

DESJARDINS FINANCIAL CORPORATION INC.

– and –

9479-5176 QUEBEC INC.

– and –

WORLDSOURCE WEALTH MANAGEMENT INC.

–and –

WORLDSOURCE INSURANCE AGENCY INC.

– and –

GUARDIAN CAPITAL GROUP LIMITED

– and –

IDC WORLDSOURCE INSURANCE NETWORK INC.

SHARE PURCHASE AGREEMENT

DATED NOVEMBER 30, 2022

STRICTLY CONFIDENTIAL

TABLE OF CONTENTS

	Page
ARTICLE 1 INTERPRETATION.....	2
1.1 Definitions.....	2
1.2 Accounting Principles.....	20
1.3 Actions on Non-Business Days.....	20
1.4 Currency and Payment Obligations.....	20
1.5 Calculation of Interest.....	21
1.6 Calculation of Time.....	21
1.7 Additional Rules of Interpretation.....	21
(1) Gender and Number.....	21
(2) Headings and Table of Contents.....	21
(3) Section References.....	21
(4) Words of Inclusion.....	21
(5) References to this Agreement.....	21
(6) Statute References.....	21
(7) Document References.....	22
(8) Absence of Presumption.....	22
(9) Calculations Involving Subsidiaries.....	22
1.8 Schedules and Exhibits.....	22
ARTICLE 2 PURCHASE OF SHARES.....	23
2.1 Purchase and Sale.....	23
2.2 Purchase Price.....	24
(1) Purchase Price.....	24
2.3 Estimated Closing Date Working Capital and Estimated Closing Date Net Indebtedness.....	24
2.4 Payment of Closing Payment.....	25
2.5 Preparation of Closing Date Statement and Closing Date Balance Sheet.....	25
(1) Closing Date Statement and Closing Date Balance Sheet.....	25
(2) Access to Records, Cooperation, etc.....	25
2.6 Dispute Settlement.....	26
2.7 Payment on Adjustment Date.....	27
2.8 Fees and Expenses.....	27
ARTICLE 3 REPRESENTATIONS AND WARRANTIES.....	27
3.1 Representations and Warranties of the Vendors.....	27
(1) Incorporation, Corporate Power and Solvency of Vendors.....	27
(2) Authorization by Vendors.....	28
(3) Enforceability of Vendors' Obligations.....	28
(4) Ownership of Shares.....	28
(5) Subsidiaries.....	28
(6) Organization of the Purchased Corporations.....	29

TABLE OF CONTENTS
(continued)

(7)	Absence of Conflicting Agreements.....	29
(8)	Qualification to do Business.....	30
(9)	Financial Statements.....	30
(10)	No Liabilities.....	30
(11)	Regulatory Reports, Registrations, Agreements and Compliance.....	31
(12)	Trust Funds and Appointments.....	31
(13)	Producers; Disclosure of Lost Business.....	32
(14)	Compensation Disclosure.....	33
(15)	Internal Producers.....	33
(16)	Carrier Appointments.....	33
(17)	Compliance with Applicable Law and Licences.....	34
(18)	Books and Records.....	34
(19)	Sufficiency of Assets.....	35
(20)	Title to Assets.....	35
(21)	Condition of Assets.....	35
(22)	Real Property.....	36
(23)	Leased Premises.....	36
(24)	Data Security and Privacy Requirements.....	37
(25)	Material Contracts.....	39
(26)	Transactions with Affiliates.....	39
(27)	Shared Contracts.....	39
(28)	Intellectual Property.....	39
(29)	Regulatory Approvals.....	41
(30)	Legal Proceedings.....	41
(31)	Environmental Matters.....	42
(32)	Employment Matters.....	42
(33)	Employee Plans.....	44
(34)	Information Systems.....	45
(35)	Business Insurance.....	46
(36)	Tax Matters.....	47
(37)	Absence of Certain Changes or Events.....	48
(38)	Banking Information.....	50
(39)	Commissions.....	50
(40)	Money Laundering.....	50
(41)	Producers.....	51
(42)	Market Misconduct.....	51
3.2	Representations and Warranties of Guardian.....	52
(1)	Financial Statements of Guardian.....	52
3.3	Representations and Warranties of the Purchaser.....	52
(1)	Incorporation, Corporate Power.....	52
(2)	Authorization by Purchaser.....	53
(3)	Accredited Investor.....	53
(4)	Enforceability of Obligations.....	53

TABLE OF CONTENTS
(continued)

(5)	Absence of Conflicting Agreements.....	53
(6)	Commissions.....	53
ARTICLE 4 CLOSING ARRANGEMENTS.....		53
4.1	Closing.....	53
4.2	Vendors' Closing Deliveries.....	54
4.3	Purchaser's Closing Deliveries.....	54
ARTICLE 5 COVENANTS.....		55
5.1	Access for Integration Planning.....	55
5.2	Non-Competition.....	55
5.3	Non-Solicitation of Customers and Suppliers.....	55
5.4	Non-Solicitation of Employees.....	56
5.5	Confidentiality.....	56
5.6	Pre-Closing Minority Shareholder Acquisition and Vendors' Pre-Closing Reorganization...	57
(1)	Obligation to Implement.....	57
(2)	Dividends.....	57
(3)	Documentation.....	57
(4)	Employees and Employee Plans.....	57
(5)	Insurance.....	59
(6)	Mutual Release and Resignation of Each Designated Director and Officer.....	60
(7)	Replacement Guarantees.....	60
(8)	Sub-Leases.....	60
(9)	Termination of IDC USA.....	60
5.7	Further Action During Interim Period.....	60
(1)	Operate in Ordinary Course of Business.....	60
(2)	Negative Covenants.....	62
(3)	Sought Consents and Notices.....	62
(4)	Licences.....	63
5.8	Filings with Governmental Authorities.....	63
(1)	Required Regulatory Approvals.....	63
(2)	Competition Act Approval.....	63
(3)	Reasonable Best Efforts.....	63
(4)	Other Regulatory Approvals.....	64
(5)	Information and Requests.....	64
(6)	Cooperation.....	64
(7)	Filing Fees.....	65
5.9	Notice of Untrue Representation or Warranty.....	65
5.10	Tax Returns and Taxes.....	65
(1)	Pre-Closing Period Income Tax Returns and Taxes.....	65
(2)	Section 56.4 of the ITA.....	66
5.11	Cooperation Respecting Tax Matters.....	66
5.12	Tax Refunds.....	66
5.13	Amendments to Tax Returns; Assessments.....	67

TABLE OF CONTENTS
(continued)

(1) Amendments to Tax Returns.....	67
(2) Assessments.....	67
5.14 Reportable and Notifiable Transactions.....	68
5.15 Advance Concurrence – Eligible Dividends	68
5.16 Shared Contracts to be Replaced.....	68
5.17 Negotiation of Ancillary Agreements.....	70
5.18 Specified Litigation.....	70
5.19 Joint and Several Liability of Guardian.....	70
5.20 Joint and Several Liability of DFC.....	70
5.21 Transfer of Shares.....	71
5.22 Wrong Pockets.....	71
5.23 Exclusive Dealing.....	71
5.24 Use of Corporate Name.....	71
ARTICLE 6 CONDITIONS OF CLOSING	72
6.1 Purchaser's Conditions.....	72
(1) Representations and Warranties.....	72
(2) Deliveries.....	72
(3) Vendors' Compliance.....	72
(4) No Law.....	72
(5) No Material Adverse Effect.....	72
(6) Required Regulatory Approvals.....	73
(7) Vendors' Pre-Closing Reorganization and Pre-Closing Minority Shareholder Acquisition.....	73
(8) Actions.....	73
(9) Concurrent Transactions.....	73
6.2 Condition Not Fulfilled.....	73
6.3 Vendors' Conditions.....	73
(1) Representations and Warranties.....	73
(2) Deliveries.....	74
(3) Purchaser's Compliance.....	74
(4) No Law.....	74
(5) Required Regulatory Approvals.....	74
(6) Actions.....	74
(7) Concurrent Transactions.....	74
6.4 Condition Not Fulfilled.....	74
ARTICLE 7 INDEMNIFICATION	75
7.1 Survival.....	75
7.2 Indemnity by the Vendors.....	75
7.3 Indemnity by the Purchaser.....	76
7.4 Claim Notice.....	76
7.5 Time Limits for Claim Notice for Breach of Representations and Warranties and Covenants.....	77

TABLE OF CONTENTS
(continued)

7.6	Monetary Limitations.	78
7.7	Mitigation.	78
7.8	Provisions.	78
7.9	Determination of Breach and Calculation of Losses.	79
7.10	No Double Recovery.	79
7.11	Sole Recourse.	79
7.12	Direct Claims.	79
7.13	Third Party Claims.	79
(1)	Rights of Indemnifying Party.	79
(2)	Respective Rights on Indemnifying Party's Assumption of Control.	80
(3)	Rights of Indemnified Party.	80
(4)	No Assumption of Control by Indemnifying Party.	81
(5)	Damages Sought in Respect of Breach of Vendors' Tax Representations.	81
7.14	Insurance and Other Recoveries.	81
7.15	Adjustment to Purchase Price.	82
ARTICLE 8 TERMINATION		82
8.1	Grounds for Termination.	82
8.2	Effect of Termination.	82
ARTICLE 9 GENERAL		82
9.1	Expenses.	82
9.2	Public Announcements.	83
9.3	Notices.	83
(1)	Mode of Giving Notice.	83
(2)	Deemed Delivery of Notice.	84
(3)	Change of Address.	84
9.4	Time of Essence.	84
9.5	Entire Agreement.	85
9.6	Amendment.	85
9.7	Waiver.	85
9.8	Severability.	85
9.9	Exclusive Remedies; Specific Performance.	85
9.10	Attornment.	85
9.11	Governing Law.	86
9.12	Successors and Assigns; Assignment.	86
9.13	Third Party Beneficiaries.	86
9.14	Counterparts.	86
9.15	Language.	86
9.16	Further Assurances.	86

SHARE PURCHASE AGREEMENT

This Share Purchase Agreement dated November 30, 2022 is made

BETWEEN

DESJARDINS FINANCIAL CORPORATION INC. ("DFC")

- and -

9479-5176 QUEBEC INC. (the "Purchaser")

- and -

WORLDSOURCE WEALTH MANAGEMENT INC. ("WWM")

- and -

WORLDSOURCE INSURANCE AGENCY INC. ("WIA")

- and -

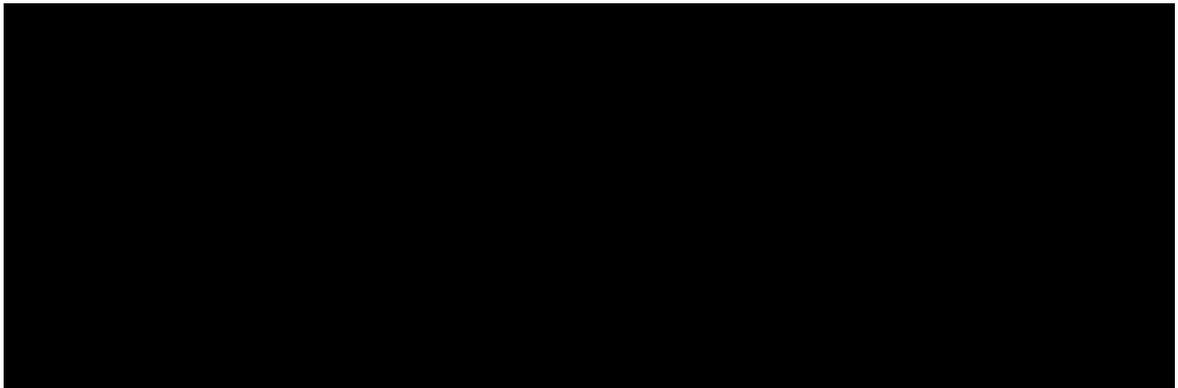
GUARDIAN CAPITAL GROUP LIMITED
("Guardian", and collectively with WWM and WIA, the "Vendors")

- and -

IDC WORLDSOURCE INSURANCE NETWORK INC. (the "Corporation")

RECITALS

- A. At 8:32 a.m. Eastern Time on the day prior to the Closing Date, WIA will acquire the Shares appearing in the table below from all minority shareholders of the Corporation (the "**Minority Shareholders**"), which, together with the Shares owned by the Vendors previously to such acquisitions, represent all of the issued and outstanding equity interests of the Corporation:



[Minority equity interests redacted]

- B. As of the date of this Agreement, the Vendors are the registered and beneficial owners of 25,222,350 of the Shares, representing approximately 82.2% of the Shares.

- C. After giving effect to the acquisition of the Shares owned by the Minority Shareholders by WIA through the Pre-Closing Minority Shareholder Acquisition and the Vendors' Pre-Closing Reorganization, WIA will be the registered and beneficial owner of 30,695,174 Shares, representing 100% of the Shares.
- D. After giving effect to the Pre-Closing Minority Shareholder Acquisition and the Vendors' Pre-Closing Reorganization, the Purchaser is willing to purchase, and WIA is willing to sell, 100% of the Shares on and subject to the terms and conditions contained in this Agreement.

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

ARTICLE 1 INTERPRETATION

1.1 **Definitions.** In this Agreement:

"1000263695 USA" means the unanimous shareholders agreement dated September 28, 2022 with respect to 1000263695 Ontario Inc.

"9290-3152 USA" means the unanimous shareholders agreement dated December 1, 2021 with respect to 9290-3152 Québec Inc.

"Acquired Broker" means any independent broker who is engaged by any Purchased Corporation from another insurance managing general agency. For the avoidance of any doubt, such an independent broker will be deemed to be engaged by any Purchased Corporation as of the date of effectiveness of the agreement governing the engagement of such independent broker with the relevant Purchased Corporation.

"Acquired Broker Compensation" means any amounts paid or payable by any Purchased Corporation in connection with an Acquired Broker to compensate another insurance managing general agency for such independent broker's departure to a Purchased Corporation.

"Active Prospective Producer" means any Person, or a group of Persons, who or which had been identified, with reasonable particularity, by any Purchased Corporation, in the Books and Records, within the two months preceding the Closing Date, as a possible Producer of any Purchased Corporation.

"Adjustment Date" means the third Business Day after the Closing Date Working Capital and the Closing Date Net Indebtedness are finally determined in accordance with Section 2.5 or 2.6, as the case may be.

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

"Agency License" means any authorization of any insurance regulatory Governmental Authority, including any related authorization required to be issued to any Employees or

independent contractor (other than an independent broker) of any of the Purchased Corporations.

"Agreement" means this Share Purchase Agreement and all the Exhibits and the Schedules attached hereto.

"AMF" means the *Autorité des marchés financiers* of the Province of Québec.

"Ancillary Agreements" means the Transitional Services Agreement, the Escrow Agreement, and the Concurrent Transactions SPA.

"Applicable Law" means, with respect to any Person, property, transaction, event or other matter, (a) any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, or Order; and (b) any guidelines, bulletins, written policies, notices and protocols of or issued by a Governmental Authority, which, although not necessarily having force of law, are regarded by such Governmental Authority as being required to be complied with (collectively in the foregoing clauses (a) and (b), "**Law**"), in each case relating or applicable to such Person, property, transaction, event or other matter.

"Assessment" has the meaning set out in Section 5.13(2).

"Base Purchase Price" has the meaning set out in Section 2.2(1)(a).

"Basket Amount" means collectively for this Agreement and the Concurrent Transactions SPA, an aggregate amount of \$3,750,000. For the avoidance of any doubt, amounts claimed under this Agreement and the Concurrent Transactions SPA shall be cumulated and the Basket Amount shall be reached once their aggregate sum reaches \$3,750,000.

"Books and Records" means, whether in paper or electronic form, all books, records, files and papers of the Purchased Corporations or relating to the Business, including books of account, financial and accounting information and records, personnel records, tax records, sales and purchase records, customer and supplier lists, lists of potential customers, referral sources, research and development reports and records, production reports and records, equipment logs, operating guides and manuals, business reports, plans and projections, marketing and advertising materials and all other documents, files, correspondence and other information (whether in written, printed, electronic or computer printout form, or stored on computer discs or other data and software storage and media devices).

"Business" means the insurance managing general agency activities conducted by the Corporation and any insurance related business activities conducted by its Subsidiaries including the insurance associated general agency activities and the insurance lead generation activities.

"Business Day" means any day except Saturday, Sunday or any day on which banks are generally not open for business in the city of Montréal, Québec, or Toronto, Ontario.

"Business Intellectual Property" means, collectively, all Owned Intellectual Property and Licensed Intellectual Property.

"Calgary Lease" means a lease agreement entered into on August 10, 2021 between Sun Life Assurance Company of Canada, as landlord, and Guardian Capital Advisors LP, by its general partner Guardian Capital Advisors Inc., as lessee.

"Cap Amount" means collectively for this Agreement and the Concurrent Transactions SPA, an aggregate amount of \$150,000,000. For the avoidance of any doubt, amounts claimed under this Agreement and the Concurrent Transactions SPA shall be cumulated and the Cap Amount shall be reached once their aggregate sum reaches \$150,000,000.

"Cash" means the amount equal to the sum (without duplication) of all unrestricted cash and cash equivalents each as determined in accordance with IFRS.

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

"Carrier" has the meaning set out in Section 3.1(16).

"Change of Control Costs" means any costs incurred by the Purchased Corporations directly relating to the transactions contemplated by this Agreement or the Ancillary Agreements and, without limiting the generality of the foregoing, shall include (i) any contractual amount, penalty, liquidated damages or any payment under any Contract (which for the avoidance of any doubt, shall include any payment related to the termination by the counterparty of any Material Contract requiring a Consent or Notice in relation to the transactions contemplated by this Agreement or the Ancillary Agreements), (ii) any amounts due in relation to the terminating the contracts of any Employees or independent contractors of the Purchased Corporations in relation to Closing (including, for the avoidance of doubt, any amounts referred to under Section 5.6(4)(b)), (iii) any bonus, severance or other payment or other form of compensation becoming payable by the Purchased Corporations to any current or former director, officer or employee shareholder or consultant of the Purchased Corporations in relation to the transactions contemplated by this Agreement or the Ancillary Agreements, (iv) any accelerated payment, accelerated funding, or accelerated vesting under any Employee Plan, and (v) any increase in the amount of any compensation or value of any benefit due or becoming due from the Purchased Corporations to any present or former director, officer, employee, shareholder or consultant of the Purchased Corporations, excluding, for greater certainty, the Transaction Costs.

"CEWS" means the Canada Emergency Wage Subsidy, for purposes of section 125.7 of the ITA, and any other COVID-19 related direct or indirect wage subsidy offered by a Canadian federal, provincial, or local Governmental Authority.

"CEWS Returns" means any and all Tax Returns filed or required to be filed, or required to be kept on file, in respect of CEWS.

"Claim Notice" has the meaning set out in Section 7.4.

"Closing" means the completion of the purchase and sale of the Purchased Shares in accordance with the provisions of this Agreement.

"Closing Date" means the second Business Day after the conditions to Closing set forth in Sections 6.1 and 6.3 (excluding conditions that, by their terms, cannot be satisfied until the Closing) have been satisfied (or waived by the Party entitled to waive such condition) or such other date as may be agreed upon in writing by the Parties.

"Closing Date Balance Sheet" means the unaudited balance sheet of the Corporation on a consolidated basis with the Subsidiaries at the Measurement Time, prepared by the Vendors, as finally determined in accordance with the provisions of Section 2.5 or 2.6, as the case may be.

"Closing Date Net Indebtedness" means the amount of Net Indebtedness as shown on the Closing Date Statement, as finally determined pursuant to Sections 2.5 and 2.6.

"Closing Date Statement" means the unaudited consolidated statement of Working Capital and Net Indebtedness prepared as at the Measurement Time.

"Closing Date Working Capital" means the amount of Working Capital as shown on the Closing Date Statement, as finally determined pursuant to Sections 2.5 and 2.6.

"Closing Payment" has the meaning set out in Section 2.4.

"Closing Time" means the time of Closing, which shall be at 9:00 a.m. Eastern Time on the Closing Date.

"Commissioner" means the Commissioner of Competition appointed under section 7 of the Competition Act or any Person authorized to perform duties on his behalf.

"Competition Act" means the *Competition Act*, R.S.C., 1985, c. C-34.

"Competition Act Approval" means: (a) the Commissioner shall have issued an advance ruling certificate pursuant to Section 102 of the Competition Act in respect of the transactions contemplated by this Agreement; or (b) the Commissioner of Competition shall have advised that he does not, at that time, intend to make an application under Section 92 of the Competition Act in respect of the transactions contemplated by this Agreement, and either: (i) the relevant waiting period in Section 123 of the Competition Act shall have expired or been earlier terminated; or (ii) the obligation to give the requisite notice has been waived by the Commissioner pursuant to Subsection 113(c) of the Competition Act.

"Concurrent Transactions" means the transactions contemplated by the share purchase agreement dated as of the date hereof between Purchaser, DFC, WWM, 3439666 Canada Inc., Worldsource Holdings Corp., Guardian, Worldsource Financial Management Inc. and Worldsource Securities Inc., with respect to, *inter alia*, the acquisition by Purchaser of all equity interests of Worldsource Financial Management Inc. and Worldsource Securities Inc. (the "**Concurrent Transactions SPA**").

"Concurrent Transactions SPA" has the meaning set out in the definition of "**Concurrent Transactions**".

"Confidential Information" means, in relation to the Purchased Corporations or a Party (the "**Discloser**"):

- (a) all information, in whatever form communicated or maintained, whether orally, in writing, electronically, in computer readable form or otherwise, that the Discloser or an Affiliate or a Representative of the Discloser discloses to, or posted to the Data Room or that is gathered by inspection by a Party (the "**Recipient**") or any of the Recipient's Representatives in the course of the Recipient's review of the transactions contemplated by this Agreement, whether provided before or after the date of this Agreement, and regardless of

whether prepared by the Discloser or another party including information that contains or otherwise reflects information concerning the Discloser or an Affiliate of the Discloser (including any predecessor entities) or their respective businesses, affairs, financial condition, assets, liabilities, operations, prospects or activities, correspondence with regulators and specifically includes financial information, budgets, forecasts, operational and administrative and other records, business plans, ways of doing business, business results, prospects, policyholder lists, evaluations, legal opinions, names of venture partners and contractual parties, actuarial reports, information relating to prior or ongoing claims, contracts, strategies, technology, intellectual property, Personal Information and any information provided to the Discloser or an Affiliate of the Discloser by third parties under circumstances in which the Discloser or such Affiliate has an obligation to protect the confidentiality of such information; (b) all plans, proposals, reports, analyses, notes, studies, forecasts, compilations or other information, in any form, that are based on, contain or reflect any Confidential Information regardless of the identity of the Person preparing the same; and

- (b) the existence of and terms of this Agreement;

but does not include any information that:

- (a) is at the time of disclosure to the Recipient or the Recipient's Representatives or thereafter becomes generally available to the public, other than as a result of a disclosure by the Recipient or any of the Recipient's Representatives in breach of this Agreement;
- (b) was independently developed by the Recipient or any of the Recipient's Representatives without reference to or use of any information of the Discloser set out in sections (a) or (b) of this definition;
- (c) is or was received by the Recipient on a non-confidential basis from a source other than the Discloser or its Affiliates or Representatives if such source is not prohibited from disclosing the information to the Recipient by a confidentiality agreement with, or a contractual, fiduciary or other legal confidentiality obligation to, the Discloser; or
- (d) was known by the Recipient prior to disclosure in connection with the transactions contemplated by this Agreement and was not subject to any contractual, fiduciary or other legal confidentiality obligation on the part of the Recipient.

"Confidentiality Agreement" means the confidentiality agreement dated as of September 1, 2022 by and between Desjardins Financial Security Life Assurance Company, and Guardian, as amended or supplemented from time to time.

"Consent" means any consent, approval, permit, waiver, exemption or acknowledgement from any Person, that is required in respect of or pursuant to the terms of any Material Contract in connection with the sale of the Purchased Shares to the Purchaser on the terms contemplated in this Agreement or any other transaction contemplated by this Agreement (including, for the avoidance of any doubt, the Pre-Closing Minority Shareholder Acquisition and the Vendors' Pre-Closing Reorganization), including to avoid giving rise to a material right under such

Material Contract (which would reasonably lead to termination, default, penalty, liquidated damages or any payment), but does not include the Regulatory Approvals.

"Contracts" means any contract, agreement, lease (including, each Lease), Licence, undertaking, engagement, commitment, understanding or arrangement of any nature, whether written or oral.

"COVID-19 Governmental Assistance" means any Tax amounts related to CEWS, the Temporary Wage Subsidy, the Canada Emergency Rent Subsidy, the Canada Recovery Hiring Program, and any Canada Emergency Business Account Loan, including any interest, penalties, or additions to Tax attributable thereto (or attributable to excessive amounts received thereto).

"Corporation" has the meaning set out in the preamble hereto.

"Corporation Software" has the meaning set out in Section 3.1(34)(c).

"Current Assets" means accounts receivable, accrued fees and prepaid expenses, other than, for greater certainty, (i) Taxes receivable or paid in advance, and (ii) deferred income Tax assets.

"Current Liabilities" means accounts payable and accrued liabilities, but excludes any liabilities arising from (i) the Specified Litigation, (ii) any liabilities included in Indebtedness, (iii) any liabilities arising on recognition of lease liabilities as required under IFRS 16, (iv) Taxes payable for Pre-Closing Tax Periods, and (v) deferred income Tax liabilities.

"Customers" has the meaning set out in Section 3.1(37)(t).

"Damages" means any losses, liabilities, damages or expenses (including legal fees and expenses on a full indemnity basis without reduction for tariff rates or similar reductions) whether resulting from an action, suit, proceeding, arbitration, claim or demand that is instituted or asserted by a third party, including a Governmental Authority, or a cause, matter, thing, act, omission or state of facts not involving a third party.

"Data Room" means the electronic documentation site maintained by Intralinks containing documents and information relating to the Purchased Corporations and the Business made available by the Vendors to the Purchaser and its Representatives as of 4:00 p.m. on the date that is two Business Days preceding the date of this Agreement.

"Data Security and Privacy Requirements" means (a) all Laws relating to the privacy and security of Personal Information, or to the collection, use, and disclosure ("**Processing**") of such information or data, (b) all Contracts between the Purchased Corporations and any Person that are applicable to the Processing of Personal Information; (c) all written documented Purchased Corporations' policies and procedures relating to the Processing of Personal Information, including all published consumer-facing website privacy policies and formalized internal information security policies and (d) CASL.

"Daystar USA" means the unanimous shareholders agreement dated November 7, 2008 between [REDACTED] and Daystar Alberta Financial Inc., as amended by a letter agreement dated December 2, 2013, and to which [REDACTED] became a party by virtue of the amalgamation of [REDACTED], effective January 1, 2014, and in respect of which the Corporation became a party in connection with a share purchase

agreement dated July 1, 2021 between the Corporation and [REDACTED] wherein the Corporation purchased all of the issued and outstanding shares of Daystar Alberta Financial Inc. held by [REDACTED], and a waiver dated July 1, 2021 signed by [REDACTED] [REDACTED] consenting to the Corporation's assumption of [REDACTED]'s obligations under such unanimous shareholders agreement. [Identity of other shareholders (including historical) of Daystar Alberta Financial Inc. redacted]

"Departed Broker" means any independent broker who ceases to be engaged with any Purchased Corporation in order to be engaged by another insurance managing general agency. For the avoidance of any doubt, such an independent broker will be deemed to cease to be engaged by any Purchased Corporation as of the date of effectiveness of the agreement governing the engagement of such independent broker with any other insurance managing general agency.

"Departed Broker Compensation" means any amounts paid or payable to any Purchased Corporation in connection with a Departed Broker to compensate the Purchased Corporation for such independent broker's departure to another insurance managing general agency.

"D&O Tail Insurance" has the meaning set out in Section 5.6(5)(b).

"DFC" has the meaning set out in the preamble hereto.

"DFC Obligations" has the meaning set out in Section 5.20.

"Diligence Extended Review Period" means the period from January 1, 2018 to the date of this Agreement.

"Diligence Review Period" means the period from January 1, 2020 to the date of this Agreement.

"Direct Claim" has the meaning set out in Section 7.4.

"Discloser" has the meaning set out in the definition of Confidential Information.

"E&O Tail Insurance" has the meaning set out in Section 5.6(5)(a).

"Employee" means an individual who is employed by the Corporation, including whether on a full-time or part-time basis or active or inactive.

