections, paragraphs, subparagraphs and clauses and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “herein”, “hereunder” and similar expressions refer to this Agreement and the Schedules hereto and not to any particular article, section, paragraph, clause or other portion hereof and include any agreement or instrument supplementary or ancillary hereto. The term “including” shall mean including without limitation. The Parties acknowledge that their respective legal counsel have reviewed and participated in settling the terms of this Agreement and the Parties hereby agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting Party shall not be applicable in the interpretation of this Agreement.

1.6. Number and Gender

In this Agreement, unless there is something in the subject matter or context inconsistent therewith:

- (a) words in the singular number include the plural and such words will be construed as if the plural had been used;
- (b) words in the plural include the singular and such words will be construed as if the singular had been used; and
- (c) words importing the use of any gender include all genders where the context or Party referred to so requires, and the rest of the affected sentence will be construed as if the necessary grammatical and terminological changes had been made.

1.7. Knowledge

Where any representation or warranty contained in this Agreement or any agreement delivered pursuant to this Agreement is expressly qualified by reference to “the knowledge” of a Party, such qualification

shall be deemed to refer to the actual knowledge of such Party without inquiry except as set forth below. The Vendor confirms that they have made a reasonable due and diligent inquiry of such Persons as they considers necessary as to the matters that are the subject of the representation, warranties and agreements contained herein.

Article 2 PURCHASE AND SALE

2.1. **Purchase and Sale**

On the terms and subject to the fulfillment of the conditions hereof, on the Closing Date the Vendor agrees to sell, assign, and transfer to the Purchaser, and the Purchaser shall acquire from the Vendor, the Membership Interests, free and clear of all liabilities and Encumbrances, and with all rights and benefits attaching thereto.

2.2. **Purchase Price**

In consideration for the purchase of the Membership Interests, the Purchaser shall pay to the Vendor the purchase price, which shall be comprised of, and is payable in Common Shares (collectively, the “**Consideration Shares**”) upon the following terms:

- (a) on the Closing Date, 1,666,667 Common Shares, each at a deemed price of USD\$1.12 per share, in accordance with Schedule 2.2(a) (the “**Initial Consideration Shares**”); and
- (b) certain Common Shares, which shall be issued to the Vendor in accordance with Schedule 2.2(b)(the “**Earn-Out Shares**”), subject to Section 2.5 and Section 4.2(c);

to the extent the Vendor is to receive a fractional Common Share, that entitlement shall be rounded up to the nearest whole number (collectively, the “**Purchase Price**”).

2.3. **Earn-Out**

During the period commencing on the Closing Date, the Company and the Purchaser hereby covenant and agree (a) to not make any changes to the Business that would materially affect the Company’s ability to achieve the Revenue Milestones set out in Schedule 2.2(b), and (b) to conduct the Business (i) in a manner generally consistent with the efforts and resources the Company devotes to its other operations and businesses, and (ii) not to act in bad faith with respect to attaining any Annualized Recurring Revenue for the purpose of reducing the potential Earn-Out Shares as contemplated herein, provided that if the Vendor breaches the terms of the Transitional Services Agreement then such breach shall not form a basis for a claim by the Vendor that the Company and/or the Purchaser have breached their respective covenants in this Section 2.3.

2.4. **Lock-Up**

The issuance of the Consideration Shares in accordance with Section 2.2, shall be subject to a hold period of four months and one day from the date of issuance, in accordance with Canadian securities Laws and any applicable resale restrictions in accordance with U.S. securities Laws.

2.5. **9.9% Limit**

The Vendor is prohibited from receiving Earn-Out Shares if the aggregate number of Common Shares owned or controlled, directly or indirectly, by the Vendor and any affiliates of the Vendor and any joint and concerted actors of the Vendor (including Common Shares of which the holder has deemed

beneficial ownership pursuant to “National Instrument 62-104 – *Take-Over Bids and Issuer Bids*”), collectively, as a result of such Earn-Out Shares would equal or exceed 10% of the issued and outstanding Common Shares calculated on the date of the proposed issuance of such Earn-Out Shares (the “**10% Limitation**”). If the 10% Limitation applies in respect of the proposed issuance of any Earn-Out Shares, then (i) the Purchaser shall issue such portion of the Earn-Out Shares to the Vendor as would result in the Vendor holding a number of Common Shares equal to the 10% Limitation minus one Common Share; and (ii) the Purchaser shall issue the balance of the Earn-Out Shares at such time as such issuance, or partial issuance, would not result in the Vendor meeting the 10% Limitation.

Article 3 REPRESENTATIONS AND WARRANTIES

3.1. Representations and Warranties by the Company and the Vendor

The Company and the Vendor hereby severally but not jointly represents and warrants to the Purchaser as follows as of the date hereof, and acknowledges and confirms that notwithstanding any independent searches or investigations that may be undertaken by or on behalf of the Purchaser and notwithstanding any information or document provided to the Purchaser, the Purchaser is relying upon the accuracy of each of such representations and warranties in connection with the transfer of the Membership Interests and the completion of the Transaction:

- (a) **Existence and Power.** The Company and Vendor are either (i) a natural person of the full age of majority and is of sound mind or (ii) if a non-individual, an entity that is duly organized, validly existing and in good standing under the Laws of its jurisdiction of formation and has full power and authority to (A) execute and deliver this Agreement and (B) perform its obligations hereunder.
- (b) **Authority and Approval.** The execution, delivery and performance by the Company and the Vendor of this Agreement and the consummation by the Company and Vendor of the Transaction are within such Party’s powers and have been duly authorized by all necessary action on the part of such Party.
- (c) **Binding Obligation.** This Agreement and the other agreements contemplated herein constitute, or will constitute once executed and delivered, legal, valid and binding obligations of each of the Vendor and the Company, enforceable against each of them in accordance with the terms hereof and thereof, subject to: (i) bankruptcy, insolvency, moratorium, reorganization and other Laws relating to, or affecting, the enforcement of creditors’ rights generally; (ii) the fact that equitable remedies, including the remedies of specific performance and injunctive relief, may only be granted in the discretion of a court; and (iii) the fact that rights to indemnity may be limited under applicable Laws.
- (d) **No Other Agreements.** No Person, other than the Purchaser, has any agreement, option, understanding or commitment, or any right or privilege (whether by law, pre-emptive right or contractual provision) capable of becoming an agreement, option or commitment, for the transfer or other acquisition of any of the Membership Interests or any other securities in the capital of the Company.
- (e) **Contractual and Regulatory Approvals.** Neither the Vendor nor the Company are under any obligation, contractual or otherwise, to obtain the consent of any Person, and no permits, licences, certifications, authorizations or approvals of, or notifications to, any Governmental Entity or contractual counterparty are required to be obtained by the Company or any of the Vendor:

- (i) in connection with the execution, delivery or performance of this Agreement and the other agreements contemplated herein;
 - (ii) to avoid the Loss, cancellation or termination of any contract, permit, licence, certification or other authorization relating to the Business; or
 - (iii) in order that the authority of the Company to carry on the Business in the Ordinary Course and in the same manner as presently conducted remains in good standing and in full force and effect as of, and following, the completion of the Transaction.
- (f) **Licences**
- (i) The Company holds all necessary licences, permits, registrations and qualifications (collectively, the “**Licences**”) in each jurisdiction in which the nature or conduct of the Business or any part thereof or the nature of the Assets or properties of the Company makes such qualification necessary to enable the Business to be carried on as now conducted or to enable the Assets or properties of the Company to be owned, leased and operated and each such Licences is set out in Schedule 3.1(f).
 - (ii) All of the Licences necessary to the operation of the Business, registration or qualification are in place and are valid and subsisting.
 - (iii) The Business has and is being operated in material compliance with all terms and conditions of such Licences and there are no proceedings in progress, pending or, to the knowledge of the Vendor and the Company, threatened, that could result in the revocation, cancellation or suspension of any of such Licences.
- (g) **Compliance with Constating Documents, Agreements and Licences.** The execution, delivery and performance of this Agreement and each of the other agreements contemplated by or referred to herein by the Company and the Vendor, as applicable, and the completion of the Transaction contemplated hereby and thereby, will not constitute or result in a violation, breach or default, or cause the acceleration of any obligations under:
- (i) any term or provision of the operating agreement, articles, bylaws, or other constating documents of the Company or the Vendor;
 - (ii) any term or provision of the operating agreement of the Company applicable to or binding upon the Vendor or to which the Vendor is a party;
 - (iii) the terms of any indenture, contract, agreement (written or oral), instrument or understanding or other obligation or restriction applicable to or binding upon the Company or the Vendor or to which the Company or the Vendor is a party;
 - (iv) any term or provision of any Licence or, to the knowledge of the Vendor and the Company, any order of any court, Governmental Entity or regulatory body or any Laws or regulations of any jurisdiction in which the Business is carried on; or
 - (v) any purchase and sale agreement and/or settlement agreement related to the Membership Interests including any operating agreement.
- (h) **Subsidiaries.** The Company has no subsidiaries. The Company does not own any shares or other

interests in any company, corporations, partnerships, joint ventures or other beneficial interests in any entities, nor is the Company a party to any agreement of any nature to acquire any such interests or partnership or beneficial interests or to acquire or lease any other business operations.

- (i) **Minute Books and Corporate Records.** The minutes and corporate records of the Company are true and correct and contain true and complete copies of the constituent documents of the Company, and records of transfers and all minutes of all meetings members thereof. To the knowledge of the Vendor and the Company, the books and records of the Company fairly and correctly set out and disclose in all material respects, in accordance with U.S. GAAP and consistent with past practice, the Assets, liabilities, whether accrued, absolute, contingent or otherwise as at the date thereof, the membership interests and, to the knowledge of the Vendor and the Company, the financial position of the Company as at the date hereof and all material financial transactions of the Company have been accurately recorded in such books and records, and the records and minutes of the Company contain no material deficiencies.
- (j) **Authorized and Issued Membership Units.** Immediately prior to the Closing, the authorized and issued membership units of the Company is set forth in Schedule A hereto. The membership units, as at the Closing Date, represent collectively all the Membership Interests in the Company and have been duly authorized and issued in compliance with all applicable Laws including applicable securities Laws and in compliance with the constituent documents of the Company or any agreement to which the Company is a party, as applicable, or by which it is bound. As at the Closing Date, other than the Membership Interests, no other membership units, securities or rights to acquire membership units or securities (including convertible securities, rights or options) of the Company are issued or outstanding.
- (k) **Member Agreements, etc.** There are no investor rights agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the membership units of the Company, and no Person, other than the Purchaser pursuant to the terms of this Agreement, has the right, directly or indirectly, to acquire Membership Interests.
- (l) **No Litigation.** There are no actions, suits or proceedings, whether existing, or, to the knowledge of the Vendor and the Company, pending or threatened, against or affecting the Company at law or in equity or before any foreign, national, territorial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, of any kind, including any action, suit or proceeding which involves the possibility of any judgment against or liability of the Company or which could enjoin or prohibit: (A) the Transaction contemplated hereby, or any component thereof; (B) the right of the Purchaser to own the Membership Interests; or (C) the right of the Company to conduct its operations and carry on the Business in the Ordinary Course of Business and operations as it has been carried on in the past.
- (m) **Liabilities**
 - (i) There are no liabilities of the Company of any kind whatsoever, whether or not accrued and whether or not contingent, in respect of which the Company may become liable on or after the Closing Date and the consummation of the Transaction, other than:
 - (A) liabilities disclosed or referred to in this Agreement or in the Schedules; or
 - (B) Accounts Payable and accrued expenses of the Company which, in each case:
 - (1) accrued prior to the Closing Date; (2) were incurred in the Ordinary Course

of Business in a manner consistent with past practice; and (3) which are not more than 90 days past due as of the Closing Date.

