

KITS EYECARE LTD.

-AND-

RAIN CITY LABS INC.

-AND-

LD VISION GROUP INC.

-AND-

THE SHAREHOLDERS OF LD VISION GROUP INC.

SHARE PURCHASE AND INVESTMENT AGREEMENT

DATED MARCH 4, 2019

SHARE PURCHASE AND INVESTMENT AGREEMENT

THIS AGREEMENT is made as of March 4, 2019 (the “Effective Date”)

BETWEEN:

KITS EYECARE LTD., a corporation incorporated under the laws of the Province of British Columbia

(the “Purchaser”)

AND

RAIN CITY LABS INC., a company incorporated under the laws of the Province of British Columbia

(“Rain City”)

AND

ARSHIL ABDULLA, AIZ HOLDINGS LTD., AND THE ARSHIL ABDULLA 2013 FAMILY TRUST

(collectively, the “Arshil Vendors”)

AND

FAYAZ ABDULLA, FSDD HOLDINGS LTD., AND THE FAYAZ ABDULLA 2013 FAMILY TRUST

(collectively, the “Fayaz Vendors”)

AND

SHANEEF MITHA, SM WORLDWIDE HOLDINGS LTD., AND THE SHANEEF MITHA 2013 FAMILY TRUST

(collectively, the “Shaneef Vendors” and together with the Arshil Vendors and the Fayaz Vendors, the “LD Vendors”)

AND

LD VISION GROUP INC. (formerly known as Lensdiscounters.com Inc.), a corporation incorporated under the federal laws of Canada

(“LD Vision”)

AND

ARSHIL ABDULLA, an individual having an address of 301-1650 Elgin Mills Rd. E,
Richmond Hill, ON L4S 0B2

(the "Vendors' Representative")

RECITALS

- A. The LD Vendors are, collectively, the registered and beneficial owners of all the outstanding shares in the capital of LD Vision (the "LD Purchased Shares").
- B. The Purchaser has been created for the purpose of acquiring the LD Purchased Shares and the RC Assets and thereafter conducting the businesses conducted or comprised by LD Vision and the RC Assets, respectively, using the expertise, access to capital and other resources of the Rain City and LD Vision principals.
- C. The Purchaser wishes to purchase, and the LD Vendors wish to sell, on and subject to the terms and conditions contained in this Agreement, the LD Purchased Shares for a combination of cash and Class A Preferred shares in the capital of the Purchaser.
- D. Rain City has agreed to (i) subscribe for Class B Preferred shares in the capital of the Purchaser, the proceeds of which will be used to satisfy (in part) the cash purchase price owing to the LD Vendors for the LD Purchased Shares; and (ii) sell to the Purchaser certain assets of Rain City which are useful or desirable to the operation of the business to be conducted by the Purchaser in exchange for Class C Preferred Shares in the capital of the Purchaser.
- E. Certain defined terms used in this Agreement are set out in Schedule 1.0.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each Party, the Parties agree as follows:

Article 1

CAPITALIZATION OF PURCHASER AND PURCHASE OF RC ASSETS

1.1 Creation of Class A, Class B, and Class C Preferred Shares.

The Purchaser shall (i) adopt and file with the Registrar on or before Closing the Notice of Alteration; and (ii) deposit (A) the Amended Articles in the form of Schedule 1.1 attached to this Agreement (the "Restated Articles"); and (B) the Authorizing Resolution at the Purchaser's records office, in each case, in accordance with the BCBCA.

1.2 Purchase and Sale of RC Assets.

On and subject to the terms and conditions of this Agreement, on or before Closing, Rain City will sell, assign, convey, transfer and deliver to the Purchaser all of the right title and interest of Rain City in the RC Assets.

1.3 **RC Asset Purchase Price.** The purchase price payable by the Purchaser for the transfer of the RC Assets shall be the issuance to Rain City of an aggregate of 300 Class C Preferred Shares (the "RC Class C Shares"), each of which shall be issued at a deemed price of \$1,000 per RC Class C Share, which consideration will be paid by the Purchaser on Closing.

1.4 **Issuance of Common Shares to LD Vendors.**

Subject to the terms and conditions of this Agreement, on or before Closing and as soon as practicable after the issuance of the RC Class C Shares, the LD Vendors shall purchase and the Purchaser shall issue and sell to the LD Vendors, 4,000,000 Common Shares (the "LD Common Shares") at a purchase price of \$0.00001 per share and an aggregate purchase price of \$40 (the "LD Subscription Price"), payable by wire transfer of immediately available funds. As between the LD Vendors, the LD Subscription Price and LD Common Shares shall be paid or issued to the LD Vendors in accordance with Schedule 1.4.

1.5 **Issuance of Class B Preferred Shares to Rain City.**

Subject to the terms and conditions of this Agreement, on or before Closing and as soon as practicable after the issuance of the LD Common Shares, Rain City shall purchase and the Purchaser shall issue and sell to Rain City, an aggregate of 7,000 Class B Preferred Shares (the "RC Class B Shares") at a purchase price of \$1,000 per share and an aggregate purchase price of \$7 million (the "RC Subscription Price"), payable by wire transfer of immediately available funds.

1.6 **Subsection 85(1) Election.**

It is intended that the transactions contemplated in this Agreement with respect to the RC Assets shall generally constitute a tax-deferred reorganization for Canadian federal income tax purposes for Rain City. At the option of Rain City, Purchaser covenants and agrees to elect, jointly with Rain City, in accordance with the provisions of subsection 85(1) of the ITA (and the corresponding provisions of any applicable provincial tax legislation) in the prescribed form and within the prescribed time for the purposes of the ITA, and shall therein agree to elect in respect of the RC Assets such amount of Rain City's proceeds of disposition thereof as Rain City may determine, subject to the provisions of subsection 85(1) of the ITA (and the corresponding provisions of any applicable provincial tax legislation). Each of Rain City and Purchaser agrees to execute all such documents and forms to make the election contemplated in this Section 1.6.

Article 2

PURCHASE OF LD PURCHASED SHARES

2.1 **Purchase and Sale of LD Purchased Shares.**

Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, each LD Vendor shall, severally and not jointly, sell, assign, transfer, convey, and deliver to Purchaser, and Purchaser shall purchase from such LD Vendor, all of such LD Vendor's rights, title, and interest in and to the LD Purchased Shares of such LD Vendor, free and clear of any Liens (other than restrictions on transfer of securities under applicable securities Laws and any restrictions contained in the constating documents of LD Vision as of the date hereof).

2.2 Purchase Price.

In consideration for the purchase of LD Purchased Shares pursuant to Section 2.1, subject to adjustment as provided in Section 2.3, the Purchaser shall:

- (a) pay to the LD Vendors an aggregate of \$30.0 million, by wire transfer to an account or accounts designated by the Vendors' Representative in writing (the "**Cash Consideration**"); and
- (b) issue to the LD Vendors an aggregate of 10,000 Class A Preferred Shares (the "**LD Class A Shares**") each of which shall be issued at a deemed price of \$1,000 per LD Class A Share.

As between the LD Vendors, the Cash Consideration and LD Class A Shares shall be paid or issued to the LD Vendors in accordance with Schedule 2.2.

2.3 Post-Closing Purchase Price Adjustment

- (1) The Purchaser shall prepare (or cause to be prepared) and no later than fifteen (15) Business Days after the Closing Date deliver to the Vendors' Representative a balance sheet (the "**Closing Balance Sheet**") and a statement of Closing Working Capital, including a description of the Current Assets and Current Liabilities derived from the Closing Balance Sheet (the "**Closing Working Capital Statement**") and a calculation of the Post-Closing Adjustment Amount, if any in accordance with the pro-forma calculation set forth in Schedule 2.3 hereto.
- (2) The Post-Closing Adjustment Amount shall be the Closing Working Capital minus the Closing Working Capital Target.
- (3) If the Vendors' Representative objects to any relevant matter in the Closing Working Capital Statement, the Vendors' Representative shall give notice to the Purchaser no later than 10 days after delivery of the Closing Working Capital Statement. Any notice given by the Vendors' Representative shall set forth in detail the particulars of such objection. The Purchaser and the Vendors' Representative shall then use reasonable efforts to resolve such objection for a period of 30 days following the giving of such notice. If the matter is not resolved by the end of such 30-day period, then the dispute with respect to such objection shall be submitted by the Purchaser and the Vendors' Representative to an accounting firm of recognized national standing in Canada that is independent of the Parties (the "**Independent Accountant**"). The Independent Accountant shall, as promptly as practicable (but in any event within 45 days following its appointment), resolve any dispute as to the Closing Working Capital Statement, based solely on written submissions of the Purchaser and the Vendors' Representative given by them to the Independent Accountant. The submissions of both of the Purchaser and the Vendors' Representative shall be disclosed to the other, and each of the Purchaser and the Vendors' Representative shall be afforded a reasonable opportunity to respond thereto. The decision of the Independent Accountant as to the Closing Working Capital Statement shall be final and binding upon the Parties. The Purchaser, on the one hand, and the LD Vendors, on the other hand, shall each pay one-half of the fees and expenses of the Independent Accountant with respect to the resolution of the dispute.

- (4) If the Vendors' Representative does not give a notice of objection in accordance with Section 2.3(3), the Vendors' Representative shall be deemed to have accepted the draft Closing Working Capital Statement prepared by the Purchaser, which shall be final and binding on the Parties.
- (5) If the Post-Closing Adjustment Amount is greater than zero, the Purchaser shall pay to the LD Vendors the Post-Closing Adjustment Amount, if any, by wire transfer of immediately available funds to the account or accounts designated by the Vendors' Representative as provided in Section 2.2(a) and in the amounts set forth in Schedule 2.3(5). Such payment, if any, shall be made within seven (7) days after the Post-Closing Adjustment Amount becomes final and binding on the Parties.
- (6) If the Post-Closing Adjustment Amount is less than zero, the LD Vendors shall pay to the Purchaser, the Post-Closing Adjustment Amount, by wire transfer of immediately available funds to an account designated by the Purchaser. Such payment, if any, shall be made within seven (7) days after the Post-Closing Adjustment Amount becomes final and binding on the Parties.

2.4 **Subsection 85(1) Election**

It is intended that the transactions contemplated in this Agreement shall generally constitute a tax-deferred reorganization for Canadian federal income tax purposes for the LD Vendors. At the option of each LD Vendor, Purchaser covenants and agrees to elect, jointly with each such LD Vendor (referred to in this section as an "Electing LD Vendor"), in accordance with the provisions of subsection 85(1) of the ITA (and the corresponding provisions of any applicable provincial tax legislation) in the prescribed form and within the prescribed time for the purposes of the ITA, and shall therein agree to elect in respect of the LD Purchased Shares of the Electing LD Vendor such amount of the Electing LD Vendor's proceeds of disposition thereof as the Electing LD Vendor may determine, subject to the provisions of subsection 85(1) of the ITA (and the corresponding provisions of any applicable provincial tax legislation). Each of the Electing LD Vendors and Purchaser agrees to execute all such documents and forms to make the election contemplated in this Section 2.4.

Article 3

REPRESENTATIONS AND WARRANTIES OF THE LD VENDORS

3.1 **Representations and Warranties of the LD Vendors Relating to the LD Vendors.**

As a material inducement to the Purchaser and Rain City entering into this Agreement and completing the transactions contemplated by this Agreement and acknowledging that the Purchaser and Rain City are entering into this Agreement in reliance upon the representations and warranties of the LD Vendors set out in this Section 3.1, each of LD Vendors, severally and jointly, represent and warrant to Purchaser and Rain City as follows:

- (1) *Power and Capacity.* If the LD Vendor is a corporation, it has the corporate power, authority, and capacity to execute and deliver this Agreement and all other agreements and instruments to be executed by it as contemplated herein and to perform its obligations hereunder and thereunder. If the LD Vendor is a partnership, syndicate, or other unincorporated form of organization, the LD Vendor has the necessary legal capacity and authority to execute and deliver this Agreement and all other agreements and instruments to be executed by it as contemplated herein and perform its obligations hereunder and thereunder and has obtained

all necessary approvals thereof. If the LD Vendor is an individual, he or she has attained the age of majority and is legally competent to execute this Agreement and all other agreements and instruments to be executed by him or her as contemplated herein and to perform its obligations hereunder and thereunder.

- (2) *No Bankruptcy Proceedings.* The LD Vendor is not an insolvent Person within the meaning of the *Bankruptcy and Insolvency Act* (Canada). No act or proceeding has been taken or authorized by the LD Vendor or by any other Person in connection with the dissolution, liquidation, or winding up of the LD Vendor and, to the knowledge of the LD Vendor, no such proceedings have been threatened.
- (3) *Authorization.* The execution and delivery of this Agreement and all other agreements and instruments to be executed by the LD Vendor (if not an individual) as contemplated herein and the completion of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of the LD Vendor.
- (4) *Enforceability.* This Agreement constitutes a valid and binding obligation of the LD Vendor and is enforceable against it in accordance with its terms.
- (5) *No Conflict.* The entering into of this Agreement and all other agreements and instruments to be executed by it as contemplated herein and the completion of the transactions contemplated hereby and thereby will not result in the violation of any terms or provisions of any law applicable to, or, if applicable, the constating documents of, the LD Vendor, or any agreement, written or oral, to which the LD Vendor may be a party or by which the LD Vendor is or may be bound, or result in the creation of any Lien on any of the LD Purchased Shares held by that LD Vendor.
- (6) *Residence.* The LD Vendor is not a non-resident of Canada for purposes of section 116 of the ITA.
- (7) *Ownership of Shares.* Each LD Vendor is the registered and beneficial holder of the LD Purchased Shares set forth opposite his, her, or its name on Schedule 3.2(6) to the Disclosure Letter with good and marketable title thereto, free and clear of all Liens (other than restrictions on transfer of securities under applicable securities Laws and any restrictions contained in the constating documents of LD Vision). No Person, other than the Purchaser by virtue of this Agreement, has, or has any right capable of becoming, any agreement, option, right, or privilege for the purpose of acquiring from the LD Vendor any of the LD Purchased Shares. There are no restrictions of any kind on the transfer of the LD Purchased Shares other than restrictions on transfer of securities under applicable securities Laws and any restrictions contained in the constating documents of LD Vision.
- (8) *No Authorizations or Consents.* No regulatory approval or filing with, notice to, consent or waiver from any Governmental Authority or other Person is required to be obtained or made by the LD Vendor in connection with the execution and delivery of, and performance by the LD Vendor of its obligations under this Agreement, or the consummation of the transactions contemplated hereby.

- (9) *Legal Proceedings.* There is no legal proceeding in progress, pending or, to the Knowledge of the LD Vendor, threatened against the LD Vendor or any of its property or assets (including the LD Purchased Shares) or title thereto that would reasonably be expected to adversely affect or restrict the ability of the LD Vendor to enter into and perform the LD Vendor's obligations under this Agreement, nor is there, to the Knowledge of the LD Vendor, any factual or legal basis on which any such legal proceeding might be commenced. There is no order outstanding against or affecting the LD Vendor or any of its property or assets that would reasonably be expected to adversely affect or restrict the ability of the LD Vendor to enter into and perform the LD Vendor's obligations under this Agreement.
- (10) *Commissions.* Neither the Purchaser nor LD Vision will be liable for any brokerage commission, finder's fee, or other similar payment in connection with the Closing of this Agreement or the closing of any other transactions or agreements contemplated by this Agreement because of any action taken by, or agreement or understanding reached by, the LD Vendor. For purposes of clarity, the LD Vendors have, prior to the date of this Agreement, agreed to pay Petsky Prunier LLC a fee at the Closing from a portion of the Cash Consideration payable to the LD Vendors, none of which fee shall be due from LD Vision or the Purchaser on or after the Closing.

