

SHARE PURCHASE AGREEMENT

THIS AGREEMENT is made the 27th day of September, 2014

AMONG:

**THOMAS MUSIAL (“Tom”), RAISSA MUSIAL (“Raissa”),
CHRISTOPHER MUSIAL (“Chris”) and THEODORA
MUSIAL (“Theodora”)**

(Tom, Raissa, Chris and Theodora, collectively the “Vendor”)

AND:

ANTERIOR EDUCATION SYSTEMS LTD.

(the “Purchaser”)

AND:

INTERNATIONAL LANGUAGE INSTITUTE LIMITED

(“ILI”)

AND:

**ENGLISH CANADA WORLD ORGANIZATION
INCORPORATED**

(“English Canada”)

(ILI and English Canada together, the “Schools”)

AND WITNESSES THAT WHEREAS:

- A. The Schools carry on English as a second language education businesses. ILI operates primarily in Halifax, Nova Scotia and English Canada primarily operates throughout different parts of the world;
- B. The Vendor owns all the issued and outstanding shares in the capital of the Schools; and
- C. The Purchaser wishes to purchase all of the issued and outstanding shares in the capital of the Schools from the Vendor and the Vendor wishes to sell all such shares to the Purchaser under the terms and conditions of this Agreement.

NOW THEREFORE in consideration of the respective covenants, agreements, representations, warranties and indemnities herein contained and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each Party), the Parties covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 *Defined Terms*

For the purpose of this Agreement, unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

- (a) "**Act**" means the *Companies Act* (Nova Scotia) as in effect on the date of this Agreement;
- (b) "**affiliate**" has the meaning attributed to that term in the Act;
- (c) "**Assets**" means all property or assets of any nature or kind of the Schools, whether real or personal, tangible or intangible, corporeal or incorporeal, and including any interest therein;
- (d) "**Books and Records**" means all books and records of the Schools relating exclusively to the Schools, including the books of account, accounting records and other financial data and information of the Schools, all computer manuals, computer data, financial and tax working papers, financial and tax books and records, business reports, business plans and projections, sales and advertising materials, sales and purchases records and correspondence, trade association files, research and development records, lists of present and former customers, students and suppliers, personnel and employment records, school records, student databases, student records, promotional material, personal information (as such term is defined under applicable privacy laws) in whatever form including electronic, digital and other computer-related media and all copies and records of the foregoing;
- (e) "**Business**" means the business of providing educational services and carrying on an English as second language school and related operations as currently and heretofore carried on by the Schools under the banner of "International Language Institute" and "English Canada World Organization"
- (f) "**Business Day**" means any day (other than a Saturday or a Sunday) on which the main branch of The Toronto-Dominion Bank in Halifax, Nova Scotia is open for business;
- (g) "**Business Premises**" has the meaning set out in Section 3.12;
- (h) "**Closing Date**" means September 30, 2014, unless extended by mutual agreement of the Parties;
- (i) "**Contract**" means any agreement, indenture, contract, lease, deed of trust, license, option, instrument or other commitment, whether written or oral;
- (j) "**Curriculum**" means all of the teaching and aid materials, and all research and testing materials, and all other information, in digital or written form,

relating to the programs listed in Schedule H;

- (k) "**Encumbrance**" means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, adverse claim, exception, reservation, easement, right of occupation, any matter capable of registration against title, option, right of pre-emption, privilege or any Contract to create any of the foregoing;
- (l) "**ETA**" means the *Excise Tax Act* (Canada), as amended from time to time;
- (m) "**Fair Market Value**" means, at any relevant time, the highest price available in an open and unrestricted market between an informed and prudent vendor and purchaser acting at arm's length and under no compulsion to transact, without any premiums or discounts for majority or minority interests;
- (n) "**Governmental Authority**" means (i) any court, judicial body or arbitral body, (ii) any domestic or foreign government whether multinational, national, federal, provincial, territorial, state, municipal or local and any governmental agency, governmental authority, governmental tribunal or governmental commission of any kind whatever, (iii) any subdivision or authority of any of the foregoing, (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above, (v) and any stock exchange;
- (o) "**GST**" means any and all taxes payable under Part IX of the ETA or under any provincial legislation similar to Part IX of the ETA;
- (p) "**Intellectual Property**" means all trademarks, trade names, business names, domain names, patents, inventions, the Curriculum and supporting materials, know-how, copyrights, service marks, brand names, industrial designs and all other industrial or intellectual property owned or used by the Schools in carrying on the Business and all applications therefor and all goodwill connected therewith, including, without limitation, all licenses, registered user agreements and all like rights used by or granted to the Schools in connection with the Business all right to register or otherwise apply for the protection on any of the foregoing;
- (q) "**Lease**" has the meaning set out in Section 3.17;
- (r) "**Licenses**" has the meaning set out in Section 3.20;
- (s) "**Losses**", in respect of any matter, means all claims, demands, proceedings, losses, damages, liabilities, quantifiable deficiencies, costs and expenses (including, without limitation, all legal and other professional fees and disbursements, interest, penalties and amounts paid in settlements) arising directly as a consequence of such matter;
- (t) "**Parties**" means all parties to this Agreement, and "party" means any one of them;
- (u) "**Permits**" means all permits, consents, waivers, licences, certificates, approvals, authorizations, registrations, franchises, rights, privileges, quotas

and exemptions, or any item with a similar effect, issued or granted by any person;

- (v) **"Permitted Encumbrances"** means:
 - (i) liens for taxes either not due and payable or due but for which notice of assessment has not been given;
 - (ii) undetermined or inchoate liens, charges and privileges incidental to current construction or current operations and statutory liens, charges, adverse claims, security interests or encumbrances of any nature whatsoever claimed or held by any governmental authority that have not at the time been filed or registered against the title to the asset or served upon the Schools pursuant to law or that relate to obligations not due or delinquent;
 - (iii) assignments of insurance provided to landlords (or their mortgagees) pursuant to the terms of any lease and liens or rights reserved in any lease for rent or for compliance with the terms of such lease; and
 - (iv) equipment leases of tangible personal property as identified in Schedule F;
- (w) **"Purchase Price"** has the meaning set out in Section 2.2;
- (x) **"Purchased Shares"** means the 200 Common shares issued and outstanding in the capital of the ILA and 100 Common shares issued and outstanding in the capital of English Canada, being all the issued and outstanding shares of the Schools owned by the Vendor and as more particularly set out in Schedule K;
- (y) **"Tax Act"** means the *Income Tax Act* (Canada), as amended from time to time;
- (z) **"Time of Closing"** means 4:00 P.M. (Vancouver time) on the Closing Date; and
- (aa) **"Vendor Take Back Note"** has the meaning set out in Section 2.3(c).
- (bb) **"Reference Date"** means September 7, 2014, the date upon which AES acknowledged receipt of updated ILI financial statements through August 31, 2014 following the period of Due Diligence.