- (n) **Absence of Certain Changes or Events.** Since September 11, 2024, the Company has not:
- (i) incurred any obligation or liability (fixed or contingent), except normal trade or business obligations incurred in the Ordinary Course of Business, none of which is materially adverse to the Business;
 - (ii) created any Encumbrance upon any of its properties or Assets related to the Business;
 - (iii) sold, assigned, transferred, leased or otherwise disposed of any Assets other than in the Ordinary Course of Business;
 - (iv) except as set out in Schedule 3.1(n), purchased, leased or otherwise acquired any properties or Assets other than in the Ordinary Course of Business;
 - (v) waived, cancelled or written off any rights, claims, or any amounts payable to the Company relating to the Business other than in the Ordinary Course of Business;
 - (vi) except as set out in Schedule 3.1(n), entered into any transaction, contract, agreement or commitment other than in the Ordinary Course of Business;
 - (vii) terminated, discontinued, closed or disposed of any office, facility, operation or contract relating to the Business;
 - (viii) had any material Customer terminate, or, to the knowledge of the Vendor and the Company, communicate the intention or threat to terminate, its relationship with the Business, or the intention to substantially reduce the quantity of products or services it purchases from the Business, or its dissatisfaction with the products or services supplied by the Business;
 - (ix) had any material supplier of the Business terminate, or, to the knowledge of the Vendor and the Company, communicate the intention or threat to terminate, its relationship with the Company, or the intention to substantially reduce the quantity of products or services it sells to the Business;
 - (x) made any material change with respect to any method of management, operation or accounting in respect of the Business;
 - (xi) changed any remuneration payable or benefits provided to any officer, director, consultant or agent of the Business;
 - (xii) suffered any extraordinary Losses;
 - (xiii) made or incurred any Material Adverse Change, or become aware of, any event or condition that would, or could reasonably be expected to, result in a Material Adverse Change; or
 - (xiv) authorized, agreed or otherwise become committed to do any of the foregoing.
- (o) **Capital Expenditures and Dispositions**

- (i) Except as set forth in Schedule 3.1(o), the Company has not committed to make any capital expenditures or authorized any capital expenditures, in each case, in an amount greater than \$25,000, which have not been fulfilled or paid in full as of the date hereof; and
 - (ii) Except as set forth in Schedule 3.1(o) since September 11, 2024, none of the fixed or other non-Current Assets of the Company have been disposed of and Schedule 3.1(o) sets forth the book value of any such Assets.
- (p) **Dividends and Distributions.** The Company has not declared or paid any dividend or made any other distribution in respect of any of its membership units or redeemed or purchased or transferred or otherwise acquired any of its membership units, or reduced its authorized capital or issued capital, or agreed to any of the foregoing.
- (q) **Tax Matters**
 - (i) **Taxes.** The Company has duly and timely: (A) made, prepared, and filed all Tax Returns required to be made, prepared or filed by it and such Tax Returns are true, complete and accurate in all material respects; (B) paid all Taxes (including instalments) due and payable by it, whether or not assessed by the appropriate Governmental Entity and made adequate provision in its financial statements for any Taxes not yet due as of the date of such financial statements; and (C) collected or withheld and remitted to the appropriate Governmental Entity all Taxes required to be collected, withheld or remitted by it (including Taxes required to be withheld in respect of any amount paid or credited or deemed to be paid or credited by it to or for the account or benefit of any Person, including non-resident Persons) and, to the knowledge of the Vendor, there are no claims threatened or pending against the Company in respect of Taxes nor any basis therefor.
 - (ii) **Agreements and Negotiations with Tax Authorities.** The Company has not entered into any agreement, waiver, extension or other arrangement with any Governmental Entity with respect to Taxes and the Company has not engaged in any discussions or negotiations with any Governmental Entities with respect to Taxes.
 - (iii) **Tax Audit.** No matter is under audit or appeal with any Governmental Entity relating to the Company, nor is any such audit pending or, to the knowledge of the Vendor and the Company, threatened, no deficiencies have been asserted by any Governmental Entity in connection with any Taxes or Tax Returns and there is no basis on which any investigation, injunction or Tax proceeding can be started against the Company concerning Taxes with regard to revenues, expenses, transactions or circumstances with respect to the Company arising or existing prior to the Closing Date.
- (r) **Title to Membership Interests.** As of the date hereof and immediately prior to the Closing, the authorized and issued Membership Interests of the Company is set forth in Schedule 3.1(r) hereto. The Vendor is the registered and beneficial owner of the Membership Interests identified on and in the respective amounts set forth in Schedule 3.1(r), with good and marketable title thereto, free and clear of all Encumbrances and the Vendor has full legal right, power and authority to sell, transfer, assign and deliver the Membership Interests as agreed herein and, without limiting the generality of the foregoing, none of the Membership Interests are subject to any voting trust, operating agreement or voting agreement. Immediately prior to the transfer of the Membership Interests to the Purchaser, the Membership Interests shall be validly issued and

outstanding as fully paid and non-assessable interests. Upon completion of the Transaction, the Purchaser shall have good and valid legal and beneficial title to the Membership Interests transferred from the Vendor, free and clear of all Encumbrances.

- (s) **Real Property.** The Company does not and has never had any leases and agreements to lease under which the Company leases any real property. The Company has never owned any real property.
- (t) **Title to Assets.** Except as disclosed in Schedule 3.1(t) the Company is the owner of and has good and marketable title to all of the properties and Assets used in connection with the Business, free and clear of all Encumbrances. No Person has any interest (or right capable of becoming an interest) in any of the Assets or property owned by the Company or used in connection with the Business, other than in the Ordinary Course of Business. The asset list attached to Schedule 3.1(t) is a complete and accurate list, in all material respects, of the Assets of the Company as at the Closing Date.
- (u) **Leased Personal Property.** The Company has no leases for personal property used in or relating to the Business as at the date listed thereon.
- (v) **Accounts Receivable.** Attached as Schedule 3.1(v) is a true, correct and complete list of the Accounts Receivable as at the date hereof. All Accounts Receivable arose from *bona fide* transactions in the Ordinary Course of Business and are valid, enforceable and fully collectible accounts, less a reasonable allowance for bad debt consistent with past practice and are not subject to any equitable set-off or counterclaim.
- (w) **Accounts Payable.** The list of Accounts Payable attached as Schedule 3.1(w) is a true, correct and complete list of the Accounts Payable as at the date hereof, all of which arose from *bona fide* transactions in the Ordinary Course of Business.
- (x) **Partnerships or Joint Ventures.** The Company is not a partner or participant in any partnership, joint venture, profit-sharing arrangement or other association of any kind and is not a party to any agreement under which the Company agrees to carry on any part of the Business in such manner or by which the Company agrees to share any Revenue or profit of the Business with any other Person.
- (y) **Customers.** A list of the four largest current Customers of the Company is attached hereto as Schedule 3.1(y). The Company has taken all commercially reasonable precautions to keep the Customer list confidential. Since September 11, 2024, there has been no termination or cancellation of, and no modification or change in, any Business relationship of the Company with any Customer of the Business listed on Schedule 3.1(y). The Vendor has no reason to believe that the benefits of any relationship with any of the Customers listed on Schedule 3.1(y) of the Business will not continue after the Closing Date, in substantially the same manner as prior to the Closing Date.
- (z) **Licences, Agency and Distribution Agreements.** The Company has not appointed any Person as an agent, distributor, licensee or franchisee for any product or service developed by the Company. The Company has not granted to any Person any authority to incur any liability or obligation or to enter into any agreement on behalf of the Company.
- (aa) **Restrictions on Doing Business.** The Company is not a party to or bound by any agreement in relation to the Business that would restrict or limit the right of the Company to carry on any

activity or to solicit business from any Person or in any geographical area or otherwise to conduct the Business as the Company may determine. The Company is not subject to any judgment, order or requirement of any court or Governmental Entity in relation to the Business which is not of general application to Persons carrying on a business similar to the Business. To the knowledge of the Vendor, there are no facts or circumstances in relation to the Business and unrelated to the Purchaser that could materially adversely affect the ability of the Purchaser to continue to operate the Business as presently conducted following the completion of the Transaction.

- (bb) **Outstanding Agreements.** The Company is not a party to or bound by any outstanding or executory agreement, contract or commitment out of the Ordinary Course of Business, whether written or oral, except for the agreements described, or referred to, in this Agreement or in the Schedules.
- (cc) **Good Standing of Agreements.** The Company is not in material default or breach of any of its obligations under any one or more contracts, agreements (written or oral), commitments, indentures or other instruments to which it is a party or bound relating to the Business, and, to the knowledge of the Vendor and the Company, there exists no state of facts that, after notice or lapse of time or both, would constitute such a material default or breach. All such contracts, agreements, commitments, indentures and other instruments are now in good standing and in full force and effect without amendment thereto, the Company is entitled to all benefits thereunder and the other parties to such contracts, agreements, commitments, indentures and other instruments are not in material default or breach of any of their obligations thereunder. There are no contracts, agreements, commitments, indentures or other instruments relating to the Business under which the rights of the Company or the performance of its obligations is dependent upon or supported by the guarantee of, or any security provided by, any other Person.
- (dd) **Employment Agreements**
 - (i) The Company is not and has never been a party to any written or oral employment, service or consulting agreement relating to any one or more Persons.
 - (ii) The Company has never had, nor has it ever been subject to, any present or future obligation or liability under, any pension plan, deferred compensation plan, retirement income plan, stock option or stock purchase plan, profit sharing plan, bonus plan or policy, employee group insurance plan, hospitalization plan, disability plan or other employee benefit plan, program, policy or practice, formal or informal.
- (ee) **Indebtedness.** The Company does not have any bonds, debentures, mortgages, promissory notes, capital leases, or other indebtedness and the Company is not under any obligation to create or issue any bonds, debentures, mortgages, promissory notes, capital leases or other indebtedness.
- (ff) **Guarantees, Warranties and Discounts**

The Company:

 - (i) is not a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement, or any other like commitment of the obligations, liabilities (whether

accrued, absolute, contingent or otherwise) or indebtedness of any other Person;

- (ii) has not given any guarantee or warranty in respect of any of the products provided by it except warranties made in the Ordinary Course of Business or in the form of its standard warranties, copies of which have been made available to the Purchaser prior to the date hereof;
 - (iii) is not now subject to any agreement or commitment, and the Company has not, within two years prior to the date hereof, entered into any agreement with or made any commitment to any Customer which would require it to repurchase any products sold to such Customers or to adjust any price or grant any refund, discount or other concession to such Customer after the Closing Date except as required by the terms of the supply agreement with the Customer, by standard warranties or as otherwise agreed in the Ordinary Course of Business; and
 - (iv) has no letters of credit, bonds or other financial security arrangements in connection with any transactions with Customers are required for the operation of the Business.
- (gg) **Insurance.** The Company has never had any insurance policy.
- (hh) **No Material Adverse Change.** Since September 11, 2024, there has been no Material Adverse Change to the Company or the Business and, to the knowledge of the Vendor and the Company, no event has occurred or circumstance exists which would, or could reasonably be expected to, result in a Material Adverse Change to the Company or the Business.
- (ii) **Compliance with Laws.** The Company is conducting, and the Company has always conducted, the Business in compliance with all Laws in all material respects. No written or other notice or warning from any Governmental Entity with respect to any failure or alleged failure of, or necessity for, the Company or the Business to comply with any Law has been received by the Company, nor is any such notice or warning proposed or threatened.
- (jj) **Copies of Documents.** Subject to the information provided in the Schedules hereto, complete and correct copies (including all amendments) of all contracts and other documents referred to in this Agreement or any Schedule or required to be disclosed hereby have been delivered to the Purchaser.
- (kk) **Intellectual Property**
- (i) Schedule 3.1(kk)(i) lists all: (i) Company IP Registrations; and (ii) Company IP, including software, that are not registered but that are material to the Company's Business or operations.
 - (ii) Schedule 3.1(kk)(ii) lists all Company IP Agreements. The Vendor has provided the Purchaser with true and complete copies of all such Company IP Agreements, including all modifications, amendments and supplements thereto and waivers thereunder. Each Company IP Agreement is valid and binding on the Company in accordance with its terms and is in full force and effect. Neither the Company nor any other party thereto is in breach of or default under (or is alleged to be in breach of or default under) or has provided or received any notice of breach or default of or any intention to terminate, any Company IP Agreement.

- (iii) Except as set forth in Schedule 3.1(kk)(iii), the Company is the sole and exclusive legal and beneficial owner, and has the valid right to use all other Intellectual Property used in or necessary for the conduct of the Business or the Company's current operations, in each case, free and clear of Encumbrances.
 - (iv) The consummation of the transactions contemplated hereunder will not result in the loss or impairment of or payment of any additional amounts with respect to, nor require the consent of any other Person in respect of, the Company's right to own, use or hold for use any Intellectual Property as owned, used or held for use in the conduct of the Business or the Company's operations as currently conducted.
 - (v) The Company's rights in the Company IP are valid, subsisting and enforceable. The Company has taken all reasonable steps to maintain the Company IP and to protect and preserve the confidentiality of all trade secrets included in the Company IP, including requiring all Persons having access thereto to execute written non-disclosure agreements.
 - (vi) The conduct of the Business as currently and formerly conducted, and the products, processes and services of the Company, have not infringed, misappropriated, diluted or otherwise violated, and do not and will not infringe, dilute, misappropriate or otherwise violate the Intellectual Property or other rights of any Person. To the knowledge of the Vendor and the Company, no Person has infringed, misappropriated, diluted or otherwise violated, or is currently infringing, misappropriating, diluting or otherwise violating, any Company IP.
 - (vii) There are no actions (including any oppositions, expungement proceedings, interferences or re-examinations) settled, or to the knowledge of the Vendor and the Company, pending or threatened (including in the form of offers to obtain a licence): (i) alleging any infringement, misappropriation, dilution or violation of the Intellectual Property of any Person by the Company; (ii) challenging the validity, enforceability, registrability or ownership of any Company IP or the Company's rights with respect to any Company IP; or (iii) by the Company or any other Person alleging any infringement, misappropriation, dilution or violation by any Person of the Company IP. The Company is not subject to any outstanding or prospective governmental order (including any application or petition therefor) that does or would restrict or impair the use of any Company IP.
- (II) **Transferred Information**
- (i) The Company has provided all necessary notices to and has obtained all necessary consents from each individual to which the Transferred Information relates for the collection, use and disclosure of such information for the purposes for which such information is currently and was historically collected, used and disclosed by the Company and for the completion of the Transaction;
 - (ii) The Company has not received notice, nor has reason to believe, that any such consent has been withdrawn or varied; and
 - (iii) The Transferred Information is necessary for, and solely relates to, the completion of the Transaction, including the determination to complete such Transaction, or the use or enjoyment of the Assets conveyed hereunder to the Purchaser.

