

[REDACTED – relates to personal information]

[REDACTED – relates to personal information]

[REDACTED – relates to personal information]

as Vendors

- and -

SYLOGIST LTD.

as Purchaser

- Regarding -

FPA GROUP INC.

THE PAVLIK GROUP INC.

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SHARE PURCHASE AGREEMENT

OCTOBER 18, 2021

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## SHARE PURCHASE AGREEMENT

THIS AGREEMENT dated effective this 18<sup>th</sup> day of October, 2021.

### BETWEEN:

██████████, an individual resident in the City of ██████ in the Province of Ontario (“██████████”) [REDACTED – relates to personal information]

- and -

██████████, an individual resident in the City of ██████ in the Province of Ontario (██████████) [REDACTED – relates to personal information]

- and -

██████████, an individual resident in the City of ██████ in the Province of Ontario (“██████████ and, together with ██████ and ██████ the “Vendors” or, individually, a “Vendor”) [REDACTED – relates to personal information]

- and -

SYLOGIST LTD., a Corporation duly existing under the laws of the Province of Alberta (the “Purchaser”)

### RECITALS:

- A. the Vendors collectively own all of the issued and outstanding shares of the FPA Group Inc., a corporation existing under the laws of the Province of Ontario (“Holdco”);
- B. Holdco owns all of the issued and outstanding shares of The Pavlik Group Inc. (“OperatingCo” and together with Holdco, the “Corporations”), a corporation existing under the laws of the Province of Ontario that carries on the business of providing software solutions, implementation services and information technology support including computer networking and hardware/software (the “Business”);
- C. the Vendors desire to sell to the Purchaser, and the Purchaser desires to purchase from the Vendors, all of the issued and outstanding shares of Holdco owned by the Vendors and to thereby also acquire OperatingCo.

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the premises and of the covenants, agreements, representations and warranties contained herein and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties covenant and agree as follows:

### ARTICLE 1 INTERPRETATION

**1.1 Definitions.** In this Agreement, including the Recitals to this Agreement, unless the context otherwise requires:

- (1) “Accounts Receivable” means all accounts receivable, trade accounts receivable, notes receivable, book debts and other debts due or accruing due to the Corporations, and the full benefit of any related security.

- (2) “**Affiliate**” means, with respect to any Person: (a) any Person that, directly or indirectly through one or more entities, controls or is controlled by, or is under common control with, such Person; (b) any director, officer, partner, member or trustee of such Person; or (c) any Person who is an officer, director, partner, member or trustee of any Person described in clauses (a) or (b) of this definition. As used herein, “controls,” “control” and “controlled” means the possession, direct or indirect, of the power to direct the management and policies of a Person, whether through the ownership of 50% or more of the voting interests of such Person, through Contract or otherwise.
- (3) “**Agreement**” means this share purchase agreement, including all Schedules, Appendices and Exhibits to this share purchase agreement, as amended, supplemented, restated and replaced from time to time in accordance with its provisions.
- (4) “**Applicable Law**” means:
- (a) any domestic (federal, state or municipal) or foreign statute, law (including common and civil law), code, ordinance, rule, regulation, order-in-council, restriction or by-law (zoning or otherwise);
  - (b) any judgment, order, writ, injunction, directive, decision, ruling, decree or award;
  - (c) any regulatory policy, practice, standard or guideline;
  - (d) any published administrative position; or
  - (e) any Permit,
- of any Governmental Authority, binding on or applicable to the Person referred to in the context in which the term is used or binding on or applicable to the property of that Person or binding on or applicable an Employee Plan referred to in the context in which the term is used.
- (5) “**Applicable Securities Law**” means, collectively, and as the context may require, the applicable securities legislation of each of the provinces of Canada, and the rules, regulations, instruments, orders and policies published and/or promulgated thereunder, as the foregoing may be amended or re-enacted from time to time prior.
- (6) “**Approvals**” means franchises, licences, qualifications, authorizations, consents, certificates, registrations, exemptions, waivers, filings, grants, notifications, privileges, rights, orders, judgments, rulings, directives, Permits, and other permits and approvals.
- (7) “**Assets**” means all undertakings, property, assets, rights and interests of the Corporations, including the following:
- (a) the Personal Property;
  - (b) work in process and the Accounts Receivable;
  - (c) the Inventories;
  - (d) all rights and interests of the Corporations under or pursuant to all warranties, representations and guarantees, express, implied or otherwise, of or made by suppliers or others in connection with the Assets;
  - (e) the Business Intellectual Property;

- (f) the Internal IT Systems;
  - (g) all rights and interests of the Corporations in and to all Contracts to which they are a party or by which any of the Assets or the Business is bound or affected;
  - (h) all Approvals issued to the Corporations;
  - (i) the Books and Records;
  - (j) all prepaid charges, deposits, sums and fees paid by the Corporations before the Effective Time;
  - (k) all goodwill of the Corporations, including the present telephone numbers, internet domain addresses and other communications numbers and addresses of the Corporations; and
  - (l) all proceeds of any or all of the foregoing received or receivable after the Effective Time.
- (8) “**Associate**”, in respect of a relation with a Person, means:
- (a) a body corporate of which that Person beneficially owns or controls, directly or indirectly, shares or securities currently convertible into shares carrying more than 10% of the voting rights under all circumstances or by reason of the occurrence of an event that has occurred and is continuing, or a currently exercisable option or right to purchase those shares or those convertible shares;
  - (b) a partner of that Person acting on behalf of the partnership of which they are partners;
  - (c) a trust or estate in which that Person has a substantial beneficial interest or in respect of which that Person serves as a trustee or liquidator of the succession or in a similar capacity;
  - (d) a spouse of that Person or an individual who is cohabiting with that Person in a conjugal relationship, having so cohabited for a period of at least one year;
  - (e) a minor child of that Person or of the spouse or individual referred to in Section 1.1(8)(d); and
  - (f) a relative of that Person or of the spouse or individual referred to in Section 1.1(8)(d), if that relative has the same residence as that Person.
- (9) “**Books and Records**” means all books, records, files and papers of the Corporations including title documentation, Software documentation (including operator and user manuals, training materials, guides, listings, specifications and any revisions or additions to such documents), electronic data, financial and Tax working papers, financial and Tax books and records, business reports, business plans and projections, sales and advertising materials, sales and purchases records and correspondence, trade association files, research and development records, lists of present and former customers and suppliers, personnel and employment records, employee data and plan records of Employee Plans (including plan records of any pension plan from inception), minute and share certificate books, all other documents and data (technical or otherwise) relating to the Corporations, the Business or the Assets, and all copies and recordings of the foregoing in the possession of the Corporations as of the Closing Date.
- (10) “**Business**” has the meaning ascribed to that term in the Recitals.
- (11) “**Business Day**” means any day, except Saturdays and Sundays, on which banks are generally open for non-automated business:

- (a) for purposes of Section 10.14, in the place specified in that Section; and
  - (b) for all other purposes in this Agreement, in Calgary, Alberta.
- (12) **“Business Intellectual Property”** means the Licensed Intellectual Property and the Owned Intellectual Property.
  - (13) **“Cap”** has the meaning attributed to that term in Section 9.5.
  - (14) **“Claim”** has the meaning attributed to that term in Section 9.1(1).
  - (15) **“Closing”** means the completion of the Transactions on the Closing Date in accordance with this Agreement.
  - (16) **“Closing Date”** means the date of this Agreement.
  - (17) **“Closing Date Working Capital Statement”** has the meaning attributed to that term in Section 2.4(1).
  - (18) **“Closing Date Purchase Price”** has the meaning attributed to that term in Section 2.4(2).
  - (19) **“Closing Time”** means 10:00 a.m. (Calgary time) on the Closing Date or such other time as is agreed to by the Parties.
  - (20) **“Commercial Software”** means Software that is generally commercially available to the public: (a) through or in consumer retail stores; (b) from Software licensors or their distributors, sales agents, representatives or other Persons, including value-added and other resellers or original equipment manufacturers; or (c) from the internet.
  - (21) **“Constating Documents”** means, with respect to any Person, its articles or certificate of incorporation, amendment, amalgamation or continuance, memorandum and articles of association, letters patent, supplementary letters patent, by-laws, partnership agreement, limited liability company agreement or other similar document, and all unanimous shareholder agreements, other shareholder agreements, voting trusts, pooling agreements and similar Contracts, arrangements and understandings applicable to the Person’s Equity Interests, all as amended, supplemented, restated and replaced from time to time.
  - (22) **“Contaminant”** means any substance, emission or thing, howsoever occurring, which has, or may have, an adverse effect on the environment, any ecological system or natural resource, the use or enjoyment of property, or human health or safety, and includes any “contaminant” or “pollutant”, any substance defined or regulated as “hazardous”, “toxic” or “dangerous” or any type of “waste”, in each case which is defined or regulated by any Applicable Law and includes, without limitation, petroleum hydrocarbons and fractions thereof, halogenated or chlorinated solvents, asbestos and asbestos-containing materials, and polychlorinated biphenyls.
  - (23) **“Contract”** means any agreement, contract, indenture, lease, occupancy agreement, deed of trust, licence, option, undertaking, promise or any other legally binding commitment or obligation, whether oral or written, express or implied, other than a Permit.
  - (24) **“Corporations”** has the meaning attributed to that term in the Recitals.
  - (25) **“Current Assets”** means all cash and cash equivalents, Accounts Receivables, inventory and prepaid expenses and deposits, but excluding: (a) the portion of any prepaid expense of which the Purchaser will not receive the benefit following Closing; (b) deferred and future Taxes; and (c) receivables from any of the Corporations’ Affiliates, directors, employees, officers or shareholders and any of their

respective Affiliates; determined in accordance with IFRS applied using the same accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies that were used in the preparation of the Financial Statements for the most recent financial year end as if such accounts were being prepared and audited as of a fiscal year end.

- (26) **“Current Liabilities”** means all accounts payable, accrued Taxes, accrued expenses and Deferred Revenue, but excluding: (a) the current portion of long term debt; (b) deferred and future Tax liabilities; and (c) any payables to any of the Corporations’ Affiliates, directors, employees, officers or shareholders and any of their respective Affiliates; determined in accordance with IFRS applied using the same accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies that were used in the preparation of the Financial Statements for the most recent financial year end as if such accounts were being prepared and audited as of a fiscal year end.
- (27) **“Debt”** means any long or short term consideration owed by the Corporations to third parties but excluding Current Liabilities, determined in accordance with IFRS applied using the same accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies that were used in the preparation of the Financial Statements for the most recent financial year end as if such accounts were being prepared and audited as of a fiscal year end.
- (28) **“Deductible”** has the meaning attributed to that term in Section 9.5.
- (29) **“Deferred Revenue”** means any revenue attributable to the Business for which the underlying work or services have not been performed as of the Closing Date, including prepaid Accounts Receivable under Contracts.
- (30) **“Developers”** has the meaning attributed to such term in Section 5.2(19)(f).
- (31) **“Disabling Code”** means any clock, timer, counter, computer virus, worm, Software lock, drop dead device, Trojan horse routine, trap door, time bomb, or any other codes, designs, routines or instructions that may be used to access, modify, replicate, distort, delete, damage or disable any Hardware or Software, including the Internal IT Systems, the Books and Records and any other data or information.
- (32) **“Effective Time”** 12:01 a.m. (Calgary time) on the Closing Date.
- (33) **“Employee Plan”** has the meaning ascribed thereto in subsection 5.2(42)(b).
- (34) **“Employees”** means all employees of the Corporations immediately prior to Effective Time, whether full-time, part-time, salaried, hourly, unionized or non-unionized.
- (35) **“Employee Agreements”** has the meaning ascribed thereto in subsection 5.2(42)(a).
- (36) **“Employment Agreement”** means the Employment Agreement to be entered into between OperatingCo and each of [REDACTED] in each case substantially in the form of Schedule 1.1(36). [REDACTED – relates to personal information]
- (37) **“Encumbrance”** means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, prior claim, adverse claim, exception, reservation, restrictive covenant, agreement, easement (whether or not registered against title), lease, licence, right of occupation, option, right of use, right of first refusal, right of pre-emption, privilege or any matter capable of registration against title, or any Contract to create any of the foregoing.

- (38) **“Environmental, Health, and Safety Liabilities”** means any cost, damages, expense, liability, obligation, or other responsibility arising from or under Environmental Law or Occupational Safety and Health Law and consisting of or relating to:
- (a) any environmental, health, or safety matters or conditions (including on-site or off-site contamination, occupational safety and health, and regulation of chemical substances or products);
  - (b) fines, penalties, judgments, awards, settlements, legal or administrative Proceedings, damages, losses, Claims, demands and response, investigative, remedial, or inspection costs and expenses arising under any Environmental Law or Occupational Safety and Health Law;
  - (c) financial responsibility under any Environmental Law or Occupational Safety and Health Law for cleanup costs or corrective action, including any investigation, cleanup, removal, containment, or other remediation or response actions (“**Cleanup**”) required by any applicable Environmental Law or Occupational Safety and Health Law (whether or not such Cleanup has been required or requested by any Governmental Authority or any other Person) and for any natural resource damages; or
  - (d) any other compliance, corrective, investigative, or remedial measures required under any Environmental Law or Occupational Safety and Health Law.
- (39) **“Environmental Laws”** means any Legal Requirement that requires or relates to:
- (a) advising appropriate authorities, employees, and the public of intended or actual releases of Contaminants, violations of discharge limits, or other prohibitions and of the commencements of activities, such as resource extraction or construction, that could have a material impact on the environment;
  - (b) preventing or reducing to acceptable levels the release of Contaminants into the environment;
  - (c) reducing the quantities, preventing the release, or minimizing the hazardous characteristics of wastes that are generated;
  - (d) assuring that products are designed, formulated, packaged, and used so that they do not present unreasonable risks to human health or the environment when used or disposed of;
  - (e) protecting resources, species, or ecological amenities;
  - (f) reducing to acceptable levels the risks inherent in the transportation of Contaminants;
  - (g) cleaning up Contaminants that have been released, preventing the threat of release, or paying the costs of such clean up or prevention; or
  - (h) making responsible parties pay private parties, or groups of them, for damages done to their health or the environment, or permitting self-appointed representatives of the public interest to recover for injuries done to public assets.
- (40) **“Equity Interests”** means, with respect to any Person, any and all present and future shares, units, trust units, partnership or other interests, participations or other equivalent rights in that Person’s equity or capital, however designated and whether voting or non-voting.
- (41) **“Escrow Agent”** means [REDACTED] **[REDACTED – relates to third party information]**

- (42) **“Escrow Agreement”** means the escrow agreement entered into between the Parties and the Escrow Agent, substantially in the form of Schedule 2.3(2)
- (43) **“Final Purchase Price”** has the meaning attributed to that term in Section 2.5(6).
- (44) **“Final Working Capital Statement”** has the meaning attributed to that term in Section 2.5(1).
- (45) **“Financial Statements”** means the financial statements of OperatingCo, consisting of: a) the balance sheet at and for the financial years ended March 31, 2019, 2020 and 2021; and (b) income statements for the financial years ended March 31, 2019, 2020 and 2021, copies of which financial statements have been made available to the Purchaser.
- (46) **“Financial Statements Date”** means March 31, 2021.
- (47) **“Governmental Authority”** means any foreign, national, provincial, local or state government, any political subdivision or any governmental, judicial, public or statutory instrumentality, court, tribunal, agency (including those pertaining to health, safety or the environment), authority, body or entity, or other regulatory bureau, authority, body or entity having legal jurisdiction over the activity or Person in question.
- (48) **“Hardware”** means computer hardware, mainframes, personal computers, servers, client/server stations, devices, network equipment, routers, semi-conductor chips, communication lines, storage media and similar equipment, and any Software embedded in any of the foregoing.
- (49) **“Holdback Amount”** has the meaning attributed to that term in Section 2.3(2).
- (50) **“Holdco”** has the meaning ascribed thereto in the Recitals.
- (51) **“IFRS”** means international financial reporting standards as published by the International Accounting Standards Board, as applicable at the relevant time, applied on a consistent basis.
- (52) **“Independent Auditor”** has the meaning attributed to that term in Section 2.5(3).
- (53) **“Infringe”** means infringe (whether directly, contributorily, by inducement or otherwise), misappropriate or violate, and **“Infringed”** and **“Infringement”** have a corresponding meaning.
- (54) **“Insurance Policies”** has the meaning attributed to that term in Section 5.2(21).
- (55) **“Intellectual Property”** means, individually and collectively, howsoever created and wherever located:
- (a) all domestic and foreign patents and applications thereof and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof;
  - (b) all inventions (whether patentable or not), invention disclosures, improvements, trade secrets, proprietary information, know-how, technology, technical data, schematics and customer lists, and all documentation relating to any of the foregoing;
  - (c) all copyrights in all works (including Software) and database rights, copyright registrations and applications thereof, and all works of authorship and moral rights, and all other rights corresponding thereto throughout the world;
  - (d) all trade names, domain names, corporate names, trade dress, distinguishing guises, logos, slogans, brand names, trademarks (whether registered or common law and whether used with

wares or services and including the goodwill attaching to such trademarks) (collectively, “**Trademarks**”) and registrations and applications for registration thereof;

- (e) all Software (in source code and object code form) and databases, and any proprietary rights in such Software and databases;
  - (f) all integrated circuit design, mask work, or topography registrations or applications thereof;
  - (g) all industrial designs and applications for and registration of industrial designs, design patents and industrial design registrations;
  - (h) other intellectual or industrial property whatsoever, including the intellectual property described in Schedule 5.2(19);
  - (i) all income, royalties, damages and payments now and hereafter due and/or payable with respect to any of the foregoing, including damages and payments for past or future Infringements thereof; and
  - (j) all rights to sue for past, present and future Infringements of any of the foregoing.
- (56) “**Internal IT Systems**” means all Hardware, Software and internal networks and communications technologies and services that are owned, leased, or licensed by the Corporations in connection with the Business.
- (57) “**Inventories**” means inventories, including all finished goods, works-in-progress, raw materials, spare parts, replacement parts, and all other materials and supplies to be used or consumed by the Corporations in the production of finished goods for resale.
- (58) “**Legal Requirement**” means any applicable federal, state, local, municipal, foreign, international, multinational, or other order, constitution, law, ordinance, principle of common law, regulation, rule, statute, treaty or determination of any Governmental Authority.
- (59) “**Licensed Intellectual Property**” means all Intellectual Property used by the Corporations in connection with the Business except for the Owned Intellectual Property.
- (60) “**Losses**” has the meaning attributed to that term in Section 9.1(9).
- (61) “**Material Adverse Change**” means, in respect of the Corporations or the Purchaser, as the case may be, any change (or any condition, event or development involving a prospective change) in the financial condition, operations, prospects, assets, liabilities, capitalization, licenses, Permits, concessions, rights or privileges or business, whether contractual or otherwise, of such Party or any subsidiary, that is, or could reasonably be expected to have, a Material Adverse Effect.
- (62) “**Material Adverse Effect**” means any change, event, circumstance, development or effect that, either alone or in combination with any other change, event, circumstance, development or effect, is, or is reasonably likely to be, material and adverse to: (a) the business, assets, liabilities, capitalization, condition (financial or other), or results of operations of the Corporations taken as a whole; or (b) the ability of the Purchaser to operate the Business immediately after the Closing; provided, that none of the following shall be taken into account in determining whether there has been or would be a Material Adverse Effect: (i) changes or conditions affecting the industry generally in which the Corporations or the Purchaser, as applicable, operates; (ii) changes in economic, regulatory or political conditions generally; (iii) the announcement or pendency of the Transactions (including, without limitation, any cancellation of or delays in customer orders, any reduction in sales, any disruption in supplier, partner,

customer, member or similar relationships or any loss of employees); (iv) any failure by the Corporations or the Purchaser, as applicable, to meet internal projections or forecasts or revenue, billings, earnings, member or customer predictions for any period ending (or for which revenues or earnings are released) on or after the date hereof; (v) attrition with respect to employees of the Corporations; (vi) the payment of any amounts due, or the provision of any other benefits, to any officers or employees of the Corporations under employment Contracts, non-competition agreements, employee benefit plans, severance arrangements or other arrangements in existence as of the date hereof; (vii) compliance with the terms of, or the taking of any action required by, this Agreement; (viii) shareholder class action litigation, or similar Claims or actions, arising from allegations of breach of fiduciary duty relating to the Corporations entering into this Agreement or the Transactions contemplated herein; or (ix) matters disclosed in any schedule to this Agreement. For the avoidance of doubt, the Parties agree that the terms “**material**”, “**materially**” or “**materiality**” as used in this Agreement with an initial lower case “m” shall have their respective customary and ordinary meanings, without regard to the meaning ascribed to Material Adverse Effect.

