



ANNUAL INFORMATION FORM

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2023

February 26, 2024

**IMPACT ANALYTICS INC.
ANNUAL INFORMATION FORM
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2023
TABLE OF CONTENTS**

DESCRIPTION	PAGE NO.
GENERAL MATTERS.....	1
CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS.....	1
GLOSSARY OF TERMS	5
CORPORATE STRUCTURE	8
Name, Address and Incorporation.....	8
Intercompany Relationships.....	8
Three Year History.....	8
DESCRIPTION OF THE BUSINESS	10
General	10
Products and Services.....	11
Operations.....	13
Specialized Skill and Knowledge.....	14
Market Overview	14
Growth Strategy	14
Competitive Conditions.....	15
Competitive Strengths	16
Intangible Properties.....	17
Proprietary Software	17
Cycles 17	
Economic Dependence.....	17
Changes to Contracts	17
Environmental Protection.....	18
Foreign Operations	18
Employees	18
Regulatory Overview.....	18
Risk Factors	20
DIVIDENDS AND DISTRIBUTIONS	37
DESCRIPTION OF CAPITAL STRUCTURE	37
General Description of Capital Structure.....	37
MARKET FOR SECURITIES	39
Trading Price and Volume	39
Prior Sales.....	39
ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER	39
DIRECTORS AND OFFICERS	39
Name, Occupation and Security Holding	39
Board Committees	42
Cease Trade Orders, Bankruptcies, Penalties or Sanctions	44
Conflicts of Interest	45

PROMOTERS.....	45
LEGAL PROCEEDINGS AND REGULATORY ACTIONS.....	45
INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	45
TRANSFER AGENT AND REGISTRAR	45
MATERIAL CONTRACTS.....	45
INTERESTS OF EXPERTS.....	46
ADDITIONAL INFORMATION	46
SCHEDULE "A" – AUDIT COMMITTEE CHARTER	
SCHEDULE "B" – EQUITY INCENTIVE PLAN	

GENERAL MATTERS

In this Annual Information Form (“AIF”), unless the context otherwise requires, the “Company” refers to Impact Analytics Inc. Unless otherwise indicated, information in the AIF is provided as of June 30, 2023.

This AIF applies to the business activities and operations of the Company for the year ended June 30, 2023, as updated to February 26, 2024. Unless otherwise indicated, the information in this AIF is given as of the date hereof.

Unless otherwise indicated, all references to “\$” in this AIF refer to Canadian dollars.

This AIF should be read in conjunction with the Company’s consolidated financial statements and management’s discussion and analysis for the year ended June 30, 2023. The financial statements and management’s discussion and analysis are available under the Company’s profile on SEDAR+ at www.sedarplus.ca.

Market and industry data

This AIF contains or references certain market and industry data which are based upon information from independent industry publications, market research, analyst reports and surveys and other publicly available sources. Although the Company believes these publications and reports to be reliable, the Company has not independently verified any of the data or other statistical information contained therein, nor has the Company ascertained or validated the underlying economic or other assumptions relied thereon by these sources. The Company cannot, and do not, provide any representation or assurance as to the accuracy or completeness of the information or data, or the appropriateness of the information or data for any particular analytical purpose, and accordingly, the Company disclaims any liability in relation to such information and data. The Company has no intention and undertakes no obligation to update or revise any such information or data, whether as a result of new information, future events or otherwise, except as required by law.

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

Information set forth in this AIF may involve forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management’s expectations regarding the Company’s growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential”, “continue”, “target” or the negative of these terms or other comparable terminology.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. Accordingly, the reader should not place undue reliance on any such forward-looking statements. Further, any forward-looking statement speaks only as of the date on which such statement is made. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company’s business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. In addition, this AIF may contain forward-looking statements attributed to third party industry sources.

Forward-looking statements in this AIF include, but are not limited to:

- the Company's anticipated competition in Canada;
- the Company's proposed marketing plan and advertising methods;
- the Company's business strategy, strength and focus;
- the Company's continued development of its PACT Platform (as defined herein), Lana Cash (as defined herein) and Credissential (as defined herein);
- the Company's ability to utilize its industry-expertise, licensed and proprietary technology, and strategic partnerships to develop and deliver its products;
- the Company's ability to capitalize on its existing commercial relationships to create innovative and competitive solutions within the markets it operates;
- the Company's target market including expanding into the Asia Pacific market;
- the expected demand for the Company's service;
- future market conditions, including end-customer demand conditions, the expected AI, data analytics, and financial market growth, and increased reliance on AI and data analytics generally;
- the Company's perception of its competitors, emerging competition in the industry and the associated risks;
- the Company's business model and proposed revenue streams;
- the Company's expectations regarding its revenue, expenses, production, operations, costs, cash flows and future growth;
- the Company's anticipated cash needs and its needs for additional financing;
- conditions in the financial markets generally, and with respect to the prospects for small capitalization commercial/technologies companies specifically;
- projections of market prices and costs and the related sensitivity of distributions;
- treatment under governmental regulatory regimes and tax laws, and capital expenditure programs; and
- expectations with respect to the Company's future working capital position.

Forward-looking statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. With respect to forward-looking statements contained in this AIF, assumptions have been made regarding, among other things:

- the Company's ability to obtain qualified staff and equipment in a timely and cost-efficient manner;
- the impact of any changes in law;
- the regulatory framework governing artificial intelligence, data analytics, financial, and related services in Canada and any other jurisdictions in which the Company may conduct its business in the future;
- future development plans for the Company's assets unfolding as currently envisioned;
- future capital expenditures to be made by the Company;
- future cash flows meeting the expectations stated herein;
- future sources of funding for the Company's capital program;
- the Company's future debt levels;
- the intentions of the Company's Board with respect to the executive compensation plans and corporate governance programs described herein;
- the impact of increasing competition on the Company;
- the Company's ability to obtain financing on acceptable terms, or at all;

- general business and economic conditions;
- the products and technology offered by the Company's competitors;
- the maintenance of the Company's current good relationships with its suppliers, service providers and other third parties;
- business strategy, including budgets, projected costs, projected capital expenditures, taxes, plans, objectives, potential synergies and industry trends;
- expectations concerning the size and growth of the governing artificial intelligence, data analytics, financial markets; and
- the effectiveness of the Company's products compared to its competitors' products.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this AIF: limited operating history; inability to develop new platform features in response to the Company's customers needs adversely affecting our operations; if the Company fails to retain key employees or to recruit qualified technical and sales personnel, the Company's business could be harmed; if the Company cannot maintain its culture as the Company grows, the Company could lose the innovation, teamwork, passion, and focus on execution that the Company believes contribute to the Company's success and the Company's business may be harmed; if the Company's security measures are breached or unauthorized access to customer data is otherwise obtained, the Company's platform may be perceived as insecure, the Company may lose existing customers or fail to attract new customers, the Company's reputation may be harmed, and the Company may incur significant liabilities; the failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations; dependence on customer internet access and use of internet for commerce; privacy, data protection, and information security concerns, and data collection and transfer restrictions and related domestic or foreign regulations, may limit the use and adoption of the Company's platform and adversely affect the Company's business; Anti-money laundering, anti-terrorism financing, anti-corruption and economic sanctions laws could have adverse consequences for the Company; negative publicity and sharing of information through social media could result in damage to the Company's reputation and its business may suffer as a result; if the Company fails to develop, maintain, and enhance the Company's brand and reputation cost-effectively, the Company's business and financial condition may be adversely affected; failing to manage growth; mergers or other strategic transactions involving the Company's competitors or customers could weaken the Company's competitive position, which could harm the Company's results of operations; if the Company fails to adequately protect the Company's proprietary rights, the Company's competitive position could be impaired and the Company may lose valuable assets, generate reduced revenue or experience slower growth rates, and incur costly litigation to protect the Company's rights; an assertion by a third-party that the Company is infringing its intellectual property could subject us to costly and time-consuming litigation which could harm the Company's business; issues in the use of AI in the Company's platforms may result in reputational harm or liability; from time to time, the Company may become defendants in legal proceedings for which the Company is unable to assess the Company's exposure and which could become significant liabilities in the event of an adverse judgment; the Company may be unable to effectively underwrite or assess the credit risk of the Company's target market; the Company may be unable to manage risks relating to the Company's obligations as a service provider to the Company's clients, now and in the future; the information provided to the Company by consumers or third-party data providers may be inaccurate; any failure to offer high-quality customer support may harm the Company's relationships with the Company's customers and the Company's results of operations; the Company relies upon SaaS technologies from third parties to operate the Company's business, and interruptions or performance problems with these technologies may adversely affect the Company's business and results of operations; if the Company is not able to keep pace with technological developments or new versions or updates of operating systems and internet browsers adversely impact the process by which the Company's customers interface with the Company's

platform, the Company's business will be harmed; the Company's future success is highly dependent on the success of its marketing efforts; the Company may acquire other companies or technologies which could divert the Company's management's attention, result in additional dilution to the Company's shareholders, and otherwise disrupt the Company's operations and harm the Company's results of operations; conflicts of interest; the Company's future endeavours, including the Company's plan to expand into new markets, including into the Asia Pacific region, may not be successful; breaches of confidentiality; the Company currently has negative operating cash flow; the Company might require additional capital to support the Company's growth, and this capital might not be available on acceptable terms, if at all; revenue risk; the Company's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business; if the Company's judgments or estimates relating to the Company's critical accounting policies are based on assumptions that change or prove to be incorrect, the Company's results of operations could fall below expectations of securities analysts and investors, resulting in a decline in the price of Common Shares; the Company incurs increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies, which could adversely affect the Company's business, financial condition, and results of operations; difficulty in forecasting; price of the Common Share may not represent the Company's performance or intrinsic fair value; price volatility of publicly traded securities; future sales or issuances of equity securities could decrease the value of the Common Shares, dilute shareholders' voting power and reduce future potential earnings per Common Share; the market in which the Company participates is competitive, and if the Company does not compete effectively, the Company's results of operations could be harmed; regulatory requirements placed on the Company's software and services could impose increased costs on us, delay or prevent the Company's introduction of new products and services, and impair the function or value of the Company's existing products and services; adverse economic and market conditions and reductions in IT spending may adversely impact the Company's business and results of operations; changes in technology; and natural disasters, public health crises, political crises, or other catastrophic or adverse events, including adverse and uncertain macroeconomic conditions may adversely affect the Company's business, operating results or financial position; failure of the Company to keep up with changes in technology in data analytics, AI, and financial industries.