- (mm) **Bank Accounts.** Schedule 3.1(mm) sets forth a true, correct and complete list of all of the bank accounts of the Company, including account details and branch locations.
- (nn) **Sufficiency of Assets.** The Assets owned and/or leased by the Company are sufficient to carry on the Business in substantially the same manner as the Business is being conducted on the date hereof.
- (oo) **Consideration Shares.** The Vendor acknowledges and agrees that the Consideration Shares will be issued pursuant to an exemption to the prospectus requirements in Canada and, accordingly, will be subject to a four-month statutory resale restriction in accordance with Canadian securities Laws and will be subject to any applicable resale restrictions in accordance U.S. securities Laws.
- (pp) **Non-Arm's Length Matters.** Except as disclosed in Schedule 3.1(pp), the Company is not a party to or bound by any agreement, whether written or oral, with, is indebted to, and no amount is owing thereto by, the Vendor or any Affiliates or associates thereof or any Person not dealing at "arm's length" with any of the foregoing. Except as disclosed the Company has not made or authorized any payments to its members or any Affiliates or associates or any former Affiliates or associates thereof or to any Person not dealing at "arm's length" with any of the foregoing.
- (qq) **Accredited Investors.** The Vendor understands that it is the intention of the Parties that the Consideration Shares to be issued pursuant to the Transaction be exempt from the registration requirements of the U.S. Securities Act and all applicable state securities laws pursuant to Section 4(a)(2) of the U.S. Securities Act and/or Rule 506(b) of Regulation D of the U.S. Securities Act for the issuance of the Consideration Shares to the Vendor. The Vendor is a U.S. Accredited Investor. The Vendor is acquiring the Initial Consideration Shares for investment purposes and not with a view to resale or distribution. The Vendor has determined either alone, or with the assistance of the its professional advisors, has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Consideration Shares without impairing its financial condition, to hold such Consideration Shares for an indefinite period of time and to bear the economic risks, and withstand a complete loss, of such investment. The Vendor acknowledges receipt of all information required to make an informed investment decision.
- (rr) **U.S. Securities Act Restrictions.** The Vendor understands that the Consideration Shares have not been registered under the U.S. Securities Act or any state securities Laws and may not be resold except pursuant to an effective registration statement under the U.S. Securities Act and any applicable state securities Laws or an applicable exemption from the registration requirements under such Laws, including the exemption offered pursuant to Regulation S under the U.S. Securities Act. No sale, disposition or other transfer may be made except as provided in an opinion of counsel acceptable to the Purchaser that such sale, disposition or other transfer is being made pursuant to an effective registration statement or an applicable exemption from the registration requirements of the U.S. Securities Act. The Vendor agrees that any certificates representing the Consideration Shares, and any electronic records relating to the Consideration Shares, shall bear a legend to such effect, in substantially the following form:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR U.S. STATE SECURITIES LAWS. BY PURCHASING OR OTHERWISE HOLDING SUCH SECURITIES THE HOLDER AGREES FOR THE BENEFIT OF IMPACT DEVELOPMENT GROUP INC. (THE “CORPORATION”) THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE

TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO CORPORATION; OR (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; OR (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS; OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, PROVIDED THAT, IN THE CASE OF TRANSFERS PURSUANT TO (C) OR (D) ABOVE, THE HOLDER HAS, PRIOR TO SUCH TRANSFER, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”

- (ss) **Material Facts Disclosed.** None of the foregoing representations and warranties and no document furnished by the Vendor and the Company, or on behalf of the Vendor and/or the Company, to the Purchaser in connection with the negotiation of the Transaction contains any untrue statement of a material fact or omits to state any material fact necessary to make any such statement or representation not misleading.
- (tt) **Financial Statements.**
- (i) Complete copies of the Financial Statements have been delivered to the Purchaser. The Financial Statements have been prepared in accordance with U.S. GAAP applied on a consistent basis throughout the period involved.
 - (ii) The Financial Statements: (i) are based on the Books and Records of the Company; and (ii) fairly, completely and accurately present in all material respects the Assets, Liabilities and financial position of the Company as of the respective dates they were prepared and the results of the operations of the Company for the periods covered thereby.
 - (iii) The Company maintains a standard system of accounting established and administered in accordance with U.S.GAAP.
- (uu) **Material Contracts**
- (i) Schedule 3.1(uu) lists each of the following Contracts of the Company (such Contracts, and all Company IP Agreements set forth in Schedule 3.1(kk)(ii), being “**Material Contracts**”):
 1. each Contract of the Company involving aggregate consideration in excess of \$25,000,
 2. all Contracts that require the Company to purchase its total requirements of any product or service from a third party or that contain “take or pay” provisions;

3. all Contracts that provide for the indemnification by the Company of any Person or the assumption of any Tax or other Liability of any Person;
 4. all Contracts that relate to the acquisition or disposition of any business, a material amount of shares or assets of any other Person or any real property (whether by amalgamation, sale or issue of shares, sale of assets or otherwise);
 5. all broker, distributor, dealer, manufacturer's representative, franchise, agency, sales promotion, market research, marketing consulting and advertising Contracts to which the Company is a party;
 6. all Contracts with independent contractors or consultants (or similar arrangements) to which the Company is a party;
 7. except for Contracts relating to trade receivables, all Contracts relating to indebtedness (including guarantees) of the Company;
 8. all Contracts with any Governmental Entity to which the Company is a party;
 9. all Contracts that limit or purport to limit the ability of the Company to compete in any line of business or with any Person or in any geographic area or during any period of time;
 10. any Contracts to which the Company is a party that provide for any joint venture, partnership or similar arrangement by the Company;
 11. all shareholder agreements, operating agreements, pooling agreements, voting trusts or similar agreements with respect to the ownership or voting of any of the Shares or restriction of the power of the directors of the Company to manage, or supervise the management of, the business and affairs of the Company;
 12. all Contracts between or among (A) the Company and (B) the Vendor or any Affiliate of the Vendor (other than the Company); and
 13. any other Contract that is material to the Company and not previously disclosed under this Section 3.1(uu).
- (ii) Each Material Contract is valid and binding on the Company in accordance with its terms and is in full force and effect. None of the Company or any other party thereto is in breach of or default under (or is alleged to be in breach of or default under) or has provided or received any notice of any intention to terminate, any Material Contract. No event or circumstance has occurred that, with notice, lapse of time or both would constitute an event of default under any Material Contract or result in a termination thereof or would cause or permit the acceleration or other changes of any right or obligation or the loss of any benefit thereunder. Complete and correct copies of each Material Contract (including all modifications, amendments and supplements thereto and waivers thereunder) have been made available to the Purchaser.

3.2. Representations and Warranties by the Purchaser

The Purchaser represents and warrants to the Vendor as follows as of the date hereof, and acknowledges

and confirms that notwithstanding any independent searches or investigations that may be undertaken by or on behalf of the Vendor and notwithstanding any information or document provided to the Vendor, the Vendor is relying upon the accuracy of each of such representations and warranties in connection with the completion of the sale and transfer of the Membership Interests and the completion of the Transaction:

- (a) **Valid Subsistence.** The Purchaser is duly incorporated and validly subsisting under the Laws of the Province of Ontario and has all requisite corporate power and authority to carry on its business and to own its properties and assets and is registered in each jurisdiction in which the conduct of its business requires such registration.
- (b) **Corporate Authority and Binding Obligation.** The Purchaser has good right, full corporate power and capacity to enter into this Agreement and the other agreements contemplated herein and to perform its obligations under this Agreement and the other agreements contemplated herein. The board of directors of the Purchaser has, or by Closing will have, taken all necessary actions, steps and corporate and other proceedings to approve or authorize, validly and effectively, the entering into of, and the execution, delivery and performance of, this Agreement. This Agreement is a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms subject to: (i) bankruptcy, insolvency, moratorium, reorganization and other Laws relating to or affecting the enforcement of creditors' rights generally; (ii) the fact that equitable remedies, including the remedies of specific performance and injunctive relief, may only be granted in the discretion of a court; and (iii) the fact that rights to indemnity may be limited under applicable Laws.
- (c) **Contractual and Regulatory Approvals.** The Purchaser is not under any obligation, contractual or otherwise, to request or obtain the consent of any Person, and no permits, Licences, certifications, authorizations or approvals of, or notifications to, any Governmental Entity are required to be obtained by the Purchaser in connection with the execution, delivery or performance of this Agreement or the completion of the Transaction.
- (d) **Compliance with Constatting Documents, Agreements and Licences.** The execution, delivery and performance of this Agreement and each of the other agreements contemplated by or referred to herein by the Purchaser and the completion of the Transaction contemplated hereby and thereby, will not constitute or result in a violation, breach or default, or cause the acceleration of any obligations under:
 - (i) any term or provision of the articles, bylaws, or other constating documents of the Purchaser;
 - (ii) the terms of any indenture, contract, agreement (written or oral), instrument or understanding or other obligation or restriction applicable to or binding upon the Purchaser or to which the Purchaser is a party; or
 - (iii) any term or provision of any Licence or, to the knowledge of the Purchaser, any order of any court, Governmental Entity or regulatory body or any Laws or regulations of any jurisdiction in which the Purchaser's business is carried on.
- (e) **No Proceedings.** There are no actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of the Purchaser or others) pending or to the knowledge of the Purchaser, threatened, by or against or affecting the Purchaser that relate to or will affect the completion of the Transaction, at law or in equity or before or by any court or any Governmental

Entity (and there are to the knowledge of the Purchaser no grounds on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success).

- (f) **Consideration Shares.** The Purchaser has taken all necessary actions to authorize the issuance of the Consideration Shares and Earn-Out shares, and such shares will, at the time of issuance, be validly issued as fully paid and non-assessable common shares in the authorized share structure of the Purchaser, and the Purchaser will have listed the Consideration Shares on the TSXV at the time of issuance.
- (g) **Independent Investigation.** Purchaser has conducted its own independent investigation, review and analysis of the business, results of operations, prospects, condition (financial or otherwise) or Assets of the Company, and acknowledges that it has been provided adequate access to the personnel, properties, Assets, premises, books and records, and other documents and data of the Vendor and the Company for such purpose. Purchaser acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, Purchaser has relied solely upon its own investigation and the express representations and warranties of the Vendor and the Company set forth in Article 3 (including the related portions of the Schedules to this Agreement); and (b) none of Vendor, the Company or any other Person has made any representation or warranty as to the Vendor, the Company or this Agreement, except as expressly set forth in any Transaction Documents, respectively.
- (h) **Investment Canada Act.** Purchaser is either: (a) not a non-Canadian within the meaning of the *Investment Canada Act* (Canada) or (b) if it is a non-Canadian, a WTO investor within the meaning of the *Investment Canada Act* (Canada).
- (i) **U.S. Securities Law.**
 - (i) None of the Purchaser, any of its predecessors, any director, executive officer, or other officer of the Purchaser participating in the Transaction, any beneficial owner of 20% or more of the Purchaser's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the U.S. Securities Act) connected with the Purchaser in any capacity in the Transaction is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) of Regulation D under the U.S. Securities Act, except for a any such event covered by Rule 506(d)(2) or (d)(3) of Regulation D under the U.S. Securities Act.
 - (ii) The Purchaser is not, and as a result of the Transaction, Purchaser will not be, an "investment company" as defined in the United States Investment Company Act of 1940, as amended or registered or required to be registered under such act.
 - (iii) None of the Purchaser or any of its predecessors or affiliates has been subject to any order, judgment or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such person for failure to comply with Rule 503 of Regulation D under the U.S. Securities Act.
 - (iv) The Purchaser shall duly prepare and file with the United States Securities and Exchange Commission a Form D within 15 days after the Closing in reliance on Rule 506(b) of Regulation D, and will file such notices and other documents as are required to be filed under the state securities or "blue sky" laws of the states in which the Consideration Shares are issued to satisfy the requirements of applicable exemptions from registration or qualification of the Consideration Shares under such laws.

Article 4 COVENANTS

4.1. Covenants of the Vendor

The Vendor hereby covenants to the Purchaser that he will, in accordance with the following paragraphs, do or cause to be done the following:

- (a) **Conduct of Business during the Interim Period.** During the Interim Period, the Vendor shall cause the Company to operate the Business in the Ordinary Course and, without limiting the generality of the foregoing, do the following:
- (i) maintain all of the Assets in the same condition as they now exist, ordinary wear and tear excepted;
 - (ii) maintain all of the Intellectual Property so that it is current, enforceable and in good standing;
 - (iii) maintain the Company's books, records and accounts in the Ordinary Course;
 - (iv) take all action to preserve the Business and the goodwill of the Company and its relationships with Customers and others having business dealings with it, to maintain in full force and effect all contracts to which the Company is a party, and take all other action reasonably requested by the Purchaser in order that the Business and the condition of the Company will not be impaired during the Interim Period;
 - (v) keep available the services of its present management and service providers;
 - (vi) ensure that the Company performs and complies with all of its obligations under all contracts and complies with all Licences;
 - (vii) ensure that the Company does not sell or otherwise dispose of (or pledge as security) any of its Assets;
 - (viii) maintain adequate levels of working capital to carry on the Business in the Ordinary Course;
 - (ix) ensure that the Company does not create any Encumbrance upon any of its Assets, other than in the Ordinary Course (so long as that value does not exceed \$25,000) or create any guarantees or otherwise become liable for the obligations of any other Person or make any loans or advances to any Person;
 - (x) ensure that the Company does not increase or promise to increase, in any manner, the compensation of any of its managers, or pay or agree to pay to any of its managers any pension, severance or termination amount or other benefit;
 - (xi) collect and manage Accounts Receivable and pay and manage Accounts Payable in the Ordinary Course, including not writing off as uncollectible any Accounts Receivable that individually or in the aggregate is significant to the Company or is in excess of \$10,000;
 - (xii) ensure that the Company does not declare or pay any dividends, redeem or repurchase