- (63) “**Non-Competition Agreements**” means the non-competition agreements to be entered into between each of the Vendors and OperatingCo, in each case, substantially in the form of Schedule 1.1(63); and “**Non-Competition Agreement**” means any of them.
- (64) “**Objection Notice**” has the meaning attributed to that term in Section 2.5(2).
- (65) “**Occupational Safety and Health Law**” means any Legal Requirement designed to provide safe and healthful working conditions and to reduce occupational safety and health hazards.
- (66) “**OperatingCo**” has the meaning ascribed thereto in the Recitals.
- (67) “**Open Source Code**” has the meaning attributed to that term in Section 5.2(20)(j).
- (68) “**Ordinary Course**” means, with respect to an action taken by a Person, that the action is consistent with the past practices of the Person and is taken in the normal day-to-day operations of the Person.
- (69) “**Other Agreements**” has the meaning attributed to that term in Section 10.7.
- (70) “**Owned Intellectual Property**” means all Intellectual Property created, owned or developed in whole or in part by or on behalf of the Corporations in connection with the Business, including Trademarks used or owned by the Corporations, whether or not registered, and Owned Software.
- (71) “**Owned Software**” means all Software that is owned by the Corporations.
- (72) “**Parties**” means collectively, [REDACTED] and the Purchaser, and “**Party**” means any of them.  
[REDACTED – relates to personal information]
- (73) “**Permits**” means franchises, licences, qualifications, approvals, authorizations, consents, certificates, certificates of authorization, decrees, orders-in-council, registrations, exemptions, consents, variances, waivers, filings, grants, notifications, privileges, rights, orders, judgments, rulings, directives, permits and other approvals, obtained from, issued by or required by a Governmental Authority.
- (74) “**Permitted Encumbrances**” means:
- (a) servitudes, easements, restrictions, rights-of-way and other similar rights in real property or any interest therein, provided that those servitudes, easements, restrictions, rights-of-way and other similar rights are not of such a nature as to materially adversely affect the use or value of the property subject thereto;

- (b) undetermined or inchoate liens, charges and privileges incidental to current construction or current operations, except for liens, charges and privileges related to Taxes;
  - (c) statutory liens, charges, adverse claims, security interests or Encumbrances of any nature whatsoever claimed or held by any Governmental Authority that have not at the time been filed or registered against the title to the asset or served on the Corporations or the Vendors pursuant to Applicable Law or notice of which has not otherwise been received by the Corporations or the Vendors, or that relate to obligations not due or delinquent, except for statutory liens, charges, adverse claims, security interests or Encumbrances related to Taxes;
  - (d) security given in the Ordinary Course of the Business to any public utility or Governmental Authority in connection with the operations of the Business, other than security for borrowed money; and
  - (e) the Permitted Encumbrances described in Schedule 1.1(74).
- (75) **“Person”** is to be broadly interpreted and includes an individual, a corporation, a partnership, a joint venture, a trust, an association, a syndicate, an unincorporated organization, a Governmental Authority, an executor or administrator or other legal or personal representative, or any other juridical entity.
- (76) **“Personal Information”** means any information about an identifiable natural person that was collected, used or disclosed and is being stored by or is otherwise under the control of the Corporations in connection with the Business.
- (77) **“Personal Property”** has the meaning attributed to that term in Section 5.2(15).
- (78) **“Personal Property Leases”** has the meaning attributed to that term in Section 5.2(16).
- (79) **“Post-Closing Period”** means any Tax period beginning on or after the Closing Date.
- (80) **“Pre-Closing Period”** means any Tax period that is not a Post-Closing Period.
- (81) **“Privacy Law”** means any and all Applicable Law that regulates the collection use, disclosure and or storage of Personal Information.
- (82) **“Privacy Requirements”** means all of the obligations restrictions and prohibitions of or applicable to the Corporations in connection with the Personal Information regardless of the authority under which they are imposed, including resolutions of the board of the directors of the Corporations, policies, agreements and any and all Privacy Laws to which the Corporations are subject.
- (83) **“Proceeding”** means:
- (a) any suit, action, dispute, investigation, claim, arbitration, order, summons, citation, directive, charge, demand or prosecution, whether legal or administrative;
  - (b) any other proceeding; or
  - (c) any appeal or application for review;
- at law or in equity or before or by any Governmental Authority.
- (84) **“Purchase Price”** has the meaning attributed to that term in Section 2.2.

- (85) **“Purchased Shares”** means:
- (a) 60 Class A Common shares;
  - (b) 30 Class B Common shares; and
  - (c) 1,032.17824 Class B Special shares,
- in the capital of Holdco.
- (86) **“Purchaser”** has the meaning attributed to that term on page one of this Agreement.
- (87) **“Purchaser’s Counsel”** means Borden Ladner Gervais LLP.
- (88) **“Real Property”** has the meaning attributed to that term in Section 5.2(12).
- (89) **“Representatives”** means, with respect to any Party, its Affiliates and, if applicable, its and their respective directors, officers, employees, agents and other representatives and advisors.
- (90) **“Severance Obligations”** means obligations or liabilities of the Corporations to pay any amount to its officers, directors, employees, consultants, contractors or others of the Corporations in respect of severance, change of control, retention, wages, fees or other amounts owing to such Persons and, without limiting the generality of the foregoing, Severance Obligations shall include the obligations of the Corporations with respect to any severance or termination payments which the Corporations are or may become liable to make to its officers, directors, employees, consultants, contractors or others of the Corporations after the date of this Agreement.
- (91) **“Shareholders Agreement”** means the shareholders agreement of Holdco dated March 31, 2015.
- (92) **“Software”** means software, including all versions thereof, whether installed locally, on a local area network or delivered through the internet, and all related documentation, manuals, source code and object code, program files, data files, computer related data, field and data definitions and relationships, data definition specifications, data models, program and system logic, interfaces, program modules, routines, sub-routines, algorithms, program architecture, design concepts, system designs, program structure, sequence and organization, screen displays and report layouts, including any and all modifications, changes, release, versions, upgrades, updates or patches of any of the foregoing, and all other material related to such software held by the Corporations.
- (93)   
[REDACTED – relates to commercially sensitive information.]
- (94) **“Statutory Plan”** means benefit plans that the Corporations are required by any domestic or foreign statute to participate in or contribute to in respect of a current or former employee, director or officer of the Corporations or any beneficiary or dependent thereof, including the Canada Pension Plan, and plans administered pursuant to applicable health, Tax, workplace safety insurance, workers’ compensation and employment insurance legislation.
- (95) **“Tax”** or **“Taxes”** means taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever imposed by any Governmental Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed in respect thereof (including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, gains, capital stock, production, gift, wealth, environment, net worth, utility, sales, goods and services,

harmonized sales, use, consumption valued-added, excise, stamp, withholding, premium, business, franchising, property, employer health, payroll, employment, health, social services, education and social security taxes, surtaxes, customs duties and import and export taxes, development, occupancy, social services, licence, franchise and registration fees and employment insurance, health insurance and Canada, Québec and other government pension plan premiums or contributions).

- (96) “**Tax Returns**” means all returns, declarations, designations, forms, schedules, reports, elections, notices, filings, statements (including withholding tax returns and reports, and information tax returns and reports) and other documents of every nature whatsoever filed or required to be filed with any Governmental Authority with respect to any Taxes, together with all amendments and supplements thereto.
- (97) “**Third Party Claim**” has the meaning attributed to that term in Section 9.1(12).
- (98) “**Third Party Software**” has the meaning attributed to such term in Section 5.2(20)(k).
- (99) “**Transactions**” means the purchase and sale of the Purchased Shares and all other transactions contemplated by this Agreement.
- (100) “**Vendor’s Shares**” means, with respect to a Vendor, the number of the Purchased Shares set out opposite that Vendor’s name on Schedule 5.2(3).
- (101) “**Vendors**” and “**Vendor**” have the meanings attributed to those terms on page one of this Agreement.
- (102) “**Vendors’ Counsel**” means Bayberry Capital Inc.

**1.2 Construction.** This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party does not apply to the construction or interpretation of this Agreement.

**1.3 Certain Rules of Interpretation.** In this Agreement:

- (a) the division into Articles and Sections and the insertion of headings and the Table of Contents are for convenience of reference only and do not affect the construction or interpretation of this Agreement;
- (b) the expressions “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this Agreement and not to any particular portion of this Agreement; and
- (c) unless specified otherwise or the context otherwise requires:
  - (i) references to any Article, Section or Schedule are references to the Article or Section of, or Schedule to, this Agreement;
  - (ii) “including” or “includes” means “including (or includes) but is not limited to” and is not to be construed to limit any general statement preceding it to the specific or similar items or matters immediately following it;
  - (iii) “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of”;
  - (iv) references to Contracts are deemed to include all present amendments, supplements, restatements and replacements to those Contracts;

- (v) references to any legislation, statutory instrument or regulation or a section thereof are references to the legislation, statutory instrument, regulation or section as amended, re-enacted, consolidated or replaced from time to time; and
- (vi) words in the singular include the plural and vice-versa and words in one gender include all genders.

**1.4 Knowledge.** In this Agreement, any reference to the knowledge of any Party means to the best of the knowledge, information and belief of the Party after reviewing all relevant records and making reasonable inquiries regarding the relevant matter and any reference to the knowledge of the Vendors means to the best of the knowledge, information and belief of any of them after reviewing all relevant records and making reasonable inquiries regarding the relevant matter, and of all their respective Representatives who would reasonably be expected to have knowledge of the relevant matter.

**1.5 Computation of Time.** In this Agreement, unless specified otherwise or the context otherwise requires:

- (a) a reference to a period of days is deemed to begin on the first day after the event that started the period and to end at 5:00 p.m. on the last day of the period, but if the last day of the period does not fall on a Business Day, the period ends at 5:00 p.m. on the next succeeding Business Day;
- (b) all references to specific dates mean 11:59 p.m. on the dates;
- (c) all references to specific times are references to Calgary time; and
- (d) with respect to the calculation of any period of time, references to “from” mean “from and excluding” and references to “to” or “until” mean “to and including”.

**1.6 Performance on Business Days.** If any action is required to be taken pursuant to this Agreement on or by a specified date that is not a Business Day, the action is valid if taken on or by the next succeeding Business Day.

**1.7 Calculation of Interest.** In calculating interest payable under this Agreement for any period of time, the first day of the period is included and the last day is excluded.

**1.8 Currency and Payment.** In this Agreement, unless specified otherwise:

- (a) references to dollar amounts or “\$” refer to the legal tender of Canada;
- (b) any payment is to be made by an official bank draft drawn on chartered bank, wire transfer, negotiable cheque certified by a chartered bank or trust company or any other method (other than cash payment) that provides immediately available funds; and
- (c) except in the case of any payment due on the Closing Date, any payment due on a particular day must be received and available by 2:00 p.m. on the due date and any payment received and available after that time is deemed to have been made and received on the next succeeding Business Day.

**1.9 Accounting Terms.** In this Agreement, unless specified otherwise, each accounting term has the meaning assigned to it under IFRS.

**1.10 Schedules.** The following Schedules are attached to and form part of this Agreement:

Schedule 1.1(36)	Form of Employment Agreement
Schedule 1.1(63)	Form of Non-Competition Agreement
Schedule 1.1(74)	Permitted Encumbrances
Schedule 2.2(2)	Purchase Price Allocation
Schedule 2.3(2)	Form of Escrow Agreement
Schedule 4.1(6)	Form of Release
Schedule 4.1(7)	Form of Resignation and Release
Schedule 5.2(3)	Share Capital
Schedule 5.2(12)	Real Property Leases
Schedule 5.2(14)	Other Property
Schedule 5.2(15)	Personal Property
Schedule 5.2(16)	Personal Property Leases
Schedule 5.2(19)(a)	Owned Intellectual Property Matters
Schedule 5.2(19)5.2(19)(b)	Licensed Intellectual Property Matters
Schedule 5.2(20)	Internal IT Systems Matters
Schedule 5.2(21)	Insurance Policies
Schedule 5.2(23)	Contracts
Schedule 5.2(25)	Permits
Schedule 5.2(26)(b)	Regulatory and Third Party Approvals
Schedule 5.2(32)	Changes Since Financial Statement Date
Schedule 5.2(33)	Taxes
Schedule 5.2(34)	Litigation
Schedule 5.2(35)	Accounts and Attorneys
Schedule 5.2(36)	Directors and Officers
Schedule 5.2(42)	Employees
Schedule 5.2(46)	Customer and Supplier Information

## **ARTICLE 2 PURCHASE AND SALE OF PURCHASED SHARES**

**2.1 Agreement to Purchase and Sell.** Subject to the terms and conditions of this Agreement, as of the Effective Time, the Vendors shall sell to the Purchaser and the Purchaser shall purchase from the Vendors, all of the Purchased Shares, constituting all of the issued and outstanding shares in the capital of Holdco, free and clear of all Encumbrances.

**2.2 Purchase Price and Purchase Price Allocation.**

- (1) Subject to the terms and conditions of this Agreement, the aggregate purchase price to be paid by the Purchaser to the Vendors, in accordance with the Purchase Price allocation set forth in Schedule 2.2(2) for the Purchased Shares is \$11,500,000 (the “**Purchase Price**”), subject to the holdback required by Section 2.3(2) and any adjustments required by Section 2.4 and Section 2.5.
- (2) The Purchaser and the Vendors shall allocate the Purchase Price and any adjustments in accordance with Schedule 2.2(2).

**2.3 Payment of Purchase Price.**

- (1) Subject to Section 2.4 and Section 2.5, the Purchaser shall pay and satisfy the Purchase Price:
  - (a) by payment at Closing to the Vendors of the Closing Date Purchase Price minus the Holdback Amount; and

- (b) by the release of and payment to the Vendors of all or part of the Holdback Amount, if any, in accordance with the terms and conditions set out in Section 2.3(2) and the Escrow Agreement.
- (2) At Closing, the Purchaser shall deliver \$ [REDACTED] (the “**Holdback Amount**”) to the Escrow Agent to secure payment by the Vendors to the Purchaser of any Final Working Capital Statement adjustments arising out of or pursuant to Section 2.5, which such Holdback Amount shall be released and paid by the Escrow Agent to the Vendors in whole or in part, or released and paid by the Escrow Agent to the Purchaser, in whole or in part, on or before the [REDACTED]<sup>th</sup> day from the Closing Date pursuant to the Escrow Agreement. **[REDACTED – relates to the Holdback Amount, which is commercially sensitive information]**

**2.4 Closing Date Purchase Price Adjustments.**

- (1) Immediately prior to the Closing Date, the Vendors shall provide the Purchaser with a good faith best estimate of the Current Assets, Current Liabilities and Debt as of the Closing Date, without giving effect to the Transactions, and accounted for in a manner consistent with previous Financial Statements and IFRS (the “**Closing Date Working Capital Statement**”).
- (2) The Purchase Price to be paid by the Purchaser to the Vendors on the Closing Date is to be adjusted pursuant to the Closing Date Working Capital Statement as follows (the “**Closing Date Purchase Price**”):

Purchase Price:	\$11,500,000
add (+):	Current Assets estimated as of the Closing Date
subtract (-):	Current Liabilities estimated as of the Closing Date
subtract (-):	Debt estimated as of the Closing Date
Total (=):	Closing Date Purchase Price

**2.5 Final Purchase Price Adjustments.**

- (1) As soon as possible, but not later than 35 days, following the Closing Date, the Vendors, on behalf of the Corporations, shall prepare and Provide to the Purchaser a final statement of the Current Assets, Current Liabilities and Debt as of the Closing Date, without giving effect to the Transactions, and accounted for in a manner consistent with previous Financial Statements and IFRS (the “**Final Working Capital Statement**”). For the purposes of this preparation, the Purchaser, on behalf of the Corporations, shall permit the Vendors and the Vendors’ authorized Representatives and/or agents to examine all working papers, schedules, accounting Books and Records and other documents and information required by the Vendors in connection with the preparation of the Final Working Capital Statement and to have reasonable access to appropriate personnel of the Purchaser and the Corporations to prepare the Final Working Capital Statement.
- (2) The Purchaser shall have 14 days from receipt of the Final Working Capital Statement within which to review the Final Working Capital Statement. The Purchaser may dispute any of the items in the Final Working Capital Statement by written notice (an “**Objection Notice**”) to the Vendors within the same 14 days. If the Purchasers have not delivered an Objection Notice to the Vendors within this 14 day period, the Purchasers shall be deemed to have accepted the Final Working Capital Statement. If the Purchasers deliver an Objection Notice, the Purchaser and the Vendors shall work expeditiously and in good faith in an attempt to resolve all of the items in dispute within 14 days of receipt of the Objection Notice.
- (3) If the items set forth in the Objection Notice are not resolved by the Purchaser and the Vendors within 14 days of receipt of the Objection Notice pursuant to Section 2.5(2), each Party shall furnish to [REDACTED] (the “**Independent Auditor**”) those working papers, schedules and other documents, accounting books and records and information relating to the items in dispute, that are available to that Party or its **[REDACTED – relates to third party information]**

auditors (and in the case of the Purchaser, on behalf of the Corporations) as the Independent Auditor may require. The Parties shall instruct the Independent Auditor that time is of the essence in proceeding with its determination of any dispute, and the decision of the Independent Auditor with respect to any item in dispute is to be in writing and, absent any manifest error, is final and binding on the Purchaser and the Vendors, with no rights of challenge, review or appeal to the courts in any manner. The Independent Auditor, in making its determination of any dispute, is acting as an expert and not as an arbitrator and is not required to engage in a judicial inquiry worked out in a judicial manner.

