

**AMALGAMATION AGREEMENT**

**AMONG:**

**COMPEL CAPITAL INC.**

**AND:**

**1291502 B.C. LTD.**

**AND:**

**SCREENPRO SECURITY LTD.**

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EXHIBIT “B” – Form of Amalgamation Application (with attached Notice of Articles of Amalco)

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## AMALGAMATION AGREEMENT

**THIS AMALGAMATION AGREEMENT** is dated effective the 28<sup>th</sup> day of February, 2021.

**AMONG:**

**COMPEL CAPITAL INC.**, a corporation existing under the laws of the Province of Ontario with an address for delivery located at 3000-77 King St West, Toronto, Ontario M5K 1G8

("Compel");

**AND:**

**1291502 B.C. LTD.**, a corporation existing under the laws of the Province of British Columbia with registered and records office located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7

("Subco");

**AND:**

**SCREENPRO SECURITY LTD.**, a corporation existing under the laws of the Province of British Columbia with an address for delivery located at 526 Howe Street, Unit 260, Vancouver, British Columbia V6C 2T6

("ScreenPro");

**WHEREAS:**

(A) It is intended that ScreenPro and Subco, a wholly-owned subsidiary of Compel, will amalgamate and continue as one corporation (being Amalco (as defined herein)) under the provisions of the BCBCA (as defined herein);

(B) Upon the Amalgamation (as defined herein) taking effect, ScreenPro Shareholders (as defined herein) will receive Compel Shares (as defined herein) in the proportion and to the extent set out herein;

(C) In conjunction with the Amalgamation, ScreenPro will undertake the Share Split (as defined herein);

(D) In conjunction with the Amalgamation and the Share Split, the Resulting Issuer will apply to list on the CSE (as defined herein);

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

**PART 1**  
**INTERPRETATION**

**Definitions**

1.1 In this Agreement, the following defined terms have the meanings hereinafter set forth:

- (a) “**Agreement**” means this Amalgamation Agreement (including the exhibits hereto) as supplemented, modified or amended, and not to any particular article, section, schedule, exhibit or other portion hereof;
- (b) “**Amalco**” means the corporation continuing from the Amalgamation, which will be ScreenPro;
- (c) “**Amalco Shares**” means common shares in the capital of Amalco;
- (d) “**Amalgamation**” means the amalgamation of Subco and ScreenPro under the provisions of the BCBCA on the terms and conditions set forth in this Agreement;
- (e) “**Amalgamation Application**” means the amalgamation application as contemplated by the BCBCA and in substantially the form set out in Exhibit “B” to this Agreement;
- (f) “**Applicable Canadian Securities Laws**” means, collectively, and as the context may require, the applicable securities legislation of each of the provinces and territories of Canada, and the rules, regulations, instruments, orders and policies published and/or promulgated thereunder, as such may be amended from time to time prior to the Effective Date;
- (g) “**Applicable Laws**”, in the context that refers to one or more Persons, means any domestic or foreign, federal, state, provincial or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority, and any terms and conditions of any grant of approval, permission, authority or license of any Governmental Authority, that is binding upon or applicable to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or persons or its or their business, undertaking, property or securities;
- (h) “**Articles of Amalgamation**” means the articles of Amalco in respect of the Amalgamation and in substantially the form set out in Exhibit “A” to this Agreement;
- (i) “**BCBCA**” means the *Business Corporations Act* (British Columbia);
- (j) “**Board and Management Rollover**” means (i) the election by ScreenPro of the following directors of the Resulting Issuer: John McMullen, Young Cho Lee, James Hyland and Richard Yoon; and (ii) the appointment by ScreenPro of the following officers of the Resulting Issuer: John McMullen and Paul Haber;
- (k) “**Business Day**” means any day excluding a Saturday, Sunday or statutory holiday in the Province of British Columbia;

- (l) “**Certificate of Amalgamation**” means the certificate issued by the Registrar under the BCBCA certifying the filing of the Articles of Amalgamation and the Amalgamation Application;
- (m) “**Claims**” has the meaning set forth under §6.1;
- (n) “**Closing**” means the simultaneous closing of the Amalgamation and the CSE Listing;
- (o) “**Compel**” has the meaning set forth in the Recitals to this Agreement;
- (p) “**Compel Convertible Securities**” means securities convertible into Compel Shares;
- (q) “**Compel Financial Statements**” means the audited annual consolidated financial statements of Compel for the years ended December 31, 2019 and 2018;
- (r) “**Compel Options**” means options to acquire Compel Shares;
- (s) “**Compel Shareholder Consent**” means the written consent of Compel Shareholders holding more than 50 percent of the Compel Shares in respect of the Amalgamation and related transactions, in such form as required by the CSE;
- (t) “**Compel Shareholders**” means holders of Compel Shares;
- (u) “**Compel Shares**” means common shares in the capital of Compel;
- (v) “**Compel Warrants**” means warrants to acquire Compel Shares;
- (w) “**Constituting Documents**” means as to each of the Parties, its certificate of incorporation, notice of articles and articles as in effect as of the date of this Agreement;
- (x) “**Corporate Records**” means the corporate records of the Parties, including, as applicable, the Constituting Documents, share registers, registers of directors, list of bank accounts and signing authorities and minutes of shareholders’ and directors’ meetings;
- (y) “**CSE**” means the Canadian Securities Exchange;
- (z) “**CSE Listing**” means the listing of the Compel Shares on the CSE;
- (aa) “**Effective Date**” means the effective date of the Amalgamation as set forth in the Certificate of Amalgamation issued to Amalco;
- (bb) “**Effective Time**” means the effective time of the Amalgamation, being the time that the Amalgamation Application is filed with the Registrar;
- (cc) “**Encumbrances**” means any encumbrance of any kind whatever and includes any pledge, lien, charge, security interest, lease, title retention agreement, mortgage, hypothec, restriction, royalty, right of first refusal, development or similar agreement, option or adverse claim or encumbrance of any kind or character whatsoever or howsoever arising, and any right or privilege capable of becoming any of the foregoing;
- (dd) “**Exchange Ratio**” means the number of Compel Shares to be issued pursuant to the Amalgamation for each ScreenPro Share, respectively, as outstanding immediately prior to the Effective Date, which number shall be 1;

- (ee) “**Governmental Authority**” means any federal, state, provincial and municipal government, regulatory authority, governmental department, ministry, agency, commission, bureau, official, minister, crown corporation, court, board, tribunal, stock exchange, dispute settlement panel or body or other law, rule or regulation-making entity having jurisdiction;
- (ff) “**IFRS**” means International Financial Reporting Standards applicable as of the date of the financial statements, document or event in question;
- (gg) “**ITA**” means the *Income Tax Act* (Canada), as amended, including the regulations promulgated thereunder, as amended from time to time;
- (hh) “**Listing Statement**” means the listing statement to be filed by Compel in respect of the listing application pursuant to the policies of the CSE;
- (ii) “**Lock-Up Agreements**” means the lock-up agreements between Compel and its directors and officers, and the Principal Shareholders;
- (jj) “**Material Adverse Change**” or “**Material Adverse Effect**” means, with respect to a Person, any matter or action that has an effect or change that is, or would reasonably be expected to be, material and adverse to the business, results of operations, assets, capitalization, financial condition, rights, liabilities or prospects, contractual or otherwise, of such Person and its subsidiaries, if applicable, taken as a whole, other than any matter, action, effect or change relating to or resulting from: (i) a matter that has been publicly disclosed prior to the date of this Agreement or otherwise disclosed in writing by a Party to the other Party prior to the date of this Agreement; (ii) any action or inaction taken by such Person to which the other Person had consented in writing; (iii) the announcement of the transactions contemplated by the Amalgamation or this Agreement; or (iv) general economic, financial, currency exchange, securities, banking or commodity market conditions in the United States, Canada or worldwide;
- (kk) “**Material Change**” and “**Material Fact**” has the meanings ascribed thereto under the Applicable Canadian Securities Laws;
- (ll) “**MI 61-101**” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;
- (mm) “**Outside Date**” means April 14, 2021;
- (nn) “**Parties**” means, collectively, the parties to this Agreement, and “**Party**” means any one of them;
- (oo) “**Person**” means any natural person, Governmental Authority, corporation, general or limited partnership, joint venture, limited liability company, trust, association or unincorporated entity of any kind;
- (pp) “**Principal Shareholders**” means all Compel Shareholders holding 10% or more of all issued and outstanding Compel Shares;
- (qq) “**Public Record**” means all information filed by Compel with any securities commission or similar regulatory authority which are available through the SEDAR website as of the date hereof;