"Employee Plans" means any plan, arrangement, agreement, program, policy, practice or undertaking, whether written or oral, funded or unfunded, insured or uninsured, registered or unregistered, that provides any employee benefit, fringe benefit, supplemental unemployment benefit, bonus, incentive, profit sharing, severance, change of control, pension, retirement, stock option, stock purchase, stock appreciation, stock unit, phantom stock, deferred compensation, employees profit sharing, health, welfare, medical, dental, disability, life insurance and similar plans, arrangements, agreements, programs, policies, practices or undertakings, in each case for the benefit of Employees or Expected Transferred Employees, former employees of the Business, or current or former officers or directors of the Business (including, in each case, any of their spouses, dependents, survivors or beneficiaries), other than Statutory Plans.

"Environment" means the natural environment as defined in any Environmental Laws.

"Environmental Laws" means all Applicable Laws relating to the protection of the Environment.

"Escrow Agent" means the Person determined by the Parties, each acting reasonably, to act as escrow agent pursuant to the terms of the Escrow Agreement.

"Escrow Agreement" has the meaning set out in Section 2.4(d).

"Escrow Amount" means an amount of \$15,000,000 placed in escrow (i) to secure the Vendors' indemnification obligations pursuant to this Agreement and (ii) for any Working Capital and Indebtedness adjustments payable by the Vendors pursuant to Section 2.7.

"Estimated Closing Date Net Indebtedness" has the meaning set out in Section 2.3.

"Estimated Closing Date Working Capital" has the meaning set out in Section 2.3.

"Expected Transferred Employee" means an individual listed in Schedule 3.1(32) to whom an offer of employment will be made in connection with the Vendors' Pre-Closing Reorganization as provided in Section 5.6.

"Financial Statements" means, collectively, the unaudited consolidated balance sheets and the related unaudited consolidated statements of income of the Corporation prepared by management, as of and for the fiscal quarters ended September 30, 2022, June 30, 2022, March 31, 2022, December 31, 2021, September 30, 2021 and June 30, 2021 which are attached as Schedule 3.1(9).

"Governmental Authority" means any government, parliament, legislature, regulatory authority, governmental department, agency, commission, board, tribunal, crown corporation, court or other law, rule or regulation-making entity having jurisdiction or exercising executive, legislative, judicial, regulatory, taxing or administrative powers on behalf of any federation or nation, or any province, state or any other subdivision thereof or any municipality, district or other subdivision thereof of any kind whatever, including the AMF and the OSC.

"Guardian" has the meaning set out in the preamble hereto.

"Guardian Obligations" has the meaning set forth in Section 5.19.

"Hazardous Substance" means any pollutant, contaminant, hazardous substance, hazardous material, toxic substance, prohibited substance, dangerous substance or dangerous good as defined, judicially interpreted or identified in any Environmental Laws.

"IDC USA" means the unanimous shareholders agreement dated July 1, 2011 with respect to the Corporation, as subsequently amended on February 22, 2012, April 1, 2013, July 11, 2014, May 31, 2015, March 31, 2016, April 30, 2018, April 1, 2019, June 28, 2019, December 31, 2019 and October 1, 2020.

"IFRS" means the International Financial Reporting Standards developed by the International Accounting Standards Board, as adopted by the Canadian Institute of Chartered Accountants.

"IFRS 16" means the standards entitled IFRS 16 published in January 2016 by the International Account Standard Board, with an effective date of January 1, 2019, providing guidance on accounting for leases.

"Indebtedness" means, without duplication:

- (a) all indebtedness for borrowed money, including demand loans and the current portion of Indebtedness but excludes any liabilities arising from the recognition of lease liabilities as required under IFRS 16;
- (b) all liabilities or other obligations evidenced by notes, bonds, debentures or similar instruments;
- (c) the positive or negative amount (which is not expected to exceed \$100,000) for intercompany loans made in the Ordinary Course of the Business only, equal to the difference between (a) all intercompany amounts owed by the Corporation to affiliates of the Vendors on Closing, and (b) all intercompany amounts, receivable by the Corporation from affiliates of the Vendors on Closing;
- (d) the positive or negative amount equal to the difference between (a) all Taxes payable for Pre-Closing Tax Periods (other than deferred income Tax liabilities) and (b) Taxes receivable or paid in advance (other than deferred income Tax assets);
- (e) Transaction Costs (other than costs that have been fully paid prior to the Closing Date);
- (f) Change of Control Costs (other than costs that have been fully paid prior to the Closing Date); and
- (g) all liabilities of third Persons of the type referred to in paragraphs (a) and (b) above, which are guaranteed by any Purchased Corporation (other than as set out in Schedule 3.1(10)),

provided, however, that any amount included in the calculation of Working Capital under this Agreement as a Current Liability shall not be included in Indebtedness and that the Specified Litigation shall not constitute Indebtedness.

"Indemnified Party" means a Person whom the Vendors or the Purchaser, as the case may be, is required to indemnify under Article 7.

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

"Independent Accountant" has the meaning set out in Section 2.6.

"Information Systems" means the Software, hardware, telecommunications, network connections, peripherals and related communication and technology infrastructure used by the Purchased Corporations.

"Intellectual Property" means any and all intellectual property and intellectual property rights which may exist under the Laws of any jurisdiction in the world, including: (i) trademarks, service marks, trade names, brand names, logos, trade dress and similar designations of source or origin (including any registrations or applications for registration, as well as common law rights in any of the foregoing, including rights in get-up and rights to goodwill or to sue for passing off or unfair competition); (ii) pending or issued patents and industrial designs

(including any continuations, continuations in part, renewals, divisionals, provisionals, extensions and applications for any of the foregoing); (iii) copyrights (including any registrations and applications therefor and whether registered or unregistered) and works of authorship; (iv) internet domain names; (v) social media handles and all goodwill associated therewith; (vi) rights in computer programs and Software and documentation related thereto; (vii) rights in data and databases; (viii) rights in designs; and (ix) trade secrets and other confidential information, including know-how, technology, proprietary processes, formulae, algorithms, models, user interfaces, inventions, discoveries, concepts, ideas, techniques, methods, methodologies, industrial property rights and research and development information, and any other intellectual property rights or rights of a similar nature, in each case whether registered or unregistered, and including all applications (or rights to apply) for, and renewals or extensions of, such rights and all rights under licences and consents in relation to any such thing and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

"Interim Period" means the period from the date of this Agreement to the Closing Time.

"Internal Producers" means Employees (who are account executives or with other titles) who are responsible for business development and/or serve as the principal contact with any Producer Account.

"IP License" has the meaning set out in Section 3.1(28).

"ITA" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supplement).

"Key Producer Arrangements" means the 20 largest insurance distribution or sales arrangements of any of the Purchased Corporations with any individual Producers, advisors, brokers or any Persons in a similar role, by the amount of total first year base commissions paid to any such individuals, by reason of such insurance or sales arrangement with any of the Purchased Corporation, for the 2021 calendar year, which are itemized separately for life insurance and segregated funds and listed in Schedule 3.1(41).

"Key Producer Arrangement Agreements" means all Contracts relating to the Key Producer Arrangements as of the date hereof.

"Knowledge of the Vendors" or **"Vendors' Knowledge"** or **"Knowledge of any Vendor"** or any other similar qualification relating to the Vendors' awareness, means the knowledge or awareness, as the case may be, of George Mavroudis, Donald Yi, Matthew Turner, Paula Dunlop, Paul Brown and Phil Marsillo without any personal liability, after reasonable inquiry and consultation.

"Law" has the meaning set out in the definition of **"Applicable Law"**.

"Leased Premises" means all real property that is leased, subleased or otherwise occupied by the Purchased Corporations or used primarily in the Business.

"Leases" means any lease, sublease, occupancy or other agreement under which one or more of the Purchased Corporations has the right, or has granted another Person the right, to occupy any Leased Premises for an extended period, which are listed in Schedule 3.1(23).

"Legal Proceeding" means any litigation, action, suit, grievance, arbitration, investigation, audit, hearing, claim, petition or civil, administrative, regulatory or criminal, arbitration or other

proceeding, before or by any court of competent jurisdiction, and includes any appeal or review thereof and any application for leave for appeal or review.

"Licence" means any licence, permit, authorization, certificate, registration or approval issued or granted to, conferred upon, or otherwise created for, the Purchased Corporations by any Governmental Authority.

"Licensed Intellectual Property" means all material Intellectual Property used in the Business that is not owned by a Purchased Corporation.

"Lien" means any lien (statutory or otherwise), mortgage, hypothec, pledge or other security interest, option, warrant, assignment, easement, title retention agreement or arrangement, conditional sale, deemed or statutory trust, restrictive covenant or other encumbrance of any kind, which affects the right, title or interest in or to any particular property.

"Market Conduct Claim" means: any (i) written notice of material non-compliance with Applicable Law received from a Governmental Authority by a Person; (ii) written complaint against a Person in respect of which meaningful analysis has been given by a Purchased Corporation; or (iii) Legal Proceeding in progress or to the Knowledge of the Vendors, Threatened, against a Person relating in material part to a violation of Applicable Law by such Person and, in the case of each of (i), (ii) and (iii), relating to the sale, marketing or servicing of any financial service or any financial product offered by such Person.

"Material Adverse Effect" means any change, event or effect that is, or would reasonably be expected to be, materially adverse to the business, operations, results of operations, assets, liabilities or financial condition of the Purchased Corporations, taken as whole together with the businesses being transferred in the Concurrent Transactions, excluding any such change, event or effect arising out of, in connection with or resulting from:

- (a) general global, national or regional business, political, market, regulatory or social conditions (or changes therein);
- (b) any pandemic, epidemic, act of terrorism, war, military action, act of God, natural disaster, similar calamity or other force majeure event;
- (c) any adoption, implementation, change or proposed change in Law (or interpretations thereof);
- (d) any changes or proposed changes in applicable accounting principles or any applicable regulatory accounting rules (or the enforcement, implementation or interpretation thereof);
- (e) any action or omission by the Purchaser or its Affiliates;
- (f) the execution, delivery or performance of this Agreement or any of the Ancillary Agreements, including matters disclosed in the Exhibits and Schedules;
- (g) compliance with the terms of this Agreement or any of the Ancillary Agreements;
- (h) the failure of the Business to meet internal forecasts, projections, or earnings (it being understood that the cause underlying such failure may be taken into account in determining whether a Material Adverse Effect has occurred); or

- (i) any action taken, or failure to take any action, or such other change or event, in each case, to which the Purchaser has consented in writing,

provided, however, that with respect to clauses (a) to (d) such matter: (i) does not have a materially disproportionate effect on the Business relative to comparable entities operating in the industry of the Business, or (ii) does not prevent or materially impair or delay beyond the Outside Date, or would reasonably be expected to prevent or materially impair or delay beyond the Outside Date, the ability of the Vendors to perform their respective obligations under this Agreement or the consummation the transactions contemplated hereby.

"Material Contract" means any Contract, to which a Purchased Corporation is a party or by which a Purchased Corporation is bound, that:

- (a) provides for, resulted in or is expected to result in the purchase or sale of materials, products, supplies or services, or capital expenditures, in each case of \$500,000 or more over the stated term of the Contract (other than Leases);
- (b) expires or may be renewed at the option of any Person other than the applicable Purchased Corporation so as to expire more than one year after the date of this Agreement (other than such Contracts which may be terminated by the relevant Purchased Corporation upon 90 days notice or less);
- (c) primarily relates to confidentiality, secrecy, non-disclosure or exclusivity or which otherwise limits the freedom of a Purchased Corporation to engage in any line of business or compete with any other Person;
- (d) is a partnership, joint venture or alliance Contract;
- (e) is for the borrowing of money by a Purchased Corporation, any currency exchange, interest rate, commodities or other hedging arrangement (including any trust indenture, mortgage, promissory note, loan agreement, etc.);
- (f) is with any Person with whom a Purchased Corporation or the Vendors do not deal at arm's length within the meaning of the ITA;
- (g) is a Key Producer Arrangement Agreement;
- (h) is an MGA Agreement;
- (i) is with a Governmental Authority;
- (j) other than with respect to commissions payable to Employees pursuant to their employment agreements and other than MGA Agreements or Contracts with Producers, relates to the sharing of commissions or fees, the rebating of charges or other similar arrangements;
- (k) contains any material quotations, orders or tenders for Contracts with a value of \$500,000 or more;
- (l) is a guarantee support, indemnification, assumption or endorsement of, or any similar commitment with respect to, the obligations, liabilities (whether accrued, absolute, contingent or otherwise) or Indebtedness of any other Person by any of the Purchased Corporations;

- (m) relates to the acquisition or disposition of any part of the Business or any material assets used in the Business (whether by merger, sale of stock, sale of assets, or otherwise) during the Diligence Extended Review Period (other than as part of an internal reorganization, including subsequent to an acquisition or divestiture);
- (n) contains restrictions with respect to the payment of any dividend or other form of distribution in respect of any of the Shares;
- (o) is made out of the Ordinary Course of Business and is material; or
- (p) the termination, expiry or non-renewal of which could reasonably be expected to result, individually or in the aggregate, in a Material Adverse Effect.

"Measurement Time" means 12:01 a.m. Eastern Time on the Closing Date or such other time as the Vendors and the Purchaser may agree to in writing prior to Closing.

"MGA Agreements" means the agreements between the Corporation or any of the Subsidiaries and a Carrier related to the Business.

"Minority Shareholders" has the meaning set out in the preamble hereto.

"Money Laundering Laws" has the meaning set out in Section 3.1(40).

"Net Indebtedness" means the Indebtedness of the Purchased Corporations minus the Cash of the Purchased Corporations.

"Newco" means a corporation to be incorporated by WWM after the date hereof as a wholly-owned subsidiary in connection with the Vendors' Pre-Closing Reorganization.

"Notice" means any notice to any Person that is required in respect of or pursuant to the terms of any Material Contract in connection with the sale of the Purchased Shares to the Purchaser on the terms contemplated in this Agreement or any other transaction contemplated by this Agreement (including, for the avoidance of any doubt, the Pre-Closing Minority Shareholder Acquisition and the Vendors' Pre-Closing Reorganization), including to avoid giving rise to a right under such Material Contract (which would reasonably lead to termination, default, penalty, liquidated damages or any payment), but does not include the Regulatory Approvals.

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

"Ordinary Course of Business" when used in relation to the taking of any action by the Purchased Corporations means that the action is consistent with past custom and practice, including as to frequency and amount, of the Purchased Corporations.

"OSC" means the Ontario Securities Commission.

"Outside Date" means (a) May 31 2023, provided that either the Purchaser or the Vendor (in each case provided that such Party is not in breach of this Agreement) may elect by notice in writing delivered prior to the Outside Date to extend the Outside Date by a period of 30 Business Days, if the Closing has not occurred by the Outside Date as a result of the failure to obtain the Required Regulatory Approvals and if the Purchaser or the Vendors, as the case may be, reasonably believes that the Required Regulatory Approvals are capable of being

obtained prior to the Outside Date as it may be so extended; or (b) such earlier or later date as the Parties may agree in writing.

"Owned Intellectual Property" means Intellectual Property owned or purported to be owned by a Purchased Corporation.

"Owned Registered Intellectual Property" has the meaning set out in Section 3.1(28).

"Panache USA" means the unanimous shareholders agreement dated December 31, 2021 with respect to Panache Group Financier Inc.

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

"Permitted Liens" means:

- (a) Liens for Taxes which are not delinquent or that are being properly contested in good faith by appropriate proceedings and in respect of which reserves in accordance with accounting principles have been made in the Books and Records of the Purchaser Corporations;
- (b) inchoate or statutory Liens of contractors, subcontractors, mechanics, workers, suppliers, materialmen, carriers and others in respect of the construction, maintenance, repair or operation of the assets of the Purchased Corporations, provided that such Liens are related to obligations not due or delinquent, are not registered against title to any assets of the Purchased Corporations and in respect of which adequate holdbacks are being maintained as required by Applicable Laws;
- (c) the right reserved to or vested in any Governmental Authority by any statutory provision or by the terms of any lease, licence, franchise, grant or permit of the Corporation, to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition of their continuance;
- (d) easements, servitudes, restrictions, restrictive covenants, rights of way, licences, permits and other similar rights in the Leased Premises that do not materially adversely interfere with the use of the Leased Premises subject thereto;
- (e) zoning and building by-laws and ordinances and regulations made by public authorities that in each case do not materially adversely interfere with the use of the Leased Premises subject thereto;
- (f) in respect of any Licensed Intellectual Property or Leased Premises, the rights of the owners, licensors and lessors expressly set forth therein;
- (g) Liens imposed by Applicable Law and incurred in the Ordinary Course of Business for obligations not yet due or delinquent; and
- (h) the Liens listed in Schedule 1.1.

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

"Personal Information" means information about an identifiable individual as defined in Privacy Law.

"Post-Closing Tax Period" means a taxation year or other fiscal period, or (in the case of Taxes other than income Taxes) any portion of a taxation year or other period, that is not a Pre-Closing Tax Period.

"Pre-Closing Minority Shareholder Acquisition" has the meaning set out in Section 5.6(1).

"Pre-Closing Period Income Tax Returns" has the meaning set out in Section 5.10(1).

"Pre-Closing Tax Period" means a taxation year or other fiscal period ended prior to the Closing Date, or (in the case of Taxes other than income Taxes) any portion of a taxation year or other period up to and including the Closing Time.

"Prepaid Tax Amount" has the meaning set out in Section 5.13(2).

"Privacy Law" means the *Personal Information Protection and Electronic Documents Act* (Canada), the *Personal Information Protection Act* (British Columbia), the *Personal Information Protection Act* (Alberta), the *Act respecting the protection of personal information in the private sector* (Québec) and any comparable Law of any other jurisdiction of Canada.

"Processing" has the meaning set out in the definition of Data Security and Privacy Requirements.

"Producer" means any Person, other than a Carrier, to whom or which any Purchased Corporation (or any of its Employees or independent contractors on behalf of any Purchased Corporation), has provided, in the Diligence Review Period, any managing general agency services that any Purchased Corporation provides in the conduct of the Business. For greater certainty, "Producer" includes any independent broker or associate general agent contracted with one or more Carriers through a Purchased Corporation, and brokers employed or otherwise associated with any such associate general agent.

"Producer Accounts" means the business account between any Purchased Corporation and any Producer (for greater certainty, not including a Carrier), regardless of whether the services are provided by a Purchased Corporation (or any of its respective agents).

"Purchase Price" has the meaning set out in Section 2.2.

"Purchased Corporations" means, collectively, the Corporation and Subsidiaries, and a **"Purchased Corporation"** shall mean any one of the Corporation and Subsidiaries, as applicable.

"Purchased Shares" has the meaning set out in Section 2.1.

"Purchaser" has the meaning set out in the preamble hereto.

"Purchaser's Core Representations" means the representations and warranties set out in Sections 3.3(1) (*Incorporation, Corporate Power*), 3.3(2) (*Authorization by Purchaser*),

3.3(4) (*Enforceability of Obligations*), 3.3(5)(a) (*Absence of Conflicting Agreements*) and 3.3(6) (*Commissions*).

"Purchaser's Indemnified Parties" means the Purchaser and its Affiliates (including, following Closing, the Purchased Corporations) and their respective directors, officers, agents, employees and shareholders, including their respective successors and permitted assigns.

"Recipient" has the meaning set out in the definition of Confidential Information.

"Registered Intellectual Property" means, collectively, all Intellectual Property that is the subject of a registration (or application for registration), including patents and patent applications, registered copyrights and copyright registration applications, industrial design registrations and application for registration, registered trademarks and trademark registration applications and registered Internet domain names.

"Regulatory Approval" means any approval, consent, Order, authorization, notice, permit, licence, waiver or acknowledgement that is required from any Governmental Authority pursuant to Applicable Law in connection with the transactions contemplated by this Agreement, or which is otherwise necessary to permit the Parties to perform their obligations under this Agreement.

"Release" has the meaning prescribed in any Environmental Law.

"Remaining Shared Contracts" has the meaning set out in Section 5.16(4).

"Remedial Order" means any direction or order issued or imposed by any Governmental Authority pursuant to any Environmental Laws and includes any order or direction requiring any investigation, remediation, management or clean-up of any Hazardous Substance, or requiring that any Release or any other activity be reduced, modified or eliminated.

"Replacement Contracts" has the meaning set out in Section 5.16(1).

"Replacement Plans" has the meaning set out in Section 5.6(4)(g).

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

"Required Regulatory Approvals" means the Regulatory Approvals set out in Schedule 3.1(29).

"Security Risk Assessment" has the meaning set out in Section 3.1(24)(i).

"Self-Help Code or Unauthorized Code" has the meaning set out in Section 3.1(34)(b).

"Shared Contract" means any Contract between the Vendors or one or more of their Affiliates (including the Purchased Corporations), on the one hand, and one or more third parties, on the other hand, that benefits, or is otherwise utilized by, both one or more Purchased Corporations, on the one hand, and the Vendors or any of their Affiliates (other than the Purchased Corporations), on the other hand.

"Shares" means the issued and outstanding shares in the capital of the Corporation.

"Software" means computer software and programs (both source code and object code form), all proprietary rights in the computer software and programs and all documentation and other materials related to the computer software and programs.

"Sought Consents and Notices" has the meaning set out in Section 5.7(3).

"Specified Litigation" means, collectively, the litigation matters set out in Schedule 5.18.

"Specified Period" means the period commencing on the Closing Date and terminating five years from and after the Closing Date.

"Statutory Plans" means benefit plans that any of the Purchased Corporations or any employers of the Transferred Employees is 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 Purchased Corporations or any employers of the Transferred Employees or any beneficiary or dependent thereof, including the Canada Pension Plan, the Québec Pension Plan and plans administered pursuant to applicable health, Tax, workplace safety insurance, workers' compensation and employment insurance legislation, other than any "pooled pension plan" (within the meaning of subsection 147.5(1) of the ITA) required to be provided pursuant to the *Voluntary Retirement Savings Plans Act* (Québec).

"Subsidiary" means, with respect to any Person, any corporation of which 50% or more of the total voting power of shares entitled to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof, or any partnership, association or other business entity of which 50% or more of the partnership or other similar ownership interest is at the time owned or controlled, directly or indirectly, by such Person or one or more Subsidiaries of such Person or a combination thereof. For purposes of this definition, a Person is deemed to have 50% or more ownership interest in a partnership, association or other business entity if such Person is allocated 50% or more of the gains or losses of such partnership, association or other business entity or is or controls the managing director or general partner of such partnership, association or other business entity. Unless otherwise specifically set forth in this Agreement to the contrary, for all purposes under this Agreement, when used with respect to the Corporation, the term "Subsidiary" or "Subsidiaries" shall include 9290-3152 Québec Inc., Daystar Alberta Financial Inc., 1000263695 Ontario Inc. and Panache Financial Group Inc.

"Tail Insurance" has the meaning set out in Section 5.6(5)(b).

"Target Working Capital" means \$-2,700,000 (a negative amount).

"Tax Assessment Period" has the meaning set out in Section 7.5(c).

"Tax Refund" has the meaning set out in Section 5.12.

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

"Taxes" means (i) any federal, provincial, local or other taxes, including income taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth

taxes, production taxes, sales taxes, use taxes, licence taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, Canada Pension Plan, Québec Pension Plan, and any other Provincial pension plan contributions and employment insurance contributions, employer health taxes, government pension plan premiums and contributions, social security premiums, workers' compensation premiums, employment/unemployment insurance or compensation premiums and contributions, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, goods and services tax, customs duties, any deemed overpayment under section 125.7 of the ITA, or other taxes of any kind whatsoever imposed or charged by any Governmental Authority and any instalments in respect thereof, (ii) all interest, penalties, fines or additions to tax or other additional amount imposed on or with respect to amounts described in paragraph (i) above; and (iii) any liability for the payment of any amounts of the type described in (i) or (ii) above as a result of any express or implied obligation to indemnify any other person as a result of being a transferee or successor in interest to any party, and "**Tax**" means any one of such Taxes.

"**Territory**" means Canada.

"**Third Party Claim**" has the meaning given in Section 7.4.

"**Threatened**", when used in relation to a Legal Proceeding or other matter, means that a written demand or statement has been made or a written notice has been given that a Legal Proceeding or other matter is to be asserted, commenced, taken or otherwise pursued in the future whether or not subject to conditions.

"**Transaction Costs**" means any fees, costs, accruals, expenses and other transaction costs incurred by the Purchased Corporations in connection with the transactions contemplated by this Agreement and the Ancillary Agreements and the transactions contemplated hereby and thereby, including any costs that were incurred by the Purchased Corporations as a result of the Vendors' Pre-Closing Reorganization but excluding, for greater certainty, the Change of Control Costs.

"**Transferred Employee**" means an Expected Transferred Employee who accepts the offer of employment made to them in connection with the Vendors' Pre-Closing Reorganization as provided in Section 5.6.

"**Transitional Services Agreement**" means the transitional services agreement substantially in the form of Exhibit B, which shall govern the provision of such services among the Vendors, the Purchased Corporations and the Purchaser, as applicable.

"**Vancouver Lease**" means a lease agreement entered into on May 9, 2017, as amended, between 1075 West Georgia Limited as landlord and the Corporation as lessee.

"**Vendor Contested Assessment**" has the meaning set out in Section 5.13(2).

"**Vendors**" has the meaning set out in the preamble hereto.

"**Vendors' Core Representations**" means the representations and warranties set out in Sections 3.1(1) (*Incorporation, Corporate Power and Solvency of Vendors*), 3.1(2) (*Authorization by Vendors*), 3.1(3) (*Enforceability of Vendors' Obligations*), 3.1(4) (*Ownership of Shares*), 3.1(5) (*Subsidiaries*), 3.1(6) (*Organization of the Purchased Corporations*), 3.1(7)(a)(i) and (ii) (*Absence of Conflicting Agreements*), 3.1(36)(a) (*Tax Matters – but excluding (b) to (m)*) and 3.1(39) (*Commissions*).

"Vendors' Extended Representations" means the representations and warranties set out in 3.1(7) (*Absence of Conflicting Agreements – but excluding 3.1(7)(a) (i) and (ii)*) and 3.1(20) (*Title to Assets*).

"Vendors' Indemnified Parties" means the Vendors and their successors and permitted assigns.

"Vendors' Pre-Closing Reorganization" has the meaning set out in Section 5.6(1).

"Vendors' Tax Representations" means the representations and warranties set out in Section 3.1(36)(b) to 3.1(36)(m).

"WIA" has the meaning set out in the preamble hereto.

"Working Capital" means the aggregate of the Current Assets of the Corporation, on a consolidated basis with the Subsidiaries, minus the aggregate of the Current Liabilities of the Corporation, on a consolidated basis with the Subsidiaries,

"Wrong Pocket Asset" has the meaning set out in Section 5.22.

"WWM" has the meaning set out in the preamble hereto.

1.2 Accounting Principles.

Whenever in this Agreement reference is made to generally accepted accounting principles, such reference shall be deemed to be IFRS, consistently applied with any modification thereto required by the OSC or as otherwise set out in this Agreement.

1.3 Actions on Non-Business Days.

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

1.4 Currency and Payment Obligations.

Except as otherwise expressly provided in this Agreement:

- (a) all dollar amounts referred to in this Agreement are stated in Canadian dollars;
- (b) any payment contemplated by this Agreement shall be made by wire transfer of immediately available funds to an account specified by the payee, by cash, by certified cheque or by any other method 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 by and be available to the payee not later than 4:00 p.m. on the due date at the payee's address for notice under Section 9.3 or such other place as the payee may have specified in writing to the payor in respect of a particular payment and any payment made after that time shall be deemed to have been made and received on the next Business Day.

1.5 Calculation of Interest.

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

1.6 Calculation of Time.

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

1.7 Additional Rules of Interpretation

(1) Gender and Number.

In this Agreement, unless the context requires otherwise, words in one gender include all genders, and words in the singular include the plural and *vice versa*.

(2) Headings and Table of Contents.

The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.

(3) Section References.

Unless the context requires otherwise, references in this Agreement to Articles, Sections, Schedules or Exhibits are to Articles or Sections of this Agreement, and Schedules or Exhibits to this Agreement.

(4) Words of Inclusion.

Wherever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation" and the words following "include", "includes" or "including" shall not be considered to set forth an exhaustive list.

(5) References to this Agreement.

The words "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular Section or portion of it.

(6) Statute References.

Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated or replaced from time to time and in the case of any such amendment, re-enactment, consolidation or replacement, reference herein to a particular provision shall be read as referring to such amended, re-enacted, consolidated or replaced provision.