- any membership units or make any other distributions in respect of its membership units;
- (xiii) subject to Laws, confer with the Purchaser concerning operational matters of a material nature; and
 - (xiv) keep the confidentiality of any non-public, confidential or proprietary information of the Business or Company.
- (b) **Transfer of Membership Interests.** Provided that the Purchaser performs its payment obligations, and any other obligations to be performed at or prior to the Closing Time, the Vendor shall cause all necessary steps and corporate proceedings to be taken in order to permit the Membership Interests to be duly and regularly transferred to the Purchaser on the Closing Date.
- (c) **Confidentiality.** From and after the Closing, the Vendor shall, and shall cause its Affiliates to, hold, and shall use its reasonable best efforts to cause its or their Affiliates to hold, in confidence any and all information, whether written or oral, concerning the Company, except to the extent that the Vendor can show that such information: (a) is generally available to, and known by, the public through no fault of the Vendor or any of its Affiliates; or (b) is lawfully acquired by the Vendor, or any of its Affiliates from sources that are not prohibited from disclosing such information by a legal, contractual or fiduciary obligation. If the Vendor or any of its Affiliates are compelled to disclose any information by judicial or administrative process or by other requirements of Law, the Vendor shall promptly notify the Purchaser in writing and shall disclose only that portion of such information that the Vendor is advised by its counsel in writing is legally required to be disclosed; provided that the Vendor shall use its reasonable best efforts to obtain an appropriate protective order or other reasonable assurance that confidential treatment will be accorded such information.
- (d) **No Solicitation of Other Bids.**
- (i) The Vendor shall not, and shall not authorize or permit any of their respective Affiliates (including the Company) or any of its or their Representatives to, directly or indirectly: (i) encourage, solicit, initiate, facilitate or continue inquiries regarding an Acquisition Proposal; (ii) enter into discussions or negotiations with, or provide any information to, any Person concerning a possible Acquisition Proposal; or (iii) enter into any agreements or other instruments (whether or not binding) regarding an Acquisition Proposal. The Vendor shall immediately cease and cause to be terminated and shall cause their respective Affiliates (including the Company) and all its and their Representatives to immediately cease and cause to be terminated, all existing discussions or negotiations with any Person conducted heretofore with respect to, or that could lead to, an Acquisition Proposal. For purposes hereof, “**Acquisition Proposal**” shall mean any inquiry, proposal or offer from any Person (other than the Purchaser or any of its Affiliates) concerning: (i) a merger, amalgamation, arrangement, liquidation, recapitalization, share exchange or other business combination transaction involving the Company; (ii) the issuance or acquisition of shares in the capital, or other equity securities, of the Company; or (iii) the sale, lease, exchange or other disposition of substantially all or any significant portion of the Company’s Assets.
 - (ii) In addition to the other obligations under this Section 4.1(d), the Vendor shall promptly (and, in any event, within three Business Days after receipt thereof by the Vendor or its Representatives) advise the Purchaser in writing of any: (i) Acquisition Proposal, any request for information with respect to any Acquisition Proposal or any inquiry with

respect to or which could reasonably be expected to result in an Acquisition Proposal; (ii) the material terms and conditions of such request, Acquisition Proposal or inquiry; and (iii) the identity of the Person making the same.

(iii) The Vendor agrees that the rights and remedies for non-compliance with this Section 4.1(d) shall include having such provision specifically enforced by any court of competent equitable jurisdiction, it being acknowledged and agreed that any such breach or threatened breach shall cause irreparable injury to the Purchaser and that monetary damages would not provide an adequate remedy for the Purchaser.

(e) **Notice of Certain Events.**

(i) From the date hereof until the Closing, the Vendor and the Company shall promptly notify the Purchaser in writing of any:

1. fact, circumstance, event or action, the existence, occurrence or taking of which (A) has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (B) has resulted in, or could reasonably be expected to result in, any representation or warranty made by the Company or the Vendor hereunder not being true and correct, or (C) has resulted in, or could reasonably be expected to result in, the failure of any of the conditions to be satisfied;
2. notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;
3. notice or other communication from any Governmental Entity in connection with the transactions contemplated by this Agreement;
4. Actions commenced or, to Vendor's knowledge, threatened against, relating to or involving or otherwise affecting the Vendor or the Company that, if pending on the date of this Agreement, would have been required to have been disclosed or that relates to the consummation of the transactions contemplated by this Agreement.

(ii) The Purchaser's receipt of information under this Section 4.1(e)(i)(d) shall not operate as a waiver or otherwise affect any representation, warranty or agreement given or made by the Vendor or the Company in this Agreement and shall not be deemed to amend or supplement the Schedules.

(f) **Resignations.** The Vendor shall deliver to Purchaser written resignations, effective as of the Closing Date, of the managers of the Company requested by Purchaser at least five Business Days before the Closing.

4.2 Covenants of the Purchaser

(a) The Purchaser covenants to and with the Vendor that following the Closing Date and upon reasonable notice, the Purchaser shall provide to the Representatives, counsel and accountants of the Vendor, access, during normal business hours, to examine the records of the Company and the Business that relate to periods prior to the Closing Date and will permit such persons to

examine and copy such records to the extent reasonably requested by the Vendor in connection with the preparation of tax and financial reporting matters, audits, legal proceedings, governmental investigations, verification of Earn-Out Share calculations and other business purposes.

- (b) From the Closing Date through one hundred and fifty (150) days after the Closing Date, the Purchaser shall procure that the Company employ reasonable and customary means to collect the Accounts Receivable. Such reasonable and customary means shall not include any obligation to (i) grant concessions on future orders (or similar concessions), (ii) initiate litigation or other legal process, (iii) injure any Customer relationships of the Company, (iv) take any action, which in the opinion of counsel to the Purchaser, at its sole discretion, exposes the Company, its Affiliates or its Representatives to any unreasonable legal risks, or (v) pursue unusual collection techniques. Payments in respect of Accounts Receivable received from or credited to any Customer shall be applied first to the invoice to which such customer payment or credit relates. Any payment received from or credited to any Customer that does not relate to a reasonably identifiable invoice shall be applied first to the oldest receivable of such Customer that is not disputed by the Customer.
- (c) For a period of 38 months following the Closing Date, the Purchaser shall contribute to the Company a total of \$3,000,000 (the “**Investment**”), as an additional growth budget in order to make it possible for the Company to achieve the Revenue Milestones set out in Schedule 2.2(b). In the event the Purchaser fails to contribute (i) \$1,000,000 in the first 14 months following the Closing Date (the “**First Investment**”); (ii) another \$1,000,000 in the first 26 months following the Closing Date (the “**Second Investment**”); and (iii) another \$1,000,000 in the first 38 months following the Closing Date (the “**Third Investment**”), then, (x) if the first Revenue Milestone has not been met and the First Investment has not been made by their respective deadlines, then the Purchaser shall issue a number of Earn-Out Shares equal to the number of Earn-Out Shares applicable to the first Revenue Milestone multiplied by the quotient of (i) the difference between the First Investment and the amount actually contributed by the Purchaser during the first 14 months following the Closing Date, and (ii) the First Investment; (y) if Revenue Milestone 2 has not been met and the Second Investment has not been made by their respective deadlines, then the Purchaser shall issue a number of Earn-Out Shares equal to the number of Earn-Out Shares applicable to the Revenue Milestone 2 multiplied by the quotient of (i) the difference between the Second Investment and the amount actually contributed by the Purchaser during the first 26 months following the Closing Date in excess of \$1,000,000, and (ii) the Second Investment; and (z) if the Revenue Milestone 3 has not been met and the Third Investment has not been made by their respective deadlines, then the Purchaser shall issue a number of Earn-Out Shares equal to the number of Earn-Out Shares applicable to Revenue Milestone 3 multiplied by the quotient of (i) the difference between the Third Investment and the amount actually contributed by the Purchaser during the first 38 months following the Closing Date in excess of \$2,000,000, and (ii) the Third Investment. For greater certainty, nothing in this Section 4.2(c) requires the Purchaser to issue Earn-Out Shares in excess of those set forth in Schedule 2.2(b) hereof, and the sole purpose of this Section 4.2(c) is to provide for the possibility that the Purchaser may be required to issue Earn-Out Shares to the Vendor in circumstances where the applicable Revenue Milestones have not been met and therefore the Earn-Out Shares would, absent the application of this Section 4.2(c), not have otherwise been issuable.

4.3 Preparation of Tax Returns

- (a) On or before the statutory due date, the Vendor shall be responsible for preparing and filing, on behalf of and in the name of the Company, all Tax Returns of the Company required by law to

be filed for any taxation year of the Company ending on or before the Closing Date that are not required to be filed on or before the Closing Date, provided that:

- (i) the cost of preparing all such Tax Returns shall be for the account of the Vendor (as a post-Closing adjustment to the Purchase Price or otherwise);
 - (ii) the Vendor shall be responsible for the payment of all Taxes due in respect of any such Tax Returns;
 - (iii) all such Tax Returns shall be consistent in all material respects with prior Tax Returns filed by the Company and its predecessors for prior taxation years, including claiming maximum deductions available to be claimed if claimed in such prior Tax Returns; and
 - (iv) prior to filing any such Tax Returns, the Vendor shall first supply draft copies of the documents to the Purchaser for input and comment and request that the Purchaser provides its consent to the filing of such Tax Returns, such consent not to be unreasonably withheld.
- (b) The Parties undertake to inform each other of, and to cooperate with each other in respect of, the preparation and filing of any Tax Returns of the Company required by Laws to be filed for any taxation year of the Company ending on or before the Closing Date and any audit inquiries with respect to any such Tax Returns involving the Company.
- (c) The Company's taxable year shall close with respect to the Membership Interests as contemplated by U.S. Treasury Regulations Section 1.706-1(c)(2)(i). The Vendor's distributive share of the Company's taxable income or loss for the taxable year of the Closing shall be determined on the basis of an interim closing of the books of the Company as of the close of business on the Closing Date, and shall not be based upon a proration of the taxable income or loss of the Company for the entire taxable year. If required, a Schedule K-1 to United States Form 1065 for the Vendor based upon the allocation of the Vendor's distributive share set forth above shall be prepared as soon as reasonably practicable after the close of the taxable year and delivered to the Vendor for purposes of facilitating the timely filing of any federal, state, and local Tax Returns of the Vendor.

Article 5 CONDITIONS

5.1. Conditions to Obligations of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being fulfilled or performed at or before the Closing Time, provided that the Purchaser may, in its sole discretion, waive any of such conditions:

- (a) **Accuracy of Representations and Warranties.** The representations and warranties of the Vendor and the Company contained in this Agreement will be true and accurate in all respects on the date hereof and as at the Closing Time in all respects with the same force and effect as though such representations and warranties had been made as of the Closing Time (or, if made as of a particular date, as of such date), except for (i) those representations and warranties that address

matters only as of a particular date (which representations and warranties shall have been accurate as of such date), and (ii) any failures to be true and correct that (without giving effect to any qualifications or limitations as to materiality or Material Adverse Change), individually or in the aggregate, have not had and would not reasonably be expected to have a Material Adverse Change on, or with respect to, the Company, taken as a whole.

- (b) **Performance of Covenants.** The Vendor and the Company will have fulfilled, performed or complied with, or caused the Company to fulfill, perform or comply with all covenants and obligations contained in this Agreement required by them to be fulfilled, performed or complied with at or before the Closing Time, in all respects.
- (c) **Closing Deliverables.** The Vendor and the Company will have executed and delivered to or will have caused to be executed and delivered to, the Purchaser at Closing the documents set out in Section 6.2(a) in form and substance satisfactory to the Purchaser, acting reasonably.
- (d) **No Legal Action or Proceedings.** No order, decision or ruling of any Governmental Entity will have been made, and no legal proceeding will be in progress, pending or threatened which, in the opinion of Purchaser's Counsel, is likely to result in an order, decision or ruling:
 - (i) to disallow, enjoin, prohibit or impose any limitations or conditions on the Transaction or the right of the Purchaser to own the Membership Interests; or
 - (ii) to impose any limitations or conditions which may have an adverse effect on the Business.
- (e) **No Conflict.** Neither the consummation of the Transaction nor the performance of the obligations contemplated by this Agreement or any of the Transaction Agreements will, directly or indirectly (with or without notice), contravene or conflict with, or cause the Purchaser to suffer any adverse consequence under any Law.
- (f) **Material Adverse Change.** As of the Closing Date, no Material Adverse Change will have occurred in connection with the Company's Assets or Business, and no Law will have been passed which might reasonably be expected to constitute a Material Adverse Change.
- (g) **Delivery of Documents.** Vendor shall have delivered to Purchaser such other documents or instruments as Purchaser reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

5.2. Conditions to the Obligations of the Vendor and the Company

The obligation of the Vendor and the Company to complete the Transaction are subject to the following conditions being fulfilled or performed at or before the Closing Time, provided that the Vendor and the Company may, in their sole discretion, waive any of such conditions:

- (a) **Accuracy of Representations and Warranties.** The representations and warranties of the Purchaser contained in this Agreement and in the other agreements contemplated herein will be true and accurate in all respects on the date hereof and as at the Closing Time in all respects with the same force and effect as though such representations and warranties had been made as of the Closing Time (or, if made as of a particular date, as of such date).
- (b) **Performance of Covenants.** The Purchaser will have fulfilled, performed or complied with all

covenants and obligations contained in this Agreement and in the other agreements contemplated herein required by it to be fulfilled, performed or complied with at or before the Closing Time in all respects.