(rr) “**Registrar**” means the Registrar of Companies or a Deputy Registrar of Companies for the Province of British Columbia duly appointed under the BCBCA;

(ss) “**Related Person**” means, under the CSE policies, in relation to a “listed issuer”, being an issuer that has applied to list its securities on the CSE or has its securities listed on the CSE:

(i) a “related entity” of the listed issuer, being:

(A) a person

(I) that is an affiliated entity of the listed issuer,

(II) of which the listed issuer is a control block holder;

(B) a management company or distribution company of a mutual fund that is a listed issuer; or

(C) a management company or other company that operates a trust or partnership that is a listed issuer;

(ii) a partner, director or officer of the listed issuer or related entity;

(iii) a promoter of a person who performs “investor relations activities” (as such terms is defined in the CSE’s policies) for the listed issuer or related entity;

(iv) any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the listed issuer or related entity; and

(v) such other person as may be designated from time to time by the CSE;

(tt) “**Resulting Issuer**” means Compel post-CSE Listing;

(uu) “**RTO Private Placements**” means the non-brokered private placement to be completed by ScreenPro in one or more tranches prior to the Closing in such amount and distribution as is adequate to meet the applicable listing requirements of the CSE for the Resulting Issuer;

(vv) “**Securities Act**” means the *Securities Act* (British Columbia), as amended, including the regulations promulgated thereunder;

(ww) “**SEDAR**” means the System for Electronic Document Analysis and Retrieval ([www.sedar.com](http://www.sedar.com));

(xx) “**Share Split**” means the share split of the issued and outstanding ScreenPro Shares on the basis of 1 pre-Share Split ScreenPro Share for every 4.68858594500271 post-Share Split ScreenPro Share;

(yy) “**Subco**” has the meaning set forth in the Recitals to this Agreement;

(zz) “**Subco Shares**” means common shares in the capital of Subco;

(aaa) “**ScreenPro**” has the meaning set forth in the Recitals to this Agreement;



- (bbb) “**ScreenPro Amalgamation Consent Resolution**” means the special consent resolution of ScreenPro Shareholders holding at least 66 and 2/3<sup>rds</sup> percent of the ScreenPro Shares in respect of the Amalgamation and related transactions to be considered by the ScreenPro Shareholders;
- (ccc) “**ScreenPro Financial Statements**” means the consolidated financial statements of ScreenPro for the period ended November 30, 2020;
- (ddd) “**ScreenPro Convertible Securities**” means securities convertible into ScreenPro Shares;
- (eee) “**ScreenPro Shareholders**” means the holders of ScreenPro Shares;
- (fff) “**ScreenPro Shares**” means the common shares in the capital of ScreenPro;
- (ggg) “**Transfer Agent**” means Computershare Trust Company of Canada, the transfer agent for all Compel securities and/or Resulting Issuer securities, as applicable; and
- (hhh) “**U.S. Securities Act**” means the United States Securities Act of 1933, as amended, and the rules, regulations and orders promulgated thereunder.

## **Interpretation**

1.2 For the purposes of this Agreement, except as otherwise expressly provided:

- (a) the division of this Agreement into articles, sections and subsections is for convenience of reference only and does not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereto”, “herein” and “hereunder” and similar expressions refer to this Agreement (including exhibits hereto) and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto;
- (b) words importing the singular number include the plural and vice versa, and words importing the use of any gender include all genders;
- (c) the word “including”, when following any general statement or term, is not to be construed as limiting the general statement or term to the specific items or matters set forth or to similar items or matters, but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its broadest possible scope;
- (d) if any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day and a business day in the place where an action is required to be taken, such action is required to be taken on the next succeeding day which is a Business Day and a business day, as applicable, in such place;
- (e) any reference in this Agreement to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time, and to any regulations promulgated thereunder. References to any agreement or document shall be to such agreement or document (together with all schedules and exhibits thereto), as it may have been or may hereafter be amended, supplemented, replaced or restated from time to time;
- (f) all sums of money that are referred to in this Agreement are expressed in lawful money of Canada unless otherwise noted;

(g) unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature are required to be made shall be made in a manner consistent with IFRS;

(h) all representations, warranties, covenants and opinions in or contemplated by this Agreement as to the enforceability of any covenant, agreement or document are subject to enforceability being limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally, and the discretionary nature of certain remedies (including specific performance and injunctive relief and general principals of equity);

(i) where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of a Party, it refers to the actual knowledge of the senior officers of the Party after due inquiry; and

(j) the Parties hereto acknowledge that their respective legal counsel have reviewed and participated in settling the terms of this Agreement, and the Parties agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting Party will not be applicable in the interpretation of this Agreement.

### **Schedules and Exhibits**

1.3 The following exhibits attached hereto are incorporated into and form an integral part of this Agreement:

Exhibit "A" – Form of Articles of Amalgamation of Amalco

Exhibit "B" – Form of Amalgamation Application (with attached Notice of Articles of Amalco)

## **PART 2** **THE AMALGAMATION**

### **Agreement to Amalgamate**

2.1 The Parties agree that Subco and ScreenPro shall amalgamate pursuant to the provisions of the BCBCA as of the Effective Date and at the Effective Time and continue as one corporation (being Amalco) on the terms and conditions set out in this Agreement.

### **Effect of Amalgamation**

2.2 Upon the terms and subject to the conditions set forth in this Agreement, upon the Effective Date and at the Effective Time:

(a) Subco and ScreenPro shall be amalgamated and continue as one corporation (being Amalco);

(b) each of Subco and ScreenPro shall cease to exist as entities separate from Amalco;

(c) Amalco will be a wholly-owned subsidiary of Compel;

- (d) the properties, rights and interests of each of Subco and ScreenPro shall continue to be the properties, rights and interests of Amalco;
- (e) Amalco shall continue to be liable for the obligations of each of Subco and ScreenPro;
- (f) any existing cause of action, claim or liability to prosecution with respect to either or both of Subco and ScreenPro shall be unaffected;
- (g) any civil, criminal or administrative action or proceeding pending by or against any of the Subco or ScreenPro may be continued to be prosecuted by or against Amalco.

**Articles**

2.3 The Articles of Amalgamation attached hereto as Exhibit “A” shall be the articles of Amalco and the Certificate of Amalgamation shall be deemed to the certificate of incorporation of Amalco.

**Registered Office**

2.4 The registered office of Amalco shall be a corporation existing under the laws of the Province of British Columbia with registered and records office located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

**Authorized Capital and Restrictions on Share Transfers**

2.5 The authorized capital of Amalco shall consist of an unlimited number of Amalco Shares without par value and without special rights or restrictions.

2.6 The right to transfer securities of Amalco shall be restricted. Securities of Amalco, other than non-convertible debt securities, may not be transferred unless: (a) the consent has been obtained of either: (i) the director(s) of Amalco evidenced by a resolution passed or signed by them and recorded in the minute book of the Amalco; or (ii) the holders of a majority in number of the outstanding Amalco Shares; or (b) where the securities are not Amalco Shares, the restrictions on transfer contained in the applicable security holder’s agreement having been complied with.

**Fiscal Year**

2.7 The fiscal year end of Amalco shall be December 31 of each calendar year.

**Business**

2.8 There shall be no restriction on the business which Amalco is authorized to carry on or the powers of Amalco.

**Initial Directors**

2.9 Pursuant to the Board and Management Rollover, the directors of the Resulting Issuer shall be set at four (4), shall be appointed by ScreenPro and shall be the persons whose name and address appear below:

<u>Name</u>	<u>Address</u>
John McMullen	18 Lark Street, Toronto, Ontario M4L3M6

<u>Name</u>	<u>Address</u>
James Hyland	3723 Princess Avenue, North Vancouver, BC V7N 2E5
Young Cho Lee	3803-833 Seymour St., Vancouver BC V6B 0G4
Richard Yoon	95 Lyndhurst Drive, Thornhill ON L3T 6R8

Such directors shall hold office until the first annual meeting of shareholders of the Resulting Issuer or until their successors are elected or appointed.