(7) **Document References.**

All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time in accordance with the terms thereof and, unless otherwise specified therein, include all schedules and exhibits attached thereto.

(8) **Absence of Presumption.**

The Parties acknowledge that each Party and its counsel have reviewed and revised this Agreement and that no rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall be employed in the interpretation of this Agreement or any amendments hereto.

(9) **Calculations Involving Subsidiaries.**

The Parties acknowledge that the Subsidiaries of the Corporation are not wholly-owned by the Corporation. Wherever in this Agreement any calculation is to be made involving such a Subsidiary or any consolidation of the Purchased Corporations, the amounts attributable to such Subsidiary will be adjusted to reflect the *pro rata* ownership interest in such Subsidiary held by the Corporation.

1.8 Schedules and Exhibits.

The following are the Schedules and Exhibits attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

EXHIBITS

A	Sample Closing Payment Calculation
B	Transitional Services Agreement
C	Terms of Sub-Leases Arrangements related to the Calgary Lease and the Vancouver Lease
D	Resignation and Mutual Releases

SCHEDULES

Schedule 1.1	Permitted Liens
Schedule 3.1(4)	Ownership of Shares
Schedule 3.1(5)	Subsidiaries
Schedule 3.1(6)	Organization of the Purchased Corporations
Schedule 3.1(8)	Qualification to do Business
Schedule 3.1(9)	Financial Statements
Schedule 3.1(10)	No Liabilities
Schedule 3.1(11)	Regulatory Reports, Registrations, Agreements and Compliance
Schedule 3.1(13)(b)	Producers; Disclosure of Lost Business
Schedule 3.1(15)(a)	Internal Producers
Schedule 3.1(15)(b)	Producer Violations
Schedule 3.1(16)	Carrier Appointments
Schedule 3.1(17)	Compliance with Applicable Law and Licences
Schedule 3.1(18)	Books and Records
Schedule 3.1(19)	Sufficiency of Assets
Schedule 3.1(20)	Title to Assets
Schedule 3.1(23)	Leased Premises

Schedule 3.1(24)	Data Security and Privacy Requirements
Schedule 3.1(25)	Material Contracts
Schedule 3.1(26)	Transactions with Affiliates
Schedule 3.1(27)	Shared Contracts
Schedule 3.1(28)	Intellectual Property Matters
Schedule 3.1(29)	Regulatory Approvals (Vendors or Purchased Corporations)
Schedule 3.1(30)	Legal Proceedings
Schedule 3.1(31)	Environmental Matters
Schedule 3.1(32)	Employment Matters
Schedule 3.1(33)	Employee Plans
Schedule 3.1(34)	Corporation Software and Third-Party Software Used in the Business
Schedule 3.1(35)	Business Insurance
Schedule 3.1(36)	Tax Matters
Schedule 3.1(37)	Absence of Certain Changes or Events
Schedule 3.1(38)	Banking Information
Schedule 3.1(41)	Key Producers Arrangement Agreements
Schedule 3.1(42)	Market Misconduct
Schedule 5.6	Vendors' Pre-Closing Reorganization
Schedule 5.6(7)	Guarantees
Schedule 5.16	Shared Contracts to be Replaced
Schedule 5.18	Specified Litigation
Schedule 5.24	Use of Corporate Name

Unless the context otherwise requires, words and expressions defined in this Agreement shall have the same meanings in the Schedules and the interpretation provisions set out in this Agreement apply to the Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement. Unless otherwise indicated, no reference to or disclosure of any item or other matter in the Schedules shall be construed as an admission or indication that such item or other matter is material. The information contained in the Schedules does not constitute any additional representation, warranty and covenant and is intended only to qualify and limit the representations, warranties and covenants of the Vendors contained in this Agreement. The numbering of the Schedules corresponds with the numbering of Sections of this Agreement. The Schedules and all information contained in them is confidential and may not be disclosed to any other Person except as permitted pursuant to this Agreement.

ARTICLE 2 PURCHASE OF SHARES

2.1 Purchase and Sale.

At the Closing Time, on and subject to the terms and conditions of this Agreement and as a result of the Vendors' Pre-Closing Reorganization, WIA shall sell to the Purchaser, and the Purchaser shall purchase from WIA, all of the Shares owned by it, which represent all of the issued and outstanding Shares (the "**Purchased Shares**").

2.2 Purchase Price.

(1) Purchase Price.

The aggregate price payable by the Purchaser to WIA for the Purchased Shares, as payable under Section 2.4, subject to any adjustments pursuant to Section 2.7 (the "**Purchase Price**"), is equal to:

- (a) \$600,000,000 (the "**Base Purchase Price**");
- (b) plus the amount, if any, by which the Closing Date Working Capital exceeds the Target Working Capital; or minus the amount, if any, by which the Target Working Capital exceeds the Closing Date Working Capital; and
- (c) minus an amount equal to the amount by which Closing Date Net Indebtedness is greater than zero; or plus an amount equal to the amount by which Closing Date Net Indebtedness is less than zero.

2.3 Estimated Closing Date Working Capital and Estimated Closing Date Net Indebtedness.

- (1) Within 15 days prior to the Closing Date, and in any event no less than seven days prior to the Closing Date, the Vendors shall prepare and deliver to the Purchaser a good faith calculation of:
 - (a) the Working Capital as of the Closing Date (the "**Estimated Closing Date Working Capital**"); and
 - (b) the Net Indebtedness as of the Closing Date (the "**Estimated Closing Date Net Indebtedness**").
- (2) The Purchaser shall be afforded the opportunity to review and comment on the Vendors' calculations of Estimated Closing Date Working Capital and Estimated Closing Date Net Indebtedness, and shall provide its comments no later than four days prior to the Closing Date, and the Vendors shall in good faith take into consideration any comments the Purchaser may provide thereon. The Vendors' will circulate their final calculations of Estimated Closing Date Working Capital and Estimated Closing Date Net Indebtedness (including the comments of the Purchaser incorporated by the Vendors after consideration in good faith) no later than two days prior to the Closing Date, which shall be used for purposes of determining the Closing Payment to be paid by the Purchaser at Closing pursuant to Section 2.4.
- (3) Notwithstanding any other provision in this Agreement, the Vendors will cause the Purchased Corporations to reflect, in a separate line item, all Departed Broker Compensation and Acquired Broker Compensation incurred during the Interim Period, which amounts will not be included and accounted for in any calculation of Working Capital or Net Indebtedness. In particular, any Cash used to pay Acquired Broker Compensation during the Interim Period will be added back to the calculation of Cash for purposes of Net Indebtedness calculations, and no amount will be included or accounted for as a Current Liability in calculating Working Capital relating to a payable owing in connection with Acquired Broker Compensation. Similarly, any Cash received for Departed Broker Compensation during the Interim Period will be deducted from Cash for the purposes of Net Indebtedness calculations, and no amount will be

included or accounted for as a Current Asset in calculating Working Capital relating to a receivable due in connection with Departed Broker Compensation.

2.4 Payment of Closing Payment.

- (1) At the Closing Time, the Purchaser shall pay to WIA by wire transfer to the account designated by WIA, an aggregate amount (the "**Closing Payment**") equal to:
 - (a) the Base Purchase Price;
 - (b) minus the Escrow Amount;
 - (c) plus the amount, if any, by which the Estimated Closing Date Working Capital exceeds the Target Working Capital; or minus the amount, if any, by which the Target Working Capital exceeds the Estimated Closing Date Working Capital; and
 - (d) minus an amount equal to the amount by which Estimated Closing Date Net Indebtedness is greater than zero; or plus an amount equal to the amount by which Estimated Closing Date Net Indebtedness is less than zero.
- (2) At the Closing Time, in addition to the Closing Payment, the Purchaser shall pay to the Escrow Agent the Escrow Amount by bank draft, certified cheque or wire transfer of immediately available funds to an account designated in writing by the Escrow Agent to the Purchaser prior to the Closing Date, such funds to be held and released by the Escrow Agent pursuant to the terms and conditions of the escrow agreement to be executed at Closing by the Vendors, Purchaser and the Escrow Agent reflecting customary terms for an escrow agreement in such type of transaction, in form and substance acceptable to the Parties, each acting reasonably (the "**Escrow Agreement**"). The Escrow Agreement will provide that, subject to amounts owed by the Vendors and released following final determination of adjustments pursuant to Section 2.7 below and subject to any indemnification claims made by the Purchaser pursuant to Section 7.2(a) prior to such date, the Escrow Amount (less such amounts claimed or previously released, if any) will be released 18 months after the Closing Date upon joint written direction by the Vendors and Purchaser or final court decision in respect thereof, as applicable.
- (3) An illustrative calculation of the Closing Payment (including Net Indebtedness and Working Capital) as at September 30, 2022 is attached as Exhibit A.

2.5 Preparation of Closing Date Statement and Closing Date Balance Sheet.

(1) Closing Date Statement and Closing Date Balance Sheet.

Promptly after the Closing Date, the Vendors shall prepare, at the Vendors' expense, the Closing Date Statement, the Closing Date Balance Sheet and a calculation of the Closing Date Working Capital and the Closing Date Net Indebtedness, which shall be delivered to the Purchaser no later than the 60th day following the Closing Date.

(2) Access to Records, Cooperation, etc.

The Purchaser shall, and shall cause the Purchased Corporations to, (i) provide such assistance and access to the Vendors and their Representatives, upon reasonable

request, to the accounts, Books and Records and Employees of the Purchased Corporations and (ii) cooperate with the Vendors and their Representatives in order to enable them to prepare the Closing Date Statement, the Closing Date Balance Sheet and a calculation of the Closing Date Working Capital and the Closing Date Net Indebtedness and to prepare the Closing Date Statement and the Closing Date Balance Sheet. During the period from the date of delivery of the Closing Date Statement and the Closing Date Balance Sheet until the date no later than 30 days after delivery of the Closing Date Statement and the Closing Date Balance Sheet, the Vendors shall give the Purchaser and its Representatives such assistance and access to the working papers created by the Vendors and their Representatives as the Purchaser and its Representatives may reasonably request in order to enable them to reasonably assess the Closing Date Statement, the Closing Date Balance Sheet and the calculation of the Closing Date Working Capital and the Closing Date Net Indebtedness.

2.6 Dispute Settlement.

If the Purchaser objects to any matter in the Closing Date Statement or the Closing Date Balance Sheet or the calculation of the Closing Date Working Capital or the Closing Date Net Indebtedness prepared pursuant to Section 2.5, the Purchaser shall give notice to the Vendors no later than 30 days after delivery of the Closing Date Statement and the Closing Date Balance Sheet. Any notice given by the Purchaser shall set forth in detail the particulars of such objection. The Parties shall then use reasonable efforts to resolve such objection for a period of 30 days following the giving of such notice. If the matter is not resolved by the end of such 30-day period, then the dispute with respect to such objection shall, within 10 days of such 30-day period, be submitted by the Parties to one of the "big four" Canadian accounting firms to be determined jointly by the Parties, excluding the auditors of the Vendors, the Purchaser and DFC (the "**Independent Accountant**"). If the Parties are unable to agree on the Independent Accountant within such 10-day period, any Party may apply under the *Arbitration Act, 1991* (Ontario) to have a court appoint the Independent Accountant. The Independent Accountant shall, as promptly as practicable (but in any event within 45 days following its appointment), make a determination of the Closing Date Working Capital and/or the Closing Date Net Indebtedness, as the case may be, based solely on written submissions of the Parties given by them to the Independent Accountant. The Independent Accountant shall make a determination only with respect to the items specifically set forth in the notice which remain in dispute and may not assign a value to such disputed item that is greater than the greatest value for such item claimed by either Party or less than the lowest value for such item claimed by either Party. All submissions of each Party shall be disclosed to the other Party and each other Party shall be afforded a reasonable opportunity to respond thereto. For the avoidance of any doubt, neither Party will be afforded the opportunity to have communications with the Independent Accountant that are not disclosed to the other Party. The decision of the Independent Accountant as to the Closing Date Working Capital and/or the Closing Date Net Indebtedness, as the case may be, shall be final and binding upon the Parties and shall constitute the Closing Date Working Capital and/or the Closing Date Net Indebtedness, as the case may be, for purposes of this Agreement. Notwithstanding the foregoing, either Party may challenge the determination of the Independent Accountant based on manifest error or fraud.

2.7 Payment on Adjustment Date.

On the Adjustment Date:

- (1) if the Purchase Price exceeds the sum of (i) the Closing Payment and (ii) the Escrow Amount, then the Purchaser shall pay to WIA the amount by which the Purchase Price exceeds the sum of (i) the Closing Payment and (ii) the Escrow Amount, or
- (2) if the sum of (i) the Closing Payment, and (ii) the Escrow Amount exceeds the Purchase Price, then WIA and the Purchaser shall give joint written instructions to the Escrow Agent to release to Purchaser from the Escrow Amount the amount, if any, by which the sum of the (i) Closing Payment and (ii) the Escrow Amount exceeds the Purchase Price, if any, then, the remainder of the Escrow Amount, if any, will be kept in escrow to secure the Vendors' indemnification obligations pursuant to this Agreement and will only be released in accordance with the terms of the Escrow Agreement and Section 2.4(d) above; and if applicable, WIA shall pay to the Purchaser the amount by which the Closing Payment exceeds the Purchase Price.
- (3) For greater certainty, all amounts paid under this Section 2.7 shall for all purposes constitute an adjustment of the Purchase Price.

2.8 Fees and Expenses.

The Purchaser and the Vendors shall each bear their own fees and expenses, including the fees and expenses of their respective auditors, in preparing or reviewing, as the case may be, the Closing Date Statement and the Closing Date Balance Sheet. In the case of a dispute and the retention of an Independent Accountant to determine such dispute, the costs and expenses of such firm of chartered accountants shall be borne equally by the Purchaser and the Vendors. However, the Purchaser and the Vendors shall each bear their own costs in presenting their respective cases to such Independent Accountant.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Vendors.

Each Vendor jointly and severally represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is entering into this Agreement in reliance upon the representations and warranties of the Vendors set out in this Section 3.1:

(1) Incorporation, Corporate Power and Solvency of Vendors.

Each Vendor is a corporation incorporated, organized and subsisting in good standing under the laws of the jurisdiction of its incorporation. Each Vendor has the corporate power, authority and capacity to execute and deliver this Agreement and any applicable Ancillary Agreement, and to perform its obligations hereunder. No proceedings have been taken or authorized by any Vendor or, to the Knowledge of any Vendor, by any other Person, with respect to the bankruptcy, insolvency, liquidation, dissolution or winding up of any Vendor, and to the Knowledge of the Vendors no such proceedings have been Threatened.

(2) **Authorization by Vendors.**

The execution and delivery of this Agreement and any applicable Ancillary Agreement and the completion of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Vendors.

(3) **Enforceability of Vendors' Obligations.**

This Agreement and any applicable Ancillary Agreement constitutes the valid and binding obligation of the Vendors, enforceable against the Vendors in accordance with their terms, subject to limitations on enforcement imposed by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of the rights of creditors and others and to the extent that equitable remedies such as specific performance and injunctions are only available in the discretion of the court from which they are sought.

(4) **Ownership of Shares.**

- (a) Schedule 3.1(4) sets out (i) the authorized share capital and (ii) the issued and outstanding share capital of each Purchased Corporation as of the date hereof, all of which (and no more), being the Purchased Shares, have been duly issued and are outstanding as fully paid and non-assessable in compliance with all Applicable Laws.
- (b) As of the date of this Agreement, the Vendors are the registered and beneficial owners of 25,222,350 of the Shares, representing approximately 82.2% of the Shares. Following the Pre-Closing Minority Shareholder Acquisition, the Vendors will be the registered and beneficial holders of the Purchased Shares (which, for the avoidance of any doubt, shall include all Shares acquired pursuant to the Pre-Closing Minority Shareholder Acquisition) free and clear of all Liens, other than (i) Liens that will be released prior to Closing, and (ii) those restrictions on transfer, if any, contained in the articles of the Corporation.
- (c) Other than as set out in the IDC USA, no Person other than the Purchaser has, or has any right capable of becoming, any agreement, option, right or privilege for the purchase or other acquisition from: (i) the Vendors of any of the Purchased Shares; or (ii) the Corporation of any securities from treasury. There are no restrictions of any kind on the transfer of the Purchased Shares except those set out in the articles of the Corporation and the IDC USA.

(5) **Subsidiaries.**

- (a) The issued and outstanding shares of each Subsidiary are owned by the parties set out in Schedule 3.1(5).
- (b) The Corporation is the registered and beneficial owner of the securities of the Subsidiaries as set out in Schedule 3.1(5) with a good title, free and clear of all Liens, other than those restrictions on transfer, if any, contained in the articles of such Subsidiary, the 1000263695 USA, the Panache USA, the 9290-3152 USA and the Daystar USA.
- (c) Other than as set out in the 1000263695 USA, the Panache USA, the 9290-3152 USA and the Daystar USA, no Person has, or has any right capable of becoming, any agreement, option, right or privilege for the purchase or other

acquisition from: (i) the Corporation of any of the shares in the capital of a Subsidiary; or (ii) any Subsidiary of any securities from treasury.

- (d) Other than set forth in Schedule 3.1(5), the Corporation has no subsidiaries and holds no shares or other ownership, equity or other proprietary interests in any other Person either directly or indirectly.

(6) Organization of the Purchased Corporations.

- (a) The information set out in Schedule 3.1(6) concerning the name and jurisdiction of incorporation of the Purchased Corporations is true and complete. The Purchased Corporations are duly incorporated, organized and subsisting in good standing under the laws of their respective jurisdiction of incorporation.
- (b) Except as set out in Schedule 3.1(6) and with the exception of the IDC USA, the 1000263695 USA, the Panache USA, the 9290-3152 USA and the Daystar USA, there are no shareholders' agreements governing the affairs of the Purchased Corporations or the relationship, rights and duties of its shareholders, nor are there any voting trusts or other similar agreements in respect of the shares held by the Vendors or their Affiliates or, to the Knowledge of the Vendors, any of the other shareholders with respect to the ownership or voting of any shares of the Purchased Corporations. Other than as disclosed in Schedule 3.1(6), following the Pre-Closing Minority Shareholder Acquisition, there will be no shareholders' agreements governing the affairs of the Corporation or the relationship, rights and duties of its shareholders, nor will there be any voting trusts or other agreements with respect to the ownership or voting of any shares of the Corporation.

(7) Absence of Conflicting Agreements.

Subject to providing or obtaining the Required Regulatory Approvals, the Consents and/or the Notices listed in Schedule 3.1(23), Schedule 3.1(25) and Schedule 3.1(29), the execution, delivery, performance and consummation by the Vendors of the transactions contemplated by this Agreement and each of the Ancillary Agreements to which it is a party do not, and will not (with notice or lapse of time or both) result in or constitute:

- (a) a default, breach or violation or an event that would be a default, breach or violation of any of the terms, conditions or provisions of: (i) the articles or by-laws of the Vendors; (ii) resolutions of the directors or shareholders of the Vendors or a Purchased Corporation; or (iii) any Material Contract;
- (b) an event which, pursuant to the terms of any Material Contract, would entitle any other Person to terminate or exercise any material rights under such Material Contract (which would reasonably lead to termination, default, penalty, liquidated damages or any payment); or
- (c) the violation of any Applicable Law.

(8) Qualification to do Business.

Except as set out in Schedule 3.1(8), the Purchased Corporations are registered, licensed or otherwise qualified to do business under the laws of the jurisdictions specified in Schedule 3.1(8). Neither the business conducted by the Purchased Corporations nor the location or character of any property owned or leased by a Purchased Corporation requires any of the Purchased Corporations to be registered, licensed or otherwise qualified to do business in any jurisdiction other than those set out in Schedule 3.1(8). The Purchased Corporations together have the necessary corporate power, authority, and capacity to carry on the Business, and each Purchased Corporation has all necessary corporate power, authority, and capacity to own or lease and operate its property and assets as now carried on and owned or leased and operated.

(9) Financial Statements.

- (a) The Financial Statements have been prepared on a basis consistent with those of previous fiscal years (subject to the exceptions set forth in Schedule 3.1(9)) and each presents fairly: (i) the assets, liabilities, (whether accrued, absolute, contingent or otherwise) and financial position of the Corporation and its Subsidiaries as at the respective dates of the relevant statements; and (ii) the sales and earnings of the Corporation and its Subsidiaries during the periods covered by the Financial Statements. True, correct and complete copies of the Financial Statements are attached in Schedule 3.1(9).
- (b) Since September 30, 2022, the Purchased Corporations do not have any off-balance sheet arrangements or any other indebtedness for borrowed money pursuant to which they are the obligor of any kind, and the books and records of the Purchased Corporations continue to be accurate and complete in all material respects and have been prepared according to Applicable Law and the accounting principles, policies, practices and methods required by Applicable Law and IFRS, in each case consistent with the Financial Statements.
- (c) The Purchased Corporations have made adequate provision in the Financial Statements in accordance with IFRS for Taxes which are not yet due and payable, but which relate to the Pre-Closing Tax Period (subject to ordinary course adjustments for provision to return reconciliations).

(10) No Liabilities.

No Purchased Corporation has any liabilities or obligations of any nature (whether known or unknown, liquidated or unliquidated, due or to become due and whether accrued, absolute, contingent or otherwise, matured or unmatured) of a character required under IFRS to be reflected or reserved on a balance sheet, except liabilities disclosed or provided for in the Financial Statements. Except as set forth in Schedule 3.1(10) or as otherwise disclosed in the Financial Statements, none of the Purchased Corporations has given or agreed to give, or is a party to or bound by, any guarantee of the indebtedness or other obligations of any other Person or any indemnity or other commitment by which any of the Purchased Corporations is, or is contingently, responsible for such indebtedness or other obligation, or any comfort letter or understanding with respect to any such indebtedness or other obligation of any other Person, and none of the Purchased Corporations is a party to or bound by any interest

rate, foreign currency or other swap, hedging, forward or similar agreement, any put, call or repurchase agreement or any so-called "off balance sheet" financial agreement.

(11) Regulatory Reports, Registrations, Agreements and Compliance.

Part (i) of Schedule 3.1(11) contains a list of all of the Agency Licenses issued to each of the Purchased Corporations and their respective Employees and representatives. The Vendors have made available to the Purchaser a true, correct and complete copy of each such Agency License, including any modifications and amendments thereto, and waivers granted thereunder. Except as disclosed in Schedule 3.1(29) and part (ii) of Schedule 3.1(11), there is no requirement of any of the Purchased Corporations to make any filing with, give any notice to, or obtain any Regulatory Approval or any authorization, consent or approval of any other Person in respect of any Agency Licenses for the execution, delivery or performance of the transaction contemplated by this Agreement. Each of the Purchased Corporations holds all Agency Licenses necessary for the conduct of the Business, and the Business is being conducted, and during the Diligence Review Period has been conducted, in compliance with all such Agency Licenses in all material respects, and all such Agency Licenses are valid and in full force and effect. None of the Purchased Corporations is in default under any Agency License and none of the Purchased Corporations has received any written notice that any Agency License is likely to be revoked, suspended or cancelled. Except as disclosed in part (iii) of Schedule 3.1(11), during the Diligence Review Period, none of the Purchased Corporations has received written notice of any actions, complaints, claims, grievances, suits or proceedings from any Person, nor are any such actions, complaints, claims, grievances, suits or proceedings from any Person pending or, to the Knowledge of the Vendors, Threatened, in each case that would reasonably be expected to result in the termination, revocation, suspension or restriction in any material respect of any Agency License or the imposition of any material fine, penalty or other sanctions for a violation of any requirements or conditions relating to any such Agency License or for contravention of Applicable Law.

(12) Trust Funds and Appointments.

- (a) Each of the Purchased Corporations is in compliance in all material respects with all Applicable Laws regarding the separation and accounting of premium trust funds or otherwise relating to trust accounts and insurance premium liability to the extent applicable to the Business.
- (b) Each of the Purchased Corporations has, and at all times during the Diligence Review Period has had, sufficient equity capitalization as required by Applicable Law.
- (c) Each of the Purchased Corporations has, and at all times always had, in all material respects, (a) established all trust accounts, if any, required by Applicable Law and pursuant to the terms of any Contract to which any of the Purchased Corporations is a party, (b) operated such trust accounts in accordance with Applicable Law and pursuant to the terms of any applicable Contract, (c) deposited into such accounts all funds required to be held in trust by Applicable Law and pursuant to the terms of any Contract to which any of the Purchased Corporations is a party, and (d) only withdrawn funds from such accounts as permitted by Applicable Law and pursuant to the terms of any Contract to which any of the Purchased Corporations is a party. All filings made by the Purchased Corporations in respect of such trust accounts were true,

correct and complete and made in accordance with Applicable Law in all material respects.

- (d) Each of the Purchased Corporations has held all funds that it is deemed by Applicable Law to hold in trust for an insurer subject to such trusts and has paid all such funds to the applicable insurer, and has not used such funds for its own, or any other, purpose, other than as expressly permitted by Applicable Law.
- (e) Each of the Purchased Corporations has an appointment or agreement to act as an agent for and/or place or bind insurance coverage with or on behalf of each insurance company from which such an appointment or agreement is used to conduct the Business; each such appointment or agreement is valid and binding in accordance with its terms on the parties thereto; and none of the Purchased Corporations has received any written communication from any such insurance company that any such appointment or agreement will be, and to the Knowledge of the Vendors, no grounds exist which would reasonably result in any such appointment or agreement being, revoked, limited, rescinded or terminated.
- (f) None of the Purchased Corporations and, to the Knowledge of the Vendors, its Internal Producers, is a party to any Contract that prevents it from doing business with any insurance company, agent or broker. During the Diligence Review Period, none of the Purchased Corporations has been in default in any material respect under any of its material obligations to any insurance company through which it places insurance. None of the Purchased Corporations has or, to the Knowledge of the Vendors, none of its Internal Producers have, bound, or committed to bind, any insurance coverage for any liability, risk, cost, or expense, or in any amount of liability, risk, cost, or expense, or upon any terms or conditions which exceeds its binding authority in any respect.

(13) Producers; Disclosure of Lost Business.

- (a) Each of the Purchased Corporations has in place standard practices to periodically obtain satisfactory evidence from each Producer of such Producer's valid and in-force errors and omissions insurance policies and active and proper licensure in all necessary jurisdictions. To the Knowledge of the Vendors, all Producers have in effect valid errors and omissions insurance policies, including, but not limited to being properly licensed in all necessary jurisdictions.
- (b) The table included in Schedule 3.1(13)(b) sets forth a true, correct and complete list of (i) each Producer block of business which was transferred out of any of the Purchased Corporations between January and October 2022 (not including Producers who transferred blocks of business valued at less than \$10,000) and (ii) the Producer Accounts that, to the Knowledge of the Vendors, will not renew their business relationship with any of the Purchased Corporations, in whole or in part, in the future (including by reason of a change of ownership or management, financial instability or the downsizing of any such customer), except for attrition of customers in the historically normal course of the Business, but without specific knowledge relating to specific customers.

(14) **Compensation Disclosure.**

Each of the Purchased Corporations and, to the Knowledge of the Vendors, each of its Producers, have, as required under Applicable Law, disclosed, and have maintained policies and procedures designed to ensure that they have disclosed, to each client or customer, as applicable, the nature of compensation received by each of the respective Purchased Corporation or Producers, directly or indirectly, from insurers, insurance intermediaries, or premium finance companies or other businesses in consideration for placing business with, or otherwise arranging business for, such businesses.

(15) **Internal Producers.**

(a) Part (i) of Schedule 3.1(15)(a) sets forth a list of the Producers who are parties to Key Producers Arrangement Agreements and Internal Producers. Except as disclosed in part (ii) of Schedule 3.1(15)(a), each Producer is a party to a Contract that is in full force and effect. Each Internal Producer is a party to a Contract that is in full force and effect and each such Contract contains restrictive covenants regarding maintaining the confidentiality of information of the Purchased Corporation and non-solicitation/non-acceptance of Producer Accounts post-termination of employment for a minimum of one year post-termination. The Vendors have made available to the Purchaser true, correct and complete copies of each such Contract. The Vendors have made available to the Purchaser true, correct and complete copies of the Key Producer Arrangement Agreements and template forms of each such other Contract with Producers.

(b) During the Diligence Review Period, other than as disclosed in Schedule 3.1(15)(b), to the Knowledge of the Vendors, (A) none of the Purchased Corporations has hired any Employee or independent contractor in violation of any restrictive covenant, non-compete agreement or non-solicitation agreement to which such Employee or independent contractor is a party, and (B) no Person has made a written allegation or asserted a written claim that any of the Purchased Corporations has hired any Employee or independent contractor in violation of any such restrictive covenant, non-compete agreement or non-solicitation agreement.