The preceding list is not exhaustive of all possible factors. All factors should be considered carefully when making decisions with respect to the Company. Readers should not place undue reliance on the Company's forward-looking statements, as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that such forward-looking statements will materialize. Unless required by applicable securities laws the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this AIF, see "*Risk Factors*".

GLOSSARY OF TERMS

“Act” means the Business Corporations Act (*Alberta*)

“AI” means artificial intelligence;

“Alliance” means Alliance Trust Company;

“Audit Committee” means the audit committee of the Board;

“Blue Summit” means Blue Summit Ventures Inc.;

“Board” or **“Board of Directors”** means the board of directors of the Company;

“CASL” means Canada’s Anti-Spam Legislation;

“CEO” means chief executive officer;

“CFO” means chief financial officer;

“Common Shares” means at any particular time the issued and outstanding class A common shares in the authorized share structure of the Company with no par value in the capital;

“Company” means Impact Analytics Inc.;

“Credissential” has the meaning set out in the section under *“Description of the Business – Production and Services”*;

“CSE” means the Canadian Securities Exchange;

“Development Services Agreement” has the meaning set out in the Section under *“General Development of the Business – Three Year History - Subsequent to June 30, 2023”*;

“Eligible Persons” means person eligible to receive equity incentives under the Plan;

“EU” means the European Union;

“Fairfax Partners” means Fairfax Partners LLC;

“forward-looking statements” has the meaning ascribed thereto under the heading “Forward Looking Information”;

“GDPR” means the European *General Data Protection Regulations* 2016/679;

“Global One” means Global One Media Ltd.;

“Hurricane Electric” means Hurricane Electric LLC;

“IFRS” means International Financial Reporting Standards;

“Insider” if used in relation to an issuer, means: (a) a director or executive officer of the issuer; (b) a director or executive officer of a company that is an Insider or subsidiary of the issuer; (c) a Person that

beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; (d) the issuer itself if it holds any of its own securities; (e) a person that is designated as an insider by the British Columbia Securities Commission; or (f) a class of persons that are prescribed by applicable securities laws;

"IP" means Internet Protocol;

"IT" means information technology;

"KMSS" or **"Auditor"** means the Company's auditors, Kenway Mack Slusarchuk Stewart LLP;

"Longtable" means Longtable Capital Partners;

"Longtable Agreement" has the meaning set out in the Section *"General Development of the Business – Three Year History - Subsequent to June 30, 2023."*

"MVP" mean minimal viable product;

"NI 52-110" means the *National Instrument 52-110 – Audit Committees*;

"October 2023 Warrants" means the Warrants of the Company issued on October 30, 2023, each of which entitles the holder thereof to purchase one additional Common Share for a period of two (2) years from the date of closing at a price of \$1.25 per Common Share. For further information see *"General Development of the Business – Three Year History - Subsequent to June 30, 2023."*

"Options" means incentive stock options to purchase Common Shares;

"PACT Platform" has the meaning set out in the section under *"Description of the Business – Production and Services"*;

"Person" means a natural person, partnership, limited partnership, limited liability partnership, corporation, limited liability company, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity or governmental entity, and pronouns having a similar extended meaning;

"Plan" means the omnibus equity incentive plan of the Company pursuant to which the Company may grant to eligible participants Options and RSUs. For further information, see *"General Description of Capital Structure."*

"Pulse Pilot Program" or **"Pulse Program"** has the meaning set out in the Section *"Description of the Business – Growth Strategy."*

"Research Laundry" means Research Laundry LLC;

"RSUs" means restricted share units of the Company issued pursuant to the Plan;

"SaaS" means software as a service;

"SEDAR+" means the System for Electronic Document Analysis and Retrieval;

"SMB" means small medium businesses;

“Takada” means Takada Asset Management, Inc.;

“United States”, “USA” or “U.S.” means United States of America;

“Warrants” means Common Share purchase warrants of the Company, and include the October 2023 Warrants; and

“\$” means Canadian dollars, unless otherwise stated.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated as Axiom Capital Advisors Inc. on January 28, 2020 under the laws of the Province of Alberta. On October 23, 2023, the Company changed its name from Axiom Capital Advisors Inc. to Impact Analytics Inc.

The Company's head office and registered and records office is located at 2004 Sherwood Drive, Sherwood Park, AB T8A 0Z1. The Company's corporate website is www.impactrisk.ai. The information contained on the Company's website is not incorporated by reference into this AIF.

The Company trades on the CSE under the symbol "**PACT**". The Company also trades on the OTC Pink Sheets under the symbol "**IPTNF**" and the Frankfurt Stock Exchange under the symbol "**9YZ0**".

Intercompany Relationships

As at the date of this AIF, the Company has no material subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Year Ended June 30, 2021 to Year Ended June 30, 2023

The Company did not actively conduct its business during the financial year ended June 30, 2023.

Subsequent to June 30, 2023

On August 25, 2023, the Company announced the appointment of Mr. Eric Entz as CEO and Mr. Robert Birmingham to the board of directors of the Company. Both Mr. Paul Shelley and Mr. Douglas McCartney stepped down as directors of the Company.

On September 1, 2023, the Company announced the appointment of Mr. Tak Tsan (Simon) Tso as CFO and Ms. Laura Parken as corporate secretary of the Company. The Company also announced the resignation of Mr. L. Evan Baergen as corporate secretary of the Company.

On September 25, 2023, the Company announced the appointment of both Mr. Eric Entz and Mr. Joe Traversa to the board of directors of the Company. Both Mr. Dwight Martin and Mr. L. Evan Baergen stepped down as directors of the Company. The Company also granted a total of 1,290,000 Options to various consultants, directors and officers of the Company. All Options were granted at a price of \$0.11 and vest over a period of one year in two equal tranches every six months from the date of grant.

On October 6, 2023, the Company completed a forward share split whereby every one (1) existing Common Share became four (4) post-split Common Shares.

On October 12, 2023, the Company announced the appointment of Mr. Sebastian Lowes as General Counsel and to the board of directors of the Company.

On October 24, 2023, the Company changed its name to Impact Analytics Inc. to better reflect the evolved vision and strategic direction of the Company under current leadership. In connection with the name change, the Company's CSE symbol was changed to "PACT".

On October 30, 2023, the Company announced that it intended to complete a non-brokered private placement of up to 2,000,000 units of the Company at a price of \$0.50 per unit for gross proceeds of \$1,000,000.00. Each unit consists of one Common Share and one Common Share purchase warrant (each, an "**October 2023 Warrant**"). Each October 2023 Warrant entitles the holder thereof to purchase one additional Common Share for a period of two (2) years from the date of closing at a price of \$1.25 per Common Share. The Company also announced that it entered into the Longtable Agreement, pursuant to which it retained Longtable to provide investor relations services. Under the terms of the Longtable Agreement, the Company retained Longtable for a 2-month period ending on December 31, 2023 in consideration for a cash fee of \$2,500 per month.

On November 7, 2023, the Company announced that it had entered into a development services agreement (the "**Development Services Agreement**") with Research Laundry. Pursuant to the Development Services Agreement, the Company agreed to pay Research Laundry a cash fee equal to US\$250,000.00 and issue up to 1,000,000 RSUs upon completion of certain milestones.

On November 28, 2023, the Company announced that it entered into a strategic partnership agreement with Takada. Pursuant to the strategic partnership agreement, the Company and Takada agreed to collaborate to develop a strategy to utilize and distribute the Company's future artificial intelligence product offerings, once ready, in the Asia Pacific region.

On December 5, 2023, the Company announced that it secured long-term, privacy-centric data center co-location and hosting solutions at Hurricane Electric data center in Fremont, California, USA (the "**Hurricane Electric Data Centre**"). Also on this date, the Company announced it engaged Global One Media Ltd. to manage its social media channels, including the distribution of interviews, Company news and other similar services. The Company agreed to pay Global One USD\$3,000.00 per month, on a month-to-month-basis, as consideration for the co-location and hosting solution, commencing on December 4, 2023.

On December 8, 2023, the Company announced it closed the first tranche of the non-brokered private placement previously announced on October 30, 2023 and issued 696,000 units of the Company at a price of \$0.50 per unit for gross proceeds of \$348,000.00. Each unit consisted of one Common Share and one October 2023 Warrant. The Company also announced that it had entered into an agreement with Scandinavian Alliance pursuant to which Scandinavian Alliance agreed to provide the Company brand recognition management and awareness, social media strategy and planning, community engagement, social media reporting and other similar services to the Company in compliance with regulatory guidelines. Under the terms of engagement, the Company retained Scandinavian Alliance for a 6-month period, commencing on December 7, 2023, in consideration for cash payments in an aggregate amount of \$110,000.