- (4) On agreement of the Parties or decision of the Independent Auditor, as the case may be, with respect to all items in dispute, the Final Working Capital Statement is deemed to be amended as may be necessary to reflect the agreement or the decision, as the case may be. In this event, references in this Agreement to the Final Working Capital Statement will be references to the Final Working Capital Statement, as so amended.
- (5) The Purchaser shall be responsible for one-half of the fees and expenses of the Independent Auditor and the Vendors shall be responsible for one-half of the fees and expenses of the Independent Auditor but each Party shall be responsible for its own costs and expenses.
- (6) The final Purchase Price is to be determined pursuant to the Final Working Capital Statement as follows (the “**Final Purchase Price**”):

Purchase Price	\$11,500,000
add (+):	Current Assets as of the Closing Date
subtract (-):	Current Liabilities as of the Closing Date
subtract (-):	Debt as of the Closing Date
Total (=):	Final Purchase Price

- (7) The Purchase Price is to be adjusted by the amount by which the Final Purchase Price is greater than, or is less than, as the case may be, the Closing Date Purchase Price. If the Final Purchase Price:
  - (a) is greater than the Closing Date Purchase Price: (i) the Purchaser shall pay the difference to the Vendors within five Business Days following the agreement or deemed amendment of the Final Working Capital Statement pursuant to this Section 2.5; and [REDACTED]; or
  - (b) is less than the Closing Date Purchase Price: (i) the Purchaser shall retain the difference from the Holdback Amount within five Business Days following the agreement or deemed amendment of the Final Working Capital Statement pursuant to this Section 2.5; and [REDACTED]

**[REDACTED – relates to commercially sensitive information.]**

The determination and adjustment of the Purchase Price in accordance with the provisions of Section 2.4 and this Section 2.5 will not limit or affect any other rights or causes of action, which the Parties may have with respect to the representations, warranties, covenants and indemnities contained in this Agreement.

### ARTICLE 3 CLOSING ARRANGEMENTS

**3.1 Closing.** The Parties shall hold the Closing via electronic means on the Closing Date, at such time as agreed to by the Vendors and the Purchaser.

**3.2 Vendors' Closing Deliveries.** At Closing, concurrent with the execution and delivery of this Agreement, the Vendors shall deliver or cause to be delivered to the Purchaser all certificates, agreements, documents and instruments as required under Section 4.1.

**3.3 Purchaser's Closing Deliveries.** At Closing, concurrent with the execution and delivery of this Agreement, the Purchaser shall deliver or cause to be delivered to the Vendors all payments, certificates, agreements, documents and instruments as required under Section 4.2.

#### **ARTICLE 4 CLOSING**

**4.1 Closing Deliverables for the Benefit of the Purchaser.** At Closing, concurrent with the execution and delivery of this Agreement, the Vendors shall deliver or cause to be delivered to the Purchaser:

- (1) certificates representing the Purchased Shares, accompanied by stock transfer powers duly executed in blank or duly executed instruments of transfer, and all such other assurances, consents and other documents as the Purchaser reasonably requests to effectively transfer to the Purchaser title to the Purchased Shares free and clear of all Encumbrances;
- (2) a certificate of status (or its equivalent under the laws of the Province of Ontario) of each of the Corporations;
- (3) a certificate of a senior officer of each of the Corporations certifying the: (i) Constating Documents of the Corporations; (ii) resolutions of the board of directors of each of the Corporations authorizing the transfer of the Purchased Shares from the Vendors to the Purchaser as contemplated by this Agreement and authorizing the execution, delivery and performance of all Contracts, agreements, instruments, certificates and other documents required by this Agreement to be delivered by the Corporations; and (iii) incumbency and signatures of the officers of each of the Corporations executing any document relating to the Transactions;
- (4) original share registers, share transfer ledgers, minute books and corporate seals (if any) of the Corporations;
- (5) all other Books and Records;
- (6) releases executed by the Vendors as shareholders of Holdco and OperatingCo substantially in the form attached as Schedule 4.1(6);
- (7) resignation and releases executed by the directors and officers of Holdco and OperatingCo substantially in the form attached as Schedule 4.1(7);
- (8) evidence, satisfactory to the Purchaser of the release and discharge of all Encumbrances affecting any of the Assets, other than the Permitted Encumbrances;
- (9) the Non-Competition Agreements, duly executed by each of the Vendors;
- (10) the Employment Agreements, duly executed by each of [REDACTED] respectively; **[REDACTED – relates to contracts of employment]**
- (11) the Escrow Agreement, duly executed by each of the Vendors;
- (12) evidence of the repayment of any intercorporate loans between Holdco and OperatingCo;

- (13) evidence of termination of the Shareholders Agreement; and
- (14) such other documentation as the Purchaser reasonably requests on a timely basis in order to establish the completion of the Transactions and the taking of all corporate proceedings in connection with the Transactions (as to certification and otherwise), in each case in form and substance satisfactory to the Purchaser and the Vendors, in each case acting reasonably.

**4.2 Closing Deliverables for the Benefit of the Vendors.** At Closing, concurrent with the execution and delivery of this Agreement, the Purchaser shall deliver or cause to be delivered to the Vendors:

- (1) a certificate of status (or its equivalent under the laws of the Province of Alberta) of the Purchaser;
- (2) a certificate of a senior officer of the Purchaser certifying the: (i) Constating Documents of the Purchaser; (ii) resolutions of the board of directors of the Purchaser authorizing the execution, delivery and performance of this Agreement and of all Contracts, agreements, instruments, certificates and other documents required by this Agreement to be delivered by the Purchaser; and (iii) incumbency and signatures of the officers of the Purchaser executing this Agreement and any other document relating to the Transactions;
- (3) payment of the amounts required to be paid on the Closing Date under Section 2.3;
- (4) the Escrow Agreement, duly executed by the Purchaser;
- (5) the Employment Agreements, duly executed by the Purchaser;
- (6) the Non-Competition Agreements, duly executed by the Purchaser; and
- (7) resignation and releases executed by the Purchaser on behalf of the Corporations substantially in the form attached as Schedule 4.1(7).

**4.3 Closing Conditions for the Benefit of the Purchaser.**

- (1) The Purchaser shall be obliged to complete the Transactions only if each of the following conditions precedent has been satisfied in full at or before the Closing Time:
  - (a) all of the representations and warranties of the Vendors made in or pursuant to this Agreement shall have been true and correct as of the date thereof and shall be true and correct as at the Closing Date with the same effect as if made on and as of the Closing Date (except as those representations and warranties may be affected by events or transactions (i) resulting from the entering of this Agreement that do not have a Material Adverse Effect and arise in the Ordinary Course of the Business, or (ii) approved in writing by the Purchaser);
  - (b) the Vendors shall have complied with or performed all of the obligations, covenants and agreements under this Agreement to be complied with or performed by the Vendors on or before the Closing Date, to the satisfaction of the Purchaser, acting reasonably;
  - (c) due diligence on the Corporations and the Business (the “**Due Diligence**”) shall have been satisfactorily concluded by the Purchaser, acting reasonably;
  - (d) the information provided by the Vendors in the course of the Due Diligence shall have been materially accurate and in the opinion of the Purchaser, acting reasonably, no Material Adverse Change shall have occurred to the Business or share capital of the Corporations;

- (e) the board of directors of the Purchaser shall have approved the Transaction;
  - (f) the Vendors shall have delivered or caused to be delivered all of the items set forth in Section 4.1;
  - (g) all Approvals have been obtained, in each case in a form and substance satisfactory to the Purchaser, acting reasonably and are in full force and effect;
  - (h) there is no injunction or restraining order issued preventing, and no pending or threatened Proceeding, against any Party, for the purpose of enjoining or preventing, the completion of the Transactions or otherwise claiming that this Agreement or the completion of the Transactions is improper or would give rise to a Proceeding, under any Applicable Law or under any Contract;
  - (i) in the opinion of the Purchaser, since the date of this Agreement there has not occurred any event which may have a Material Adverse Effect;
  - (j) in the opinion of the Purchaser, no Applicable Law has been enacted, introduced or announced which may have a Material Adverse Effect; and
  - (k) the balance sheet of the Corporations shall have no Debt other than trade payables occurred in the Ordinary Course of the Business.
- (2) Each of the conditions set out in Section 4.3(1) is for the exclusive benefit of the Purchaser and the Purchaser may waive compliance with any such condition in whole or in part by notice in writing to the Vendors, except that no such waiver operates as a waiver of any other condition.

#### **4.4 Closing Conditions for the Benefit of the Vendors**

- (1) The Vendors shall be obliged to complete the Transactions only if each of the following conditions precedent has been satisfied in full at or before the Closing Time:
- (a) all of the representations and warranties of the Purchaser made in or pursuant to this Agreement shall have been true and correct as of the date hereof and shall be true and correct as of the Closing Date with the same effect as if made on and as of the Closing Date (except as those representations and warranties may be affected by events or transactions expressly permitted by or resulting from the entering of this Agreement);
  - (b) the Purchaser shall have complied with or performed all of the obligations, covenants and agreements under this Agreement to be complied with or performed by the Purchaser on or before the Closing Date to the satisfaction of the Vendor, acting reasonably;
  - (c) all Permits required from all relevant Governmental Authorities to permit the completion of the Transactions have been obtained and are in full force and effect;
  - (d) there is no injunction or restraining order issued preventing, and no pending or threatened Proceeding, against any Party, for the purpose of enjoining or preventing, the completion of the Transactions or otherwise claiming that this Agreement or the completion of the Transactions is improper or would give rise to a Proceeding, under any Applicable Law; and
  - (e) the Purchaser shall have delivered or caused to be delivered all of the items set forth in Section 4.2.

- (2) Each of the conditions set out in Section 4.4(1) is for the exclusive benefit of the Vendors and the Vendors may waive compliance with any such condition in whole or in part by notice in writing to the Purchaser, except that no such waiver operates as a waiver of any other condition.

## ARTICLE 5 REPRESENTATIONS AND WARRANTIES

**5.1 Representations and Warranties of the Vendors.** Each Vendor severally, and not jointly and severally, represents and warrants to the Purchaser as to itself (and not as to the other Vendors) as follows and acknowledges that the Purchaser is relying on these representations and warranties in connection with its purchase of the Purchased Shares and that the Purchaser would not purchase the Purchased Shares without these representations and warranties:

- (1) Competence. The Vendor is of the full age of majority and is legally competent to execute this Agreement and to observe and perform the Vendor's covenants and obligations hereunder.
- (2) Enforceability. This Agreement has been duly executed and delivered by the Vendor and (assuming due execution and delivery by the other Parties) is a legal, valid and binding obligation of the Vendor enforceable against the Vendor in accordance with its terms, except as that enforcement may be limited by bankruptcy, insolvency and other similar laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction. Each of the Contracts, agreements and instruments required by this Agreement to be delivered by the Vendor have been duly executed and delivered by the Vendor and (assuming due execution and delivery by the other parties thereto) is a legal, valid and binding obligation of the Vendor enforceable against the Vendor in accordance with their terms, except as that enforcement may be limited by bankruptcy, insolvency and other similar laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.
- (3) Ownership of Vendor's Shares. The Vendor is the registered and beneficial owner of its Vendor's Shares, with good and marketable title thereto, free and clear of all Encumbrances, and has the exclusive right to dispose of the Vendor's Shares as provided in this Agreement. None of the Vendor's Shares are subject to: (a) any Contract or restriction which in any way limits or restricts the transfer to the Purchaser of the Vendor's Shares; and (b) any voting trust, pooling agreement, shareholder agreement, voting agreement or other Contract, arrangement or understanding with respect to the voting of the Vendor's Shares (or any of them), other than the Shareholders Agreement. On completion of the Transactions, the Vendor will have no ownership interest in the Corporations, whether direct or indirect, actual or contingent, and the Purchaser shall have good title to the Vendor's Shares, free and clear of all Encumbrances other than Encumbrances granted by the Purchaser.
- (4) No Other Agreements to Purchase. No Person other than the Purchaser has any Contract or any right or privilege capable of becoming a Contract for the purchase or acquisition from the Vendor of any of the Vendor's Shares.
- (5) Bankruptcy. The Vendor is not an insolvent or bankrupt Person and has not made an assignment in favour of the Vendor's creditors or a proposal in bankruptcy to the Vendor's creditors or any class thereof, and no petition for a receiving order has been presented in respect of the Vendor. The Vendor has not initiated Proceedings with respect to a compromise or arrangement with creditors and no receiver or interim receiver has been appointed in respect of the Vendor, or any undertakings, property or assets (including any of the Vendor's Shares) of the Vendor, and no execution or distress has been levied on any undertakings, property or assets (including any of the Vendor's Shares) of the Vendor, nor have any Proceedings been commenced in connection with any of the foregoing.

- (6) Absence of Conflict. The execution, delivery and performance by the Vendor of this Agreement and the completion of the Transactions will not (whether after the passage of time or notice or both) result in:
- (a) the breach or violation of any of the provisions of, or constitute a default under, or give any Person the right to seek or cause a termination, cancellation, amendment or renegotiation of any Contract to which the Vendor is a party or by which any of the Vendor's undertakings, property or assets is bound or affected;
  - (b) the breach or violation of any of the provisions of, or constitute a default under, or conflict with any of the Vendor's obligations under:
    - (i) any judgment, decree, order or award of any Governmental Authority having jurisdiction over the Vendor;
    - (ii) any Approval issued to the Vendor or held by the Vendor or held for the benefit of or necessary to the ownership of any of the Vendor's Shares;
    - (iii) any Applicable Law; or
    - (iv) any Applicable Securities Law;
  - (c) the creation or imposition of any Encumbrance over any of the Vendor's Shares; or
  - (d) the requirement of any Approval from any of the Vendor's creditors.
- (7) Litigation. There are no Proceedings (whether or not purportedly on its behalf) pending or outstanding or, to the Vendor's knowledge, threatened against the Vendor which could affect the Vendor's Shares or the ability to perform the Vendor's obligations under this Agreement. To the Vendor's knowledge, there is not any factual or legal basis on which any such Proceeding might be commenced with any reasonable likelihood of success.

**5.2 Representations and Warranties of the Vendors Relating to the Corporations.** Each of the Vendors jointly and severally represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on these representations and warranties in connection with its purchase of the Purchased Shares and that the Purchaser would not purchase the Purchased Shares without these representations and warranties:

- (1) Organization and Status. Each Corporation is duly incorporated and organized, and is validly subsisting, under the laws of the jurisdiction of incorporation and is up-to-date in the filing of all corporate and similar returns under the laws of that jurisdiction. There are no other jurisdictions where either Corporation carries on Business or where it either owns or operates any Assets or in which the nature of the Business or the Assets makes the registration, licensing or qualification as an extra-provincial or foreign Corporations necessary. True, accurate and complete copies of the Constating Documents and other organizational documents of the Corporations have been provided to the Purchaser.
- (2) Corporate Power. The Corporations have all necessary corporate power and authority to own or lease the Assets and to carry on the Business as now being conducted by them and as previously having been conducted by them.
- (3) Capitalization. Schedule 5.2(3) sets out the authorized and issued shares of the Corporations, the names of the Persons who are shown on the securities register of the Corporations as the holder such shares, the names of the Persons who are the beneficial owners of any of the shares, and the number and class of shares held or owned, as the case may be, by each Person. All of the shares indicated in

Schedule 5.2(3) are the only issued and outstanding shares of the Corporations and have been validly issued and are outstanding as fully paid and non-assessable common shares, and were not issued in violation of the pre-emptive rights of any Person or any Contract or Applicable Law or Applicable Securities Law by which the Corporations was bound as the time of the issuance.

- (4) Shareholder Agreements. There are no shareholders agreements, voting trusts, pooling agreements or other Contracts, arrangements or understandings in respect of the voting of any of the shares of the Corporations, other than the Shareholders Agreement. True, accurate and complete copies of the Constatng Documents (including all Contracts, arrangements and understandings set out in Schedule 5.2(23)) and other organizational documents of the Corporations, or where those Contracts, arrangements or understandings are oral, true, accurate and complete written summaries of their terms, have been made available to the Purchaser.
- (5) Options. No Person has any Contract or any right or privilege capable of becoming a Contract, including convertible securities, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any issued or un-issued Equity Interests of the Corporations.
- (6) Absence of Conflict. The completion of the Transactions will not, (whether after the passage of time or notice or both) result in:
  - (a) the breach or violation of any of the provisions of, or constitute a default under, or give any Person the right to seek or cause a termination, cancellation, amendment or renegotiation of any Contract to which the Corporations are a party or by which any of the Assets is bound or affected;
  - (b) the breach or violation of any of the provisions of, or constitute a default under, or conflict with any of the obligations of the Corporations under:
    - (i) any provision of the Constatng Documents or resolutions of the board of directors (or any committee thereof) or shareholders of the Corporations;
    - (ii) any judgment, decree, order or award of any Governmental Authority having jurisdiction over the Corporations;
    - (iii) any Approval issued to, or held by, the Corporations or held, for the benefit of or necessary to the operation of, the Corporations or the Business;
    - (iv) any Applicable Law; or
    - (v) any Applicable Securities Law;
  - (c) the creation or imposition of any Encumbrance over any of the Assets; or
  - (d) the requirement of any Approval from any of the creditors of the Corporations.
- (7) Government Approvals. Except for: (a) compliance with any Applicable Securities Laws; (b) any governmental authorizations, consents, approvals or filings necessary for transfers of Permits and licenses or customarily obtained or made in connection with the transfer of interests in or the change of control of ownership the Business; and (c) such other authorizations, consents, approvals or filings, no authorization, consent or approval of or filing with any Governmental Authority is required to be obtained or made by the Corporations for the consummation by the Corporations of the Transactions.

- (8) Government Filings. Neither of the Corporations are required to obtain any authorization, consent or approval of, or make any filing with, any Governmental Authority for the consummation by the Corporations of the Transactions.
- (9) Conduct of Business. The Corporations have complied with, and have conducted the Business in compliance with, all Applicable Laws. The Business is the only business operation carried on by the Corporations and the Assets are sufficient to permit the continued operation of the Business in substantially the same manner as conducted in the one year period preceding the date of this Agreement. During the two year period preceding the date of this Agreement, there has not been any significant interruption of operations (being an interruption of more than one Business Day) of the Business.
- (10) No Subsidiaries.
- (a) Other than OperatingCo, Holdco has not owned and does not own and does not have any Contracts of any nature to acquire, directly or indirectly, any Equity Interests in any Person and Holdco does not have any Contracts to acquire by any manner whatsoever or lease any other business operations.
- (b) OperatingCo has not owned and does not own and does not have any Contracts of any nature to acquire, directly or indirectly, any Equity Interests in any Person and Holdco does not have any Contracts to acquire by any manner whatsoever or lease any other business operations.
- (11) Bankruptcy. Neither of the Corporations are an insolvent Person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or has made an assignment in favour of their creditors or a proposal in bankruptcy to their creditors or any class thereof, and no petition for a receiving order has been presented in respect of it. Neither of the Corporations have initiated Proceedings with respect to a compromise or arrangement with their creditors or for their winding up, liquidation or dissolution. No receiver or interim receiver has been appointed in respect of a Corporation or any of the Assets and no execution or distress has been levied on any of the Assets, nor have Proceedings been commenced in connection with any of the foregoing.
- (12) Location of Real Property. Neither of the Corporations own any real or immovable property (“**Real Property**”) either in whole or in part, legally or beneficially. Neither of the Corporations are a party to, or bound by, any Contract or option to sell, transfer or acquire any real or immovable property either in whole or in part, legally or beneficially.
- (13) Real Property Leases. Schedule 5.2(13) sets forth a complete and accurate list of all material leases, subleases, licenses, occupancy agreements and other agreements (the “**Leased Property**”) pursuant to which the Corporations are vested with rights to use or access any real or immovable property leased, subleased, licensed or otherwise occupied by the Corporations. Each lease, sublease, license or occupancy agreement for real or immovable property leased, subleased, licensed or occupied by the Corporations are valid, legally binding and enforceable against the Corporations, as applicable, and, to the knowledge of the Vendor or the Corporations, the other parties, in accordance with their terms and in full force and effect unamended by oral or written agreement, true and complete copies of which (including all related amendments, supplements, notices and ancillary agreements) have been disclosed to the Purchaser, and neither of the Corporations are in breach of, or default under, such lease, sublease, license or occupancy agreement, and no event has occurred which, with notice, lapse of time or both, would (A) constitute such a breach or default by the Corporations, or, to the knowledge of the Vendor or the Corporations, the other parties, or (B) permit termination, modification or acceleration by any third party thereunder. No third party has repudiated or has the right to terminate or repudiate any such lease, sublease, license or occupancy agreement (except for the normal exercise of remedies in connection with a default thereunder or any termination rights set forth in the lease, sublease, license or

occupancy agreement) or any provision thereof. None of the leases, subleases, licenses or occupancy agreements have been assigned by the Corporations in favour of any Person or sublet or sublicensed.