(16) **Carrier Appointments.** Each of the Purchased Corporations has all carrier appointments or other agreements necessary to conduct the Business as conducted since December 31, 2021. Schedule 3.1(16) contains a true, correct and complete list of carriers with whom the Purchased Corporations have an in force Contract (the "**Carriers**"). Since December 31, 2021, no Carrier has terminated its relationship with any of the Purchased Corporations or provided written notice to materially and adversely change the commission rate or the amount of its business with such Purchased Corporation. To the Knowledge of the Vendors, the execution and delivery of this Agreement and the Ancillary Agreements, the consummation of the transactions contemplated hereby and thereby and the compliance with their respective provisions will not have an adverse effect on any Carrier relationship. During the Diligence Review Period, each of the Purchased Corporations has remitted to the appropriate Carrier(s)

net of commissions all amounts collected from customers or Producers to the extent due to the Carriers.

(17) **Compliance with Applicable Law and Licences.**

Except as disclosed in Schedule 3.1(17),

- (a) each Purchased Corporation is conducting and has always conducted the Business and any past business in compliance with all Applicable Laws, other than acts of non-compliance which, individually or in the aggregate, are not material;
- (b) no Purchased Corporation and no Person acting on behalf of any Purchased Corporation, has violated the anti-corruption Laws of any jurisdiction applicable to any Purchased Corporation;
- (c) the Purchased Corporations are not subject to any Order of any Governmental Authority which is charged with regulating or supervising the Purchased Corporations which is specifically addressed at a Purchased Corporation and not an Order that is applicable to the industry in general;
- (d) during the Diligence Extended Review Period, the Purchased Corporations have not received any written or any oral notice from any Governmental Authority that alleges any non-compliance (or that any Purchased Corporation is under investigation by any such Governmental Authority for alleged non-compliance) with any Applicable Laws; and
- (e) the Purchased Corporations have all Licences necessary for the conduct of the Business, and the Business has been and is being conducted in compliance with all such Licences. No Person has revoked, amended or imposed any condition in respect of, or commenced (or, to the Knowledge of the Vendors, Threatened to commence) Legal Proceedings to revoke, amend or impose conditions in respect of, any Licence.

(18) **Books and Records.**

Except as disclosed in Schedule 3.1(18), the Books and Records have been maintained, in all material respects, in accordance with commercially reasonable business practices, and the minute books of the Purchased Corporations have been maintained, in all material respects, in accordance with Applicable Law. The Purchased Corporations' share certificate book, register of shareholders, register of transfers and register of directors and officers are complete and accurate in all respects. Except as disclosed in Schedule 3.1(18), all material Books and Records are in the full possession and exclusive control of, and are owned exclusively by, the Purchased Corporations. The Books and Records and other data and or information relating to the Business are not recorded, stored, maintained, operated or otherwise wholly or partly dependent upon or held by any means (including any electronic, mechanical or photographic process, whether computerized or not) which will not be available to the Purchaser in the Ordinary Course of Business.

(19) **Sufficiency of Assets.**

The Business is the only business operation carried on by the Purchased Corporations. Except as disclosed in Schedule 3.1(19), the property and assets of the Purchased Corporations include all rights and property necessary to enable such Purchased Corporations to conduct the Business as of the date hereof and immediately after the Closing in the same manner as it was conducted immediately prior to the date hereof. All of the property and assets of the Purchased Corporations are situated at the Leased Premises.

(20) **Title to Assets.**

- (a) Except as disclosed in Schedule 3.1(20), each Purchased Corporation has good and marketable title to all of its property and assets (including all goodwill associated with the Business, and all Producer Accounts, relationships with Producers or Active Prospective Producers), free and clear of any and all Liens, except for Permitted Liens, and there is no agreement, option or other right outstanding in favour of any Person for the purchase from the Purchased Corporations of (i) the Business or (ii) any part thereof or of any of the property or assets of the Purchased Corporations.
- (b) All insurance and related business conducted by each of the Purchased Corporations and their respective Employees has been transacted in the name of the Purchased Corporation, or a trade name, and such trade name was owned exclusively by such Purchased Corporation at the time of use by the Purchased Corporation.
- (c) During the Diligence Extended Review Period, none of the Purchased Corporations nor the Vendor has received notice of demand from any Person contesting any of Purchased Corporations' use or right to use any of its assets or asserting any claim thereto or assessment thereon.
- (d) The property and assets owned by the Purchased Corporations (including any Producer Accounts and relationships with Producers and Active Prospective Producers), together with (i) the services to be provided to the Purchaser and/or the Purchased Corporations under the Transition Services Agreement (including Intellectual Property and software); (ii) the Leased Premises; (iii) the personal property leased by each of the Purchased Corporations; (iv) the Shared Contracts and (v) the assets to be transferred from WWM to Newco, constitute all of the property and assets required to operate the Business in substantially the same manner as it is currently being operated.

(21) **Condition of Assets.**

The tangible personal property of each Purchased Corporation is structurally sound, in good operating condition and repair having regard to its use and age and is adequate and suitable for the uses to which it is being put. None of such tangible personal property is in need of maintenance or repairs except for routine maintenance and repairs in the Ordinary Course of Business.

(22) **Real Property.**

The Purchased Corporations are not the owner of, and during the Diligence Extended Review Period and since becoming a Subsidiary of the Vendors have not been the owner of, or subject to any agreement to own, any real property or any interest in any real property.

(23) **Leased Premises.**

- (a) The Purchased Corporations are not a party to, or under any agreement to become a party to, any real property lease other than the Leases in respect of the Leased Premises described in Schedule 3.1(23). Such Leases are in full force and effect without amendment except as disclosed in Schedule 3.1(23). Copies of all Leases have been made available to the Purchaser in the Data Room.
- (b) Except as disclosed in Schedule 3.1(23), the Purchased Corporations do not sub-let all or part of any premises covered by any of the Leases to any Person. Except as disclosed in Schedule 3.1(23), with respect to each Lease: (i) all rents and additional rents due under the respective Leases have been paid, and (ii) the Vendors have not received any written notice of waiver, indulgence or postponement of the lessee's obligations granted by the lessor.
- (c) Except as disclosed in Schedule 3.1(23), each Lease is in good standing, creates a good and valid leasehold estate in the Leased Premises thereby demised and binding obligation thereof, and is an enforceable obligation against, the Purchased Corporations party to such Lease, as the case may be, and to the Knowledge of the Vendors, the current uses of the Leased Premises are in compliance in with Applicable Law including zoning requirements. The Purchased Corporations have the right to quiet enjoyment of all Leased Premises for the full term of the Leases and any renewal option related thereto.
- (d) None of the Purchased Corporations has received any notice of a default by the Purchased Corporations of any of their obligations in any material respect under any Lease that has not been cured or settled, nor, to the Knowledge of the Vendors, are there any such defaults. To the Knowledge of the Vendors, all of the covenants to be performed by any counterparty under the Leases have been fully performed and no counterparty is in default of any of its obligations under the Leases in any material respect. There exists no state of facts which, after notice or lapse of time or both, would constitute a material default or which could give rise to a right of termination or amendment of a Lease.
- (e) There are no work orders outstanding against or in respect of the Leased Premises and there are no other deficiency notices, requests or written advice of any material breach of any Applicable Law in respect of ingress or egress or in respect of infrastructures and services which could, if not corrected, become a work order against any of the Purchased Corporations or could require performance of work or expenditure of money by any of the Purchased Corporations to correct. To the Knowledge of the Vendors, there are no encroachments affecting the Leased Premises and no proposed or pending changes to any zoning affecting the Leased Premises. With respect to all easements, servitudes or registered agreements or restrictions of which the

Purchased Corporations have the benefit, all such easements, agreements and restrictions, to the Knowledge of the Vendors, are in good standing and each of such Purchased Corporation has performed all obligations required to be performed by it thereunder and has not received any written notice of any material breach or default thereunder.

- (f) Except as disclosed in Schedule 3.1(23), no Consent is required to be obtained by the Purchased Corporations, nor is any Notice required to be given by the Purchased Corporations, under any Lease in connection with the completion of the transactions contemplated by this Agreement.

(24) Data Security and Privacy Requirements.

- (a) The Purchased Corporations have put in place all reasonable measures and controls to comply with Data Security and Privacy Requirements pertaining to the Business.
- (b) The Vendors and the Purchased Corporations have developed and implemented processes and procedures required by Data Security and Privacy Requirements and the Purchased Corporations have conducted their business in accordance with such processes and procedures applicable to the Purchased Corporation.
- (c) The Vendors and the Purchased Corporations have implemented Data Security and Privacy Requirements training programs, and the Purchased Corporations have implemented applicable training programs in accordance with industry standards and in compliance with Data Security and Privacy Requirements.
- (d) The Purchased Corporations have not been subject to any Order or proceeding with respect to any actual or alleged non-compliance with any Data Security and Privacy Requirements and, to the Knowledge of the Vendors, no such proceeding is Threatened against the Purchased Corporations. To the Knowledge of the Vendors, there are no breaches of Data Security and Privacy Requirements that may reasonably be anticipated to give rise to any such Order or any proceeding or a notification or reporting requirement under any Contract relating to the Processing of Personal Information or under any Data Security and Privacy. During the Diligence Review Period, the Purchased Corporations have not received any written complaint alleging a violation of any Data Security and Privacy Requirement.
- (e) Except as set forth in the Schedule 3.1(24), the Purchased Corporations have not discovered or been notified of any material loss or unauthorized access to or acquisition, use, disclosure or breach of any Personal Information controlled by a Purchased Corporation or Information Systems, including any incident that (i) either constitutes (1) a breach of such Personal Information, (2) unauthorized use, access, acquisition, disclosure or modification of such Personal Information, or (3) a security breach, under any Data Security and Privacy Requirement, or (ii) materially compromises (individually or in the aggregate) the confidentiality, security or privacy of any such Personal Information. The Purchased Corporations have not notified or had any obligation under any applicable Data Security and Privacy Requirement, any

affected Person (including any Governmental Authority) or the media of any material breach of Personal Information.

- (f) The Purchased Corporations have not filed a claim for coverage relating to any Data Security and Privacy Requirements matter under an insurance policy issued to, or on behalf of, the Purchased Corporations.
- (g) The (i) Processing of Personal Information in connection with the transactions contemplated by this Agreement, (ii) execution, delivery and performance of this Agreement and the other agreements and instruments contemplated hereby, and (iii) consummation of the transactions contemplated hereby and thereby, comply with the Purchased Corporations' applicable privacy notices and policies and with applicable Data Security and Privacy Requirements.
- (h) The Vendors have maintained and implemented with the Purchased Corporation a comprehensive information security program including cybersecurity measures and documented policies that: (i) comply with Data Security and Privacy Requirements that are consistent with current industry standards and practices of other Canadian managing general agencies; (ii) identify internal and external risks to the security of any proprietary or Confidential Information in the Purchased Corporations' control or possession, including Personal Information and the rights and freedoms of the subjects of that Personal Information; (iii) monitor and are designed to protect Personal Information and all Information Systems against any unauthorized Processing or corruption and in compliance with Data Security and Privacy Requirements; (iv) implement, monitor, and are designed to maintain appropriate, adequate and effective administrative, organizational, technical, and physical safeguards to control the risks described above in (ii) and (iii); (v) assess the Purchased Corporations' data security practices, programs and risks; and (vi) maintain incident response and notification procedures in compliance with applicable Data Security and Privacy Requirements, including in the case of any breach of security compromising Personal Information. The Purchased Corporations take and have at all times taken all necessary reasonable steps designed to ensure that any Personal Information collected or handled by authorized third parties acting on behalf of the Purchased Corporations provides similar safeguards, in each case, in compliance with applicable Data Security and Privacy Requirements and consistent with current industry standards of other Canadian managing general agencies.
- (i) To the Knowledge of the Vendors, there is no deficiency in the Purchased Corporations' cybersecurity measures or policies that could reasonably result in a loss of data or a breach of security of the Purchased Corporations in any material respect. During the Diligence Review Period, the Vendors have performed security risk assessments in respect of the Purchased Corporations that meet (i) any requirements to perform security assessments under any Data Security and Privacy Requirements; and (ii) any obligations to perform security assessments set forth in any Contracts to which any of the Purchased Corporations is a party (collectively, the "**Security Risk Assessment**"). The Purchased Corporations have addressed and reasonably remediated all threats and deficiencies identified in each Security Risk Assessment.

(25) **Material Contracts.**

- (a) Schedule 3.1(25) lists all of the Material Contracts (other than the Material Contracts already listed in Schedules 3.1(13), 3.1(23), 3.1(27) and 3.1(28)). Copies of all Material Contracts have been made available to the Purchaser in the Data Room.
- (b) Each Material Contract is a valid and binding obligation of, and is an enforceable obligation against, the Purchased Corporations party to such Material Contract, as the case may be.
- (c) None of the Purchased Corporations has received any notice of a default by the Purchased Corporations of any of their obligations in any material respect under any Material Contract that has not been cured or settled, nor, to the Knowledge of the Vendors, are there any such defaults. To the Knowledge of the Vendors, all of the covenants to be performed by any counterparty under the Material Contracts have been fully performed and no counterparty is in default of any of its obligations under the Material Contracts in any material respect. There exists no state of facts which, after notice or lapse of time or both, would constitute a material default or which could give rise to a right of termination or amendment of a Material Contract.
- (d) Except as disclosed in Schedule 3.1(25), no Consent is required to be obtained by the Purchased Corporations, the Vendors or the Purchaser, nor is any Notice required to be given by the Purchased Corporations, the Vendors or the Purchaser, under any Material Contract in connection with the completion of the transactions contemplated by this Agreement.
- (e) None of the Purchased Corporations has received any notice terminating or Threatening to terminate any Material Contract.

(26) **Transactions with Affiliates.**

Schedule 3.1(26) lists all inter-company Contracts between the Purchased Corporations and the Vendors or any of their respective Affiliates, and all Contracts between a Purchased Corporation and any director or officer other than employment arrangements with Employees.

(27) **Shared Contracts.**

Schedule 3.1(27) lists all Shared Contracts as of the date of this Agreement.

(28) **Intellectual Property.**

- (a) Schedule 3.1(28) sets forth a true, correct and complete list of all: (i) Owned Intellectual Property consisting of Registered Intellectual Property ("**Owned Registered Intellectual Property**"), indicating for each the registration or application number, filing jurisdiction, date of issue or filing and current registrant or applicant; (ii) unregistered Owned Intellectual Property, including Corporation Software and unregistered trademarks, that is material to the Business; and (iii) Licensed Intellectual Property, including identifying the Contracts governing such Intellectual Property (each, an "**IP License**"). Except as set forth in Schedule 3.1(28) the Business Intellectual Property constitutes

all Intellectual Property used in and/or necessary for the operation of the Business. Each item of Owned Intellectual Property is valid, subsisting and, as applicable, enforceable.

- (b) The Purchased Corporations exclusively own all right, title and interest in and to the Owned Intellectual Property, free and clear of all Liens, other than Permitted Liens.
- (c) Except as listed in part (iv) of Schedule 3.1(28), each of the IP Licenses listed in part (iii) of Schedule 3.1(28) is a valid and binding obligation of, and is an enforceable obligation against, the Purchased Corporation, party to such IP License, as the case may be, and, to the Knowledge of the Vendors, each other party to such IP License.
- (d) None of the Purchased Corporations has received any notice of a default by the Purchased Corporations of any of their obligations in any material respect of a provision under any IP License that has not been cured or settled, nor, to the Knowledge of the Vendors, are there any such defaults. To the Knowledge of the Vendors, all of the covenants to be performed by any counterparty under the IP Licenses have been fully performed and no counterparty is in default of any of its obligations under the IP Licenses in any material respect.
- (e) The Purchased Corporations are using or holding the Business Intellectual Property of which they are not the sole beneficial and registered owner with the consent of or a licence from (in each case directly or indirectly via permitted sub-licensees) the owner of such Intellectual Property.
- (f) Except as set forth in Schedule 3.1(28), each Purchased Corporation has taken commercially reasonable actions to protect, preserve and maintain its Intellectual Property and to maintain the confidentiality and secrecy of and restrict the improper use of confidential information, trade secrets and proprietary information under Applicable Law, including having all employees and consultants involved in the creation or development of any Owned Intellectual Property to enter into written agreements assigning all rights in such Intellectual Property to the applicable Purchased Corporation. Except as set forth in Schedule 3.1(28), to the Knowledge of the Vendors, there has been no unauthorized disclosure of any trade secrets or proprietary information of any Purchased Corporation.
- (g) Except as set forth in Schedule 3.1(28), (i) the Owned Intellectual Property is not subject to any ownership interest or option outstanding in favour of a third party for the purchase or licence from a Purchased Corporation of the Owned Intellectual Property, and (ii) none of the Purchased Corporations has granted any Person (other than a Purchased Corporation) a licence to use any of the Owned Intellectual Property.
- (h) To the Knowledge of the Vendors, (a) the operation of the Business does not infringe upon, misappropriate or otherwise violate any Intellectual Property of any Person, and (b) no Purchased Corporation has or is infringing upon, misappropriating or otherwise violating any Intellectual Property of any Person.
- (i) The Purchased Corporations have not brought or Threatened any Legal Proceeding against any Person for infringement or violation of any Owned

Intellectual Property. To the Knowledge of the Vendors: (a) during the last six years, no Person has breached, violated, infringed or interfered with any of the Owned Intellectual Property, and (b) no Person is currently breaching, violating, infringing or interfering with any of the Owned Intellectual Property.

- (j) There are no prior Legal Proceedings or Legal Proceedings in progress, pending or, to the Knowledge of the Vendors, Threatened contesting (i) the ownership, validity, enforceability or registrability of any Owned Intellectual Property or (ii) the use by the Purchased Corporations of any Business Intellectual Property.
- (k) Since the date that is six years prior to the date hereof, there have not been any Legal Proceedings and there are currently no Legal Proceedings in progress, pending or, to the Knowledge of the Vendors, Threatened against any of the Purchased Corporations alleging that the conduct of any of the Purchased Corporations, including the use of any Business Intellectual Property, infringes upon or otherwise violates any Intellectual Property of any Person.
- (l) No Purchased Corporation has received any government funding that grants rights in the Owned Intellectual Property or that imposes any restrictions or obligations that are still in effect in respect of the exploitation, use, assigning, licensing or any other disposition or grant of interest in the Owned Intellectual Property.
- (m) Except as set forth in Schedule 3.1(28), following the Closing, no Vendor or any Affiliate of any Vendor will retain or use any of the Business Intellectual Property other than the Shared Contracts. At Closing, the Purchased Corporations will continue to have rights to the Business Intellectual Property, either directly or through the Transition Services Agreement, in such a manner as to permit the Purchaser and the Purchased Corporations to operate the Business in substantially the same manner as it is currently being operated.

(29) **Regulatory Approvals.**

Except as set forth in Schedule 3.1(29), no Regulatory Approval or filing with any Governmental Authority is required to be obtained or made by the Vendors or the Purchased Corporations in connection with the execution and delivery of, and performance by the Vendors of their obligations under this Agreement or any Ancillary Agreements.

(30) **Legal Proceedings.**

Except as disclosed in Schedule 3.1(30) and other than with respect to the Specified Litigation, there is no Legal Proceeding which involves a claim in excess of \$1,000,000 in progress, pending or, to the Vendors' Knowledge, Threatened against any Purchased Corporation and affecting any of its properties or assets. Except as listed in Schedule 3.1(30), none of the Purchased Corporations is a plaintiff in any Legal Proceeding which involves a claim in excess of \$1,000,000.

(31) **Environmental Matters.**

Except as disclosed in Schedule 3.1(31), the Business has been carried on and is currently carried on in material compliance with all Environmental Laws. There is no action or Order (including any Remedial Order) of any nature, in progress, or to the Knowledge of the Vendors, pending or Threatened against any of the Purchased Corporations or in connection with the Business or their respective assets, with respect to or arising from any Hazardous Substance or Environmental Laws. None of the Purchased Corporations has ever been prosecuted for or convicted of any offence under any Environmental Laws. To the Knowledge of the Vendors, there is no Hazardous Substance in, on, under, or coming from or onto the Leased Premises that is likely to result in material liability to a Purchased Corporation. None of the Purchased Corporations has transported, stored, treated or disposed of, nor have they allowed or arranged for any third Persons to transport, store, treat or dispose of, any Hazardous Substance to or at any location other than a site lawfully permitted to receive such substances for such purposes. None of the Purchased Corporations has agreed to assume any actual or potential environmental liability or obligation of any other Person, other than those obligations that may be included in the Leases. To the Knowledge of the Vendors, there are no material reports, including asbestos records, in their possession or in the possession of any of the Purchased Corporations relating to the environmental condition of the Leased Premises.

(32) **Employment Matters.**

- (a) Schedule 3.1(32) lists all the Employees and Expected Transferred Employees (without reference to names) as of the date of this Agreement and indicates their hire date, their salaries, wage rates or base salary, commissions, bonus arrangements, positions, status as full-time or part-time employees, location of employment, cumulative length of service with any Purchased Corporation or any Affiliate of the Purchased Corporations, as applicable and further contains for each Employee and Expected Transferred Employee their annual vacation entitlement in days, their accrued and unused vacation days as of November 25, 2022, any other annual paid time off entitlement in days and their accrued and unused days of such other paid time off as of November 25, 2022. All senior management employees and Internal Producers of the Purchased Corporations are subject to written employment Contracts. Except as set out in Schedule 3.1(32), the Employees and the Expected Transferred Employees represent all of the individuals involved in the Business as of the date of this Agreement (other than those individuals whose involvement in the Business is ancillary or whose time spent on the Business represents only a small portion of their overall working time).
- (b) Schedule 3.1(32) lists any Employee or Expected Transferred Employee currently on leave together with the type of leave and their expected date of return to work, if known.
- (c) Schedule 3.1(32) contains a correct and complete list of each independent contractor (for greater certainty, excluding independent brokers) or consultant engaged by any Purchased Corporation, including their names, consulting fees, and whether they are subject to a written Contract. Each independent contractor or consultant who is disclosed on Schedule 3.1(32) has been properly classified by the applicable Purchased Corporation as an independent

contractor, and no Purchased Corporation has received any notice from any Governmental Authority disputing such classification.

- (d) Except as set forth in Schedule 3.1(32), there are no severance, compensation, change of control, employment, retention or other Contracts or Benefit Plans with current or former Employees or the Transferred Employees providing for cash or other compensation, benefits or acceleration of benefits upon the consummation of, or relating to, the transactions contemplated by this Agreement or any Ancillary Agreements, including a change of control of the Corporation or any of its Subsidiaries.
- (e) Except as set forth in Schedule 3.1(32), each Purchased Corporation is conducting and has always conducted the Business in compliance with all Applicable Laws respecting employment and employment practices, terms and conditions of employment, wages and hours of work, occupational health and safety and pay equity, other than acts of non-compliance which, individually or in the aggregate, are minor, and all amounts due and owing or accrued due but not yet owing for all salary and wages, including regular wages, overtime wages, public holiday pay, vacation pay and all other compensation payable to Employees and former employees of the Purchased Corporations has been paid, or, if accrued, are reflected in the Books and Records.
- (f) No unfair labour practice, employment standards, human rights or workplace safety complaint, grievance or arbitration proceeding is in progress, pending or, to the Knowledge of the Vendors, Threatened against the Purchased Corporations, other than such complaints, grievances or arbitrations listed in Schedule 3.1(32).
- (g) The Purchased Corporations are not a party to or bound by, either directly or by operation of Applicable Law and have not made a commitment or conducted any negotiations with respect to, any collective agreement, labour contract, letter of understanding, letter of intent, voluntary recognition agreement or legally binding commitment or written communication to or with any labour union, trade union or employee organization or group which may qualify as a trade union in respect of or affecting Employees or Expected Transferred Employees. No labour union, trade union or employee organization holds bargaining rights with respect to any of the Employees or Transferred Employees by way of certification, interim certification, voluntary recognition, or succession rights.
- (h) There is no strike, labour dispute, work slowdown or stoppage pending or, to the Knowledge of the Vendors, Threatened against any Purchased Corporation, nor has there been any such strike, labour dispute, work slowdown or stoppage during the Diligence Extended Review Period. No labour union, trade union or employee organization or group which may qualify as a trade union has applied to have any Purchased Corporation declared a common or related employer pursuant to Applicable Law.
- (i) To the Knowledge of the Vendors, there are no activities or applications relating to any labour union or employee organization or group, including any proceedings which could result in the certification of a labour union, trade union or employee organization or group as a bargaining agent for any Employee or Expected Transferred Employee, and no such activities or applications are

pending or, to the Knowledge of the Vendors, Threatened, and no such event has occurred during the Diligence Review Period.

- (j) There are no outstanding assessments, penalties, fines, liens, charges, surcharges, or other amounts due or owing by any Purchased Corporation pursuant to any workplace safety and insurance legislation, and no Purchased Corporation has been reassessed in any material respect under such legislation during the Diligence Review Period and, to the Knowledge of the Vendors, no audit of any Purchased Corporation is currently being performed pursuant to any applicable workplace safety and insurance legislation. There are no claims or potential claims which may materially adversely affect any Purchased Corporation's accident cost experience in respect of the Business.
- (k) All orders and inspection reports under applicable occupational health and safety legislation have been provided to the Purchaser. The Corporation has complied in all material respects with any orders issued under applicable occupational health and safety legislation and there are no appeals of any orders under such legislation currently outstanding.
- (l) The Corporation is in compliance with all terms and conditions of all work permits and the labour market impact assessment confirmations. No audit by a Governmental Authority is being conducted, or to the Knowledge of the Vendors pending, in respect of any foreign workers.

(33) Employee Plans.

- (a) Schedule 3.1(33)(a) lists all Employee Plans.
- (b) The Vendors have furnished to the Purchaser copies of all the Employee Plans (or written summaries of the material terms thereof) together with all related material documentation, including, as applicable, current plan texts and amendments thereto, insurance policies and contracts, employee booklets (in English and French, where prepared in both languages); and material with Governmental Authorities for the current year and the previous three (3) years. The Vendors have furnished to the Purchaser written summaries of the material terms of any non-written Employee Plans.
- (c) No Employee Plan is or is intended to be (i) a "retirement compensation arrangement" as such term is defined in subsection 248(1) of the ITA; (ii) an "employee life and health trust" as such term is defined in subsection 248(1) of the ITA; or (iii) a "health and welfare trust" within the meaning of the Canada Revenue Agency Income Tax Folio S2-F1-C1. No Employee Plan (1) is intended to be or has ever been found or alleged by a Governmental Authority to be a "salary deferral arrangement" as such term is defined in subsection 248(1) of the ITA; or (2) if a "registered pension plan" as that term is defined in subsection 248(1) of the ITA, provides Employees or Transferred Employees with benefits pursuant to a "defined benefit provision" as such term is defined in subsection 147.1(1) of the ITA.
- (d) Except as disclosed on Schedule 3.1(33)(d), none of the Employee Plans provides post-employment or retiree health and welfare benefits, supplemental retirement income benefits, in each case beyond the coverage and other

entitlements following termination of employment that is required under Applicable Laws.

- (e) Except as set out in Schedule 3.1(37), with respect to the Employees or Expected Transferred Employees, no commitments to improve or otherwise amend any Employee Plan have been made.
- (f) All of the Employee Plans are and have been established, registered, qualified, communicated, invested and administered in accordance with their terms and all Applicable Laws in all material respects.
- (g) No Employee Plan is subject to any pending or, to the Knowledge of the Vendors, Threatened Legal Proceeding initiated by any Governmental Authority or by any other Person (other than routine claims for benefits).
- (h) All material obligations of the Purchased Corporations regarding the Employee Plans have been satisfied, there are no outstanding material breaches, defaults or violations by any party to any Employee Plan and no material Taxes, penalties or fees are owing or due and payable under or in respect of any of the Employee Plans.
- (i) No Employee Plan exists that would require as a result solely of the transactions contemplated by this Agreement (i) the payment to any Person of any money, benefits or other property; (ii) accelerated or increased funding requirements for any Employee Plan; or (iii) the acceleration or provision of any other increased rights or benefits to any Person.