1.2 *Interpretation*

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

- (a) "this Agreement" means this Agreement, including the Schedules hereto, as it may from time to time be amended;
- (b) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, clause, sub-clause or other subdivision or Schedule;
- (c) the word "or" is not exclusive and the word "including" is not limiting (whether or not non-limiting language such as "without limitation" or "but not

limited to" or other words of similar import are used with reference thereto);

- (d) any words used herein and capitalized which are defined in the Act, unless otherwise defined herein or unless there is something in the subject matter or context inconsistent therewith, have the meanings ascribed to them in the Act;
- (e) except as otherwise provided, any reference to a statute includes and is a reference to such statute and to the regulations made pursuant thereto with all amendments made thereto and in force from time to time, and to any statute or regulations that may be passed which have the effect of supplementing or superseding such statute or regulations;
- (f) any reference to a corporate entity includes and is also a reference to any corporate entity that is a successor to such entity; and
- (g) the Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favouring or disfavouring any party by virtue of the authorship of any of the provisions of this Agreement.

1.3 *Currency*

Unless otherwise indicated, all dollar amounts referred to in this Agreement are expressed in Canadian funds.

1.4 *Sections and Headings*

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation of this Agreement. Unless otherwise indicated, any reference in this Agreement to a section or a Schedule refers to the specified section of or Schedule to this Agreement.

1.5 *Number, Gender and Persons*

In this Agreement, words importing the singular number only shall include the plural and *vice versa*, words importing gender shall include all genders and words importing persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities.

1.6 *Accounting Principles*

Any reference in this Agreement to generally accepted accounting principles refers to generally accepted accounting principles as approved from time to time by the Canadian Institute of Chartered Accountants or any successor institute.

1.7 *Entire Agreement*

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as herein provided.

1.8 *Time of Essence*

Time shall be of the essence of this Agreement.

1.9 *Applicable Law*

This Agreement shall be constructed, interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein, and each party hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of such province and all courts competent to hear appeals therefrom.

1.10 *Severability*

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each provision is hereby declared to be separate, severable and distinct.

1.11 *Successors and Assigns*

This Agreement shall enure to the benefit of and shall be binding on and enforceable by the parties and, where the context so permits, their respective successors and permitted assigns. No party may assign any of its rights or obligations hereunder without the prior written consent of the other parties.

1.12 *Amendment and Waivers*

No amendment or waiver of any provision of this Agreement shall be binding on any party unless consented to in writing by such party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver constitute a continuing waiver unless otherwise expressly provided.

1.13 *Meaning of Knowledge*

Where any representation or warranty contained in this Agreement is expressly qualified by

reference to the knowledge of the Vendor, or the awareness of the Vendor, it shall be deemed to refer to the actual knowledge of the Vendor, or any one or more of them, after having made due and reasonable inquiry of those persons who should have appropriate knowledge regarding the relevant matter set forth in this Agreement, including without limitation.

1.14 Schedules

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

Schedule A	-	Vendor Take Back Notes
Schedule B	-	Material Contracts
Schedule C	-	Permits and Approvals
Schedule D	-	Employees
Schedule E	-	Claims and Liabilities
Schedule F	-	List of Tangible Personal Property
Schedule G	-	List of Intellectual Property
Schedule H	-	Programs and Enrollment
Schedule I		Accounts Receivable
Schedule J		Accounts Payable
Schedule K		Shares
Schedule L	-	Profit Sharing for ILI & EC Employees
Schedule M	-	Agreement with Paideia International Education (“PIE”)
Schedule N	-	Appointment of Raissa Musial as ILI Operations Manager
Schedule O	-	Appointment of Chris Musial as ILI Marketing Director

ARTICLE 2 PURCHASE AND SALE

2.1 Purchase and Sale of Purchased Shares

Subject to the terms and conditions of this Agreement, the Vendor agrees to sell, assign and transfer to the Purchaser and the Purchaser agrees to purchase from the Vendor on the Closing Date, all (but not less than all) of the Purchased Shares. Subject to the terms and conditions of this Agreement, the Schools agrees to register the transfer of the Purchased Shares from the Vendor to the Purchaser.

2.2 Purchase Price

The consideration (the “**Purchase Price**”) payable by the Purchaser to the Vendor for the Purchased Shares will be a total of \$250,000.00 plus the Share Consideration.

2.3 Payment of Purchase Price

The Purchase Price shall, subject to the terms of this Agreement, be paid to the Vendor, and allocated on *pro rata* basis amongst the Purchased Shares by the Purchaser as follows:

- (a) Two Hundred and Fifty Thousand Dollars (\$250,000.00) being Eight Hundred and Thirty Three Dollars and Thirty Three Cents (\$833.33) per Purchased Share, payable in partly in cash (the “Cash Consideration”) and partly by way of a Promissory Note as described in Schedule A; and
 - (b) 1,500,000 common shares in the capital of the Purchaser (being to 25% of the issued and outstanding capital of the Purchaser as of the Closing Date), issued by way of four share certificates, in the name of each Party comprising the Vendor in the amount 375,000 each (the “Share Consideration”);
 - (c) all shares issued to the Vendor shall be of the same class and have the same voting rights as all the shares currently held by the majority shareholders of the Purchaser.
 - (d) On the Closing Date, the Purchaser shall pay to the Vendor the Share Consideration by issuing the Share Consideration in the Purchaser pursuant to the Purchaser’s standard form subscription agreement. The value of such shares shall be based on the Purchaser’s best estimate of their actual value as of the Closing Date.
 - (e) The payment of the Cash Consideration shall be divided into two (2) installments as follows:
 - (i) \$150,000.00 shall be due and payable on the Closing Date by way of certified cheque or bank draft payable to the Vendor’s solicitor, in trust, and
 - (ii) by the issuance of a zero interest promissory note in favour of Tom, in his capacity as agent for the Vendor, in the amount of \$100,000.00 payable within twelve (12) months from the Closing Date, in the form attached hereto as Schedule A.
- (e (ii) above, constitutes the “**Vendor Take Back Note**”).

2.4 Change of Control Tax Return

The Schools accountant shall prepare for the Schools within 90 days after the Closing Date for the Fiscal Year 2014, any filings with the Canada Revenue Agency that are necessary as a result of the change of control of the Schools resulting from the purchase and sale of the Purchased Shares, including tax returns for the period ending on the day before the Closing Date. The Purchaser shall submit such filings with the Canada Revenue Agency within the prescribed period under the Tax Act.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Vendor represents and warrants to the Purchaser as follows and acknowledge that the Purchaser is relying on such representations and warranties in connection with its purchase of the Purchased Shares:

3.1 *Organization*

Each of the Schools is duly incorporated and organized and validly subsisting under the laws of Nova Scotia and has the corporate power to own or lease its property, to carry on the Business as now being conducted by it, to enter into this Agreement and perform its obligations hereunder. Each of the Schools is duly qualified to do business in each jurisdiction in which the nature of the Business or the property and assets owned or leased by it makes such qualification necessary.

3.2 *Authorization*

This Agreement has been duly authorized, executed and delivered by the Vendor and by the Schools and is a legal, valid and binding obligation of the Vendor and the Schools, enforceable against the Vendor or the Schools, as the case may be, by the Purchaser in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

3.3 *No Other Agreements to Purchase*

No person other than the Purchaser has any written or oral agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option for the purchase or acquisition from the Vendor of any of the Purchased Shares or any other shares or securities of the Schools or any part of the assets of the Schools.

3.4 *Authorized and Issued Capital*

The issued and outstanding capital in ILI is 200 common shares without par value and the issued and outstanding capital in English Canada 100 common shares without par value. As at the Closing Date, the Purchased Shares constitute 100% of the issued and outstanding share capital of the Schools. All of the Purchased Shares are validly issued as fully paid and non-assessable shares.