3.2 **Representations and Warranties of the LD Vendors Relating to LD Vision.**

As a material inducement to the Purchaser and Rain City entering into this Agreement and completing the transactions contemplated by this Agreement and acknowledging that the Purchaser and Rain City are entering into this Agreement in reliance upon the representations and warranties of the LD Vendors set out in this Section 3.2, the LD Vendors, jointly and severally, represent and warrant to the Purchaser and Rain City as follows:

- (1) *Incorporation and Corporate Power.* LD Vision is a corporation incorporated, organized, and subsisting under the federal laws of Canada and is in good standing with respect to the filing of its annual returns and financial statements as required under the CBCA. LD Vision has the corporate power, authority, and capacity to execute and deliver this Agreement and all other agreements and instruments to be executed by it as contemplated herein and to perform its obligations hereunder and thereunder.
- (2) *Authorization.* The execution and delivery of this Agreement and all other agreements and instruments to be executed by LD Vision as contemplated herein and the completion of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of LD Vision.
- (3) *Enforceability.* This Agreement constitutes a valid and binding obligation of LD Vision and is enforceable against it in accordance with its terms.
- (4) *Directors and Officers.* The information set out in Schedule 3.2(4) to the Disclosure Letter concerning the directors and officers of LD Vision is true and complete.
- (5) *Qualification to do Business.* Except as disclosed on Schedule 3.2(5) to the Disclosure Letter, LD Vision is registered, licensed, or otherwise qualified to do business under the laws of Canada and the United States, being the only jurisdictions in which the location of the properties and assets owned by LD Vision or the nature of the Business requires registration, licensing, or other

qualification. LD Vision has all necessary corporate power, authority, and capacity to carry on the Business and to own or lease and operate its property and assets as now carried on and owned or leased and operated.

- (6) *Capitalization.* Schedule 3.2(6) to the Disclosure Letter sets forth a true, correct, and complete list of the authorized, issued, and outstanding shares of LD Vision. The issued and outstanding shares of LD Vision have been duly authorized and validly issued and are fully paid and non-assessable. Except as set out in Schedule 3.2(6) to the Disclosure Letter, there are no other securities of LD Vision authorized, issued, reserved for issuance or outstanding (including any rights, subscriptions, warrants, options, conversion rights, calls, commitments or plans, or agreements of any kind which would enable any Person to purchase or otherwise acquire any securities of LD Vision, including securities convertible, exercisable, or exchangeable for shares or other securities of LD Vision). There are no contracts to which LD Vision is a party or by which it is bound to (i) repurchase, redeem, or otherwise acquire any shares of, or other equity or voting interest in, LD Vision, or (ii) dispose of any shares of LD Vision. No person has any right of first offer, right of first refusal, or pre-emptive right in connection with any future offer, sale, or issuance of any securities of LD Vision. The LD Purchased Shares being acquired by the Purchaser pursuant to this Agreement represent, in the aggregate, all of the issued and outstanding shares of LD Vision.
- (7) *Shareholder Agreements.* There are no shareholder agreements governing the affairs of LD Vision or the relationship, rights and duties of its shareholders, nor are there any voting trusts, pooling arrangements or other similar agreements with respect to the ownership or voting of any shares of LD Vision.
- (8) *Corporate Records.* The minute books, share certificate book, register of shareholders, register of transfers and register of directors and officers of LD Vision have been maintained in accordance with Applicable Law and are complete and accurate in all material respects.
- (9) *Bankruptcy, Insolvency and Reorganization.* LD Vision is not an insolvent Person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) nor has LD Vision made an assignment in favour of its creditors nor a proposal in bankruptcy to its creditors or any class thereof nor had any petition for a receiving order presented in respect of it. LD Vision has not initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution. No receiver has been appointed in respect of LD Vision or any of its property or assets and no execution or distress has been levied upon any of its property or assets. No act or proceeding has been taken or authorized by or against LD Vision with respect to any amalgamation, merger, consolidation, arrangement or reorganization of, or relating to, LD Vision, nor have any such proceedings been authorized by any other Person.
- (10) *Financial Statements.* The Unaudited Financial Statements have been prepared in accordance with LD Vision's accounting policies consistently applied throughout the periods to which they relate. To the Knowledge of the LD Vendors, LD Vision's accounting policies are consistent with those policies included within the Accounting Standards for Private Enterprises (ASPE) that are applicable to LD Vision, except where the failure to be consistent with such policies would not have a material adverse effect on LD Vision's earnings, cash flows, and retained earnings contained in the Unaudited Financial Statements. The balance sheets contained in the Unaudited Financial Statements fairly present the financial position of LD Vision as of their

respective dates, including all outstanding Indebtedness, and the statements of earnings, cash flows, and retained earnings contained in the Unaudited Financial Statements fairly present the revenues, earnings, cash flows, and results of operations for the periods indicated. The Unaudited Financial Statements are accurate and complete in all material respects and are based upon, and are consistent with, LD Vision's Financial Records.

- (11) *Title to and Sufficiency of Assets.* LD Vision has good and marketable legal and beneficial title to all of its property and assets free and clear of any and all Liens, and there is no agreement, option, or other right or privilege outstanding in favour of any Person for the purchase from LD Vision of the Business or of any of its property or assets. The property and assets (other than the Excluded Assets) owned and leased by LD Vision constitute all of the property and assets used or held for use in connection with the Business and are the assets and property necessary to permit LD Vision to continue to conduct the Business as it is being conducted as of the date hereof.

- (12) *Personal Property.* Except for the Excluded Assets, no item of personal property owned by LD Vision had a net book value in its most recent Unaudited Financial Statements of more than \$10,000 or is otherwise material to the Business. Except for inventory-related assets located in a warehouse not owned by LD Vision, as described in one of the LD Material Contracts, no personal property owned by LD Vision is in the possession of a third party, and LD Vision has no assets on consignment. To the Knowledge of the LD Vendors, each item of personal property is in good operating condition and repair, ordinary wear and tear excepted, and is suitable and adequate for the purpose for which it is being used as of the date hereof. All of LD Vision's personal property is used, operated, maintained and functions in accordance with all Applicable Laws and their functional specifications, except where the failure to do so would not be material.

- (13) *Real Property, Leases, and Material Contracts.* LD Vision does not and has never owned any real property. Schedule 3.2(13) to the Disclosure Letter sets forth a list of all the Material Contracts to which LD Vision is a party or bound, whether written or oral (collectively, the "LD Material Contracts"). To the Knowledge of the LD Vendors, LD Vision is not in default under any Material Contract. To the Knowledge of the LD Vendors, no other party is in default under any LD Material Contract, and there has not occurred any event which, with the lapse of time or giving of notice or both, would constitute a default under any LD Material Contract by LD Vision or any other party to such LD Material Contract. No Consent is required nor is any notice required to be given under any LD Material Contract by any Person in connection with the completion of the transactions contemplated by this Agreement in order to maintain all rights of LD Vision under such LD Material Contract. The completion of the transactions contemplated by this Agreement will not result in any default under any LD Material Contract nor afford any Person the right to terminate any LD Material Contract, nor will the completion of such transactions result in any additional or more onerous obligation on LD Vision under any Material Contract. All of the LD Material Contracts are in full force and effect and unamended, and LD Vision is entitled to the full benefit and advantage of each such LD Material Contract in accordance with its terms. LD Vision has the benefit of non-disturbance agreements with prior mortgagees of all leased premises which it leases, and the current use by LD Vision of all leased premises complies with all Applicable Laws.

- (14) *Receivables.* All Receivables are recorded in the Financial Records of LD Vision and the Receivables reflected in the Unaudited Balance Sheet are valid obligations which arose in the ordinary course of business and will be collected in the ordinary course of business, in the aggregate, at their full face value and are not subject to any set-off or counterclaim. LD Vision has not received notice of any inability to pay or an offer to settle any of its Receivables. None of the Receivables are due from an Affiliate of LD Vision.
- (15) *Intellectual Property.*
- (a) Schedule 3.2(15)(a) to the Disclosure Letter contains a true and complete list of all Owned Intellectual Property Rights registered or applied for registration with any Governmental Authority.
 - (b) Except as disclosed on Schedule 3.2(15)(b) to the Disclosure Letter, LD Vision is the sole and exclusive owner of all Owned Intellectual Property Rights, free and clear of any encumbrances.
 - (c) LD Vision owns or has a valid and enforceable license to use all Intellectual Property Rights necessary to, or used or held for use in, the conduct of the business of LD Vision as currently conducted.
 - (d) To the Knowledge of the LD Vendors, (i) LD Vision has not infringed, misappropriated, or otherwise violated any Intellectual Property Right of any Person and (ii) no Person has infringed, misappropriated, or otherwise violated any of the Owned Intellectual Property Rights.
 - (e) LD Vision has taken reasonable steps in accordance with normal industry practice to maintain the confidentiality of all Intellectual Property Rights, the value of which to LD Vision is contingent upon maintaining the confidentiality thereof, and no such Intellectual Property Rights have been disclosed other than to Persons who are bound by written obligations to maintain the confidentiality thereof.
- (16) *Anti-Spam Laws.*
- (a) LD Vision has developed and consistently uses a standard format of CEM that complies with CASL, which includes an unsubscribe mechanism that complies with CASL.
 - (b) LD Vision does not make, and has not made, false or misleading commercial representations online or in any electronic message. LD Vision does not alter, and has not altered, the transmission data of any electronic message such that the message is delivered to a destination other than (or in addition to) that specified by the sender.
- (17) *Compliance with Applicable Law.* LD Vision is conducting the Business in compliance with all Applicable Law, and, without limiting the generality of the foregoing, within the past three (3) years (i) except as disclosed in Schedule 3.2(17) to the Disclosure Letter LD Vision has not received or entered into, as the case may be, any citations, investigations, warning letters, cease and desist orders, seizures, detentions, complaints, consent orders, compliance schedules or other similar enforcement orders or received any written notice from any Governmental

Authority or any other written notice that would indicate that it is not currently in compliance with all Applicable Laws, (ii) LD Vision is not in default under, and to the Knowledge of the LD Vendors, no condition exists (whether covered by insurance or not) that with or without notice or lapse of time or both would constitute a default under, or breach or violation of, any Applicable Law or permit applicable to LD Vision, and (iii) except as disclosed in Schedule 3.2(17) to the Disclosure Letter to the Knowledge of the LD Vendors, no formal or informal investigation or review related to LD Vision is being or has been conducted by any commission, division, agency, board or other Governmental Authority, and, to the Knowledge of the LD Vendors, no such investigation or review is scheduled, pending or threatened against LD Vision.

- (18) *Required Approvals.* No consent of, filing with, notice to, or waiver from any Governmental Authority is required to be obtained or made by the LD Vendors or LD Vision in connection with the consummation of the transactions contemplated hereby or to permit LD Vision to carry on the Business after the Closing as the Business is currently carried on by LD Vision.
- (19) *Licenses and Permits.* Except as disclosed in Schedule 3.2(19) to the Disclosure Letter, there are no Licences required for the operation of the Business, and LD Vision is in compliance with all such Licences. Such Licences are the only Licences required for the operation of the Business. All Licences are valid and are in full force and effect, LD Vision is not in violation of any term or provision or requirement of any such Licence, and no Person has Threatened to revoke, amend or impose any condition in respect of, or commence proceedings to revoke, amend or impose conditions in respect of any Licence.
- (20) *Compliance with Anti-Corruption Laws.* To the Knowledge of the LD Vendors, none of LD Vision, or any of its Representatives or joint venture partners, in carrying out or representing the Business anywhere in the world, have violated the *Corruption of Foreign Public Officials Act* (Canada), the U.S. *Foreign Corrupt Practices Act*, the U.K. *Bribery Act 2010*, or the anti-corruption laws of any other jurisdiction where the Business is carried on.
- (21) *Undisclosed Liabilities.* Except as set forth in Schedule 3.2(21) to the Disclosure Letter, LD Vision does not have any liabilities or obligations of any nature (whether known or unknown, liquidated or unliquidated, due or to become due and whether absolute, accrued, contingent or otherwise) except for liabilities and obligations disclosed or provided for in the Unaudited Financial Statements and current liabilities incurred in the ordinary course of business since December 31, 2018. Without limiting the foregoing, LD Vision is not a party to or bound by any agreement, contract or commitment providing for the guarantee, indemnification, assumption or endorsement with respect to the obligations or liabilities, contingent or otherwise, of any other Person.
- (22) *Banking Information.* Schedule 3.2(22) to the Disclosure Letter sets forth the name and location (including municipal address) of each bank, trust company or other institution in which LD Vision has an account, money on deposit or a safety deposit box, the account numbers and the name of each Person authorized to draw thereon or to have access thereto and the name of each Person holding a power of attorney from LD Vision and a summary of the terms thereof.
- (23) *Legal Proceedings and Orders.* Except as set forth and described in Schedule 3.2(23) to the Disclosure Letter, there is no Legal Proceeding in progress, pending or, to the Knowledge of

the LD Vendors, Threatened against or affecting LD Vision or any of its officers or directors in their capacity as such, or any of its property or assets or title thereto, nor is there any factual or legal basis on which any such Legal Proceeding might be commenced. There is no Order outstanding against or affecting LD Vision or any of its property or assets.

(24) *Employees and Employee Benefits.*

- (a) LD Vision is not a party to or bound by, either directly or by operation of Applicable Law, any collective agreement, labour contract, letter of understanding, letter of intent, voluntary recognition agreement or legally binding commitment or written communication to any labour union, trade union or employee organization or group which may qualify as a trade union in respect of or affecting Employees or independent contractors nor is LD Vision subject to any union organization effort, nor is it engaged in any labour negotiation.
- (b) Except as set out in Schedule 3.2(24) to the Disclosure Letter, LD Vision does not have written contracts of employment with any Employee or any written contract with any consultant. LD Vision has no obligation to make any severance or termination payment to any Employee in excess of any amount payable under Applicable Law.
- (c) Except as set forth in Schedule 3.2(24) to the Disclosure Letter, LD Vision does not currently have, and has not in the past maintained or established, any Employee Plans.
- (d) Each Employee Plan has been established, administered and invested in accordance with its terms and Applicable Law. All contributions or premiums required to be made by LD Vision under each Employee Plan have been made in a timely fashion in accordance with Applicable Law, the terms of the applicable Employee Plan and any applicable collective agreement, and LD Vision does not have, and as of the Closing Date will not have, any actual or potential unfunded liabilities (other than liabilities accruing after the Closing Date) with respect to any Employee Plans.
- (e) No Employee Plan provides post-retirement or post-employment benefits to or in respect of any Employees or former Employees or their beneficiaries.
- (f) All liabilities of LD Vision (whether accrued, absolute, contingent or otherwise) related to all Employee Plans have been fully and accurately disclosed, in accordance with applicable accounting standards, in the Unaudited Financial Statements.
- (g) Schedule 3.2(24) to the Disclosure Letter lists all the Employees and other Persons who are receiving remuneration for work or services provided to LD Vision who are not Employees as of the date of this Agreement and the age, position, status, length of service, location of employment, compensation and benefits of each Employee and the terms on which each other Person who is providing work or services to LD Vision is engaged. Except as set out in Schedule 3.2(24) to the Disclosure Letter, no Employee is on long-term disability leave, receiving benefits pursuant to Applicable Law or otherwise an inactive Employee.
- (h) LD Vision has not paid nor will it be required to pay any bonus, fee, distribution, remuneration or other compensation to any Person (other than salaries, wages or

bonuses paid or payable to Employees in the ordinary course of business in accordance with current compensation levels and practices as set out in Schedule 3.2(24)) as a result of the Closing of the transactions or agreements contemplated by this Agreement. For purposes of clarity, the LD Vendors have, prior to the date of this Agreement, agreed to pay Petsky Prunier LLC a fee at the Closing from a portion of the Cash Consideration payable to the LD Vendors, none of which fee shall be due from LD Vision or the Purchaser on or after the Closing.