(34) **Information Systems.**

- (a) The Information Systems adequately meet the material data processing and other computing needs of the Business as currently conducted.
- (b) To the Knowledge of the Vendors, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, the computer and data processing systems, facilities and services used by any Purchased Corporation are substantially free of any material defects, bugs and errors, and do not contain any disabling codes or instructions, spyware, Trojan horses, worms, viruses or other software routines that permit or cause unauthorized access to, or disruption, impairment, disablement, or destruction of, software, data or other materials wherein any trade secrets, or proprietary information of any Purchased Corporation has been disclosed to a third party ("**Self-Help Code or Unauthorized Code**").
- (c) Schedule 3.1(34) sets forth a list of all Software owned by a Purchased Corporation and used by any Purchased Corporation in the Business ("**Corporation Software**") and all third-party Software contained or embedded in the Corporation Software and a list of all material third-party Software used in the Business. Except as set out in Schedule 3.1(34), none of the Corporation Software incorporates or is comprised of or distributed with any publicly-available Software in a manner which (i) requires the distribution of source code in connection with the distribution of such software in object code form; (ii) materially limits any Purchased Corporation's freedom to seek full compensation in connection with marketing, licensing, and distributing such

applications; or (iii) allows a user to have the right to decompile, disassemble or otherwise reverse engineer the software by its terms and not by operation of Applicable Law. Except as set forth in Schedule 3.1(34), at least one of the Purchased Corporations is in actual possession and control of the applicable source code, object code, code writes, notes, documentation, programmers' notes, source code annotations, user manuals and know-how to the extent required for use, distribution, development, enhancement, maintenance and support of each item of material Corporation Software, subject to any licences granted to third parties therein. Except as set forth in Schedule 3.1(34), to the Knowledge of the Vendors, the Corporation Software does not contain any Self-Help Code or Unauthorized Code.

- (d) The Vendors and their Affiliates have and maintain for the Purchased Corporations back-up systems and disaster recovery and business continuity plans, consistent with current industry practices, designed to ensure the continuing availability of the functionality provided by the Information Systems in the event of any malfunction of, or other form of disaster affecting, the Information Systems.

(35) Business Insurance.

- (a) Schedule 3.1(35) contains a correct and complete list of insurance policies to which any Purchased Corporation is a party, an insured or a beneficiary or under which any Purchased Corporation or any officer or director of a Purchased Corporation is covered, setting out, in respect of each policy, the type of policy, the name of insurer, the coverage allowance, the expiration date, the annual premium and any pending claims.
- (b) No Purchased Corporation is in default with respect to any of the provisions contained in the insurance policies, and no Purchased Corporation has failed to give any notice or to present any material claim under any insurance policy in a due and timely fashion or has provided any information to any insurer in connection with any application for insurance that could result in the cancellation of any insurance policy for the benefit of such Purchased Corporation or a denial of coverage for a risk otherwise covered by any such insurance policy or bond.
- (c) To the Knowledge of the Vendors, there are no circumstances in respect of which any Person could make a claim under any insurance policy, which has not been made. Except as disclosed in Schedule 3.1(35), no Purchased Corporation has received any refusal of insurance coverage or any notice that a defense will be afforded with reservation of rights. There has not been any material adverse change in the relationship of any Purchased Corporation with its insurers, the availability of coverage, or in the premiums payable pursuant to the policies.
- (d) Schedule 3.1(35) contains a list setting forth any and all claims, with reasonable particulars, made under any policies of insurance maintained by or for the benefit of any Purchased Corporation during the Diligence Review Period.

(36) **Tax Matters.**

- (a) The Vendors are not non-residents of Canada for purposes of the ITA.
- (b) Except as disclosed in Schedule 3.1(36), each of the Purchased Corporations has filed all Tax Returns required to be filed by it and has paid all Taxes, including all instalments on account of Taxes, which were due and payable within the time required by Applicable Laws (whether or not shown as due on any Tax Return). All such Tax Returns are true, correct and complete.
- (c) The Purchased Corporations have not claimed or received any refund of Taxes or credit against Taxes to which they are not entitled.
- (d) Except as disclosed in Schedule 3.1(36), each of the Purchased Corporations has withheld and collected the amount of all Taxes required by Applicable Laws to be withheld or collected by it and has remitted all such Taxes to the appropriate Governmental Authority within the time prescribed under Applicable Laws.
- (e) Except as disclosed in Schedule 3.1(36), there are no assessments, claims, audits, proceedings, or other actions pending, or to the Knowledge of the Vendors, Threatened, against the Purchased Corporations in respect of Taxes by a Governmental Authority, and no Purchased Corporation is negotiating any final or draft assessment or reassessment in respect of Taxes with any Governmental Authority, and none of the Purchased Corporations have received any indication from any Governmental Authority that an assessment or reassessment is proposed or may be proposed in respect of any Taxes for any period ending on or prior to the Closing Date.
- (f) The Purchased Corporations have not waived any statute of limitations in respect of Taxes or executed or filed with any Governmental Authority any agreement extending the period for assessment, reassessment or collection of any Taxes.
- (g) No Purchased Corporation has ever had a permanent establishment in a jurisdiction outside of its country of organization. No claim has ever been made by a Governmental Authority in respect of Taxes in a jurisdiction where such Purchased Corporation does not file Tax Returns that such Purchased Corporation is or may be subject to Tax by that jurisdiction.
- (h) There are no transactions or events that have resulted, and no circumstances existing which could result in the application of any of Sections 17, 78, or 80 through to and including section 80.04 of the ITA, or any equivalent or analogous legislation regarding Taxes of a province or other jurisdiction, to the Purchased Corporations.
- (i) None of the dividends paid by a Purchased Corporation were designated as capital dividends under subsection 83(2) of the ITA. None of the dividends paid or deemed to be paid by a Purchased Corporation with respect to which a designation under subsection 89(14) of the ITA has been made resulted in an "excessive eligible dividend designation", as defined in subsection 89(1) of the ITA.

- (j) No transaction or arrangement between a Purchased Corporation and any Person with whom the Purchased Corporation was not dealing at arm's length within the meaning of the ITA involving the acquisition, delivery, disposition or provision of property or services or the right to use property or services, took place for consideration that exceeds the fair market value for such property, services or right and all such transactions or arrangements were made on arm's length terms and conditions.
- (k) No Purchased Corporation will be required to include amounts in income, or exclude items of deduction, in any Tax period (or portion thereof) ending after the Closing Time by reason of (i) a change in method of accounting for any Pre-Closing Tax Period, (ii) the use of an improper method of accounting for any Pre-Closing Tax Period, (iii) an installment sale or open transaction disposition made on or prior to the Closing, or (iv) a prepaid amount received or deferred revenue accrued on or prior to the Closing (other than in respect of amounts taken into account in computing the Closing Date Working Capital or Closing Date Net Indebtedness).
- (l) The Purchased Corporations have (i) duly and timely completed and filed all CEWS Returns required to be filed, or that they elected to file, and all such returns are complete in all respects; and (ii) not claimed COVID-19 Governmental Assistance offered by any Governmental Authority to which it was not entitled.
- (m) To the extent applicable, each Purchased Corporation has fully complied with the provisions of Title II of Book X.2 of Part I (Mandatory Disclosure) of the *Taxation Act* (Québec). None of the Purchased Corporations has engaged in any sham transaction within the meaning of Title I.0.1 of Book XI of the *Taxation Act* (Québec) or, to the Knowledge of the Vendors, any avoidance transactions that absent preventive disclosure under Title III of Book X.2 of Part I (Preventive Disclosure) of the *Taxation Act* (Québec) would give rise to penalties under either Section 1079.13.1 or Section 1079.13.2 of the *Taxation Act* (Québec).

(37) Absence of Certain Changes or Events.

There has been no Material Adverse Effect since December 31, 2021. Except as set out in Schedule 3.1(37), since December 31, 2021, the Purchased Corporations have carried on the Business in the Ordinary Course of Business, and, in particular, the Purchased Corporations have not:

- (a) acquired, sold, leased, transferred, alienated or disposed of any asset having a value in excess of \$2,000,000 other than in the Ordinary Course of Business, or acquired by way of amalgamation, or by purchase of a substantial portion of the assets or shares of, or by any other manner, any business or any Person or any division thereof for consideration in excess of \$2,000,000;
- (b) materially increased the compensation or remuneration or benefits payable to any of its directors, officers or employees;
- (c) made any changes in the remuneration or compensation structure of Producers, agents and brokers of the Purchased Corporations or to Producers, agents or brokers other than in the Ordinary Course of Business;

- (d) amended their respective articles or by-laws or similar document adopted or filed in connection with the creation, formation or organization of the Purchased Corporations;
- (e) purchased for cancellation or redeemed any of their respective shares;
- (f) made any material changes in their accounting principles, policies, practices or methods not required by Applicable Law or IFRS;
- (g) incurred, assumed or guaranteed any indebtedness in an aggregate amount in excess of \$5,000,000, other than to trade creditors in the Ordinary Course of Business;
- (h) made any bonus or profit-sharing distribution or similar payment of any kind except in order to comply with the provisions of any Employee Plan or declared or paid any dividends;
- (i) discharged, settled or satisfied any Legal Proceeding for an amount in excess of \$500,000;
- (j) taken an action with the view to terminate any Material Contract;
- (k) terminated or suspended operations at any location which is material to the Business;
- (l) made any capital expenditures (whether individually or in a series of related capital expenditures) in excess of \$1,000,000;
- (m) written off as uncollectible any accounts receivable which individually or in the aggregate is material to the applicable Purchased Corporation;
- (n) entered into any Contract with any Person with whom it does not deal at arm's-length within the meaning of the ITA;
- (o) suffered material damage to or loss of any material property or asset;
- (p) removed or received a notice of resignation from any auditor or director or terminated the employment of any officer or other senior employee;
- (q) purchased or otherwise acquired any interest in any material securities of any other Person;
- (r) mortgaged, pledged, granted a security interest in or otherwise created a Lien, other than a Permitted Lien, on any of its property or assets;
- (s) issued or sold any of its shares or other securities or issued, sold or granted any option, warrant or right to purchase any of its shares or other securities or issued any security convertible into its shares, in each case other than to another Purchased Corporation or the Vendors, or granted any registration rights;
- (t) issued, directly or indirectly, any general communication to the Producers, ultimate clients and/or customers of the Purchased Corporations (collectively,

the "**Customers**") or any particular group of Customers or made a voluntary commitment to any particular group of Customers which had, or which could reasonably be expected to have, an adverse effect on (i) any group of Customers, (ii) the Business or (iii) any of the Purchased Corporations;

- (u) with respect to the Employees or Transferred Employees, amended (other than *de minimis* amendments, that do not increase the employer cost), terminated, or adopted any Employee Plan (or committed to do so);
- (v) made any material change to any of its methods, policies, principles or practices of Tax accounting or methods of reporting or claiming income, losses, or deductions for Tax purposes; entered into any agreement with any Tax authority, or terminated or rescinded any agreement with a Governmental Authority or Tax authority; made or amended any material claim, election or option relating to Taxes; or amended any Tax Return, in each case to the extent that any of the foregoing increased or could reasonably be expected to increase materially Tax liabilities of the Purchased Corporations or reduced or could reasonably be expected to reduce materially the availability of any Tax credits to the Purchased Corporations, except in the Ordinary Course of Business, consistent with past practice and in accordance with Applicable Law; or
- (w) agreed, committed or entered into any understanding to take any actions enumerated in paragraphs (a) to (u) of this Section 3.1(37).

(38) **Banking Information.**

Schedule 3.1(38) sets forth a true and complete list of the name and location of each bank, trust company, depository or other institution in which the Purchased Corporations have an account or safety deposit box in respect of the Business, along with the names of all Persons authorized to draw thereon or to have access thereto and the name of each Person holding a power of attorney from the Purchased Corporations in respect of the Business, as applicable.

(39) **Commissions.**

The Purchaser shall not be liable for any brokerage commission, finder's fee or other similar payment arising from the transactions contemplated by this Agreement because of any action taken by, or agreement or understanding reached by, the Vendors.

(40) **Money Laundering.**

The operations of the Purchased Corporations have been conducted at all times in material compliance with applicable financial record keeping and reporting requirements of Applicable Laws relating to money laundering (collectively, the "**Money Laundering Laws**") and no Legal Proceeding involving any of the Purchased Corporations with respect to the Money Laundering Laws is pending or, to the Knowledge of the Vendors, Threatened.

(41) **Producers.**

- (a) Schedule 3.1(41) sets out an accurate list of the Key Producers Arrangement Agreements.
- (b) Except as set out in Schedule 3.1(41):
 - (i) each of the Purchased Corporations are in material compliance with all Contracts with any Producer, including in respect of remitting commissions or other monies due to any such Producer, and not subject to any Lien in favour of any Producer except as otherwise disclosed under this Agreement; and
 - (ii) none of the Purchased Corporations has any compensation plans or programs for the payment of compensation to Producers other than commissions.
- (c) The Vendors have made available to the Purchaser the standard forms of Contracts that govern the basic relationship between the Purchased Corporations and Producers.
- (d) During the Diligence Review Period, none of the Purchased Corporations has violated in any material respect any term or provision of Applicable Law or any applicable Producer Contract, that in each case, relates to the writing, sale or production of products for any business in connection with the Purchased Corporations.
- (e) To the Knowledge of the Vendors, no Producer with which any of the Purchased Corporations conducts business has been enjoined, indicted, convicted or made the subject of any Order in respect of any violation of Applicable Law in connection with such Producer's action in his, her or its capacity as a Producer for any of the Purchased Corporations or any enforcement or disciplinary proceeding alleging any such violation.

(42) **Market Misconduct.**

- (a) During the Diligence Extended Review Period, there has not been any pattern of false, misleading or unlawful representations, acts, practices or omissions committed, authorized or knowingly acquiesced in by the Purchased Corporations, nor to the Knowledge of the Vendors, by any Producer, in any jurisdiction in which any such activity has taken place, including any pattern of material misrepresentation or fraud in contravention of Applicable Law and including any failure to comply in all material respects with (i) Applicable Laws relating to insurance products as policies of insurance, (ii) Applicable Laws relating to insurance, investment or savings product projections and illustrations, (iii) prohibitions on the use of unfair methods of competition and deceptive acts or practices relating to the advertising, sales and marketing of products, and (iv) all applicable disclosure, filing and other requirements.
- (b) Except as disclosed in Schedule 3.1(42), during the Diligence Review Period:
 - (i) no Market Conduct Claims have been received in writing by any of the Purchased Corporations, and there are no pending or, to the Knowledge of the Vendors, threatened Market Conduct Claims against any of the Purchased Corporations; and

- (ii) none of the Purchased Corporations has received written notice of any review or investigation by any Governmental Authority specific to any of the Purchased Corporations of any market conduct and/or selling practices of the Purchased Corporations or of any of the Producers.
- (c) The Vendors have made available to the Purchaser true, correct and complete copies of all written material complaints regarding each of the Purchased Corporations which, to the Knowledge of the Vendors, were reported to an arm's length complaints handling body during the Diligence Review Period.

3.2 Representations and Warranties of Guardian.

Guardian represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is entering into this Agreement in reliance upon the representations and warranties of Guardian set out in this Section 3.2:

(1) Financial Statements of Guardian.

Each of

- (i) the unaudited consolidated interim financial statements as at and for the three and nine month periods ended September 30, 2022 and 2021, together with the notes thereto, and
- (ii) the audited consolidated financial statements as at and for December 31, 2021 and December 31, 2020 together with the auditors' report thereon and the notes thereto,

with respect to Guardian, as filed on the System for Electronic Document Analysis and Retrieval maintained on behalf of the Canadian Securities Administrators (SEDAR), have been prepared in conformity with IFRS and each presents fairly: (i) the assets, liabilities, (whether accrued, absolute, contingent or otherwise) and financial position of Guardian and its subsidiaries as at the respective dates of the relevant statements; and (ii) the sales and earnings of Guardian and its subsidiaries during the periods covered by the relevant statements.

3.3 Representations and Warranties of the Purchaser.

The Purchaser represents and warrants to the Vendors as follows and acknowledges that the Vendors are entering into this Agreement in reliance upon the representations and warranties of the Purchaser set out in this Section 3.3:

(1) Incorporation, Corporate Power.

Each of the Purchaser and DFC is a corporation incorporated, organized and subsisting under the laws of the jurisdiction of its incorporation. Each of the Purchaser and DFC has the corporate power and authority to enter into and perform its obligations under this Agreement and each of the Ancillary Agreements to which it is a party.

(2) **Authorization by Purchaser.**

The execution and delivery of this Agreement and each of the Ancillary Agreements to which it is a party and the completion of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of the Purchaser and DFC.

(3) **Accredited Investor.**

The Purchaser is an accredited investor, within the meaning of National Instrument 45-106 - *Prospectus Exemptions*.

(4) **Enforceability of Obligations.**

This Agreement constitutes a valid and binding obligation of the Purchaser and DFC enforceable against the Purchaser and DFC in accordance with its terms, subject to limitations on enforcement imposed by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of the rights of creditors and others and to the extent that equitable remedies such as specific performance and injunctions are only available in the discretion of the court from which they are sought.

(5) **Absence of Conflicting Agreements.**

The execution, delivery, performance and consummation by the Purchaser and DFC of the transactions contemplated by this Agreement and each of the Ancillary Agreements to which it is a party do not, and will not (with notice or lapse of time or both) result in or constitute:

- (a) a default, breach or violation or an event that would be a default, breach or violation of any of the terms, conditions or provisions of: (i) the articles or by-laws of the Purchaser or DFC; or (ii) resolutions of the directors or shareholders of the Purchaser or DFC; or
- (b) the violation of any Applicable Law, subject to the receipt of the Required Regulatory Approvals.

(6) **Commissions.**

The Vendors shall not be liable for any brokerage commission, finder's fee or other similar payment arising from the transactions contemplated by this Agreement because of any action taken by, or agreement or understanding reached by, the Purchaser or DFC.

ARTICLE 4 CLOSING ARRANGEMENTS

4.1 Closing.

The Closing shall take place at the Closing Time by the electronic exchange of documents, or at such other time on the Closing Date or such other manner or place as may be agreed orally or in writing by the Vendors and the Purchaser.

4.2 Vendors' Closing Deliveries.

At the Closing, the Vendors shall deliver or cause to be delivered to the Purchaser the following documents:

- (a) the certificate or certificates representing the Purchased Shares (which, for the avoidance of any doubt, shall include all Shares acquired by the Vendors pursuant to the Pre-Closing Minority Shareholder Acquisition) duly endorsed in blank for transfer, or accompanied by irrevocable security transfer powers of attorney duly executed in blank, in either case by the holders of record, together with evidence satisfactory to the Purchaser that the Purchaser has been entered upon the books of the Corporation as the holder of the Purchased Shares;
- (b) the certificates referred to in Section 6.1(1) and Section 6.1(3);
- (c) evidence that Required Regulatory Approvals have been given or obtained (as applicable) in a form acceptable to the Purchaser, acting reasonably;
- (d) copies of all obtained Replacement Contracts in accordance with Section 5.16;
- (e) termination and release agreements with respect to all related-party agreements identified as requiring termination listed in Schedule 3.1(26), in a form acceptable to the Purchaser, acting reasonably;
- (f) the minute books of the Purchased Corporations, along with corrective resolutions in form and substance acceptable to the Purchaser, acting reasonably;
- (g) a Transitional Services Agreement between the Purchaser and the Vendors, executed by the Vendors;
- (h) an Escrow Agreement between the Escrow Agent, Purchaser and the Vendors, executed by the Vendors;
- (i) sub-lease arrangements with respect to the Calgary Lease and the Vancouver Lease, reflecting the terms set out in Exhibit C in form and substance acceptable to the Parties, acting reasonably, executed by (i) the Corporation and Modern Advisor Canada Inc. and (ii) Guardian Capital Advisors LP and the Corporation, respectively;
- (j) evidence that the Vendors' Pre-Closing Reorganization and Pre-Closing Minority Shareholder Acquisition have been completed in a manner acceptable to the Purchaser, acting reasonably; and
- (k) copies of all Sought Consents and Notices obtained or sent, as applicable, in a manner acceptable to the Purchaser, acting reasonably.

4.3 Purchaser's Closing Deliveries.

At the Closing, the Purchaser shall deliver or cause to be delivered to the Vendors the following documents and payments:

- (a) the certificates referred to in Section 6.3(1) and Section 6.3(3);
- (b) evidence that Required Regulatory Approvals have been given or obtained (as applicable);
- (c) the Closing Payment and the payments pursuant to Section 2.4;
- (d) a Transitional Services Agreement between the Purchaser and the Vendors, executed by the Purchaser; and
- (e) an Escrow Agreement between the Escrow Agent, Purchaser and the Vendors, executed by the Purchaser.

ARTICLE 5 COVENANTS

5.1 Access for Integration Planning.

During the Interim Period, the Vendors shall, without undue interference and during normal business hours, (i) give, or cause to be given, to the Purchaser and its Representatives reasonable access to the Business and any property or assets of any kind related to the Business, including the Books and Records, any Contracts, the property subject to Leases and current members of the management team of the Business and personnel, in the latter case, with the consent of the Vendors acting reasonably (not to be unreasonably withheld), and (ii) furnish to the Purchaser and its Representatives such financial and operating data and other information with respect to the Purchased Corporations, in each case as the Purchaser reasonably requires for the purpose of enabling the Purchaser to plan and implement its integration strategy as of the Closing for the Business, and the Vendors shall co-operate in facilitating such access and investigations, provided that such access and investigations do not interfere with the normal operations of the Business. No investigations made by or on behalf of the Purchaser, whether under this Section 5.1 or any other provision of this Agreement or any ancillary agreement, will have the effect of waiving, diminishing the scope of, or otherwise affecting any representation or warranty made in this Agreement or any ancillary agreement. During the Interim Period, the Vendors shall take all actions necessary in order to be able to render the services provided under the Transitional Services Agreement as of the Closing Date.

5.2 Non-Competition.

For the Specified Period, each Vendor covenants that it will not, and shall cause its Affiliates not to, directly or indirectly, on its own behalf or on behalf of any other Person, as principal, agent, creditor, advisor, consultant, owner, partner, independent contractor, employee, shareholder, director, officer or in any capacity whatsoever, engage in any activity or business that is competitive with, or similar in nature to, the Business anywhere in the Territory; provided, however, that ownership of (a) any securities for or on behalf of clients (and not for the benefit of the Vendors or any of their Affiliates), and (b) less than 5% of the outstanding stock of any publicly-traded entity as a passive investment, will not be deemed a breach of this Section 5.2.

5.3 Non-Solicitation of Customers and Suppliers.

For the Specified Period, except as otherwise agreed in writing between the Parties, or as otherwise provided in the Ancillary Agreements, each Vendor covenants that it will not, and

shall cause its Affiliates not to, directly or indirectly, on its own behalf or on behalf of any other Person, as principal, agent, creditor, advisor, consultant, owner, partner, independent contractor, employee, shareholder, director, officer or in any capacity whatsoever: (i) solicit or in any other manner persuade or attempt to persuade any supplier of the Business, including any Producer, or any prospective supplier who has been canvassed or solicited in connection with the Business, including any Active Prospective Producer, to cease or reduce its business with the Business as conducted by the Purchaser, or (ii) solicit or in any other manner persuade or attempt to persuade any customer of the Business, including any Producer or Carrier, or any prospective customer who has been canvassed or solicited in connection with the Business, including any Active Prospective Producer, to cease or reduce its business with the Business as conducted by the Purchaser or its Affiliates. For greater certainty, nothing in this Agreement restricts the Vendors or any of their Affiliates from (i) wholesale distribution of mutual funds; (ii) acting as an insurance advisor or the sale of insurance products in connection with private wealth advisory businesses; (iii) private wealth investment management services; and (iv) the use by independent advisors of "Robot Advisor". Without limiting the generality of the foregoing (other than as part of any Legal Proceeding that may become public), each Vendor will not make any statement, written or oral, or cause or encourage others to make any statement, written or oral, that defames, disparages or is intended to reduce the reputation of the Business or any of its employees, directors or officers in such capacity.

5.4 Non-Solicitation of Employees.

During the period commencing on the Closing Date and terminating forty-two months from and after the Closing Date, except as otherwise agreed in writing between the Parties, or as otherwise provided in the Ancillary Agreements, each Vendor covenants that it will not, and shall cause its Affiliates not to, directly or indirectly, on its own behalf or on behalf of any other Person (other than the Purchaser or an Affiliate thereof), as principal, agent, creditor, advisor, consultant, owner, partner, independent contractor, employee, shareholder, director, officer or in any capacity whatsoever, employ or contract with, offer employment to, solicit the employment or service of, or procure or assist any Person to employ or contract with, offer employment to, solicit the employment or service of, or otherwise entice away from the employment or service of Purchaser or its Affiliates, any Person who became employed by the Purchaser or an Affiliate thereof in connection with the transactions contemplated by this Agreement or any Person whose consulting services are retained by the Purchaser or an Affiliate thereof in connection with the transactions contemplated by this Agreement. Notwithstanding the foregoing, neither the Vendor nor any of its Affiliates shall be restricted from making an offer of employment or employing any Person who responds to a general advertisement relating to such employment and who is not specifically targeted by the Vendor or any of its Affiliates.

5.5 Confidentiality.

- (1) The terms of the Confidentiality Agreement shall continue in full force and effect until the Closing, at which time the confidentiality obligations under the Confidentiality Agreement shall terminate, provided that, from the date hereof until termination of this Agreement in accordance with its terms, in the event of any inconsistency or conflict between the terms of the Confidentiality Agreement and this Agreement, this Agreement shall prevail. If for any reason, the transactions contemplated by this Agreement are not consummated, the Confidentiality Agreement shall nonetheless continue in full force and effect in accordance with its terms.
- (2) From and after the Closing, the Vendors shall, and shall cause their Affiliates to, hold confidential all Confidential Information relating to the Purchased Corporations and the

Business, except that the foregoing requirements of this Section 5.5 shall not apply to the extent that (i) any such information is or becomes generally available to the public other than as a result of disclosure by the Vendors or their Affiliates or any of their respective Representatives, (ii) any such information is required to be disclosed by Applicable Law, Order or for reporting or accounting purposes, (iii) it becomes reasonably necessary to disclose such information in connection with any Legal Proceeding or in any dispute with respect to this Agreement or the transactions contemplated hereby or (iv) any such information was or becomes available to the Vendors or any of its Affiliates on a non-confidential basis and from a source that is not bound by a confidentiality agreement with respect to such information.

5.6 Pre-Closing Minority Shareholder Acquisition and Vendors' Pre-Closing Reorganization.

(1) Obligation to Implement.

Notwithstanding anything to the contrary set forth herein, prior to the Closing, (i) WIA shall purchase all outstanding Shares held by the Minority Shareholders and take all steps necessary to effect and carry out the transactions as set forth in Step 8 of Schedule 5.6 (the "**Pre-Closing Minority Shareholder Acquisition**"), which, for the avoidance of any doubt, shall include the obligation of WIA to fully enforce all its rights under the share transfer agreements entered into on the date hereof pursuant to which WIA shall purchase all outstanding Shares held by the Minority Shareholders, and (ii) the Vendors shall, and shall cause the Purchased Corporations to, enter into a series of transactions as set forth in Schedule 5.6 (excluding the Pre-Closing Minority Shareholder Acquisition, the "**Vendors' Pre-Closing Reorganization**").

(2) Dividends.

It is agreed that any dividends declared by the Purchased Corporations as part of the Vendors' Pre-Closing Reorganization that are payable in Cash shall be paid by the Purchased Corporations before the Measurement Time and that dividends shall only be paid in Cash or through the issuance of promissory notes that shall be capitalized in equity before the Measurement Time.

(3) Documentation.

All documentation relating to the Vendors' Pre-Closing Reorganization and Pre-Closing Minority Shareholder Acquisition shall be provided to the Purchaser for review and approval at least 20 days prior to the Closing (not to be unreasonably withheld, conditioned or delayed), and the Vendors and the Purchased Corporations shall consider in good faith any comments reasonably proposed by the Purchaser, prior to being implemented. Any changes to the Vendors' Pre-Closing Reorganization shall be approved by the Vendors and the Purchaser in writing, acting reasonably.

(4) Employees and Employee Plans.

(a) The Vendors will use reasonable commercial efforts to transfer or assign the employment of the Expected Transferred Employees to the Corporation or Newco, as directed by the Purchaser, effective as of the Closing Date and conditional on Closing. The Vendors will provide the Purchaser with copies of all documentation relating to such transfer or assignment of employment prior

to sending to the Expected Transferred Employees for the Purchaser's approval, acting reasonably.