3.5 *Options*

No person, firm or corporation has any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, including convertible securities, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any unissued shares or other securities of the Schools.

3.6 *Ownership of Purchased Shares*

The Vendor is the legal and beneficial owner of all of the Purchased Shares, with good and marketable title thereto, and has the power, authority and right to transfer legal and beneficial ownership of the Purchased Shares to the Purchaser, free and clear of all Encumbrances. Without limiting the generality of the foregoing, none of the Purchased Shares are subject to any voting trust, shareholder agreement or voting agreement. Upon completion of the transaction contemplated by this Agreement, all of the Purchased Shares will be owned by the Purchaser as the sole legal and beneficial owner, with good and marketable title thereto, free and clear of all Encumbrances. Each of the Schools is not and has never been a reporting issuer.

3.7 *No Other Business*

The Schools do not carry on business and does not have any interest in any property other than the Business. The Schools do not own and does not have any agreement of any nature to acquire, directly or indirectly, any shares in the capital of or other equity or proprietary interests in, any person, firm or Schools, and the Schools do not have any agreements to acquire or lease any other business operations, other than as set out herein.

3.8 *No Other Indebtedness*

The Schools have no indebtedness or liability, direct or indirect, absolute or contingent, other than any indebtedness or liability incurred in the ordinary course of the Business and any indebtedness set out in the Schedules hereto. There are no outstanding shareholder loans to the Schools or any other indebtedness or liability owed by the Schools to the Vendor.

3.9 *Financial Statements*

The financial statements of each of the Schools, consisting of the balance sheet and statements of income, retained earnings and cash flows for the period ended on the Reference Date together with the report of the Vendor's accountant, Don Dougherty, C.A., thereon and the notes thereto (collectively, the "**Financial Statements**") have been prepared in accordance with GAAP applied on a basis consistent with that of prior fiscal years. The Financial Statements present fairly in all material respects the financial position of the Company as at the dates thereof and the results of the operations and the changes in the Company's financial position for the periods then ending. The Financial Statements do not overstate the value of the Company's current Assets or overstate the value of the Company's liabilities

3.10 *Absence of Changes*

Since the Reference Date there have not been any changes in the condition or operations of the Business, Assets or financial affairs of either School which, individually or in the aggregate, would have an adverse impact of more than \$25,000.

No dividends have been declared or paid on or in respect of the Shares and no other distribution on any of its securities or shares has been declared or made by the Schools since the

Reference Date and all dividends which to the date hereof have been declared or paid by the Schools have been duly and validly declared or paid.

3.11 *Restrictions on Doing Business*

The Schools are not subject to any legislation or any judgment, order or requirement of any authority which is not of general application to persons carrying on business similar to the Business. To the best of the knowledge of the Vendor, there are no facts or circumstances specific to the Schools which could have a materially adverse effect on the ability of the Schools to continue to operate the Business following the Closing Date.

3.12 *No Violation*

The execution and delivery of this Agreement by the Vendor and the Schools and the consummation of the transactions herein provided for does not and will not result in:

- (a) the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the acceleration of any obligation of the Vendor or the Schools under:
 - (i) any Contract to which the Vendor or the Schools is a party or by which either of them is, or either of their assets are, bound;
 - (ii) any provision of the constating documents of the Vendor or the Schools or resolutions of the directors (or any committee thereof) or shareholders of the Vendor or Schools;
 - (iii) any judgment, decree, order or award of any court, governmental body or arbitrator having jurisdiction over the Vendor or the Schools;
 - (iv) any license, permit, approval, consent or authorization held by the Vendor or the Schools or necessary to the ownership of the Purchased Shares or the operation of the Business; or
 - (v) any applicable law, statute, ordinance, regulation or rule; or
- (b) the creation or imposition of any Encumbrance on any of the Purchased Shares or any of the property or assets of the Schools.

3.13 *Title to Personal and Other Property*

Schedule F sets out a listing of all of the material personal property used by the Schools in connection with the Business and indicates whether such property is owned or leased. Each of the Schools has good and marketable title to all of its owned Assets, including those reflected in the balance sheets included in the Financial Statements or acquired since the Reference Date, which are free and clear of all Encumbrances, except for Permitted Encumbrances.

3.14 *Accounts Receivable*

Schedule I sets out all of the accounts receivable and other debt due to the Schools as at the Closing Date.

The accounts receivable and other debts due to the Schools that are listed in Schedule I or shown in the Financial Statements or arising after the date thereof have been recorded by the Schools in accordance with its usual accounting practices consistent with prior periods. The reserve taken for doubtful or bad debtor accounts is adequate based on the past experience of the Schools and is consistent with the accounting procedures used by the Schools in previous fiscal periods.

3.15 *Accounts Payable*

Schedule J sets out all of the accounts payable owed by the Schools as at the Closing Date.

3.16 *Location of Business Premises*

Schedule B sets forth a municipal address for all the real property leased by the Schools (or by the Vendor for the benefit of the Schools) or otherwise used in connection with the Business (the "**Business Premises**"). The Schools do not own, lease or use, and have not agreed to acquire, lease or use, any real property or interest in real property, other than the Business Premises.

3.17 *Real Property Leases*

Each of the Schools is not a party, and does not have the benefit of, to any lease or agreement in the nature of a lease in respect of any real property, whether as lessor or lessee, other than the leases (the "**Leases**") described in Schedule B. The Schools occupy the real property set out in the Leases and each has the exclusive right to occupy and use such real property. The Leases are in good standing and in full force and effect without amendment thereto, and neither the Schools nor any other party thereto are in breach of any covenants, conditions or obligations contained therein. The Vendor and the Schools have provided a true copy of the Leases to the Purchaser.

3.18 *Intellectual Property*

Schedule G contains a complete and accurate list of the Intellectual Property (excluding know-how and goodwill) owned by, licensed to, or used by the Schools in carrying on the Business, other than commercial, off-the-shelf computer software. Schedule G also includes complete and accurate particulars of all registrations or applications for registration of the Intellectual Property. To the knowledge of the Vendor, the Schools is the beneficial owner of the Intellectual Property, free and clear of all Encumbrances, and is not a party to or bound by any Contract or other obligation whatsoever that limits or impairs its ability to sell, transfer, assign or convey, or that otherwise affects, the Intellectual Property. No person has been granted any interest in or right to use all or any portion of the Intellectual Property, other than as set out in Schedule G. For greater certainty, except as specifically identified in Schedule G, the Schools own all of the intellectual property rights to all programs and curriculum it uses. The Vendor is not aware of any claim of any infringement or breach

of any industrial or intellectual property rights of any other person by the Schools, nor have they nor the Schools received any notice that the conduct of the Business infringes any industrial or intellectual property rights of any other person, and the Vendor, after due inquiry, has no knowledge of any infringement or violation of any of the Schools' rights in the Intellectual Property.