- (25) *Suppliers.* Schedule 3.2(25) to the Disclosure Letter lists the names of the five largest suppliers to LD Vision for each of the last three 12-month periods ending immediately before the date of this Agreement, and the aggregate amount which each supplier was paid during such period. To the Knowledge of the LD Vendors, no such supplier intends to cease doing business with LD Vision or to modify or change in any material manner any existing arrangement with LD Vision for the purchase or supply of any products or services. The relationships of LD Vision with each of its principal suppliers, shippers and customers are satisfactory, and there are no unresolved disputes with any such supplier, shipper or customer.
- (26) *Transactions with Affiliates et al.* LD Vision is not liable in respect of advances, loans, guarantees, liabilities, or other obligations to or on behalf of any LD Vendor or Related Person of any LD Vendor, or any other Person with whom LD Vision does not deal at arm's length. Except as described in Schedule 3.2(26) to the Disclosure Letter, (a) no LD Vendor and no Related Person of any LD Vendor has or has had any interest in any asset owned or used by LD Vision, (b) there are no intercompany services, assets, or intellectual property provided to LD Vision by any of the LD Vendors or by any Related Person to any LD Vendor, except for a supply arrangement with Oak Ridges Vision Centre Inc., the particulars of which are described in Schedule 3.2(26) to the Disclosure Letter, and (c) no LD Vendor or Related Person of an LD Vendor is the owner of any equity security or any other financial or profit interest in a Person that (i) has business dealings or a material financial interest in any transaction with LD Vision or (ii) is a competitor LD Vision.
- (27) *Products and Services.* The products and services sold and provided by LD Vision have been sold and provided in accordance with, and meet all requirements of, Applicable Law and meet the specifications in all contracts with customers of LD Vision relating to the provision of such products and services.
- (28) *Insurance.* LD Vision maintains insurance covering its property and assets and protecting the Business in the amounts and under the policies described in Schedule 3.2(28) to the Disclosure Letter. Each of such insurance policies is valid and subsisting and in good standing, there is no default thereunder, and LD Vision is entitled to all rights and benefits thereunder. There are no claims pending under such policies.

(29) *Tax Matters.*

- (a) LD Vision has prepared and filed when due with each relevant Governmental Authority all Tax Returns required to be filed by or on behalf of LD Vision in respect of any Taxes for all fiscal taxation periods ending prior to the date hereof. All such Tax Returns are correct and complete in all material respects, and no material fact has been omitted therefrom. No extension of time in which to file any such Tax Returns is in effect.
- (b) LD Vision has paid in full and when due all Taxes required to be paid by it on or prior to the date hereof including all Taxes shown on a Tax Return or on any assessments or reassessments. No Governmental Authority has asserted that LD Vision is required to file Tax Returns or pay any Taxes in any jurisdiction where it does not already do so.
- (c) No reassessments of LD Vision's Taxes have been issued and are outstanding and neither LD Vision nor any LD Vendor has received any indication from any Governmental Authority that a reassessment of LD Vision is proposed in respect of any Taxes, regardless of its merits for any fiscal or taxation period. LD Vision has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to (i) a Tax assessment or deficiency, (ii) the filing of any Tax Return or other document, (iii) the payment of any Taxes by LD Vision, or (iv) the period for any assessment, reassessment or collection of Taxes.
- (d) LD Vision has withheld from each payment made to any Person, including any of its present or former employees, officers and directors, and all Persons who are or are deemed to be non-residents of Canada for purposes of the ITA, all amounts required by Applicable Law to be withheld, and has remitted such withheld amounts within the prescribed periods to the appropriate Governmental Authority.
- (e) LD Vision has remitted all Canada Pension Plan contributions, provincial pension plan contributions or pension plan contributions required by any other Governmental Authority, employment insurance premiums, employer health taxes and other Taxes payable or required to be withheld and remitted by it in respect of its employees to the appropriate Governmental Authority within the time required under Applicable Law.
- (f) LD Vision has charged, collected, and remitted on a timely basis all Taxes as required under Applicable Law in connection with any sale, supply, or delivery made by it.
- (g) No Governmental Authority has challenged or disputed a filing position taken by LD Vision in any Tax Return.
- (h) LD Vision does not have any liability obligation or commitment for the payment of Taxes not yet due other than those that have arisen since the date of filing its most recent Tax Return in the usual and ordinary course of business and for which adequate provision has been made in the Financial Records of LD Vision and/or for which there will be sufficient cash on hand at Closing.

(30) *No Material Adverse Change.* Since December 31, 2018, there has been no LD Material Adverse Change, and no event has occurred nor do any circumstances exist which could result in such an LD Material Adverse Change.

- (31) *Absence of Certain Changes or Events.* Since December 31, 2018, LD Vision has carried on the Business in the ordinary course and, in particular, but without limitation, has not:
- (a) amended its articles or by-laws or similar document adopted or filed in connection with the creation, formation, or organization of LD Vision;
 - (b) directly or indirectly, declared, set aside for payment or paid any dividend or made any other payment or distribution on or in respect of any of the LD Purchased Shares;
 - (c) redeemed, purchased, retired, or otherwise acquired, directly or indirectly, any of its Shares;
 - (d) issued or sold any shares or other securities or issued, sold or granted any option, warrant or right to purchase any of its shares or other securities or issued any security convertible into its shares, granted any registration rights or otherwise made any change to its authorized or issued share capital;
 - (e) disposed of or revalued any of the assets reflected on the balance sheet forming part of the most recent Unaudited Financial Statements, except in the ordinary course of business;
 - (f) changed any tax or accounting principles, policies, practices or methods;
 - (g) incurred or assumed any liabilities or obligations, except unsecured current liabilities incurred in the ordinary course of business;
 - (h) granted a security interest in or otherwise created a Lien on any of its property or assets except in the ordinary course of business in connection with amounts which, individually or in the aggregate are not material to the financial condition of LD Vision;
 - (i) entered into any contract or any other transaction that was not in the ordinary course of business;
 - (j) merged into or with or consolidated with, or acquired the business or material assets of, any Person (other than the purchase of inventory and Property in the ordinary course of business);
 - (k) made any payment to any Affiliate or forgiven any Indebtedness due or owing from any Affiliate of LD Vision, other than in the ordinary course of business;
 - (l) terminated, cancelled, modified or amended in any material respect or received notice or a request for termination, cancellation, modification or amendment of any Material Contract or taken or failed to take any action that would entitle any party to Material Contract to terminate, modify, cancel or amend it;
 - (m) cancelled or waived any debt, claim or other right with a value, individually, to LD Vision in excess of \$20,000;
 - (n) purchased or otherwise acquired any interest in any securities of any other Person;

- (o) made any capital expenditure or authorized any capital expenditure or made any commitment for the purchase, construction or improvement of any capital assets except in the ordinary course of business; or
 - (p) authorized or agreed or otherwise become committed to do any of the foregoing.
- (32) *Environmental Matters.* LD Vision has been in the past three (3) years and is currently in compliance in all material respects with all applicable environmental laws, including obtaining and maintaining in effect all material permits or licenses required by applicable environmental laws and is not, and has not been, to the Knowledge of the LD Vendors, subject to any legal proceedings investigating or alleging the violation or possible violation of any environmental law.
- (33) *No Subsidiaries.* LD Vision does not have, and has never had, any subsidiaries. LD Vision does not own directly or indirectly, any ownership, equity, profits or voting interest in, or otherwise control, any corporation, partnership, joint venture or other entity, and has no agreement or commitment to purchase any such interest.
- (34) *Absence of Certain Business Practices.* To the Knowledge of the LD Vendors, none of the LD Vendors, LD Vision, or any other Affiliate or agent of LD Vision has (a) received, directly or indirectly, any rebates, payments, commissions, promotional allowances or any other economic benefits, regardless of their nature or type, from any customer, supplier, employee or agent of any customer or supplier; or (b) directly or indirectly given or agreed to give any money, gift, or similar benefit to any customer, supplier, employee, or agent of any customer or supplier, any official or employee of any government (domestic or foreign), or any political party or candidate for office (domestic or foreign), in each case which may subject LD Vision to any penalty in any civil, criminal, or governmental litigation or proceeding.
- (35) *Warranties.* Except as set forth in Schedule 3.2(35) to the Disclosure Letter, no express warranties, guarantees, or indemnities have been in the last three (3) years or are being made by or on behalf of LD Vision for products or services sold prior to or as of the date of this Agreement. Other than claims in the ordinary course of business, there are no material claims existing and, to the Knowledge of the LD Vendors, there is no basis for any claim against LD Vision for injury to persons as a result of the sale of any product or service by LD Vision.
- (36) *Competition and Anti-Trust Matters.* Neither the aggregate value of the assets in Canada of LD Vision, nor the aggregate gross revenues from sales in or from Canada generated from such assets, exceed the monetary threshold set out in section 110(3) of the *Competition Act*, as prescribed by the *Competition Act*.
- (37) *Privacy Laws.* LD Vision is and has within the past three (3) years been, in compliance in all material respects with (i) all Applicable Laws concerning or otherwise applicable to the collection, use or disclosure of personal information and (ii) all of LD Vision's data and privacy related policies (e.g., privacy policies, acceptable use policies, terms of service, etc.). To the Knowledge of the LD Vendors, no Person has made any illegal or unauthorized use of any personal information of LD Vision or in the possession, custody, or control of LD Vision.

(38) *No Default or Consents.* LD Vision currently is not (a) in violation of its constating documents, (b) in default of any term, covenant, or condition contained in any Material Contract, or (c) in violation (in any material respect) of Applicable Law. Neither the execution and delivery of this Agreement or any transaction document nor the carrying out of any of the transactions contemplated hereby or thereby will:

- (a) violate or conflict with any of the terms, conditions, or provisions of the constating documents of LD Vision;
- (b) violate, conflict with, require notice under, result in a breach of, constitute a default under (whether with or without notice or the lapse of time or both), or accelerate or permit the acceleration of the performance required by, or give any other party the right to terminate, any Material Contract; or
- (c) result in the creation of any Lien on LD Vision or the LD Purchased Shares.

3.3 Full Disclosure.

None of the foregoing representations and warranties and no document furnished by or on behalf of the LD Vendors to the Purchaser or Rain City in connection with the negotiation of the transactions contemplated by this Agreement contains any untrue statement of a material fact or omits to state any material fact necessary to make any such statement or representation not materially misleading to a prospective purchaser of the LD Purchased Shares seeking full information as to LD Vision, its properties, assets, and the Business. None of the foregoing representations and warranties and no document furnished by or on behalf of Purchaser to the LD Vendors in connection with the negotiation of the transactions contemplated by this Agreement contains any untrue statement of a material fact or omits to state any material fact necessary to make any such statement or representation not materially misleading to a prospective purchaser of shares in the capital of Purchaser seeking full information as to Purchaser and its properties and assets. None of the foregoing representations and warranties and no document furnished by or on behalf of Rain City to the Purchaser and/or the LD Vendors in connection with the negotiation of the transactions contemplated by this Agreement contains any untrue statement of a material fact or omits to state any material fact necessary to make any such statement or representation not materially misleading to a prospective purchaser of the RC Assets.

3.4 No Waiver.

No investigations, inspections, surveys or tests made by or on behalf of the Purchaser or Rain City at any time, and no updates to information from the LD Vendors to the Purchaser or Rain City, shall, or shall be deemed to, affect, mitigate, modify, waive, diminish the scope of or otherwise affect any representation or warranty made by the LD Vendors in or pursuant to this Agreement, amend any Schedule hereto, or affect any remedies available to the Purchaser or Rain City, unless in each case agreed to by the Purchaser and Rain City in writing.

Article 4
REPRESENTATIONS AND WARRANTIES OF RAIN CITY AND PURCHASER

4.1 Representations and Warranties of Rain City.

As a material inducement to the LD Vendors entering into this Agreement and completing the transactions contemplated by this Agreement and acknowledging that the LD Vendors are entering into this Agreement in reliance upon the representations and warranties of Rain City set out in this Section 4.1, Rain City represents and warrants to the LD Vendors as follows:

- (1) *Incorporation and Good Standing.* Rain City is incorporated, organized, and subsisting under the laws of British Columbia and is in good standing with respect to the filing of its annual reports as required under applicable laws.
- (2) *Power and Capacity.* Rain City has the corporate power, authority and capacity to execute and deliver this Agreement and all *other* agreements and instruments to be executed by it as contemplated herein and to perform its obligations hereunder and thereunder.
- (3) *Authorization.* The execution and delivery of this Agreement and all other agreements and instruments to be executed by Rain City as contemplated herein and the completion of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of Rain City.
- (4) *Enforceability.* This Agreement constitutes a valid and binding obligation of Rain City and is enforceable against it in accordance with its terms.
- (5) *RC Assets; Ongoing Business Operations.* Rain City has good and marketable title to the RC Assets free and clear of any and all Liens, and there is no agreement, option, or other right or privilege outstanding in favour of any Person for the purchase of the RC Assets. As of the Effective Date, Rain City has ongoing business operations and intends to continue operations in the foreseeable future.
- (6) *Taxes.* Rain City has filed all returns, elections and designations required to be filed by it with all taxation authorities on a timely basis or if not filed on a timely basis, all fees, penalties, interest and other amounts payable as a result thereof have been paid. Rain City has paid in full all amounts (including, without limitation, excise, sales, use and consumption taxes and taxes measured on income and all instalments of taxes) owing to all federal, provincial, territorial and municipal taxation authorities due and payable by it.

4.2 Representations and Warranties of the Purchaser.

As a material inducement to the LD Vendors entering into this Agreement and completing the transactions contemplated by this Agreement and acknowledging that the LD Vendors are entering into this Agreement in reliance upon the representations and warranties of the Purchaser set out in this Section 4.2, the Purchaser represents and warrants to the LD Vendors as follows:

- (1) *Incorporation and Corporate Power.* The Purchaser is incorporated, organized, and subsisting under the federal laws of Canada and is in good standing with respect to the filing of its annual returns and financial statements as required under the BCBCA. The Purchaser has the corporate

power, authority, and capacity to execute and deliver this Agreement and all other agreements and instruments to be executed by it as contemplated herein and to perform its obligations hereunder and thereunder.