- (14) Title to Other Property. The Corporations own (with good title) all of the Assets that they purport to own including all the assets reflected as being owned by the Corporations in their financial books and records and such Assets include all rights and property necessary to enable the Corporations to continue to conduct the Business after the Closing Date substantially in the same manner as it is currently conducted. Schedule 5.2(14) is a true, accurate and complete list of all locations where the Assets are situated, including a brief description of such of the Assets situated at each location. All of the Assets used by the Corporations are free of material defects, in good operating condition and in a state of good repair and maintenance.
- (15) Personal Property. Schedule 5.2(15) is a true, accurate and complete list of each item of machinery, equipment, furniture, motor vehicles and other personal property owned or leased by the Corporations (including those in possession of third parties) (the “**Personal Property**”), in each case having a value in excess of \$ [REDACTED]. **[REDACTED – relates to the Personal Property threshold amount, which is commercially sensitive information.]**
- (16) Personal Property Leases. Schedule 5.2(16) is a true, accurate and complete list of all equipment leases, chattel leases, rental agreements, conditional sales agreements and similar agreements relating to any of the Assets (the “**Personal Property Leases**”) and identifies those Personal Property Leases that cannot be terminated by the Corporations without liability at any time on less than 30 days’ notice or that involve payment by it in the future of more than \$ [REDACTED]. All of the Personal Property Leases were entered into by the Corporations in the Ordinary Course. True, accurate and complete copies of all Contracts set out in Schedule 5.2(16), or where those Contracts are oral, true, accurate and complete summaries of their terms, have been made available to the Purchaser. **[REDACTED – relates to the Personal Property Leases threshold amount, which is commercially sensitive information.]**
- (17) Inventories. The Inventories do not include any items that are slow moving, below standard quality or of a quality or quantity not usable or saleable in the Ordinary Course, the value of which has not been written down on its books of account to net realizable market value. The inventory levels of the Corporations have been maintained at such amounts as are required for the operation of the Business as currently conducted, and such inventory levels are adequate therefor.
- (18) Accounts Receivable. All Accounts Receivable are bona fide and good and have been incurred in the Ordinary Course and are shown on the financial Books and Records. Subject to an allowance for doubtful accounts that has been reflected on the financial Books and Records of the Corporations on a consolidated basis in accordance with IFRS, all Accounts Receivable are collectible at their full face value in the Ordinary Course without set-off or counterclaim. None of the Accounts Receivables is due from an Affiliate of the Corporations or from either of the Vendor or from any Employee.
- (19) Intellectual Property.
- (a) Schedule 5.2(19)(a) sets forth a true, complete and accurate list of: (i) all Owned Intellectual Property for which the Corporations owns registrations issued by a Governmental Authority or applications for registration by a Governmental Authority; (ii) Owned Software; (iii) Trademarks used or owned by the Corporations, whether or not registered; (iv) all Contracts under which the Corporations have provided a license to or rights under the Owned Intellectual Property; and (v) all Contracts under which the Corporations have been granted rights to Licensed Intellectual Property, other than Contracts pertaining to Commercial Software costing less than \$ [REDACTED] in any calendar year. The Corporations hold the entire right, title and interest in and to all of the Owned Intellectual Property, free of all Encumbrances, and have the exclusive and unfettered right to use the Owned Intellectual Property, except to the extent the Corporations have licensed others to use the Owned Intellectual Property pursuant to Contracts listed in Schedule 5.2(19)(a). The Owned Intellectual Property is valid and the rights of the **[REDACTED – relates to the Commercial Software threshold amount, which is commercially sensitive information.]**

Corporations in the Owned Intellectual Property are enforceable. All registrations and applications for registration of the Owned Intellectual Property are in good standing, have been filed in a timely manner within the applicable intellectual property office to preserve the rights thereto and assignments have been recorded in favour of the Corporations. No Owned Intellectual Property has expired, has been cancelled, expunged or impeached, or has lapsed for failure to be renewed or maintained. No Owned Intellectual Property has been used, not used, enforced or not enforced, and no other acts or omissions to act have occurred, in each case in a manner that could reasonably be expected to result in the abandonment, cancellation, invalidity or unenforceability of any of the Owned Intellectual Property.

- (b) Schedule 5.2(19)(b) sets forth a complete and accurate list of all Licensed Intellectual Property, other than Commercial Software costing less than \$ \_\_\_\_\_ in any calendar year, and all Contracts that comprise or relate to such Licensed Intellectual Property. The Corporations have the exclusive right to use the Licensed Intellectual Property set out in Schedule 5.2(19)(b) except to the extent the rights are identified in Schedule 5.2(19)(b) as being non-exclusive. The Corporations are not a party to any contract or commitment to pay any royalty or other fee to use the Licensed Intellectual Property except as set out in the Contracts listed in Schedule 5.2(19)(b) and except for Commercial Software costing less than \$ \_\_\_\_\_ in any calendar year. The Licensed Intellectual Property is used by the Corporations with \_\_\_\_\_ consent or license from, to the knowledge of the Vendors, the rightful owners thereof. All necessary consents and licences relating to the Licensed Intellectual Property are in good standing, binding and enforceable in accordance with their respective terms and no default or breach exists on the part of the Corporations thereunder. No consents are required in order for the Licensed Intellectual Property to be licensed or sub-licensed to the Corporations under the respective Contracts therefor except as set out in Schedule 5.2(19)(b).

**[REDACTED – relates to the Commercial Software threshold amount, which is commercially sensitive information.]**

- (c) The Business Intellectual Property is all of the Intellectual Property used or required for the proper carrying on of the Business, as it has been and is now conducted, and in accordance with the current documented plans of the Corporations, if any. No Business Intellectual Property is subject to any outstanding order, award, decision, Proceeding, injunction, judgment, decree, stipulation or agreement materially restricting the transfer, use, enforcement or licensing thereof by the Corporations in the operation of the Business. The Corporations have the right and authority to use after the Closing Date the Business Intellectual Property in connection with the conduct of the Business in the manner presently conducted by the Corporations.
- (d) Neither the use of the Business Intellectual Property nor the conduct of the Business has Infringed the Intellectual Property of any other Person. The Corporations have not received any written notice that the use of the Business Intellectual Property or the conduct of the Business Infringes any Intellectual Property of any other Person, and no Proceedings have been instituted or are pending or threatened, alleging any such Infringement.
- (e) To the knowledge of the Vendors, no Person has Infringed any of the Owned Intellectual Property or the right and interest of the Corporations in the Licensed Intellectual Property. The Corporations have not issued a notice, Claim or demand to any Person alleging any such Infringement, and no Proceedings have been instituted or are pending or threatened, alleging any such Infringement.
- (f) All of the Owned Intellectual Property that has been generated, reduced to practice, made, invented, developed or created by Employees, or pursuant to Contracts with consultants or contractors (collectively, the “Developers”), has been wholly and irrevocably assigned to the Corporations in writing or in another enforceable manner. All of the Owned Intellectual Property contributed by the Developers are original works. No Person has claimed that any current or former Developer has, as a result of contribution to any Owned Intellectual Property,

violated the terms and conditions of any Contract with that Person or disclosed or used any trade secret of that Person. No Developer has claimed any rights in the Owned Intellectual Property.

- (g) The Owned Intellectual Property is not subject to any Proceedings, including any actual or threatened Claim for cancellation, expungement, impeachment, re-examination, invalidity or any termination or limitation thereof.
- (h) Entering into this Agreement will not alter, impair or extinguish any of the Business Intellectual Property or trigger any rights of first refusal requiring the sale, assignment or transfer of any Business Intellectual Property to another Person.
- (i) Except as set forth in Schedule 5.2(19)(i), the Corporations have the exclusive right and authority to use each of the Trademarks following part of the Business Intellectual Property in connection with the Business, and such use has not and will not conflict with, Infringe upon, or violate any trademark right of any other Person. The registered Trademarks which are part of the Business Intellectual Property have been in continuous use since registration and the Corporations have continuously used such Trademarks while owning such Trademarks. Any and all Trademarks which are in the Business Intellectual Property have been controlled by the Corporations and the Corporations have maintained control of any such Trademarks in any agreements in which it has licensed such Trademark. The Corporations have enforced their right to any Trademarks that form part of the Business Intellectual Property against any third party that has passed off, Infringed or otherwise sought to appropriate the goodwill of the Corporations under such Trademarks.

(20) Internal IT Systems.

- (a) Schedule 5.2(20) sets out a brief description of the Internal IT Systems, and the Purchaser has been provided with accurate copies of all Contracts, including warranties, leases and licences, that comprise the Internal IT Systems.
- (b) The Internal IT Systems are either owned by, or properly licensed or leased to, the Corporations. The Corporations are not in default under the licences or leases and there are no grounds on which they might be terminated prior to their natural expirations. There are no circumstances in which the ownership, benefit, or right to use the Internal IT Systems (including the right to sell or license its products or provide services) may be lost by virtue of the Transaction or the performance of this Agreement.
- (c) The Internal IT Systems have not failed to any material extent and the data which they process have not been corrupted. The Corporations have, in accordance with industry practice, taken precautions to preserve the availability, security and integrity of the Internal IT Systems and the data and information stored on the Internal IT Systems. The Internal IT Systems do not currently contain any Disabling Code, and the Corporations have taken reasonable steps and implemented reasonable administrative, technical and physical procedures, in accordance with industry practice, to ensure that their Internal IT Systems do not and will not contain Disabling Code.
- (d) The Internal IT Systems do not contain systems which are not available from third party suppliers on arm's-length commercial terms.
- (e) The Internal IT Systems, Owned Software, all Business Intellectual Property, customer information, confidential Books and Records, and all Personal Information have at all times been subjected to commercially appropriate security controls by the Corporations, or by their

agents and representatives, so as to restrict the use and disclosure thereof solely to authorized Persons, and to protect and safeguard the secrecy and confidentiality thereof.

- (f) The Internal IT Systems adequately meet the data processing needs of the Business and the Corporations' operations and affairs, in each case as presently conducted. The Corporations have taken appropriate action by instruction, Contract or otherwise with the Employees or other Persons permitted access to Internal IT Systems and Owned Software and data used or stored in the Internal IT Systems and Owned Software to protect against unauthorized access, use, copying, modification, theft and destruction of any part of the Internal IT Systems or data.
- (g) The Corporations have maintained back-up systems and disaster recovery plans reasonably designed to adequately and properly ensure the availability of the functionality provided by the Internal IT Systems and Owned Software in the event of any malfunction of, or other form of disaster affecting, the Internal IT Systems or Owned Software. The Corporations have routinely planned, tested, implemented and executed disaster recovery plans to (i) address functions and operations of the services used by clients; (ii) thoroughly test (as it relates to the Business) after each any material change to the plans or the facility or systems used in connection with such plan and at least once annually; and (iii) be regularly updated to the extent necessary in order to ensure that the plan remains responsive to changes within clients and to remain compliant on all requirements of Applicable Law imposed on their clients.
- (h) The Corporations maintain and store, and have maintained and stored, in a secure environment, their Books and Records and client data and records necessary to permit auditors or their clients to conduct a complete audit of such records by auditors or under Contracts with their clients.
- (i) All licensed Software which comprises part of the Internal IT Systems, other than Software which is provided over the internet, is in machine-readable form, contains current revisions of that Software as delivered to the Corporations by the licensors thereof and includes all object codes and documentation which are used or required by the Corporations for use in their Internal IT Systems sufficient to permit a Person of reasonable skill and experience to operate and maintain that Software. Except for Commercial Software and as set out in Schedule 5.2(20), to the extent that Software is licensed Software, a copy of the source code for such Software is in escrow for the benefit of the Corporations in the event of the occurrence of certain triggering events and none of the licences for that Software will be adversely affected by the Transaction or requires prior approval of the Transaction by the applicable licensor to remain in force or effect.
- (j) Except for the Third Party Software identified in Schedule 5.2(20), no Software in the Internal IT Systems or Owned Software contains any open source code, free code, community source code or similar Software, including any libraries or Software licensed under any license agreement or arrangement obliging a user of any part of Software to make source or object code available to third parties (collectively, "**Open Source Code**"). Except as set out in Schedule 5.2(20), the Internal IT Systems will not require the use of any Open Source Code in order to function in its intended fashion. The Owned Software will not require the use of any Open Source Code in order to function in its intended fashion.
- (k) Except for the third party Software listed in Schedule 5.2(20) ("**Third Party Software**"), the Owned Software neither contains nor embodies nor uses nor requires any third party Software, including development tools and utilities, and the Owned Software, together with the Third Party Software, contains all material necessary for the continued maintenance and development of the Owned Software.

- (l) There are no known material problems or defects in the Owned Software including bugs, logic errors or failures of the Owned Software to operate as described in the related documentation and the Owned Software operates in substantial accordance with its documentation and specifications. The Owned Software does not contain any undocumented Disabling Code.
  - (m) The terms, conditions and restrictions applicable to the procurement of Third Party Software which are used, incorporated, bundled, aggregated or otherwise combined with the Owned Software provide the Corporations with the right to: (i) distribute or make available the Owned Software to customers or potential customers in the ordinary course of business; and (ii) grant run-time licences to all such customers sufficient for the intended and expected use of the Owned Software.
  - (n) Only object code versions of the Owned Software have been provided to customers of the Owned Software who have executed licences or services agreements with the Corporations, and no Person except for such licensees and customers has been provided with a copy of the object code of all or any part of the Owned Software. Such executed licences and services agreements contain appropriate non-disclosure and restricted use provisions such that: (i) all Intellectual Property rights of the Corporations therein are maintained and not diminished in any way; and (ii) such licensees and customers are legally prevented from deriving or otherwise discerning the corresponding source code for all or any part of the Owned Software object code and other executables thereof. The source code for all or any part of the Owned Software has not been delivered or made available to any Person and the Corporations have not agreed to, undertaken to, or in any other way promised to, provide such source code to any Person.
  - (o) Except as set forth in Schedule 5.2(20)(o), to the knowledge of the Vendors, in the three years prior to the Effective Time: (i) no Person has: (A) gained unauthorized access to the Internal IT Systems or the Owned Software; (B) compromised the privacy or data security of any user or customer; (C) compromised any confidential Books and Records or customer information or the Internal IT Systems or Owned Software through the use of Disabling Code; or (D) damaged or destroyed any data or file without a user's consent; and (ii) the Internal IT Systems and Owned Software have not been compromised as a result of a cybersecurity breach or incident.
  - (p) The Corporations are not in default under the agreements for licences or leases they have granted for Owned Software and there are no grounds on which such agreements might be terminated.
  - (q) The Owned Software has not failed to any material extent and the data which they process has not been corrupted. The Corporations have, in accordance with industry practice, taken precautions to preserve the availability, security and integrity of the Owned Software and the data and information stored on the Owned Software. The Owned Software does not contain any Disabling Code, and the Corporations have taken reasonable steps and implemented reasonable administrative, technical and physical procedures, in accordance with best industry practice, to ensure that the Owned Software does not and will not contain Disabling Code.
  - (r) The Owned Software does not contain systems which are not available from third party suppliers on arm's-length commercial terms.
- (21) Insurance. Prior to the execution of this Agreement, the Corporations made available to the Purchaser each insurance policy (including policies providing property, casualty, liability, and workers' compensation coverage and bond and surety arrangements) to which the Corporations are a party, a named insured, or otherwise the beneficiary of coverage, and each such insurance policy is set out in Schedule 5.2(21) (the "**Insurance Policies**"). Except as would not, individually or in the aggregate, be

reasonably expected to have a Material Adverse Effect on the Corporations, the Corporations have not received written notice from any insurer or agent of such insurer that substantial capital improvements or other expenditures will have to be made in order to continue such insurance, and all such insurance is outstanding and duly in force on the date hereof. Except as would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect on the Corporations: (a) the Corporations are not in material breach or default under, or have taken any action which could permit termination or material modification of, any material insurance policies; and (b) no notice in writing of cancellation or termination has been received with respect to any material insurance policy and no such policy shall terminate or give rise to a right of cancellation by reason of the execution, delivery and performance of this Agreement. The Corporations have not been refused any insurance with respect to their assets, properties or businesses, nor has any such coverage been materially limited by any insurance carrier to which the Corporations have applied for any such insurance or with which the Corporations have carried insurance during the three years ending on the date hereof.

- (22) No Expropriation. None of the Assets have been taken or expropriated by any Governmental Authority nor has any written notice or Proceeding in respect thereof been given or commenced and, to the knowledge of the Vendors, there is not any intent or proposal to give any such notice or commence any such Proceeding.
- (23) Contracts. Prior to the execution of this Agreement, the Corporations made available to the Purchaser a complete and accurate copy of all material Contracts and other agreements to which the Corporations are a party. A true, accurate and complete list of all Contracts in full force and effect as at the Closing Time is set out in Schedule 5.2(23), or where those Contracts are oral, true, accurate and complete summaries of their terms, have been provided to the Purchaser. With respect to each such material Contract, there are no actual or, to the knowledge of the Vendors, threatened disputes or defaults by the Corporations or, to the knowledge of the Vendors, any other party to such Contract as to such Contract that would have a Material Adverse Effect on the Corporations. With respect to each material Contract that is between the Corporations and a customer or client of the Corporations, there are no actual disputes or defaults, and no customer or client has alleged or threatened a dispute or default by the Corporations.
- (24) No Default Under Contracts. The Corporations have performed all of the obligations required to be performed by it and is entitled to all benefits under, and is not in default or alleged to be in default in respect of, any Contract relating to the Business or the Assets (including the Contracts referred to in any Schedule to this Agreement), to which the Corporations are a party or by which the Corporations are bound or affected. All such Contracts are in good standing and in full force and effect, and no event, condition or occurrence exists that, after notice or lapse of time or both, would constitute a default under any such Contract. There is no dispute between the Corporations and any other party under any such Contract. Except as disclosed in the Schedules to this Agreement, none of those Contracts contain terms under which the execution or performance of this Agreement would give any other contracting party the right to terminate or adversely change the terms of that Contract or would otherwise require the consent of any other Person. None of those Contracts have been assigned, or if applicable subleased, in whole or in part.
- (25) Permits. Schedule 5.2(25) sets out a true, accurate and complete list of Permits issued to or held by or for the benefit of the Corporations, and there are no other Permits necessary to conduct the Business or to own, lease or operate any of the Assets. No such Permit contains any burdensome term, provision, condition or limitation which has or is likely to have any Material Adverse Effect on the Business. Each such Permit is valid, subsisting and in good standing. The Corporations are not in default or in breach of the terms of any such Permit and, to the knowledge of the Vendors, there exists no grounds, nor is any action or Proceeding pending or, to the knowledge of the Vendors, threatened to revoke, suspend, amend or limit any such Permit. Except as disclosed in Schedule 5.2(25), none of those Permits contain terms under which the execution and performance of this Agreement would give the issuer of that Permit

the right to terminate or adversely change the terms of that Permit or would require the consent of any Person.