On December 12, 2023, the Company announced the appointment of Mr. Mitch Johnson as a strategic advisor to the Company.

On December 15, 2023, the Company announced it closed the second tranche of the non-brokered private placement previously announced on October 30, 2023 and issued 433,140 units of the Company at a price of \$0.50 per unit for gross proceeds of \$216,570.00. Each unit consisted of one Common Share and one October 2023 Warrant.

On January 12, 2024, the Company announced it closed its third and final tranche of the non-brokered private placement previously announced on October 30, 2023 and issued 375,000 units of the Company at a price of \$0.50 per unit for gross proceeds of \$187,500.00. Each unit consisted of one Common Share and one October 2023 Warrant.

On January 16, 2024, the Company announced the appointment of Mr. Dato Mohd Emir Mawani Abdullah as a strategic advisor to the Company.

On January 23, 2024, the Company introduced its latest product offering under development, Credissential. See "*Description of the Business*" for further information.

On January 30, 2024, the Company introduced its AI-driven risk assessment infrastructure product under development, the PACT Platform featuring its first application, Lana Cash. See "*Description of the Business*" for further information.

On January 31, 2024, the Company announced that the Common Shares are eligible for electronic clearing and settlement thorough the Depository Trust Company in the USA.

On February 1, 2024, the Company announced its intention to complete a non-brokered private placement offering of units for a total target amount of up to \$2,000,000. The offering will consist of up to 1,550,387 units priced at \$1.29 per unit. Each unit will be comprised one Common Share and one-half of one common share purchase warrant, with each warrant exercisable for a period of one (1) year at a price of \$2.00 per warrant.

On February 7, 2024, the Company announced the launch of its Pulse Pilot Program, which is designed to allow users to build off of, and advance, select capabilities of Impact Analytics' proprietary software currently under development by the Company. For further information, please see "*Description of the Business – Growth Strategy*."

On February 7, 2024, the Company also announced that it will begin a week-long tour of three important European financial centers, beginning on February 11, 2024. In addition to one-on-one meetings with local investors and investment managers, management will take part in investment industry events in select cities.

DESCRIPTION OF THE BUSINESS

General

The Company is a financial services company focused on building an AI-powered risk assessment engine to govern and optimize organizational decision making. The Company's mission is to convert complex data into clear, actionable insights for smarter, more informed financial risk assessments; it aims to create solutions that are scalable, sustainable, and accessible.

The Company is committed to harnessing the power of data and artificial intelligence to redefine financial risk management. The Company's team of experts is working to develop next-generation solutions that aim to make financial systems more efficient, transparent, and reliable.

The Company's flagship risk assessment model, the PACT Platform, is being designed to reimagine traditional finance, while the Company's application Credissential aims to disrupt current methods of credit data storage, management and application via the transition of retail and commercial credit application systems.

Products and Services

The Company is currently developing three commercial projects; two market entry applications (1) Credissential; and (2) Lana Cash and its PACT Platform.

The PACT Platform

The PACT Platform (formerly the Lana Platform) is being developed as a widely compatible software layer, easily adaptable by enterprise and small medium businesses to enhance traditional risk assessment overlays. By leveraging readily available public data and data provided by users, it is expected that once launched on a beta basis, the PACT Platform aims to provide cost effective and streamlined insights, configured to express a specific risk appetite. The PACT Platform's first application, Lana Cash, is being developed as a stand-alone technology demonstration. The Lana Cash application will test users risk profiles and provide a recommendation based on unique, AI powered analysis.

It is anticipated that the PACT Platform, once complete, will evolve into an adaptable software suite and will generate improved real-time risk assessment results by leveraging:

- *Unique Risk Markers*: Using telemetric and other proprietary data collection and analysis.
- *Know Your Client (KYC)*: Validating user identities with precision, safeguarding against nefarious impersonations and fraud.
- *Anti-Money Laundering (AML)*: Analyzing context, sentiment, as well as financial crime risk with near immediate AI-driven analysis.
- *Banking Analytics*: Accessing real time financial data for deeper user insights, enhancing transparency and more accurate financial health assessment scores.
- *Corporate Compliance*: Assessing available business records to reveal stakeholders and potential conflicts.
- *eIDs*: Authenticating user identities with recognized and secure electronic identification solutions, enhancing trust and security.

The PACT Platform is currently in development and has not yet generated revenue. The Company has retained Research Laundry to develop the PACT Platform pursuant to a Development Services Agreement. As of the date hereof, wireframes are being completed and stitched into native REACT language for mobile deployment. Pre-stage alpha's are on developers mobile devices but not accessible to the public. Currently Research Laundry has four team members working on the application. The Company anticipates that the MVP will be available in Q1 with a full beta launch thereafter. The Company anticipates that the budget will increase after the MVP is developed in order to expand on its launch and develop a client base.

The first building block of the PACT Platform is rolling out the Company's micro-financing credit lending platform, "Lana Cash". With the data derived from Lana Cash (e.g., user behaviours, spending habits), the Company, using AI and novel telemetric markers, hopes to create a product stack that it can roll out across multiple industries as a SaaS or similar product. The Company plans to do so by utilizing the source code and data from the first MVP of Lana Cash, developing a large language model (using the Hurricane Electric infrastructure), and stacking them together to market across various industries.

The Company anticipates rolling-out Lana Cash as a proof of concept on an MVP basis in early Q1. The Company anticipates that emerging markets will form the target markets and potential customers for the micro-financing application; however, the third parties do not plan on loaning any monies, but rather selling Lana Cash as a SaaS platform that third-parties can utilize.

With the data derived from Lana Cash (e.g., user behaviours, spending habits, telemetric data and other unique proprietary markers), the Company, using its in-house developed, large language model, hopes to create a product stack (the PACT Platform) that it can roll out across multiple industries as a SaaS or similar product.

The Company intends to commercialize its PACT Platform following a SaaS model. The Company intends to market its products to other businesses and allow such business to use its product for a monthly fee. The Company plans to provide the business the software both under the branding of the Company and as a 'white-label' application whereby it further customizes the PACT Platform for the business at an additional cost to the business.

At this time, Lana Cash is simply a proof of concept of the larger PACT Platform and the Company is undecided if it will independently pursue the commercialization of Lana Cash. If the Company does decide to commercialize Lana Cash, it will do so by charging a flat fee for money it lends through this service, such fee to be based on the value of the money lent as well as the time in which the customer requires it to be funded.

Credissential

Credissential aims to disrupt current methods of credit data storage, management and application via the transition of retail and commercial credit application systems.

Credissential is being developed to provide a 'credit lock box' or 'credit vault' to users, whereby data, information and pertinent credit related coordinates are securely stored, managed and seamlessly shared. It is expected that Credissential will actively update and aggregate data into one centralized application easily accessible by users, allowing users to:

- apply for credit with the tap of the phone at participating institutions/vendors; and/or
- distribute a user's credit package to third-parties for various credit centric applications.

Credissential is being developed to remove the manual process for credit seekers of aggregating paystubs, asset statements, tax returns and other documents required to apply for a new credit product. Further, Credissential is being developed to reduce the requirement for potentially harmful credit checks, native to the traditional credit process. Credissential is being developed for all stages of a user's respective credit lifecycles and financial objectives. Simply put, it is a tool that implements AI in order to facilitate sales for enterprises faster, and help retail clients build confidence in the credit system.

Research Laundry is currently developing the Credissential application. The Company expects that Credissential will roll out on a minimum viable product basis in Q1 - Q2, 2024.

Over the last few months, the Company has been engaged in an iterative design process in connection with Credissential. To this end, the Company engaged an experience team of user experience and human computer interaction specialists to analyze the products and services currently being offered in the marketplace. As a result of this initial research, the Company has identified novel applications aimed for development into the Credissential.

In December, the Company started the process of converting its visual design for Credissential into a semantic reality. To do so, the Company has utilized tools like React, React Native, React components, Node JS, and Next JS. The MVP of the Company's initial version of Credissential is expected within Q2 of 2024.

Concurrently, the Company has had a team building out the necessary components for the back end to make the Credissential functional, including such activities as creating AI models, building datasets, conducting initial training on datasets, undergoing database administration, programing business logic, and creating data structures.

The Company intends to engage a quality control and a release team during Q1 - Q2 of 2024 to assist within task that ensure that Credissential is organized and safe for the public to use, and, in pursuit of its commercial launch.

In connection with Credissential commercial launch, the Company has also began to look industry partners that will act as diverse sales channels to bring us users and data. Similar to the PACT Platform, the Company intends to commercialize Credissential following a SaaS model.

Operations

The Company's core operations are based in Canada. The Company's operations are focused on product development, marketing and sales of the PACT Platform and Credissential.

However, the Company is current working on developing relationships with partners and other businesses in the Asia Pacific region; however, no definitive agreements or agreements in principle have resulted from these efforts.

The Company has also launched its Pulse Pilot Program which it believes will foster innovative partnerships and collaborative developments. The purpose of this program is to establish a sustainable, mutually beneficial partnerships with early stage partners. The Company's aim is to provide partners with timely access to the Company's proprietary offerings, ensuring immediate advantages for all parties, with a focus on time sensitivity and cost-efficiency in product development and implementation.