- (2) *Authorization.* The execution and delivery of this Agreement and all other agreements and instruments to be executed by the Purchaser as contemplated herein and the completion of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of the Purchaser.
- (3) *Enforceability.* This Agreement constitutes a valid and binding obligation of the Purchaser and is enforceable against it in accordance with its terms.
- (4) *Capitalization.* The authorized capital of the Purchaser consists of an unlimited number of Class A Preferred Shares, Class B Preferred Shares and Class C Preferred Shares of which 1,000,000 Class A Preferred Shares are issued and outstanding, 500,000 of which are held by 0999849 B.C. Ltd. and 500,000 of which are held by Bene Certo Holdings Ltd., all of which are duly authorized, validly issued, fully paid and non-assessable shares in the capital of the Purchaser. Except for the common shares, Class A Preferred Shares, Class B Preferred Shares, and Class C Preferred Shares to be issued pursuant to this Agreement and the conversion privileges of the Class A Preferred Shares, Class B Preferred Shares, and Class C Preferred Shares to be issued pursuant to this Agreement, there are no other securities of the Purchaser authorized, issued, reserved for issuance or outstanding (including any rights, subscriptions, warrants, options, conversion rights, calls, commitments or plans or agreements of any kind which would enable any Person to purchase or otherwise acquire any securities of the Purchaser including securities convertible, exercisable or exchangeable for shares or other securities of the Purchaser) and no Person has any right of first offer, right of first refusal or pre-emptive right in connection with any future offer, sale or issuance of any securities of the Purchaser. Except as set forth in this Agreement, there are no contracts to which the Purchaser is a party or by which it is bound to (i) repurchase, redeem or otherwise acquire any shares of, or other equity or voting interest in, the Purchaser, or (ii) dispose of any shares of the Purchaser.
- (5) *Class A, B and C Preferred Shares.* The rights, privileges and preferences of the Class A Preferred Shares, Class B Preferred Shares and Class C Preferred Shares are as stated in the Amended Articles and as provided in the BCBCA.
- (6) *LD Class A Shares.* The LD Class A Shares, when issued, sold and delivered in accordance with the terms for the consideration set forth in this Agreement, will be validly issued, fully paid and non-assessable and free of restrictions on transfer other than restrictions on transfer under the Restated Articles, applicable securities Laws and the Shareholders' Agreement. The common shares issuable upon conversion of the LD Class A Shares have been duly reserved for issuance, and upon issuance in accordance with the terms of the Restated Articles will be validly issued, fully paid and non-assessable, and free of restrictions on transfer other than restrictions under the Restated Articles, applicable securities Laws, and the Shareholders' Agreement.
- (7) *Private Issuer.* The Purchaser is a "private issuer" as that term is defined in National Instrument 45-106 – *Prospectus Exemptions*.

- (8) *No Default or Consents.* The Purchaser currently (a) is not in violation of its constating documents, (b) in default of any term, covenant or condition contained in any contract, or (c) in violation (in any material respect) of Applicable Law. Neither the execution and delivery of this Agreement or any transaction document nor the carrying out of any of the transactions contemplated hereby or thereby will:
- (a) violate or conflict with any of the terms, conditions or provisions of the constating documents of the Purchaser;
 - (b) violate, conflict with, require notice under, result in a breach of, constitute a default under (whether with or without notice or the lapse of time or both), or accelerate or permit the acceleration of the performance required by, or give any other party the right to terminate, any material contract binding upon the Purchaser; or
 - (c) result in the creation of any Lien on the Purchaser.
- (9) *Required Approvals.* No consent of, filing with, notice to, or waiver from any Governmental Authority is required to be obtained or made by the Purchaser in connection with the consummation of the transactions contemplated hereby.
- (10) *Legal Proceedings and Orders.* There is no Legal Proceeding in progress, pending or, to the Knowledge of the Purchaser, Threatened against or affecting the Purchaser or any of its officers or directors in their capacity as such, or any of its property or assets or title thereto, nor is there any factual or legal basis on which any such Legal Proceeding might be commenced. There is no Order outstanding against or affecting the Purchaser or any of its property or assets.

4.3 **No Waiver.**

No investigations, inspections, surveys or tests made by or on behalf of the LD Vendors at any time, and no updates to information from the Purchaser and/or Rain City, shall, or shall be deemed to, affect, mitigate, modify, waive, diminish the scope of or otherwise affect any representation or warranty made by the Purchaser and/or Rain City in or pursuant to this Agreement, amend any Schedule hereto, or affect any remedies available to the LD Vendors, unless in each case agreed to by the LD Vendors in writing.

Article 5 **COVENANTS**

5.1 **Conduct of Business.**

Except as otherwise specifically permitted by this Agreement, during the period from the date of this Agreement to the earlier of (i) the Closing and (ii) the termination of this Agreement:

- (1) The LD Vendors shall cause LD Vision to operate the Business in the ordinary course consistent with past practice, including paying and satisfying all obligations with respect to the Business as such obligations mature;

- (2) The LD Vendors shall cause LD Vision to continue to maintain in full force and effect all policies of insurance currently in effect in respect of LD Vision and the Business and give all notices and present all claims under all policies of insurance in a due and timely fashion;
- (3) The Vendors' Representative shall give notice to the Purchaser of any breaches of representations, warranties or covenants of any LD Vendor or any other material matter which may negatively affect LD Vision or the Business forthwith upon becoming aware of such matters;
- (4) LD Vision shall not, without the prior written consent of the Purchaser, perform or make any act or decision or enter into any contract, commitment or transaction not in the ordinary course of business or which could reasonably be expected to have an LD Material Adverse Effect or which would constitute a material breach, in each case, of the covenants, representations or warranties of the LD Vendors contained in this Agreement or which would cause such covenants, representations and warranties not to be materially true at the Closing, including:
 - (a) acquiring or initiating new businesses or undertakings or assuming any material commitment or obligation (by written agreement or otherwise) or selling, encumbering or otherwise disposing or distributing any material asset except, in each case, in the ordinary course of business;
 - (b) entering into any employment, labour, consulting or service contracts except in the ordinary course of business;
 - (c) improving the Employee Plans or paying or agreeing to pay any pension or retirement allowance not required by the existing Employee Plans or committing to any new or renewed Employee Plan;
 - (d) terminating any employment agreements or giving notice of termination except in the ordinary course of business;
 - (e) initiating or settling any litigation to which LD Vision may be or may become a party;
 - (f) entering into any transaction, understanding or arrangement with any Person with whom they are not acting at arm's length (as that term is defined for the purposes of the ITA);
 - (g) increasing the compensation payable (including, but not limited to, wages, salaries, bonuses or any other remuneration) or to become payable to any officer, Employee or contractor or any director of LD Vision;
 - (h) making any capital expenditure or commitment to make a capital expenditure in excess of \$50,000 individually or \$100,000 in the aggregate or otherwise acquiring any assets or properties (other than in the ordinary course of business consistent with practice), except in the ordinary course of business;
 - (i) incurring any additional Indebtedness which is not a Current Liability for the purposes of the Closing Working Capital Statement; or
 - (j) entering into any commitment or obligation to do any of the foregoing.

- (5) Rain City shall not enter into any material agreements, or incur any material liabilities, in each case with respect to the RC Assets and/or that would affect the RC Assets.
- (6) The Purchaser shall use its best commercial efforts to cause all currently issued and outstanding shares to be redeemed, repurchased, or otherwise acquired by the Purchaser at no additional cost or liability to the Purchaser.

5.2 Pre-Closing Reorganization.

Notwithstanding any other provision of this Agreement, LD Vision and the LD Vendors shall be entitled to participate in a pre-closing reorganization (the “**Pre-Closing Reorganization**”), to the extent that such Pre-Closing Reorganization would not reasonably result in any material costs, Taxes, or liabilities to the Purchaser or LD Vision, and either (i) such Pre-Closing Reorganization is approved by the Purchaser, acting reasonably, or (ii) such Pre-Closing Reorganization involves the transfer and/or issuance of shares of LD Vision to the LD Vendors and/or from one LD Vendor to another LD Vendor and does not, in any case, involve another Person who is not an LD Vendor as of the date hereof. The Vendors’ Representative will provide the Purchaser with a reasonable opportunity to review and comment on the steps of any Pre-Closing Reorganization prior to the implementation of such Pre-Closing Reorganization. The Pre-Closing Reorganization may include, without limitation, the sale or other transfer by a LD Vendor of some or all of its shares of LD Vision to another LD Vendor or to another Person (provided such Person executes a joinder agreement), the issuance of shares by LD Vision, the conversion or exchange of shares of LD Vision into other shares of LD Vision, changes to the stated capital accounts of LD Vision, the acquisition by LD Vision of an LD Vendor’s holding company (provided the Purchaser has consented to such acquisition, acting reasonably).

5.3 Audited Financial Statements.

The Vendors shall cause the Unaudited Financial Statements as at December 31, 2018 to be audited by KPMG LLP (the resulting financial statements, including the auditors’ report thereon, the “**Audited Financial Statements**”) and shall deliver the Audited Financial Statements to the Purchaser least five (5) Business Days prior to Closing,. The cost of preparing the Audited Financial Statements shall be paid as to a maximum of \$30,000 by the LD Vendors and as to any excess, by the Purchaser.

5.4 Further Action.

Each of LD Vision, the LD Vendors, the Purchaser, and Rain City shall use commercially reasonable efforts to take, or cause to be taken, all necessary action, do or cause to be done all things necessary, proper or advisable under applicable Law, and execute and deliver such documents and other papers, as may reasonably be required to carry out the provisions of this Agreement and consummate and make effective the transactions contemplated hereby. In addition, each LD Vendor shall, severally and not jointly, deliver to the Purchaser such certificates and instruments of conveyance as are necessary to vest in the Purchaser good and valid title to the LD Purchased Shares.

5.5 Examination and Investigations.

LD Vision and the LD Vendors shall until the Closing take commercially reasonable efforts to make available to the Purchaser and its Representatives for examination all books and records and other documents relating to LD Vision and the Business in its or LD Vision’s possession or under its or LD Vision’s control to the extent the Purchaser reasonably believes necessary or desirable. The LD Vendors

shall cause LD Vision until the Closing to take commercially reasonable efforts to give the Purchaser and its representatives access to the assets of LD Vision in order to make such investigations as they shall deem necessary or advisable including for purposes of conducting its due diligence. The LD Vendors shall cause LD Vision to also permit such Persons as the Purchaser may reasonably require to inspect the assets of LD Vision, after having received reasonable prior notice, during normal business hours, prior to the Closing. The LD Vendors and LD Vision consent to the Purchaser making applications and inquiries under any freedom of information legislation (federal, state, provincial, and municipal) and shall sign any documents or forms of consent incidental thereto.

5.6 Confidentiality.

Prior to the Closing, the Purchaser shall keep confidential all information disclosed to it by the LD Vendors or LD Vision, or its agents relating to the LD Vendors, or LD Vision or the Business, except information which: (i) is part of the public domain; (ii) becomes part of the public domain other than as a result of a breach of these provisions by the Purchaser; (iii) can be demonstrated to have been known or available to the Purchaser or independently developed by the Purchaser; (iv) was received in good faith from an independent Person who was lawfully in possession of such information free of any obligation of confidence; or (v) is released from the provisions of this Agreement by the written authorization of the Vendors' Representative.

If this Agreement is terminated without completion of the transactions contemplated herein, the Purchaser shall promptly return all documents, work papers and other written material (including all copies) except for one copy for record purposes only obtained from the LD Vendors or LD Vision in connection with this Agreement, and not previously made public, and shall continue to maintain the confidence of all such information, provided that the Purchaser may retain a list containing general descriptions of information returned or destroyed.

After the Closing, the LD Vendors shall keep confidential all information relating to the Business, except information which: (i) is part of the public domain; (ii) becomes part of the public domain other than as a result of a breach of these provisions by the LD Vendor; (iii) was received in good faith after Closing from an independent Person who was lawfully in possession of such information free of any obligation of confidence; or (iv) is released from the provisions of this Agreement by the written authorization of Purchaser.

5.7 Disclosure of Transaction.

Neither the LD Vendors, nor LD Vision, nor Rain City, nor the Purchaser shall, nor shall any of their respective Affiliates, agents, employees, officers and directors, without the prior written consent of the other Party, disclose or permit to be disclosed to anyone any information relating to the other Party, this Agreement or the transactions contemplated by this Agreement. This Section 5.7 does not prohibit disclosure to the professional advisors, bankers, and employees of either Party who need to know such information, or to the extent necessary to authorize the purchase and sale of the LD Purchased Shares pursuant to this Agreement, or as may be required by any Law or as required by any applicable rule, policy, or instrument of any Governmental Authority, stock exchange, or like body or as required for reporting to shareholders and others in their annual and other reports and filings.

5.8 Non-Solicitation.

The LD Vendors and LD Vision shall immediately cease any existing discussions or negotiations with any third Persons conducted prior to the date hereof with respect to any merger, business combination, sale of assets, sale of shares of capital stock or other securities, capital raise or similar transaction involving any third Person, the LD Vendors or LD Vision (an "Acquisition Transaction"). The LD Vendors and LD Vision shall use their respective best efforts to cause the employees, directors, officers, and shareholders of LD Vision not to, directly or indirectly, encourage, solicit, participate in, facilitate or initiate discussions or negotiations with, or provide any information to, any Person or group (other than the Purchaser, or its directors, officers, employees or other Affiliates or Representatives) concerning any Acquisition Transaction or any discussions or negotiations with respect thereto. The Vendors' Representative shall immediately communicate to the Purchaser any inquiries or proposals regarding any unsolicited Acquisition Transaction and the terms thereof.

5.9 Notification of Certain Matters.

Each Party shall give prompt notice to the other Party of any of the following which occurs, or of which it becomes aware, following the date hereof: (a) any notice of, or other communication relating to, a default or event that, with notice or lapse of time or both, would become a default under any contract disclosed (or required to be disclosed) in any Schedule to this Agreement; (b) the occurrence or existence of any fact, circumstance or event which would reasonably be expected to result in (i) any representation or warranty made by such Party in this Agreement or in any Schedule or certificate delivered herewith, to be untrue or inaccurate or (ii) the failure of any condition precedent to either party's obligations; and (c) any notice or other communication from any third Person alleging that the consent of such third Persons or may be required in connection with the transactions contemplated by this Agreement.

5.10 Preparation of Tax Returns.

- (1) The LD Vendors shall cause to be prepared and filed on a timely basis (a) all Tax Returns for LD Vision for any Pre-Closing Tax Period for which Tax Returns have not been filed as of the Closing Date and (b) all Tax Returns for LD Vision for any Straddle Period for which Tax Returns are required to be prepared and filed (all Tax Returns referred to in clause (a) and (b) above collectively being referred to herein as the "Stub Period Returns"). The LD Vendors and the Purchaser shall co-operate fully with each other and make available to each other in a timely fashion such data and other information as may reasonably be required for the preparation of all Stub Period Returns and shall preserve such data and other information until the expiration of any applicable limitation period under any Applicable Law with respect to such Stub Period Returns. The Vendors Representative shall provide to the Purchaser for its review and consent a copy of the Stub Period Returns, and the Purchaser shall pay to the Vendors' Representative one-half of the costs (including reasonable allocation of internal costs) of the preparation and filing of such Stub Period Returns.
- (2) The LD Vendors shall pay all Taxes due with respect to all Tax Returns for LD Vision for any Pre-Closing Tax Period. The Purchaser shall pay to the LD Vendors any tax refunds received for any Pre-Closing Tax Period, if any, by wire transfer of immediately available funds to the account or accounts designated by the Vendors' Representative as provided in Section 2.2(a).

- (3) In the case of any Straddle Period, the amount of Taxes allocable to the portion of the Straddle Period ending immediately prior to the Closing Date shall be:
- (a) in the case of Taxes imposed on a periodic basis (such as real or personal property Taxes), the amount of such Taxes for the entire Straddle Period (or, in the case of such Taxes determined on an arrears basis, the amount of such Taxes for the immediately preceding period) multiplied by a fraction, the numerator of which is the number of calendar days in the Straddle Period prior to the Closing Date and the denominator of which is the number of calendar days in the entire relevant Straddle Period; and
 - (b) in the case of Taxes not described in (a) above (such as franchise Taxes, Taxes that are based upon or related to income or receipts, or Taxes that are based upon occupancy or imposed in connection with any sale or other transfer or assignment of property), the amount of such Taxes determined as if such tax period ended immediately prior to the Closing Date.
- (4) The Purchaser agrees not to re-file or amend any previous Tax filings or Tax Returns filed by or on behalf of LD Vision prior to the date hereof without the prior review and consent of the Vendors' Representative.