- (b) The Vendors or their Affiliates, as applicable (other than the Corporation) shall be responsible for liabilities for salary, wages, bonuses, commissions, vacations, vacation pay and other compensation relating to the employment of any Employee in respect of the period on or prior to the Closing Date and for those Expected Transferred Employees who do not become a Transferred Employee including any liabilities associated with or arising from the termination of such employment.
- (c) The Corporation or Newco, as applicable, shall be responsible for all liabilities for salary, wages, bonuses, commissions, vacations, vacation pay and other compensation relating to the employment of all Transferred Employees or the termination of such employment on or after the Closing Date.
- (d) The Vendors or their Affiliates, as applicable (other than the Corporation) shall be responsible for all liabilities related to employees that are not employees of the Purchased Corporation or Transferred Employees.
- (e) At Closing, the Corporation or Newco, as applicable, shall employ the Transferred Employees on substantially similar terms and conditions in the aggregate to those under which the Transferred Employees are currently employed. The Vendors will provide the Purchaser with copies of employment agreements setting out such terms and conditions, and the Purchaser, acting reasonably must approve such employment agreements prior to them being issued to the Transferred Employees.
- (f) Effective as of the Closing Date, the Vendors or their Affiliates, as applicable, shall cause all Purchased Corporations and their Affiliates, and all employees and current officers and directors of the Purchased Corporations and Newco (including the Transferred Employees) to cease to participate in and further accrue benefits under all Employee Plans and no such employee, officer or director of the Purchased Corporations (including Transferred Employees) shall be entitled to receive or accrue any benefits under any Employee Plan with respect to services rendered or compensation paid as of or after Closing.
- (g) The Purchaser acknowledges that the Employee Plans do not form part of the transactions contemplated by this Agreement and will not be transferred or assigned to (nor will their assets or liabilities, whensoever incurred, be assumed by) the Purchaser or any of the Purchased Corporations. The Purchaser shall establish or otherwise make available employee benefit plans sponsored or administered by the Purchaser or an Affiliate of the Purchaser (which may, following Closing, be the Purchased Corporations) for employees of the Purchased Corporations and Newco (including the Transferred Employees) to participate in as of the Closing Date (such plans, the "**Replacement Plans**"). As of the Closing Date, the Purchaser shall cause the Replacement Plans to provide benefits that are substantially comparable in the aggregate to those provided under the Employee Plans and their terms and conditions, as disclosed by the Vendors.

(5) **Insurance.**

- (a) The Vendors shall, with respect to claims arising out of or relating to events which occurred on or before the Closing Date, obtain, at the Vendors sole costs for the first 3 years period of coverage following the Closing Date, it being understood that the period between 3 years from the Closing Date and 6 years of coverage from the Closing Date will be at the sole costs of the Purchaser, as of the Closing Date irrevocable errors and omissions tail insurance policies in respect of the Business (the "**E&O Tail Insurance**") with a claims period of at least six years from the Closing Date with at least the same coverage and amounts, and containing terms and conditions that are not less advantageous when compared to the insurance maintained by the Vendors in respect of the Business as of the date hereof, in each case.
- (b) The Vendors shall, with respect to claims arising out of or relating to events which occurred on or before the Closing Date, obtain, at the Vendors sole costs, as of the Closing Date prepaid non-cancellable run-off directors' and officers' liability insurance policies (the "**D&O Tail Insurance**", together with the E&O Tail Insurance, the "**Tail Insurance**") which D&O Tail Insurance provides coverage for the current and former directors and officers of the Purchased Corporations, and those individuals currently and formerly holding an office with the Purchased Corporations, with a claims period of at least six years from the Closing Date with at least the same coverage and amounts, and containing terms and conditions that are not less advantageous when compared to the insurance maintained by the Vendors in respect of the directors and officers of the Purchased Corporations as of the date hereof, in each case.
- (c) If, after the Closing Date, any insurance claim is asserted against the Purchaser arising out of or relating to any actions, inactions, errors, omissions, events or conditions alleged to have existed or occurred prior to or on the Closing Date, the Vendors shall be responsible for any deductible required under the Tail Insurance with respect to such claim.
- (d) The Vendors shall (i) deliver to the Purchaser true, accurate and complete copies of the Tail Insurance together with evidence of payment of the applicable premiums, (ii) promptly notify the Purchaser of any claim that the Vendors make under the Tail Insurance and provide the Purchaser with prompt updates with respect thereto as well as with any information that the Purchaser may reasonably request, including to evaluate the substance, merit and quantum of the claim with respect to the coverage under the Tail Insurance, and (iii) maintain the Tail Insurance and not cancel or change such Tail Insurance without the Purchaser's prior written consent.
- (e) In the event that any of the Purchased Corporations or any of its successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers or conveys all or substantially all of its properties and assets to any Person, then, and in each such case, proper provision shall be made so that the successors or assigns of such Purchased Corporation or any of its respective successors or assigns, as the case may be, shall succeed to their rights and obligations as insured, as set forth in this Section 5.6(5).

(6) **Mutual Release and Resignation of Each Designated Director and Officer.**

The Vendors shall use commercially reasonable efforts to obtain, prior to Closing, the written resignation and mutual release of each director and officer of the Purchased Corporations designated by the Purchaser resigning from their office/employment and releasing the Purchased Corporations and their Affiliates of all claims, and a release of all claims against such directors and officers by the Purchased Corporations, as applicable, in the form set out in Exhibit D.

(7) **Replacement Guarantees.**

Schedule 5.6(7) sets out any guarantee, indemnification obligation, comfort letter or similar obligation provided by a Vendor or any Affiliate of a Vendor (other than a Purchased Corporation) in support of any debt or other obligation of any Purchased Corporation. During the Interim Period, the Purchaser shall cause any such guarantee, indemnification, comfort letter or similar obligation to be replaced by the Purchaser or an appropriate Affiliate of the Purchaser, and will use best efforts to have the Vendor or relevant Affiliate of the Vendor released from any such obligation.

(8) **Sub-Leases.**

Prior to the Closing, Guardian Capital Advisors LP, represented by its general partner Guardian Capital Advisors Inc., and the Corporation, shall enter into a sub-lease arrangement with respect to the Calgary Lease, reflecting the terms set out in Exhibit C in form and substance acceptable to the Parties, acting reasonably.

Prior to the Closing, the Corporation and Modern Advisor Canada Inc. shall enter into a sub-lease arrangement with respect to the Vancouver Lease, reflecting the terms set out in Exhibit C in form and substance acceptable to the Parties, acting reasonably.

(9) **Termination of IDC USA.**

Prior to the Closing, upon completion of the Pre-Closing Minority Shareholder Acquisition, the Vendors shall cause the IDC USA to be terminated.

5.7 Further Action During Interim Period.

(1) **Operate in Ordinary Course of Business.**

During the Interim Period, except (a) as set out in Schedule 5.6, or (b) as approved in writing by the Purchaser (such approval not to be unreasonably withheld, conditioned or delayed), the Vendors shall cause the Purchased Corporations to operate the Business in the Ordinary Course of Business and in all material respects in compliance with Applicable Laws. Without derogating from the obligation of the Vendors in Section 5.7(2), to the extent permitted by Applicable Law, the Vendors shall cause the Purchased Corporations to:

- (a) not renew, assign, amend or terminate any Material Contracts, Leases or IP Licenses without the Purchaser's prior written consent;
- (b) not renew, assign, amend or terminate any Contract with, or related to, senior executives of the Purchased Corporations with respect to their employment without the Purchaser's prior written consent

- (c) maintain the assets of the Purchased Corporations in good state of repair and condition, reasonable wear and tear excepted;
- (d) comply with all material contractual obligations under the Contracts;
- (e) maintain all Books and Records in the usual, regular and ordinary manner;
- (f) use reasonable commercial efforts to preserve intact and keep available in the usual, regular and ordinary manner (i) the current business organization of the Purchased Corporations, (ii) the services of the present Employees, independent contractors and agents of the Purchased Corporations, and (iii) good relations with, and the goodwill of, the suppliers, customers, landlords, creditors, distributors and all other Persons having business relationships with the Purchased Corporations;
- (g) confer with the Purchaser concerning any material operational matters outside of the Ordinary Course of Business;
- (h) confer with the Purchaser concerning Departed Brokers and Acquired Brokers in respect of which the Acquired Broker Compensation or the Departed Broker Compensation is in excess of \$100,000;
- (i) use reasonable commercial efforts consistent with past practices to retain possession and control of its assets and preserve the confidentiality of any confidential or proprietary information of the Business or the Purchased Corporations;
- (j) duly prepare and file, within the prescribed time and consistent with past practice, all Tax Returns that become due and payable on or before the Closing Date, and pay all Taxes when due;
- (k) make adequate provision in the Books and Records (by reflecting as a current liability) for the Taxes that relate to any Pre-Closing Tax Period (including as a consequence of the Closing) but that are not yet due and payable and for which Tax Returns are not yet required to be filed;
- (l) collect, withhold or deduct all Taxes required under any Applicable Laws to be collected, withheld or deducted, and remit all those amounts to the relevant Governmental Authority within the time prescribed under any Applicable Laws;
- (m) use reasonable commercial efforts to not cause or permit to exist a breach of any representations and warranties of the Vendors contained in this Agreement and to conduct the Business in such a manner that on the Closing Date such representations and warranties will be true, correct and complete as if they were made on and as of such date;
- (n) with respect to the Employees or Transferred Employees, not amend (other than for *de minimis* modifications that do not increase the employer cost), terminate or adopt any Employee Plan (or commit to do so); and
- (o) periodically report to the Purchaser concerning the Specified Litigation.

(2) **Negative Covenants.**

During the Interim Period, the Vendors shall ensure that, except as required by Applicable Law or any Governmental Authority and subject to Section 5.6, the Purchased Corporations shall (i) take no action that if taken prior to the date hereof would have caused any of the representations and warranties in Section 3.1(37) (*Absence of Certain Changes or Events*) to be (a) materially incorrect (if not qualified by "materiality", "Material Adverse Effect" or similar qualification) or (b) incorrect (if qualified by "materiality", "Material Adverse Effect" or similar qualification), and (ii) not make any (A) change in the Tax reporting or accounting principles, practices, or policies, including with respect to (1) depreciation or amortization policies or rates or (2) the payment of accounts payable or the collection of accounts receivable; (B) settlement or compromise of any Tax liability; (C) change or rescission of any Tax election or allow any Tax election previously made to expire; (D) surrendering of any right in respect of Taxes; (E) consent to any extension or waiver of the limitation period applicable to any claim or assessment in respect of Taxes; (F) disposition of any Books and Records with respect to Tax matters relating to periods beginning before the Closing and for which the statute of limitations is still open or under which a record retention agreement is in place with a taxing authority; or (G) amendment of any Tax Return. For greater certainty, nothing in this Agreement shall limit the ability of the Purchased Corporations during the Interim Period to implement the Vendors' Pre-Closing Reorganization and the Pre-Closing Minority Shareholder Acquisition, and the Vendors shall not be in breach of the provisions of Section 3.1(37) or 5.7(2) as a result thereof.

(3) **Sought Consents and Notices.**

Commencing immediately after the date of this Agreement, the Vendors shall use, and the Vendors shall cause the Purchased Corporations to use, commercially reasonable efforts to obtain or provide (as applicable) prior to the Closing Time, all of the Consents and Notices set out in Schedule 3.1(23) in respect of Leases and Schedule 3.1(25) in respect of Material Contracts (collectively, the "**Sought Consents and Notices**") in a form satisfactory to the Purchaser, acting reasonably. The Purchaser and the Vendors shall co-operate in good faith with each other for the purpose of the Vendors (or the Purchased Corporations) obtaining or giving (as applicable) the Sought Consents and Notices on a timely basis. Without limiting the generality of the foregoing, the Purchaser and the Vendors shall:

- (a) co-operate and consult with each other in connection with the preparation and/or execution of any and all documentation in connection with obtaining or giving (as applicable) the Sought Consents and Notices;
- (b) keep each other informed in a prompt manner of the status of the Sought Consents and Notices;
- (c) co-operate and consult with each other regarding the content of all material communications with relevant third parties in connection with obtaining or giving (as applicable) the Sought Consents and Notices; and
- (d) co-operate and consult with each other in connection with any meetings with relevant third parties in connection with obtaining or giving (as applicable) the Sought Consents and Notices.

(4) **Licences.**

During the Interim Period, the Purchaser and the Vendors shall use commercially reasonable efforts to obtain any provincial or territorial insurance licences that may be required by the Purchaser to acquire the Purchased Corporations and conduct the Business after Closing.

5.8 Filings with Governmental Authorities.

(1) **Required Regulatory Approvals.**

Other than with respect to the Competition Act Approval and, for greater certainty, any required post-Closing notices, within 15 Business Days from the signing of this Agreement, the Purchaser or the Vendors, or, if required, both, shall make or file (and the Vendors shall cause the Corporation to make or file) with the applicable Governmental Authority such applications, and related submissions, as required, to obtain the Required Regulatory Approvals.

(2) **Competition Act Approval.**

With respect to the Competition Act Approval, within 10 Business Days from the signing of this Agreement:

- (a) the Purchaser shall file a request for an advance ruling certificate or, in the alternative, a no-action letter, under the Competition Act; and
- (b) the Purchaser and the Corporation shall file pre-merger notification filings under the Competition Act, unless mutually agreed otherwise.

(3) **Reasonable Best Efforts.**

- (a) The Purchaser shall use its reasonable best efforts to provide or obtain (as applicable) the Required Regulatory Approvals as soon as reasonably practicable after the date of this Agreement and in any event no later than the Outside Date, including but not limited to the making, or causing to be made, of all filings and submissions, and submitting of all documentation and information that is required and in the opinion of the Purchaser, acting reasonably, that is advisable, to obtain the Required Regulatory Approvals, and the using of reasonable best efforts to satisfy all requests for additional information and documentation received under or pursuant to those filings, submissions and the applicable legislation and any Orders or requests made by any Governmental Authority under such legislation.
- (b) The Parties will coordinate and cooperate in exchanging information and supplying assistance that is reasonably requested in connection with this Section 5.8(3), including providing each other with advanced copies and reasonable opportunity to comment on all notices and information supplied to or filed with any Governmental Authority (including notices and information which a Party, acting reasonably, considers highly confidential and sensitive which may be provided on a confidential and privileged basis to outside counsel of the other Party), and all notices and correspondence received from any Governmental Authority. To the extent that any information or documentation to be provided by the Vendors to the Purchaser pursuant to this

Section 5.8(3) is competitively sensitive, such information may be provided only to external counsel for the Purchaser on an external counsel only basis.

- (c) Without limiting the foregoing, the Purchaser's reasonable best efforts referenced herein shall include that it shall promptly take all steps necessary or advisable to obtain the Required Regulatory Approvals as soon as reasonably practicable after the date of this Agreement and in any event no later than the Outside Date, provided that any such steps shall not, individually or in aggregate, result in (i) a material adverse effect on the Purchased Corporations and their Affiliates and/or the assets of the corporations subject to the Concurrent Transactions SPA or (ii) any impact on DFC or its Subsidiaries which is not commercially reasonable.

(4) Other Regulatory Approvals.

The Purchaser and the Vendors shall (and the Vendors shall cause the Corporation to) forthwith and in any event within 15 Business Days from the signing of this Agreement, make such other applications to obtain (i) all Regulatory Approvals which are not Required Regulatory Approvals and (ii) all necessary licences and registrations in order for the Purchaser to effect the transactions contemplated by this Agreement, and in doing so, the Purchaser, the Vendors and the Corporation shall use commercially reasonable efforts.

(5) Information and Requests.

The Vendors and the Purchaser shall (and the Vendors shall cause the Corporation to) furnish each other or the applicable Governmental Authority with such information and assistance as the other Party or Governmental Authority may reasonably request in order to provide or obtain (as applicable) a Regulatory Approval which is not a Required Regulatory Approval. All such requests and enquiries from any Governmental Authority shall be dealt with by the Purchaser, the Vendors and the Corporation in consultation with the others.

(6) Cooperation.

With respect to obtaining the Required Regulatory Approvals, the Parties shall:

- (a) not extend or consent to any extension of any applicable waiting period or enter into any agreement with a Governmental Authority to not consummate the transactions contemplated by this Agreement, except with the prior written consent of the other Party;
- (b) respond as promptly as reasonably possible to any inquiries or requests received from a Governmental Authority in respect of the Required Regulatory Approvals;
- (c) not participate in any substantive meeting or discussion (whether in person, by telephone or otherwise) with a Governmental Authority in respect of the Required Regulatory Approvals unless it consults with the other Party in advance and gives the other Party the opportunity to attend and participate thereat (except where a Governmental Authority expressly requests that the other Party should not be present at the meeting or discussion or part or parts of the meeting or discussion); and

- (d) cooperate in good faith regarding all such applications and related submissions, and notwithstanding anything to the contrary contained herein, in the case of a disagreement over the strategy, tactics or decisions relating to obtaining the Required Regulatory Approvals or in connection with any related investigation by any Governmental Authority relating to the transactions contemplated by this Agreement or the Concurrent Transaction SPA, the Purchaser shall, after considering in good faith the views of the Vendors, have the final and ultimate authority over the appropriate strategy, tactics or decisions, provided that such decisions are reasonable and would not be reasonably expected to have a material adverse impact on the Vendors or any of their Affiliates.

(7) **Filing Fees.**

The Purchaser and the Vendors shall each pay half of all filing fees incurred in connection with the Required Regulatory Approvals, provided that each of the Purchaser and the Vendors shall be responsible for its own legal fees relating to the foregoing.

5.9 Notice of Untrue Representation or Warranty.

The Vendors shall promptly notify the Purchaser, and the Purchaser shall promptly notify the Vendors, upon any representation or warranty made by it contained in this Agreement or any ancillary agreement becoming untrue or incorrect during the Interim Period and for the purposes of this Section 5.9 each representation and warranty will be deemed to be given at and as of all times during the Interim Period. Any such notification must set out particulars of the untrue or incorrect representation or warranty and details of any actions being taken by the Vendors or the Purchaser, as the case may be, to rectify that state of affairs.

5.10 Tax Returns and Taxes.

(1) **Pre-Closing Period Income Tax Returns and Taxes.**

- (a) The Vendors shall prepare, at the Purchased Corporations' expense, and the Purchaser shall cause the Purchased Corporations to file on a timely basis all income Tax Returns for the Purchased Corporations for any Pre-Closing Tax Period for which Tax Returns have not been filed as of the Closing Date (all such income Tax Returns being referred to herein as the "**Pre-Closing Period Income Tax Returns**"). The Vendors shall prepare each Pre-Closing Period Income Tax Return on a basis consistent with (i) Applicable Law and (ii) the past practices and procedures of the Purchased Corporations.
- (b) The Vendors shall provide to the Purchaser for its review a draft of each Pre-Closing Period Income Tax Return no later than 30 days prior to the due date for filing such Tax Return with the appropriate Governmental Authorities. The Purchaser shall notify the Vendors in writing within 15 days after delivery of a Pre-Closing Period Income Tax Return if it has any comments with respect to items set forth in such Pre-Closing Period Income Tax Return, including the substance of its comments. The Vendors shall consider in good faith reasonable comments on the Pre-Closing Period Income Tax Returns proposed by the Purchaser. The Purchaser shall file in a timely manner the final version of such Pre-Closing Period Income Tax Return on behalf of the

Purchased Corporations. The Purchaser shall cause the Purchased Corporations to timely remit any Taxes shown as owing on such Pre-Closing Period Income Tax Returns.

- (c) The Vendors shall pay to the Purchaser, within 10 days of the filing of the Pre-Closing Period Income Tax Returns, an amount equal to the Taxes required to be paid by the Purchased Corporations after Closing with respect to the Pre-Closing Period Income Tax Returns, to the extent that such Taxes were not included in the Indebtedness for the purposes of the calculation of the Closing Date Net Indebtedness or otherwise included in the Closing Date Statement. Any payment made by the Vendors to the Purchaser under this Section 5.10(1) shall constitute a reduction of the Purchase Price. For greater certainty, no election shall be made under subsection 256(9) of the ITA in respect of a Pre-Closing Tax Period of a Purchased Corporation ending on the day preceding the Closing Date.

(2) **Section 56.4 of the ITA.**

The Purchaser and the Vendors agree that no portion of the Purchase Price is paid or allocated to a "restrictive covenant" as that term is defined for the purposes of section 56.4 of the ITA, and any equivalent or corresponding provision under applicable provincial or territorial Laws relating to Tax, and any such restrictive covenant is to maintain or preserve the fair market value of the Purchased Shares.

5.11 Cooperation Respecting Tax Matters.

Each Party shall provide reasonable cooperation to the other Party (and following the Closing, the Purchaser shall cause the Purchased Corporations to provide reasonable cooperation to the Vendors) and their respective counsel in respect of Tax matters arising under this Agreement, including making available to each other in a timely fashion such data and other information as may reasonably be required for the preparation, review and filing Tax Returns of each Purchased Corporation and preserving such data and other information until the expiry of any applicable limitation period for maintaining books and records under any Applicable Law with respect to such Tax Returns.

5.12 Tax Refunds.

Any refunds or credits of Taxes (including any interest paid or credited with respect thereto net of any Taxes paid by the Purchased Corporations on such interest) of, or with respect to, the Purchased Corporations for any Pre-Closing Tax Period (a "**Tax Refund**") are for the account of the Vendors, except to the extent that (i) such refund, credit or reimbursement is attributable to the carryback of Tax attributes (including without limitation a loss or credit) arising in a Post-Closing Tax Period or (ii) such refund, credit or reimbursement is attributable to Taxes paid by the Purchased Corporations after Closing with respect to the Pre-Closing Period Income Tax Returns. The Purchaser shall promptly inform the Vendors of any such Tax Refund to which the Vendors may be entitled hereunder and shall pay to the Vendors as an increase to the Purchase Price, an amount equal to the amount of any such Tax Refund within 10 days following the date the Tax Refund(s) was or were paid or credited by the relevant Governmental Authority to the Purchased Corporations. If a Purchased Corporation is subsequently required to repay to a Governmental Authority after Closing any amount in respect of an income Tax credit or income Tax Refund relating to a Pre-Closing Tax Period that was previously paid to Vendors under this Section 5.12, the Vendors shall promptly reimburse Purchaser for the amount of such repayment.

5.13 Amendments to Tax Returns; Assessments.

(1) Amendments to Tax Returns.

Except as required by Applicable Law, neither the Purchaser nor the Purchased Corporations shall, or cause or permit their Affiliates to, without the prior written consent of the Vendors (not to be unreasonably withheld, conditioned, or delayed), make any election or deemed election (including any designation under paragraph 111(4)(e) of the ITA) or make or change any Tax election or amend or supplement any Tax Return for, or otherwise take any action (excluding for this purpose taking a filing position in a Tax Return for a Post-Closing Tax Period and any actions taken by the Purchaser in accordance with this Agreement) adversely affecting a Purchased Corporation in, a Pre-Closing Tax Period. If any of the Purchased Corporations is required by Applicable Law to file an amended Tax Return for a Purchased Corporation (or otherwise change such Tax Returns) or make an election with respect to Pre-Closing Tax Periods, the Vendors shall prepare and file such amended Tax Returns or elections in accordance with the procedures set out in Section 5.10(1).

(2) Assessments.

If the Purchaser receives a notice of assessment or reassessment, a written proposal for an assessment or reassessment, a notice of confirmation of an assessment or reassessment, or a similar document from any Governmental Authority in respect of any Pre-Closing Tax Period (an "**Assessment**"), the Purchaser shall promptly (but in any event within 10 Business Days of receipt) deliver a copy of the Assessment to the Vendors, together with all correspondence and any other documents received by the Purchaser with respect to such Assessment. The Purchaser and the Vendors agree to cooperate and to cause their Affiliates to cooperate with each other to the extent reasonably required after the Closing Date in connection with any submissions in respect of such Assessment and any objection or appeal in respect of such Assessment. The Vendors shall have the right to conduct, control and defend the defence of any Assessment that could give rise to a claim for indemnification against the Vendors under Section 7.2(d) and that relates solely to Pre-Closing Tax Periods and would not reasonably be expected to have an adverse impact upon Taxes for other Tax periods, and to settle or compromise such Assessment, at their own expense, whether such Assessment began before or after the Closing (a "**Vendor Contested Assessment**"). In the event of a Vendor Contested Assessment, the Purchaser shall have the right to participate at its cost and expense in such Vendor Contested Assessment, and the Vendors shall not settle such Vendor Contested Assessment without the Purchaser's written consent (which consent shall not be unreasonably withheld, conditioned or delayed). Except with the consent of the Vendors (which consent shall not be unreasonably withheld, conditioned or delayed), the Purchaser shall not, and shall not permit any Purchased Corporation to, take any action or agree to any settlement with respect to a Vendor Contested Assessment (or with respect to any Assessment prior to the expiry of the time during which the Vendors could elect to contest such Assessment) that could give rise to a claim for indemnification against the Vendor under Section 7.2(d). For greater certainty, if the Vendors do not elect to contest an Assessment as permitted in this Section (2), the Purchaser shall be entitled to conduct, negotiate, settle or defend the Assessment at its own expense (provided that no such settlement shall increase the amount of Taxes for which the Vendors may be required to indemnify the Purchaser hereunder, except for Taxes directly at issue in the Assessments), and shall allow the Vendors to observe, at their own expense, and shall keep the Vendors informed of, such conduct,

negotiation, settlement or defense. Notwithstanding any other provision of this Agreement, with the exception of the preceding sentence, the Vendors shall not be responsible for any Taxes to the extent attributable to any action taken by the Purchaser with respect to any Assessments without the prior written consent of the Vendors. Failure by any Party to notify any other Party or to keep such other Party informed and involved, or to deliver any documents as provided in this Section 5.13(2) shall not relieve the Party otherwise entitled to such notice, or to be kept informed and involved, of the indemnification obligations contained in this Agreement except to the extent such failure results in prejudice to such other Party. The right of the Vendors to contest any Vendor Contested Assessment at any time shall only apply after payment by the Vendors of the amount of Tax subject at that time to immediate collection measures by the applicable Governmental Authority (the "**Prepaid Tax Amount**"). In the event any such Vendor Contested Assessment is subsequently settled in accordance with the terms of a settlement or final non-appealable judgment, the Purchaser shall cause the Purchased Corporations to promptly reimburse to the Vendors the lesser of: (a) the Prepaid Tax Amount and any interest received from the Governmental Authority thereon (net after-Tax); and (b) the Prepaid Tax Amount less the final amount of Tax due pursuant to such Vendor Contested Assessment in accordance with the terms of such settlement or final non-appealable judgment, as applicable.

5.14 Reportable and Notifiable Transactions

The Purchaser and the Vendors shall co-operate in connection with the Closing to determine whether any information return needs to be filed in respect of the transactions contemplated by this Agreement pursuant to subsection 237.3(2) of the ITA (taking into account proposed amendments to section 237.3 of the ITA announced by the Minister of Finance (Canada) on August 9, 2022, any subsequent amendments that may be proposed or enacted or any administrative position released by the Canada Revenue Agency in respect of the interpretation thereof and the announcements in the 2022 Fall Economic Statement) by the Purchaser, the Vendors, or advisors thereto. The Purchaser shall promptly notify the Vendors if the Purchaser intends to file or it becomes aware that any advisor to the Purchaser intends to file such an information return. The Vendors shall promptly notify the Purchaser if any of the Vendors intends to file or they become aware that any advisor to any of the Vendors intends to file such an information return.

5.15 Advance Concurrence – Eligible Dividends

Should it be determined that any of the Purchased Corporations has made an "excessive eligible dividend designation", as defined in subsection 89(1) of the ITA, with respect to dividends paid or deemed to have been paid prior to the Closing Time, each of the Vendors, as applicable, hereby concurs to (or shall use commercially reasonable efforts to cause the recipient of the relevant dividends to concur to) the making of an election under subsection 185.1(2) of the ITA in respect of the full amount of the "excessive eligible dividend designation", and such election shall be made by the relevant Purchased Corporation, as the case may be, in the manner and within the time prescribed by subsections 185.1(2) and 185.1(3) of the ITA.

5.16 Shared Contracts to be Replaced.

- (1) Prior to Closing, the Vendor shall, and shall cause the Purchased Corporations to, use commercially reasonable efforts to cause the Shared Contracts set forth in Schedule 5.16 to be replaced prior to the Closing with separate Contracts in respect of the Purchased Corporations (the "**Replacement Contracts**") being approved by the

Purchaser, acting reasonably, that apportion the rights and obligations thereunder to each such party thereto on substantially similar terms to, and in proportion to each such party's rights and obligations under such Shared Contract as of the date hereof and otherwise as mutually agreed upon by the Vendor and the Purchaser, acting reasonably.