- (c) **Consents.** The Purchaser will have obtained and delivered to the Vendor on terms acceptable to the Vendor, in their discretion, all applicable governmental, regulatory and contractual third party approvals, including, if necessary, from the TSXV, and all such consents will be in full force and effect as at the Closing Time.
- (d) **Listing.** The Purchaser will have caused the Initial Consideration Shares to be listed on the TSXV at the Closing Time.
- (e) **Closing Deliverables.** The Purchaser will have executed and delivered to the Vendor and the Company at Closing the documents set out in Section 6.2(b) in form and substance satisfactory to the Vendor and the Company, acting reasonably.
- (f) **No Legal Action or Proceedings.** No order, decision or ruling of any Governmental Entity will have been made, and no legal proceeding will be in progress, pending or threatened which, is likely to result in an order, decision or ruling, to disallow, enjoin or prohibit or impose any limitations or conditions on the Transaction or the right of the Purchaser to own the Membership Interests.
- (g) **Delivery of Documents.** Purchaser shall have delivered to Vendor such other documents or instruments as Vendor reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

Article 6 CLOSING

6.1. Closing Arrangements

Subject to the terms and conditions hereof, the Transaction shall be completed at the Closing Time at the offices of the Purchaser's Counsel in Toronto, Ontario, or at such other place or places as may be mutually agreed upon by the Parties, including electronically.

6.2. Documents to be Delivered

At or before the Closing Time, the Vendor shall execute, or cause to be executed, and shall deliver, or cause to be delivered, to the Purchaser, all agreements, instruments, notices, certificates and other documents which are to be delivered by the Vendor pursuant to the provisions of this Agreement, in form satisfactory to the Purchaser, acting reasonably, and the Purchaser shall execute, or cause to be executed, and shall deliver, or cause to be delivered to the Vendor, in form satisfactory to the Vendor, acting reasonably, all cheques or bank drafts or funds flow directions and all agreements, instruments, notices, certificates and other documents which the Purchaser are to deliver or cause to be delivered pursuant to the provisions of this Agreement, including the following:

- (a) Documents to be delivered by the Vendor and the Company:
 - (i) the Company's corporate record book;
 - (ii) certificates evidencing the Membership Interests held by the Vendor, duly endorsed in blank or with duly executed assignments in proper form and substance for transfer of such

Membership Interests to the Purchaser;

- (iii) certified copies of all other necessary corporate resolutions, authorizations and proceedings of the Company that are required to be taken or obtained to permit the due and valid transfer of the Membership Interests to and in the name of the Purchaser and the completion of the Transaction;
 - (iv) duly executed copies of the Transaction Documents by the Vendor, as applicable;
 - (v) a certificate of status, compliance, good standing or like certificate with respect to the Company issued by the appropriate government officials of the jurisdiction of such entity's formation;
 - (vi) copies of the Accredited Investor Questionnaire and Certification, completed by the Vendor;
 - (vii) a certificate, dated the Closing Date and signed by a duly authorized officer of the Company, that each of the conditions set forth in Section 5.1 have been satisfied;
 - (viii) a certificate of the Company, certifying the names and signatures of the officers of the Company authorized to sign this Agreement and the other documents to be delivered hereunder;
 - (ix) the Transitional Services Agreement in the form of Exhibit B hereto (the "**Transitional Services Agreement**") duly executed by Vendor; and
 - (x) all such other documents and instruments that are incidental to the foregoing as the Purchaser may reasonably require.
- (b) Documents to be delivered by the Purchaser:
- (i) a direct registration system advice evidencing the electronic registration of the Initial Consideration Shares by the transfer agent of the Company in accordance with Section 2.2;
 - (ii) duly executed copies of the Transaction Documents by the Purchaser;
 - (iii) a certificate, dated the Closing Date and signed by a duly authorized officer of the Purchaser, that each of the conditions set forth in Section 5.2 have been satisfied;
 - (iv) a certificate of the Purchaser, certifying the names and signatures of the officers of the Purchaser authorized to sign this Agreement and the other documents to be delivered hereunder; and
 - (v) all such other documents and instruments that are incidental to the foregoing that the Vendor may reasonably require.

Article 7 INDEMNIFICATION

7.1 Survival

Subject to the limitations and other provisions of this Agreement, the representations and warranties set

out herein shall survive the Closing and shall remain in full force and effect until the date that is 12 months from the Closing Date; *provided that* the representations and warranties in Sections 3.1(a) *Existence and Power*, 3.1(b) *Authority and Approval*, 3.1(d) *No Other Agreements*, 3.1(i) *Minute Books and Corporate Records*, 3.1(j) *Authorized and Issued Membership Units*, 3.1(r) *Title to Membership Interests*, 3.1(ee) *Indebtedness*, 3.1(ff) *Guarantees, Warranties, and Discounts*, 3.1(pp) *Non-Arm's Length Matters*, 3.2(a) *Valid Subsistence*, 3.2(b) *Corporate Authority and Binding Obligation*, and 3.2(c) *Contractual and Regulatory Approvals* (the "**Fundamental Representations**") shall survive indefinitely; and Sections 3.1(q) *Tax Matters* and 3.1(dd) *Employment Agreements, and Employment Standards* shall survive for the full period of the applicable limitation periods (giving effect to any waiver or extension thereof) plus 60 days. All covenants and agreements of the Parties set out herein shall survive the Closing indefinitely or for the period explicitly specified therein. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching Party to the breaching Party before the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until finally resolved or the expiry of the limitation period under applicable Law, whichever is sooner.

7.2 Indemnification by the Vendor and the Company

Subject to the other terms and conditions of this Article 7, the Company and the Vendor shall severally but not jointly indemnify and defend each of Purchaser and their respective Representatives (collectively, the "**Purchaser Indemnitees**") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Purchaser Indemnitees based upon, arising out of, with respect to or by reason of:

- (a) any inaccuracy in or breach of any of the representations or warranties of the Vendor and the Company set out in this Agreement or in any certificate or instrument delivered by or on behalf of the Vendor and the Company under this Agreement, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the Closing Date (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date); or
- (b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Vendor and the Company under this Agreement.

7.3 Indemnification by the Purchaser

Subject to the other terms and conditions of this Article 7, the Purchaser shall indemnify and defend the Vendor the Company, and their respective Representatives (collectively, the "**Vendor Indemnitees**") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Vendor Indemnitees based upon, arising out of, with respect to or by reason of:

- (a) any inaccuracy in or breach of any of the representations or warranties of Purchaser contained in this Agreement or in any certificate or instrument delivered by or on behalf of Purchaser under this Agreement, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the Closing Date (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date); or
- (b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by

Purchaser under this Agreement.

7.4 Certain Limitations

The indemnification provided for in Section 7.2 and Section 7.3 shall be subject to the following limitations:

- (a) The Vendor and the Company shall not be liable to the Purchaser Indemnitees for indemnification under Section 7.1(a) until the aggregate amount of all Losses in respect of indemnification under Section 7.1(a) exceeds \$25,000 (the “**Basket**”), in which event the Vendor and the Company shall be required to pay or be liable for all such Losses from the first dollar.
- (b) The Purchaser shall not be liable to the Vendor Indemnitees for indemnification under Section 7.3(a) until the aggregate amount of all Losses in respect of indemnification under Section 7.3(a) exceeds the Basket, in which event Purchaser shall be required to pay or be liable for all such Losses from the first dollar.
- (c) Notwithstanding the foregoing, the limitations set forth in Sections 7.4(a) and 7.4(b) shall not apply to Losses based upon, arising out of, with respect to or by reason of any inaccuracy in or breach of any representation or warranty in the Fundamental Representations.
- (d) For the purposes of this Article 7, any inaccuracy in or breach of any representation or warranty shall be determined without regard to any materiality, Material Adverse Change, or other similar qualification contained in or otherwise applicable to such representation or warranty.
- (e) No Indemnified Party (as defined below) shall be entitled to recover from any Indemnifying Party, pursuant to this Article 7 or under any other agreement delivered pursuant to this Agreement, more than once in respect of the same Losses.

7.5 Indemnification Procedures

The party making a claim under this Article 7 is referred to as the “**Indemnified Party**”, and the party against whom such claims are asserted under this Article 7 is referred to as the “**Indemnifying Party**”.

- (a) **Third-Party Claims.** If any Indemnified Party receives notice of the assertion or commencement of any action made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a Representative of the foregoing (a “**Third-Party Claim**”) against such Indemnified Party with respect to which the Indemnifying Party is obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than 30 calendar days after receipt of such notice of such Third-Party Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defences by reason of such failure. Such notice by the Indemnified Party shall describe the Third-Party Claim in reasonable detail, include copies of all material written evidence thereof and indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defence of any Third-Party Claim at the Indemnifying Party’s expense and by the Indemnifying Party’s own counsel, and the Indemnified Party shall cooperate in good faith in such defence; provided that, if the

Indemnifying Party is the Vendor or the Company, such Indemnifying Party shall not have the right to defend or direct the defence of any such Third-Party Claim that: (i) is asserted directly by or on behalf of a Person that is a supplier or customer of the Company; or (ii) seeks an injunction or other equitable relief against the Indemnified Party. If the Indemnifying Party assumes the defence of any Third-Party Claim, subject to Section 7.5(b), it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counter-claims pertaining to any such Third-Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party shall have the right to participate in the defence of any Third-Party Claim with counsel selected by it subject to the Indemnifying Party's right to control the defence thereof. The fees and disbursements of such counsel shall be at the expense of the Indemnified Party; provided that, if in the reasonable opinion of counsel to the Indemnified Party, (A) there are legal defences available to an Indemnified Party that are different from or additional to those available to the Indemnifying Party, or (B) there exists a conflict of interest between the Indemnifying Party and the Indemnified Party that cannot be waived, the Indemnifying Party shall be liable for the reasonable fees and expenses of counsel to the Indemnified Party in each jurisdiction for which the Indemnified Party determines counsel is required. If the Indemnifying Party elects not to compromise or defend such Third-Party Claim, fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement or fails to diligently prosecute the defence of such Third-Party Claim, the Indemnified Party may, subject to Section 7.5(b), pay, compromise, defend such Third-Party Claim and seek indemnification for any and all Losses based upon, arising from or relating to such Third-Party Claim. Vendor and Purchaser shall cooperate with each other in all reasonable respects in connection with the defence of any Third-Party Claim, including making available (subject to the provisions of Section 4.1(c)) records relating to such Third-Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defence of such Third-Party Claim.

- (b) **Settlement of Third-Party Claims.** Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into settlement of any Third-Party Claim without the prior written consent of the Indemnified Party, except as provided in this Section 7.5(b). If a firm offer is made to settle a Third-Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Indemnified Party and provides, in customary form, for the unconditional release of each Indemnified Party from all liabilities and obligations in connection with such Third-Party Claim and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party shall give written notice to that effect to the Indemnified Party. If the Indemnified Party fails to consent to such firm offer within ten days after its receipt of such notice, the Indemnified Party may continue to contest or defend such Third-Party Claim and, in such event, the maximum liability of the Indemnifying Party as to such Third-Party Claim shall not exceed the amount of such settlement offer. If the Indemnified Party fails to consent to such firm offer and also fails to assume the defence of such Third-Party Claim, the Indemnifying Party may settle the Third-Party Claim upon the terms set forth in such firm offer to settle such Third-Party Claim. If the Indemnified Party has assumed the defence under Section 7.5(a), it shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed).
- (c) **Direct Claims.** With respect to any direct claim, any action by an Indemnified Party on account of a Loss which does not result from a Third-Party Claim (each, a "**Direct Claim**") shall be asserted by the Indemnified Party giving the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than 30 days after the Indemnified Party becomes aware of such Direct Claim. The failure to give such prompt written notice shall not, however, relieve

the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defences by reason of such failure. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have 30 days after its receipt of such notice to respond in writing to such Direct Claim. The Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim, and the Indemnified Party shall assist the Indemnifying Party's investigation by giving such information and assistance (including access to the Company's premises and personnel and the right to examine and copy any accounts, documents or records) as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such 30 day period, the Indemnifying Party shall be deemed to have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement; and

7.6 Payments

Once a Loss is agreed to by the Indemnifying Party to be payable under this Article 7, the Indemnifying Party shall satisfy its obligations within 15 Business Days of such final determination of the Loss by wire transfer of immediately available funds. The parties agree that, if the Indemnifying Party does not make full payment of any such obligations within such 15-Business Day period, any amount payable shall accrue interest from and including the date of agreement of the Indemnifying Party to the date such payment has been made at a rate per annum equal to 2%. Such interest shall be calculated daily on the basis of a 365 day year and the actual number of days elapsed, without compounding.

7.7 Tax Treatment of Indemnification Payments

All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by Law.

7.8 Effect of Investigation

The representations, warranties and covenants of the Indemnifying Party, and the Indemnified Party's right to indemnification with respect thereto, shall not be affected or deemed waived by reason of any investigation made by or on behalf of the Indemnified Party (including by any of its Representatives) or by reason of the fact that the Indemnified Party or any of its Representatives knew or should have known that any such representation or warranty is, was or might be inaccurate or by reason of the Indemnified Party's waiver of any condition set forth in Section 5.1 or Section 5.2, as the case may be.

7.9 Other Rights and Remedies

Subject to Section 7.10 and Section 9.12, from and after Closing Date, the sole recourse and exclusive remedy of the Purchaser Indemnitees and the Vendor Indemnitees arising out of this Agreement, or the transactions contemplated hereunder, whether based on tort, contract, statutory or common law remedy or equitable remedy or otherwise, including any misrepresentation, breach of warranty, non-fulfillment or failure to perform and covenant or agreement or otherwise, shall be to assert a claim for indemnification

under the indemnification provisions of this Article 7 and the Purchaser and Vendor covenant that it (as the Indemnified Parties) will not seek to obtain any remedy except as provided in, and in accordance with this Article 7.

7.10 Fraud

Notwithstanding the foregoing, nothing in this Agreement shall limit or exclude the liability of any Person for any damages for breach of representations or warranties hereunder to the extent resulting from the actual fraud of the party who is in breach and who has the indemnification obligation hereunder.

Article 8 TERMINATION

8.1. Rights of Termination

This Agreement and the obligations of the Parties to complete the Transaction may be terminated on or prior to Closing:

- (a) by the mutual written consent of the Vendor and the Purchaser;
- (b) by the Purchaser if:
 - (i) there has been a material breach of any representation, warranty, covenant or agreement made by the Vendor under this Agreement and such breach has not been waived by the Purchaser or cured by the Vendor within: (A) fifteen days of the Vendor's receipt of written notice of such breach from the Purchaser; or (B) three Business Days of the Vendor's receipt of written notice of such breach from the Purchaser where the Purchaser acquires actual knowledge of the breach within ten days of Closing; or
 - (ii) any of the conditions set out in Section 5.1 have not been fulfilled by the Outside Date, unless such failure is due to the Purchaser's failure to perform or comply with any of the covenants, agreements or conditions to be performed or complied with by the Purchaser before the Closing Date;
- (c) by the Vendor if:
 - (i) there has been a material breach of any representation, warranty, covenant or agreement made by the Purchaser under this Agreement and such breach has not been waived by the Vendor or cured by the Purchaser within: (A) fifteen days of the Purchaser's receipt of written notice of such breach from the Vendor; or (B) three Business Days of the Purchaser's receipt of written notice of such breach from the Vendor where the Vendor acquires actual knowledge of the breach within ten days of Closing; or
 - (ii) any of the conditions set out in Section 5.2 have not been fulfilled by the Outside Date, unless such failure is due to the Vendor's failure to perform or comply with any of the covenants, agreements or conditions to be performed or complied with by them before the Closing Date.

8.2. Effect of Termination

In the event of the termination of this Agreement in accordance with this Article 8, this Agreement shall forthwith have no further force or effect and there shall be no liability on the part of any party hereto

except:

- (d) as set forth in Section 4.1(c), Article 8, and Article 9;
- (e) as set out in the Confidentiality Agreement; and
- (f) that nothing herein shall relieve any Party hereto from liability for any willful breach of any provision hereof.

Article 9 GENERAL PROVISIONS

9.1. Further Assurances

Each of the Parties hereby covenants and agrees that, at any time and from time to time after the Closing Date, it will, upon the request of any other Party, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, assignments, transfers, conveyances and assurances as may be reasonably required for the better carrying out and performance of all the terms of this Agreement.

9.2. Remedies Cumulative

The rights and remedies of the Parties under this Agreement are cumulative and in addition to and not in substitution for any rights or remedies provided by Law. Any single or partial exercise by any Party of any right or remedy for default or breach of any term, covenant or condition of this Agreement does not waive, alter, affect or prejudice any other right or remedy to which such Party may be lawfully entitled for the same default or breach.

9.3. Notices

- (a) Any notice, designation, communication, request, demand, or other document, required or permitted to be given or sent or delivered hereunder to any Party shall be in writing and shall be sufficiently given or sent or delivered if it is:
 - (i) delivered via courier to such Party;
 - (ii) sent to the Party entitled to receive it by mail, postage prepaid, mailed in Canada or the U.S.; or
 - (iii) distributed via electronic transmission;
- (b) Notices shall be sent to the following addresses:
 - (i) In case of the Purchaser:

Impact Development Group Inc.
1 Adelaide Street East, Suite 801
Toronto, Ontario, M5C 2V9
Canada

Attention: Thomas Wenz, Chief Executive Officer
Email: twenz@ihcpanama.com
Telephone: + 1 (702) 329-8038

with a copy to the Purchaser's Counsel (which will not constitute notice) at:

Garfinkle Biderman LLP
1 Adelaide Street East, Suite 801
Toronto, Ontario, M5C 2V9
Canada

Attention: Grant Duthie
Email: gduthie@garfinkle.com
Telephone: 613-255-4761

- (ii) in the case of the Company:

Fusion Software LLC
1780 Stoney Hill Drive, Suite A
Hudson, Ohio 44236
United States

With a copy to Company's Counsel (which will not constitute notice) at:

Dickinson Wright LLP
199 Bay Street, Suite 2200
Toronto, Ontario, M5L 1G4
Canada

Attention: Matt Mcleod
Email: mmcleod@dickinson-wright.com
Telephone: 416-644-2842

or to such other address or email as the Party entitled to or receiving such notice, designation, communication, request, demand or other document shall, by a notice given in accordance with this Section 9.3, have communicated to the Party giving or sending or delivering such notice, designation, communication, request, demand or other document.

- (c) Any notice, designation, communication, request, demand or other document given or sent or delivered as aforesaid shall:
- (i) if personally delivered, be deemed to have been given, sent, delivered and received on the date of delivery;
 - (ii) if sent by mail as aforesaid, be deemed to have been given, sent, delivered and received on the fourth Business Day following the date of mailing, unless at any time between the date of mailing and the fourth Business Day thereafter there is a discontinuance or interruption of regular postal service, whether due to strike or lockout or work slowdown, affecting postal service at the point of dispatch or delivery or any intermediate point, in which case the same shall be deemed to have been given, sent,

delivered and received in the ordinary course of the mails, allowing for such discontinuance or interruption of regular postal service;

- (iii) if sent by overnight courier, be deemed to have been given, sent, delivered and received on the first Business Day following the date of delivery to the overnight courier; and
- (iv) if sent by email be deemed to have been given, sent, delivered and received on the date the sender receives the confirmation of transmission.

9.4. Counterparts

This Agreement may be executed in any number of counterparts and by different Parties on separate counterparts, each of which, when so executed (as evidenced by an original, facsimile or electronic (including PDF and DocuSign) signature), shall be deemed to be an original and all of which, when taken together, shall constitute one and the same agreement.

9.5. Independent Legal Advice

Each of the Parties hereby acknowledges and confirms that:

- (a) they have had the opportunity to review this Agreement with their own legal counsel, tax advisors and other advisors and that they have reviewed and understand the terms of this Agreement;
- (b) they have either been independently advised by counsel in respect of the provisions of this Agreement prior to executing the Agreement or have declined to seek such advice despite having been given the opportunity to do so;
- (c) they are not relying on any statements or representations of any other Party or their agents for legal or other advice with respect to this Agreement; and
- (d) the Parties have negotiated the provisions hereof on an equal footing based on equal bargaining power.

9.6. Expenses of Parties

Except as otherwise expressly provided herein, each of the Parties shall bear all costs and expenses incurred by it in connection with this Agreement and the Transaction contemplated hereby, including, without limitation, the charges of its respective counsel, accountants, financial advisors, consultants and finders, whether or not the Closing shall have occurred.

9.7. Announcements

No announcement with respect to this Agreement will be made by any Party without the prior written consent of the other Parties, not to be unreasonably withheld. Notwithstanding the foregoing, the Purchaser shall be entitled to make announcements with respect to the Transaction on or after the Closing Date, provided that, prior to any such announcement, the Purchaser shall provide to the Vendor a draft of such announcement, and shall accept any reasonable comments thereon. The foregoing shall not apply to: (a) any announcement by any Party required in order to comply with Laws or policies pertaining to timely disclosure, provided that such Party consults with the other Party before making such announcement; or (b) any reasonable internal announcements made to employees or other

Representatives of the Purchaser or the Company.

9.8. Assignment

The rights of the Vendor hereunder shall not be assignable without the prior written consent of the Purchaser. The rights of the Purchaser hereunder shall not be assignable without the written consent of the Vendor, unless such assignment is made, upon reasonable notice to the Vendor, to an Affiliate of the Purchaser, in which case no such consent shall be required, provided that in connection with such assignment the Purchaser will remain liable in respect of all obligations and liabilities hereunder.

9.9. Binding Effect, Successors, and Assigns

This Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns, as the case may be. Nothing herein, express or implied, is intended to confer upon any Person, other than the Parties and their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

9.10. Entire Agreement

This Agreement and the Schedules referred to herein constitute the entire agreement between the Parties and, except as otherwise stipulated herein, supersedes all prior agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, with respect to the subject matter hereof.

9.11. Non-Merger

Except as otherwise expressly provided in this Agreement, the covenants, representations and warranties shall not merge on and shall survive the Closing and shall continue in full force and effect. Closing shall not prejudice any right of one Party against the other Parties in respect of anything done or omitted under this Agreement or in respect of any right to damages or other remedies.

9.12. Additional Remedies

Each of the Parties acknowledges and understands that non-performance or threatened non-performance of the covenants contained herein may not be compensable in damages. Accordingly, each of the Parties agrees and accepts that any adverse Party may, in addition to any other remedy for relief, enforce the performance of any covenant of this Agreement by injunction or specific performance upon application to a court of competent jurisdiction without proof of actual damages to such Party or notwithstanding that damages may be readily quantifiable and each of the Parties agrees not to plead sufficiency of damages as a defense in any proceeding for such injunctive relief brought by the other Party.

9.13. Waiver

The Purchaser on behalf of itself and its Affiliates, the Company on behalf of itself and its Affiliates, may in its sole discretion (i) extend the time for the performance of any obligation or other act of any other non-Affiliated Party hereto, (ii) waive any inaccuracy in the representations and warranties by such other non-Affiliated Party contained herein or in any document delivered pursuant hereto and (iii) waive compliance by such other non-Affiliated Party with any covenant or condition contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the Party or Parties to be bound thereby. Notwithstanding the foregoing, no failure or delay by a Party in exercising any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof

preclude any other or further exercise of any other right hereunder.

9.14. Amendments

No modification or amendment to this Agreement may be made unless agreed to by the Parties in writing.

9.15. Severability

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable Laws, the Parties waive any provision of Law which renders any provision of this Agreement invalid or unenforceable in any respect. The Parties shall engage in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces.

9.16. No Third-Party Beneficiaries

This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under, or by reason of, this Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first written above.

PURCHASER

IMPACT DEVELOPMENT GROUP INC.

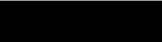
Per: 

Name: Thomas Wenz
Title: Chief Executive Officer

COMPANY

FUSION SOFTWARE LLC

Per: 

Name: 
Title: Manager

[Purchaser and Company Signature Page to Securities Purchase Agreement]

VENDOR

[Redacted]

[Redacted]

[Vendor Signature Page to Securities Purchase Agreement]

Exhibit A

ACCREDITED INVESTOR QUESTIONNAIRE AND CERTIFICATION

For the Vendor under the Securities Purchase Agreement (among Impact Development Group Inc., Fusion Software LLC, and the Vendor set forth therein, dated October 24, 2024): Please respond to the questions below concerning your prospective investment in the Common Shares of Impact Development Group Inc.

1. Name(s) of Vendor(s) and type of ownership (individual, joint, or through a partnership, Company, trust, etc.)

Vendor Name	Ownership Type

2. SS#/TIN/FEIN

Vendor Name	SS#/TIN/FEIN

3. Address (Other than Post Office Box)
 - a. Permanent Residence (if an individual)

City, State, Zip Code

Telephone: (____) _____

Facsimile: (____) _____

Email: (____) _____

b. Mailing Address

City, State, Zip Code

Telephone: (____) _____

Facsimile: (____) _____

Email: (____) _____

4. U.S. Citizen: Yes No

5. Status as Accredited Investor: Please check each statement that is true:

_____ I am a natural person, and in each of the last two calendar years I had an individual income (exclusive of my spouse’s income) in excess of \$200,000 or a joint income with my spouse in excess of \$300,000, and I reasonably expect to have an individual income in excess of \$200,000 or a joint income with my spouse in excess of \$300,000, as the case may be, in the current calendar year. For these purposes, “income” means individual adjusted gross income for federal income tax purposes.

_____ I am a natural person who has an individual net worth (or joint net worth with my spouse) in excess of \$1 million (excluding personal residence equity, residence furnishings and automobiles). For these purposes, “net worth” means the excess of total assets at fair market value (including personal and real property, but excluding the estimated fair market value of a person’s primary home) over total liabilities. Total liabilities excludes any mortgage on the primary home in an amount of up to the home’s estimated fair market value as long as the mortgage was incurred more than 60 days before the Common Shares are purchased, but includes (i) any mortgage amount in excess of the home’s fair market value and (ii) any mortgage amount that was borrowed during the 60-day period before the closing date for the sale of Common Shares for the purpose of investing in the Common Shares.

_____ The Vendor is a Company, partnership, Massachusetts or similar business trust or other entity which has total assets in excess of \$5 million and was not formed for the specific purpose of acquiring the Common Shares.

_____ The Vendor is a bank as defined in Section 3(a)(2) of the Securities Act, or a savings and loan association or similar institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in an individual or fiduciary capacity.

_____ The Vendor is a broker-dealer registered pursuant to Section 15 of the Securities Exchange Act

of 1934.

_____ The Vendor is an insurance company as defined in Section 2(13) of the Securities Act.

_____ The Vendor is an investment company registered under the Investment Company Act of 1940 (the “**1940 Act**”) or a business development company as defined in Section 2(a)(48) of the 1940 Act.

_____ The Vendor is a Small Business Investment Company licensed by the United States Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958.