5.11 Cooperation Regarding Financing.

From the date hereof through the Closing Date, no additional cost to the LD Vendors and/or LD Vision, the LD Vendors and LD Vision shall assist and cooperate with the efforts of Rain City and the Purchaser and its accountants, auditors, investment bankers and other representatives in connection with the Purchaser's financing of the transactions contemplated hereby.

5.12 Excluded Assets

The Parties acknowledge and agree that on or before the Closing Date the Excluded Assets shall be transferred to the applicable LD Vendor on an "as is" basis without any representation, warranty or covenant whether statutory, express or implied whatsoever and without recourse to the Purchaser and for the amounts, if any, set forth in Schedule 5.12. Each transferee of an Excluded Asset shall be responsible for insuring the Excluded Assets transferred to him or her from the date of transfer (and in any event no later than the Closing Date) and the Purchaser shall have no obligation or liability with respect to the Excluded Assets following Closing.

Article 6
CLOSING

6.1 Closing.

The Closing shall take place at 11:00 a.m. (Vancouver Time) on the Closing Date (or at such other time as mutually agreed to by the Parties) by electronic exchange, via email, of Closing deliveries, of each party set out in this Article 6.

6.2 Conditions Precedent to Each Party's Obligations.

The respective obligations of each Party to consummate the transactions contemplated hereby shall be subject to the satisfaction, at or prior to the Closing, of all of the following conditions:

- (1) *No Legal Prohibition.* No Law or order shall be enacted, promulgated, entered, issued or enforced by any Governmental Authority that reasonably could have the effect of making the transactions illegal or otherwise restrain or prohibit the consummation of the transactions.
- (2) *No Restraints.* No temporary restraining order, preliminary or permanent injunction or other order preventing the consummation of the Transactions shall have been issued by any Governmental Authority and shall remain in effect.

6.3 Conditions Precedent to Obligations of Purchaser .

The obligations of Purchaser to consummate the Transactions shall be subject to the satisfaction, at or prior to the Closing, of all of the following conditions, any one or more of which may be waived in writing by Purchaser:

- (1) *Accuracy of Representations.* The representations of the LD Vendors in Sections 3.1 and 3.2 shall be true and correct as of the Closing with the same force and effect as though made at and as of the Closing Date (other than such representations as are made as of another date, which shall have been true and correct as of such other date) and on the basis that references to Unaudited Financial Statements shall also include the Audited Financial Statements.
- (2) *Performance of Covenants.* Each of the LD Vendors, LD Vision, and the Vendors' Representative shall have performed and complied with, in all material respects, all covenants and agreements required by this Agreement to be performed or complied with by them at or prior to the Closing.
- (3) *Deliveries.* The LD Vendors shall have delivered or be prepared to deliver to Purchaser:
 - (a) certificates representing the LD Purchased Shares together with instruments of transfer duly executed by each LD Vendor;
 - (b) the minute books, share certificate books, and corporate seal of LD Vision;
 - (c) a certificate of a senior officer of LD Vision dated as of the Closing Date certifying that each of the conditions specified in sections 6.3(1), (2), (5), and (6) have been fulfilled;
 - (d) evidence that all Consents required to have been obtained have been obtained;
 - (e) a duly executed release and resignation from each of the LD Vendors who are also officers and/or directors of LD Vision in the form attached as Schedule 6.3(3)(e);
 - (f) a shareholders' agreement in substantially the form attached as Schedule 6.3(3)(f) hereto (the "**Shareholders' Agreement**"), duly executed by each LD Vendor issued or to be issued shares in the capital of the Purchaser as at Closing;

- (g) if requested by the Purchaser, employment agreements with the Purchaser, duly executed by each of Arshil Abdulla, Fayaz Abdulla and Shaneef Mitha which shall include the material terms set forth in Schedule 6.3(3)(g) and otherwise be in a form and substance satisfactory to the Purchaser, acting reasonably;
 - (h) evidence of the transfer of Excluded Assets to one or more LD Vendors; and
 - (i) all such other assurances, consents, agreements, documents and instruments as are reasonably required by the Purchaser to complete the transactions provided for in this Agreement, all of which were in form and substance satisfactory to the Purchaser, acting reasonably.
- (4) *Financing.* The Financing shall have been completed, subject only to the Closing.
- (5) *No Additional Indebtedness.* LD Vision shall not have any Indebtedness except Indebtedness that is a Current Liability for the purposes of the Closing Working Capital Statement;
- (6) *No Material Adverse Effect.* There shall not have occurred an LD Material Adverse Effect after the Effective Date and prior to the Closing Date.

6.4 Conditions Precedent to Obligations of the LD Vendors .

The obligations of the LD Vendors to consummate the Transactions shall be subject to the satisfaction, at or prior to the Closing, of all the following conditions, any one or more of which may be waived in writing by the Vendors' Representative:

- (1) *Accuracy of Representations.* The representations of Purchaser contained in Section 4.2 shall be true and correct as of the Closing with the same force and effect as if made at and as of the Closing Date (other than such representations as are made as of another date, which shall have been true and correct as of such other date).
- (2) *Performance of Covenants.* Purchaser shall have performed and complied with, in all material respects, all covenants and agreements required by this Agreement to be performed or complied with by Purchaser on or prior to the Closing.
- (3) *Deliveries.* The Purchaser shall have delivered or be prepared to deliver to the LD Vendors:
 - (a) the amounts payable and share certificates evidencing the LD Common Shares, the LD Class A Shares, and Cash Consideration issuable pursuant to Sections 1.4 and 2.2;
 - (b) evidence of payment by Rain City of the RC Subscription Price and issuance of the RC Class B Shares;
 - (c) evidence of cancellation, redemption by Purchaser, or other acquisition by Purchaser of any and all shares in the capital of the Purchaser issued and outstanding as of the Closing Date for no consideration payable to, or obligation owing to, any Person.
 - (d) a certificate of a senior officer of the Purchaser dated as of the Closing Date certifying that each of the conditions specified in sections 6.4(1) and (2) have been fulfilled;

- (e) evidence of transfer of the RC Assets to the Purchaser and issuance of the RC Class C Shares;
- (f) the Shareholders' Agreement duly executed by the Purchaser and Rain City.

Article 7
SURVIVAL AND INDEMNIFICATION

7.1 Survival.

All provisions of this Agreement and of any other agreement, certificate or instrument delivered pursuant to this Agreement shall not merge on Closing but shall survive the execution, delivery and performance of this Agreement, the Closing and the execution and delivery of any transfer documents or other documents of title to the LD Purchased Shares and all other agreements, certificates and instruments delivered pursuant to this Agreement and the payment of the consideration for the LD Purchased Shares.

7.2 Indemnity by the LD Vendors.

The LD Vendors shall jointly and severally indemnify the Purchaser's Indemnified Parties and the Rain City Indemnified Parties and save them fully harmless against, and will reimburse them for, any Damages arising from, in connection with or related in any manner whatsoever to:

- (a) any incorrectness in or breach of any representation or warranty of the LD Vendors contained in this Agreement or in any other agreement, certificate or instrument executed and delivered pursuant to this Agreement;
- (b) any breach or any non-fulfilment of any covenant or agreement on the part of the LD Vendors contained in this Agreement or in any other agreement, certificate or instrument executed and delivered pursuant to this Agreement;
- (c) defects or deficiencies in any product distributed and any services provided by LD Vision, in whole or in part, prior to the Closing Date;
- (d) any Legal Proceeding to which LD Vision is a party at any time on or prior to the Closing Date, or to which it becomes a party after the Closing Date arising from facts or circumstances that existed at any time on or prior to the Closing Date including the Legal Proceedings disclosed in Schedule 3.2(23) to the Disclosure Letter;
- (e) any breach or alleged breach of any LD Material Contract by LD Vision which occurred prior to or on the Closing Date, or any such breach which occurs after the Closing Date but arises out of a continuation of a course of conduct which commenced prior to the Closing Date, where the Purchaser did not have knowledge that the continuation of such course of conduct would cause a breach of the applicable contract; and
- (f) any Taxes required to be paid by LD Vision (and any successor thereto) relating or attributable to any Pre-Closing Tax Period (as determined under Section 5.10) except to the extent such Taxes were specifically taken into account in the Post-Closing Adjustment Amount

provided neither the Purchaser's Indemnified Parties nor the Rain City Indemnified Parties shall be entitled to compensation under this Section 7.2 in respect of amounts which were adjusted for in the Post-Closing Adjustment Amount.

For greater certainty and without limiting the generality of the provisions of Sections 7.2(a) and (b), the indemnity provided for in Sections 7.2(b) through 7.2(f) shall extend to any Damages arising from any act, omission or state of facts that occurred or existed prior to the Closing Time, and whether or not disclosed in any Schedule to this Agreement or the Disclosure Letter. The rights to indemnification of the Purchaser's Indemnified Parties under this Section 7.2 shall apply notwithstanding any inspection or inquiries made by or on behalf of any of the Purchaser's Indemnified Parties, or any knowledge acquired or capable of being acquired by any of the Purchaser's Indemnified Parties or facts actually known to any of the Purchaser's Indemnified Parties and/or Rain City Indemnified Parties (whether before or after the execution and delivery of this Agreement and Closing).

7.3 Indemnity by Rain City.

Subject to the conditions, qualifications, exclusions and limitations set out below, Rain City shall indemnify the Purchaser's Indemnified Parties and the LD Vendors' Indemnified Parties and save them fully harmless against, and will reimburse them for, any Damages arising from, in connection with or related in any manner whatsoever to:

- (a) any incorrectness in or breach of any representation or warranty of Rain City contained in this Agreement or in any other agreement, certificate or instrument executed and delivered pursuant to this Agreement;
- (b) any breach or non-fulfilment of any covenant or agreement on the part of Rain City contained in this Agreement or in any other agreement, certificate or instrument executed and delivered pursuant to this Agreement;
- (c) any liability for Taxes, whether or not accrued, assessed or currently due and payable, relating to the operation or ownership of the business of Rain City for any period ending on or prior to the Closing Date; and
- (d) any and all liabilities or indebtedness of Rain City, whether accrued, absolute, contingent or otherwise, to which Purchaser becomes subject or which are automatically assumed by the Purchaser by operation of law or otherwise, whether prior to the date hereof or following the Closing, including without limitation all liabilities, disputes or claims (including, without limitation, any contractual obligations, unpaid wages, salaries, and bonuses, earned and accrued vacation, severance, notice, pay-in-lieu of notice, and any obligations pursuant to any Applicable Laws relevant to the employees of Rain City), related to the employees of Rain City in respect of events occurring prior to the Closing Date and for the period up to the Closing Date.

7.4 Indemnity by the Purchaser.

Subject to the conditions, qualifications, exclusions and limitations set out below, the Purchaser shall indemnify the LD Vendors' Indemnified Parties and save them fully harmless against, and will reimburse them for, any Damages arising from, in connection with or related in any manner whatsoever to:

- (a) any incorrectness in or breach of any representation or warranty of the Purchaser contained in this Agreement or in any other agreement, certificate or instrument executed and delivered pursuant to this Agreement; and
- (b) any breach or non-fulfilment of any covenant or agreement on the part of the Purchaser contained in this Agreement or in any other agreement, certificate or instrument executed and delivered pursuant to this Agreement.

7.5 Claim Notice.

If an Indemnified Party becomes aware of any act, omission or state of facts that may give rise to Damages in respect of which a right of indemnification is provided for under this Article 7, the Indemnified Party shall promptly give written notice thereof (a "**Claim Notice**") to the Indemnifying Party. The Claim Notice shall specify whether the potential Damages arise as a result of a claim by a Person against the Indemnified Party (a "**Third Party Claim**") or whether the potential Damages arise as a result of a claim directly by the Indemnified Party against the Indemnifying Party (a "**Direct Claim**"), and shall also specify with reasonable particularity (to the extent that the information is available):

- (a) the factual basis for the Direct Claim or Third Party Claim, as the case may be; and
- (b) the amount of the potential Damages arising therefrom, if known.

If, through the fault of the Indemnified Party, the Indemnifying Party does not receive a Claim Notice in time effectively to contest the determination of any liability susceptible of being contested or to assert a right to recover an amount under applicable insurance coverage, then the liability of the Indemnifying Party to the Indemnified Party under this Article 7 shall be reduced only to the extent that Damages are actually incurred by the Indemnifying Party resulting from the Indemnified Party's failure to give the Claim Notice on a timely basis. Nothing in this Section 7.5 shall be construed to affect the time within which a Claim Notice must be delivered pursuant to Sections 7.6(1), 7.6(2), and/or 7.6(3) in order to permit recovery pursuant to Sections 7.2, 7.3, and/or 7.4 as the case may be.

7.6 Time Limits for Claim Notice for Breach of Representations and Warranties.

- (1) *Notice by the Purchaser.* No Damages may be recovered from the LD Vendors pursuant to Section 7.2(a) unless (subject to the fraud exception below) a Claim Notice is delivered by the Purchaser in accordance with the timing set out below:
 - (a) with respect to the representations and warranties in Sections 3.1(1), (3), (4), (5), (6), (7) and (8) and 3.2 (1), (2), (3), (6), (11), (33), and (38) at any time after Closing (collectively, the "**Fundamental Representations**");
 - (b) with respect to the representations and warranties in Section 3.2(29), at any time before the date that is 90 days after the relevant Governmental Authorities are no longer entitled to assess or reassess LD Vision in respect of the Taxes in question, having regard, without limitation, to:
 - (i) any waiver given by LD Vision before the Closing Date in respect of such Taxes; and

- (ii) any entitlement of a Governmental Authority to assess or reassess LD Vision without limitation in the event of fraud or misrepresentation attributable to neglect, carelessness or wilful default; and
 - (c) with respect to all other representations and warranties, on or before the date that is 18 months after Closing, provided, however, that in the event of fraud relating to a representation and warranty of the LD Vendors in this Agreement, then notwithstanding the foregoing time limitations, the Purchaser's Indemnified Parties shall be entitled to deliver a Claim Notice at any time for purposes of such a claim. Unless (subject to the fraud exception above) a Claim Notice has been given in accordance with the timing set out in Sections 7.6(1)(a), (b) or (c), with respect to the representations and warranties referred to in any such Section, the LD Vendors shall be released on the date set out in Sections 7.6(1)(a), (b) or (c), as applicable, from all obligations in respect of representations and warranties referenced in those Sections and from the obligation to indemnify the Purchaser's Indemnified Parties in respect thereof pursuant to Section 7.2(a).
- (2) *Notice by the LD Vendors and Purchaser's Indemnified Parties.* No Damages may be recovered from Rain City pursuant to Section 7.3(a) unless a Claim Notice is delivered by the Vendors' Representative or the Purchaser's Indemnified Parties on or before the date that is 18 months after Closing, provided, however, that in the event of fraud relating to a representation and warranty of the Purchaser and/or Rain City in this Agreement, then notwithstanding the foregoing time limitations, the LD Vendors' Indemnified Parties or the Purchaser's Indemnified Parties shall be entitled to deliver a Claim Notice at any time for purposes of such a claim. Unless (subject to the fraud exception above) a Claim Notice has been given on or before the date that is 18 months after Closing with respect to each particular representation and warranty, Rain City shall be released on the date that is 18 months after Closing from all obligations in respect of that particular representation and warranty and from the obligation to indemnify the LD Vendors' Indemnified Parties and the Purchaser's Indemnified Parties in respect thereof pursuant to Section 7.3(a).
- (3) *Notice by the LD Vendors' Indemnified Parties.* No Damages may be recovered from the Purchaser pursuant to Section 7.4(a) unless a Claim Notice is delivered by the LD Vendors' Indemnified Parties on or before the date that is 18 months after Closing, provided, however, that in the event of fraud relating to a representation and warranty of the Purchaser in this Agreement, then notwithstanding the foregoing time limitations, the LD Vendors' Indemnified Parties shall be entitled to deliver a Claim Notice at any time for purposes of such a claim. Unless (subject to the fraud exception above) a Claim Notice has been given on or before the date that is 18 months after Closing with respect to each particular representation and warranty, Purchaser shall be released on the date that is 18 months after Closing from all obligations in respect of that particular representation and warranty and from the obligation to indemnify the LD Vendors' Indemnified Parties in respect thereof pursuant to Section 7.4(a).