### **Initial Officers**

2.10 Pursuant to the Board and Management Rollover, the officers of the Resulting Issuer shall be the persons whose name and position appear below:

<u>Name</u>	<u>Position</u>
John McMullen	Chief Executive Officer
Paul Haber	Chief Financial Officer

### **Issuance of Securities and Restructuring of the Parties**

2.11 Upon the terms and subject to the conditions set forth in this Agreement:

- (a) prior to the Effective Time, any and all outstanding, previously issued Compel Options and Compel Warrants (or other convertible Compel securities) convertible into Compel Shares shall be surrendered and cancelled, and ScreenPro understands that Compel, at Closing, will have no dilutive securities outstanding;
- (b) prior to the Effective Time, ScreenPro shall take commercially reasonable efforts to cause the Compel Shares to be listed on the CSE;
- (c) prior to the Effective Time, ScreenPro shall complete the Share Split;
- (d) at the Effective Time, each ScreenPro Shareholder will receive 1 fully paid and non-assessable Compel Shares in exchange for each post-Share Split ScreenPro Share held by such holder;
- (e) at the Effective Time, the Subco Shares will be cancelled and replaced by Amalco Shares on the basis of one (1) Amalco Share for each Subco Share;
- (f) at the Effective Time, Amalco shall be a wholly-owned subsidiary of Compel;
- (g) at the Effective Time, in consideration for Compel's issuance of the Compel Shares referenced in §2.13(d), Amalco shall issue to Compel one (1) Amalco Share for each Compel Share under §2.13(d);

- (h) at the Effective Time, all holders of ScreenPro Convertible Securities will receive, in exchange for each ScreenPro Convertible Security held, one Resulting Issuer Convertible Security, with each Resulting Issuer Convertible Security having the same terms as the ScreenPro Convertible Securities being exchanged therefor, and thereafter all of the outstanding ScreenPro Convertible Securities will be cancelled;
- (i) at the Effective Time, no fractional securities shall be issued by Compel pursuant to §2.11, and any exchange or replacement contemplated herein that results in less than a whole number shall be rounded to the nearest whole number;
- (j) at the Effective Time, the Board and Management Rollover shall be effected;
- (k) at the Effective Time, Compel's name shall be changed to "ScreenPro Security Ltd."; and
- (l) all of the property, rights, privileges and assets of each of Subco and ScreenPro will continue as the property, rights, privileges and assets of Amalco, and Amalco will become liable for all of the liabilities and obligations of Subco and ScreenPro.

### **ScreenPro Convertible Securities**

2.12 The Parties acknowledge that, as at the Effective Time, there will be no ScreenPro Convertible Securities issued and outstanding other than ScreenPro Convertible Securities issued in connection with the RTO Private Placements.

### **Dissenting Shareholders**

2.13 Registered ScreenPro Shareholders entitled under the BCBCA to vote on the ScreenPro Amalgamation Consent Resolution have either previously waived their right to dissent to this Amalgamation and any related matter in connection with their original subscription in ScreenPro Shares and provided power of attorney to ScreenPro's Chief Executive Officer to vote in relation thereto, or will have waived any such dissent rights that governed by such power of attorney.

### **Modification or Abandonment of the Amalgamation**

2.14 The directors of ScreenPro and Subco may, at any time, assent to any alteration or modification of this Agreement or withdraw from the Amalgamation before the Effective Date.

### **Completion of the Amalgamation and Effective Date**

2.15 Upon the satisfaction or waiver of the conditions herein contained in favour of each Party, Subco and ScreenPro shall immediately deliver to the Registrar the Amalgamation Application and such other documents as may be required to give effect to the Amalgamation. The Amalgamation shall become effective at the Effective Time.

### **Acknowledgment of Escrow and Resale Restrictions**

2.16 ScreenPro and Compel acknowledge and agree that in accordance with the policies of the CSE and Applicable Canadian Securities Laws (and equivalent United States securities laws), as applicable, that the Compel Shares issued to certain ScreenPro Shareholders may be subject to escrow and/or share resale restrictions under the policies of the CSE and Applicable Canadian Securities Laws (and equivalent United States securities laws).

### **Compel Guarantee**

2.17 Compel hereby unconditionally and irrevocably guarantees the due and punctual performance by Subco of each and every covenant and obligation of Subco arising under this Agreement. Compel hereby agrees that ScreenPro shall not have to proceed first against Subco before exercising its rights under this guarantee against Compel.

### **Actions to Satisfy Conditions**

2.18 ScreenPro shall take all such actions as are within its power to control and use commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with all of the applicable conditions precedent in favour of Compel as set forth in this Agreement and any ancillary Agreements.

## **PART 3** **COVENANTS**

### **Mutual Covenants**

3.1 From the date of this Agreement until the earlier of the Effective Date and the termination of this Agreement in accordance with Part 10, except as otherwise expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws (including Applicable Canadian Securities Laws), each of the Parties shall:

- (a) carry on its business in the usual, regular and ordinary course of business consistent with its past practice;
- (b) not alter or amend its Constatng Documents as the same exist at the date of this Agreement, except as contemplated by this Agreement;
- (c) take, or cause to be taken, all action and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws (including Applicable Canadian Securities Laws) to complete the Amalgamation, including using reasonable commercial efforts:
  - (i) to obtain all necessary consents, assignments, waivers and amendments to or terminations of any agreements and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby;
  - (ii) to effect all necessary registrations, filings and submissions of information requested by Governmental Authorities required to be effected by it in connection with the Amalgamation;
  - (iii) to oppose, lift or rescind any injunction or restraining or other order seeking to stop, or otherwise adversely affecting its ability to consummate, the Amalgamation and to defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers challenging this Agreement or the consummation of the transactions contemplated hereby; and

- (iv) to reasonably cooperate with the other Parties and their tax advisors in structuring the Amalgamation and other transactions contemplated to occur in conjunction with the Amalgamation in a tax effective manner and assist the other Parties and their tax advisors in making such investigations and enquiries with respect to such Parties in that regard, as the other Parties and its tax advisors shall consider necessary, acting reasonably;
- (d) not take any action that would render, or may reasonably be expected to render, any representation or warranty made by such Party in this Agreement untrue in any material respect;
- (e) use reasonable commercial efforts to obtain and maintain the third party approvals applicable to them and provide the same to the other Parties on or prior to the Effective Date;
- (f) except as provided in this Agreement, not amalgamate or consolidate with, or enter into any other corporate reorganization with, any other corporation or person or perform any act or enter into any transaction or negotiation which, in the opinion of ScreenPro or Compel acting reasonably, interferes or is inconsistent with the completion of the transactions contemplated hereby. Without limiting the foregoing, except as provided in this Agreement, none of the Parties shall (i) make any distribution by way of dividend, return of capital or otherwise to or for the benefit of its shareholders or (ii) issue any of its shares or other securities convertible into shares or enter into any commitment or agreement (other than on the exercise of convertible securities);
- (g) not adopt or amend or make any contribution to any bonus, profit sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, trust, fund or agreements for the benefit of employees, except as is necessary to comply with Applicable Laws or with respect to existing provisions of any such plans, programs, or agreements;
- (h) not grant any officer, director, employee or consultant an increase in compensation in any form or take any action with respect to the amendment or grant of any severance or termination pay policies for any directors, officers, employees or consultants, nor adopt or amend (other than to permit accelerated vesting of options) or make any contribution to any bonus, profit sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, other compensation or other similar plan from a trust fund for the benefit of directors, officers, employees or consultants, except as is necessary to comply with Applicable Laws or with respect to existing provisions of any such plans, programs, arrangements or agreements;
- (i) furnish to the other Parties such information, in addition to the information contained in this Agreement, relating to its financial condition, business, properties and affairs as may reasonably be requested by another Party, which information shall be true and complete in all material respects and shall not contain an untrue statement of any Material Fact or omit to state any Material Fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances in which they are made, not misleading and will notify the other Parties of any significant development or Material Change relating to it promptly after becoming aware of any such development or change;
- (j) promptly notify the other Parties in writing of any change in any representation or warranty provided in this Agreement which change is or may be of such a nature as to render any representation or warranty misleading or untrue in any material respect and the Parties shall in good faith discuss with the other Parties such change in circumstances (actual, anticipated, contemplated, or to its knowledge, threatened) which is of such a nature that there may be a

reasonable question as to whether notice need to be given to the other Parties pursuant to this §3.1(j);

(k) promptly notify the other Parties in writing of any material breach by such Party of any covenant, obligation or agreement contained in this Agreement; and

(l) not, directly or indirectly, solicit, initiate, assist, facilitate, promote or knowingly encourage the initiation of proposals or offers from, entertain or enter into discussions or negotiations with any person other than the other Parties hereto, with respect to any amalgamation, merger, consolidation, arrangement, restructuring, sale of any material assets or part thereof of such Party, unless such action, matter or transaction is part of the transactions contemplated in this Agreement or is required as a result of the duties of directors and officers of the applicable Party in compliance with Applicable Laws (including Applicable Canadian Securities Laws).