Through the Pulse Program, partners will be able to gain early access to the Company's current product suite, including Lana Cash, Credissential and the source code underlying the PACT Platform in order to pilot such products. In the context of the Pulse Program, a "pilot" means an initial partnership designed to evaluate use cases and establish a road map for product development. It is expected that following the pilot phase, the Company and potential partners will enter into a definitive commercial agreement governing the development or adaptation of the Company's product stack.

The Pulse Program is also intended to allow the Company and partners to develop complementary products bespoke to the particular partner, building off of the Company's proprietary algorithms and source code. The Company views the Pulse Program as an essential step in becoming a market disruptor in risk assessment and believes that unique perspectives provided by partners in the Pulse Program will help the Company develop unique use cases by building on or complimenting the current product stack. The Company is currently seeking potential partners for the Pulse Program across all sectors, with a focus on the financial and fintech sectors.

Specialized Skill and Knowledge

Due to the technical nature of its business and the dynamic market in which the Company competes, continued success depends on attracting and retaining highly skilled engineering, production, managerial, consulting, marketing and sales personnel or consultants. The Company believes that its success is largely dependent on the performance of its management and key employees, many of whom have specialized experience relating to the Company's industry, products, regulatory environment, customers and business. The assembled management team and Board has experience in the management and growth of successful emerging enterprises.

The Company believes that it has adequate personnel with the specialized skills and knowledge to successfully carry out the Company's business and operations.

See also “*Risk Factors*” and “*Directors and Officers*” for additional details.

Market Overview

The Company is positioned at the forefront of a burgeoning industry, with a specialized focus on AI-driven risk assessment solutions. The value of the global financial services market in 2023 was reported to be over USD\$28.1 trillion.¹ The global risk analytics market is estimated to be valued at USD\$54.95 billion by 2027,² having a compound annual growth rate of 14.13% through to 2028.³ At the same time, the market for enterprise governance, risk and compliance is growing rapidly, with a current global value of USD\$47.2 billion.⁴

The Company believes a robust need exists for solutions enabling SMB and other underserved businesses to enhance their enterprise governance, risk and compliance operations to secure a competitive advantage, which can be accomplished through AI utilization. The Company is confident that its distinctive and proprietary AI technology and seasoned team will enable them to seize a substantial portion of this expanding market.

Individual risk assessments are costly and time consuming. Enterprises and SMBs are seeing an increased need for perpetual KYC whereby analyses and risk assessment occurs on an ongoing basis. Further, the United Nations has estimated that on a world annual basis, up to 2 – 5% of the global gross domestic product is laundered internationally.⁵ By leveraging readily available public data and data provided by users, it is expected that once launched on a beta basis, the PACT Platform will provide cost effective and streamlined insights, configured to express a specific risk appetite.

Growth Strategy

The Company's marketing and growth strategy currently involves a combination of developing a social media presence and B2B marketing.

¹Research and Markets. (2023) *Global Financial Services Market Report 2023: Major Players Include Allianz, Industrial and Commercial Bank of China, JPMorgan Chase, Ping An Insurance and AXA*: <https://finance.yahoo.com/news/global-financial-services-market-report-233000395.html>.

²IMARC Group. *Risk Analytics Market Report by Component (Solution, Services), Deployment Mode (On-premises, Cloud-based), Organization Size (Large Enterprises, Small and Medium Enterprises), Application (Strategic Risks, Financial Risks, Operational Risks, Compliance Risks), Industry Vertical (BFSI, IT and Telecom, Retail, Healthcare, Energy and Utilities, Manufacturing, Government and Defense, and Others), and Region: 2023-2028* www.imarcgroup.com/risk-analytics-market#:~:text=The%20global%20risk%20analytics%20market,2028.

³ Ibid.

⁴Fortune Business Insights. *Risk Analytics Market Size, Share and Covid-19 Impact Analysis, By Component (Software, Services), By Risk Type Application (Financial Risk, Operational Risk, Compliance Risk, Strategic Risks, and Others), By Deployment (Cloud, On-Premise), By Enterprise Size (Small and Medium-sized Enterprises (SMEs), Large Enterprises) By Industry (Banking, Financial Services and Insurance (BFSI), IT and Telecommunications, Healthcare, Retail and Consumer Goods, Energy and Utilities, Manufacturing, and Others) and Regional Forecast, 2020-2027*: www.fortunebusinessinsights.com/risk-analytics-market-102975.

⁵United Nations. *Money Laundering*: www.unodc.org/unodc/en/money-laundering/overview.html.

The Company has engaged in B2B business development, including in the Asia Pacific region, which has consisted of reaching out to small banks, auto-lending companies, and mortgage brokerages, primarily focusing on educating such entities about the Company's developing services and products.

The Company in the process of establishing an office in Indonesia. In addition, it has appointed Mr. Dato Mawani who is based in the Asia Pacific region, as strategic advisor, and has entered into a strategic partnership agreement with Takada, an asset management firm comprising a multi-disciplinary team of experts with an active network within the Asia Pacific region. The Company has also engaged in reached out to other business and services providers in the region in preparation of offering its products and services in the region.

The Company has retained Scandinavian Alliance, Global One, and Blue Summit and Fairfax Partners in connection with its marketing efforts and to develop brand awareness. Global One manages the Company's general social media accounts, while Scandinavian Alliance focuses on investor engagement in, and specifically tailored to, Europe.

The Company hired Blue Summit to assist with interviews, and market engagement in Canada (distinct from the European mandate of Scandinavian Alliance), while the Company engaged Fairfax to assist with social media and the Company's overall market presence in the U.S. and Canada.

Finally, the Company intends to pursue growth through strategic acquisitions of technologies or companies that will both compliment the Company's current products and services in development as well as expand the Company's offerings.

Competitive Conditions

The market in which the Company operates is highly competitive. There are many companies that compete in the data analytics and AI markets, offering a range of products and solutions across various industries. Some examples of AI competitors include:

- OpenAI, which offers a range of AI products and services, including natural language processing (NLP), reinforcement learning, and generative models, including the development of the GPT (Generative Pre-trained Transformer) series of models;
- Salesforce Einstein, which offers hardware and software for AI, including machine learning platforms, natural language processing tools, and image recognition systems.
- Microsoft AI, which offers a range of AI products and services, including machine learning platforms, Azure AI - Microsoft's suite of AI services and tools available on the Azure cloud platform, offering capabilities such as machine learning, and cognitive services (including vision, speech, and language application programming interfaces);
- Amazon Web Services (AWS) AI, which offers a range of AI products and services that leverage its AWS cloud platform, including machine learning tools, natural language processing solutions, Amazon SageMaker, a fully managed service for building, training, and deploying machine learning models, as well as AI services like Amazon Rekognition (for image and video analysis), Amazon Polly (for text-to-speech), and Amazon Comprehend (for natural language processing); and
- IBM, which offers a range of AI products and services that leverage its Watson AI platform, including chatbots, machine learning tools, and natural language processing solutions

- Verses AI Inc., a cognitive computing company building next-generation artificial intelligence.

The competitive factors in the Company's principal market include flexibility and scalability across multiple use cases, platform features and functionality, reliability and uptime, scalability, user experience, brand, service and support for enterprises and end users, collaboration and engagement, software integration and third-party compatibility, accessibility across several devices, operating systems and applications, data analytics, continued innovation and application of AI capabilities.

The Company stands out with its specialized focus on AI-driven risk assessment, honing in on financial transaction information to deliver novel and actionable insights. The Company's niche approach ensures a more beneficial solution than broader big data tools, providing financial institutions with precise, data driven evaluations. By concentrating exclusively on risk, the Company feels it fosters a safer, more transparent financial ecosystem.

Furthermore, the more advanced stage competitors, while they have a greater brand name recognition, longer operating histories, access to larger customer bases, larger sales and marketing budgets and significantly greater resources, primarily target large-scale enterprises, giving lower priority to consumer products like financial services. The Company expects major players such as Google, IBM, Microsoft, Amazon, and Intel to raise awareness for the products it plans to develop. However, it also sees opportunities in sectors like direct-to-consumer products such as Credissential and the PACT Platform, which remain lucrative markets for the Company to capitalize on.

Competitive Strengths

The Company believes it has the following strengths which differentiate it from its competition:

- *Strategic Partnerships:* The Company believes its ability to develop strategic partnerships, in particular, through its innovative Pulse Program, provides it with the ability to develop timely and novel solutions to its customers problems.
- *Brand strategy:* The Company has allocated significant time and resources to develop its brand through strategic and purposeful marketing, investor relations, and other marketing activities, and will continue to do so.
- *Underserved Market:* The Company believes that the markets it is targeting are traditionally underserve by big data companies which offer products that are based on outdated paradigms and are not tailored to the needs of emerging companies and SMB.
- *Patentable Technologies:* The Company believes that the technologies and products it is developing are patentable and intends to submit provisions patent application in the near future. If such efforts are successful, the patent technologies will provide the Company with a competitive edge when it comes to commercializing its technology.

The Company is confident that its strategic partnerships, brand strategy, and focus on patentable technologies in, what the Company, believes, is an undeserved market will facilitate the establishment and maintenance of a leading position in the market. It vigorously competes in terms of product quality, variety, and pricing to distinguish its offerings, while also prioritizing client services to ensure a robust and enduring market presence.

See “*Risk Factors*” for additional information.

Components

The Company relies on third-party manufacturers and suppliers to source inputs and manufacture products used in its business as well as third party development products such as tools like React, React Native, React components, Node JS, and Next JS.