- (2) To the extent not completed prior to Closing, the Purchaser, on the one hand, and the Vendor, on the other hand, shall, and the Purchaser shall cause the Purchased Corporations to, use commercially reasonable efforts to effect the separation of the Replacement Contracts following Closing on terms and conditions acceptable to the Purchaser, acting reasonably.
- (3) If the Vendors or the Purchaser becomes aware of any Shared Contract that is not scheduled in either of Schedule 3.1(27) or Schedule 5.16 it shall provide written notice of such Shared Contract to the other Party, and if such Shared Contract ought to have been a Replacement Contract as determined by the Vendors and the Purchaser, acting reasonably, the Vendors and the Purchaser shall, and the Purchaser shall cause the Purchased Corporations to, use commercially reasonable efforts to effect the separation of each such Shared Contract following Closing on terms and conditions acceptable to the Purchaser, acting reasonably.
- (4) In respect of the Replacement Contracts not replaced in accordance with Section 5.16(1) prior to or concurrently with Closing (the "**Remaining Shared Contracts**"), until any such Remaining Shared Contract is separated in accordance with Section 5.16(2) or the expiration of the term of such Contract, whichever is earlier, to the extent reasonably practicable and not prohibited under Applicable Law or under the terms of such Remaining Shared Contract, (i) the Purchaser shall, or shall cause the Purchased Corporations, to assume and perform the obligations under such Remaining Shared Contract to the extent relating solely to the Purchased Corporations and to the extent such obligations were assumed and performed by the Purchased Corporations prior to Closing (and shall promptly reimburse the Vendor for any reasonable expenses relating thereto incurred by the Vendor or its Affiliates); and (ii) the Vendor shall, and shall cause its Affiliates to provide the benefits of such Remaining Shared Contract to the Purchased Corporations (to the extent provided to the Purchased Corporations prior to Closing). With respect to obligations and liabilities pursuant to, under or relating to a given Remaining Shared Contract, such obligations and liabilities shall, unless otherwise allocated pursuant to this Agreement or a Replacement Contract, be allocated from time to time between the Vendor and its Affiliates (other than the Purchased Corporations), on the one hand, and the Purchased Corporations, on the other hand, as mutually agreed upon by the Parties acting reasonably, based on the relative proportions of total benefits received (to the extent the liabilities relate to a specific period, over such period, and otherwise over the term of the applicable Remaining Shared Contract, measured up to the date of the allocation, without duplication) by the Vendor and its Affiliates (other than the Purchased Corporations), on the one hand, or the Purchased Corporations, on the other hand, under the relevant Remaining Shared Contract. Notwithstanding the foregoing, each party shall be solely responsible for any and all liabilities to the extent arising out of or relating to such party's breach of any such Remaining Shared Contract.
- (5) Within 30 days of the date hereof, the Purchaser may request additional Contracts listed in Schedule 3.1(27) to be added as Replacement Contracts. The Vendors and the Purchaser will negotiate in good faith such requested additions considering (a) the requirements of the Business, (b) the existing and available assets and Contracts of

the Purchaser and its Affiliates, and (c) whether it would be commercially reasonable to add the Contract as a Replacement Contract.

5.17 Negotiation of Ancillary Agreements.

Promptly after the execution of this Agreement the Parties will negotiate in good faith the Escrow Agreement and the sub-lease arrangements with respect to the Calgary Lease and the Vancouver Lease.

5.18 Specified Litigation.

The Parties acknowledge that the Specified Litigation is ongoing at the time of execution of this Agreement. In the event that the Specified Litigation is not finally settled by the Closing Date, the Parties hereby expressly agree that, notwithstanding any other provision to the contrary in this Agreement, the Vendors shall be entitled, at their sole cost and expense, to pursue the defence of, and settle, the Specified Litigation. The Purchaser will comply with its obligations in Section 7.7 in connection with any indemnification relating to the Specified Litigation, including, in particular, using reasonable commercial efforts to enforce any third party indemnity that may be available in connection with the subject matter of the Specified Litigation.

5.19 Joint and Several Liability of Guardian.

Guardian shall be jointly and severally liable (without the benefit of division and discussion, such that each applicable party will be liable for the entire amount of all applicable obligations of the party it is jointly and severally liable with) with the remaining Vendors for all obligations pursuant to this Agreement applicable to the Vendors, including all payment obligations and indemnification obligations, and any other agreements entered into by the Vendors as a condition of Closing (the "**Guardian Obligations**") in accordance with the terms and conditions herein and therein. The Purchaser need not first proceed against any Vendor before proceeding against Guardian, nor shall Guardian be released from its guaranty for any reason whatsoever. Guardian shall be entitled to assert, in defence against any claim in respect of the Guardian Obligations, any defences arising under this Agreement or any other such agreements entered into by the Purchaser as a condition of Closing which the Vendors would be entitled to assert in connection with such obligations, but in all other respects the obligations of Guardian under this Section 5.19 are absolute, unconditional, present and continuing and are not conditional or contingent upon or subject to any event, circumstance, action or omission.

5.20 Joint and Several Liability of DFC.

DFC shall be jointly and severally liable (without the benefit of division and discussion, such that each applicable party will be liable for the entire amount of all applicable obligations of the party it is jointly and severally liable with) with the Purchaser for all obligations pursuant to this Agreement applicable to the Purchaser, including all payment obligations and indemnification obligations, and any other agreements entered into by the Purchaser as a condition of Closing (the "**DFC Obligations**") in accordance with the terms and conditions herein and therein. The Vendors need not first proceed against the Purchaser before proceeding against DFC, nor shall DFC be released from its guaranty for any reason whatsoever. DFC shall be entitled to assert, in defence against any claim in respect of the DFC Obligations, any defences arising under this Agreement or any other such agreements entered into by the Vendors as a condition of Closing which the Purchaser would be entitled to assert in connection with such obligations, but in all other respects the obligations of DFC under this Section 5.20 are absolute,

unconditional, present and continuing and are not conditional or contingent upon or subject to any event, circumstance, action or omission.

5.21 Transfer of Shares.

Each Vendor shall take all necessary steps and corporate proceedings to permit good title to the Purchased Shares held by such Vendor to be duly and validly transferred and assigned to the Purchaser at the Closing, free of all Liens other than the restrictions on transfer, if any, contained in the articles of the Purchased Corporations.

5.22 Wrong Pockets.

Except for the Concurrent Transactions, if, as a result of the transactions contemplated by this Agreement or any Ancillary Agreement, at any time during the 60 months after the Closing Time, either Party becomes aware of any property or asset of any kind (i) relating to the Business which is wrongly held by any Vendor or any of their respective Affiliates, or (ii) not relating to the Business which is wrongly held by the Purchaser, (each such asset, a "**Wrong Pocket Asset**") the applicable Party shall give reasonable notice in writing to the other Party. Following receipt of such notice, the Party giving the notice shall perform such acts and execute such documents as are reasonable and necessary in order to transfer the legal and beneficial title to, and possession of, the relevant Wrong Pocket Asset (together with any benefit, sum or other out of pocket expenses paid or accruing as a result of holding the Wrong Pocket Asset since the Closing Time) for nominal consideration as soon as reasonably practicable following receipt of such request. The Parties shall cooperate and obtain any consent or approval as may be necessary in order to complete such transfer, or enter into such other arrangement as is mutually agreeable, as soon as reasonably practicable.

5.23 Exclusive Dealing.

During the Interim Period, no Vendor shall, and the Vendors shall cause their Affiliates not to, including through their Representatives, directly or indirectly, solicit, initiate, or encourage any inquiries or proposals from, discuss or negotiate with, provide any non-public information to, or consider the merits of any inquiries or proposals from, or enter into any agreement with, any Person (other than Purchaser) relating to any transaction involving the sale of any Shares of any Vendor, the Purchased Corporations or the sale of the Business or any of the assets of the Purchased Corporations (other than as permitted in this Agreement) or any other business combination involving the Business.

5.24 Use of Corporate Name.

Following the Closing Time, no Vendor shall, and the Vendors shall cause their Affiliates not to, including through their Representatives, directly or indirectly, make use of any corporate name, legal name or any other denomination included in Schedule 5.24 or any combination or subset of such words or any derivative or associated words, and shall cancel or terminate the use of any such trade names or similar registration not otherwise conveyed to the Purchaser. For the avoidance of any doubt, immediately following the Closing Time, the Vendors shall cause the corporate names of WWM and Worldsource Holdings Corp to be changed and shall provide evidence thereof to the Purchaser.

ARTICLE 6 CONDITIONS OF CLOSING

6.1 Purchaser's Conditions.

The Purchaser shall not be obligated to complete the transactions contemplated by this Agreement, including the purchase of the Purchased Shares, unless, at or before the Closing Time, each of the conditions listed below in this Section 6.1 has been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Purchaser. The Vendors shall take all such actions, steps and proceedings as are reasonably within their control as may be necessary to ensure that the conditions listed below in this Section 6.1 are fulfilled at or before the Closing Time.

(1) Representations and Warranties.

The Vendors' Core Representations shall be true and correct in all respects as of the Closing with the same force and effect as if such representations and warranties were made on and as of such date. The other representations and warranties of the Vendors in Section 3.1 shall be true and correct in all material respects at the Closing, provided however that (i) if a representation and warranty speaks only as of a specific date, it must be true and correct as of that date and (ii) if a representation and warranty is qualified by materiality (i.e. "in all material respects", "Material Adverse Effect" or similar qualification), then it shall be true and correct in all respects. The Purchaser shall receive a bring-down certificate of George Mavroudis, President and CEO of Guardian, dated as of the Closing Date, as to the matters in this Section 6.1(1).

(2) Deliveries.

The Vendors shall have delivered or caused to be delivered to the Purchaser the documentation set out in Section 4.2, in form and substance satisfactory to the Purchaser, acting reasonably.

(3) Vendors' Compliance.

The Vendors shall have performed and complied in all material respects with the terms and conditions in this Agreement on their part to be performed or complied with at or before the Closing Time. The Purchaser shall receive a bring-down certificate of George Mavroudis, President and CEO of Guardian, dated as of the Closing Date, as to the matters in this Section 6.1(3).

(4) No Law.

No Governmental Authority of competent jurisdiction shall have enacted, issued or promulgated any Applicable Law (whether temporary, preliminary or permanent) that prohibits consummation of the transactions contemplated by this Agreement on the terms contemplated by this Agreement to be completed on or before the Closing Time.

(5) No Material Adverse Effect.

Since the date of the Agreement, there will have been no Material Adverse Effect.

(6) Required Regulatory Approvals.

The Required Regulatory Approvals shall have been given or obtained (as applicable), in a form acceptable to the Purchaser, acting reasonably, and shall be in full force and effect and shall not have been modified.

(7) Vendors' Pre-Closing Reorganization and Pre-Closing Minority Shareholder Acquisition.

The Vendors shall have completed the Vendors' Pre-Closing Reorganization and the Pre-Closing Minority Shareholder Acquisition in accordance with this Agreement.

(8) Actions.

Except for the Specified Litigation, no action, litigation or proceeding will be in progress or pending by any Person (other than the Purchaser or any of its Affiliates) in any jurisdiction, and no Order will have been made, issued or delivered by any Governmental Authority, seeking to enjoin, restrict or prohibit, or enjoining, restricting or prohibiting, on a temporary or permanent basis any of the transactions contemplated by this Agreement or imposing any temporary or permanent terms or conditions on the transactions contemplated by this Agreement, or the Business.

(9) Concurrent Transactions.

The Concurrent Transactions shall close at the effective time provided in Schedule 5.6.

6.2 Condition Not Fulfilled.

If any condition in Section 6.1 has not been fulfilled by the Outside Date or if any such condition is, or becomes, impossible to satisfy, other than as a result of the failure of the Purchaser to comply with its obligations under this Agreement, then the Purchaser in its sole discretion may either:

- (a) terminate this Agreement by notice to the Vendors, as provided in Section 8.1; or
- (b) other than with respect to the condition in Section 6.1(9), waive compliance with any such condition without prejudice to its right of termination in the event of non-fulfilment of any other condition.

6.3 Vendors' Conditions.

The Vendors shall not be obligated to complete the transactions contemplated by this Agreement unless, at or before the Closing Time, each of the conditions listed below in this Section 6.3 has been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Vendors. The Purchaser shall take all such actions, steps and proceedings as are reasonably within the Purchaser's control as may be necessary to ensure that the conditions listed below in this Section 6.3 are fulfilled at or before the Closing Time.

(1) Representations and Warranties.

The Purchaser's Core Representations shall be true and correct in all respects as of the Closing with the same force and effect as if such representations and warranties were made

on and as of such date. The other representations and warranties of the Purchaser in Section 3.3 shall be true and correct in all material respects at the Closing, provided however that (i) if a representation and warranty speaks only as of a specific date, it must be true and correct as of that date and (ii) if a representation and warranty is qualified by materiality (i.e. "in all material respects", "Material Adverse Effect" or similar qualification) then it shall be true and correct in all respects. The Vendors shall receive a bring-down certificate of Denis Dubois, Chief Executive Officer of the Purchaser, or other senior officer of the Purchaser, dated as of the Closing Date, as to the matters in this Section 6.3(1).

(2) **Deliveries.**

The Purchaser shall have delivered or caused to be delivered to the Vendors the documentation set out in Section 4.3, in form and substance satisfactory to the Vendors, acting reasonably.

(3) **Purchaser's Compliance.**

The Purchaser shall have performed and complied in all material respects with the terms and conditions in this Agreement on its part to be performed or complied with at or before the Closing Time. The Vendors shall receive a bring-down certificate of Denis Dubois, Chief Executive Officer of the Purchaser, or other senior officer of the Purchaser, dated as of the Closing Date, as to the matters in this Section 6.3(3).

(4) **No Law.**

No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated any Applicable Law (whether temporary, preliminary or permanent) that prohibits consummation of the transactions contemplated by this Agreement on the terms contemplated by this Agreement to be completed on or before the Closing Time.

(5) **Required Regulatory Approvals.**

The Required Regulatory Approvals shall have been given or obtained (as applicable) and shall be in full force and effect and shall not have been modified.

(6) **Actions.**

No action, litigation or proceeding will be in progress or pending by any Person (other than the Vendors and their Affiliates) in any jurisdiction and no Order will have been made, issued or delivered by any Governmental Authority seeking to enjoin, restrict or prohibit, or enjoining, restricting or prohibiting on a temporary or permanent basis any of the transactions contemplated by this Agreement, including the sale and purchase of the Purchased Shares, or imposing any temporary or permanent terms or conditions on the transactions contemplated by this Agreement.

(7) **Concurrent Transactions.**

The Concurrent Transactions shall close at the effective time provided in Schedule 5.6.

6.4 Condition Not Fulfilled.

If any condition in Section 6.3 has not been fulfilled at the Outside Date or if any such condition is, or becomes, impossible to satisfy, other than as a result of the failure of the Vendors to

comply with their obligations under this Agreement, then the Vendors in their sole discretion may either:

- (a) terminate this Agreement by notice to the Purchaser as provided in Section 8.1; or
- (b) other than with respect to the condition in Section 6.3(7), waive compliance with any such condition without prejudice to their right of termination in the event of non-fulfilment of any other condition.

ARTICLE 7 INDEMNIFICATION

7.1 Survival. All representations, warranties and covenants in this Agreement shall not merge on Closing but shall survive the execution, delivery and performance of this Agreement, the Closing and the payment of the consideration for the Purchased Shares.

7.2 Indemnity by the Vendors.

Each Vendor shall jointly and severally indemnify the Purchaser's Indemnified Parties and save them fully harmless against, and shall reimburse or compensate them for, any Damages arising from, or in connection with:

- (a) any breach of any representation or warranty of the Vendors contained in this Agreement;
- (b) any breach or any non-fulfilment of any covenant or agreement on the part of the Vendors contained in this Agreement;
- (c) any liability (other than for Taxes of the Purchased Corporations) in respect of the Pre-Closing Reorganization and the Pre-Closing Minority Shareholder Acquisition, to the extent such liability was not taken into account in determining the Purchase Price, as adjusted pursuant to Section 2.7;
- (d) any liability for Taxes of the Purchased Corporations for Pre-Closing Tax Periods and any liability for Taxes of the Purchased Corporation resulting from the Vendors' Pre-Closing Reorganization, to the extent such liabilities were not taken into account in determining the Purchase Price, as adjusted pursuant to Section 2.7;
- (e) the Specified Litigation;
- (f) the Employee Plans; and
- (g) any act of fraud by the Vendors or the Purchased Corporations prior to the Closing Time.

The representations, warranties, covenants and indemnification obligations of each Vendor in this Agreement are made jointly and severally by each Vendor with each other Vendor in accordance with the terms of this Agreement without the benefit of division or discussion.

7.3 Indemnity by the Purchaser.

The Purchaser shall indemnify the Vendors' Indemnified Parties and save them fully harmless against, and shall reimburse or compensate the Vendors for, any Damages arising from, or in connection with:

- (a) any breach of any representation or warranty of the Purchaser contained in this Agreement;
- (b) any breach or non-fulfilment of any covenant or agreement on the part of the Purchaser contained in this Agreement; and
- (c) any act of fraud by the Purchaser prior to the Closing Time.

7.4 Claim Notice.

If an Indemnified Party becomes aware of any act, omission or state of facts that may give rise to Damages in respect of which a right of indemnification is provided for under this Article 7, the Indemnified Party shall within 15 Business Days of becoming so aware give written notice thereof (a "**Claim Notice**") to the Indemnifying Party. The Claim Notice shall specify whether the potential Damages arise as a result of a claim by a Person against the Indemnified Party (a "**Third Party Claim**") or whether the potential Damages arise as a result of a claim directly by the Indemnified Party against the Indemnifying Party (a "**Direct Claim**"), and shall also specify with reasonable particularity (to the extent that the information is available):

- (a) the factual basis for the Direct Claim or Third Party Claim, as the case may be;
- (b) the specific Sections of this Agreement pursuant to which indemnification is being sought;
- (c) the estimated amount of the potential Damages arising therefrom; and
- (d) such other information as is reasonably necessary to enable the Indemnifying Party to assess the merits of the potential claim.

Nothing in this Section 7.4 shall be construed to affect the time within which a Claim Notice must be delivered pursuant to Section 7.5 in order to permit recovery pursuant to Sections 7.2(a) or 7.3(a), as the case may be. For greater certainty, the failure of an Indemnified Party to provide notice to the Indemnifying Party within the 15 Business Day period set out herein shall not affect the right of the Indemnified Party to be indemnified in respect of such Damages, unless (i) a Claim Notice is delivered to the Indemnifying Party after the expiration of the applicable time period set out in Section 7.5, if any, or (ii) the omission or delay to notify materially prejudices the ability of the Indemnifying Party to exercise its right to defend provided in Section 7.4. Any Claim Notice concerning Taxes required to be paid by the Purchased Corporations shall be governed by Section 5.13(2) and not by this Section 7.4.

For greater certainty and notwithstanding any other provision of this Agreement: (i) an Indemnified Party shall be entitled to deliver a Claim Notice, notwithstanding that Damages have not yet been suffered, sustained, incurred or required to be paid by the Indemnified Party in respect of such claim and/or that the Damages suffered, sustained, incurred or required to be paid by the Purchaser's Indemnified Parties have not yet exceeded any applicable monetary limitations in Section 7.6 prior to the end of the applicable time period (if any); and (ii) if a Claim Notice has been delivered at or prior to the end of the applicable time period (if

any) set forth in Section 7.5, the Indemnified Party (or, in the case of the delivery of a Claim Notice by a Purchaser's Indemnified Party, all Purchaser's Indemnified Parties) shall be indemnified and saved harmless from all Damages which are ultimately suffered, sustained, incurred or required to be paid by such Purchaser's Indemnified Party in respect of such Claim Notice, subject to the limitations in Section 7.6, even if such Damages are suffered, sustained, incurred or required to be paid by such Indemnified Party following the end of the applicable time period (if any) set forth in Section 7.5.

7.5 Time Limits for Claim Notice for Breach of Representations and Warranties and Covenants.

The representations and warranties contained in this Agreement and the obligations of the Vendors to indemnify the Purchaser for Taxes relating to Section 7.2(d) survive the Closing and continue in full force and effect for a period of 18 months after the Closing Date, except that:

- (a) the Vendors' Core Representations shall survive Closing and continue in full force and effect without limitation of time;
- (b) the Purchaser's Core Representations shall survive Closing and continue in full force and effect without limitation of time;
- (c) the Vendors' Extended Representations shall survive Closing and continue in full force and effect for a period of thirty-six months after the Closing Date;
- (d) the Vendors' Tax Representations and the obligations of the Vendors to indemnify the Purchaser for Taxes relating to Section 7.2(d) shall survive and continue in full force and effect until 90 days after the expiration of the period ("**Tax Assessment Period**") during which any Tax assessment may be issued by a Governmental Authority in respect of any taxation year to which such representations and warranties extend. The Tax Assessment Period shall be determined having regard to any consent, waiver, agreement or other document that extends the period during which a Governmental Authority may issue a Tax assessment, other than if given following Closing without the written consent of the Vendors. A Tax assessment includes any assessment, reassessment or other form of recognized document assessing liability for Taxes under Applicable Law; and
- (e) there is no limitation as to time for claims against a Party based on fraudulent misrepresentation by that Party in this Agreement;

provided that, in each case, if a Claim Notice under Section 7.4 has been provided to an Indemnifying Party prior to the end of the applicable period described in this Section 7.5, then the indemnification obligations with respect to such claim shall survive until such claim has been finally resolved in accordance with this Agreement.

The covenants contained in this Agreement shall survive and continue in full force and effect in accordance with their terms and there shall be no limit as to time for claims against a Party for a breach of a covenant or in respect of any indemnification claim under Sections 7.2(b) to 7.2(g) (other than Section 7.2(d) noted above).

7.6 Monetary Limitations.

- (1) Notwithstanding anything to the contrary contained in Section 7.2, (i) the Vendors shall not be liable for any amounts for which the Purchaser's Indemnified Parties are otherwise entitled to indemnification pursuant to Section 7.2(a) unless the aggregate amount of all Damages for which the Purchaser's Indemnified Parties are entitled to indemnification pursuant to Section 7.2(a) exceeds, on a cumulative basis the Basket Amount, and then to the extent of the first dollar of such Damages, and (ii) provided that indemnification payments pursuant to Section 7.2(a) shall be up to a maximum of the Cap Amount. For greater certainty, this Section 7.6(1) does not apply to indemnification claims with respect to the Vendors' Tax Representations and to the Vendors' Core Representations.
- (2) Notwithstanding anything to the contrary in this Agreement, the maximum liability of the Vendors for all Damages under this Agreement (other than in respect of liabilities of the Vendors pursuant to Section 7.2(g) for which there is no maximum) shall be equal to the sum of the Purchase Price and the Purchase Price as defined in the Concurrent Transactions SPA. For the avoidance of any doubt, the maximum liability of the Vendors for all Damages under this Agreement shall be the aggregate sum of the Purchase Price and the "Purchase Price" as defined in the Concurrent Transactions SPA for either this Agreement and the Concurrent Transactions SPA.
- (3) For greater certainty and notwithstanding anything to the contrary in this Agreement, no indemnification for Damages in respect of Taxes is provided under this Agreement (a) for Taxes in respect of a Post-Closing Tax Period arising from the inability of a Person to use in a Post-Closing Tax Period any Tax attribute of a Purchased Corporation arising in a Pre-Closing Tax Period; (b) to the extent that (i) such Damages can be (or could have been but for post-Closing use) reduced by the utilization of Tax attributes of a Purchased Corporation arising in a Pre-Closing Tax Period, or (ii) subject to 5.12 and 7.14, a Purchased Corporation is entitled to a credit, refund or reimbursement of Taxes to the extent that such credit, refund or reimbursement was not taking into account in the determination of the Purchase Price; (c) to the extent such amount is (i) taken into account in computing the Closing Date Net Indebtedness or otherwise included in the Closing Date Statement, (ii) provided for in the Financial Statements to the extent such amount reduced the Purchase Price, or (iii) paid by the Vendors; or (d) to the extent attributable to any refiling, amendment or other action taken in respect of a Purchased Corporation's Taxes relating to a Pre-Closing Tax Period by the Purchaser following Closing that is not made in accordance with Section 5.13(1).

7.7 Mitigation.

Each Indemnified Party shall use commercially reasonable efforts to mitigate any claim or liability that such Indemnified Party asserts under this Article 7 in compliance with Applicable Laws.

7.8 Provisions.

No Indemnifying Party shall be liable under this Article 7 in respect of any Damages to the extent (i) allowed, provided, accrued or reserved for in the Financial Statements (other than in respect of the Specified Litigation), or (ii) included in the calculation of any adjustment to the Purchase Price, as finally determined in accordance with Sections 2.5 and 2.6, including any

such Damage that is related to any allowance, provision, accrual, reserve or other similar item included in such calculation.

7.9 Determination of Breach and Calculation of Losses.

For the purposes of determining whether there has been a breach or inaccuracy of any representation or warranty, and calculating the amount of Damages under this Article 7, the representations and warranties of the Parties shall be deemed to have been made without qualifications as to materiality where the words or phrases "material", "in all material respects", "Material Adverse Effect" or words or phrases of similar import are used, such that the amount of Damages payable is not subject to deduction in respect of amounts below the agreed upon level of materiality.

7.10 No Double Recovery.

No Indemnified Party shall be entitled to recover from any Indemnifying Party under this Article 7 more than once in respect of the same Damages (notwithstanding that such Damages may result from breaches of multiple provisions of this Agreement and/or other agreements delivered pursuant to this Agreement).

7.11 Sole Recourse.

Any amount in respect of Damages relating to indemnification obligations of the Vendors under this Agreement shall be satisfied first, by recourse of the Purchaser to the Escrow Amount until such time as the Escrow Amount has been disbursed in full in accordance with the terms of the Escrow Agreement, and thereafter, directly to the Vendors pursuant to the terms of this Agreement and, in particular, subject to the applicable limits of liability, if any, contained herein.

7.12 Direct Claims.

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

7.13 Third Party Claims.

(1) Rights of Indemnifying Party.

In the case of a Third Party Claim, the Indemnifying Party shall have 60 days from receipt of a Claim Notice to elect, at its option, to exercise its right to assume and control the investigation and defense of, at its own expense and by counsel of its own choosing, any such Third Party Claim, and shall be entitled to assert any and all defences available to the Indemnified Party to the fullest extent permitted by Applicable Law.

(2) **Respective Rights on Indemnifying Party's Assumption of Control.**

If the Indemnifying Party elects to assume control of any such Third Party Claim as contemplated by Section 7.13(1), the Indemnified Party shall cooperate fully with the Indemnifying Party and its counsel in the defence of such Third Party Claim. Such cooperation shall include (a) allowing the Indemnifying Party and its Representatives to investigate the fact, matter, event or circumstance alleged to give rise to the Third Party Claim and using commercially reasonable efforts to make available to the Indemnifying Party, its then current officers, directors and employees to act as witnesses (including interviews, the preparation and submission of witness statements and the giving of evidence at any related hearing), (b) promptly furnishing all material and information relating to the Third Party Claim, (c) preserving all material evidence relating to the Third Party Claim, and (d) providing reasonable access to any Representatives of the Parties as reasonably needed; provided that, in each case, such cooperation shall not unduly interfere with the operation of the Indemnified Party's business. If the Indemnifying Party assumes the investigation and defence of a Third Party Claim, the Indemnifying Party shall reimburse (as part of, and subject to the limitations on, its obligation to indemnify) the Indemnified Party for all reasonable costs and expenses incurred by the Indemnified Party in connection with the investigation and defence of the Third Party Claim prior to the date the Indemnifying Party validly exercised its right to assume the investigation and defence of the Third Party Claim. The Indemnifying Party shall not consent to the settlement or discharge, of, such Third Party Claim without the prior written consent of the Indemnified Party (not to be unreasonably withheld, qualified or delayed), unless the relief consists solely of money Damages to be paid by the Indemnifying Party and the settlement or discharge does not involve any finding or admission of any violation of Law or admission of any wrongdoing of the Indemnified Party. Notwithstanding the Indemnifying Party's election to assume the defense of such Third Party Claim, the Indemnified Party shall have the right to employ separate counsel in respect of such Third Party Claim and to monitor the defence of such Third Party Claims, and the Indemnified Party shall bear the fees, costs and expenses of such separate counsel. In any event, the Indemnified Party, the Indemnifying Party and their respective counsel shall cooperate in the defense of any such Third Party Claim subject to this Article 7 and keep the other Party informed of all material developments relating to any such Third Party Claim that it becomes aware of, and provide copies of all material correspondence and documentation relating thereto.