### **Additional Covenants of Compel and Subco**

3.2 From the date of this Agreement until the earlier of the Effective Date and the termination of this Agreement in accordance with Part 10, except as expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws (including Applicable Canadian Securities Laws), each of Compel and Subco covenant and agree that:

(a) Compel and Subco shall use their reasonable commercial efforts to satisfy or cause the satisfaction of the conditions set forth in §7.1 and §7.3 as soon as reasonably practicable, to the extent the fulfillment of the same is within the control of Compel or Subco, as the case may be;

(b) Compel shall, as the sole shareholder of Subco, approve by special resolution the Amalgamation, together with such matters as are required to effect the Amalgamation;

(c) Compel shall take all necessary actions required to effect the Board and Management Rollover by the Effective Time;

(d) Compel shall, on the Effective Date, provide to the Transfer Agent a direction authorizing and directing the Transfer Agent to issue Compel Shares issuable under the Amalgamation to holders of the ScreenPro Shares and shall direct the Transfer Agent to distribute the same to the holders of the ScreenPro Shares in accordance with their terms and the terms of this Agreement;

(e) Compel shall use reasonable commercial efforts to seek approval of the Compel Shareholder Consent, together with the approval of such matters as are required to effect the Amalgamation;

(f) Compel and Subco shall not enter into any agreement with any related party, as such term is defined in MI 61-101;

(g) Compel shall not issue any Compel Shares or securities convertible into Compel Shares except in connection with the Amalgamation as contemplated in this Agreement;

(h) Compel and Subco shall not provide any guarantee in respect of the obligations of any person, other than in accordance with §2.17; and



- (i) Compel shall promptly advise ScreenPro of the number of Compel Shares for which Compel receives notices of dissent or written objections to the Amalgamation.

#### **Additional Covenants of ScreenPro**

3.3 From the date of this Agreement until the earlier of the Effective Date and the termination of this Agreement in accordance with Part 10, except as expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws (including Applicable Canadian Securities Laws), ScreenPro covenants and agrees that:

- (a) ScreenPro shall use reasonable commercial efforts to satisfy or cause the satisfaction of the conditions set forth in §7.1 and §7.2 as soon as reasonably practicable, to the extent the fulfillment of the same is within the control of ScreenPro;
- (b) ScreenPro shall take all necessary actions required to effect the Share Split prior to the Effective Time;
- (c) ScreenPro will ensure that each ScreenPro Shareholder that is a “U.S. Person” or is located in the United States will confirm that they are an “accredited investor” as defined in Regulation D of the U.S. Securities Act and is acquiring Compel Shares for its own account to be held for investment purposes only and not with a view to any resale, distribution or other disposition in violation of United States securities laws or applicable State securities laws;
- (d) ScreenPro shall use reasonable commercial efforts to seek approval of the ScreenPro Amalgamation Consent Resolution, together with the approval of such matters as are required to effect the Amalgamation;
- (e) ScreenPro shall not issue any ScreenPro Shares or securities convertible into ScreenPro share, except in connection with the RTO Private Placements and the Share Split;
- (f) ScreenPro shall not enter into any material contract or any transaction outside the ordinary course of business; and
- (g) ScreenPro shall promptly advise Compel of the number of ScreenPro Common Shares for which ScreenPro receives notices of dissent or written objections to the Amalgamation.

### **PART 4** **REPRESENTATIONS AND WARRANTIES**

#### **Representations and Warranties of Compel and Subco**

4.1 Compel and Subco represent and warrant to ScreenPro the following, effective on the Effective Date, and acknowledge that ScreenPro is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

- (a) each of Compel and Subco have good and sufficient right and authority to enter into this Agreement and carry out their obligations hereunder;
- (b) this Agreement and each of the ancillary agreements to which Compel or Subco is a party have been duly executed and delivered by Compel and/or Subco, as applicable, and constitute

legal, valid and binding agreements of such entities enforceable against them in accordance with their respective terms subject only to any limitation under Applicable Laws relating to (i) bankruptcy, winding-up, insolvency, arrangement, fraudulent preference and conveyance, assignment and preference and other similar laws of general application affecting creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction;

(c) each of Compel and Subco are duly incorporated and organized under the laws of the jurisdiction in which each is organized, are currently in good standing;

(d) other than SubCo, Compel does not have any subsidiaries;

(e) Compel is a "reporting issuer" in the Province of Ontario and is not subject to any regulatory decision or order prohibiting or restricting the trading in the Compel Shares, except as disclosed to ScreenPro;

(f) Compel is authorized to issue an unlimited number of Compel Shares, of which 48,982,084 Compel Shares are issued and outstanding as of the date hereof;

(g) the number of outstanding shares referred to above in §4.1(f) shall remain the same at the Effective Date subject to the transactions and share issuances contemplated hereby;

(h) Subco is authorized to issue an unlimited number of Subco Shares, of which one (1) Subco Share is outstanding as at the date hereof, which is held by Compel;

(i) other than the securities referred to in §4.1(f) and §4.1(h), there are no other shares, options, warrants, convertible notes or debentures, agreements, documents, instruments or other writings of any kind whatsoever which constitute a "security" of Compel or Subco (as that term is defined in the Securities Act) and Compel has no agreements or commitments of any character whatsoever convertible into, or exchangeable or exercisable for or otherwise requiring the issuance, sale, transfer, purchase or redemption by Compel or Subco of any Compel Shares or Subco Shares or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any Compel Shares or Subco Shares;

(j) subject to Applicable Laws (including Applicable Canadian Securities Laws) and the rules and policies of the CSE, Compel has the full and lawful right and authority to issue the Compel Shares to ScreenPro Shareholders in connection with the Amalgamation and related transactions and upon completion of the Amalgamation, such shares will be validly issued as fully paid and non-assessable shares in the capital of Compel free and clear of all liens, charges and Encumbrances but subject to such trading restrictions as are imposed under Applicable Laws (including Applicable Canadian Securities Laws) and CSE policies;

(k) there are no outstanding actions, suits, judgments, investigations or proceedings of any kind whatsoever against or affecting Compel or Subco at law or in equity or before or by any Governmental Authority, nor are there, to their knowledge, any pending or threatened;

(l) neither the execution and delivery of this Agreement, nor the consummation of the Amalgamation, will conflict with or result in any breach of any of the terms or provisions of, or constitute a default under, the material contracts and the Constatng Documents of Compel or Subco, director or shareholder minutes of Compel or Subco, any agreement or instrument to which

Compel or Subco is a party or by which Compel or Subco is bound, or any order, decree, statute, regulation, covenant or restriction applicable to Compel or Subco;

(m) the documents and materials comprising the Public Record of Compel and Subco are in all material respects accurate and up to date and contain no misrepresentation, nor omit any facts, the omission of which makes the Public Record or any particulars therein, materially misleading or incorrect;

(n) no Material Change has occurred in relation to Compel which is not disclosed in the Public Record, and Compel has not filed any confidential material change reports which continue to remain confidential;

(o) neither Compel nor Subco has any liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind whatsoever, and, there is no basis for assertion against Compel nor Subco of any liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind, other than liabilities disclosed or reflected in the Compel Financial Statements as disclosed in the Public Record or incurred in the ordinary course of business following the dates of the most recent financial statements of Compel;