For example, the Company has engaged Hurricane Electric to provide the co-location hosting services, on a month-to-month basis at the Hurricane Electric Data Centre. At the Hurricane Electric Data Centre, the Company houses its proprietary machine learning model and it has access to over 8 terabytes of high-speed enterprise non-volatile memory express data storage, the usage of which depends on what functions or activities the Company is utilizing the data storage for at any given time.

See also “*Risk Factors*”.

Intangible Properties

The intellectual property acquired or developed by or for the Company and used for the Company's products, including Credissential and its PACT Platform, are proprietary, but at this time no patents exist in respect of the Company's products. The Company expects to seek patents in the future with respect to its products.

Artificial intelligence is an umbrella term that refers to computers that exhibit any form of human cognition. It is a term used to describe the way computers mimic human intelligence. Even by this definition of ‘intelligence’, the way AI functions are inherently different from the way humans think.

Machine learning is the basis of artificial intelligence and uses algorithms that are built into computer programs that can learn from data. They gather information from the data presented to them and use it to make themselves better at a given task.

Proprietary Software

The Company relies on, or intends to rely on, a combination of intellectual property laws, trade secrets, confidentiality procedures, contractual provisions and other measures to protect proprietary information and technology. The Company's employees, contracted service providers and management are, or will be, required to sign agreements with confidentiality provisions and acknowledgements that all intellectual property created on the Company's behalf is owned by the Company. The Company also seeks to limit the disclosure of its intellectual property by requiring third parties to execute confidentiality agreements where applicable.

Cycles

The business of the Company is neither cyclical nor seasonal.

Economic Dependence

The Company's business is not substantially dependent on any particular agreements.

Changes to Contracts

There are no renegotiations or terminations of contracts or otherwise that the Company expects will affect any aspect of its business in the current financial year.

Environmental Protection

There are no social or environmental policies that are fundamental to the operations of the Company.

Foreign Operations

Company is current working on developing relationships with partners and other businesses in the Asia Pacific region. See section "*Description of the Business – Operations.*"

Employees

As at June 30, 2023 The Company had no full-time employees and two consultants, being the CEO, Eric Entz, and the Company's general counsel, Sebastian Lowes.

Regulatory Overview

The regulatory framework for the Company's products and services is evolving and uncertain as Canadian provincial, federal, and international governments and regulators consider the application of existing laws and potential adoption of new laws. Although the products and services that the Company intends to offer are relatively novel, the Company is typically required to comply with the existing regulatory regimes for consumer financial products and services as well as existing privacy and data usage laws and regulations. New laws and regulations, as well as continued uncertainty regarding the application of existing laws and regulations to the Company's products and services, may negatively affect the Company's business. This could include the need to obtain new or different types of licenses or comply with additional laws and regulations in order to conduct the Company's business.

Furthermore, the application of licensing requirements to the Company's business model on a local, provincial and federal level is not always clear, and while the Company believes it is in are designing the Company's products to be in compliance with applicable licensing requirements, local, federal and provincial regulators may request or require that the Company obtains additional licenses or otherwise comply with additional requirements in the future, which may result in changes to the Company's business practices.

Privacy regulations

The Company's operations are subject to a variety of local, regional, national, and international laws, directives, and regulations in Canada and abroad that involve matters central to the Company's business, including privacy and data protection, data security, data storage, retention, transfer and deletion, technology protection, and personal information. Foreign data protection, data security, privacy, and other laws and regulations can impose different obligations or be more restrictive than those in Canada. These Canadian federal and state and foreign laws and regulations, which, depending on the regime, may be enforced by private parties or government entities, are constantly evolving and can be subject to significant change, and they are likely to remain uncertain for the foreseeable future. In addition, the application, interpretation, and enforcement of these laws and regulations are often uncertain, particularly in the new and rapidly evolving software and technology industry in which the Company operates, and may be interpreted and applied inconsistently from country to country and inconsistently with the Company's current policies and practices.

The Canadian federal and various provincial and territorial and foreign governments have adopted or proposed requirements regarding the collection, distribution, use, security, and storage of personally identifiable information and other data relating to individuals including the *Personal Information Protection*

and *Electronic Documents Act* (Canada), and federal and provincial and territorial consumer protection laws are being applied to enforce regulations related to the online collection, use, and dissemination of data. Some of these requirements include obligations of companies to notify individuals of security breaches involving particular personal information, which could result from breaches experienced by the Company or by the Company's vendors, contractors, or organizations with which the Company has formed strategic relationships.

Further, many foreign countries and governmental bodies, have laws and regulations concerning the collection and use of personal data obtained from their residents or by businesses operating within their jurisdictions. These laws and regulations can be more restrictive than those in Canada. Laws and regulations in these jurisdictions apply broadly to the collection, use, storage, disclosure, and security of data that identifies or may be used to identify or locate an individual, such as names, email addresses and, in some jurisdictions, IP, addresses.

The European GDPR took effect on May 25, 2018. The GDPR applies to any company established in the EU as well as to those outside the EU if they collect and use personal data through the provision of goods or services to individuals in the EU or monitor their behavior. The GDPR enhances data protection obligations of businesses and provides direct legal obligations for service providers processing personal data on behalf of customers, including with respect to cooperation with European data protection authorities, implementation of security measures and keeping records of personal data processing activities. Noncompliance with the GDPR can trigger fines of up to €20 million or 4% of global annual revenues, whichever is higher. Separate EU laws and regulations (and member states' implementations thereof) govern the protection of consumers and of electronic communications.

In addition to government regulation, self-regulatory standards and other industry standards may legally or contractually apply to us, be argued to apply to us, or the Company may elect to comply with such standards or to facilitate the Company's customers' compliance with such standards. Because privacy, data protection, and information security are critical competitive factors in the Company's industry, we may make statements on the Company's website, in marketing materials, or in other settings about the Company's data security measures and the Company's compliance with, or the Company's ability to facilitate the Company's customers' compliance with, these standards. The Company also expect that there will continue to be new proposed laws and regulations concerning privacy, data protection, and information security, and the Company cannot yet determine the impact such future laws, regulations and standards, or amendments to or re-interpretations of existing laws and regulations, industry standards, or other obligations may have on the Company's business. New laws, amendments to or re-interpretations of existing laws and regulations, industry standards, and contractual and other obligations may require us to incur additional costs and restrict the Company's business operations.

Anti-money laundering, anti-terrorism financing, anti-corruption and anti-bribery laws and regulations

The Company is subject to various anti-money laundering and anti-terrorism financing laws and regulations, including Canadian economic sanctions laws administered by Global Affairs Canada as well as to anti-corruption and anti-bribery and similar laws, such as *the Corruption of Foreign Public Officials Act* (Canada), which prohibit companies and their employees and agents from promising, authorizing, making, or offering improper payments or other benefits to government officials and others in the private sector in order to influence official action, direct business to any person, gain any improper advantage, or obtain or retain business.

Risk Factors

There are a number of risk factors that could cause future results to differ materially from those described herein. The risks and uncertainties described herein are not the only ones that the Company faces. Additional risks and uncertainties, including those that the Company does not know about now or that it currently deems immaterial, may also adversely affect the Company's business. If any of the following risks actually occur, the Company's business may be harmed, and its financial condition and results of operations may suffer significantly.

Risk relating to the Company's business

Limited Operating History

The Company is subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered during these early stages of operations. The Company expects to generate earnings in the near future. The success of the Company will depend entirely on the expertise, ability, judgment, discretion, integrity and good faith of its management.

Inability to develop new platform features in response to the Company's customers needs would adversely affect the Company's operations.

The Company prides ourselves on the quality and functionality of the Company's products so far. However, the Company cannot make any assurance that any future features or enhancements that we develop will be successful. The success of any enhancement or new feature depends on several factors, including the Company's understanding of market demand, timely execution, successful introduction, and market acceptance. The Company may not successfully develop new features or enhance the Company's existing products to meet customer needs or the Company's new features and enhancements may not achieve adequate acceptance in the market. Additionally, the Company may not sufficiently increase the Company's revenue to offset the upfront technology, sales and marketing, and other expenses the Company incurs in connection with the development of platform features and enhancements. Any of the foregoing may adversely affect the Company's business and results of operations.

If the Company fails to retain key employees or to recruit qualified technical and sales personnel, the Company's business could be harmed.

The Company believes that its success depends on the continued employment of the Company's senior management and other key employees. In addition, because the Company's future success is dependent on the Company's ability to continue to enhance and introduce new platform features, the Company is heavily dependent on the Company's ability to attract and retain qualified personnel with the requisite education, background, and industry experience. As the Company expands the Company's business, the Company's continued success will also depend, in part, on the Company's ability to attract and retain qualified sales, marketing, and operational personnel capable of supporting a larger and more diverse customer base. The Company and the Company's competitors continue to face significant turnover in the Company's employee base. Qualified individuals are in high demand in the Company's industry, and the Company may incur significant costs to attract and retain them. The loss of the services of a significant number of the Company's technology or sales personnel could be disruptive to the Company's development efforts or customer relationships. In addition, if any of the Company's key employees joins

a competitor or decides to otherwise compete with us, the Company may experience a material disruption of the Company's operations and business strategy, which may cause us to lose customers or increase operating expenses and may divert the Company's attention as the Company seeks to recruit replacements for the departed employees. Further, changes the Company makes to the Company's current and future work environments (including remote or in-office environments and health and safety matters) may not meet the needs or expectations of the Company's employees or may be perceived as less favourable compared to other company's policies, which could negatively impact our ability to hire and retain qualified personnel. The Company's future work strategy and continued efforts related to employee onboarding, training and development and retention may not be successful. Further, the Company's future work strategy is continuing to evolve and may not meet the needs of the Company's existing and potential future employees and they may prefer work models offered by other companies.

If the Company cannot maintain its culture as it grows, the Company could lose the innovation, teamwork, passion, and focus on execution that the Company believes contribute to the Company's success and the Company's business may be harmed.

The Company believes that a critical component to the Company's success has been the Company's culture. The Company's Company is aligned behind the Company's culture and key values and the Company has invested substantial time and resources in building its team within this culture. Additionally, as the Company grows and develops the infrastructure of a public company, the Company may find it difficult to maintain these important aspects of the Company's culture. If the Company fails to preserve its culture, the Company's ability to retain and recruit personnel, the Company's ability to effectively focus on and pursue its corporate objectives, and the Company's business could be harmed.

If the Company's security measures are breached or unauthorized access to customer data is otherwise obtained, the Company's platform may be perceived as insecure, the Company may lose existing customers or fail to attract new customers, the Company's reputation may be harmed, and the Company may incur significant liabilities.

Unauthorized access to, or other security breaches of (including malware attacks), the Company's platform, its servers at Hurricane Electric or the other systems or networks used in the Company's business, including those of the Company's vendors, contractors, or those with which the Company has strategic relationships, could result in the loss, compromise or corruption of data, loss of business, reputational damage adversely affecting customer or investor confidence, regulatory investigations and orders, litigation, indemnity obligations, damages for contract breach, penalties for violation of applicable laws or regulations, significant costs for remediation, and other liabilities. The Company has insurance coverage, but this coverage may be insufficient to compensate us for all liabilities that the Company may incur. Further, an actual or perceived security breach affecting one of the Company's competitors or any other company that provides hosting services or delivers applications under a SaaS model, even if no confidential information of the Company's customers is compromised, may adversely affect the market perception of the Company's security measures and the Company could lose potential sales and existing customers.

The Company's platform and the other systems or networks used in the Company's business are also at risk for breaches as a result of third-party action, or employee, vendor, or contractor error or malfeasance. The Company has incurred and expects to continue to incur significant expenses to prevent security breaches, including deploying additional personnel and protection technologies, training employees, and engaging third-party experts and consultants. However, since the techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not identified until after they are launched against a target, the Company may be unable to anticipate these techniques or to implement adequate preventative measures. The Company may also experience security breaches that may remain

undetected for an extended period and, therefore, have a greater impact on the Company's platform, the proprietary and other confidential data contained therein or otherwise stored or processed in the Company's operations, and ultimately on the Company's business.

The Company's management, Audit Committee and Board are together responsible for the review and oversight of the Company's privacy, information technology and cyber security risk exposures. To assist in identifying the principal risks faced by the Company, the Audit Committee and the Board receive regular presentations from management assessing the Company's enterprise risk management framework, including information security risks.

The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

The Company's operations depend on IT systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from incidents such as damage to equipment, natural disasters, terrorism, fire, loss of power, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations. Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Dependence on Customer Internet Access and Use of Internet for Commerce

The Company's success depends, in part, upon the general public's ability to access the internet, including through mobile devices, and its continued willingness to use the internet and the Company's telehealth unit to receive and, if applicable, to pay for healthcare services. Most of the Company's products and services are delivered electronically, and the Company's customers rely on the Company's ability to process transactions rapidly and deliver substantial quantities of data on computer-based networks. The Company's customers also depend on the continued capacity, reliability and security of the Company's electronic delivery systems, the Company's websites and the internet.

The adoption of any laws or regulations that adversely affect the growth, popularity or use of the internet, including changes to laws or regulations impacting internet neutrality, could decrease the demand for the Company's telehealth units, increase the Company's operating costs, or otherwise adversely affect the Company's business. Given uncertainty around these rules, the Company could experience discriminatory or anti-competitive practices that could impede the Company's growth, increase the Company's costs or adversely affect the Company's business.

If customers or members and their dependents become unable, unwilling or less willing to use the internet and the Company's telehealth unit for healthcare and wellness services for any reason, including lack of access to high-speed communications equipment, congestion of traffic on the internet, internet outages

or delays, disruptions or other damage to customers' or user's electronic devices, increases in the cost of accessing the internet and security and privacy risks or the perception of such risks, the Company's business could be adversely affected. The Company's ability to deliver the Company's products and services electronically may be impaired due to infrastructure or network failures, malicious or defective software, human error, natural disasters, service outages at third-party Internet providers or increased government regulation.

Privacy, data protection, and information security concerns, and data collection and transfer restrictions and related domestic or foreign regulations, may limit the use and adoption of the Company's platform and adversely affect the Company's business.

Use of the Company's platform involves the storage, transmission, and processing of data from the Company's customers and their employees or other personnel, including certain personal or individually identifying information. Personal privacy, information security, and data protection are significant issues in North America, and many other jurisdictions where the Company intends to offer the Company's platform in the future, including the Asia Pacific region. The regulatory framework governing the collection, processing, storage, and use of business information, particularly information that includes personal data, is rapidly evolving and any failure or perceived failure to comply with applicable privacy, security, or data protection laws, regulations and/or contractual obligations may adversely affect the Company's business.

The Canadian federal and various provincial and territorial and foreign governments have adopted or proposed requirements regarding the collection, distribution, use, security, and storage of personally identifiable information and other data relating to individuals including the *Personal Information Protection and Electronic Documents Act* (Canada), and federal and provincial and territorial consumer protection laws are being applied to enforce regulations related to the online collection, use, and dissemination of data. Some of these requirements include obligations of companies to notify individuals of security breaches involving particular personal information, which could result from breaches experienced by us or by the Company's vendors, contractors, or organizations with which the Company has formed strategic relationships. Even though the Company may have contractual protections with such vendors, contractors, or other organizations, notifications and follow-up actions related to a security breach could impact the Company's reputation, cause us to incur significant costs, including legal expenses, harm customer confidence, hurt the Company's expansion into new markets, cause us to incur remediation costs, or cause us to lose existing customers.

Further, many foreign countries and governmental bodies, including the United States and in the Asia Pacific region, have laws and regulations concerning the collection and use of personal data obtained from their residents or by businesses operating within their jurisdictions. These laws and regulations can be more restrictive than those in Canada. Laws and regulations in these jurisdictions apply broadly to the collection, use, storage, disclosure, and security of data that identifies or may be used to identify or locate an individual, such as names, email addresses and, in some jurisdictions, IP addresses. The policies and frameworks the Company uses to comply with these laws may be subject to legal challenge by data protection authorities, and the Company may experience reluctance or refusal by European customers to use the Company's platform due to potential risk exposure created by transferring personal data from Europe. The Company and its customers face a risk of enforcement actions taken by European data protection authorities regarding data transfers from Europe.

The European GDPR took effect on May 25, 2018. The GDPR applies to any company established in the EU as well as to those outside the EU if they collect and use personal data through the provision of goods or services to individuals in the EU or monitor their behavior. The GDPR enhances data protection obligations of businesses and provides direct legal obligations for service providers processing personal

data on behalf of customers, including with respect to cooperation with European data protection authorities, implementation of security measures and keeping records of personal data processing activities. Noncompliance with the GDPR can trigger fines of up to €20 million or 4% of global annual revenues, whichever is higher. Separate EU laws and regulations (and member states' implementations thereof) govern the protection of consumers and of electronic communications.

The Company also expects that there will continue to be new proposed laws, regulations, and industry standards concerning privacy, data protection, and information security in the United States, the EU, and other jurisdictions. The Company cannot determine the impact such future laws, regulations, and standards may have on the Company's business. Such laws and regulations are often subject to differing interpretations and may be inconsistent among jurisdictions. These and other requirements could reduce demand for the Company's platform, increase the Company's costs, impair the Company's ability to grow the Company's business, or restrict the Company's ability to store and process data or, in some cases, impact the Company's ability to offer the Company's platform in some locations and may subject us to liability. Further, in view of new or modified federal, state, or foreign laws and regulations, industry standards, contractual obligations, and other legal obligations, or any changes in their interpretation, the Company may find it necessary or desirable to fundamentally change the Company's business activities and practices or to expend significant resources to modify the Company's platform and otherwise adapt to these changes. The Company may be unable to make such changes and modifications in a commercially reasonable manner, or at all, and the Company's ability to develop new features could be limited.

The costs of compliance with and other burdens imposed by laws, regulations, and standards may limit the use and adoption of and reduce overall demand for the Company's platform, or lead to significant fines, penalties, or liabilities for any noncompliance. Privacy, information security, and data protection concerns, actual and perceived, may inhibit market adoption of the Company's platform, particularly in certain industries and foreign countries.

Anti-money laundering, anti-terrorism financing, anti-corruption and economic sanctions laws could have adverse consequences for us.

The Company is subject to various anti-money laundering and anti-terrorism financing laws and regulations, including Canadian economic sanctions laws administered by Global Affairs Canada as well as to anti-corruption and anti-bribery and similar laws, such as *the Corruption of Foreign Public Officials Act* (Canada), which prohibit companies and their employees and agents from promising, authorizing, making, or offering improper payments or other benefits to government officials and others in the private sector in order to influence official action, direct business to any person, gain any improper advantage, or obtain or retain business. There can be no assurance is given any of the Company's efforts, programs and controls will be effective to ensure compliance with all applicable anti-money laundering and anti-terrorism financing and anti-corruption laws and regulations, and the Company's failure to comply with these laws and regulations could subject us to sanctions, fines, penalties, contractual liability to the Company's partners or institutional investors, and reputational harm, all of which could harm the Company's business.