_____ The Vendor is a plan established and maintained by a state or political subdivision of a state, or any agency or instrumentality thereof, for the benefit of its employees, which has total assets in excess of \$5 million.

_____ The Vendor is an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 (“**ERISA**”), and (A) the investment decision is being made by a plan fiduciary (as defined in Section 3(21) of ERISA) which is a bank, savings and loan association, insurance company or registered investment advisor, (B) the plan has total assets in excess of \$5 million, or (C) the plan is a self-directed plan, whose investment decisions are made solely by persons who are Accredited Investors.

_____ The Vendor is a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

_____ The Vendor is a member of the Board of Directors or is an executive officer of Impact Development Group Inc.

_____ The Vendor is a trust with total assets in excess of \$5 million, not formed for the specific purpose of acquiring the Common Shares, whose purchase is directed by a person with sufficient knowledge and experience in financial and business matters so that he is capable of evaluating the merits and risks of an investment in the Common Shares.

_____ The Vendor is a Company, partnership, trust or other entity, in which all of the equity owners of which meet any of the qualifications set forth in any of the immediately preceding subparagraphs.

PLEASE NOTE: If the Vendor chooses to qualify as an Accredited Investor based only on the status of its equity owners as Accreditor Investors, each such equity owner must submit a separate Investor Questionnaire.

6. This Accredited Investor Questionnaire and Certification is being provided to the Purchaser by the undersigned Vendor in connection with the issuance of the Consideration Shares pursuant to the Securities Purchase Agreement among the Purchaser, Fusion Software LLC and the undersigned Vendor dated October 24, 2024 (the “**Securities Purchase Agreement**”); and in connection thereto, the undersigned Vendor hereby represents, warrants and covenants to the Purchaser, in connection that:

(a) it understands and acknowledges that the Consideration Shares to be received in connection with Transaction have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States, and that the issuance of the Consideration Shares to it are being made in reliance upon available exemptions from the registration requirements of the U.S. Securities Act and similar exemptions under applicable state securities laws;

(b) it is acquiring the Consideration Shares for its own account and not on behalf of any other person

and not with a view to any resale, distribution or other disposition of the Consideration Shares in violation of United States federal or state securities laws;

- (c) it acknowledges that it has not acquired the Consideration Shares as a result of any “directed selling efforts” (as defined in Regulation S under the U.S. Securities Act) or any “general solicitation” or “general advertising” (as those terms are used in Regulation D under the U.S. Securities Act), including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the internet, or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;
- (d) it alone, or with the assistance of its professional advisors, has such knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of its acquisition of the Consideration Shares, and it is able, without impairing its financial condition to hold such Consideration Shares for an indefinite period of time and bear the economic risk, and withstand a complete loss, of its investment;
- (e) it understands and acknowledges that (i) the Consideration Shares will be “restricted securities” within the meaning of Rule 144 under the U.S. Securities Act; (ii) the Consideration Shares may be offered, sold, pledged or otherwise transferred by it, directly or indirectly, only pursuant to an exemption or exclusion from the registration requirements of the U.S. Securities Act and all applicable state securities laws; (iii) prior to any transfer of Consideration Shares the Purchaser may require delivery of a legal opinion (or other evidence) in form and substance reasonably satisfactory to the Purchaser to the effect that such transfer may be effected without registration under the U.S. Securities Act or applicable state securities laws; and (iv) certificates representing the Consideration Shares and all certificates issued in exchange for or in substitution of such certificates, will bear a legend describing restrictions on the transfer of the Consideration Shares imposed by the U.S. Securities Act, until the legend is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws;
- (f) it consents to the Purchaser making a notation on its records or giving instructions to any transfer agent of the Consideration Shares in order to implement the restrictions on transfer set out and described in this Accredited Investor Questionnaire and Certification.
- (h) it understands and acknowledges that the Purchaser is not obligated to file and has no present intention of filing with the United States Securities and Exchange Commission or with any state securities administrator any registration statement in respect of re-sales of the Consideration Shares in the United States;
- (i) it understands that the investment in or holding, acquisition, or disposition, as applicable, of the Consideration Shares may have tax consequences under the laws of the United States and Canada and that it is the sole responsibility of the undersigned Vendor to determine and assess such tax consequences as may apply to its particular circumstances;
- (j) it acknowledges that it has obtained independent legal, income tax and investment advice with respect to its acquisition of the Consideration Shares and accordingly, has had an opportunity to acquire an understanding of the meanings of all terms contained herein relevant to it for purpose of giving the representations, warranties and covenants contained herein and in the Securities Purchase Agreement;
- (k) (i) if the Purchaser is ever deemed to be, or to have been at any time previously, an issuer with no or nominal operations and no or nominal assets other than cash and cash equivalents, Rule 144

under the U.S. Securities Act may not be available for re-sales of the Consideration Shares and (ii) the Purchaser is not obligated to take, and has no present intention of taking, any action to make Rule 144 under the U.S. Securities Act (or any other exemption) available for re-sales of the Consideration Shares;

- (l) it understands and acknowledges that its ability to enforce civil liabilities under the United States federal securities laws may be affected adversely by, among other things: (1) the fact that the Purchaser is not organized under the laws of the United States; (2) some or all of the directors and officers of the Purchaser are located outside the United States; and (3) all or a substantial portion of the assets of the Purchaser and said persons may be located outside the United States;
- (m) Neither the undersigned Vendor (if a natural person), nor any partner, director, or officer or any person directly or indirectly controlling, controlled by or under common control with the undersigned Vendor (if a corporate entity), including any of its employees, is subject to any “disqualifying event” set forth in Rule 506(d) of Regulation D under the U.S. Securities Act or any similar disqualification provision;
- (n) it authorizes the Purchaser to produce this Accredited Investor Questionnaire and Certification or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby; and
- (o) it understands and acknowledges that it is making the representations, warranties and covenants contained herein with the intent that they may be relied upon by the Purchaser in connection with the issuance of the Consideration Shares pursuant to the terms of the Securities Purchase Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the Vendor has caused this Accredited Investor Questionnaire and Certification to be duly executed as of the date indicated below.

(Print or Type Name of Vendor)

(Print/Type Name of Joint Owner/Vendor, if applicable)

(Signature)

(Signature of Joint Owner/Vendor)

(Date)

(Date)

(Print or Type Title, if applicable)

(Print or Type Title, if applicable)

[Signature page to Exhibit A]

Exhibit B

FORM OF TRANSITIONAL SERVICES AGREEMENT

(See Attached)

TRANSITIONAL SERVICES AGREEMENT

AMONG



And

FUSION SOFTWARE LLC

dated as of

OCTOBER 24, 2024

TRANSITIONAL SERVICES AGREEMENT

This Transitional Services Agreement, dated as of October 24, 2024 (this “**Agreement**”), is entered into between [REDACTED] (“**Vendor**”), and Fusion Software LLC, a limited liability company existing under the Laws of the State of Ohio, having a registered office at 1780 Stoney Hill Drive, Suite A, Hudson, Ohio 44236, United States (“**Company**”).

Recitals

WHEREAS, the Vendor is the registered and beneficial owner of 100% of the membership interests (the “**Membership Interests**”) of the Company;

WHEREAS, Impact Development Group Inc. a corporation incorporated under the Laws of the Province of Ontario, having a registered office at 1 Adelaide Street East, Suite 801, Toronto, Ontario, M5C 2V9, Canada (“**Purchaser**”), Vendor, and the Company have entered into a Securities Purchase Agreement, dated as of October 24, 2024 (the “**Purchase Agreement**”), under which Vendor has agreed to sell, transfer and convey to Purchaser, and Purchaser has agreed to purchase and assume from Vendor, all of the Membership Interests;

WHEREAS, to ensure an orderly transition of the Company to Purchaser and as a condition to consummating the transactions contemplated by the Purchase Agreement, Company and Vendor have agreed to enter into this Agreement, under which Vendor will provide, or cause its Affiliates to provide, Company with certain services, in each case on a transitional basis and subject to the terms and conditions set forth herein; and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the Purchase Agreement.

NOW, THEREFORE, in consideration of the mutual agreements and covenants hereinafter set forth, Company and Vendor hereby agree as follows:

ARTICLE I Services

Section 1.01 Provision of Services.

- (a) Subject to the terms and conditions set out in this Agreement, Vendor shall provide to Company, consulting services and other assistance which, from time to time, are reasonably requested by Company in order to assist in the transition of the Company to becoming an entity that is operated independently of Vendor, and which are described in one or more transition services schedules in the form attached hereto as Schedule A (each, a “**Transition Services Schedule**”) that is provided by Company to Vendor (the “**Services**”).
- (b) The parties hereto acknowledge the transitional nature of the Services. Accordingly, as promptly as practicable following the execution of this Agreement, Company agrees to use commercially reasonable efforts to make a transition of

each Service to its own internal organization or to obtain alternate third-party sources to provide the Services.

- (c) Subject to Section 2.03, Section 2.04 and Section 3.05, the obligations of Vendor under this Agreement to provide Services shall terminate on the date that is six months after the Closing Date (the “**End Date**”). Notwithstanding the foregoing, the parties acknowledge and agree that Company may determine from time to time that it does not require all the Services set out in one or more of the Transition Services Schedules or that it does not require such Services for the entire period up to the applicable End Date. Accordingly, Company may terminate any Service, in whole and not in part, upon 30 days' notification to Vendor in writing of any such determination.

Section 1.02 Standard of Service.

- (a) Vendor represents, warrants and agrees that the Services shall be provided in good faith, in accordance with Law and, except as specifically provided in the Transition Services Schedules, in a manner generally consistent with the historical provision of the Services and with the same standard of care as historically provided. Subject to Section 1.03, Vendor agrees to assign sufficient resources and qualified personnel as are reasonably required to perform the Services in accordance with the standards set forth in the preceding sentence.
- (b) Except as expressly set forth in this Agreement, Vendor makes not representations, warranties, or conditions of any kind, express or implied, with respect to the Services, including, without limitation, no conditions or warranties of merchantability or fitness for a particular purpose, which are specifically disclaimed.
- (c) Company acknowledges and agrees that this Agreement does not create a fiduciary relationship, partnership, joint venture or relationship of trust or agency between the parties and that all Services are provided by Vendor as an independent contractor.

Section 1.03 Third-Party Service Providers. Vendor shall have the right to hire or to continue engaging, other third-party subcontractors to provide all or part of any Service hereunder; except that, if such subcontracting is inconsistent with past practices or such subcontractor is not already engaged with respect to such Service as of the date hereof, Vendor shall obtain the prior written consent of Company to hire such subcontractor, such consent not to be unreasonably withheld. Vendor shall in all cases retain responsibility for the provision to Company of Services to be performed by any third-party service provider or subcontractor or by any of Vendor's Affiliates.

Section 1.04 Access to Premises.

- (a) To enable the provision of the Services by Vendor, Company agrees that it shall provide to the employees of Vendor and its Affiliates and to any third-party service providers or subcontractors who provide Services, at no cost to Vendor, access to

the facilities, assets and books and records of the Company, in all cases to the extent necessary for Vendor to fulfil its obligations under this Agreement.

- (b) Vendor agrees that all of the employees of Vendor and its Affiliates and any third-party service providers and subcontractors, when on the property of Company or when given access to any equipment, computer, software, network or files owned or controlled by Company, shall conform to the policies and procedures of Company concerning health, safety and security, which are made known to Vendor in advance. If Vendor has access (either on-site or remotely) to any of the computer systems or files of Company or its Affiliates in connection with the Services to be provided under this Agreement, it shall limit such access solely to the use of such systems and files as required to perform the Services and shall not access or attempt to access any computer systems, network, files or services other than those required to perform the Services. Vendor shall limit such access to those of its employees, agents or contractors with a bona fide need to have such access and who have agreed to maintain the confidentiality of Company's Confidential Information (as defined below).

ARTICLE II Compensation

Section 2.01 Responsibility for Wages and Fees. For such time as any employees of Vendor or any of its Affiliates are providing the Services to Company under this Agreement, (a) such employees will remain employees of Vendor or such Affiliate, as applicable, and shall not be deemed to be employees of Company for any purpose, and (b) Vendor or such Affiliate, as applicable, shall be solely responsible for the payment and provision of all wages, bonuses and commissions, employee benefits, including severance and worker's compensation, and the withholding and payment of applicable Taxes relating to such employment.

Section 2.02 Terms of Payment and Related Matters

- (a) Company shall not pay any consideration for provision of the Services. However, if Vendor or any of its Affiliates incurs reasonable and documented out-of-pocket expenses in the provision of any Service, including, without limitation, license fees and payments to third-party service providers or subcontractors, but excluding payments made to employees of Vendor or any of its Affiliates under Section 2.01 (such included expenses, collectively, the “**Out-of-pocket Costs**”), Company shall reimburse Vendor for all such Out-of-Pocket Costs in accordance with the invoicing procedures set forth in Section 2.02(b).
- (b) As more fully provided in the Transition Services Schedules and subject to the terms and conditions therein:
 - (i) Vendor shall provide Company with monthly invoices (the “**Invoices**”), which shall set forth in reasonable detail, the Out-of-pocket Costs; and

- (ii) payments under this Agreement shall be made within 30 days after the date of receipt of an Invoice by Company from Vendor.

Section 2.03 Extension of Services. The parties agree that Vendor shall not be obligated to perform any Service after the applicable End Date; except that, if Company desires and Vendor agrees to continue to perform any of the Services after the applicable End Date, the parties shall negotiate in good faith to determine an amount that compensates Vendor for all of its costs for such performance, including the time of its employees and its Out-of-Pocket Costs. The Services so performed by Vendor after the applicable End Date shall continue to constitute Services under this Agreement and be subject in all respects to the provisions of this Agreement for the duration of the agreed-upon extension period.