7.7 **Monetary Limitations.**

- (1) *Damages from LD Vendors.* In addition, no Damages may be recovered from the LD Vendors pursuant to Section 7.2(a) unless and until the accumulated aggregate amount of Damages of the Purchaser's Indemnified Parties and/or Rain City Indemnified Parties arising pursuant to

Section 7.2(a) exceeds \$50,000, in which event the accumulated aggregate amount of all such Damages in excess of such amount may be recovered, provided that such obligation to indemnify shall only apply in respect of individual claims or a series of related claims in which the indemnity amount payable is at least \$1,500. Such limitation shall have no application to any claim to recover Damages based on any incorrectness in or breach of (i) any Fundamental Representation, or (ii) any other representation, warranty, or covenant of the LD Vendors in this Agreement resulting from fraud by the LD Vendors.

- (2) *Damages from Purchaser.* No Damages may be recovered from Rain City pursuant to Section 7.3(a) unless and until the accumulated aggregate amount of Damages of the LD Vendors' Indemnified Parties and/or the Purchaser's Indemnified Parties arising pursuant to Section 7.3(a) exceeds \$50,000, in which event the accumulated aggregate amount of all such Damages in excess of such amount may be recovered, provided that such obligation to indemnify shall only apply in respect of individual claims or a series of related claims in which the indemnity amount payable is at least \$1,500. Such limitation shall have no application to any claim to recover Damages based on any incorrectness in or breach of (i) any representation or warranty of Rain City in Sections 4.1(1), (2), (3) and (4) of this Agreement, or (ii) any other representation, warranty, or covenant of the Purchaser in this Agreement resulting from fraud by the Purchaser.
- (3) *Damages from Purchaser.* No Damages may be recovered from the Purchaser pursuant to Section 7.4(a) unless and until the accumulated aggregate amount of Damages of the LD Vendors' Indemnified Parties arising pursuant to Section 7.4(a) exceeds \$50,000, in which event the accumulated aggregate amount of all such Damages in excess of such amount may be recovered, provided that such obligation to indemnify shall only apply in respect of individual claims or a series of related claims in which the indemnity amount payable is at least \$1,500. Such limitation shall have no application to any claim to recover Damages based on any incorrectness in or breach of (i) any representation or warranty of the Purchaser in Sections 4.2 (1), (2), (3), (4) and (8) of this Agreement, or (ii) any other representation, warranty, or covenant of the Purchaser in this Agreement resulting from fraud by the Purchaser.
- (4) *Reductions.* The amount of any indemnity obligation under this Agreement shall be reduced by:
 - (a) the amount of any insurance or other reimbursement actually received by the Indemnified Party in relation to the breach or other event giving rise to the Claim; and
 - (b) the amount actually recovered by the Indemnified Party under any counterclaims against third parties in relation to the breach or other event giving rise to the Claim.
- (5) *Limitation of Liability.* The total maximum liability of:
 - (a) the LD Vendors, jointly and severally, to the Purchaser and/or Rain City for indemnification obligations set out in this Agreement shall not exceed \$12 million;
 - (b) The Purchaser and Rain City to the LD Vendors for indemnification obligations set out in this Agreement shall not exceed \$300,000; and

- (c) For purposes of subsections (a) and (b) of this Section 7.7(5), all individual Claims for which indemnification obligations hereunder have become due and payable, or would otherwise become due and payable but for the operation of subsections (a) and/or (b) of this Section 7.7(5), to the LD Vendors on the one hand or the Purchaser and/or Rain City on the other hand (as applicable) shall be aggregated.

Such limitations shall have no application to any claim to recover Damages based on any incorrectness in or breach of (i) any Fundamental Representation, or (ii) any other representation, warranty, or covenant of any Party in this Agreement resulting from fraud by such Party.

7.8 Calculation of Damages.

For the purpose of calculating the amount of Damages under this Article 7, each representation and warranty shall be read without regard to and without giving effect to any materiality. Further, the calculation of such amount shall not be affected by any inspection or inquiries made by or on behalf of the Party entitled to be indemnified under this Article 7.

7.9 Agency for Non-Parties.

Notwithstanding Section 7.13, each Party hereby accepts each indemnity in favour of each of its Indemnified Parties who are not Parties as agent and trustee of that Indemnified Party. Each Party may enforce an indemnity in favour of any of that Party's Indemnified Parties on behalf of each such Indemnified Party.

7.10 Direct Claims.

In the case of a Direct Claim, the Indemnifying Party shall have 60 days from receipt of a Claim Notice in respect thereof within which to make such investigation as the Indemnifying Party considers necessary or desirable. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate its right to be indemnified under this Article 7, together with all such other information as the Indemnifying Party may reasonably request. If the Parties fail to agree at or before the expiration of such 60-day period (or any mutually agreed upon extension thereof), the Parties shall, prior to pursuing any other remedies as may be available to them, attempt to resolve the dispute among them in accordance with Article 9.

7.11 Third Party Claims.

- (1) *Rights of Indemnifying Party.* In the event a Claim Notice is delivered with respect to a Third Party Claim for less than \$10,000, the Indemnifying Party shall have the right, at its expense, to participate in but not control the negotiation, settlement, or defence of the Third Party Claim, which control shall rest at all times with the Indemnified Party, except as otherwise stated in Section 7.11(2).
- (2) *Joint Control for Certain Claims.* The Indemnifying Party and the Indemnified Party shall jointly control and participate in the negotiation, settlement and defence of (a) any Third Party Claim equal to or in excess of \$10,000, (b) any Third Party Claim relating to Taxes for any Straddle Period, and (c) any Third Party Claim relating partly to Pre-Closing Tax Periods and partly to other tax periods. Neither the Indemnifying Party nor the Indemnified Party shall settle any

such Third Party Claim without the written consent of the other, which consent shall not be unreasonably withheld or delayed.

(3) *Compulsory Payments Prior to Settlement.*

(a) In the case of a Claim Notice concerning an amount of Damages (i) required to be paid by an Indemnified Party under Applicable Law or any Order, or (ii) in respect of which any amount is garnished by a Governmental Authority (each such amount a "**Preliminary Compulsory Payment Amount**"), the Indemnifying Party shall, within 10 days of receipt of the Claim Notice, pay the Indemnified Party an amount equal to the Preliminary Compulsory Payment Amount.

(b) Upon the occurrence of a Final Compulsory Payment Indemnification Event (if any), (i) if the aggregate of all Preliminary Compulsory Payment Amounts is less than the amount so determined under the Final Determination to be the amount owing (the "**Final Compulsory Payment Amount**"), the Indemnifying Party shall, within 10 days of the time that the Indemnified Party notifies the Indemnifying Party of the occurrence of the Final Compulsory Payment Indemnification Event, pay to the Indemnified Party an amount equal to the difference between the aggregate for all Preliminary Compulsory Payment Amounts and the Final Compulsory Payment Amount, and (ii) if the aggregate of all Preliminary Compulsory Payment Amounts exceeds the Final Compulsory Payment Amount, the Indemnified Party shall within 10 days of the receipt of any related refund or credit, pay to the Indemnifying Party the amount of such refund or credit (including any interest paid or credited with respect thereto but net of any Taxes payable by the Indemnified Party in respect of such refund, credit or interest).

(4) *Other Rights of Indemnified Party.* Except as otherwise stated in Section 7.11(2), the Indemnified Party shall have the exclusive right to contest, settle or pay the amount claimed and the Indemnifying Party shall be bound by the results obtained by the Indemnified Party with respect to such Third Party Claim.

7.12 **Set-off.**

The Purchaser shall be entitled to set off the amount of any Damages subject to indemnification or any other amounts that may be owing by the LD Vendors to the Purchaser under this Agreement against any other amounts payable by the Purchaser to the LD Vendors, whether under this Agreement or otherwise.

7.13 **The Vendors' Representative.**

(1) By virtue of the approval of this Agreement by the LD Vendors and without any further action of any of the LD Vendors or LD Vision, Arshil Abdulla (such person and any successor or successors being the "**Vendors' Representative**") shall act as the true and lawful attorney-in-fact, exclusive agent and representative of the LD Vendors, and shall be authorized to act on behalf of the LD Vendors to take any and all actions required or permitted to be taken by the Vendors' Representative under this Agreement and the Vendors' Representative Engagement Agreement and with respect to any claims (including the settlement thereof) made by a Purchaser's

Indemnified Party or Rain City Indemnified Party for indemnification pursuant to Article 7. In all matters relating to Article 7 and Article 9, the Vendors' Representative shall be the only party entitled to assert the rights of the LD Vendors, and the Vendors' Representative shall perform all of the obligations of the LD Vendors under Article 7 and Article 9. The Vendors' Representative shall be entitled to: (i) rely upon any signature believed by it to be genuine, and (ii) reasonably assume that a signatory has proper authorization to sign on behalf of the applicable LD Vendor or other Party. The powers, immunities and rights to indemnification granted to the Vendors' Representative Group (as defined below) hereunder: (i) are coupled with an interest and shall be irrevocable and survive the death, incompetence, bankruptcy or liquidation of any LD Vendors and shall be binding on any successor thereto, and (ii) shall survive the delivery of an assignment by any LD Vendors of the whole or any fraction of his, her or its interest in the LD Purchased Shares. Purchaser's Indemnified Parties and Rain City's Indemnified Parties shall be entitled to rely on all statements, representations and decisions of the Vendors' Representative. The Vendors' Representative may resign upon not less than twenty (20) business days' prior written notice to Purchaser, Rain City, and each of the LD Vendors. The LD Vendors, by the vote of a majority-in-interest of the Class A Preferred Shares cumulatively held by the LD Vendors, may remove the Vendors' Representative from time to time upon not less than twenty (20) Business Days' prior written notice to Purchaser and Rain City. Any vacancy in the position of the Vendors' Representative may be filled by such a majority-in-interest of the LD Vendors, subject to Purchaser's consent (which consent shall not be unreasonably withheld, conditioned or delayed). Any successor Vendors' Representative shall acknowledge in writing to Purchaser and Rain City his acceptance of his appointment as the Vendors' Representative. The immunities and rights to indemnification hereunder shall survive the resignation or removal of the Vendors' Representative or any member of the Advisory Group (as defined below) and the Closing and/or any termination of this Agreement.

- (2) The LD Vendors and each such LD Vendors' successors shall be bound by all actions taken by the Vendors' Representative in his, her or its capacity thereof, as if expressly confirmed and ratified in writing by such LD Vendors. All defenses which may be available to any LD Vendors to contest, negate or disaffirm the action of the Vendors' Representative taken in good faith under this Agreement are waived. The Vendors' Representative shall promptly, and in any event within ten (10) Business Days, provide written notice to the Advisory Group of any action taken on behalf of the LD Vendors by the Vendors' Representative pursuant to the authority delegated to the Vendors' Representative under this Section 7.13. The Vendors' Representative shall at all times act in his, her or its capacity as the Vendors' Representative in a manner that the Vendors' Representative believes to be in the best interest of the LD Vendors. Certain LD Vendors have entered into an engagement agreement (the "**Vendors' Representative Engagement Agreement**") with the Vendors' Representative to provide direction to the Vendors' Representative in connection with its services under this Agreement and the Vendors' Representative Engagement Agreement (such LD Vendors, including their individual representatives, collectively hereinafter referred to as the "**Advisory Group**"). Neither the Vendors' Representative nor any member of the Advisory Group (collectively, the "**Vendors' Representative Group**") shall be liable to any person for any error of judgment, or any action taken, suffered or omitted to be taken under this Agreement or the Vendors' Representative Engagement Agreement, except in the case of his gross negligence, bad faith or willful misconduct. The Vendors' Representative may consult with legal counsel, independent public accountants and other experts selected by him. The Vendors' Representative shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms,

covenants or conditions of this Agreement and for purposes of clarity, there are no obligations of the Vendors' Representative in any ancillary agreement, schedule, exhibit or the Disclosure Letter. As to any matters not expressly provided for in this Agreement or the Vendors' Representative Engagement Agreement, the Vendors' Representative shall not exercise any discretion or take any action.

- (3) The LD Vendors shall, severally and jointly, indemnify, defend, hold harmless and reimburse the Vendors' Representative Group from and against such holder's ratable share of any and all liabilities, losses, damages, claims, costs, fees, fines, judgments, amounts paid in settlement or expenses (including costs incurred in connection with seeking recovery from insurers) suffered or incurred by the Vendors' Representative arising out of or resulting from any action taken or omitted to be taken by the Vendors' Representative under this Agreement and the Vendors' Representative Engagement Agreement (collectively, the "**Vendors' Representative Expenses**"), other than such Vendors' Representative Expenses arising out of or resulting from the Vendors' Representative's gross negligence, bad faith or willful misconduct. Such Vendors' Representative Expenses shall be recovered directly from the LD Vendors. The LD Vendors acknowledge that the Vendors' Representative shall not be required to expend or risk his own funds or otherwise incur any financial liability in the exercise or performance of any of his powers, rights, duties or privileges or pursuant to this Agreement or the transactions contemplated hereby or thereby. Furthermore, the Vendors' Representative shall not be required to take any action unless the Vendors' Representative has been provided with funds, security or indemnities which, in its determination, are sufficient to protect the Vendors' Representative against the costs, expenses and liabilities which may be incurred by the Vendors' Representative in performing such actions.

Article 8

TERMINATION AND ABANDONMENT

8.1 Termination.

This Agreement may be terminated at any time prior to the Closing:

- (a) by mutual consent of each of the LD Vendors and LD Vision, on the one hand, and of each of the Purchaser and Rain City, on the other hand;
- (b) by any Party if the Closing shall not have occurred by the Outside Date, provided that the right to terminate this Agreement under this Section (b) shall not be available to any Party whose failure to fulfill any obligation under this Agreement shall be the cause of the failure of the Closing to occur on or before such date;
- (c) by either the Vendors' Representative and/or LD Vision, on the one hand, or the Purchaser and/or Rain City, on the other hand, if there has been a breach of any covenant or a breach of any representation or warranty of the Purchaser and/or Rain City on the one hand or the LD Vendors and/or LD Visions on the other hand, respectively, which breach would cause the failure of any condition precedent set forth in Section 6.2, 6.3 or 6.4 as the case may be, provided that any such breach of a covenant or representation or warranty has not been cured within fifteen (15) Business Days following receipt by the breaching party of written notice of such breach;

- (d) by any Party, if there shall be any Law of any Governmental Authority that makes consummation of the transactions contemplated hereby illegal or otherwise prohibited or if any Order of any Governmental Authority prohibiting such transactions is entered and such Order shall become final and non-appealable; or
- (e) by the Purchaser and/or Rain City if there has been an LD Material Adverse Change after the Effective Date.

8.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 8.1 by the Purchaser or Rain City, on the one hand, or by LD Vision and the LD Vendors or the Vendors' Representative, on the other hand, written notice thereof shall be given to the other Party or Parties specifying the provision of Section 8.1 pursuant to which such termination is made, and this Agreement shall be terminated and there shall be no liability hereunder on the part of the any Party hereto. Nothing in this Section 8.2 shall relieve any Party of liability as a result of any willful breach of this Agreement or fraud with respect to any express provisions of this Agreement.