Negative publicity and sharing of information through social media could result in damage to the Company's reputation and its business may suffer as a result.

There has been a marked increase in the use of social media platforms and similar channels, including blogs, social media websites and other forms of internet-based communications that provide individuals with access to a broad audience of consumers and other interested persons. The availability and impact of information on social media platforms is virtually immediate and the accuracy of such information is

not independently verified. The opportunity for dissemination of information, including inaccurate information, is seemingly limitless and readily available. The Company's reputation is important for attracting new customers as well as selling additional services to existing customers. While the Company believes that it has a good reputation and that it provides its clients with a superior experience, there can be no assurance that the Company will continue to maintain a good relationship with its customers or avoid negative publicity. Negative posts or comments about the Company or its business on the internet or any social networking website or platform could damage the Company's reputation. In addition, despite the Company's efforts to educate and inform the Company's employees regarding confidential information, they or others may disclose non-public material information relating to the Company's business through these channels.

If the Company fails to develop, maintain, and enhance the Company's brand and reputation cost-effectively, the Company's business and financial condition may be adversely affected.

The Company believes that developing, maintaining, and enhancing awareness and integrity of the Company's brand and reputation in a cost-effective manner are important to achieving widespread acceptance of the Company's platform and are important elements in maintaining existing customers and attracting new customers. The Company believes that the importance of the Company's brand and reputation will increase as competition in the Company's market further intensifies. Successful promotion of our brand will depend on the effectiveness of the Company's marketing efforts, the Company's ability to provide a reliable and useful platform at competitive prices, the perceived value of the Company's platform, and the Company's ability to provide quality customer support. Brand promotion activities may not yield increased revenue, and even if they do, the increased revenue may not offset the expenses the Company incurs in building and maintaining the Company's brand and reputation. If the Company fails to promote and maintain the Company's brand successfully or to maintain loyalty among the Company's customers, or if the Company incurs substantial expenses in an unsuccessful attempt to promote and maintain its brand, the Company may fail to retain the Company's existing customers and partners or attract new customers and partners and the Company's business and financial condition may be adversely affected. Any negative publicity relating to the Company's employees, partners, or other parties associated with us or them, may also tarnish the Company's own reputation simply by association and may reduce the value of the Company's brand. Damage to the Company's brand and reputation may result in reduced demand for the Company's platform and increased risk of losing market share to the Company's competitors. Any efforts to restore the value of the Company's brand and rebuild the Company's reputation may be costly and may not be successful.

Management of Growth

If the Company is unable to manage its continued growth successfully, it may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Mergers or other strategic transactions involving the Company's competitors or customers could weaken the Company's competitive position, which could harm the Company's results of operations.

Some of the Company's competitors may enter into new alliances with each other or may establish or strengthen cooperative relationships with systems integrators, third-party consulting firms or other parties, thereby limiting the Company's ability to promote the Company's products. Any such consolidation, acquisition, alliance or cooperative relationship could lead to pricing pressure and the

Company's loss of market share and could result in a competitor with greater financial, technical, marketing, service and other resources, all of which could have a material adverse effect on the Company's business, results of operations and financial condition.

Consolidation within the Company's existing and target markets as a result of mergers or other strategic transactions may also create uncertainty among customers as they realign their businesses and impact new sales and renewal rates. For example, mergers or strategic transactions by potential or existing customers may delay orders for the Company's products and services or cause the use of the Company's products to be discontinued, which could have a material adverse effect on the Company's business, results of operations and financial condition.

If the Company fails to adequately protect the Company's proprietary rights, the Company's competitive position could be impaired and the Company may lose valuable assets, generate reduced revenue or experience slower growth rates, and incur costly litigation to protect the Company's rights.

The AI and data analytics industries are characterized by a large number of copyrights, trademarks, trade secrets, and other intellectual property rights. The Company's success is dependent, in part, upon protecting the Company's proprietary information and technology. The Company relies on a combination of trademarks, copyrights, trade secrets, intellectual property assignment agreements, license agreements, confidentiality procedures, non-disclosure agreements, and employee non-disclosure and invention assignment agreements to establish and protect the Company's proprietary rights. However, the steps the Company takes to protect its intellectual property may be inadequate. The Company will not be able to protect the Company's intellectual property if the Company is unable to enforce the Company's rights or if the Company does not detect and mitigate unauthorized use of the Company's intellectual property. Despite the Company's precautions, it may be possible for unauthorized third parties to copy the Company's platform and use information that the Company regards as proprietary to create solutions that compete with the Company's. Policing unauthorized use of the Company's platform is difficult and the steps the Company takes to combat such actions may prove ineffective. Some license provisions protecting against unauthorized use, copying, transfer, and disclosure of the Company's platform may be unenforceable under the laws of certain jurisdictions and foreign countries. Further, the laws of some countries do not protect proprietary rights to the same extent as the laws of Canada, and mechanisms for enforcement of intellectual property rights in some foreign countries may be inadequate. To the extent the Company expands its international activities, the Company's exposure to unauthorized copying and use of the Company's platform and proprietary information may increase. Accordingly, despite the Company's efforts, the Company may be unable to prevent third parties from infringing upon or misappropriating the Company's technology and intellectual property.

The Company relies in part on trade secrets, proprietary know-how, and other confidential information to maintain the Company's competitive position. Although the Company enters into, or intends to enter into, intellectual property assignment agreements or license agreements with its employees and contractors, confidentiality and invention assignment agreements with the Company's employees and consultants, and confidentiality agreements with the parties with whom the Company has strategic relationships and business alliances, no assurance can be given that these agreements will be effective in controlling access to, and distribution of, its platform and proprietary information. Further, these agreements do not prevent the Company's competitors from independently developing technologies that are substantially equivalent or superior to the Company's platform.

To protect the Company's intellectual property rights, the Company may be required to spend significant resources to monitor and protect these rights. Litigation may be necessary in the future to enforce intellectual property rights and to protect the Company's trade secrets. Such litigation could be costly, time-consuming, and distracting to management and could result in the impairment or loss of portions of

the Company's intellectual property. Furthermore, the Company's efforts to enforce the Company's intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of the Company's intellectual property rights. The Company's inability to protect the Company's proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of the Company's management's attention and resources, could delay further sales or the implementation of the Company's platform, impair the functionality of the Company's platform, delay introductions of new platform features, result in the Company's substituting inferior or more costly technologies into the Company's platform, or injure the Company's reputation. In addition, the Company may be required to license additional technology from third parties to develop and market new platform features or services, and the Company cannot guarantee that the Company will be able to license that technology on commercially reasonable terms or at all, and the Company's inability to license this technology could harm the Company's ability to compete.

An assertion by a third-party that the Company is infringing its intellectual property could subject us to costly and time-consuming litigation which could harm the Company's business

The Company's success depends in part upon the Company's not infringing the intellectual property rights of others. However, the Company's competitors, as well as a number of other entities and individuals, may own or claim to own intellectual property relating to the Company's industry or, in some cases, the Company's technology.

Issues in the use of AI in the Company's platform may result in reputational harm or liability

The Company's platform uses AI, and the Company expects to continue building AI into the Company's platform in the future. The Company envisions a future in which AI operates within the Company's cloud-based platform to offer an efficient and effective solution for the Company's customers. As with many disruptive innovations, AI presents risks and challenges that could affect its adoption, and therefore the Company's business. AI algorithms may be flawed. Datasets may be insufficient or contain biased information. Inappropriate or controversial data practices by us or others could impair the acceptance, utility and effectiveness of AI solutions. These deficiencies could undermine the decisions, predictions, or analysis AI applications produce, subjecting us to competitive harm, legal liability, and brand or reputational harm. Some AI scenarios present ethical issues. If the Company enables or offer AI solutions that are controversial because of their impact on human rights, privacy, employment, equity, accessibility or other social issues, the Company may experience brand or reputational harm.

From time to time, the Company may become defendants in legal proceedings for which the Company is unable to assess the Company's exposure and which could become significant liabilities in the event of an adverse judgment.

From time to time in the ordinary course of the Company's business, the Company may become involved in various legal proceedings, including commercial, product liability, employment, class action and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause us to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on the Company's business, operating results or financial condition.

The Company may be unable to effectively underwrite or assess the credit risk of its target market.

An effective assessment of credit risk is an essential component of the Company's business, both as a direct lender and on behalf of the Company's lending partners. In order to make an assessment of

whether a consumer qualifies for a product offered by us or through the Company's platform, the Company may rely heavily on risk models driven by AI and the Company's proprietary technology platform which incorporate information from and integrate with a variety of information sources, including information provided by third party marketing companies, credit bureaus, as well as information from internal records. Regulatory restrictions placed on use of AI could impact the effectiveness of underwriting. Any failure to effectively execute the underwriting process as intended could result in adverse outcomes. Similarly, any failure in the systems integrations between the Company's third-party data providers and us could result in the same adverse outcomes. Adequately assessing the creditworthiness of a consumer is an important aspect of the Company's business, and the Company's failure to do so effectively could have adverse effects on the Company's business operations and financial results.

The Company may be unable to manage risks relating to its obligations as a service provider to its clients, now and in the future.