Section 2.04 Terminated Services. Upon termination or expiry of any or all Services under this Agreement or the termination of this Agreement in its entirety, Vendor shall have no further obligation to provide the applicable terminated Services and Company will have no obligation to pay any future compensation or Out-of-Pocket Costs relating to such Services (other than for, or in respect of, Services already provided in accordance with the terms of this Agreement and received by Company before such termination).

Section 2.05 Invoice Disputes. In the event of an Invoice dispute, Company shall deliver a written statement to Vendor no later than 10 days before the date payment is due on the disputed Invoice listing all disputed items and providing a reasonably detailed description of each disputed item. Amounts not so disputed shall be deemed accepted and shall be paid, notwithstanding disputes on other items, within the period set forth in Section 2.02(b). The parties shall seek to resolve all such disputes expeditiously and in good faith. Vendor shall continue performing the Services in accordance with this Agreement pending resolution of any dispute.

Section 2.06 No Right of Set-Off. Each of the parties hereby acknowledges that it shall have no right under this Agreement to set-off or deduct any amounts owed (or to become due and owing) to the other party, whether under this Agreement, the Purchase Agreement or otherwise, against any other amount owed (or to become due and owing) to it by the other party.

Section 2.07 Taxes. Company shall be responsible for all harmonized sales, goods and services, and provincial sales Taxes imposed or assessed as a result of the provision of Services by Vendor.

ARTICLE III Termination

Section 3.01 Termination of Agreement. Subject to Section 3.04, this Agreement shall terminate in its entirety (a) on the date upon which Vendor shall have no continuing obligation to perform any Services as a result of each of their expiration or termination in accordance with Section 1.01(c) or Section 3.02, (b) in accordance with Section 3.03, or (c) by Vendor by 90 days' written notice to Company.

Section 3.02 Breach. Any party (the “**Non-Breaching Party**”) may terminate this Agreement with respect to any Service, in whole but not in part, at any time upon prior written notice to the other party (the “**Breaching Party**”) if the Breaching Party has failed (other than under Section

3.05) to perform any of its material obligations under this Agreement relating to such Service, and such failure shall have continued without cure for a period of 15 days after receipt by the Breaching Party of a written notice of such failure from the Non-Breaching Party seeking to terminate such service. For the avoidance of doubt, non-payment by Company for Out-of-pocket Costs of Vendor in accordance with this Agreement and not the subject of a good-faith dispute shall be deemed a breach for purposes of this Section 3.02.

Section 3.03 Insolvency. If either party hereto shall (a) make an assignment in bankruptcy, (b) become or be declared insolvent, or become the subject of any proceedings (not dismissed within 60 days) related to its liquidation, bankruptcy, insolvency or the appointment of a receiver, receiver-manager, interim receiver, trustee in bankruptcy or monitor (c) make an assignment on behalf of all or substantially all of its creditors, or (d) take any corporate action for its liquidation, winding up or dissolution, then the other party shall have the right to terminate this Agreement by providing written notice in accordance with Section 6.01.

Section 3.04 Effect of Termination. Upon termination of this Agreement in its entirety under Section 3.01, all obligations of the parties hereto shall terminate, except for the provisions of Section 2.04, Section 2.06, ARTICLE IV, ARTICLE V and ARTICLE VI, which shall survive any termination or expiry of this Agreement.

Section 3.05 Force Majeure. The obligations of Vendor under this Agreement with respect to any Service shall be suspended during the period and to the extent that Vendor is prevented or hindered from providing such Service, or Company is prevented or hindered from receiving such Service, due to any of the following causes beyond such party's reasonable control (such causes, the “**Force Majeure Events**”): (a) acts of God, (b) flood, earthquake, tsunami, fire or explosion, epidemics and pandemics (c) war, invasion, riot or other civil unrest, (d) governmental order or Law, (e) actions, embargoes or blockades in effect on or after the date of this Agreement, (f) action by any Governmental Entity, (g) national or regional emergency, (h) strikes, labour stoppages or slowdowns or other industrial disturbances, (i) shortage of adequate power or transportation facilities, (j) disruption or outage of communications (including the internet or other networked equipment) or (k) any other event that is beyond the reasonable control of such party. The party suffering a Force Majeure Event shall give notice of suspension as soon as reasonably practicable to the other party stating the date and extent of such suspension and the cause thereof, and Vendor shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. Neither Company nor Vendor shall be liable for the non-performance or delay in performance of its respective obligations under this Agreement when such failure is due to a Force Majeure Event. The applicable End Date for any Service so suspended shall be automatically extended for a period of time equal to the time lost by reason of the suspension. If a Force Majeure Event causes a material failure or delay in the performance of any Services for more than 30 consecutive days, Company may immediately terminate the applicable Services upon written notice, without any liability on the part of Vendor.

ARTICLE IV Confidentiality and Privacy

Section 4.01 Confidentiality.

- (a) During the term of this Agreement and thereafter, the parties hereto shall, and shall instruct their respective directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents (collectively, “**Representatives**”) to, maintain in confidence and not disclose the other party's financial, technical, sales, marketing, development, personnel and other information, records or data, including, without limitation, customer lists, supplier lists, trade secrets, designs, product formulations, product specifications or any other proprietary or confidential information, however recorded or preserved, whether written or oral (any such information, “**Confidential Information**”). Failure to mark any of the Confidential Information as confidential, protected or Confidential Information will not affect its status as part of the Confidential Information under the terms of this Agreement. Each party hereto shall use the same degree of care, but no less than reasonable care, to protect the other party's Confidential Information as it uses to protect its own Confidential Information of like nature. Unless otherwise authorized in any other agreement between the parties, any party receiving any Confidential Information of the other party (the “**Receiving Party**”) may use Confidential Information only for the purposes of fulfilling its obligations under this Agreement (the “**Permitted Purpose**”). Any Receiving Party may disclose such Confidential Information only to its Representatives who have a need to know such information for the Permitted Purpose and who have been advised of the terms of this Section 4.01 and the Receiving Party shall be liable for any breach of these confidentiality provisions by such Persons; except that any Receiving Party may disclose such Confidential Information to the extent such Confidential Information is required to be disclosed by a governmental order, in which case the Receiving Party shall promptly notify, to the extent possible, the disclosing party (the “**Disclosing Party**”), and take reasonable steps to assist in contesting such governmental order or in protecting the Disclosing Party's rights before disclosure, and in which case the Receiving Party shall only disclose such Confidential Information that it is advised by its counsel in writing it is legally bound to disclose under such governmental order.
- (b) Notwithstanding the foregoing, “**Confidential Information**” shall not include any information that the Receiving Party can demonstrate: (i) was publicly known at the time of disclosure to it or has become publicly known through no act of the Receiving Party or its Representatives in breach of this Section 4.01; (ii) was rightfully received from a third party without a duty of confidentiality; or (iii) was developed by it independently without any reliance on the Confidential Information.
- (c) Each party covenants and agrees that all right, title and interest in any Confidential Information will be and remain the exclusive property of its respective owner. Upon demand by the Disclosing Party at any time or the expiry or termination of this Agreement with respect to any Service, the Receiving Party agrees promptly to return or destroy, at the Disclosing Party's option, all Confidential Information. If such Confidential Information is destroyed, an authorized officer of the Receiving Party shall certify to such destruction in writing.

Section 4.02 Privacy.

- (a) Without limiting any other provision of this Agreement, each party agrees in respect of any information about an identifiable individual (“**Personal Information**”) possessed by it in connection with this Agreement, to:
 - (i) process the Personal Information in a manner that complies with applicable law; and
 - (ii) provide reasonable cooperation to the other party to resolve any complaint alleging a breach of privacy legislation or by a third party seeking access to Personal Information in accordance with applicable Law.

ARTICLE V

Limitation of Liability & Indemnification

Section 5.01 Indemnification. Vendor shall indemnify, defend and hold harmless Company and its Affiliates and each of their respective Representatives (collectively, the “**Company Indemnified Parties**”) from and against any and all Losses of the Company Indemnified Parties relating to, arising out of or resulting from the gross negligence or wilful misconduct of Vendor or its Affiliates or any third party that provides a Service to Company under Section 1.03 in connection with the provision of, or failure to provide, any Services to Company.

Section 5.02 Indemnification Procedures. The matters set forth in Section 7.5 of the Purchase Agreement shall be deemed incorporated into, and made a part of, this Agreement.

Section 5.03 Limitation of Liability. In no event shall Vendor have any liability under any provision of this Agreement for any punitive, exemplary, incidental, consequential, special or indirect damages, including loss of future revenue or income, loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement, or diminution of value, or any damages based on any type of multiple, whether based on statute, contract, tort, or otherwise, and whether or not arising from the other party's sole, joint, or concurrent negligence, strict liability, criminal liability, or other fault. Company acknowledges that the Services to be provided to it hereunder are subject to, and that its remedies under this Agreement are limited by, the applicable provisions of Section 1.02, including the limitations on representations, warranties, and conditions with respect to the Services.

ARTICLE VI

Miscellaneous

Section 6.01 Notices. All Invoices, notices, requests, consents, claims, demands, waivers and other communications hereunder (each, a “**Notice**”) shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by email of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail,

Section 6.04 Entire Agreement. This Agreement, including all Transition Services Schedules, constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. If and to the extent that there is a conflict between the provisions of this Agreement (excluding the Transition Services Schedules) and the provisions of the Transition Services Schedules, the provisions of this Agreement (excluding the Transition Services Schedules) shall control (unless the Transition Services Schedule states an express intention to take priority over this Agreement (excluding the Schedules)). If and to the extent that there is a conflict between the provisions of this Agreement (including the Schedules) and the provisions of the Purchase Agreement as it relates to the Services hereunder, the provisions of this Agreement (including the Schedules) shall control.

Section 6.05 Successors and Assigns. This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and permitted assigns. Subject to the following sentence, neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. Company may, however, without the prior written consent of Vendor, assign all or any portion of its right to receive Services to any of its Affiliates that participate in the operation of the Business; except that such Affiliate shall receive such Services from Vendor in the same place and manner as described in the respective Transition Services Schedule as Company would have received such Service. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 6.06 No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

Section 6.07 Relationship Between the Parties. The parties agree that Vendor (and any person employed by Vendor) is performing the Services as an independent contractor and is neither an employee nor an agent of or on behalf of Company.

Section 6.08 Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 6.09 Governing Law; Forum Selection. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Any legal action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in the courts of the Province of Ontario, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such action or proceeding. The parties irrevocably and unconditionally waive any objection to the laying of venue of any action or any proceeding in such courts and irrevocably waive and agree not to plead

or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

Section 6.10 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

FUSION SOFTWARE LLC

By _____
Authorized Signing Officer

By _____
Name: [REDACTED]

SCHEDULE A

FORM OF TRANSITION SERVICE SCHEDULE

This schedule is a Transition Service Schedule to the Transitional Services Agreement and is made as of the 24th day of October, 2024 between Fusion Software LLC ("**Company**") and [REDACTED] ("**Vendor**") and shall form a part of that agreement.

- 1. Description of Services:**
 - (a) Activities to be Performed:
 - (b) Deliverables:
 - (c) Provider Responsibilities:
 - (d) Recipient Responsibilities:
- 2. Start Date:**
- 3. Expiration Date:**
- 4. Performance metrics (if any):**
- 5. Other Particulars (if any):**

Schedule A

MEMBERS OF COMPANY AND MEMBERSHIP UNITS HELD BY EACH MEMBER

Name	Number of Membership Units Held	Percentage of Total Issued and Outstanding Membership Units
<div style="background-color: black; width: 100px; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 200px; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 100px; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 100px; height: 15px;"></div>	100	100%

Schedule 2.2(a)

ISSUE OF INITIAL CONSIDERATION SHARES

Vendor and Vendor's Address	Number of Consideration Shares
[REDACTED]	1,666,667 Common Shares

Schedule 3.1(f)

LICENCES

Articles of Organization for Fusion Software LLC filed and recorded in the State of Ohio, U.S. dated April 14, 2023 (Document No: 202310403874).

Schedule 3.1(n)

ABSENCE OF CERTAIN CHANGES OR EVENTS

[REDACTED]

[REDACTED]

Schedule 3.1(o)

CAPITAL EXPENDITURES AND DISPOSITIONS

None.

Schedule 3.1(r)

TITLE TO MEMBERSHIP INTERESTS

<u>Name</u>	<u>Number of Membership Units Held</u>	<u>Percentage of Total Issued and Outstanding Membership Units</u>
<p>██████████ ██████████ ██████████ ██████████ ██████████ ██████████</p>	<p>100</p>	<p>100%</p>

Schedule 3.1(t)

TITLE TO ASSETS

Fusion Software Asset.

Schedule 3.1(w)
ACCOUNTS PAYABLE

None.

Schedule 3.1(y)

CUSTOMERS

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Schedule 3.1(kk)
INTELLECTUAL PROPERTY

[REDACTED]

3.1(kk)(ii)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Schedule 3.1(mm)
BANK ACCOUNTS

Fusion Software LLC
1780 Stoney Hill Drive, Suite A
Hudson, CO 44236

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Schedule 3.1(pp)

NON-ARM'S LENGTH MATTERS

None.

Schedule 3.1(uu)
MATERIAL CONTRACTS

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]