3.19 *Agreements and Commitments*

Except as set out in Schedule B (Material Contracts), the Schools are not a party to or bound by any Contract relating to the property, assets, Business or operations of the Schools, including, without limiting the generality of the foregoing:

- (a) any continuing Contract for the purchase of materials, supplies, equipment or services involving more than \$20,000 in respect of all such Contracts;
- (b) any employment or consulting Contract or any other written Contract with any officer, employee or consultant;
- (c) any profits sharing, bonus, stock option, pension, retirement, disability, stock purchase, medical, dental, hospitalization, insurance or similar plan or agreement providing benefits to any current or former director, officer, employee or consultant;
- (d) any trust indenture, mortgage, promissory note, loan agreement, guarantee or other Contract for the borrowing of money or a leasing transaction of the type required to be capitalized in accordance with generally accepted accounting principles;
- (e) any commitment for charitable contributions;
- (f) any Contract for capital expenditures in excess of \$20,000.00 in the aggregate;
- (g) any Contract for the sale of any assets;
- (h) any Contract pursuant to which the Schools is a lessor of any machinery, equipment, motor vehicles, office furniture, fixtures or other personal property;
- (i) any confidentiality, secrecy or non-disclosure Contract (whether the Schools is a beneficiary or obligor thereunder) relating to any proprietary or confidential information or any non-competition or similar Contract;
- (j) any license, franchise or other agreement that relates in whole or in part to any Intellectual Property;
- (k) any agreement of guarantee, support, indemnification, assumption or endorsement of, or any other similar commitment with respect to, the obligations, liabilities (whether accrued, absolute, contingent or otherwise) or indebtedness of any other person; or
- (l) any Contract entered into by the Schools other than in the ordinary course of the

Business.

Each of the Schools has performed all of the obligations required to be performed by it and is entitled to all benefits under, and is not in default or alleged to be in default in respect of, any Contract relating to the Business to which it is a party or by which it is bound; all such Contracts are in good standing and in full force and effect, unamended, and no event, condition or occurrence exists that, after notice or lapse of time or both, would constitute a default under any of the foregoing.

3.20 *Compliance with Laws; Governmental Authorization*

Each School has, in all material respects, complied with all laws, statutes, or ordinances regulations, rules, judgments, decrees or orders applicable to the Business or the Schools. Schedule C sets out a complete and accurate list of all material licenses, permits, approvals, consents, certificates, registrations and authorizations (whether governmental, regulatory or otherwise) (the "**Licenses**") held by or granted to the School, and there are no other material licenses, permits, approvals, consents, certificates, registrations or authorizations necessary to carry on the Business or to own or lease any of the property or assets utilized by the School. Each License is valid, subsisting and in good standing and neither School is in material default or breach of any License and, to the knowledge of the Vendor, no proceeding is pending or threatened to revoke or limit any License.

3.21 *Permits, Consents and Approvals*

Attached as Schedule C is a true and complete list of all Permits necessary or required to enable the Business of the Schools to be carried on as now conducted and the Schools assets to be owned, leased and operated.

There is no requirement to make any filing with, give any notice to or obtain any license, permit, certificate, registration, authorization, consent or approval of, any governmental or regulatory authority as a condition to the lawful consummation of the transactions contemplated by this Agreement, except for the filings, notifications, licenses, permits, certificates, registrations, consents and approvals specifically identified in Schedule C or that relate solely to the identity of the Purchaser. There is no requirement under any Contract relating to the Business or the Schools to which the Vendor or the Schools is a party or by which it is bound to give any notice to, or to obtain the consent or approval of, any party to such agreement, instrument or commitment relating to the consummation of the transactions contemplated by this Agreement except for the notifications, consents and approvals described in Schedule C.

3.22 *Taxes*

Each School has duly filed on a timely basis all tax returns required to be filed by it and has paid all taxes that are due and payable, and all assessments, governmental charges, penalties, interest and fines due and payable by it. The information contained in each such tax return is correct and complete and such tax returns reflect accurately all liability for taxes of the Schools for the period covered thereby. Each School has made adequate provision for taxes payable by it for the current period and any previous

period for which tax returns are not yet required to be filed. There are no actions, suits, proceedings, investigations or claims pending or, to the knowledge of the Schools and the Vendor, threatened against, the Schools in respect of taxes, governmental charges or assessments, nor are any material matters under discussion with any governmental authority relating to taxes, governmental charges or assessments asserted by any such authority. The Schools has withheld from each payment made to any of its past or present employees, officers or directors, and to any non-resident of Canada, the amount of all taxes and other deductions required to be withheld therefrom and has paid the same to the proper tax or other receiving officers within the time required under any applicable legislation. The Schools has remitted to the appropriate tax authority when required by law to do so all amounts collected by it on account of GST. The Canadian federal income tax liability of the Schools has been assessed by Revenue Canada for all fiscal years up to and including the fiscal year ended 2013 and there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return by, or payment of any tax, governmental charge or deficiency against, the Schools. The Schools are not a party to any joint venture, partnership or other arrangement or contract that is treated as a partnership for income tax purposes. To the knowledge of the Vendor, no claim has ever been made by any governmental authority in respect of taxes in a jurisdiction where the Schools is or may be subject to tax by that jurisdiction.

3.23 *Litigation*

Other than as set out in Schedule E (Claims), there are no actions, suits or proceedings (whether or not purportedly on behalf of the Schools) pending or, to the knowledge of the Vendor, after due inquiry, threatened against or affecting, the Schools at law or in equity, or before or by any federal, provincial, municipal or other governmental department, court, commission, board, bureau, agency or instrumentality, domestic or foreign, or by or before an arbitrator or arbitration board. Other than as set out in Schedule E, as at the date of this Agreement the Schools is not a party to any litigation involving any claim in an amount in excess of \$25,000.00. The Vendor is not aware of any ground on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success.

3.24 *No Judgments*

There are no outstanding judgments, decrees, orders, rulings or injunctions of any court or regulatory body with respect to the Schools or the Business which might have a materially adverse effect on the Business.

3.25 *Residency; CCPC*

Neither the Vendor nor the Schools is a “non-resident” of Canada for the purposes of the Tax Act. The Schools are Canadian-controlled private corporations within the meaning of the Tax Act.

3.26 *Directors and Officers*

The officers and directors of the Schools are the following individuals:

Name	International Language Institute Limited	English Canada World Organization Incorporated
Tom Musial	Director / President & Chairman	Director/ President & CEO/Recognized Agent
Raissa Musial	Director/Vice President, Operations	Director/Vice President, Operations/ Secretary/Treasurer
Christopher Musial	Director/Vice President Marketing	Director/ Vice President Marketing
Theodora Musial	Director/ Secretary/Treasurer	Director/ Secretary/Treasurer

3.27 Dividends

Neither Schools has, directly or indirectly, declared or paid any dividends or declared or made any other distribution on any of its shares or has, directly or indirectly, redeemed, purchased or otherwise acquired any of its outstanding shares of any class or agreed to do so.

3.28 Credit Facilities/Guarantees

Except as set forth in Schedule B (Material Contracts), the Schools have not entered into, or otherwise arranged for, any loans, operating lines of credit or other credit facilities or have outstanding any bonds, debentures, mortgages, notes or other similar indebtedness and the Schools are not obligated to create or issue any bonds, debentures, mortgages, notes or other similar indebtedness. Except as set forth in Schedule B (Material Contracts), the Schools is not a party to or bound by:

- (a) any conditional sales contracts, mortgage, general security agreement or other title retention agreement or has granted any security interest; or
- (b) any guarantees, letters of credit, indemnities or contingent or indirect obligations with respect to the liabilities (contingent or otherwise), any obligations or indebtedness of any person, including, without limitation, obligations under any interest rate or other swap agreement.

3.29 Employees

Schedule D contains a correct and complete list of each employee, director, independent contractor, consultant and agent of the Schools, whether actively at work or not, their salaries, wage rates, commissions and consulting fees, bonus arrangements, benefits, positions, status as full-time or part-time employees, location of employment and length of service.

3.30 Employment Matters

The Schools are in compliance with all terms and conditions of employment and all applicable laws, statutes, ordinances, regulations or rules respecting employment, including pay equity, wages and hours of work and occupational health and safety. No notice has been received by the Schools of any complaint filed by any of the employees against the Schools

claiming that the Schools have violated any applicable employee or human rights or similar legislation in the jurisdictions in which the Business is conducted or the Schools operate nor have any complaints or proceedings of any kind involving the Schools nor, to any of the Vendor's knowledge, after due inquiry, have any of the employees of the Schools been brought before any labour relations board. There are no outstanding orders or charges against the Schools under any applicable health and safety legislation in the jurisdictions in which the Business is conducted. All levies, assessments and penalties made against the Schools pursuant to any applicable worker's compensation legislation in the jurisdictions in which the Business is conducted have been paid by the Schools and the Schools have not been reassessed under any such legislation during the past three years. The Schools are not bound by any collective agreement and no collective agreement is currently being negotiated by the Schools or any other person in respect of employees of the Schools. No trade union or employee bargaining agency or agent holds bargaining rights with respect to any employee of the Schools by way of certification, voluntary recognition, or succession rights, or, to the knowledge of the Vendor, has applied to be certified as the bargaining agent for the employees.

3.31 *Programs and Enrollment*

Schedule H sets out all of the programs offered by the Schools in the 2014 school year in connection with the Business, and indicates in each case whether the program is offered on location on the Business Premises or online or overseas.

Except as disclosed in Schedule H, the Schools have no pension, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or other employee compensation or benefit plan, arrangement, policy, program or practice (whether provided on a pre- or post-retirement basis) which is maintained, or otherwise contributed to or required to be contributed to, by the Schools for the benefit of any present or former employees, officers or directors of the Schools;

3.32 *Independent Legal Advice*

Each of the Vendor and the Purchaser has obtained independent tax, legal and financial advice in connection with this Agreement and fully understands its contents and implications.

3.33 *Compliance Actions or Disputes*

The Schools has not been subject to any Language Canada or Governmental Authority compliance action or disputes during the three years prior to the date of this Agreement.

3.34 *Insurance Claims*

The Schools has not made any significant insurance claims during the three years prior to the date of this Agreement, and no facts exist on the date of this Agreement which form the basis for any significant insurance claim by the Schools.

Each School maintains, and has maintained for the preceding three years, insurance in force against loss on such Assets, against such risks, in such amounts and to such limits as is in accordance with prudent business practices prevailing in its business and having regard to the location, age and character of its Assets and has complied fully with all material requirements of such insurance, including the prompt giving of any notice of any claim or possible claim thereunder, and all such insurance has been with insurers the School believes to be responsible.

3.35 *Other Liabilities or Disputes*

As at the date of this Agreement, the Schools does not have any unfunded or underfunded pension liabilities, is not subject to any unpaid taxes, levies or other government mandated fees, is not a party to any intellectual property disputes, and is not subject to any ongoing employment disputes.

3.36 *No Loss of Benefits*

No benefit, right, consent or license currently enjoyed by the Schools will be lost as a result of the completion of the purchase and sale of the Purchased Shares pursuant to this Agreement.

3.37 *Full Disclosure*

All material documents and other material written information in the possession or control of the Vendor related to the Schools or the Business have been provided to the Purchaser by the Vendor or its advisors.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Vendor as follows and acknowledges and confirms that the Vendor is relying on such representations and warranties in connection with the sale by the Vendor of the Purchased Shares:

4.1 *Organization*

The Purchaser is organized and validly subsisting under the laws of the Province of British Columbia and has the corporate power to enter into this Agreement and to perform its obligations hereunder.

4.2 *Authorization*

This Agreement has been duly authorized, executed and delivered by the Purchaser and is a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser by the Vendor in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

4.3 *No Violation*

The execution and delivery of this Agreement by the Purchaser and the consummation of the transactions herein provided for will not result in the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the acceleration of any obligation of the Purchaser under:

- (a) any Contract to which the Purchaser is a party or by which it, or its properties are, bound;
- (b) any provision of the constating documents of the Purchaser or resolutions of the directors (or any committee thereof) or shareholders of the Purchaser;
- (c) any judgment, decree, order or award of any court, governmental body or arbitrator having jurisdiction over the Purchaser; or
- (d) any applicable law, statute, ordinance, regulation or rule.

4.4 Authorized and Issued Capital

As at the Closing Date the issued and outstanding capital of the Purchaser consists of 6,000,000 common shares of which 1,500,000 shall be registered as follows: 375,000 in the name of Tom Musial, 375,000 in the name of Theodora Musial, 375,000 in the name of Christopher Musial, and 375,000 in the name of Raïssa Musial.

ARTICLE 5 SURVIVAL OF REPRESENTATIONS AND WARRANTIES

5.1 *Survival of Representations and Warranties of the Vendor*

The covenants, representations and warranties of the Vendor contained in this Agreement and any agreement, instrument, certificate or other document executed or delivered pursuant hereto shall survive the closing of the transactions contemplated hereby and, notwithstanding such closing, nor any investigation made by or on behalf of the Purchaser, shall continue in full force and effect for the benefit of the Purchaser for a period of eighteen (18) months., provided that claims with respect to:

- a) litigation matters as referred to in Clause 3.22 shall survive for two (2) years from the Closing Date;
- b) tax matters as referred to in Clause 3.23 shall survive until six months after the end of period in which any taxing authority may levy or reassess any taxes owing by the Schools;
- c) fraud, intentional misrepresentation or wilful breach or misconduct or (B) breach of representations and warranties set out in Sections 3.1, 3.2, 3.3, 3.4, 3.5, and 3.6 shall survive the Closing and continue in full force and effect without limitation of time.

5.2 *Survival of the Representations and Warranties of the Purchaser*

The covenants, representations and warranties of the Purchaser contained in this Agreement and any agreement, instrument, certificate or other document executed or delivered pursuant hereto shall survive the closing of the transactions contemplated hereby notwithstanding such closing, nor any investigation made by or on behalf of the Vendor, shall continue in full force and effect for the benefit of the Vendor for a period of eighteen (18) months.

ARTICLE 6 CLOSING ARRANGEMENTS

6.1 *Place of Closing*

The Closing shall take place at the Time of Closing at the offices of Armsworthy Lynch Barristers & Solicitors in Halifax, Nova Scotia on the Closing Date.

6.2 *Vendor's Closing Documents*

At the Closing, the Vendor will deliver, or cause to be delivered, the following to the Purchaser:

- (a) the share certificate(s) representing the Purchased Shares duly endorsed for transfer to the Purchaser or as directed by the Purchaser;
- (b) a certified copy of a resolution of the directors of the Schools authorizing the execution and delivery by the Schools of this Agreement and all documents required to be executed by the Schools pursuant to this Agreement and approving the transfer of the Purchased Shares;
- (c) certified copy of the central securities registers for the Schools dated as of the Closing Date showing the Vendor as the only shareholders;
- (d) certificates of good standing for each of the Schools;
- (e) resignations of each of the directors and officers of the Schools as required by the Purchaser;
- (f) subscription agreement for the Share Consideration;
- (g) the landlord's consent to the change in control of the Schools as required pursuant to the Lease;
- (h) releases in favour of the Schools executed by each Vendor;
- (i) waiver of all Intellectual Property Rights signed by the Vendor;
- (j) all administrative passwords, codes and keys;

- (k) all other documents and assurances as may be agreed by the parties are reasonably necessary to more effectively complete the transactions contemplated by this Agreement.