(26) Regulatory and Third Party Approvals.

- (a) There is no requirement to make any filing with, give any notice to or obtain any Permit as a condition to the lawful completion of the Transactions contemplated by this Agreement or to permit the Corporations to conduct the Business after Closing as the Business is currently conducted by the Corporations, except for the filings, notifications and Permits that relate solely to the identity of the Purchaser or the nature of any business carried on by the Purchaser.
- (b) Except as set forth on Schedule 5.2(26)(b), there is no requirement under any Contract or Permit relating to the Business, the Assets, the Permitted Encumbrances or the Corporations to which the Corporations are a party or by which the Business, the Assets, or the Corporations are bound or affected for any Approvals from any party to that Contract or Permit or from any other Person relating to the completion of the Transactions.

(27) Financial Statements. Prior to the execution of this Agreement, the Corporations made available to the Purchaser the Financial Statements. The Financial Statements present fairly in all material respects the financial position of the Corporations as of the respective dates of the Financial Statements, and the results of operations, changes in shareholders' equity and cash flows of the Corporations for such periods are consistent with the Books and Records of the Corporations.

(28) Projections. All projections, including forecasts, budgets, *pro formas* and business plans made available to the Purchaser were prepared in good faith based on assumptions which were believed to be reasonable and are believed to be reasonable estimates of the prospects of the Business.

(29) Books and Records. Prior to the execution of this Agreement, the Corporations made available to the Purchaser the Books and Record for its examination. Such Books and Records are true and complete in all material respects, contain accurate and complete records of the meetings of the shareholders, the board of directors and the shareholders of the Corporations, and the issuance and transfer of common shares thereof. The Books and Records:

- (a) accurately reflect the basis for the financial condition and the revenues, expenses and results of the operations of the Corporations shown in the Financial Statements;
- (b) together with the Financial Statements and all disclosures made in this Agreement or in the Schedules to this Agreement, present fairly the financial condition and the revenues, expenses and results of the operations of the Corporations as of and to the date of this Agreement; and
- (c) are not recorded, stored, maintained, operated or otherwise dependent on or held by any means (including any electronic, mechanical or photographic process, whether computerized or not), which are not or will not be available to the Corporations in the Ordinary Course after Closing.

None of the Vendors has in his or her possession or control any documents or information relating to the Corporations, the Business or the Assets (including with respect to Taxes) that are not in the possession of the Corporations.

(30) Corporate Records. The minute books of the Corporations are true, accurate and complete records in all material respects of all of its Constituting Documents and of every meeting, resolution and corporate action taken by the shareholders, the board of directors and every committee of either of them. No meeting of shareholders, the board of directors or any committee of either of them has been held for which true, accurate and complete minutes have not been prepared and are not contained in those minute

books. The share certificate book, register of shareholders, register of directors and officers, securities register and register of transfer of the Corporations are true, accurate and complete.

- (31) Undisclosed Liabilities. The Corporations have no liabilities, obligations, indebtedness or commitments, whether accrued, absolute, contingent or otherwise, and is not a party to or bound by any agreement of guarantee, support, indemnification, assumption or endorsement of, or any other similar commitment with respect to the liabilities, obligations, indebtedness or commitments (whether accrued, absolute, contingent or otherwise) of any Person, that are not disclosed in the Financial Statements or disclosed in the Schedules to this Agreement, other than liabilities, obligations, indebtedness and commitments: (i) that are not required by IFRS to be reflected or reserved for in the Financial Statements; or (ii) in respect of trade or business obligations incurred after the Financial Statements Date in the Ordinary Course, that do not exceed \$ [REDACTED] in the aggregate and that do not have a Material Adverse Effect. **[REDACTED – relates to the post- Financial Statements Date liability threshold amount, which is commercially sensitive information.]**
- (32) Absence of Changes. Except as described in Schedule 5.2(32), since the Financial Statements Date, the Corporations have carried on the Business and conducted operations and affairs only in the Ordinary Course and the Corporations have not:
- (a) made or suffered any Material Adverse Change;
  - (b) suffered any damage, destruction or loss (whether or not covered by insurance) affecting the Assets;
  - (c) incurred any material liability, obligation, indebtedness or commitment (whether accrued, absolute, contingent or otherwise, and whether due or to become due), other than unsecured current liabilities, obligations, indebtedness and commitments incurred in the Ordinary Course;
  - (d) paid, discharged or satisfied any Encumbrance, liability, obligation, indebtedness or commitment of the Corporations (whether accrued, absolute, contingent or otherwise, and whether due or to become due) other than payment of accounts payable and Tax liabilities incurred in the Ordinary Course;
  - (e) declared, set aside or paid any dividend or made any other distribution with respect to any shares in the capital of the Corporations or redeemed, repurchased or otherwise acquired, directly or indirectly, any such shares;
  - (f) issued or sold or entered into any Contract for the issuance or sale of any shares in the capital of or securities convertible into or exercisable for shares in the capital of the Corporations;
  - (g) suffered any labour trouble or disruption, including any strike or lock out, adversely affecting the Corporations or the Business;
  - (h) made or granted, or entered into any agreement to make or grant, any licence, sale, assignment, transfer, disposition, pledge, mortgage, hypothec or security interest or other Encumbrance of, on or over any of the Assets, other than sales of Inventories to customers in the Ordinary Course;
  - (i) made any write-down of the value of any Inventories or any write-off as uncollectible of any Accounts Receivable or any portion thereof in amounts exceeding \$ [REDACTED] in each instance or \$ [REDACTED] in the aggregate; **[REDACTED – relates to write-down threshold amounts, which are commercially sensitive information]**
  - (j) made any general increase in the compensation of Employees (including, any increase pursuant to any Employee commitment) or any increase in any compensation, benefits or bonus payable

to any officer, Employee, consultant or agent of the Corporations, in each case other than in accordance with past practices of the Corporations, or executed any employment Contract with any officer or Employee, or made any loan to, or engaged in any transaction with, any Employee, officer or director of the Corporations;

- (k) made any capital expenditures or commitments of the Corporations in excess of \$ [REDACTED] in the aggregate; **[REDACTED – relates to the capital expenditures or commitments threshold amount, which is commercially sensitive information]**
  - (l) made any forward purchase commitments in excess of the requirements of the Business for normal operating Inventories or at prices higher than the current market prices;
  - (m) made any forward sales commitments other than in the Ordinary Course or any failure to satisfy any accepted order for goods or services;
  - (n) made any change in the accounting or tax practices followed by the Corporations;
  - (o) made any change adopted by the Corporations in their depreciation or amortization policies or rates;
  - (p) made any change in the credit terms offered to customers of or by suppliers to the Corporations;
  - (q) terminated, cancelled or modified or received any written notice of a request for termination, cancellation or modification of any Contract; or
  - (r) authorized or agreed to or otherwise committed to do any of the foregoing.
- (33) Taxes. Except as set forth in Schedule 5.2(33):
- (a) the amounts set forth on the Financial Statements are adequate to cover all unpaid liabilities for all Taxes of the Corporations incurred, accrued or assessed with respect to, or are applicable to the period ending on and including the period covered by, the balance sheet as of March 31, 2021, or to any years and periods prior thereto and for which the Corporations may be directly or contingently liable in their own right or as a transferee of the tangible or intangible assets of, or successor to, any Person;
  - (b) the Corporations have not incurred any Tax liabilities other than in the Ordinary Course of Business for any taxable year for which the applicable statute of limitations has not expired and there are no liens for Taxes (other than liens for current Taxes not yet due and payable) upon the Assets of the Corporations;
  - (c) the Corporations have not granted or been requested to grant by any Person or Governmental Authority any waiver of any statute of limitations applicable to the assessment, payment, return of, or collection of any Taxes;
  - (d) the Corporations have timely filed (taking into account allowed extensions) all Tax Returns for all periods through and including the Effective Time as required by Applicable Law. Each such Tax Return and filing is true and correct in all material respects and the Corporations does not have any additional liability for Taxes with respect to any such Tax Return that has been proposed, asserted, or assessed in writing by a Governmental Authority;
  - (e) neither of the Corporations' Tax Returns has been audited or investigated by any Governmental Authority, and no facts exist which would reasonably be expected to constitute grounds for the assessment or reassessment of any additional Taxes by any Governmental Authority with

respect to the taxable years covered in such Tax Returns and filings. No material issues have been raised in any examination by any Governmental Authority with respect to the business and operations of the Corporations which, by application of similar principles, could reasonably be expected to result in a proposed adjustment to the liability for Taxes for any other period not so examined;

- (f) the Corporations have timely paid all Taxes due and owing (taking into account allowed extensions of time to pay such Taxes);
  - (g) the Corporations have not entered into any agreement with any Governmental Authority extending the period for the filing of any Tax Returns or for the assessment or reassessment or collection of any Taxes. The Corporations have not been and are currently not the beneficiary of any extension of time within which to file any Tax Return or pay any Taxes;
  - (h) the Corporations have duly withheld and collected all Taxes (including without limitation, sales, use and excise taxes) and other obligations owed to any Governmental Authority, owed by or on behalf of the Corporations, their Employees, independent contractors, creditors, shareholders or other Persons and all such amounts have been duly paid over to the proper Governmental Authorities as required by Applicable Law;
  - (i) the Corporations have timely filed all Tax Returns required to be filed prior to the Effective Time and furnished to payees all statements required to be furnished by the Corporations prior to the Effective Time, and the information set forth on such Tax Returns is true, complete and correct in all material respects;
  - (j) no Claim has ever been made in writing by any Governmental Authority in a jurisdiction where the Corporations does not file Tax Returns asserting that the Corporations are or may be subject to taxation by that jurisdiction;
  - (k) no foreign, federal, state, provincial, municipal or local Tax Proceeding is pending or being conducted with respect to the Corporations;
  - (l) the Corporations have not received within the applicable statute of limitations period for the underlying Tax matter from any Governmental Authority having taxing authority (including jurisdictions where the Corporations have not filed Tax Returns) any: (i) written notice indicating an intent to open an audit or other review or Proceeding; (ii) request for information related to Tax matters; or (iii) written notice of deficiency or proposed adjustment for any amount of Tax proposed, asserted, or assessed by any Governmental Authority against the Corporations;
  - (m) the Corporations have made available to the Purchaser correct and complete copies of all federal, state, provincial, municipal, local and foreign income Tax Returns, examination reports, and statements of deficiencies assessed against or agreed to by the Corporations filed or received for the past three years;
  - (n) the Corporations does not own shares of stock or membership interests in any other corporations, partnership, limited liability company or other legal entity; and
  - (o) the Corporations are not a party to any tax-sharing agreement.
- (34) Litigation. Except as described in Schedule 5.2(34), there are no Proceedings (whether or not purportedly on behalf of the Corporations) pending or, to the knowledge of the Vendors, threatened against or affecting, the Corporations or the Assets. To the knowledge of the Vendors, there is not any

factual or legal basis on which any such Proceeding might be commenced with any reasonable likelihood of success.

(35) Accounts and Attorneys. Schedule 5.2(35) is a true, accurate and complete list of the accounts and safety deposit boxes of the Corporations and of Persons holding general or special powers of attorney from the Corporations and sets out:

- (a) the name of each bank, trust company or similar institution in which the Corporations have accounts or safety deposit boxes, the number or designation of each such account and safety deposit box and the names of all Persons authorized to draw thereon or to have access thereto; and
- (b) the name of each Person holding a general or special power of attorney from the Corporations and a summary of the terms thereof.

True, accurate and complete copies of all general or special powers of attorney set out in Schedule 5.2(35) have been made available to the Purchaser.

(36) Directors and Officers. Schedule 5.2(36) is a true, accurate and complete list of the names and titles of all the officers and directors of each of the Corporations.

(37) Non-Arm's Length Transactions. The Corporations have not made any payment or loan to, or borrowed any moneys from or is otherwise indebted to, any officer, director, Employee, shareholder or any other Person not dealing at arm's length with the Corporations, except as disclosed in the Financial Statements, except for usual employee reimbursements and compensation paid in the Ordinary Course. Except for Contracts of employment, the Corporations are not a party to any Contract with any officer, director, Employee, shareholder or any other Person not dealing at arm's length with the Corporations. No officer, director or shareholder of the Corporations and no entity that is an Affiliate or Associate of one or more of those Persons:

- (a) owns, directly or indirectly, any interest in (except for shares representing less than one per cent of the outstanding shares of any class or series of any publicly traded company), or is an officer, director, employee or consultant of, any Person which is, or is engaged in business as, a competitor of the Business the Corporations or a lessor, lessee, supplier, distributor, sales agent or customer of the Business or the Corporations;
- (b) owns, directly or indirectly, in whole or in part, any property that the Corporations uses in the operation of the Business; or
- (c) has any cause of action or other Claim whatsoever against, or owes any amount to, the Corporations in connection with the Business, except for any liabilities reflected in the Financial Statements and Claims in the Ordinary Course.

(38) Environmental Laws. To the knowledge of the Vendors, the Corporations have not received any order, written notice, or other written communication from any Governmental Authority of any actual or alleged violation or failure to comply with any Environmental Law, or of any obligation to undertake or bear the cost of any Environmental, Health, and Safety Liabilities with respect to any properties or Assets (whether real, personal, or mixed) in which the Corporations have had an interest, or with respect to any property at or to which Contaminants were generated, manufactured, refined, transferred, imported, used, or processed by the Corporations, or from which Contaminants have been transported, treated, stored, handled, transferred, disposed, recycled or received, except where the failure to be in compliance would not constitute a Material Adverse Effect on the Corporations.

- (39) No Contaminants. To the knowledge of the Vendors:
- (a) there are no Contaminants present on or in the environment at any properties of the Corporations, including the Assets, except those used in the Ordinary Course of Business in material compliance with applicable Environmental Laws; and
  - (b) the Corporations have not used or permitted to be used any of the Assets in connection with the Business or any property or facility that is now or was at any time owned, occupied, operated, managed, used or controlled in connection with the Business for the disposal or storage of Contaminants, and there has not been any such use.
- (40) No release. To the knowledge of the Vendors, there has been no release of any Contaminants at or from the properties and Assets (whether real, personal, or mixed) in which the Corporations have or had an interest, by the Corporations or their representatives and/or agents.
- (41) Delivery of reports, etc. The Corporations have made available to the Purchaser true and complete copies of all reports, studies, analyses, tests or monitoring possessed or initiated by the Corporations pertaining to Contaminants in, or under, their properties or Assets, or concerning compliance by the Corporations with Environmental Laws or Occupational Safety and Health Laws.
- (42) Employees. Except as disclosed in Schedule 5.2(42):
- (a) the Corporations are not a party to any employment, service or consulting agreement relating to any one or more Persons working for the Corporations (each employment, service or consulting agreement disclosed in Schedule 5.2(42) are collectively, the “**Employee Agreements**”). There are no employees of the Corporations who cannot be dismissed upon such period of notice as is required by Applicable Law in respect of a Contract of hire for an indefinite term. There are no “change of control” or similar provisions in any of the Employee Agreements;
  - (b) the Corporations do not maintain, nor are they required to maintain, any deferred compensation, bonus, incentive or other compensation, share option or purchase, severance, termination pay, hospitalization or other medical benefit, life or other insurance, vision, dental, drug, sick leave, disability, salary continuation, vacation, supplemental unemployment benefits, profit sharing, mortgage assistance, employee loan, discount, assistance or counselling, pension or supplemental pension, retirement compensation, group registered retirement savings, deferred profit sharing, employee profit sharing, savings, retirement or supplemental retirement, and any other plan, program or arrangement, whether funded or unfunded, formal or informal, written or unwritten, including all policies with respect to holidays, sick leave, expense reimbursement, automobile allowances and rights to company-provided automobiles, that is maintained, contributed to, or required to be maintained or contributed to, by the Corporations, or to which the Corporations are a party, or bound by, or under which the Corporations have any liability or contingent liability, for the benefit of the Corporations’ current and former directors, officers, shareholders, consultants, independent contractors or Employees and their respective beneficiaries or dependents, other than Statutory Plans (the “**Employee Plans**”);
  - (c) none of the Employee Agreements provide for any defined pension benefit;
  - (d) the Vendors are not aware of any Employees who intend to terminate their Employee Agreements prior to the Closing Date;
  - (e) all obligations of the Corporations due prior to Closing under the Employee Agreements and the Statutory Plans (whether pursuant to the terms thereof or any Applicable Law) have been

satisfied, and there are no outstanding defaults or violations thereunder by the Corporations. The Corporations, the Vendors have no knowledge of any default or violation by any other Person in respect of the Employee Agreements. Without limiting the generality of the foregoing, all employer and employee payments, contributions and premiums required to be remitted or paid to or in respect of the Employee Agreements and the Statutory Plans have been remitted or paid, in a timely manner to or in respect of the Employee Agreements and the Statutory Plans in accordance with the terms thereof and all Applicable Laws, and no Taxes, non-Tax related interest, penalties or fees are owing or exigible under any of the Employee Agreements or the Statutory Plans; and

- (f) there is no Claim or Proceeding by any applicable Governmental Authority, including the CRA, or by any Person pending or, to the knowledge of the Vendors threatened in respect of any of the Employee Agreements and, to the knowledge of the Vendors, no facts exist which could reasonably be expected to give rise to any such Claim or Proceeding.

(43) Labour Matters.

- (a) Neither of the Corporations is, nor has ever been, a party, either directly or by operation of Applicable Law, to any collective bargaining agreement, letters of understanding, letters of intent or other written communication with any trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent. No collective bargaining agreement, letter of understanding, letter of intent or other written communication restricts the relocation or closing of any part of the Corporations or the Business. No trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any of the Employees by way of certification, interim certification, voluntary recognition, or successor rights, or has applied or threatened to apply to be certified as the bargaining agent of any of the Employees. The Vendors are not aware of any threatened or pending union organizing activities involving the Employees, and shall advise the Purchaser of such knowledge as soon as it becomes known to any Vendor. The Corporations have no existing labour disputes with past or current Employees that might adversely affect the Business or lead to an interruption of operations of the Business.
- (b) The Corporations are in material compliance with their duties and obligations under all applicable employment-related statutes and laws, including specifically, the *Ontario Employment Standards Act, 2000*, the *Ontario Pay Equity Act*, the *Ontario Labour Relations Act*, the *Ontario Human Rights Code*, the *Ontario Accessibility for Ontarians with Disabilities Act*, the *Ontario Workers' Compensation Act*, and the *Ontario Occupational Health and Safety Act*, and the Corporations are not subject to or liable for any arrears of wages, penalties, fines, orders to pay, assessments, charges, damages or Taxes for failure to comply with any of the foregoing.