(p) the information in the Listing Statement relating to Compel and Subco will be true, correct and complete in all material respects and not contain any untrue statement of any Material Fact, nor omit to state any Material Fact required to be stated therein or necessary in order to make the statements therein not misleading in light of the context in which they are to be made;

(q) neither Compel nor Subco has any outstanding taxes due and payable;

(r) as of the date hereof, neither Compel nor Subco has any debts or obligations other than those disclosed in the Compel Financial Statements and accounts or for professional fees accrued but not yet invoiced and has granted no general security over its assets or security in any particular asset;

(s) as at the date hereof, there are no reasonable grounds for believing that any creditor of Compel or Subco will be prejudiced by the Amalgamation;

(t) as at the date hereof, Compel has no subsidiaries, except for Subco;

(u) there are no agreements, covenants, undertakings, rights of first refusal or other commitments of either Compel or Subco or any instruments binding on it or its assets:

(i) which would preclude it from entering into this Agreement;

(ii) under which the Amalgamation would have the effect of imposing restrictions or obligations on Amalco greater than those imposed upon Compel or Subco;

(iii) which would give a third party, as a result of the transactions contemplated in this Agreement, the right to terminate any material agreement to which Compel or Subco is a party or to purchase any of Compel's, Subco's or Amalco's assets;  
or

(iv) which would impose restrictions on the ability of Amalco;

- (A) to carry on any business which it might choose to carry on within any geographical area;
  - (B) to acquire property or dispose of its property and assets as an entirety;
  - (C) to pay dividends, redeem shares or make other distributions to its shareholders;
  - (D) to borrow money or to mortgage and pledge its property as security therefore; or
  - (E) to change its corporate status;
- (v) all information supplied by Compel and Subco or their representatives to ScreenPro in the course of ScreenPro's due diligence review in respect of the transactions contemplated by this Agreement, is accurate and correct in all material respects;
- (w) the representations, warranties or statements of fact made in this section do not contain any untrue statement of a Material Fact or omit to state any Material Fact necessary to make any such warranty or representation not misleading to ScreenPro in seeking full information as to Compel and Subco and their assets, liabilities and business.

#### **Representations and Warranties of ScreenPro**

4.2 ScreenPro represents and warrants to Compel and Subco the following, effective on the Effective Date, and acknowledges that Compel and Subco are relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

- (a) it has good and sufficient right and authority to enter into this Agreement and carry out its intentions hereunder;
- (b) it is duly incorporated and validly existing under the BCBCA, is currently in good standing, and is not subject to any regulatory decision or order prohibiting or restricting trading in its shares;
- (c) this Agreement and each of the ancillary agreements to which ScreenPro is a party have been duly executed and delivered by ScreenPro and constitute legal, valid and binding agreements of ScreenPro enforceable against it in accordance with their respective terms subject only to any limitation under Applicable Laws relating to (i) bankruptcy, winding-up, insolvency, arrangement, fraudulent preference and conveyance, assignment and preference and other similar laws of general application affecting creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction;
- (d) it is not a "reporting issuer" within the meaning of Applicable Canadian Securities Laws. No securities commission or similar regulatory authority has issued any order which is currently outstanding preventing or suspending trading in any securities of ScreenPro, no such proceeding is, to the knowledge of ScreenPro, pending, contemplated or threatened and ScreenPro is not, to its knowledge, in default of any requirement of any Applicable Canadian Securities laws, rules or policies applicable to ScreenPro or its securities. To the knowledge of ScreenPro, no ScreenPro Shares are listed or quoted on a stock exchange or stock trading system;

(e) it is authorized to issue an unlimited number of ScreenPro Shares, of which 60,816,994 ScreenPro Shares are issued and outstanding as fully paid and non-assessable shares as at the date hereof;

(f) other than the securities referred to in §4.2(e), any ScreenPro Convertible Securities issued in connection with the RTO Private Placement and as otherwise contemplated by this Agreement, there are no other shares, options, warrants, convertible notes or debentures, agreements, documents, instruments or other writings of any kind whatsoever which constitute a "security" of ScreenPro (as that term is defined in the Securities Act) and ScreenPro has no agreements or commitments of any character whatsoever convertible into, or exchangeable or exercisable for or otherwise requiring the issuance, sale or transfer by ScreenPro of any ScreenPro Shares or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any ScreenPro Shares;

(g) no Person has any options, agreements or right of any kind to acquire all of any portion of ScreenPro's assets;

(h) except as otherwise contemplated under this Agreement, no Person has any written or oral agreement, option or warrant or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming such for (i) the purchase or acquisition of any of ScreenPro Shares, or (ii) the purchase, subscription, allotment or issuance of any unissued shares or other securities in the capital of ScreenPro;

(i) there are no actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of ScreenPro, or the ScreenPro Shareholders) pending or, to the knowledge of ScreenPro, threatened by or against ScreenPro or any of the ScreenPro Shareholders or affecting any ScreenPro assets, at law or in equity, or before or by any federal, provincial, state, municipal or other governmental court, department, commission, board, bureau, agency or instrumentality, domestic or foreign and ScreenPro is not aware of any existing ground on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success;

(j) neither the execution and delivery of this Agreement, nor the consummation of the Amalgamation, will conflict with or result in any breach of any of the terms or provisions of, or constitute a default under, any material contracts, the Constatting Documents of ScreenPro, director or shareholder minutes of ScreenPro, any agreement or instrument to which ScreenPro is a party or by which ScreenPro is bound, or any order, decree, statute, regulation, covenant or restriction applicable to ScreenPro;

(k) ScreenPro has no liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind whatsoever, and, there is no basis for assertion against ScreenPro of any liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind, other than liabilities listed in the ScreenPro Financial Statements and incurred in the ordinary course of business or in connection with the transactions contemplated by this Agreement;

(l) there are no payments required to be made to directors, officers and employees of ScreenPro as a result of this Agreement or the Amalgamation under all contract settlements, bonus plans, retention agreements, change of control agreements and severance obligations (whether resulting from termination, change of control or alteration of duties);

(m) the ScreenPro Financial Statements prepared in connection with the transactions contemplated in this Agreement have been prepared in accordance with IFRS and are based on the books and records of ScreenPro and fairly present the financial condition of ScreenPro as at the dates hereof and the result of the operations for such periods and have been audited by an independent accounting firm registered under the Canadian Public Accountability Board;

(n) the information in the Listing Statement relating to ScreenPro will be true, correct and complete in all material respects and will not contain any untrue statement of any Material Fact, nor omit to state any Material Fact required to be stated therein or necessary in order to make the statements therein not misleading in light of the context in which they are to be made;

(o) ScreenPro does not have any outstanding taxes due and payable and there exist no facts or circumstances which may reasonably be expected to result in the issuance of assessment or reassessment of tax;

(p) ScreenPro has duly and on a timely basis prepared and filed all tax returns required to be filed by it prior to the date hereof and such returns and documents are complete and correct. ScreenPro has no knowledge of any contingent tax liabilities or any ground which would prompt an assessment or reassessment of any of such returns or reports, including aggressive treatment of income and expenses in filing any tax returns;

(q) the Corporate Records of ScreenPro are complete and accurate in all material respects and all corporate proceedings and actions reflected in the Corporate Records have been conducted or taken in compliance with all Applicable Laws and with the Constating Documents of ScreenPro;

(r) no proceedings have been taken, are pending or authorized by ScreenPro or by any other Person, in respect of the bankruptcy, insolvency, liquidation or winding up of ScreenPro;

(s) any Person that becomes a shareholder of ScreenPro after the date hereof shall have agreed in writing to be bound by this Agreement;

(t) there are no agreements, covenants, undertakings, rights of first refusal or other commitments of ScreenPro or any instruments binding on their assets:

(i) which would preclude ScreenPro from entering into this Agreement;

(ii) under which the Amalgamation would have the effect of imposing restrictions or obligations on Amalco greater than those imposed upon ScreenPro;

(iii) which would give a third party, as a result of the transactions contemplated in this Agreement, the right to terminate any material agreement to which ScreenPro is a party or to purchase any of ScreenPro's or Amalco's assets; or

(iv) which would impose restrictions on the ability of Amalco:

(A) to carry on any business which it might choose to carry on within any geographical area;

(B) to acquire property or dispose of its property and assets as an entirety;

- (C) to pay any dividends, redeem shares or make other distributions to its shareholders;
  - (D) to borrow money or to mortgage and pledge its property as security therefor; or
  - (E) to change its corporate status; and
- (u) the representations, warranties or statements of fact made in this section do not contain any untrue statement of a material fact or omit to state any material fact necessary to make any such warranty or representation not misleading to Compel or Subco in seeking full information as to ScreenPro and its assets, liabilities and business.