6.3 *Purchaser's Closing Documents*

At the Closing, the Purchaser will deliver the following to the Vendor:

- (a) a confirmation of wire transfer, direct deposit or certified cheque or bank draft in the amount of \$150,000.00 payable to Tom, in his capacity as agent for the Vendor, representing the portion of the Cash Consideration of the Purchase Price due at Closing;
- (b) the Vendor Take Back Note duly executed by the Purchaser;
- (c) the share certificates for the Share Consideration;
- (d) the assignment of Lease referred to in section 6.8 duly executed by the Purchaser and, if applicable, the Schools;
- (e) a certified copy of a resolution of the directors of the Purchaser authorizing the execution and delivery of this Agreement and all documents required to be executed by the Purchaser pursuant to this Agreement;
- (f) a consent to act a director of the Purchaser, signed by Tom;
- (g) the employment agreement with Raissa and Chris;
- (h) The PIE Agreement; and
- (i) all other documents and assurances as may be agreed by the parties are reasonably necessary to more effectively complete the transaction contemplated by this Agreement.

6.4 *Conditions Precedent to the Obligations of the Purchaser*

The obligations of the Purchaser to complete the purchase of the Purchased Shares shall be subject to the satisfaction of, or compliance with, on or before the Closing Date, each of the following conditions precedent:

- (a) the representations and warranties of the Vendor made in Article 3 will be true and correct as of the Time of Closing with the same effect as if made as of such time (other than any such representations and warranties that are made as of a specified date, in which case such representations and warranties will be true as of the applicable specified date), and the Vendor shall have complied in all material respects with all covenants and agreements required by this

Agreement to be performed or complied with at or before the Time of Closing;

- (b) no material adverse change in respect of the Schools will have occurred from the Reference Date hereof to the Time of Closing; and
- (c) the landlord under the Leases will have provided its consent to the change of control of the Schools required under the Lease and as contemplated in section 6.8.

6.5 *Conditions Precedent to the Obligations of the Vendor*

The obligations of the Vendor to complete the sale of the Purchased Shares shall be subject to the satisfaction of, or compliance with, on or before the Closing Date, each of the following conditions precedent:

- (a) the representations and warranties of the Purchaser made in Article 4 will be true and correct as of the Time of Closing with the same effect as if made as of such time (other than any such representations and warranties that are made as of a specified date, in which case such representations and warranties will be true as of the applicable specified date) and the Purchaser shall have complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with at or before the Time of Closing; and
- (b) the landlord under the Lease will, if necessary, consent to the assignment of lease contemplated in section 6.8.

6.7 *Delivery of Books and Records*

At the Time of Closing, the Vendor shall deliver to or to the order of, the Purchaser, all of the Books and Records of and relating to the Schools and the Business. The Books and Records fairly and correctly set out and disclose in all material respects the financial position of the Schools, and all material financial transactions relating to the Schools have been accurately recorded in such Books and Records.. The Books and Records present fairly the financial condition and the revenues, expenses and results of operations of the Schools. No information, records, systems, controls or data pertaining to or required for the operation or administration of the Purchased Operations are recorded, stored, maintained by, or are otherwise dependent upon, any computerized or other system, program or device that is not exclusively owned and controlled by the Schools. On or before the Closing Date the Vendor will have delivered originals or copies of all such records, systems, controls or data in its possession or control, including, where applicable, copies of all computer software and documentation relating thereto.

6.8 *Use of Business Premises*

The Purchaser shall cooperate with the Vendor in connection with the change of control of the Schools' Leases, including the execution of such documents as may reasonably be requested by the landlord, as well as providing a security deposit, if required, in an amount and on terms similar to the security deposit provided by the Vendor. Effective as at the Time of Closing, the Purchaser shall indemnify the Vendor and any indemnifier under the Lease for any costs related to the Lease of the

Business Premises that arises or related t the period after the Closing Date. The Purchaser agrees to take all commercially reasonable steps to cooperate with the Vendor to obtain the landlord's consent without requiring the Purchaser to incur costs, obligations, or liabilities or commence legal proceedings.

6.9 *Terms of Closing*

It shall be a condition of the Closing that all matters of payment and the execution and delivery of documents by any Party to the others pursuant to the terms of this Agreement shall be concurrent requirements and that nothing will be complete at the Closing until everything required as a condition precedent to the Closing has been paid, executed and delivered, as the case may be.

6.10 *Further Assurances*

Each Party to this Agreement covenants and agrees that, from time to time subsequent to the Closing Date, it will at the request and expense of the requesting party, execute and deliver all such documents, including, without limitation, all such additional conveyance, transfers, consents and other assurances and do all such other acts and things as any other party hereto, acting reasonably, may from time to request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement or of any agreement or other document executed pursuant to this Agreement or any of the respective obligations intended to be created hereby or thereby.

ARTICLE 7 INDEMNIFICATION

7.1 *Indemnification by the Vendor*

It being understood that any claims for any reason and at any time in relation to this Agreement must be brought through this Article 7, the Vendor agrees to indemnify and save harmless the Purchaser from all Losses suffered or incurred by the Purchaser as a result of or arising directly out of or in connection with: any breach by the Vendor or the Schools of or any material inaccuracy of any representation or warranty of the Vendor contained in this Agreement or in any agreement, certificate or other document delivered pursuant hereto, or any taxes which may be or become payable by the Vendor including any taxes resulting from or arising as a consequence of the sale by the Vendor to the Purchaser of the Shares herein contemplated. Notwithstanding any other provision hereof, in no event will the Vendor be liable to the Purchaser for consequential, punitive, special, incidental, indirect or similar damages based on, or arising out of, this Agreement or the rights or remedies that may be exercised by the Purchaser based on the representations, warranties, covenants and obligations of the Vendor contained in this Agreement, and the Purchaser, to the fullest extent permitted by law, irrevocably waives any rights it may have to such damages.

The Vendor will not be required to indemnify the Purchaser for Losses in excess of an amount equal to 50% of the Purchase Price ("**Indemnity Cap**") provided, however, that the Indemnity Cap will not apply to any claim by the Purchaser for indemnification in respect of (A) fraud, intentional misrepresentation or wilful breach or misconduct or (B) breach or inaccuracy of the representations and warranties set out in Sections 3.1, 3.2, 3.3, 3.4, 3.5, and 3.6.

7.2 Indemnification by the Purchaser

The Purchaser agrees to indemnify and save harmless the Vendor from all Losses suffered or incurred by the Vendor as a result of or arising directly out of or in connection with any breach by the Purchaser of or any material inaccuracy of any representation or warranty contained in this Agreement or in any agreement, instrument, certificate or other document delivered pursuant hereto, provided that in no circumstances shall the Purchaser be required to indemnify the Vendor for Losses in excess of an amount equal to 50% of the Purchase Price. Notwithstanding any other provision hereof, in no event will the Purchaser be liable to the Vendor for consequential, punitive, special, incidental, indirect or similar damages based on, or arising out of, this Agreement or the rights or remedies that may be exercised by the Vendor based on the representations, warranties, covenants and obligations of the Purchaser contained in this Agreement, and the Vendor, to the fullest extent permitted by law, irrevocably waives any rights it may have to such damages.

7.3 Notice of Claim

In the event that a Party (the "**Indemnified Party**") shall become aware of any claim, proceeding or other matter (a "**Claim**") in respect of which another party (the "**Indemnifying Party**") agreed to indemnify the Indemnified Party pursuant to this Agreement, the Indemnified Party shall promptly give written notice thereof to the Indemnifying Party. Such notice shall specify whether the Claim arises as a result of a claim by a person against the Indemnified Party (a "**Third Party Claim**") or whether the Claim does not so arise (a "**Direct Claim**"), and shall also specify with reasonable particularity (to the extent that the information is available) the factual basis for the Claim and the amount of the Claim, if known.

If, through the fault of the Indemnified Party, the Indemnifying Party does not receive notice of any Claim in time to contest effectively the determination of any liability susceptible of being contested, the Indemnifying Party shall be entitled to set off against the amount claimed by the Indemnified Party the amount of any Losses incurred by the Indemnifying Party resulting from the Indemnified Party's failure to give such notice on a timely basis.

7.4 Direct Claims

With respect to any Direct Claim, following receipt of notice from the Indemnified Party of the Claim, the Indemnifying Party shall have 15 Business Days to make such investigation of the Claim as is considered 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 the Claim, together with all such other information as the Indemnifying Party may reasonably request. If both parties agree at or prior to the expiration of such 15 Business Day period (or any mutually agreed upon extension thereof) to the validity and amount of such Claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full agreed upon amount of the Claim, failing which the matter shall be referred to binding arbitration in such manner as the parties may agree or shall be determined by a court of competent jurisdiction.

7.5 Third Party Claims

With respect to any Third Party Claim, the Indemnifying Party shall have the right, at its expense, to participate in or assume control of the negotiation, settlement or defence of the Claim and, in such event, the Indemnifying Party shall reimburse the Indemnified Party for all the Indemnified Party's out-of-pocket expenses as a result of such participation or assumption. If the Indemnifying Party elects to assume such control, the Indemnified Party shall have the right to participate in the negotiation, settlement or defence of such Third Party Claim and to retain counsel to act on its behalf, provided that the fees and disbursements of such counsel shall be paid by the Indemnified Party unless the Indemnifying Party consents to the retention of such counsel or unless the named parties to any action or proceeding include both the Indemnifying Party and the Indemnified Party and a representation of both the Indemnifying Party and the Indemnified Party by the same counsel would be inappropriate due to the actual or potential differing interests between them (such as the availability of different defences). If the Indemnifying Party, having elected to assume such control, thereafter fails to defend the Third Party Claim within a reasonable time, the Indemnified Party shall be entitled to assume such control, and the Indemnifying Party shall be bound by the results obtained by the Indemnified Party with respect to such Third Party Claim. If any Third Party Claim is of a nature such that the Indemnified Party is required by applicable law to make a payment to any person (a "**Third Party**") with respect to the Third Party Claim before the completion of settlement negotiations or related legal proceedings, the Indemnified Party may make such payment and the Indemnifying Party shall, forthwith after demand by the Indemnified Party, reimburse the Indemnified Party for such payment. If the amount of any liability of the Indemnified Party under the Third Party Claim in respect of which such payment was made, as finally determined, is less than the amount that was paid by the Indemnifying Party to the Indemnified Party, the Indemnified Party shall, forthwith after receipt of the difference from the Third Party, pay the amount of such difference to the Indemnifying Party.

7.6 Settlement of Third Party Claims

If the Indemnifying Party fails to assume control of the defence of any Third Party Claim, the Indemnified Party shall have the exclusive right to contest, settle or pay the amount claimed. Whether or not the Indemnifying Party assumes control of the negotiation, settlement or defence of any Third Party Claim, the Indemnifying Party shall not settle any Third Party Claim without the written consent of the Indemnified Party, which consent shall not be unreasonably withheld or delayed; provided, however, that the liability of the Indemnifying Party shall be limited to the proposed settlement amount if any such consent is not obtained for any reason.

7.7 Co-operation

The Indemnified Party and the Indemnifying Party shall co-operate fully with each other with respect to Third Party Claims, and shall keep each other fully advised with respect thereto (including supplying copies of all relevant documentation promptly as it becomes available).

7.8 Limitation.

The obligations of the Indemnifying Party under this Agreement to indemnify an Indemnified

Party are subject to the following:

- (a) each Loss must exceed \$1,500.00; and
- (b) the aggregate of all Losses must exceed \$5,000.00.

ARTICLE 8 MISCELLANEOUS

8.1 On the Closing Date Dr. Tom Musial, the current President and CEO of the Schools, shall be appointed to the board of directors of the Purchaser. As a member of the board, Dr. Musial will be eligible to receive:

- (a) A share of the Purchasers option plan as determined by the compensation committee.
- (b) A monthly stipend and bonus payments on the same basis of the other directors once the Purchaser is public and profitable, and the Compensation Committee recommends what portion should be paid out to directors and staff; which the board of directors subsequently approves to ensure it meets the condition of any securities regulatory body.
- (c) Where Dr. Musial is asked to look after duties beyond those accompanying his responsibilities as a member of the Purchaser's board, he will be fairly compensated in accord with the "AES Policy Binder" for compensation of a director.

8.2 The Purchaser shall enter into a one (1) year agreement (renewable) with Dr. Musial's consulting company, Paideia International Education ("PIE") to provide consulting, planning, and management services, beyond those fiduciary responsibilities he carries as a member of the board of directors, based on the following terms. The agreement with PIE will be settled prior to the closing date and be attached to and form part of this Agreement as Schedule M:

- (a) The agreement between Purchaser and PIE shall permit PIE to provide consulting, planning, and management services for clients in education sector provided always that they do not conflict with Dr. Musial's work for the Schools, with Purchaser, or duties or responsibilities as a director of the Purchaser;
- (b) Working through PIE, Dr. Musial shall assist in managing the operations of the Schools at no cost to Purchaser during a transitional period of six (6) months following the Closing Date. Purchaser shall provide Dr. Musial with a description of this role in writing as part of the agreement with PIE;

- (c) The agreement with PIE will be assignable;

Senior Management Appointments

- (a) Raïssa Musial (“Raïssa”), the current Operations Manager of ILI, shall be hired by the Purchaser and appointed as the Operations Manager of ILI for a one-year term (renewable upon mutual agreement) following the Closing Date. Raïssa’s annual salary will be \$75,000.00. In addition, Raïssa will be eligible to enroll in an AES benefit plan once adopted. Until the plan is adopted, she will be paid \$250.00 per month in lieu of benefits and be responsible for paying her own family health insurance payments. There will be a one-time incentive clause added in the new contract whereby Raïssa will be eligible for a twenty (20%) bonus of base salary if the Schools are profitable within twelve months following the Closing Date. The terms of Raïssa’s appointment and employment contract will be settled prior to the Closing Date and attached to and form part of this Share Purchase Agreement.
- (b) Chris Musial (“Chris”), the current Marketing Director of ILI, shall be hired by the Purchaser and appointed as the Marketing Manager of ILI for a one-year term (renewable upon mutual agreement) following the Closing Date. Chris’ annual salary will be \$75,000.00. In addition, Chris will be eligible to enroll in an AES benefit plan once adopted. Until the plan is adopted, he will be paid \$250.00 per month in lieu of benefits and be responsible for paying his own family health insurance premiums. There will be a one-time incentive clause added in the new contract whereby Chris will be eligible for a twenty (20%) bonus of his base salary if the Schools are profitable within twelve months following the Closing Date. The terms of Chris’ appointment and employment contract will be settled prior to the Closing Date and attached to and form part of the Shares Purchase Agreement.

8.4 Vendor’s Confidentiality

After the Closing, the Vendor shall keep confidential all information in its possession or under its control relating to the Schools and the Business, unless such information is or becomes generally available to the public other than as a result of disclosure by the Vendor in violation of this Agreement.

8.5 Joint and Several Liability.

The obligations of the Schools hereunder shall be joint and several. The obligations of the Vendors hereunder shall be joint and several.

8.6 Notices

Any notice or other communication required or permitted to be given hereunder shall be in

writing and shall be delivered in person, transmitted by email or similar means of recorded electronic communication or sent by registered mail, charges prepaid, addressed as follows:

- (a) if to the Purchaser to:

Anterior Education Systems Ltd.
507 - 700 West Pender Street
Vancouver, British Columbia
Canada V6C 1G8

Attention: Michael Hunter, President
Telephone No.: 604-377-5572
Email: mhunter@anterioreducation.com

with a copy to:

Miller Titerle + Company LLP
215 – 209 Carrall Street
Vancouver, BC V6B 2J2

Attention: Drew Lawrenson
Telephone No.: 778.945.3057
Email: drew@millertiterle.com

- (b) if to any of the Vendor or the Schools: c/o

1190 Barrington Street
Halifax, NS B3H 2R4

Attention: Thomas Musial
Telephone No.: 902 429-3636
Email: Thomas Musial <tom.musial@bellaliant.net>

With a copy to:

Armsworthy Lynch
Barristers & Solicitors
Suite 215 - 6021 Young Street
Halifax, Nova Scotia
B3K 2A1
Attention: Gary R. Armsworthy
Telephone No. 902 425-8740
E-mail: lynarms@eastlink.ca

Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day, on the next following

Business Day) or, if mailed, on the third Business Day following the date of mailing; provided, however, that if at the time of mailing or within three Business Days thereafter there is or occurs a labour dispute or other event that might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid.

Any party may at any time change its address for service from time to time by giving notice to the other parties in accordance with this Section 8.2.

8.4 *Expenses*

Each Party shall pay for its own costs and expenses and fees incurred in connection with this Agreement and the transactions contemplated by it. The Vendor shall be solely responsible for, and shall pay, satisfy, discharge, perform and fulfill all obligations and liabilities in respect of any commission or other remuneration payable to any broker, agent or other intermediary who has acted or purported to have acted for the Vendor or the Schools in respect of the transactions contemplated herein.

8.5 *Announcements*

No Party shall issue any press release or make any other public announcement with respect to this Agreement or the transactions contemplated hereby, other than as may be agreed by the Purchaser and the Vendor or as may be required by applicable laws.

8.6 *Disclosure*

Prior to any public announcement of the transaction contemplated hereby pursuant to Section 8.5, no party shall disclose this Agreement or any aspect of such transaction except to its board of directors, its senior management, its legal, accounting, financial or other professional advisors, any financial institution contacted by it with respect to any financing required in connection with such transaction and counsel to such institution, or as may be required by any applicable law or any regulatory authority or stock exchange having jurisdiction.

8.7 *Counterparts*

This Agreement may be executed in counterparts and by facsimile, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

~ Execution Page Follows ~

IN WITNESS WHEREOF this Agreement has been executed by the Parties as of the date first written above.

EXECUTED by Thomas Musial in the presence of:)
)
) “Thomas Musial”
) **THOMAS MUSIAL**
“Theodora Musial”)
Witness)

EXECUTED by Raissa Musial in the presence of:)
)
) “Raissa Musial”
) **RAISSA MUSIAL**
“Christopher Musial”)
Witness)

EXECUTED by Christopher Musial in the presence of:)
)
) “Christopher Musial”
) **CHRISTOPHER MUSIAL**
“Thomas Musial”)
Witness)

EXECUTED by Theodora Musial in the presence of:)
)
) “Theodora Musial”
) **THEODORA MUSIAL**
“Raissa Musial”)
Witness)

ANTERIOR EDUCATION SYSTEMS LTD.

By: “Michael Hunter”
Authorized Signatory

INTERNATIONAL LANGUAGE INSTITUTE LIMITED

By: "Thomas Musial"
Authorized Signatory

ENGLISH CANADA WORLD ORGANIZATION INCORPORATED

By: "Thomas Musial"
Authorized Signatory

SCHEDULE A

Vendor Take Back Notes

See attached.

SCHEDULE B

Material Contracts

Lease

Lease dated January 1, 2013 and ammended on Janyary 1, 2014 between Universal Property Management Limited and Neloson Investments Limited as landlrod and International Language Institute Limited as tenant for the Premises located at 1190 Barrington Street, Halifax, Nova Scotia, consisiting of approximately 13,399 square feet

IELTS Test Center Servicel Level Agreement

Agreement dated effective June 1, 2014 bwtween British Council and English Canada World Organization for the provision of International English Language Testing System exmaninations.

Bond

English Canada bond posted with the Education Ministry of Nova Scotia for the CELTA training program in the amount of \$27,600.

SCHEDULE C

Permits and Approvals

1. Notification of a change of control to Languages Canada

Permits & Approvals:

2. Treasury Board of Canada Accreditation (French & English)
3. Cambridge English Language Assessment (Centre CA030) – Language Assessment Authorized Centre
4. Languages Canada Certificate of Accreditation – International Language Institute ESL Program
5. Citizenship and Immigration Canada - Designated Institution Status for International Language Institute O19126582122 Halifax

SCHEDULE D

Employees

SCHEDULE E

Claims

Last Name, First Name <i>Style of Cause</i>	Classification of File	Court Location	File Number	Date File Opened	Date Last Updated

SCHEDULE F

List of Tangible Personal Property

SCHEDULE G

List of Intellectual Property

1. TRADEMARKS

Owner	Trade-Mark	Serial/Reg. No.	Status
English Canada World Orgnaization Incorporated	Canada Francais	TMA734,525	Registered – February 12, 2009
English Canada World Orgnaization Incorporated	English Canada (Bilingual)	TMA734,524	Registered – February 16, 2009
English Canada World Orgnaization Incorporated	English Canada	TMA652,414	Registered – Novemeber 8, 2005
English Canada World Orgnaization Inc.	English Canada (& Diseno)	Mexican Registation No. 855011	Registered – Novemeber 8, 2005

2. REGISTERED URLS & DOMAIN NAMES

<http://www.englishcanada.org/>

<http://ili.ca/en-home>

SCHEDULE H

Programs and Enrollment

SCHEDULE I

Accounts Receivable

SCHEDULE J

Accounts Payalbe

SCHEDULE K

Shares

English Canada World Organization Incorporated

17 common shares held by Thomas Musial

33 common shares held by Christopher Musial

33 common shares held by Raissa Musial

17 common shares held by Theodora Musial

International Language Institute Limited

56 common shares held by Thomas Musial

44 common shares held by Christopher Musial

44 common shares held by Raissa Musial

56 common shares held by Theodora Musial