(44) Employees and Others.

- (a) Schedule 5.2(42) contains a true, accurate and complete list of the names of all individuals who are Employees or sales or other agents or representatives or independent contractors of the Corporations specifying with respect to Employees, sales or other agents or representatives and independent contractors, the length of service, age, title, rate of salary, commission structure, vacation entitlement and accrual for each such Employee, agent, representative or independent contractor and whether or not the Employee, agent, representative or independent contractor is absent for any reason such as lay off, leave or absence, salary, insurance or workers' compensation.

- (b) No notice has been received by the Corporations of any complaint filed by any of the Employees against the Corporations instituting a Proceeding or claiming that the Corporations have violated the Ontario *Human Rights Code* (or any applicable employee or human rights or similar legislation in the other jurisdictions in which the Business is conducted or the Corporations operates) or of any complaints or Proceedings of any kind involving the Corporations or, to the knowledge of the Vendors, any of the Employees before any labour relations board, except as disclosed in Schedule 5.2(42). There are no outstanding orders or charges against the Corporations under the Ontario *Occupational Health and Safety Act* (or any applicable health and safety legislation in the other jurisdictions in which the Business is conducted). All levies, assessments and penalties made against the Corporations pursuant to the Ontario *Workers' Compensation Act* (and any applicable workers' compensation legislation in the other jurisdictions in which the Business is conducted) have been paid by the Corporations and the Corporations have not been reassessed under any such legislation during the past five (5) years. The Corporations' current personnel are sufficient to operate the Business on the basis that it has historically been operated.
- (45) Employee Accruals. All accruals for unpaid vacation pay, premiums for employment and parental insurance, health premiums, Canada pension plan premiums, accrued wages, salaries and commissions and Employee Plan payments have been reflected in the Books and Records.
- (46) Customers and Suppliers. Schedule 5.2(46) lists the ten (10) largest customers by revenue and the ten (10) largest suppliers (by dollar value) of the Corporations (or such additional customers or suppliers of the Corporations which are sufficient to constitute five percent (5%) or more of total sales or purchases, as the case may be) for the 12 month period ending immediately prior to the date of this Agreement, and the aggregate amount that each customer was invoiced and each supplier was paid during that period. To the knowledge of the Vendors, the Corporations and the Vendors have not received notice of, and there is not, any intention on the part of any such customer or any such supplier to cease doing business with the Corporations or to modify or change in any material manner any existing arrangement with the Corporations for the purchase or supply of any products or services. The relationships of the Corporations with their principal suppliers and customers are satisfactory, and there are no unresolved disputes with any such supplier or customer. No Contract with any supplier or customer contains terms under which the execution or performance of this Agreement would give the supplier or customer the right to terminate or adversely change the terms of that Contract. There has been no termination or cancellation of, and no modification or change in, the Corporations' business relationship with any major customer or group of major customers. None of the Vendors have reason to believe that the benefits of any relationship with any of the major customers or suppliers of the Corporations will not continue after the Closing Date in substantially the same manner as prior to the date of the Agreement.
- (47) Ethical Practices. No Representative of the Corporations or any other Person associated with the Corporations or any Representative of any of them, has directly or indirectly:
- (a) made or received any contribution, gift, bribe, rebate, payoff, influence payment, kickback, or other payment to or from any Person, private or public, regardless of form, whether in money, property or services (i) to obtain favourable treatment in securing business; (ii) to pay for favourable treatment in business secured; (iii) to obtain special concessions or for special concessions already obtained, for or in respect of the Corporations; or (iv) in violation of any Applicable Law; or
  - (b) established or maintained any fund or asset that has not been recorded in the Books and Records.

- (48) Personal Information.
- (a) All personal information is stored in Barrie, Ontario or in ADP servers Worldwide.
  - (b) The operation of the Business, the collection, use and retention of the Personal Information by the Corporations, the disclosure or transfer of the Personal Information by the Corporations to any third Persons and transfer of the Personal Information by the Corporations to the Purchaser as part of the Purchaser's due diligence and as contemplated by this Agreement or any ancillary agreement complies in all material respects with all Privacy Requirements.
  - (c) The collection, use, retention and disclosure of Personal Information by the Corporations are, and has at all times been, within the scope of the consent provided by the individual to whom the Personal Information relates.
  - (d) There are no investigations, inquiries, actions, suits, claims, demands or Proceedings, whether statutory or otherwise, pending, ongoing, or threatened with respect to the Corporations' collection, use, disclosure or retention of Personal Information.
  - (e) No decision, judgment or order, whether statutory or otherwise, is pending or has been made, and no written notice has been given pursuant to any Privacy Laws, requiring the Corporations to take (or to refrain from taking) any action with respect to Personal Information.
  - (f) No event has occurred that could give rise to any such complaint or Proceeding against the Corporations in respect of Personal Information.
  - (g) The completion of the Transaction will not result in a breach or violation of any Privacy Law or Privacy Requirements by the Corporations.
- (49) No Predecessors. No corporation has been merged with the Corporations, by amalgamation, dissolution, arrangement or otherwise, in such a manner that the Corporations are or may become liable for any liabilities (contingent or otherwise) of any kind whatsoever of that corporation.
- (50) No Finder's Fees. Except as set forth on Schedule 5.2(50), the Corporations have not taken any action that would cause the Purchaser to become liable to any claim for a brokerage commission, finder's fee or other similar arrangement.
- (51) Reporting Issuer and Listing Status. Neither of the Corporations is a "reporting issuer" or the equivalent under Applicable Securities Laws and the shares of the Corporations are not, and have never been, listed or posted for trading or quoted on a stock exchange.
- (52) Guarantees. The Corporations are not a party to or bound by any agreement, guarantee, indemnification (other than in the Ordinary Course of Business and to officers and directors pursuant to their bylaws and standard indemnity agreements and pursuant to underwriting, agency or financial advisor agreements pursuant to the standard indemnity provisions in agreements of that nature), or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any Person.
- (53) No default under Lending Agreements. There is no event of default or breach of any covenant under the Corporations' existing banking and lending agreements, and this Agreement and the Transactions will not result in a breach or event of default under the Corporations' banking and lending agreements at the Closing Date.
- (54) Rights Plan. The Corporations do not have in place any shareholder rights protection plans.

- (55) Non-Arm's Length Debt. No director, officer, insider or other non-arm's length party to the Corporations are indebted to the Corporations and the Corporations are not a party to or bound by any agreement, guarantee, indemnification or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any Person.
- (56) Transaction Costs. The aggregate of all transaction costs (including all Severance Obligations, advisory and legal expenses and applicable Taxes related to the Transactions) of the Corporations related to the Transactions will be included as Current Liabilities in the Closing Date Working Capital Statement and Final Working Capital Statement except to the extent they are paid out of the Closing proceeds.
- (57) Full Disclosure. Neither this Agreement nor any other Contract, agreement, instrument, certificate or other document required to be delivered by or otherwise to be delivered pursuant to this Agreement by the Vendors, on behalf of the Corporations, or by any of them contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading. There has been no event, transaction or information that has come to the attention of the Vendors, on behalf of the Corporations, or by any of them that has not been disclosed to the Purchaser in writing that could reasonably be expected to have a Material Adverse Effect.

**5.3 Representations and Warranties of the Purchaser.** The Purchaser represents and warrants to each Vendor as follows and acknowledges that each Vendor is relying on these representations and warranties in connection with the sale by that Vendor of its Vendor's Shares:

- (1) Organization and Corporate Power. The Purchaser is a corporation duly incorporated and organized, and is validly subsisting, under the laws of the Province of Alberta and is up-to-date in the filing of all corporate and similar returns under the laws of that jurisdiction. The Purchaser has all necessary corporate power and authority to acquire the Purchased Shares, to enter into this Agreement and to perform its obligations hereunder.
- (2) Authorization and Enforce. This Agreement has been duly executed and delivered by the Purchaser and (assuming due execution and delivery by the other Parties) is a legal, valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, except as that enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction. Each of the Contracts, agreements and instruments required by this Agreement to be delivered by the Purchaser have been duly executed and delivered by it and (assuming due execution and delivery by the other Parties thereto) will be enforceable against it in accordance with their terms, except as that enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction. The Purchaser has the absolute and unrestricted right, power, and authority to execute and deliver this Agreement and all ancillary documents to this Agreement and to perform its obligations under this Agreement and all ancillary documents to this Agreement.
- (3) Bankruptcy. The Purchaser is not an insolvent or bankrupt Person and has not made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof, and no petition for a receiving order has been presented in respect of it. The Purchaser has not initiated Proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution. No receiver or interim receiver has been appointed in respect of the Purchaser or any of its assets and no execution or distress has been levied on any of its assets, nor have Proceedings been commenced in connection with any of the foregoing.
- (4) Absence of Conflict. The execution, delivery and performance by the Purchaser of this Agreement and the completion of the Transactions will not, (whether after the passage of time or notice or both), result in:

- (a) the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the acceleration of any of its obligations, under:
    - (i) any provision of its Constatng Documents or resolutions of its board of directors (or any committee thereof) or shareholders;
    - (ii) any Approval issued to, held by or for the benefit of, the Purchaser;
    - (iii) any Applicable Law; or
    - (iv) any Applicable Securities Law; or
  - (b) the requirement for any Approval from any creditor of the Purchaser.
- (5) No Finder's Fees. The Purchaser has not taken, and will not take, any action that would cause the Vendors to become liable to any claim for a brokerage commission, finder's fee or other similar arrangement.
- (6) Sufficiency of Funds. The Purchaser has sufficient cash on hand or other sources of capital to enable it to make all payments required under this Agreement.

**5.4 Survival of Representations, Warranties and Covenants of the Vendors.** The representations and warranties of the Vendors and, to the extent that they have not been fully performed at or prior to the Closing Time, the covenants and other obligations of the Vendors in each case contained in this Agreement and in any contract, agreement, instrument, certificate or other document executed or delivered pursuant to this Agreement survive Closing and continue for the benefit of the Purchaser notwithstanding the Closing, any investigation made by or on behalf of the Purchaser or any knowledge of the Purchaser, provided that:

- (a) the representations and warranties set out in Sections 5.2(1), 5.2(2), 5.2(3), 5.2(5), 5.2(6), 5.2(8), 5.2(10), 5.2(11), 5.2(29), 5.2(30) (solely as it relates to the due incorporation and organization and the valid existence of the Corporations), 5.2(12), 5.2(12), and 5.2(14) (solely as it relates to title to and Encumbrances relating to the Assets survive and continue in full force and effect [REDACTED]);
- (b) the representations and warranties set out in Sections 5.2(33) and 5.2(42) (insofar as Section 5.2(42) relates to Tax matters) survive Closing and continue in full force and effect until, but not beyond, the [REDACTED] day following the expiration of the period, if any, during which an assessment, reassessment or other form of recognized document assessing liability for Taxes under applicable Tax legislation in respect of any taxation year to which those representations and warranties extend could be issued under that Tax legislation to the Corporations, provided the Corporations did not file any waiver or other document extending that period;
- (c) the representations and warranties set out in Section 5.2(38) survive Closing and continue in full force and effect until, but not beyond, the [REDACTED] of the Closing Date;
- (d) the remainder of the representations and warranties set out in Sections 5.1 and 5.2 survive Closing and continue in full force and effect until, but not beyond, the [REDACTED] of the Closing Date; and
- (e) notwithstanding Sections 5.4(a) through 5.4(d), a Claim for any breach by any of the Vendors of any of the representations, warranties and covenants contained in this Agreement or in any contract, agreement, instrument, certificate or other document executed or delivered pursuant hereto involving fraud, fraudulent misrepresentation, intentional misrepresentation or **[REDACTED – relates to the survival period of certain representations and warranties, which is commercially sensitive information]**

deliberate or wilful breach may be made at any time following the Closing Date, subject only to applicable limitation periods imposed by Applicable Law.

**5.5 Survival of the Representations, Warranties and Covenants of the Purchaser.** The representations and warranties of the Purchaser and, to the extent that they have not been fully performed at or prior to Closing, the covenants and other obligations of the Purchaser, contained in this Agreement and in any contract, agreement, instrument, certificate or other document executed or delivered pursuant to this Agreement survive Closing and continue for the benefit of the Vendors notwithstanding the Closing, any investigation made by or on behalf of any of the Vendors or any knowledge of any of them, provided that:

- (a) the representations and warranties set out in Section 5.3 survive Closing and continue in full force and effect until, but not beyond, the [REDACTED] of the Closing Date; and **[REDACTED – relates to the survival period of certain representations and warranties, which is commercially sensitive information]**
- (b) notwithstanding Section 5.5(a), a Claim for any breach by the Purchaser of any of its representations, warranties and covenants contained in this Agreement or in any contract, agreement, instrument, certificate or other document executed or delivered pursuant hereto involving fraud, fraudulent misrepresentation, intentional misrepresentation or deliberate or wilful breach may be made at any time following the Closing Date, subject only to applicable limitation periods imposed by Applicable Law.

**5.6 Termination of Liability.** No Party or other Person is entitled to indemnification pursuant to this Agreement unless the Party or other Person has given written notice of its Claim for indemnification pursuant to Section 8.5 or Article 9, as the case may be, prior to the expiry of the relevant survival period prescribed by Sections 5.4 and 5.5 and in that event, only on and subject to the terms and conditions of and to the extent provided for in Section 8.5 and Article 9.

## **ARTICLE 6 COVENANTS**

### **6.1 Transfer of Documentation.**

- (1) On the Closing Date, the Vendors shall deliver, and shall cause to be delivered, to the Purchaser or make available to it at the Corporations' premises the Books and Records and all documents (except in the case of those required by Applicable Law or Applicable Securities Law to be retained by the Vendors, copies thereof) and other data, technical or otherwise, relating to the Corporations, the Business or the Assets. The Purchaser shall preserve all those documents delivered to it for such period as is required by Applicable Law or Applicable Securities Law. The Purchaser shall permit the Vendors or their authorized Representatives reasonable access to those documents while they are in the Purchaser's possession or control solely to the extent that access is required by the Vendors to perform their obligations under this Agreement or under Applicable Law and Applicable Securities Law, but the Purchaser shall not be responsible or liable to any Vendor for, or as a result of, any loss or destruction of or damage to any such documents and other data unless that destruction, loss or damage is caused by the Purchaser's negligence or wilful misconduct. The Vendors shall be responsible for all reasonable out-of-pocket costs and expenses, incurred, directly or indirectly, by the Purchaser in connection with any access contemplated by this Section 6.1(1) but not salaries or other payroll expenses of Purchasers.
- (2) Notwithstanding Section 6.1(1), the Vendors shall be entitled to retain copies of any documents or other data delivered to the Purchaser pursuant to Section 6.1(1) provided that those documents or data are reasonably required and only used or relied on by the Vendors to perform their obligations under this Agreement or under Applicable Law and Applicable Securities Law. The Vendors shall retain any documents or data which relate to the Business and which are retained by the Vendors pursuant to this Section 6.1(2) in strict confidence and shall not use or otherwise disclose the data or information contained therein except as permitted by Section 10.1(3).

**ARTICLE 7  
EMPLOYMENT MATTERS**

**7.1 Vendors' Indemnification.** From and after the Closing Date, each of the Vendors shall, severally and on a pro rata basis in proportion to the relative percentage of cash proceeds of the Purchase Price received by such Vendor, and not jointly and severally, indemnify and save harmless the Purchaser of and from all actions, causes of action, suits, Claims, demands, grievances, arbitration awards and any costs whatsoever which may be asserted by any Employee against the Purchaser in respect of any termination, or alleged termination, of employment of such Employee by the Corporations prior to the Closing Date. For the purposes of this Section, "Losses" include Losses suffered or incurred by the Corporations.

**7.2 Purchaser's Indemnification.** From and after the Closing Date, the Purchaser shall indemnify and save harmless the Vendors, and each of them, of and from all actions, causes of action, suits, Claims, demands, grievances, arbitration awards and any costs whatsoever which may be asserted by any Employee against the Vendors in respect of any termination, or alleged termination, of employment of such Employee by the Purchaser or Corporations from and after the Effective Time.

**7.3 Assumption of Pre-Closing Obligations of Employees.** The Vendors, on behalf of the Corporations prior to the Closing Date, shall be responsible for and will discharge all obligations and liabilities for wages, salary, bonus, vacation pay, other remuneration, severance pay, termination pay, notice of termination of employment or pay in lieu of such notice, damages for wrongful dismissal or other employee Claims, in respect of any employees of the Corporations whose employment was terminated by the Corporations prior to the Closing Date, except to the extent that they are accrued on the Balance Sheet or otherwise included in calculating the Final Purchase Price.

**7.4 Assumption of Post-Closing Obligations of Employees.** The Purchaser, on behalf of the Corporations after the Effective Time, will be responsible for and will discharge all obligations and liabilities for wages, salary, bonus, vacation pay, other remuneration, severance pay, termination pay, notice of termination of employment or pay in lieu of such notice, damages for wrongful dismissal or other employee Claims, in respect of any employees of the Corporations whose employment was terminated by the Corporations after the Effective Time.

**ARTICLE 8  
TAX MATTERS**

**8.1 Preparation and Filing of Tax Returns.**

(1) The Vendors shall prepare or cause to be prepared and timely file or cause to be filed all Tax Returns of the Corporations for all taxable years or periods ending on or before the Closing Date that are required to be filed under Applicable Law after the Closing Date. The Parties agree that for income tax purposes the taxable period of the Corporations shall end on the Closing Date, and the Vendors shall control the final income tax returns and comparable foreign, state, and local income tax returns of the Corporations for the period ended on the Closing Date. All such Tax Returns shall be prepared in a manner consistent with past practice of the Corporations and Applicable Law. Any tax credits or tax burdens for actions and time periods up to the Closing Date shall be for the benefit of the Vendors and any tax credits or tax burdens for actions and time periods after the Closing Date shall be for the benefit of the Purchaser. The Vendors shall give the Purchaser an opportunity to review and comment on those Tax Returns, by providing copies of them to the Purchaser at least 30 days before they are required by Applicable Law or Applicable Securities Law to be filed. The Vendors shall reasonably consider all comments in respect of those Tax Returns, if such comments are received from the Purchaser at least 5 days prior to the required filing deadline for such Tax Returns. In the event the Parties are unable to resolve any dispute prior to the due date for filing with respect to such Tax Returns that relate to taxation periods commencing before the Closing Date and are not due for filing until after the Closing Date, such Tax Returns shall be filed as prepared by the Vendors; provided, however, that the Parties will refer such

dispute to an independent accounting firm (as mutually agreed upon) for resolution and the preparation and filing of any such amended Tax Return, if applicable, which shall be binding on the Parties. The Vendors shall provide the Purchaser with a copy of all such Tax Returns when they are filed.

- (2) The Purchaser shall cause to be prepared all Tax Returns of the Corporations that relate to taxation periods commencing after the Closing Date. The Vendors shall co-operate fully with the Purchaser in, and make available to the Purchaser in a timely fashion all information reasonably required for, the preparation of those Tax Returns.