Article 9 DISPUTE RESOLUTION

9.1 Reasonable Commercial Efforts to Settle Disputes.

If any controversy, dispute, claim, question or difference (a "Dispute") arises between the Purchaser, Rain City, one or more of the LD Vendors or LD Vision with respect to this Agreement or its performance, enforcement, breach, or validity, the parties to such dispute (the "Disputing Parties") shall use all reasonable commercial efforts to settle the Dispute.

9.2 Arbitration.

Except as is expressly provided in this Agreement, if the Disputing Parties do not reach a resolution pursuant to Section 9.1 within a period of 15 Business Days following the first notice of the Disputing Party to the other Disputing Party or Parties notifying of it or them of the dispute pursuant to Section 9.1, then upon written notice by either Disputing Party to the other(s), the Dispute shall be finally settled by arbitration in accordance with the provisions of the *Arbitration Act* (British Columbia), based upon the following:

- (a) the arbitration tribunal shall consist of one arbitrator appointed by mutual agreement of the Disputing Parties, or in the event of failure to agree within 10 Business Days following delivery of the written notice to arbitrate, any such Party may apply to a judge of the Superior Court of Justice to appoint an arbitrator. The arbitrator shall be qualified by education and training to pass upon the particular matter to be decided;
- (b) the arbitrator shall be instructed that time is of the essence in the arbitration proceeding and, in any event, the arbitration award must be made within 30 days of the appointment of the arbitrator;
- (c) after written notice is given to refer any Dispute to arbitration, the Disputing Parties will meet within 15 Business Days of delivery of the notice to arbitrate and will use

commercially reasonable efforts to agree upon the rules and procedures for the arbitration, in an effort to expedite the process and otherwise ensure that the process is appropriate given the nature of the Dispute and the values at risk, failing which, the rules and procedures for the arbitration shall be finally determined by the arbitrator;

- (d) the arbitration shall take place in Vancouver, British Columbia;
- (e) except as otherwise provided in this Agreement or otherwise decided by the arbitrator, the fees and other costs associated with the arbitrator shall be shared equally by the Parties to the Dispute and each Party to the Dispute shall be responsible for its own costs;
- (f) the arbitration award shall be given in writing, shall provide reasons for the decision, and shall be final and binding on the Disputing Parties, not subject to any appeal, and shall deal with the question of costs of arbitration and all related matters;
- (g) judgment upon any award may be entered in any Court having jurisdiction or application may be made to the Court for a judicial recognition of the award or an order of enforcement, as the case may be;
- (h) all Disputes referred to arbitration (including without limitation the scope of the agreement to arbitrate, any statute of limitations, conflict of laws rules, tort claims and interest claims) shall be governed by the substantive law of British Columbia and the federal laws of Canada applicable therein; and
- (i) the Disputing Parties agree that the arbitration shall be kept confidential and that the existence of the proceeding and any element of it (including any pleadings, briefs or other documents submitted or exchanged, any testimony or other oral submissions and any awards) shall not be disclosed beyond the arbitrator, the Disputing Parties, their counsel and any person necessary to the conduct of the proceeding, except as may lawfully be required in judicial proceedings relating to the arbitration or otherwise.

Article 10
GENERAL

10.1 Interpretation.

- (1) *Gender and Number.* In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.
- (2) *Headings and Table of Contents.* The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.
- (3) *Section References.* Unless the context requires otherwise, references in this Agreement to Articles, Sections and Schedules are to Articles or Sections of this Agreement and Schedules to this Agreement.

- (4) *Words of Inclusion.* Wherever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation" and the words following "include", "includes" or "including" shall not be considered to set forth an exhaustive list.
- (5) *References to this Agreement.* The words "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular Section or portion of it.
- (6) *Statute References.* Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated or replaced from time to time and in the case of any such amendment, re-enactment, consolidation or replacement, reference herein to a particular provision shall be read as referring to such amended, re-enacted, consolidated or replaced provision and also includes, unless the context otherwise requires, all applicable guidelines, bulletins or policies made in connection therewith.
- (7) *Document References.* All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time in accordance with the terms thereof and, unless otherwise specified therein, includes all schedules attached thereto.
- (8) *Ordinary Course.* The term "ordinary course", when used in relation to the conduct by LD Vision of the Business, or the conduct of business by any other Person, means any transaction which constitutes an ordinary day-to-day business activity, conducted in a commercially reasonable and businesslike manner, having no unusual or special features, and, in the case of LD Vision, consistent with past practice and, in the case of any other Person, being such as a Person of similar nature and size and engaged in a similar business might reasonably be expected to carry out from time to time.
- (9) *Knowledge.* Where any representation, warranty or other statement in this Agreement is expressed to be made by the LD Vendors to their "Knowledge" or is otherwise expressed to be limited in scope to facts or matters known to the LD Vendors or LD Vision or of which the LD Vendors or LD Vision is aware, it shall mean such knowledge as is actually known to, or which would have or should have come to the attention of, Arshil Abdulla or Fayaz Abdulla or Shaneef Mitha after making reasonable and due inquiries with the officers or employees of LD Vision who have overall responsibility for or knowledge of the matters relevant to such statement.

10.2 **Actions on Non-Business Days.**

If any payment is required to be made or other action (including the giving of notice) is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be considered to have been made or taken in compliance with this Agreement if made or taken on the next succeeding Business Day.

10.3 **Calculation of Interest.**

In calculating interest payable under this Agreement for any period of time, the first day of such period shall be included and the last day of such period shall be excluded.

10.4 Calculation of Time.

In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. Vancouver time on the last day of the period. If any period of time is to expire hereunder on any day that is not a Business Day, the period shall be deemed to expire at 5:00 p.m. Vancouver time on the next succeeding Business Day.

10.5 Schedules.

The Schedules attached to this Agreement are incorporated herein by reference and deemed to be part of this Agreement.

10.6 Expenses.

Except as otherwise expressly provided herein, each Party shall be responsible for all costs and expenses (including any Taxes imposed on such expenses) incurred by it in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the transactions contemplated by this Agreement (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisers).

10.7 Notices.

(1) *Mode of Giving Notice.* Any notice, direction, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent e-mail (return receipt requested) or other similar means of electronic communication, in each case to the applicable address set out below:

(a) if to the LD Vendors, to:

Arshil Abdulla
301-1650 Elgin Mills Rd. E
Richmond Hill, ON L4S 0B2
E-mail: arshil@ldvision.com

AND

Fayaz Abdulla
101-13291 Yonge St
Richmond Hill, ON L4E 4L6
E-mail: fayaz@ldvision.com

with a copy (which shall not constitute notice) to:

Kirkpatrick & Sabarsky LLP
590 Cypress Hills Drive
Encinitas, California 92024 USA
Attention: Martin Sabarsky
E-mail: mas@kirkpatricksabarsky.com

(b) if to the Purchaser, to:

Kits Eyecare Ltd.
1020 – 510 Seymour Street
Vancouver, British Columbia
Canada, V6B 3J5
Attention: Roger Hardy
E-mail: Roger@HardyCapital.com

with a copy (which shall not constitute notice) to:

DuMoulin Black LLP
10th Floor, 595 Howe Street
Vancouver, BC
Canada V6C 2T5
Attention: Justin Kates
E-mail: jkates@dumoulinblack.com

- (2) *Deemed Delivery of Notice.* Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of e-mailing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, e-mailed or sent before 4:30 p.m. on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day. Any such communication sent by mail shall be deemed to have been given and made and to have been received on the fifth Business Day following the mailing thereof; provided however that no such communication shall be mailed during any actual or apprehended disruption of postal services. Any such communication given or made in any other manner shall be deemed to have been given or made and to have been received only upon actual receipt.
- (3) *Change of Address.* Any Party may from time to time change its address under this Section 10.7 by notice to the other Party given in the manner provided by this Section 10.7.

10.8 Time of Essence.

Time shall be of the essence of this Agreement in all respects.

10.9 Further Assurances.

Each Party shall from time to time promptly execute and deliver or cause to be executed and delivered all such further documents and instruments and shall do or cause to be done all such further acts and things in connection with this Agreement that the other Party may reasonably require as being necessary or desirable in order to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement or any provision hereof.

10.10 Entire Agreement.

This Agreement and the Disclosure Letter constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements,

understandings, negotiations and discussions, whether oral or written. There are no conditions, representations, warranties, obligations or other agreements between the Parties in connection with the subject matter of this Agreement (whether oral or written, express or implied, statutory or otherwise) except as explicitly set out in this Agreement (including any certificates or documents delivered in connection with this Agreement and Disclosure Letter).

10.11 Amendment.

No amendment of this Agreement shall be effective unless made in writing and signed by the Parties.

10.12 Waiver.

A waiver of any default, breach or non-compliance under this Agreement shall not be effective unless in writing and signed by the Party to be bound by the waiver, and then only in the specific instance and for the specific purpose for which it has been given. No waiver shall be inferred from or implied by any failure to act or delay in acting by a Party in respect of any default, breach or non-observance or by anything done or omitted to be done by the other Party. The waiver by a Party of any default, breach or non-compliance under this Agreement will not operate as a waiver of that Party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-observance (whether of the same or any other nature).

10.13 Severability.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

10.14 Remedies Cumulative.

The rights, remedies, powers and privileges herein provided to a Party are cumulative and in addition to and not exclusive of or in substitution for any rights, remedies, powers and privileges otherwise available to that Party.

10.15 Attornment.

Each Party agrees (a) that any Legal Proceeding relating to this Agreement may (but need not) be brought in any court of competent jurisdiction in the Province of British Columbia, and for that purpose now irrevocably and unconditionally attorns and submits to the jurisdiction of such British Columbia court; (b) that it irrevocably waives any right to, and shall not, oppose any such Legal Proceeding in the Province of British Columbia on any jurisdictional basis, including *forum non conveniens*; and (c) not to oppose the enforcement against it in any other jurisdiction of any Order duly obtained from an British Columbia court as contemplated by this Section 10.15.

10.16 Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable in such Province and this Agreement shall be treated, in all respects, as a British Columbia contract.

10.17 Successors and Assigns; Assignment.

This Agreement shall inure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns. Neither Party may assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its respective rights or obligations under this Agreement without the prior written consent of the other Party.

10.18 Third Party Beneficiaries.

This Agreement is for the sole benefit of the Parties, and except as specifically provided for in Section 7.9, nothing in this Agreement, 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.

10.19 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereof to the other Party by e-mail in pdf format or by other electronic transmission and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving Party.

[Signature Page Follows]

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

LD VISION GROUP INC.

Per:

Arshil Abdulla
Name: Arshil Abdulla
Title: CEO

ARSHIL ABDULLA (AS LD VENDOR)

Fayaz Abdulla
Name: Fayaz Abdulla
Title: Director

SHANEEF MITHA

AIZ HOLDINGS LTD.

Per:

Arshil Abdulla
Name: Arshil Abdulla
Title: Director

FSDD HOLDINGS LTD.

Per:

Fayaz Abdulla
Name: Fayaz Abdulla
Title: Director

SM WORLDWIDE HOLDINGS LTD.

Per:

Shaneef Mitha
Name: Shaneef Mitha
Title: Director

ARSHIL ABDULLA (AS VENDORS' REPRESENTATIVE)

Arshil Abdulla

RAIN CITY LABS INC.

Per:

Roger Hardy
Name: Roger Hardy
Title: Director

KITS EYECARE LTD.

Per:

Roger Hardy
Name: Roger Hardy
Title: Director

THE ARSHIL ABDULLA 2013 FAMILY TRUST

Per:

Arshil Abdulla
Name: Arshil Abdulla
Title: Trustee

THE FAYAZ ABDULLA 2013 FAMILY TRUST

Per:

Fayaz Abdulla
Name: Fayaz Abdulla
Title: Trustee

THE SHANEEF MITHA 2013 FAMILY TRUST

Per:

Shaneef Mitha
Name: Shaneef Mitha
Title: Trustee

**SCHEDULE 1.0
DEFINITIONS AND INTERPRETATIONS**

In this Agreement, unless something in the subject matter or the context is inconsistent therewith, the following terms shall have the following meanings (and grammatical variations shall have the respective corresponding meanings).

"Acquisition Transaction" has the meaning set out in Section 5.7.

"Advisory Group" has the meaning set out in Section 7.13(2).

"Affiliate" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, where a Person shall be deemed to **"control"** another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term **"controlled"** shall have a similar meaning.

"Agreement" means the Share Purchase and Investment Agreement to which this Schedule 1.0 is attached, together with all the Schedules attached thereto, as the same may be amended in accordance with the terms hereof.

"Amended Articles" has the meaning set out in section 1.1

"Applicable Law" means, with respect to any Person, property, transaction, event or other matter, (a) any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, Order or other requirement having the force of law, (b) any policy, practice, protocol, standard or guideline of any Governmental Authority which, although not necessarily having the force of law, is regarded by such Governmental Authority as requiring compliance as if it had the force of law (collectively in the foregoing clauses (a) and (b), **"Law"**), in each case relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation, and includes without limiting the generality of the foregoing in respect of LD Vision (i) any Law relating to the fulfilment and verification of prescriptions; (ii) the *Fairness to Contact Lens Consumers Act* (and any amendment thereto); and (iii) any decision or directive of the Federal Trade Commission relevant to the Business.

"Audited Financial Statements" has the meaning set out in Section 5.3.

"Authorizing Resolution" means the consent resolution of the shareholders of the Purchaser approving and adopting the Amended Articles.

"BCBCA" means the *British Columbia Business Corporations Act*, S.B.C. 2002, c.57 (as amended).

"Business" means the business carried on by LD Vision, being the marketing, promotion, dispensing, and sale of optical goods and services, including, but not limited to, contact lenses, sunglasses, optical lenses, glasses frames, vision tests, and related accessories.

"Business Day" means any day except Saturday, Sunday, or any day on which banks are generally not open for business in the City of Vancouver.

"Calculation Time" means 11:59 pm Pacific Time on the day immediately proceeding the Closing Date.

"Cash Consideration" has the meaning set out in Section 2.2.

"CASL" means An Act to promote the efficiency and adaptability of the Canadian economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities, and to amend the *Canadian Radio-television and Telecommunications Commission Act*, the *Competition Act*, the *Personal Information Protection and Electronic Documents Act* and the *Telecommunications Act*, S.C. 2010, c. 23.

"CEM" means commercial electronic messages, as such term is defined in CASL.

"Claim Notice" has the meaning set out in Section 7.5.

"Class A Preferred Shares" means the Class A Preferred Shares to be created upon filing of the Notice of Alteration and having the rights and notifications set forth in section 27 of the Amended Articles.

"Class B Preferred Shares" means the Class B Preferred Shares to be created upon filing of the Notice of Alteration and having the rights and notifications set forth in section 27 of the Amended Articles.

"Class C Preferred Shares" means the Class C Preferred Shares to be created upon filing of the Notice of Alteration and having the rights and notifications set forth in section 27 of the Amended Articles.

"Closing" means the completion of the purchase and sale of the LD Purchased Shares and other transactions contemplated herein, in each case, in accordance with the provisions of this Agreement.

"Closing Date" means three (3) Business Days after all conditions precedent to Closing are met or waived provided the Closing Date shall be no later than the Outside Date.

"Closing Time" means the time of Closing on the Closing Date provided for in Section 6.1.

"Closing Working Capital" means the Current Assets minus Current Liabilities as at the Calculation Time.

"Closing Working Capital Statement" has the meaning set out in Section 2.3(1).

"Closing Working Capital Target" means the amount of \$540,350.26.