(3) **Rights of Indemnified Party.**

If the Indemnifying Party (i) is not entitled to assume the investigation and defence of a Third Party Claim pursuant to this Article 7, (ii) does not elect to assume the investigation and defence of a Third Party Claim or (iii) assumes the investigation and defence of a Third Party Claim but fails to diligently pursue such defence, or the Indemnified Party concludes that the Third Party Claim is not being defended to its satisfaction, acting reasonably, the Indemnified Party has the right (but not the obligation) to undertake the defence of the Third Party Claim. In the case where the Indemnifying Party fails to diligently pursue the defence of the Third Party Claim or the Indemnified Party concludes that the Third Party Claim is not being defended to its satisfaction, acting reasonably, the Indemnified Party may not assume the defence of the Third Party Claim, unless the Indemnified Party gives the Indemnifying Party written demand to diligently pursue the defence and the Indemnifying Party fails to do so within 14 days after receipt of such demand, or such shorter period as may be

required to respond to the circumstances, including any deadline imposed by a court, arbitrator or other tribunal.

(4) No Assumption of Control by Indemnifying Party.

If the Indemnifying Party, after receiving a Claim Notice with respect to a Third Party Claim, does not elect to assume control of such Third Party Claim within 60 days after receipt thereof, the Indemnified Party shall have the right to assume control of such Third Party Claim (upon providing further written notice thereof to the Indemnifying Party), subject to the right of the Indemnifying Party to (a) assume the control of such Third Party Claim at any time prior to the settlement or final determination thereof; and (b) approve the counsel selected by the Indemnified Party (which approval shall not be unreasonably withheld, conditioned or delayed). The Indemnified Party shall not agree to the settlement or discharge of, or admit any liability with respect to, any such Third Party Claim without the prior written consent of the Indemnifying Party. Notwithstanding anything to the contrary contained in this Article 7, no Indemnifying Party shall have any liability under this Article 7 for any Damages arising out of or in connection with any Third Party Claim that is settled or discharged by an Indemnified Party without the prior, written consent of such Indemnifying Party. Notwithstanding anything else to the contrary, the Indemnifying Party may not assume the investigation and defence of a Third Party Claim if: (i) it relates to Taxes it will be governed by Section 5.13(2); (ii) the Indemnifying Party is also a party to the Third Party Claim and the Indemnified Party determines in good faith that joint representation would be inappropriate; (iii) in the reasonable judgment of the Indemnified Party, such Third Party Claim may materially and adversely affect the Indemnified Party or its Affiliates (including having a materially adverse effect on the reputation of the Indemnified Party or its Affiliates); (iv) the Indemnifying Party does not unconditionally acknowledge in writing its obligation to indemnify and hold the Indemnified Party harmless with respect to the Third Party Claim; or (v) the Third Party Claim seeks relief against the Indemnified Party other than monetary damages, and the Indemnified Party has notified the Indemnifying Party that it will exercise its exclusive right to defend, compromise or settle the Third Party Claim.

(5) Damages Sought in Respect of Breach of Vendors' Tax Representations.

Notwithstanding any other provision of this Section 7.13, any Damages for which indemnification is sought by the Purchaser in respect of a breach of the Vendors' Tax Representations shall not be subject to Sections 7.13(1), (2) or (4) and shall instead be subject to Section 5.13(2).

7.14 Insurance and Other Recoveries.

Notwithstanding anything contained in this Agreement to the contrary, Damages of all Indemnified Parties shall be net of any insurance recoveries by the Indemnified Parties in connection with the facts giving rise to the right of indemnification. The applicable Indemnified Parties shall use commercially reasonable efforts to recover from insurance policies the maximum portion of any Damages of such Indemnified Parties. If the applicable Indemnified Parties shall have used commercially reasonable efforts to recover any amounts recoverable under insurance policies and shall not have recovered the applicable Damages, the applicable Indemnifying Party shall be liable for the amount by which such Damages exceed the amounts actually recovered. The amount of the Damages suffered by a Purchaser's Indemnified Parties shall be reduced to the extent of any net Tax benefit available to the Purchaser's Indemnified Parties arising in connection with the accrual, incurrence or payment of any such Damages in

or with respect to (i) the taxable year of such Damages; (ii) the immediately succeeding taxable year; or (iii) any of the three prior taxable years.

7.15 Adjustment to Purchase Price.

Any payment made by the Vendors, or on behalf of the Vendors pursuant to the Escrow Agreement, as an Indemnifying Party to a Purchaser's Indemnified Party pursuant to this Article 7 shall constitute a dollar-for-dollar decrease of the Purchase Price, and any payment made by the Purchaser as an Indemnifying Party to a Vendors' Indemnified Party pursuant to this Article 7 shall constitute a dollar-for-dollar increase of the Purchase Price.

ARTICLE 8 TERMINATION

8.1 Grounds for Termination.

This Agreement may be terminated on or prior to the Outside Date:

- (a) by the mutual written agreement of the Vendors and the Purchaser;
- (b) by written notice from the Purchaser to the Vendors as permitted in Section 6.2;
- (c) by written notice from the Vendors to the Purchaser as permitted in Section 6.4; or
- (d) by written notice from either Party to the other Party if the Required Regulatory Approvals have not been obtained on or before the Outside Date.

8.2 Effect of Termination.

If this Agreement is terminated:

- (a) by the Vendors or by the Purchaser under Section 8.1, subject to Section 8.2(b), all further obligations of the Parties under this Agreement shall terminate, except for the obligations under Sections 5.5(1), 9.1, 9.2, 9.3, 9.5, 9.7, 9.8, 9.10, 9.11, 9.12, 9.14 and 9.15 which shall survive such termination; or
- (b) by a Party under Section 8.1(b) or 8.1(c) and the right to terminate arose because of a breach of this Agreement by the other Party (including a breach by the other Party resulting in a condition in favour of the terminating Party failing to be satisfied), then, the other Party shall remain fully liable for any and all Damages sustained or incurred by the terminating Party directly or indirectly as a result thereof.

ARTICLE 9 GENERAL

9.1 Expenses.

Except as otherwise expressly provided in this Agreement, each Party shall be responsible for all costs and expenses (including any Taxes imposed on such expenses) incurred by it in

connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the transactions contemplated by this Agreement (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisers).

9.2 Public Announcements.

Except to the extent otherwise required by Applicable Law or with the prior written consent of the other Party, neither Party shall make any public disclosure regarding this Agreement or the transactions contemplated by this Agreement. Where the public disclosure is required by Applicable Law or a Governmental Authority, the Party required to make the public disclosure shall use its commercially reasonable efforts to obtain the approval of the other Party as to the form, nature and extent of the disclosure.

9.3 Notices.

(1) Mode of Giving Notice.

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

(a) if to the Vendors, to:

Guardian Capital Group Limited
Commerce Court West
199 Bay St., Suite 3100
PO Box 201
Toronto, ON
M5L 1E8

Attention: George Mavroudis, President and CEO and
Matthew Turner, Senior Vice President and Chief Compliance Officer

Telephone:
E-mail:



[Contact details redacted]

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

Borden Ladner Gervais LLP
Bay Adelaide Centre
East Tower, 22 Adelaide St. W
Toronto, Ontario, M5H 4E3

Attention: Carlos Cerqueira and Andrew McLean

Telephone:
E-mail:



[Contact details redacted]

(b) if to the Purchaser, to:

Desjardins Financial Corporation Inc.
1, Complexe Desjardins
South Tower, 25th Floor
Montréal, Québec
H5B 1B2

Attention: Luc Boucher
Vice-President and Chief Legal Officer, Desjardins Group
Corporate Secretary, Desjardins Financial Corporation Inc.
Telephone: [REDACTED]
E-mail: [REDACTED] [Contact details redacted]

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

Stikeman Elliott LLP
1155 René-Lévesque Blvd. West,
41st Floor
Montréal, Québec, H3B 3V2

Attention: Maxime Turcotte
Telephone: [REDACTED]
E-mail: [REDACTED] [Contact details redacted]

(2) **Deemed Delivery of Notice.**

Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of e-mailing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, e-mailed or sent before 4:30 p.m. (recipient's time) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day. Any such communication sent by mail shall be deemed to have been given and made and to have been received on the fifth Business Day following the mailing thereof; provided however that no such communication shall be mailed during any actual or apprehended disruption of postal services. Any such communication given or made in any other manner shall be deemed to have been given or made and to have been received only upon actual receipt.

(3) **Change of Address.**

Any Party may from time to time change its address under this Section 9.3 by notice to the other Party given in the manner provided by this Section 9.3.

9.4 Time of Essence.

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

9.5 Entire Agreement.

This Agreement and the Ancillary Agreements constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written. In the event of any conflict or inconsistency between the provisions of this Agreement and the Ancillary Agreements, the provisions of this Agreement shall govern to the extent necessary to remove the conflict or inconsistency.

9.6 Amendment.

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

9.7 Waiver.

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

9.8 Severability.

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

9.9 Exclusive Remedies; Specific Performance.

The Parties acknowledge that the failure to comply with a covenant or obligation contained in this Agreement may give rise to irreparable injury to a Party inadequately compensable in damages. Accordingly, a Party may seek to enforce the performance of this Agreement by injunction or specific performance upon application to a court of competent jurisdiction without proof of actual damage (and without requirement of posting a bond or other security).

9.10 Attornment.

Each Party agrees (a) that any Legal Proceeding relating to this Agreement may (but need not) be brought in any court of competent jurisdiction in the Province of Ontario, and for that purpose now irrevocably and unconditionally attorns and submits to the jurisdiction of such Ontario court; (b) that it irrevocably waives any right to, and shall not, oppose any such Legal Proceeding in the Province of Ontario on any jurisdictional basis, including *forum non conveniens*; and (c) not to oppose the enforcement against it in any other jurisdiction of any Order duly obtained from an Ontario court as contemplated by this Section 9.10.

9.11 Governing Law.

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

9.12 Successors and Assigns; Assignment.

This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns. None of the Parties may assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its respective rights or obligations under this Agreement without the prior written consent of the other Parties, except that the assignment by either the Vendors or the Purchaser to an Affiliate thereof shall not require such consent, provided that the Vendors or the Purchaser, as the case may be, shall remain bound by the terms and conditions of this Agreement.

9.13 Third Party Beneficiaries.

This Agreement is for the sole benefit of the Parties, and except as specifically provided for in Article 7 in respect of the Purchaser's Indemnified Parties or Vendors' Indemnified Parties, nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

9.14 Counterparts.

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

9.15 Language.

The Parties have required that this Agreement and all deeds, documents and notices relating to this Agreement be drawn up in the English language. *Les parties aux présentes ont exigé que le présent contrat et tous autres contrats, documents ou avis afférents aux présentes soient rédigés en langue anglaise.*

9.16 Further Assurances.

Each Party shall take all such action and shall execute and deliver all such documents as is or are reasonably required to carry out the terms, intent and purpose of this Agreement.

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

9479-5176 QUEBEC INC.

(signed) "*Denis Dubois*"

Name: Denis Dubois
Title: Chief Executive Officer

(signed) "*Mario Robitaille*"

Name: Mario Robitaille
Title: Chief Financial Officer

DESJARDINS FINANCIAL CORPORATION INC.

(signed) "*Denis Dubois*"

Name: Denis Dubois
Title: Executive Vice-President, Wealth Management and Life and Health Insurance, Desjardins Group

(signed) "*Réal Bellemare*"

Name: Réal Bellemare
Title: Senior Executive Vice-President and COO of Desjardins Group

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

WORLDSOURCE WEALTH MANAGEMENT INC.

(signed) "*Doce Tomic*"

Name: Doce Tomic
Title: Chairman

(signed) "*Paul Brown*"

Name: Paul Brown
Title: Managing Director, Insurance

WORLDSOURCE INSURANCE AGENCY INC.

(signed) "*George Mavroudis*"

Name: George Mavroudis
Title: President

(signed) "*C. Verner Christensen*"

Name: C. Verner Christensen
Title: Secretary

GUARDIAN CAPITAL GROUP LIMITED

(signed) "*George Mavroudis*"

Name: George Mavroudis
Title: President & Chief Executive Officer

(signed) "*Matthew D. Turner*"

Name: Matthew D. Turner
Title: Senior Vice-President & Chief Compliance Officer

IDC WORLDSOURCE INSURANCE NETWORK INC.

(signed) "*Paul Brown*"

Name: Paul Brown
Title: Executive Chairman

(signed) "*Phil Marsillo*"

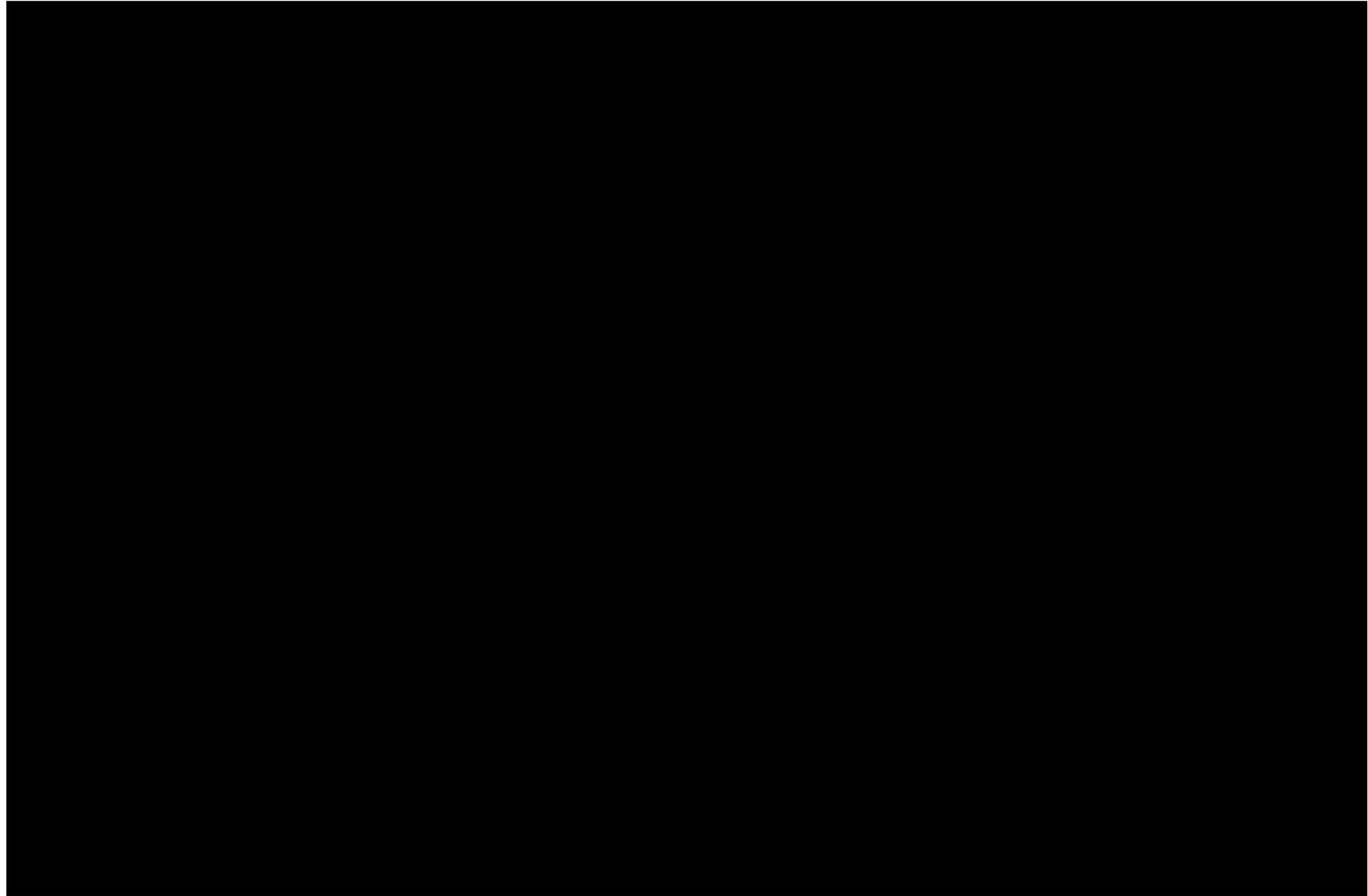
Name: Phil Marsillo
Title: President & Chief Executive Officer

EXHIBIT A
SAMPLE CLOSING PAYMENT CALCULATION

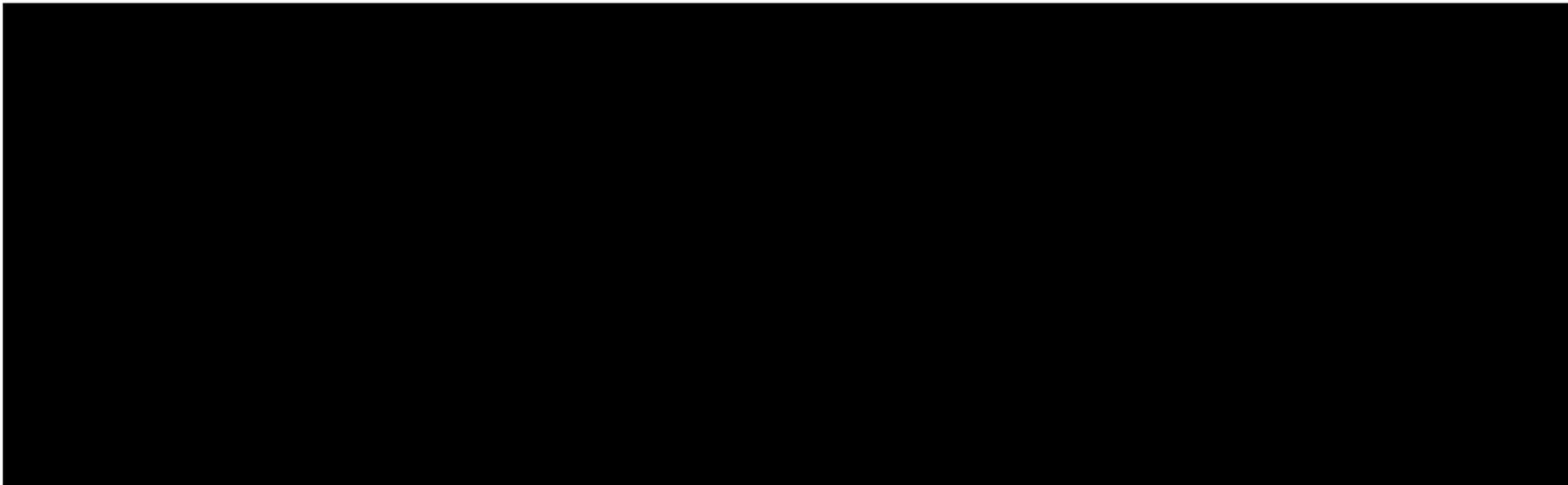
See attached.

Sample Calculation for Illustrative Purposes Only

Exhibit A -- Illustrative Calculation of the Closing Payment as at September 30, 2022



[Sample calculation of Closing Payment redacted]



[Sample calculation of Closing Payment redacted]

EXHIBIT B
TRANSITIONAL SERVICES AGREEMENT

See attached.

[TERMS OF TRANSITIONAL SERVICES AGREEMENT AND SCHEDULES THERETO REDACTED]

EXHIBIT C

**TERMS OF SUB-LEASE ARRANGEMENTS RELATING TO
THE CALGARY LEASE AND THE VANCOUVER LEASE**

1) Calgary Lease

City: Calgary

Address: Suite 1030, 640 – 5th Avenue, Calgary, AB T2P 3G4

Approx. total area leased: 5,296 square feet

Approx. area to be sub-leased: 2,224 square feet

Proportionate Share: 42%

Tenant: Guardian Capital Advisors LP, represented by its general partner
Guardian Capital Advisors Inc.

Sub-Tenant: IDC Worldsource Insurance Network Inc.

The tenant under the sub-lease will be responsible to pay its Proportionate Share of all amounts payable by the tenant under the lease (including rent, utilities, etc.).

Special Notes: The tenant (Guardian Capital Advisors LP) and sub-tenant (IDC Worldsource Insurance Network Inc.) will also proportionately share in the costs for the receptionist for the shared reception area (salary, benefits, etc.).

Each of the tenant (Guardian Capital Advisors LP) and sub-tenant (IDC Worldsource Insurance Network Inc.) shall have the right to terminate the sub-lease by providing 12-months' notice to the other.

2) Vancouver Lease

City: Vancouver

Address: Suites 1810, 1860 and 1880, 1075 West Georgia Street, Vancouver,
B.C. V6E 3C9

Approx. total area leased: 11,031 square feet

Approx. area to be sub-leased: 1,582 square feet

Proportionate Share: 14.3%

Tenant: IDC Worldsource Insurance Network Inc.

Sub-Tenant: Modern Advisor Canada Inc.

The tenant under the sub-lease will be responsible to pay its Proportionate Share of all amounts payable by the tenant under the lease (including rent, utilities, etc.).

Special Notes: Each of the tenant (IDC Worldsource Insurance Network Inc.) and the sub-tenant (Modern Advisor Canada Inc.) shall have the right to terminate the sub-lease by providing 12-months' notice to the other.

EXHIBIT D
RESIGNATION AND MUTUAL RELEASES

See attached.

FORM OF RESIGNATION AND MUTUAL RELEASE

TO: [IDC Worldsource Insurance Network Inc.] (the "Corporation")

AND TO: The board of directors of the Corporation

AND TO: The undersigned individual (the "**Individual**", which term also includes the Individual's successors, assigns, heirs, executors, estate trustees, personal representatives and administrators)

DATE: ●, 2023

This resignation and mutual release agreement (the "**Release**") is entered into in connection with the purchase by 9479-5176 Québec inc. of all of the shares in the capital of the Corporation pursuant to a share purchase agreement dated ●, 2022 entered into with Desjardins Financial Corporation Inc., 9479-5176 Québec inc., Worldsource Wealth Management Inc., Worldsource Insurance Agency Inc., Guardian Capital Group Limited and the Corporation (the "**Agreement**").

1. Resignation

The undersigned Individual hereby resigns from all director and/or officer positions held by the Individual at the Corporation (or any committee of any board of directors thereof) subject to, and effective as of the date hereof, without the requirement of any acceptance hereby by the Corporation and without compensation for loss of office.

2. Release of the Corporation

(a) For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Individual irrevocably and unconditionally remises, releases and forever discharges the Released Persons from any and all Released Claims. "**Released Persons**" means the Corporation, its respective shareholders, partners, subsidiaries and affiliates, and their respective directors, officers, employees, agents and representatives, both current and former. "**Released Claims**" means any and all Claims which the Individual ever had, now has or may hereafter have, against the Released Persons, or any of them, relating to or arising out of, whether directly or indirectly, by reason of or as a consequence of, the Individual's relationship with the Corporation, whether as a shareholder, director, officer, employee, agent or servant of the Corporation, up to and including the date hereof, but does not include Excluded Claims. "**Excluded Claims**" means any Claims relating to, arising out of or in connection with the Individual's (i) rights to indemnity, if any, in the Individual's capacity as a director or officer of the Corporation under applicable law, the Corporation's by-laws; (ii) rights to coverage under and to contribution or indemnification with respect to any applicable director's and officer's insurance policies of the Corporation, if any; or (iii) right to make a claim as a result of fraud or willful misconduct by the Released Persons. "**Claims**" means all actions, causes of action, suits, proceedings, executions, judgements, duties, debts, dues, bonds, accounts, contracts and covenants (whether express or implied), claims and demands whatsoever, known or unknown, suspected or unsuspected, contingent or otherwise, for losses, liabilities, damages, indemnity, costs, expenses, severance, interest or injury of every nature and kind whether in law or in equity.

(b) The Individual represents, warrants and covenants that the Individual has not assigned and will not assign to any other person or entity any of the Released Claims. The Individual agrees and undertakes not to (i) join, instigate, assist, aid or act in concert in any manner whatsoever with any other persons or entities in the making of any Released Claims against any of the Released

Persons; or (ii) institute or continue any proceedings by way of action, arbitration or otherwise against any person or entity who or which might be entitled to claim contribution, indemnity, damages or other relief over or against any Released Person in connection with the Released Claims.

(c) The Individual agrees to indemnify and save harmless the Released Persons from and against any losses, liabilities, damages, costs and expenses (including reasonable expenses of counsel) suffered or incurred by any of the Released Persons as a result of the Individual making or bringing any Released Claim against any other person, whether by reason of such person claiming contribution or indemnity from any of the Released Persons in respect of such Released Claim or otherwise.

(d) **[The Individual acknowledges that the Individual has received salary, wages, bonuses, expenses, retirement or pension allowances, fees, participation in profits or earnings, dividends or other remuneration owing to the Individual and that the Individual has received all payments and amounts owing which the undersigned is or may be entitled to from the Corporation pursuant to the *Employment Standards Act, 2000 (Ontario)* as amended.]**¹

3. Release of the Individual

(a) For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Corporation hereby irrevocably and unconditionally remises, releases and forever discharges the Individual from any and all Corporate Released Claims. "**Corporate Released Claims**" means any and all Claims which the Corporation ever had, now has or may hereafter have against the Individual, relating to or arising out of, whether directly or indirectly, by reason of or as a consequence of, the Individual's relationship with the Corporation whether as a shareholder, director, officer, employee, agent or servant thereof, up to and including the date hereof but does not include Corporate Excluded Claims. "**Corporate Excluded Claims**" means any Claims that the Corporation may have against the Individual relating to, arising out of or in connection with **[(i) the share transfer agreement dated ●, 2022 entered into by the Individual and Worldsource Insurance Agency Inc. with respect to the transfer of the equity interests held by the Individual in the share capital of IDC Worldsource Insurance Network Inc. as well as any agreement related thereto, including the restrictive covenant agreement dated ●, 2022, or (ii)]**² any fraud, breach of fiduciary duty, criminal conduct or willful misconduct on the part of the Individual.

(b) The Corporation represents, warrants and covenants (i) that it has not assigned, and (ii) that it will not assign, to any other person or entity any of the Corporate Released Claims. The Corporation agrees and undertakes not to (i) join, instigate, assist, aid or act in concert in any manner whatsoever with any other persons or entities in the making of any Corporate Released Claim against the Individual; or (ii) institute or continue any proceedings by way of action, arbitration or otherwise against any person or entity who or which might be entitled to claim contribution, indemnity, damages or other relief over or against the Individual in connection with the Corporate Released Claims.

(c) The Corporation agrees to indemnify and save harmless the Individual from and against any losses, liabilities, damages, costs and expenses (including reasonable expenses of counsel) suffered or incurred by the Individual as a result of the Corporation making or bringing any Corporate Released Claim against any other person, whether by reason of such person claiming contribution or indemnity from the Individual in respect of such Corporate Released Claim or otherwise.

4. General

¹ **Note to draft:** To be kept if Individual is an officer/employee.

² **Note to draft:** To be kept if Individual is a IDC minority shareholder.

(a) This Release shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein and the parties hereto irrevocably attorn to the non-exclusive jurisdiction of the Courts of the Province of Ontario with respect to any matter arising hereunder or related hereto.

(b) The covenants, acknowledgements and confirmations in this Release shall survive indefinitely.

(c) This Release constitutes the entire agreement between the parties regarding the subject matter hereof. It is understood and agreed that there are no agreements, conditions, warranties, terms, representations or arrangements, oral or written, statutory or otherwise, other than those contained herein and therein, and that all prior conversations, understandings, arrangements, statements, communications or agreements, oral or written, with respect to this Release are hereby superseded. No change, amendment or supplement to any provision of this Release shall be binding unless it is in writing and signed by all of the parties hereto.

(d) The provisions hereof shall enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, assigns, and legal representatives, as the case may be.

(e) In the event that any provision of this Release, or part hereof, shall be found to be void or invalid by a court of competent jurisdiction, such void or invalid provision, or part thereof, shall be deemed to be severed from this Release without in any way affecting the validity, enforceability or effect of any of the remaining provisions, or parts thereof, which shall be and remain in full force and effect.

(f) This Release may be executed in counterparts and by facsimile or electronic means, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

(g) The parties hereto have required that this Release be drawn up in the English language. *Les parties aux présentes ont exigé que le présent document soit rédigé en langue anglaise.*

[Signature Page Follows]

This Release has been executed as of the date first written above.

The Individual

[Name of Director or Officer]

The Corporation

[IDC Worldsource Insurance Network Inc.]

By: _____

Name:

Title: