

AMENDED AND RESTATED INTELLECTUAL PROPERTY ASSIGNMENT TO CORPORATION BY FOUNDER

THIS AGREEMENT is made effective as of the 1st day of January, 2017

B E T W E E N:

AMERICAN AIRES INC., a corporation governed by the laws of the Province of Ontario

(the "Corporation")

- and -

DIMITRY SEROV, a resident of Toronto, Ontario, Canada (the "Assignor")

RECITALS

- A. At the time of the incorporation of the Corporation on May 15, 2012, and thereafter, the Assignor was the inventor and owner of, or held proprietary rights in relation to, intellectual property related to the Corporation's business of production, distribution and sales of devices intended to protect persons from the harmful effects of electromagnetic emissions, all as more particularly described in Schedule "A" (the "**Intellectual Property**"), which Intellectual Property was developed in contemplation of being used and commercialized, either directly or indirectly, by the Corporation in connection with the business of the Corporation.
- B. The Assignor understands that the Corporation respects third party proprietary rights and does not desire to acquire any trade secrets or confidential information of third parties for which disclosure has not been requested by the Corporation and authorized by such third party.
- C. The Assignor, together with Igor Nikolayevich Serov are the founders (collectively the "**Founders**") of the Corporation.
- D. The Founders and the Corporation have agreed that the assignment of an interest whatsoever in any of Intellectual Property referred to in Recital A above which was held or owned, in any form or manner whatsoever, by the Founders, or either of them, prior to, or after, the incorporation of the Corporation is material to the business of the Corporation and was intended at all material times by the parties to be assigned by the Assignor and the other Founders to the Corporation in order to have the Corporation, and not the Founders directly, commercialize the Intellectual Property.

NOW THEREFORE, in consideration of the promises contained herein and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Corporation and the Assignor hereby agree that:

Canadian Dollars

- 1. All dollar amounts referred to in this Agreement are in Canadian funds unless otherwise

provided.

Extended Meanings

2. In this Agreement, words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders.

Sale of Transferred Assets

3. The Assignor hereby sells, assigns and transfers unto the Corporation all his right, title and interest, in and to the Intellectual Property created or owned in any form or manner whatsoever by him prior to the date hereof (collectively the "**Transferred Assets**").
4. To the extent that any Intellectual Property included in the Transferred Assets is not assignable or transferable to the Corporation ("**Non-assignable IP**"), the Assignor hereby grants to the Corporation a non-exclusive, royalty-free, irrevocable, perpetual, world-wide license to make, have made, modify, manufacture, reproduce, sub-license, use and sell such Non-assignable IP, and any residual rights the Assignor holds in the Non-assignable IP will be held by him in trust for the sole benefit of the Corporation. The Assignor will convey, transfer, dispose of and otherwise deal with the Non-assignable IP (including the execution and delivery of all documents and other instruments relating to the Non-assignable IP) in such a manner as the Corporation shall from time to time direct.

Purchase Price

5. The purchase price (the "**Purchase Price**") payable by the Corporation to the Assignor for the Transferred Assets shall be the fair market value of the Transferred Assets at the date hereof estimated by the parties to be \$907,200.

Payment of the Purchase Price

6. The Purchase Price shall be satisfied by the Corporation by the issue and allotment to the Assignor, as of the date hereof, of 18,144,000 common shares in the capital of the Corporation (the "**Share Consideration**").

Subsection 85(1) Election

7. The parties agree to jointly make, execute and file with the appropriate taxation authorities, within the prescribed time and in the prescribed form, the elections required by subsection 85(1) of the Act.
8. The parties agree that, notwithstanding section 5, for income and corporation tax purposes the proceeds of disposition to the Assignor of the Transferred Assets and the acquisition cost of the Transferred Assets shall be deemed to be the cost base of the Transferred Assets in the hands of the Assignor, which, unless determined otherwise by both parties, shall be deemed to be \$1.00.

No Price Readjustment

9. The parties intend that the purchase and sale of the Transferred Assets take place at fair market value and agree that the Share Consideration is equal to at least the fair market value of the Transferred Assets.

Representations and Warranties of the Assignor

10. The Assignor hereby represents and warrants as follows in favour of the Corporation and hereby acknowledges and confirms that the Corporation is relying upon such representations and warranties in connection with the purchase by it of the Transferred Assets from the Assignor:
- (a) the Assignor is not under any pre-existing obligation inconsistent with the terms of this instrument;
 - (b) to the best of his knowledge, the Intellectual Property is his original work, free and clear of any claims or encumbrances of any kind, and, to the best of his knowledge, will not infringe any patent, copyright or other proprietary right or violate a trade secret of any person or entity;
 - (c) the delivery of this instrument has not and will not violate or conflict with or result in a breach of any terms, conditions, duties or obligations he has to any third party;
 - (d) other than the sale of products containing or utilizing the Intellectual Property sold prior to the date hereof, he has not authorized any third party other than the Corporation to use, or granted any option to acquire any rights to or licenses to use any of the Intellectual Property, nor has he covenanted or agreed with any third party not to sue or otherwise enforce any legal rights with respect to any of the Intellectual Property;
 - (e) the Assignor has a good and marketable legal title to the Transferred Assets, all free and clear of any security interest, encumbrance, or other claim;
 - (f) there is no litigation, or administrative or governmental proceeding, or inquiry pending, or to the knowledge of the Assignor, threatened, against, or relating to, the Assignor, the Transferred Assets, nor does the Assignor know of, or have reasonable grounds for believing that, there is any basis for any litigation, proceeding, or enquiry;
 - (g) the Assignor has not received any notice that any of the Transferred Assets infringe the rights of any patent, design, trade mark, trade name, copyright or other intellectual property rights; and
 - (h) the Assignor has never been under any obligation to pay royalties or licence fees in respect of any of the Transferred Assets.

No Other Representations or Warranties

11. Except for the representations and warranties set out in paragraph 8, the Intellectual Property included in the Transferred Assets is furnished “as is,” without any support, assistance, maintenance, representations or warranties of any kind, whatsoever. The Corporation assumes total responsibility and risk for its use of any Intellectual Property. The Assignor does not make, and the Corporation hereby expressly disclaims, any express or implied warranties of any kind whatsoever, including, but not limited to, implied warranties of merchantability or fitness for a particular purpose, warranties of title or non-infringement, or any warranty that such intellectual property is “error free.”

Representations and Warranties of the Corporation

12. The Corporation hereby represents and warrants as follows and hereby acknowledges and confirms that the Assignor is relying upon such representations and warranties in connection with the sale by the Assignor to the Corporation of the Transferred Assets:
 - (a) the Corporation is a subsisting corporation duly and validly incorporated and organized under the laws of the Ontario;
 - (b) the execution and delivery of this Agreement by the Corporation and the purchase of the Transferred Assets herein provided for have been duly authorized by all necessary corporate action and the Corporation has all requisite corporate power and authority to enter into this Agreement and to carry out the transaction of purchase and sale contemplated herein;
 - (c) the authorized capital of the Corporation consists of an unlimited number of common shares; and
 - (d) once issued, the Share Consideration will be issued as fully paid and non-assessable and duly registered in the name of the Assignor.

Covenants of the Assignor and Further Assurances

13. The Assignor hereby covenants in favour of the Corporation that the Transferred Assets are to be duly and regularly transferred to the Corporation. To the extent that any assignment, transfer and conveyance of Intellectual Property is not consummated immediately following the date of this Agreement, or any assignment, transfer or conveyance of Intellectual Property is improperly consummated, the parties shall use commercially reasonable efforts and cooperate to effect or to correct such assignment, transfer or conveyance as promptly as shall be practicable.

Survival of Representations, Warranties and Covenants

14. The representations, warranties, covenants and agreements made by the parties in this Agreement shall survive the Closing for period of twenty-four months following the date hereof.

IN WITNESS WHEREOF the parties have executed this Agreement as of the 1st day of December, 2018.

“Dimitry Serov” (signed)
DIMITRY SEROV

AMERICAN AIRES INC.

Per:

“Dimitry Serov” (signed)
Name: Dimitry Serov
Title: President

SCHEDULE “A”

INTELLECTUAL PROPERTY

With respect to devices intended to protect persons from the harmful effects of electromagnetic emissions and sold under the trade names or trademarks AIRES BLACK CRYSTAL, AIRES SHIELD, AIRES SHIELD EXTREME, AIRES DEFENDER, AIRES DEFENDER AUTOMOTIVE, AIRES DEFENDER INFINITY:

All trade or brand names, business names, trade marks, trade mark registrations and applications, service marks, service mark registrations and applications, copyrights, copyright registrations and applications, patents, patent registrations and applications and other patent rights (including any patents issued on such applications or rights), trade secrets, proprietary manufacturing information and know-how, equipment and parts lists and descriptions, instruction manuals, inventions, inventors' notes, research data, unpatented blue prints, drawings and designs, formulae, processes, technology and other intellectual property, together with all rights under licences, technology transfer agreements and other agreements or instruments relating to any of the foregoing (collectively, “Intellectual Property”).