**8.2 Books and Records Relating to Taxes.** Within five (5) Business Days after the filing of the Tax Returns described in Section 8.1(1), the Vendors shall deliver to the Purchaser copies of all documents relating to the Taxes of the Corporations in respect of the taxable periods ending on or prior to the Closing Date that the Vendors retained pursuant to Section 6.1(2) and all working papers, correspondence and other documents prepared after the Closing Date which relate to Taxes for all taxable periods ending on or prior to the Closing Date.

**8.3 Notification Requirements.** The Purchaser shall promptly forward to the Vendors all written notifications and other written communications from any Governmental Authority received by the Purchaser or the Corporations relating to Taxes of the Corporations for all periods ending on or prior to the Closing Date, and shall promptly inform the Vendors of any audit proposed to be undertaken and any adjustment proposed in writing to be made by any Governmental Authority in respect of a period ending on or prior to the Closing Date. Notwithstanding the obligation of the Purchaser to give prompt notice as required above, the failure of the Purchaser to give that prompt notice does not relieve the Vendors of their obligations under this Article 8 except to the extent (if any) that the Vendors have been materially prejudiced thereby.

**8.4 Amendments and Elections.** The Purchaser shall not: (a) amend any Tax Returns filed with respect to any tax year ending on or before the Closing Date; or (b) make any Tax election that has retroactive effect to any such year, in each such case without the prior written consent of the Vendors (which consent shall not be unreasonably withheld, conditioned or delayed).

**8.5 Indemnification by the Vendors.** From and after the Closing Date, each of the Vendors shall, severally and on a pro rata basis in proportion to the relative percentage of cash proceeds of the Purchase Price received by such Vendor, and not jointly and severally, indemnify and save harmless the Purchaser and shall pay to the Purchaser on demand, the amount of any and all Losses attributable to any inaccuracy in, or breach of, a representation and warranty made in Sections 5.2(33) and 5.2(42) (insofar as Section 5.2(42) relates to Tax matters) and the Vendors shall, severally and on a pro rata basis in proportion to the relative percentage of cash proceeds of the Purchase Price received by such Vendor, and not jointly and severally, indemnify and save harmless the Purchaser for all Taxes payable by the Corporations for all periods ending on or prior to the Closing Date. Notwithstanding the foregoing, the Vendors shall have no obligation to indemnify the Purchaser against any Losses with respect to Taxes relating to any transactions occurring on or after the Closing Date, outside the Ordinary Course of business or a breach by the Purchaser of Section 8.4. For the purposes of this Section, "Losses" include Losses suffered or incurred by the Corporations.

**8.6 Purchaser's Contest Rights.** Subject to Section 8.7, the Purchaser shall have the sole right to control, defend, settle, compromise, or prosecute in any manner an audit, examination, investigation, and other Proceeding with respect to any Tax Return of the Corporations. The Purchaser shall keep the Vendors duly informed of any Proceedings in connection with any matter for which the Purchaser may have a right to indemnification pursuant to this Article 8 and promptly provide the Vendors with copies of all correspondence and documents relating to those Proceedings. The Vendors shall execute or cause to be executed such documents and shall take such action as reasonably requested by the Purchaser to enable the Purchaser to take any action the Purchaser deems appropriate with respect to any Proceedings in respect of which the Purchaser has contest rights under this Agreement.

## **8.7 Contest Rights of the Vendors.**

- (1) The Vendors may, by providing written notice to the Purchaser no later than 15 days after the date of any notice described in Section 8.3 relating to any Proceeding initiated or proposed by any Governmental Authority, elect to control, defend, settle, compromise or prosecute in any manner a Proceeding with respect to Taxes or Tax issues related to any matter in respect of which the Purchaser may have a right of indemnification pursuant to this Article 8, provided, that the fees and expenses attributable to such election shall be borne solely by the Vendors; and, provided further, that:
  - (a) the Vendors shall deliver to the Purchaser a written agreement that the Purchaser is entitled to indemnification for all Losses arising out of that audit, examination or other Proceeding and that the Vendors shall be liable for the entire amount of those Losses;
  - (b) the Vendors may not, without the written consent of the Purchaser (which consent shall not be unreasonably withheld or delayed), settle or compromise Taxes or Tax issues related to any matter which may affect Tax liabilities of the Purchaser or the Corporations for any Tax period ending after the Closing; and
  - (c) the Vendors shall pay to the Purchaser the amount of all Taxes (including, for greater certainty, interest and penalties) specified in the notice of assessment or other Claim from the Governmental Authority to which the Purchaser's indemnity Claim relates within 10 Business Days before the amount is required to be paid to the Governmental Authority or within 10 Business Days after the Purchaser has forwarded to the Vendors a Claim for indemnity.
- (2) The Purchaser and/or the Corporations, as applicable, shall execute or cause to be executed such documents or take such action as reasonably requested by the Vendors to enable the Vendors to take any action they deem appropriate with respect to any Proceedings in respect of which the Vendors have contest rights under this Agreement. In addition:
  - (a) the Vendors shall keep the Purchaser duly informed of any Proceedings in connection with any matter which may affect the Taxes payable by the Purchaser or the Corporations; and
  - (b) the Purchaser shall be promptly provided with copies of all correspondence and documents relating to those Proceedings and may, at its option and its own expense, participate in those Proceedings through counsel of its choice.

**8.8 Indemnification Procedures.** Except to the extent expressly provided to the contrary in this Article 8, the general procedures regarding notice and pursuit of indemnification Claims set forth in Article 9 apply to all Claims for indemnification made under this Article 8, except that notwithstanding any provision of Article 9 to the contrary, if a Claim for indemnification involves any matter covered in this Article 8, then the contest provisions of Sections 8.6 and 8.7, as applicable, control regarding the defence and handling of any such Third Party Claim that could give rise to an indemnification obligation on the part of the Vendors. Except as provided in Section 5.4(b), there is no limit on the time period during which a Claim for indemnification may be made under this Article 8.

## **ARTICLE 9 INDEMNIFICATION**

**9.1 Definitions.** In this Article 9:

- (1) **"Claim"** means any act, omission or state of facts and any demand, action, investigation, inquiry, suit, proceeding, claim, assessment, judgment or settlement or compromise relating thereto which may give rise to a right of indemnification under this Agreement.

- (2) **“Direct Claim”** means any Claim by an Indemnitee against an Indemnitor which does not result from a Third Party Claim.
- (3) **“Excluded Agreements”** means those agreements set forth in Sections 4.1(6), 4.1(7), 4.1(9) and 4.1(10) of this Agreement.
- (4) **“Increased Amount”** has the meaning attributed to that term in Section 9.11(3).
- (5) **“Indemnitee”** means any Person entitled to indemnification under this Agreement.
- (6) **“Indemnitees Representative”** means:
  - (a) in respect of the Purchaser Indemnitees, the Purchaser; and
  - (b) in respect of the Vendor Indemnitees, the Vendors.
- (7) **“Indemnitor”** means any Party obligated to provide indemnification under this Agreement.
- (8) **“Indemnification Notice”** means written notice by an Indemnitee to the applicable Indemnitor or Indemnitors of a Third Party Claim or Direct Claim, as the case may be.
- (9) **“Losses”** means any and all loss, liability, obligation, damage, cost, expense, charge, fine, penalty or assessment, suffered, incurred, sustained or required to be paid by the Person seeking indemnification, (including reasonable lawyers’, experts’ and consultants’ fees and expenses), directly resulting from or arising out of any Claim, including the costs and expenses arising from or relating to such Claim, but:
  - (a) excluding any contingent liability until it becomes actual; (b) reduced by any net Tax benefit; and
  - (c) reduced by any recovery, settlement or otherwise under or pursuant to any insurance coverage, or pursuant to any Claim, recovery, settlement or payment by or against any other Persons; provided, however, that Losses shall include punitive, special, consequential, or indirect damages awarded to a third party against a Purchaser Indemnitee or a Vendor Indemnitee, but shall not include any punitive, special, consequential, or indirect damages suffered or incurred by the Purchaser Indemnitees or the Vendor Indemnitees; provided, further, that in no event will Losses be calculated as a multiple or earnings or revenue, or any reductions or components thereof.
- (10) **“Payment”** has the meaning attributed to that term in Section 9.11(4).
- (11) **“Purchaser Indemnitees”** means the Representatives of the Purchaser, and related Persons.
- (12) **“Third Party Claim”** means any Claim asserted against an Indemnitee by any Person who is not a Party or an Affiliate of a Party.
- (13) **“Vendor Indemnitees”** means each Vendor and such Vendor’s Associates, Representatives, and related Persons.

**9.2 Indemnification by the Vendors.** In addition to any other indemnification provided by the Vendors contained in this Agreement and subject to this Article 9, each of the Vendors shall, severally and on a pro rata basis in proportion to the relative percentage of cash proceeds of the Purchase Price received by such Vendor, and not jointly and severally, indemnify and save harmless the Purchaser and, to the extent named or involved in any Third Party Claim, the Purchaser Indemnitees from, and shall pay to the Purchaser and the Purchaser Indemnitees, on demand, the amount of any and all Losses, as a result of or arising in connection with:

- (a) any inaccuracy of or any breach of any representation or warranty made by any of the Vendors in this Agreement or in any contract, agreement, instrument, certificate or other document

delivered pursuant to this Agreement (excluding the Excluded Agreements), whether or not the Purchaser relied on or had knowledge of it;

- (b) to the extent not performed prior to Closing, any breach or non-performance by any of the Corporations, the Vendors or the Vendors, as applicable, and of any covenant or other obligation contained in this Agreement or in any contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement (excluding the Excluded Agreements); and
- (c) any Claim by any Person for brokerage or finder's fees, commission or similar payments based on any agreement or understanding made or alleged to have been made by any such Person with the Corporations or the Vendors, as applicable, or any Person acting on any of their behalf, in connection with the Transaction.

**9.3 Indemnification by the Vendors with Respect to Environmental Matters.** In addition to the indemnification provided by the Vendors in Section 9.2 and to any other indemnifications provided by the Vendors contained in this Agreement and subject to this Article 9, each of the Vendors shall, severally and on a pro rata basis in proportion to the relative percentage of cash proceeds of the Purchase Price received by such Vendor, and not jointly and severally, indemnify and save harmless the Purchaser and the Purchaser Indemnitees from, and shall pay to the Purchaser and the Purchaser Indemnitees on demand, the amount of any and all Losses (including costs of clean-up) as a result of or arising in connection with:

- (a) the ownership, operation or condition of the Assets prior to the Effective Time;
- (b) the presence, whether known or unknown, of Contaminants on, under, or migrating from, any Real Property previously owned by the Corporations at any time prior to the Effective Time; and
- (c) without limiting the generality of the foregoing, any cost recovery action or allegation in the nature of a cost-recovery action under Environmental Laws in relation to Sections 9.3(a) or 9.3(b),

whether or not the Losses first occur, or are alleged to have occurred, before or after the Effective Time.

**9.4 Indemnification by the Purchaser.** In addition to any other indemnification provided by the Purchaser contained in this Agreement and subject to this Article 9, the Purchaser shall indemnify and save harmless the Vendors and, to the extent named or involved in any Third Party Claim, the Vendor Indemnitees from, and shall pay to the Vendors and the Vendor Indemnitees, on demand, the amount of any and all Losses as a result of or arising in connection with:

- (a) any inaccuracy of or any breach of any representation or warranty made by the Purchaser in this Agreement or in any contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement (excluding the Excluded Agreements), whether or not the Vendors relied on or had knowledge of it;
- (b) to the extent not performed or waived prior to Closing any breach or non-performance by the Purchaser of any covenant or other obligation contained in this Agreement or in any contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement (excluding the Excluded Agreements); and
- (c) any Claim by any Person for brokerage or finder's fees, commission or similar payments based on any agreement or understanding made or alleged to have been made by any such Person with the Purchaser (or any Person acting on its behalf) in connection with the Transaction.

**9.5 Limitations.** The Vendors will have no liability for indemnification with respect to Claims under Section 9.2(a) until the total of all Losses with respect to the such matters exceeds \$ [REDACTED] (the “**Deductible**”), in which case the Vendors shall be required to indemnify the Purchaser Indemnitees for all amounts in excess of and including the Deductible, which amounts shall first be satisfied from the Holdback Amount, if any. Further, the maximum liability of the Vendors with respect to Losses indemnifiable pursuant to Section 9.2(a) shall be an amount equal to [REDACTED] % of the Final Purchase Price (the “**Cap**”); provided, however, that the Deductible and the Cap shall not apply to: (a) any inaccuracy of or any breach of any representation or warranty set out in Sections 5.2(1), 5.2(2), 5.2(3), 5.2(5), 5.2(6), 5.2(8), 5.2(10), 5.2(11), 5.2(33), 5.2(38), and 5.2(42) (insofar as Section 5.2(42) relates to Tax matters); or (b) any Claim of fraud, fraudulent misrepresentation, or intentional misrepresentation. **[REDACTED – relates to the Deductible threshold and liability Cap, which is commercially sensitive information.]**

**9.6 Notice of Claim.**

- (1) An Indemnitee, promptly on becoming aware of any circumstances that have given or could give rise to a Third Party Claim or a Direct Claim, shall give an Indemnification Notice of those circumstances to its Indemnitees Representative and to the applicable Indemnitor or Indemnitors. The Indemnification Notice will specify whether the Losses arise as a result of a Third Party Claim or a Direct Claim, and will also specify with reasonable particularity (to the extent the information is available) the factual basis for the Claim and the amount of the Losses, if known.
- (2) The failure to give, or delay in giving, an Indemnification Notice does not relieve the Indemnitor of its obligations except and only to the extent of any prejudice caused to the Indemnitor by that failure or delay.
- (3) Provided that the Indemnitee gives an Indemnification Notice of the Claim to the Indemnitor on or prior to the expiry of the applicable time period related to that representation and warranty or covenant, as the case may be, set out in Sections 5.4 and 5.5, liability of the Indemnitor for that representation, warranty or covenant will continue in full force and effect until the final determination of that Claim.

**9.7 Third Party Claims.**

- (1) The Indemnitor has the right, by notice to the applicable Indemnitees Representative given not later than 30 days after receipt of the Indemnification Notice, to assume control of the defence, compromise or settlement of the Third Party Claim provided that:
  - (a) the Third Party Claim involves only money damages and does not seek any injunctive or other equitable relief;
  - (b) if the named parties in any Third Party Claim include both the Indemnitor and the Indemnitee, representation by the same counsel would, in the reasonable judgment of the Indemnitee, still be appropriate notwithstanding any actual or potential differing interests between them (including the availability of different defences);
  - (c) settlement of, or an adverse judgment with respect to, the Third Party Claim is not, in the reasonable judgment of the Indemnitee, likely to establish a precedent, custom or practice adverse to the continuing business interest of the Indemnitee; and
  - (d) the Indemnitor, from time to time, at the request of the Indemnitees Representative, provides reasonable assurance to the Indemnitees Representative of its financial capacity to defend that Third Party Claim and to provide indemnification in respect thereof.

- (2) On the assumption of control by the Indemnitor, it is conclusively established for purposes of this Agreement that the Third Party Claim is within the scope of, and is subject to, the indemnification pursuant to this Article 9, and:
- (a) the Indemnitor will actively and diligently proceed with the defence, compromise or settlement of the Third Party Claim at the Indemnitor's sole cost and expense, including the retaining of counsel reasonably satisfactory to the Indemnitees Representative;
  - (b) the Indemnitor will keep the Indemnitees Representative fully advised with respect to the defence, compromise or settlement of the Third Party Claim (including supplying copies of all relevant documents promptly as they become available) and will arrange for its counsel to inform the Indemnitees Representative on a regular basis of the status of the Third Party Claim;
  - (c) the Indemnitee may retain separate co-counsel at its sole cost and expense and participate in the defence of the Third Party Claim (provided the Indemnitor shall continue to control that defence); and
  - (d) the Indemnitor will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim unless consented to by the Indemnitees Representative (which consent may not be unreasonably or arbitrarily withheld, delayed or conditioned).
- (3) Provided all the conditions set forth in Section 9.7(1) are satisfied and the Indemnitor is not in breach of any of its obligations under Section 9.7(2), each of the Indemnitee and its Indemnitees Representative will, at the expense of the Indemnitor, co-operate with the Indemnitor and use its best efforts to make available to the Indemnitor all relevant information in its possession or under its control (provided that it does not cause the Indemnitee or its Indemnitees Representative to breach any confidentiality obligations) and will take such other steps as are, in the reasonable opinion of counsel for the Indemnitor, necessary to enable the Indemnitor to conduct that defence, provided always that:
- (a) no admission of fault may be made by or on behalf of the Purchaser or any Purchaser Indemnitee without the prior written consent of the Purchaser;
  - (b) no admission of fault may be made by or on behalf of the Vendors, the Vendors, or any Vendor Indemnitee without the prior written consent of the Vendors; and
  - (c) the Indemnitee and its Indemnitees Representative are not obligated to take any measures which, in the reasonable opinion of the Indemnitee's legal counsel, could be prejudicial or unfavourable to the Indemnitee.
- (4) If: (a) the Indemnitor does not give the relevant Indemnitees Representative the notice provided in Section 9.7(1); (b) any of the conditions in Section 9.7(1) are unsatisfied; or (c) the Indemnitor breaches any of its obligations under Sections 9.7(2) or 9.7(3), the applicable Indemnitees Representative may assume control of the defence, compromise or settlement of the Third Party Claim as in its sole discretion may appear advisable, and is entitled to retain counsel as in its sole discretion may appear advisable, the whole at the Indemnitor's sole cost and expense. Any settlement or other final determination of the Third Party Claim will be binding on the Indemnitor. The Indemnitor will, at its sole cost and expense, cooperate fully with the Indemnitee and its Indemnitees Representative and use its best efforts to make available to the Indemnitee and its Indemnitees Representative all relevant information in its possession or under its control and take such other steps as are, in the reasonable opinion of counsel for the Indemnitee, necessary to enable the Indemnitee to conduct the defence. The Indemnitor will reimburse the Indemnitee and its Indemnitees Representative promptly and periodically for the costs of defending against the Third Party Claim (including reasonable legal fees and expenses), and will remain responsible for any Losses the Indemnitee and its Indemnitees Representative may

suffer resulting from, arising out of or relating to the Third Party Claim to the fullest extent provided in this Article 9.

**9.8 Direct Claims.** Following receipt of an Indemnification Notice in respect of a Direct Claim, the Indemnitor has 60 days to make such investigation of the Direct Claim as is considered necessary or desirable. For the purpose of that investigation, the Indemnitee shall make available to the Indemnitor the information relied on by the Indemnitee to substantiate the Direct Claim, together with such information as the Indemnitor may reasonably request. If the Parties agree at or prior to the expiry of this 60 day period (or prior to the expiry of any extension of this period agreed to by the Parties) as to the validity and amount of that Direct Claim, the Indemnitor shall immediately pay to the Indemnitee the full amount as agreed to by the Parties of the Direct Claim.

**9.9 Waiver.** The Indemnitor waives any right it may have to require an Indemnitee to proceed against or enforce any other right, power, remedy or security or to claim payment from any other Person before claiming under the indemnity provided for in this Article 9. It is not necessary for an Indemnitee to incur expense or make payment before enforcing that indemnity.