### **Survival of Representation and Warranties**

4.3 The representations and warranties herein shall survive the performance of the Parties respective obligations hereunder and the termination of this Agreement but shall expire two (2) years after the Effective Date.

## **PART 5** **AGREEMENTS**

### **Meetings and Amalgamation Consent Resolutions**

5.1 As promptly as practical following the execution of this Agreement and in compliance with Applicable Laws (including Applicable Canadian Securities Laws):

- (a) Compel shall prepare the Compel Shareholder Consent and shall provide the Compel Shareholder Consent to Compel Shareholders or to any individual acting with power of attorney on behalf of such Compel Shareholders;
- (b) ScreenPro shall prepare the ScreenPro Amalgamation Consent Resolution and ScreenPro shall provide the ScreenPro Amalgamation Consent Resolution to ScreenPro Shareholders or to any individual acting with power of attorney on behalf of such ScreenPro Shareholders; and
- (c) Subject to obtaining the required approvals of the ScreenPro Shareholders and the Compel Shareholders, and subject to the satisfaction or waiver of the applicable conditions of Closing as set forth in this Agreement, ScreenPro and Subco will submit the Articles of Amalgamation and such other documents as may be required under the BCBCA in connection therewith to give effect to the Amalgamation.

### **Listing Statement**

5.2 As promptly as practical following the execution of this Agreement, and in compliance with Applicable Laws (including Applicable Canadian Securities Laws) and the policies of the CSE:

- (a) Compel and ScreenPro shall cooperate in the preparation of the Listing Statement and Compel shall provide to ScreenPro the necessary information in respect of Compel to ensure that the Listing Statement provides information in compliance in all material respects with CSE policies on the date of filing thereof; and

- (b) ScreenPro shall cause the Listing Statement to be filed with applicable regulatory authorities in all jurisdictions where the same is required to be filed.

### **Preparation of Filings**

- 5.3 a) Compel and ScreenPro shall cooperate in the taking of all such action as may be required under the BCBCA, Applicable Canadian Securities Laws, and other Applicable Laws in connection with the transactions contemplated by this Agreement and the Amalgamation, including structuring the Amalgamation as a plan of arrangement, if determined necessary in order to comply with the U.S. Securities Act.
- (b) Each of Compel and ScreenPro shall promptly furnish to the other all information concerning it as may be required for the effectuation of the actions described in this Agreement and the provisions of this §5.3.

## **PART 6** **INDEMNIFICATION**

### **Mutual Indemnifications for Breaches of Warranty**

6.1 Subject to §6.2, ScreenPro hereby covenants and agrees with each of Compel and Subco, and their respective directors, officers, employees, agents, advisors and representatives, and each of Compel and Subco hereby covenants and agrees with ScreenPro, and its directors, officers, employees, agents, advisors and representatives (the Parties covenanting and agreeing to indemnify another person under this section are hereinafter individually referred to as the “**Indemnifying Party**” and the persons being indemnified by a Party are hereinafter individually referred to as the “**Indemnified Party**”), to indemnify and save harmless the Indemnified Party from and against any and all liabilities, losses, damages, claims, costs, expenses, interest awards, judgments and penalties (collectively “**Claims**”) which may be suffered or incurred by the Indemnified Party as a result of, or arising out of:

- (a) any non-fulfillment of any covenant or agreement on the part of the Indemnifying Party under this Agreement, or
- (b) any incorrectness in or breach of any representation or warranty of the Indemnifying Party contained in this Agreement,
- (c) except that the Indemnifying Party shall not be liable in any such case to the extent that any such Claims arise out of or are based upon the negligence of an Indemnified Party or the non-compliance by an Indemnified Party with any requirement of Applicable Laws (including Applicable Canadian Securities Laws) in connection with the transactions contemplated by this Agreement.

### **Limitation on Mutual Indemnification**

6.2 The indemnification obligations of each of the Parties pursuant to §6.1 shall be subject to the following:

- (a) the Claim shall have been made in writing in accordance with §6.3 within two (2) years of the Effective Date; and



(b) an Indemnifying Party shall not be required to indemnify an Indemnified Party until the aggregate Claims sustained by that Indemnified Party exceeds a value of \$5,000, in which case, the Indemnifying Party shall be obligated to the Indemnified Party for all Claims.

### **Procedure for Indemnification**

6.3 The following provisions shall apply to any Claims for which an Indemnifying Party may be obligated to indemnify an Indemnified Party pursuant to this Agreement:

(a) upon receipt from a third party by the Indemnified Party of notice of a Claim or the Indemnified Party becoming aware of any Claims in respect of which the Indemnified Party proposes to demand indemnification from the Indemnifying Party, the Indemnified Party shall give notice to that effect to the Indemnifying Party with reasonable promptness, provided that failure to give such notice shall not relieve the Indemnifying Party from any liability it may have to the Indemnified Party except to the extent that the Indemnifying Party is prejudiced thereby;

(b) in the case of Claims arising from third parties, the Indemnifying Party shall have the right by notice to the Indemnified Party not later than 30 days after receipt of the notice described in §6.3(a) above to assume the control of the defense, compromise or settlement of the Claims, provided that such assumption shall, by its terms, be without costs to the Indemnified Party and the Indemnifying Party shall at the Indemnified Party's request furnish it with reasonable security against any costs or other liabilities to which it may be or become exposed by reason of such defense, compromise or settlement;

(c) upon the assumption of control by the Indemnifying Party as aforesaid, the Indemnifying Party shall diligently proceed with the defense, compromise or settlement of the Claims at its sole expense, including employment of counsel reasonably satisfactory to the Indemnified Party and, in connection therewith, the Indemnified Party shall co-operate fully, but at the expense of the Indemnifying Party, to make available to the Indemnifying Party all pertinent information and witnesses under the Indemnified Party's control, make such assignments and take such other steps as in the opinion of counsel for the Indemnifying Party are necessary to enable the Indemnifying Party to conduct such defense; provided always that the Indemnified Party shall be entitled to reasonable security from the Indemnifying Party for any expense, costs or other liabilities to which it may be or may become exposed by reason of such co-operation;

(d) the final determination of any such Claims arising from third parties, including all related costs and expenses, will be binding and conclusive upon the Parties as to the validity or invalidity, as the case may be, of such Claims against the Indemnifying Party hereunder; and

(e) should the Indemnifying Party fail to give notice to the Indemnified Party as provided in §6.3(b) above, the Indemnified Party shall be entitled to make such settlement of the Claims as in its sole discretion may appear reasonably advisable, and such settlement or any other final determination of the Claims shall be binding upon the Indemnifying Party.

**PART 7**  
**CONDITIONS PRECEDENT**

**Mutual Conditions Precedent**

7.1 The respective obligations of the Parties to consummate the transactions contemplated hereby, and in particular the completion of the Amalgamation, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) board and shareholders' approval (if necessary) of the Amalgamation, the Share Split, the Board and Management Rollover, the CSE Listing, and other matters contemplated by this Agreement by Compel;
- (b) board and shareholders' approval (if necessary) of the Amalgamation and other matters contemplated by this Agreement by ScreenPro;
- (c) the Amalgamation and all other related transactions contemplated herein shall have become effective on or prior to the Outside Date;
- (d) completion of due diligence to the satisfaction of ScreenPro and Compel;
- (e) all necessary regulatory approvals with respect to the Amalgamation, the Share Split and the CSE Listing having been obtained, including but not limited to the approval of the CSE and other applicable securities regulatory authorities, as applicable;
- (f) completion of all matters, and the satisfaction of all conditions (unless waived in writing), under this Agreement required to be completed or satisfied before the Effective Date;
- (g) this Agreement shall not have been terminated under Part 10; and
- (h) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and the Amalgamation.