AGREEMENT TO AMEND

INTELLECTUAL PROPERTY ASSIGNMENT TO CORPORATION BY FOUNDER

THIS AGREEMENT is made as of the 31st day of March, 2019 with an effective date of the 1st day of January, 2017

B E T W E E N:

AMERICAN AIRES INC., a corporation governed by the laws of the Province of Ontario

(the "Corporation")

- and -

DIMITRY SEROV, a resident of Toronto, Ontario, Canada

(the "Assignor")

RECITALS

- A. By an agreement titled "Amended and Restated Intellectual Property Assignment to Corporation by Founder" between the Corporation and the Assignor effective January 1, 2017 (the "Original Agreement"), the Assignor agreed to assign certain intellectual property described therein which was valued at \$907,200 to the Corporation in exchange for the issuance of 18,144,000 common shares in the capital of the Corporation;
- B. Pursuant to the Original Agreement, the parties agreed that the purchase and sale of the transferred assets take place at fair market value and agree that the share consideration is equal to the fair market value of the Transferred Assets;
- C. Based on further information, the parties have agreed that the value of the intellectual property included in the transferred assets as set out in the Original Agreement was overstated by the amount of \$167,400, and should have been valued as follows:

<u>Description of Assets</u>	<u>Fair Market Value as at Jan. 1, 2017</u>
Intellectual Property	\$739,800
Total	\$739,800

- D. The parties have further agreed that the valuation in the Original Agreement took into account the value services rendered by the Assignor to the Corporation, and by reducing the value of the transferred assets as aforesaid, it would be appropriate to compensate the Assignor for services rendered by issuing shares to the Assignor;
- E. The parties have further agreed that as of January 1, 2017, one (1) common share in the capital of the Corporation had a fair market value of \$0.05;

NOW THEREFORE, in consideration of the promises contained herein and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Corporation and the Assignor hereby agree that:

1. Paragraphs 5 and 6 of the Original Agreement is hereby amended, effective as of January 1, 2017, by deleting the said sections in their entirety and substituting the foregoing:

Purchase Price

5. *The purchase price (the "Purchase Price") payable by the Corporation to the Assignor for the Transferred Assets shall be the fair market value of the Transferred Assets at the date hereof estimated by the parties to be at least \$739,800.*

Payment of the Purchase Price

6. *The Purchase Price shall be satisfied by the Corporation by the issue and allotment to the Assignor, as of the date hereof, of 14,796,000 common shares in the capital of the Corporation (the "Share Consideration").*

2. The parties agree to jointly amend the subsection 85(1) election filed pursuant to the *Income Tax Act* (Canada) as may be advisable in connection to the foregoing.

3. This Agreement is an amendment to the Original Agreement. Unless the context of this Amending Agreement otherwise requires, the Original Agreement and this Agreement shall be read together and shall have effect as if the provisions of the Original Agreement and this Agreement were contained in one agreement. The term "Agreement" when used in the Original Agreement means the Original Agreement as amended by this Agreement, together with all amendments, modifications, supplements, extensions, renewals, restatements, replacements and novations thereof from time to time.

4. The Original Agreement shall be and continue in full force and effect and is hereby confirmed and the rights and obligations of all parties thereunder shall not be affected or prejudiced in any manner except as specifically provided for herein.

5. This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

6. This Amending Agreement may be signed in counterparts and each of such counterparts will constitute an original document and such counterparts, taken together, will constitute one and the same instrument. A party's transmission by facsimile or other electronic means of a copy of this Agreement duly executed by that party shall constitute effective delivery by that party of an executed copy of this Agreement to the party receiving the transmission.

7. Each of the parties hereto acknowledges that this Agreement has been drafted by Holmberg Watson Professional Corporation (the "Firm"), the solicitor for the Corporation. The Assignor acknowledges it is not relying on any advice from the Firm and has been afforded the opportunity of receiving independent legal and tax advice concerning this Agreement, and in the event that he has executed this Agreement without the benefit of independent legal advice, it fully understands the provisions of this Agreement and hereby waives the right to receive any such independent legal and tax advice.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first mentioned above.

“Dimitry Serov” (signed)

_____ **DIMITRY SEROV**

AMERICAN AIRES INC.

Per:

“Dimitry Serov” (signed)

_____ Name: Dimitry Serov

Title: President