**9.10 Duty to Mitigate and Subrogation.**

- (1) Nothing in this Agreement in any way restricts or limits the general obligation under Applicable Law of an Indemnitee to mitigate any loss which it may suffer or incur by reason of a breach by an Indemnitor of any representation, warranty, covenant or obligation of the Indemnitor under this Agreement or in any contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement (excluding the Excluded Agreements).
- (2) The Indemnitee shall, to the extent permitted by Applicable Law, subrogate its rights relating to any Third Party Claim to the Indemnitor and shall make all counterclaims and implead all third Persons as may be reasonably required by the Indemnitor, the whole at the cost and expense of the Indemnitor.

**9.11 Obligation to Reimburse.**

- (1) The Indemnitor shall reimburse to the Indemnitee the amount of any Losses as of the later of: (a) date that the Indemnitee incurs any such Losses; and (b) the date of demand by the Indemnitee, together with interest thereon from that date until payment in full, at the rate per annum equal to 3%, that payment being made without prejudice to the Indemnitor's right to contest the basis of the Indemnitee's Claim for indemnification.
- (2) The amount of any and all Losses under this Article 9 are to be determined net of any amounts recovered or recoverable by the Indemnitee under insurance policies, indemnities, reimbursement arrangements or similar Contracts with respect to those Losses. The Indemnitee shall take all appropriate steps to enforce that recovery. Each Party waives, to the extent permitted under its applicable insurance policies, any subrogation rights that its insurer may have with respect to any indemnifiable Losses.
- (3) If an Indemnitee is subject to Tax in respect of the receipt of an amount pursuant to this Article 9, after taking into account any offsetting deduction or tax credit that can be immediately utilized and/or applied in respect of the applicable Losses, then the amount payable by the Indemnitor will be increased by an amount (the "**Increased Amount**") such that the Indemnitee will be in the same position after paying Tax on the amount received hereunder, including any Taxes payable on the Increased Amount, as the Indemnitee would have been in had the Losses giving rise to that payment not arisen and had that amount not been payable.
- (4) If any payment (the "**Payment**") made pursuant to this Article 9 is subject to any sales, use, excise, gross receipts, transaction privilege, margin, or similar Tax, the Indemnitor will pay to the Indemnitee,

in addition to the Payment, an amount equal to such Tax in connection with that Payment unless said additional amount is part of or subject to the Increased Amount.

**9.12 Exclusivity.** Unless otherwise provided in this Agreement or any contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement (excluding the Excluded Agreements), the provisions of this Article 9 constitute the sole remedy available to the Vendors and the Purchaser to any Claim for breach of covenants, representation, warranty or other obligation or provision of this Agreement or any contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement (excluding the Excluded Agreements) (other than a Claim for specific performance or injunctive relief with respect to the breach or non-performance of any covenant or other obligation contained in this Agreement) and to any and all other indemnities provided in this Agreement or in any contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement (excluding the Excluded Agreements).

**9.13 Set-Off.** A Party is entitled to set-off any Losses subject to indemnification under this Agreement against any other amounts payable by the Party to another Party under this Agreement.

**9.14 Trust and Agency.** The Purchaser accepts each indemnity in favour of any of the Purchaser Indemnitees that is not a Party as agent and trustee of that Purchaser Indemnitee and may enforce any such indemnity in favour of that Purchaser Indemnitee on behalf of that Purchaser Indemnitee. The Vendors accept each indemnity in favour of any of the Vendor Indemnitees as agent and trustee of that Vendor Indemnitee and may enforce any such indemnity in favour of that Vendor Indemnitee on behalf of that Vendor Indemnitee.

## **ARTICLE 10 GENERAL**

### **10.1 Confidentiality of Information.**

(1) For the purposes of this Section 10.1, “**Confidential Information**” of a Party at any time means all information relating to that Party which at the time is of a confidential nature (whether or not specifically identified as confidential), is known or should be known by the other relevant Party or its Representatives as being confidential, and has been or is from time to time made known to or is otherwise learned by the relevant other Party or any of its Representatives as a result of the matters provided for in this Agreement, and includes:

- (a) the existence and the terms of this Agreement and of any other Contract, agreement, instrument, certificate or other document to be entered into as contemplated by this Agreement;
- (b) a Party’s business records;
- (c) all Books and Records and all other information and documentation with respect to the Corporations, the Business and the Assets provided by the Vendors and the Corporations to the Purchaser and its Representatives, including all notes, analyses, compilations, studies, summaries and other material prepared by the Purchaser and its Representatives as a result of the Books and Records, information or documentation; and
- (d) all copies of documents and data retained by the Vendors pursuant to Section 6.1(2).

Notwithstanding the foregoing, Confidential Information does not include any information that at the time has become generally available to the public other than as a result of a disclosure by the other Party or any of its Representatives, any information that was available to the other Party or its Representatives on a non-confidential basis before the date of this Agreement or any information that becomes available to the other Party or its Representatives on a non-confidential basis from a Person (other than the Party to which the information relates or any of its Representatives) who is not, to the knowledge of the other

Party or its Representatives, otherwise bound by confidentiality obligations to the Party to which the information relates in respect of the information or otherwise prohibited from transmitting the information to the other Party or its Representatives.

- (2) Each Party shall (and shall cause each of its Representatives to) hold in strictest confidence and not use in any manner, other than as expressly contemplated by this Agreement, all Confidential Information of the other Parties.
- (3) Subject to Section 10.2, Section 10.1(2) shall not apply to the disclosure of any Confidential Information where that disclosure is required by Applicable Law or Applicable Securities Law. In that case, the Party required to disclose (or whose Representative is required to disclose) shall, as soon as possible in the circumstances, notify the other Parties of the requirement of the disclosure including the nature and extent of the disclosure and the provision of Applicable Law or Applicable Securities Law pursuant to which the disclosure is required. To the extent possible, the Party required to make the disclosure shall, before doing so, provide to the other Parties the text of any disclosure. On receiving the notification, the other Parties may take any reasonable action to challenge the requirement, and the affected Party shall (or shall cause the applicable Representative to), at the expense of the other Parties, assist the other Parties in taking that reasonable action. Notwithstanding the foregoing, no disclosure shall be made of the amount of the Purchase Price, unless and to the extent required by Applicable Law or Applicable Securities Law.

**10.2 Public Announcements.** The Purchaser may make any public statement or issue any press release concerning the Transactions that it or Purchaser's Counsel deems necessary to comply with the requirements of all Applicable Law or Applicable Securities Law. Neither the Corporations nor any of the Vendors shall make any public statement or issue any press release concerning the Transactions unless agreed to by the Purchaser acting reasonably or as may be necessary, in the opinion of the Vendors' Counsel, to comply with the requirements of all Applicable Law or Applicable Securities Law. If any public statement or release is so required by the Corporations or the Vendors, the Corporations or the Vendors, as applicable, shall consult with the Purchaser before making that statement or release, and the applicable Parties shall use all reasonable efforts, acting in good faith, to agree on a text for the statement or release that is satisfactory to those Parties.

**10.3 Disclosure and Consultation.**

- (1) Before any public statement or press release concerning the Transactions, no Party shall disclose this Agreement or any aspect of the Transactions except to its board of directors, its senior management, its legal, accounting, financial or other professional advisors, any financial institution contacted by it with respect to any financing required in connection with the Transactions and counsel to that institution, or as may be required by any Applicable Law, Applicable Securities Law or as agreed by the Parties.
- (2) The Vendors and the Purchaser shall consult with each other concerning the manner by which the Employees, customers, suppliers and other Persons having dealings with the Corporations shall be informed of the Transactions, and the Purchaser shall have the right to be present for any such communication.

**10.4 Expenses.** Each Party shall pay all expenses (including Taxes imposed on those expenses) it incurs in the authorization, negotiation, preparation, execution and performance of this Agreement and the Transactions, including all fees and expenses of its legal counsel, bankers, investment bankers, brokers, accountants or other representatives or consultants. The Vendors shall cause the Corporations not to incur any out-of-pocket expenses in connection with this Agreement and the Transactions except as are set out in the Closing Date Working Capital Statement.

**10.5 Best Efforts.** In this Agreement, unless specified otherwise, an obligation of any Party to use its best efforts to obtain any Approval does not require the Party to make any payment to any Person for the purpose of

procuring the Approval, except for payments for amounts due and payable to that Person, payments for incidental expenses incurred by that Person and payments required by any Applicable Law or Applicable Securities Law.

**10.6 No Third Party Beneficiary.** Except as provided for in Article 9, this Agreement is solely for the benefit of the Parties and no third party accrues any benefit, Claim or right of any kind pursuant to, under, by or through this Agreement.

**10.7 Entire Agreement.** This Agreement together with the other agreements to be entered into as contemplated by this Agreement (the “**Other Agreements**”), constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement and the Other Agreements and supersede all prior correspondence, agreements, negotiations, discussions and understandings, written or oral. Except as specifically set out in this Agreement or the Other Agreements, there are no representations, warranties, conditions or other agreements or acknowledgements, whether direct or collateral, express or implied, written or oral, statutory or otherwise, that form part of or affect this Agreement or the Other Agreements or which induced any Party to enter into this Agreement or the Other Agreements. No reliance is placed on any representation, warranty, opinion, advice or assertion of fact made either prior to, concurrently with, or after entering into, this Agreement or any Other Agreement, or any amendment or supplement hereto or thereto, by any Party to this Agreement or any Other Agreement or its Representatives, to any other Party or its Representatives, except to the extent the representation, warranty, opinion, advice or assertion of fact has been reduced to writing and included as a term in this Agreement or that Other Agreement, and none of the parties to this Agreement or any Other Agreement has been induced to enter into this Agreement or any Other Agreement or any amendment or supplement by reason of any such representation, warranty, opinion, advice or assertion of fact. There is no liability, either in tort or in Contract, assessed in relation to the representation, warranty, opinion, advice or assertion of fact, except as contemplated in this Section.

**10.8 Non-Merger.** Except as otherwise provided in this Agreement, the covenants, representations and warranties set out in this Agreement do not merge but survive Closing and, notwithstanding such Closing or any investigation by or on behalf of a Party, continue in full force and effect. Closing does not prejudice any right of one Party against another Party in respect of any remedy in connection with anything done or omitted to be done under this Agreement.

**10.9 Time of Essence.** Time is of the essence of this Agreement.

**10.10 Amendment.** This Agreement may be supplemented, amended, restated or replaced only by written agreement signed by each Party.

**10.11 Waiver of Rights.** Any waiver of, or consent to depart from, the requirements of any provision of this Agreement is effective only if it is in writing and signed by the Party giving it, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement operates as a waiver of that right. No single or partial exercise of any such right precludes any other or further exercise of that right or the exercise of any other right.

**10.12 Jurisdiction.** The Parties irrevocably and unconditionally attorn to the exclusive jurisdiction of the courts of the Province of Alberta in respect of all disputes arising out of, or in connection with, this Agreement, or in respect of any legal relationship associated with it or derived from it.

**10.13 Governing Law.** This Agreement is governed by, and interpreted and enforced in accordance with, the laws of the Province of Alberta and the laws of the Canada applicable in the Province of Alberta, excluding the choice of law rules of that province.

**10.14 Notices.**

- (1) Any notice, demand or other communication (in this Section 10.14, a “**notice**”) required or permitted to be given or made under this Agreement must be in writing and is sufficiently given or made if:
- (a) delivered in person and left with a receptionist or other responsible employee of the relevant Party at the applicable address set forth below;
  - (b) sent by prepaid courier service or (except in the case of actual or apprehended disruption of postal service) mail; or
  - (c) sent by email transmission;

If to the Purchaser:

**Sylogist Ltd.**  
Suite 102, 5 Richard Way  
Calgary, AB T3E 7M8

Attention: [REDACTED]  
Email: [REDACTED]

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

**Borden Ladner Gervais LLP**  
Centennial Place, East Tower  
1900, 520-3rd Avenue SW  
Calgary, AB T2P 0R3

Attention: Steven G. Pearson  
Email: spearson@blg.com

if to the Vendors or any one of them:

[REDACTED]

Attention: [REDACTED]  
Email: [REDACTED]

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

**Bayberry Capital Inc.**  
9812 Falls Road #114-299  
Potomac, MD 20854

Attention: Jay Wright  
Email: jwright@bayberycapital.com

**[REDACTED – relates to personal information]**

- (2) Any notice sent in accordance with this Section 10.14 is deemed to have been received:
- (a) if delivered prior to or during normal business hours on a Business Day in the place where the notice is received, on the date of delivery;
  - (b) if sent by mail, on the fifth Business Day after mailing in the place where the notice is received, or, in the case of disruption of postal service, on the fifth Business Day after cessation of that disruption;
  - (c) if sent by email during normal business hours on a Business Day of the recipient, on the same day that it was received by the recipient; or

(d) if sent in any other manner, on the date of actual receipt,

except that any notice delivered in person or sent by email not on a Business Day or after normal business hours on a Business Day, in each case in the place where the notice is received, is deemed to have been received on the next succeeding Business Day in the place where the notice is received.

(3) Any Party may change its address for notice by giving notice to the other Parties.

**10.15 Assignment.** No Party may assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its rights or obligations under this Agreement to any Person.

**10.16 Further Assurances.** Each Party shall promptly do, execute, deliver or cause to be done, executed or delivered all further acts, documents and matters in connection with this Agreement that any other Party may reasonably require, for the purposes of giving effect to this Agreement.

**10.17 Severability.** If, in any jurisdiction, any provision of this Agreement or its application to any Party or circumstance is restricted, prohibited or unenforceable, that provision will, as to that jurisdiction, be ineffective only to the extent of that restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement, without affecting the validity or enforceability of that provision in any other jurisdiction and, if applicable, without affecting its application to the other Parties or circumstances. The Parties shall engage in good faith negotiations to replace any provision which is so restricted, prohibited or unenforceable with an unrestricted and enforceable provision, the economic effect of which comes as close as possible to that of the restricted, prohibited or unenforceable provision which it replaces.

**10.18 Successors.** This Agreement is binding on, and enures to the benefit of, the Parties and their respective successors.

**10.19 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together constitute one agreement. Delivery of an executed counterpart of this Agreement by facsimile or transmitted electronically in legible form, including in a tagged image format file (TIFF) or portable document format (PDF), shall be equally effective as delivery of a manually executed counterpart of this Agreement.

*[Remainder of page left blank – Signature page to follow]*

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

\_\_\_\_\_  
Witness

[REDACTED]

\_\_\_\_\_  
[REDACTED]

\_\_\_\_\_  
Witness

[REDACTED]

\_\_\_\_\_  
[REDACTED]

\_\_\_\_\_  
Witness

[REDACTED]

\_\_\_\_\_  
[REDACTED]

**SYLOGIST LTD.**

By: (signed) "*Xavier Shorter*"  
\_\_\_\_\_  
Xavier Shorter  
Title: Vice President, Finance and Chief  
Financial Officer

**[REDACTED – relates to personal information]**

**SCHEDULE 1.1(36)**  
**FORM OF EMPLOYMENT AGREEMENT**

**[REDACTED – this entire Schedule is not included as it relates to commercially sensitive information.]**

**SCHEDULE 1.1(63)  
FORM OF NON-COMPETITION AGREEMENT**

**[REDACTED – this entire Schedule is not included as it relates to commercially sensitive information.]**

**SCHEDULE 1.1(74)  
PERMITTED ENCUMBRANCES**

**[REDACTED – this entire Schedule is not included as it relates to commercially sensitive information.]**

**SCHEDULE 2.2(2)  
PURCHASE PRICE ALLOCATION**

**[REDACTED – this entire Schedule is not included as it relates to commercially sensitive information.]**

**SCHEDULE 2.3(2)  
FORM OF ESCROW AGREEMENT**

**[REDACTED – this entire Schedule is not included as it relates to commercially sensitive information.]**

**SCHEDULE 4.1(6)  
FORM OF RELEASE**

**[REDACTED – this entire Schedule is not included as it relates to commercially sensitive information.]**

**SCHEDULE 4.1(7)  
FORM OF RESIGNATION AND RELEASE**

**[REDACTED – this entire Schedule is not included as it relates to commercially sensitive information.]**

**SCHEDULE 5.2(3)  
SHARE CAPITAL OF CORPORATIONS**

**[REDACTED – this entire Schedule is not included as it relates to commercially sensitive information.]**

**SCHEDULE 5.2(13)**  
**REAL PROPERTY MATTERS**

**[REDACTED – this entire Schedule is not included as it relates to commercially sensitive information.]**

**SCHEDULE 5.2(14)  
OTHER PROPERTY**

**[REDACTED – this entire Schedule is not included as it relates to commercially sensitive information.]**

**SCHEDULE 5.2(15)  
PERSONAL PROPERTY**

**[REDACTED – this entire Schedule is not included as it relates to commercially sensitive information.]**

**SCHEDULE 5.2(16)**  
**PERSONAL PROPERTY LEASES**

**[REDACTED – this entire Schedule is not included as it relates to commercially sensitive information.]**

**SCHEDULE 5.2(19)5.2(19)(a)  
OWNED INTELLECTUAL PROPERTY MATTERS**

**[REDACTED – this entire Schedule is not included as it relates to commercially sensitive information.]**

**SCHEDULE 5.2(19)5.2(19)(b)**  
**LICENSED INTELLECTUAL PROPERTY MATTERS**

**[REDACTED – this entire Schedule is not included as it relates to commercially sensitive information.]**

**SCHEDULE 5.2(20)**  
**INTERNAL IT SYSTEMS MATTERS**

**[REDACTED – this entire Schedule is not included as it relates to commercially sensitive information.]**

**SCHEDULE 5.2(21)  
INSURANCE POLICIES**

**[REDACTED – this entire Schedule is not included as it relates to commercially sensitive information.]**

**SCHEDULE 5.2(23)**  
**CONTRACTS**

**[REDACTED – this entire Schedule is not included as it relates to commercially sensitive information.]**

**SCHEDULE 5.2(25)  
PERMITS**

**[REDACTED – this entire Schedule is not included as it relates to commercially sensitive information.]**

**SCHEDULE 5.2(26)(b)  
REGULATORY AND THIRD PARTY APPROVALS**

**[REDACTED – this entire Schedule is not included as it relates to commercially sensitive information.]**

**SCHEDULE 5.2(32)**  
**CHANGES SINCE FINANCIAL STATEMENT DATE**

**[REDACTED – this entire Schedule is not included as it relates to commercially sensitive information.]**

**SCHEDULE 5.2(33)  
TAXES**

**[REDACTED – this entire Schedule is not included as it relates to commercially sensitive information.]**

**SCHEDULE 5.2(34)  
LITIGATION**

**[REDACTED – this entire Schedule is not included as it relates to commercially sensitive information.]**

**SCHEDULE 5.2(35)**  
**ACCOUNTS AND ATTORNEYS**

**[REDACTED – this entire Schedule is not included as it relates to commercially sensitive information.]**

**SCHEDULE 5.2(36)  
DIRECTORS AND OFFICERS**

**[REDACTED – this entire Schedule is not included as it relates to commercially sensitive information.]**

**SCHEDULE 5.2(42)  
EMPLOYEES**

**[REDACTED – this entire Schedule is not included as it relates to commercially sensitive information.]**

**SCHEDULE 5.2(46)**  
**CUSTOMER AND SUPPLIER INFORMATION**

**[REDACTED – this entire Schedule is not included as it relates to commercially sensitive information.]**