The foregoing conditions are for the mutual benefit of Compel and Subco on the one hand and ScreenPro on the other hand and may be waived, in whole or in part, jointly by the Parties at any time. If any of the foregoing conditions are not satisfied or waived on or before the Effective Date then a Party may terminate this Agreement by written notice to the other Parties in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of such terminating Party's breach of this Agreement.

**Additional Conditions to Obligations of Compel and Subco**

7.2 The obligations of Compel and Subco to consummate the transactions contemplated hereby, and in particular to complete the Amalgamation, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) ScreenPro shall have performed, satisfied and complied with all obligations, covenants and agreements to be performed and complied with by it on or before the Effective Date pursuant to the terms of this Agreement and that, except as affected by the transactions contemplated by this Agreement, the representations and warranties of ScreenPro made in this Agreement shall be true and correct in all material respects as at the Effective Date;

- (b) ScreenPro shall have furnished Compel with:
- (i) certified copies of the resolutions duly passed by the board of directors of ScreenPro approving this Agreement and the consummation of the transactions contemplated hereby;
  - (ii) certified copies of the ScreenPro Amalgamation Consent Resolution approved by ScreenPro Shareholders;
  - (iii) certified copies of ScreenPro's Constatting Documents;
  - (iv) a certificate of good standing of ScreenPro and any material subsidiaries dated within two (2) days of the Effective Date;
  - (v) duly executed investment agreements, including accredited investor certifications, for any ScreenPro Shareholders resident in the United States, in a form satisfactory to Compel and its counsel, acting reasonably;
  - (vi) a certificate of ScreenPro addressed to Compel and dated the Effective Date, signed on behalf of ScreenPro by a senior officer of ScreenPro, confirming that the conditions in §7.2(a) and (d) have been satisfied; and
  - (vii) such other closing documents as may be requested by Compel, acting reasonably;
- (c) no act, action, suit, proceeding, objection or opposition shall have been taken against or affecting ScreenPro before or by any domestic or foreign court, tribunal or Governmental Agency or other regulatory or administrative agency or commission by any elected or appointed public official or private person in Canada or elsewhere, whether or not having the force of law and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) shall have been enacted, promulgated, amended or applied, which in the sole judgment of Compel, acting reasonably, in either case has had or, if the Amalgamation was consummated, would result in a Material Adverse Change respecting ScreenPro or would materially impede the ability of the Parties to complete the Amalgamation; and
- (d) there shall not have occurred any Material Adverse Change of ScreenPro.

The conditions in this §7.2 are for the exclusive benefit of Compel and Subco and may be asserted by Compel and Subco regardless of the circumstances or may be waived by Compel in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Compel and Subco may have.

#### **Additional Conditions to Obligations of ScreenPro**

7.3 The obligations of ScreenPro to consummate the transactions contemplated hereby, and in particular to complete the Amalgamation, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) Compel and Subco shall have performed, satisfied and complied with all obligations, covenants and agreements to be performed and complied with by them on or before the Effective Date pursuant to the terms of this Agreement and that, except as affected by the transactions

contemplated by this Agreement, the representations and warranties of Compel and Subco made in this Agreement shall be true and correct in all material respects as at the Effective Date;

(b) the Compel Shares to be issued to the ScreenPro Shareholders shall be issued as fully paid and non-assessable common shares in the capital of Compel, free and clear of any and all Encumbrances, liens, charges, demands of whatsoever nature, except those pursuant to any relevant CSE policies or Applicable Canadian Securities Laws;

(c) Compel shall have furnished ScreenPro with;

- (i) certified copies of the resolutions duly passed by the boards of directors of Compel and Subco approving this Agreement and the consummation of the transactions contemplated hereby;
- (ii) certified copies of the resolutions of Compel, as the sole shareholder of Subco, approving this Agreement and the consummation of the transactions contemplated hereby;
- (iii) certified copies of the Compel Shareholder Consent approved by Compel Shareholders;
- (iv) certified copies of Compel and Subco's Constating Documents;
- (v) certificates of good standing of Compel and Subco dated within two (2) days of the Effective Date;
- (vi) a certificate of Compel addressed to ScreenPro and dated the Effective Date, signed on behalf of Compel by a senior officer of Compel, confirming that the conditions in §7.3(a), (d), and (e) have been satisfied; and
- (vii) such other closing documents as may be requested by ScreenPro, acting reasonably;

(d) no act, action, suit, proceeding, objection or opposition shall have been taken against or affecting Compel before or by any domestic or foreign court, tribunal or Governmental Agency or other regulatory or administrative agency or commission by any elected or appointed public official or private person in Canada or elsewhere, whether or not having the force of law and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) shall have been enacted, promulgated, amended or applied, which in the sole judgment of ScreenPro, acting reasonably, in either case has had or, if the Amalgamation was consummated, would result in a Material Adverse Change respecting Compel or Subco or would materially impede the ability of the Parties to complete the Amalgamation;

(e) there shall not have occurred any Material Adverse Change of Compel or Subco; and

(f) at the time of the closing of the Amalgamation, each of the current directors and officers of Compel and Subco as at the date hereof, shall have provided a resignation and mutual release in form and substance satisfactory to ScreenPro, acting reasonably.

The conditions in this §7.3 are for the exclusive benefit of ScreenPro and may be asserted by ScreenPro regardless of the circumstances or may be waived by ScreenPro in its sole discretion, in whole

or in part, at any time and from time to time without prejudice to any other rights which ScreenPro may have.

#### **Notice and Effect of Failure to Comply with Conditions**

7.4 Each of Compel, Subco and ScreenPro shall give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof to the Effective Date of any event or state of facts which occurrence or failure would, or would be likely to: (i) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect; or (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any Party hereunder; provided, however, that no such notification will affect the representations or warranties of the Parties or the conditions to the obligations of the Parties hereunder.

#### **Satisfaction of Conditions**

7.5 The conditions set out in this Part 7 are conclusively deemed to have been satisfied, waived or released when, with the agreement of the Parties, the Amalgamation Application and Articles are filed under the BCBCA to give effect to the Amalgamation.

### **PART 8** **TAX**

#### **Tax Rollover**

8.1 The consideration for the sale by the ScreenPro Shareholders to Compel of the ScreenPro Shares is equal to the determined value, payable by the allotment and issuance by Compel to ScreenPro Shareholders of fully-paid and non-assessable Compel Shares. Compel and ScreenPro shall jointly elect under the provisions of the ITA that the ScreenPro's proceeds of disposition of the ScreenPro Common Shares and Compel's cost of the ScreenPro Common Shares shall be an amount equal to the adjusted cost base of the ScreenPro Common Shares. ScreenPro and Compel further agree to jointly make the necessary elections and to execute and file the prescribed election forms and any other documents required pursuant to Section 85 of the ITA and any regulations under the ITA.

8.2 In the event that ScreenPro and Compel determine, or that any taxing authority having jurisdiction makes or proposes to make any assessment or reassessment determining, that the fair market value of the ScreenPro Common Shares as of the date hereof is greater or less than the determined value, then, in such event, the value of the consideration paid by Compel hereunder shall be retroactively increased or decreased so that the amount of the consideration paid by Compel shall be equal to the amount finally determined to be the fair market value of the ScreenPro Shares. Any such determination shall be deemed to be final if it is made pursuant to an assessment or reassessment by any taxing authority having jurisdiction and no appeal is taken therefrom; if an agreement is reached between ScreenPro and such taxing authority regarding such actual or proposed assessment or reassessment; or if determined by a judgment of a court of competent jurisdiction which judgment is not appealed.

**PART 9**  
**AMENDMENT**

**Amendment**

9.1 This Agreement may at any time and from time to time be amended by written agreement of the Parties hereto without, subject to Applicable Laws (including Applicable Canadian Securities Laws), further notice to or authorization on the part of their respective securityholders and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the Parties; or
- (d) waive compliance with or modify any other conditions precedent contained herein;

provided that no such amendment reduces or Materially Adversely Effects the consideration to be received by ScreenPro Shareholders without approval by the affected ScreenPro Shareholders given in the same manner as required for the approval of the Amalgamation.