"Consent" means any consent, approval, permit, waiver, ruling, exemption or acknowledgement from any Person (other than LD Vision) which is provided for or required: (a) pursuant to the terms of any lease or other contract of LD Vision; or (b) under any Applicable Law, in either case in connection with the sale of the LD Purchased Shares to the Purchaser on the terms contemplated in this Agreement or which is otherwise necessary to permit the Parties to perform their obligations under this Agreement and LD Vision to carry on the Business after Closing.

"Current Assets" means, the current assets of LD Vision including the cash, cash equivalents, accounts receivable, inventory and prepaid expenses of LD Vision, as at the Calculation Time.

"Current Liabilities" means, the current liabilities of LD Vision, including accrued benefits and compensation, accounts payable and income taxes and other liabilities accrued all to be paid within 12 months of the Calculation Time and calculated as at the Calculation Time.

"Damages" means, whether or not involving a Third Party Claim, any loss, cost, liability, claim, interest, fine, penalty, assessment, Taxes, damages available at law or in equity (including incidental, consequential, special, aggravated, exemplary or punitive damages), expense (including consultant's and expert's fees and expenses and reasonable costs, fees and expenses of legal counsel on a full indemnity basis, without reduction for tariff rates or similar reductions and reasonable costs, fees and expenses of investigation, defence or settlement) or diminution in value.

"Direct Claim" has the meaning set out in Section 7.5.

"Disclosure Letter" means the letter dated the Effective Date, and delivered to Purchaser and Rain City with respect the representations and warranties made by the LD Vendors herein.

"Dispute" has the meaning set out in Section 9.1.

"Disputing Parties" has the meaning set out in Section 9.1.

"Employee" means an individual who is employed by LD Vision, whether on a full-time or part-time basis.

"Employee Plans" means each employee benefit, health, welfare, medical, dental, pension, retirement, profit sharing, current or deferred compensation, equity or phantom stock compensation, savings, severance or termination payment, life insurance or disability plan, program, agreement and arrangement (whether written or oral) and all other similar plans, programs, agreements and arrangements which are sponsored, maintained or contributed to by LD Vision for the Employees or former Employees or under which LD Vision has any actual or potential liability or obligations, other than plans established pursuant to statute, are listed on Schedule 3.2(24) to the Disclosure Letter.

"Excluded Assets" means those vehicles described in Schedule 5.12.

"Final Compulsory Payment Amount" has the meaning set out in Section 7.10(3)(b).

"Final Compulsory Payment Indemnification Event" means a Final Determination having been made regarding a liability requiring payment under Applicable Law or any Order.

"Final Determination" means a determination made by a Governmental Authority (including pursuant to a settlement) where all rights to object to or appeal from the determination (including any right to obtain relief under a competent authority or similar process) have been exhausted or have expired.

"Financial Records" means, with respect to a Person, all such Person's books of account and other financial data and information, and includes all records, data and information stored electronically, digitally or on computer-related media.

"Financing" means debt financing provided to the Purchaser by a third party resulting in gross proceeds to the Purchaser of not less than \$23.4 million.

"GAAP" when used in respect of accounting terms or accounting determinations relating to a Person, means the Accounting Standards for Private Enterprises which are in effect from time to time in Canada, as published in Part II of the Handbook of the Canadian Institute of Chartered Professional Accountants or any successor thereof.

"Governmental Authority" means (i) any domestic or foreign government, whether national, federal, provincial, state, territorial, municipal or local (whether administrative, legislative, executive or otherwise); (ii) any agency, authority, ministry, department, regulatory body, court, central bank, bureau, board or other instrumentality having legislative, judicial, taxing, regulatory, prosecutorial or administrative powers or functions of, or pertaining to, government; (iii) any court, tribunal, commission, individual, arbitrator, arbitration panel or other body having adjudicative, regulatory, judicial, quasi-judicial, administrative or similar functions; and any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange or professional association.

"Indebtedness" of any Person means (a) any indebtedness for borrowed money or issued in substitution or exchange for indebtedness for borrowed money, including bank loans, lines of credit and loans from related parties; (b) any indebtedness evidenced by any note, bond, debenture or other debt security; (c) any indebtedness for the deferred purchase price of property and/or services with respect to which the Person is liable (other than (1) trade payables and other current liabilities incurred in the ordinary course of business which are not more than three (3) months past due and which are included in Current Liabilities and (2) credit card charges for expenses incurred in the ordinary course of business and which are included in Current Liabilities as of the date of measurement); (d) any letters of credit; (e) any indebtedness guaranteed by the Person (including guaranties in the form of an agreement to repurchase or reimburse); (f) any obligations under capitalized leases under GAAP with respect to which the Person is liable, as obligor, guarantor or otherwise, or with respect to which obligations the Person assures a creditor against loss; (g) any indebtedness secured by a Lien on the assets of such Person; (h) any unpaid Taxes of such Person as of the Closing Date (excluding sales and payroll Tax liabilities included in Current Liabilities); (i) bonuses payable and unused vacation and paid time off that are accrued or should be accrued in accordance with GAAP; and (j) accrued interest to and including the Closing Date in respect of any of the obligations described in the foregoing clauses (a) through (i) of this definition and all premiums, penalties, charges, fees, expenses, and other amounts that are or would be due (including with respect to early termination) in connection with the payment and satisfaction in full of such obligations, provided, however, that Indebtedness shall not include any deferred revenue. Notwithstanding the foregoing or anything to the contrary herein, for certainty, the term "Indebtedness" shall not include charges made using, or balances reflected on, corporate credit cards used by LD Vision and/or the LD Vendors, provided that such amounts are included in the liabilities subject to the calculation of the Closing Working Capital Statement and Post-Closing Adjustment Amount pursuant to Section 2.3 hereof.

"Indemnified Party" means a Person whom the LD Vendor(s), Rain City or the Purchaser, as the case may be, is required to indemnify under Article 7.

"Indemnifying Party" means, in relation to an Indemnified Party, the Party that is required to indemnify such Indemnified Party under Article 7.

"Independent Accountant" has the meaning set out in Section 2.3.

“Intellectual Property Rights” means any and all intellectual property rights and similar proprietary rights throughout the world, including all (i) patents and patent applications of any type, and all inventions disclosed in the foregoing, (ii) industrial designs, (iii) trade- marks, service marks, trade dress, logos, brand names, certification marks, domain names, trade names, corporate names and other indications of origin, and all goodwill associated with the foregoing, (iv) copyrights, including all derivative works, moral rights, renewals, extensions or reversions associated with such copyrights, regardless of the medium of fixation or means of expression, (v) know-how, trade secrets and other proprietary or confidential information, (vi) registrations and applications for registration of any of the foregoing, (vii) rights to sue and recover damages for past, present and future infringements, misappropriations and other violations of any of the foregoing, (viii) rights to collect income and royalties from any of the foregoing, and (ix) proprietary data.

“ITA” means the *Income Tax Act*, R.S.C. 1985, c.1 (5th Supplement) Canada) R.S.C. (1985), as amended from time to time.

“Law” has the meaning set out in the definition of “Applicable Law”.

“LD Class A Shares” has the meaning set out in Section 2.2(b).

“LD Common Shares” has the meaning set out in Section 1.4.

“LD Material Contract” has the meaning set out in Section 3.2(13).

“LD Material Adverse Effect or Change” means any effect or change that, individually or together with any other effects or changes, that has been, or would reasonably be anticipated to be, materially adverse to the Business, assets and properties, prospects, financial condition, results of operations of LD Vision without regard to the duration or persistence, whether actual or expected, of such effects or changes; provided, however, that the foregoing shall not include any such effects or changes resulting from any of the following: (a) changes in general economic conditions or in the industries in which LD Vision operates which do not disproportionately affect LD Vision as compared to the effect of any such change on other companies in the same industry, or (b) changes resulting from acts of terrorism, acts of war or escalation of hostilities.

“LD Vendors’ Indemnified Parties” means each of the LD Vendors and their respective Representatives.

“Legal Proceeding” means any litigation, action, application, suit, investigation, hearing, claim, complaint, deemed complaint, grievance, civil, administrative, regulatory or criminal, arbitration proceeding or other similar proceeding, before or by any court, tribunal or Governmental Authority, and includes any appeal or review thereof and any application for leave for appeal or review.

“Licence” means any licence, permit, authorization, written approval or other evidence of authority issued or granted to, conferred upon, or otherwise created for, such Person by any Governmental Authority.

“Lien” means any security interest, pledge, license, bailment (in the nature of a pledge or for purposes of security), mortgage, deed of trust, option, warrant, purchase right, commitment, right of first refusal, right of first offer, covenant not to sue, grant of a power to confess judgment, conditional sale and title retention agreement (including any lease in the nature thereof), charge, third-party claim, demand,

equity, security title, lien, encumbrance or other similar arrangement or interest in real or personal property.

"Material Contract" means any:

- (i) contract involving aggregate payments in any year to or by LD Vision of an amount or value in excess of \$50,000 (other than those disclosed at (b) below);
- (ii) existing order or prospective customer contract of an amount or value in excess of \$50,000;
- (iii) contract, understanding or agreement (whether written or oral) between LD Vision and any LD Vendor and/or a Related Person to a LD Vendor;
- (iv) contract not entered into in the ordinary course and that involves expenditures or receipts of LD Vision in excess of \$50,000;
- (v) contract with respect to intellectual property in excess of \$50,000 (other than a license agreement for commercially available software sold through retailers);
- (vi) contract containing covenants not to compete with any Person or granting exclusivity to any supplier, collaborator, joint venture, partner, customer, or service provider;
- (vii) power of attorney of LD Vision that is currently effective and outstanding;
- (viii) contract relating to or creating the line of credit, any trust indenture, mortgage, hypothec, promissory note, bond, loan agreement or other contract for the borrowing of money or otherwise evidencing any Indebtedness of LD Vision or encumbrance in connection therewith;
- (ix) contract relating to any individual capital expenditure to be incurred after the date of this Agreement in excess of \$50,000; and/or
- (x) amendment, supplement, and modification (whether oral or written) in respect of any of the foregoing.

"Notice of Alteration" means the Notice of Alteration in the form prescribed by the BCBCA required to give effect to the creation of the Class A Preferred Shares, Class B Preferred Shares, and Class C Preferred Shares.

"Order" means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority.

"Outside Date" means April 30, 2019, or such other date as the Purchaser and Vendors' Representative may mutually agree in writing.

"Owned Intellectual Property Rights" means all Intellectual Property Rights owned or purported to be owned by LD Vision.

"Party" means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and **"Parties"** means every Party.

"Person" is to be broadly interpreted and includes an individual, a Purchaser, a partnership, a trust, an unincorporated organization, a Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity.

"Post-Closing Adjustment Amount" has the meaning set forth in section 2.3.

"Pre-Closing Tax Period" means a taxation year or other fiscal period that ends on or before the Closing Time.

"Pre-Closing Reorganization" has the meaning given to it in section 5.2.

"Purchaser's Indemnified Parties" means the Purchaser, LD Vision, and their respective Representatives.

"Rain City Indemnified Parties" means Rain City and its Representatives.

"RC Assets" means, collectively, an inventory of 1,000 glasses frames, related packaging/accessories (boxes, trays, tools, clothes, cases), and all of the intellectual property, domains, and brand assets of Rain City (including Kits brand and associated urls/assets).

"Receivables" means all accounts receivable, bills receivable, trade accounts, book debts and insurance claims of LD Vision together with any unpaid interest accrued on such items and any security or collateral for such items, including recoverable deposits.

"Registrar" has the meaning as described to that term in BCBCA.

"Related Person" means with respect to (A) an individual: (i) each other member of that individual's family; (ii) any Person that is directly or indirectly controlled by such individual or member of the individual's family; (iii) any person in which members of such individual's family hold (directly or indirectly) a material interest; and (iv) any Person with respect to which one or more members of such individual's family serves as a director, officer, partner, manager, executor or trustee (or similar capacity); and (B) a Person other than an individual (i) any Person that directly or indirectly controls, is directly or indirectly controlled by, or is directly or indirectly under common control with, such Person; (ii) any Person that holds a material interest in that Person; (iii) each Person that serves as a director, officer, partner, manager, executor or trustee (or similar capacity); (iv) any Person in which such person holds a material interest; and (v) any Person with respect to which such Person serves as a general partner, manager or a trustee (or similar capacity).

"Representative" when used with respect to a Person means each director, officer, employee, consultant, financial adviser, legal counsel, accountant and other agent, adviser or representative of that Person.

"Shareholders' Agreement" has the meaning set out in Section 6.3(3)(f).

"Straddle Period" means the taxation year or fiscal period that includes, but does not begin or end on, the Closing Date.

“Stub Period Returns” has the meaning set out in Section 5.9(1).

“Taxes” means, with respect to any Person, all supranational, national, federal, provincial, state, local or other taxes, including income taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, licence taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, government pension plan premiums and contributions, social security premiums, workers’ compensation premiums, employment/unemployment insurance or compensation premiums and contributions, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, goods and services tax, harmonized sales tax, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority and any instalments in respect thereof, together with any tax indemnity obligation, interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties, and whether disputed or not, and **“Tax”** means any one of such Taxes.

“Tax Returns” means all returns, reports, declarations, elections, notices, filings, information returns, and statements in respect of Taxes that are filed or required to be filed with any applicable Governmental Authority, including all amendments, schedules, attachments or supplements thereto and whether in tangible or electronic form.

“Third Party Claim” has the meaning given to it in Section 7.5.

“Threatened”, when used in relation to a Legal Proceeding or other matter, means that a demand or statement (oral or written) has been made or a notice (oral or written) has been given that a Legal Proceeding or other matter is to be asserted, commenced, taken or otherwise pursued in the future or that an event has occurred or circumstances exist that would lead a reasonable Person to conclude that a Legal Proceeding or other matter is likely to be asserted, commenced, taken or otherwise pursued in the future.

“Unaudited Financial Statements” means, together (i) the annual unaudited financial statements of LD Vision for the fiscal years ended December 31, 2017 and 2018, and (ii) and the monthly unaudited financial statements for the month ended February 28, 2019, in each case, a true and complete copy of which are attached as Schedule 3.2(10) hereof.

“Vendors’ Representative” has the meaning set out in Section 7.13(1).

“Vendors’ Representative Engagement Agreement” has the meaning set out in Section 7.13(2).

“Vendors’ Representative Group” has the meaning set out in Section 7.13(2).

Schedule 1.4
LD Common Shares

LD Common Shares

The Arshil Abdulla 2013 Family Trust	1,800,000 Common Shares	\$18
The Fayaz Abdulla 2013 Family Trust	1,400,000 Common Shares	\$14
The Shaneef Mitha 2013 Family Trust	<u>800,000 Common Shares</u>	<u>\$8</u>
	4,000,000 Common Shares	\$40

Schedule 2.2
Cash Consideration and LD Class A Shares

[Subject to Post-Closing Adjustment as per Section 2.3]

Cash Consideration

Arshil Abdulla	\$940,000
Fayaz Abdulla	\$890,000
Shaneef Mitha	\$630,000
AIZ Holdings Ltd.	\$500,000
FSDD Holdings Ltd.	\$230,000
SM Worldwide Holdings Ltd.	\$10,000
Arshil Abdulla 2013 Family Trust	\$7,766,667
Fayaz Abdulla 2013 Family Trust	\$8,766,667
Shaneef Mitha 2013 Family Trust	\$10,266,667
	\$30,000,000

LD Class A Shares

The Arshil Abdulla 2013 Family Trust	4,500 Class A Preferred Shares
The Fayaz Abdulla 2013 Family Trust	3,500 Class A Preferred Shares
The Shaneef Mitha 2013 Family Trust	<u>2,000 Class A Preferred Shares</u>
	10,000 Class A Preferred Shares