**PART 10**  
**TERMINATION**

**Termination**

- 10.1 (a) This Agreement may be terminated at any time in each of the following circumstances:
- (i) by written agreement executed and delivered by Compel and ScreenPro;
  - (ii) by any Party if the Effective Date shall not have occurred by the Outside Date;
  - (iii) by Compel if there has been a material breach by ScreenPro of any representation, warrant, covenant or agreement set forth in this Agreement or any of the documents contemplated hereby, which breach ScreenPro fails to cure within ten (10) Business Days after written notice thereof is given by Compel;
  - (iv) by ScreenPro if there has been a material breach by Compel or Subco of any representation, warrant, covenant or agreement set forth in this Agreement or any of the documents contemplated hereby, which breach Compel or Subco, as applicable, fails to cure within ten (10) Business Days after written notice thereof is given by ScreenPro; or
  - (v) the date the Amalgamation is rejected by the CSE and all recourse or rights of appeal have been exhausted.
- (b) If this Agreement is terminated in accordance with the foregoing provisions of this §10.1, this Agreement shall forthwith become void and no Party shall have any liability or further

obligation to the other Parties hereunder except for each Party's obligations under §11.8 and §11.9 hereunder, which shall survive such termination, and provided that neither the termination of this Agreement nor anything contained in this §10.1(b) shall relieve any Party from any liability for any breach by it of this Agreement, including from any inaccuracy in any of its representations and warranties and any non-performance by it of its covenants made herein, prior to the date of such termination.

**PART 11**  
**GENERAL**

**Notices**

11.1 All notices that may be or are required to be given pursuant to any provision of this Agreement are to be given or made in writing and served personally, delivered by courier or sent by facsimile or other electronic transmission:

- (a) in the case of Compel or Subco, to:

Compel Capital Inc.  
c/o Fogler, Rubinoff LLP  
3000 - 77 King St W  
Toronto, Ontario  
M5K 1G8

Attention: Andrew Lindzon  
Email: andrew@ashlin.ca

with a copy to:

Fogler Rubinoff LLP  
3000 - 77 King St W  
Toronto, Ontario  
M5K 1G8

Attention: Rick Moscone  
Email: rmoscone@foglers.com

- (b) in the case of ScreenPro, to:

ScreenPro Security Ltd.  
526 Howe Street, Unit 260  
Vancouver, British Columbia  
V6C 2T6

Attention: John McMullen  
Email: john@screenprosecurity.com

with a copy to:

McMillan LLP

181 Bay Street, Suite 4400  
Brookfield Place  
Toronto, Ontario  
M5J 2T3

Attention: Raj Dewan  
Email: raj.dewan@mcmillan.ca

or such other address as the Parties may, from time to time, advise the other Parties hereto by notice in writing. The date or time of receipt of any such notice will be deemed to be the date of delivery or the time such facsimile or other electronic transmission is received.

### **Binding Effect**

11.2 This Agreement shall be binding upon and enure to the benefit of the Parties hereto and their respective successors and permitted assigns.

### **Assignment**

11.3 Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the Parties hereto without the prior written consent of the other Parties hereto.

### **Entire Agreement**

11.4 This Agreement, together with the agreements and documents referred to herein, constitute the entire agreement among the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof.

### **Public Communications**

11.5 Each of Compel and ScreenPro agree to consult with each other prior to issuing any press releases or otherwise making public statements with respect to this Agreement or the Amalgamation or making any filing with any Governmental Authority with respect thereto. Without limiting the generality of the foregoing, no Party shall issue any press release regarding the Amalgamation, this Agreement or any transaction relating to this Agreement without first providing a draft of such press release to the other Party and reasonable opportunity for comment; provided, however, that the foregoing shall be subject to each Party's overriding obligation to make any such disclosure required in accordance with Applicable Laws (including Applicable Canadian Securities Laws). If such disclosure is required and the other Party has not reviewed or commented on the disclosure, the Party making such disclosure shall use all commercially reasonable efforts to give prior oral or written notice to the other Party, and if such prior notice is not possible, to give such notice promptly following such disclosure.

### **No Shop**

11.6 Each of the Parties will not, nor will it permit any of its respective directors, officers, affiliates, employees, representatives or agents (including and without limitation, investment bankers, attorneys and accountants) directly or indirectly to, solicit, discuss, encourage or accept any offer for the purchase of such party or the business or the assets of such party, whether as a primary or backup offer, or take any other action with the intention or reasonable foreseeable effect of leading to any commitment or agreement to sell such party or business or the assets of such party (an "**alternative transaction**") until



such other date as the Parties may mutually agree. In addition, each of the Parties will conduct its respective operations according to its ordinary and usual course of business consistent with past practices and will not enter into any material transactions or incur any material liabilities (including without limitation, issuing or agreeing to issue any securities other than as expressly contemplated in this Agreement) without obtaining the consent of the other party hereto. Notwithstanding the foregoing, nothing herein will restrict the parties hereto from taking such actions as may be required in order to discharge their obligations pursuant to applicable corporate laws.

11.7 Each Party represents and warrants to the other that it is not currently in any discussions or negotiations with any other person with respect to any alternative transaction. Each Party will promptly notify the other Parties of any alternative transaction of which any director, senior officer or agent of the Party is or becomes aware of, any amendment to any of the foregoing or any request for non-public information relating to the Party. Such notice will include a description of the material terms and conditions of any such proposal and the identity of the person making such proposal, inquiry, request or contact.

### **Costs**

11.8 Each of the Parties agrees that, upon Amalgamation and completion of Amalgamation, ScreenPro shall be responsible for the outstanding accounts payable and expenses incurred by Compel up to a maximum of \$45,000 plus applicable taxes.

### **Confidentiality**

11.9 (a) The Parties acknowledge that each will and has provided to the other information that is non-public, confidential, and proprietary in nature. Each of the Parties (and their respective directors, officers, affiliates, representatives, agents and employees) will keep such information confidential and will not, except as otherwise provided below, disclose such information or use such information for any purpose other than for the purposes of consummating the Amalgamation and the other transactions contemplated by this Agreement. The foregoing will not apply to information that:

- (i) was or becomes generally available to the public absent any breach of the foregoing;
- (ii) was available on a non-confidential basis to a Party prior to its disclosure; or
- (iii) becomes available on a non-confidential basis from a third party who is not bound to keep such information confidential.

(b) Each of the Parties agrees that immediately upon termination of this Agreement, each Party will return to the other or promptly destroy all confidential information at the disclosing Party's request.

### **Severability**

11.10 If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be severable therefrom and the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed. Upon such determination that any

term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

### **Further Assurances**

11.11 Each Party hereto shall, from time to time and at all times hereafter, at the request of the other Parties hereto, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments and provide all such further assurances as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

### **Time of Essence**

11.12 Time shall be of the essence of this Agreement.

### **Applicable Law and Enforcement**

11.13 This Agreement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of British Columbia and the laws of Canada applicable therein. The Parties hereby irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

### **Waiver**

11.14 Any Party may, on its own behalf only, (i) extend the time for the performance of any of the obligations or acts of the other Parties, (ii) waive compliance with the other Parties' agreements or the fulfillment of any conditions to its own obligations contained herein, or (iii) waive inaccuracies in the other Parties' representations or warranties contained herein or in any document delivered by the other Parties; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing and, unless otherwise provided in the written waiver, will be limited to the specific breach or condition waived.

### **Counterparts**

11.15 This Agreement may be executed in counterparts and delivered electronically by fax, each of which shall be deemed an original, and all of which together constitute one and the same instrument.

*[signature page follows]*

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

**COMPEL CAPITAL INC.**

Per: “Andrew Lindzon”  
Authorized Signatory  
Name: Andrew Lindzon  
Title: Chief Executive Officer

**1291502 B.C. LTD.**

Per: “Andrew Lindzon”  
Authorized Signatory  
Name: Andrew Lindzon  
Title: Director

**SCREENPRO SECURITY LTD.**

Per: “John McMullen”  
Authorized Signatory  
Name: John McMullen  
Title: Chief Executive Officer

**EXHIBIT "A"**

**Articles of Amalgamation of Amalco**

Please see attached.

**EXHIBIT "B"**

**Form of Amalgamation Application (with attached Notice of Articles) of Amalco**

Please see attached.