As the company intends to provide its service to a range of businesses and enterprises, including lenders, the Company will have various obligations that it must perform on behalf of such lenders as well as on the Company's own behalf with respect to these transactions. The services provided may include providing an online lending platform which utilizes proprietary AI underwriting capabilities, marketing and acquisitions, application processing, payment processing and customer service. The Company's contractual commitments could include various targets that must be met as well as numerous compliance and other obligations that must be adhered to in the Company's capacity as a service provider. The Company's failure to completely and adequately perform the Company's obligations as a service provider would result in an adverse impact to the Company's business and financial results.

The information provided to the Company by consumers or third-party data providers may be inaccurate.

The Company's AI-driven risk models will rely on information provided to us from consumers and a variety of third-party data providers. If the information provided to us by a consumer is not properly verified for accuracy, and that information is not reflective of a consumer's actual circumstances, the Company's risk scores may not appropriately assess the level of risk related to that individual. Similarly, although the Company intends to work only with reputable sources and conduct deep due diligence, if the information provided to us by a third party is inaccurate, the Company's risk scores may not appropriately assess the level of risk related to an individual. If risk is not assessed correctly, the Company could face adverse consequences related to revenue and profitability, among others.

Any failure to offer high-quality customer support may harm the Company's relationships with the Company's customers and the Company's results of operations.

The Company's customers depend on the Company's customer support teams to resolve technical and operational issues if and when they arise. The Company may be unable to respond quickly enough to accommodate short-term increases in customer demand for customer support. Customer demand for support may also increase as the Company expands the features available on the Company's platform. Increased customer demand for customer support, without corresponding revenue, could increase costs and harm the Company's results of operations. In addition, as the Company continues to expand its customer base, the Company needs to be able to provide efficient and effective customer support that meets the Company's customers' needs and expectations globally at scale. The number of the Company's customers has grown significantly, which puts additional pressure on the Company's support organization. In order to meet these needs, the Company has relied in the past and will continue to rely on self-service customer support to resolve common or frequently asked questions, which supplement the Company's customer support teams. If the Company is unable to provide efficient and effective

customer support globally at scale including through the use of self-service support, the Company's ability to grow the Company's operations may be harmed and the Company may need to hire additional support personnel, which could harm the Company's margins and results of operations. The Company's sales are highly dependent on the Company's business reputation and on positive recommendations from the Company's existing customers. Any failure to maintain high-quality customer support, or a market perception that the Company does not maintain high-quality customer support, could harm the Company's reputation, the Company's ability to sell the Company's platform to existing and prospective customers, the Company's business, results of operations, and financial condition.

The Company relies upon SaaS technologies from third parties to operate the Company's business, and interruptions or performance problems with these technologies may adversely affect the Company's business and results of operations.

The Company relies on hosted SaaS applications from third parties in order to operate critical functions of the Company's business, including platform delivery, enterprise resource planning, customer relationship management, billing, project management, and accounting and financial reporting. If these services become unavailable due to extended outages, interruptions, or because they are no longer available on commercially reasonable terms, the Company's expenses could increase, the Company's ability to manage finances could be interrupted, and the Company's processes for managing sales of the Company's platform and supporting the Company's customers could be impaired until equivalent services, if available, are identified, obtained, and implemented, all of which could adversely affect the Company's business.

If the Company is not able to keep pace with technological developments or new versions or updates of operating systems and internet browsers adversely impact the process by which the Company's customers interface with the Company's platform, the Company's business will be harmed.

As the Company's platform is designed to operate on a variety of network, hardware, and software platforms using internet tools and protocols, the Company will need to continuously modify and enhance its platform to keep pace with changes in internet-related hardware, software, communication, browser, and database technologies. If the Company is unable to respond in a timely and cost-effective manner to these rapid technological developments, the Company's platform may become obsolete, which would adversely impact the Company's results of operations.

In addition, the industry in which the Company competes is characterized by rapid technological change, frequent introductions of new products and evolving industry standards. The Company's ability to attract new customers and increase revenue from customers will depend in significant part on the Company's ability to anticipate industry standards and to continue to enhance existing solutions or introduce or acquire new solutions on a timely basis to keep pace with technological developments. The success of any enhancement or new solution depends on several factors, including the timely completion and market acceptance of the enhancement or new solution. Any new solution the Company develops or acquires might not be introduced in a timely or cost-effective manner and might not achieve the broad market acceptance necessary to generate significant revenue. If any of the Company's competitors implements new technologies before the Company is able to implement them, those competitors may be able to provide more effective solutions than the Company's at lower prices.

The Company's future success is highly dependent on the success of its marketing efforts.

The Company dedicates a great deal of financial and personnel resources to the Company's marketing efforts. The Company's ability to attract clients depends in large part on the success of these marketing efforts and the success of the marketing channels the Company uses to promote the Company's

products. If the Company's marketing efforts, whether direct or indirect, are not successful, or the Company's ability to generate and/or convert consumers at forecasted costs is hindered for any reason, the Company's ability to grow the Company's business may be adversely affected. Similarly, any increase in the Company's cost of marketing and acquisition may result in reduced margins and have an impact on the Company's financial results. In some cases, the success of the Company's marketing efforts is dependent on factors outside of the Company's control, such as search engine algorithms. If such external factors are adjusted such that the Company's organic volumes decrease, the Company's business operations and financial results could be adversely affected.

The Company may acquire other companies or technologies which could divert the Company's management's attention, result in additional dilution to the Company's shareholders, and otherwise disrupt the Company's operations and harm the Company's results of operations.

The Company may in the future seek to acquire or invest in businesses, people, or technologies that the Company believes could complement or expand the Company's platform or otherwise offer growth opportunities. The pursuit of potential acquisitions may divert the attention of management and cause us to incur various expenses in identifying, investigating, and pursuing suitable acquisitions, whether or not they are ultimately consummated.

Any integration process may result in unforeseen operating difficulties and require significant time and resources and, although the Company has been successful in the past, the Company may not be able to integrate the acquired personnel, operations, and technologies successfully or effectively manage the combined business in connection with any future acquisition. The Company may also not achieve the anticipated benefits from the acquired business due to a number of factors, including, among others:

- costs or liabilities associated with the acquisition;
- diversion of management's attention from other business concerns;
- inability to integrate or benefit from acquired content, technologies, or services in a profitable manner;
- harm to the Company's existing relationships with customers as a result of the acquisition;
- difficulty integrating the accounting systems, operations, and personnel of the acquired business;
- difficulty converting the customers of the acquired business onto the Company's platform and contract terms;
- the potential loss of key employees;
- use of resources that are needed in other parts of the Company's business; and
- the use of substantial portions of the Company's available cash or equity to consummate the acquisition.

In the future, if the Company's acquisitions do not yield expected returns, the Company may be required to take charges for the write-down or impairment of amounts related to goodwill and intangible assets which could negatively impact the Company's results of operations. The Company may issue additional equity securities in connection with any future acquisitions, that would dilute the Company's existing shareholders, use cash that the Company may need in the future to operate the Company's business, incur debt on terms unfavorable to us or that the Company is unable to pay, incur large charges or substantial liabilities, and become subject to adverse tax consequences, substantial depreciation, or deferred compensation charges. These challenges could adversely affect the Company's business, financial conditions, results of operations, and prospects.

Conflict of Interest

Certain of the Company's directors and officers may, from time to time, serve as directors or officers of other companies involved in similar businesses to the Company and, to the extent that such other companies may participate in the same ventures in which the Company may seek to participate, such directors and officers may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such conflicts of the Company's directors and officers may result in a material and adverse effect on Company's results of operations and financial condition.

The Company's future endeavors, including its plans to expand into new markets, including into the Asia Pacific region, may not be successful.

New markets are inherently risky, as each involves unproven business strategies, new regulatory requirements and new financial products and services with which the Company has limited or no prior development or operating experience.

Breach of Confidentiality

While discussing potential business relationships or other transactions with third parties, the Company may disclose confidential information relating to the business, operations, or affairs of the Company. Although confidentiality agreements are to be signed by third parties prior to the disclosure of any confidential information, a breach of such confidentiality agreement could put the Company at competitive risk and may cause significant damage to its business. The harm to the Company's business from a breach of confidentiality cannot presently be quantified but may be material and may not be compensable in damages. There can be no assurance that, in the event of a breach of confidentiality, the Company will be able to obtain equitable remedies, such as injunctive relief from a court of competent jurisdiction in a timely manner, if at all, in order to prevent or mitigate any damage to its business that such a breach of confidentiality may cause.

Financial Risk

Negative Operating Cash Flow

The Company reported negative operating cash flows for the year ended March 31, 2021. It is anticipated that the Company will continue to report negative operating cash flows in future periods. See "Use of Proceeds".

The Company might require additional capital to support the Company's growth, and this capital might not be available on acceptable terms, if at all.

The Company intends to continue making investments to support the Company's growth and may require additional funds to respond to business challenges, including the need to develop new features or enhance the Company's existing platform or acquire complementary businesses and technologies. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. If the Company raises additional funds through further issuances of equity or convertible debt securities, the Company's existing shareholders could suffer significant dilution, and any new equity securities the Company issues could have rights, preferences, and privileges superior to those of holders of the Company's Common Shares. Any debt financing secured by us in the future could involve restrictive covenants relating to the Company's capital-raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, the Company may not be able to obtain additional financing

on terms favorable to us, if at all. If the Company is unable to obtain adequate financing or financing on terms satisfactory to us when the Company requires it, the Company's ability to continue to support the Company's growth and to respond to business challenges could be significantly impaired.

Revenue Risk

To generate revenue and achieve profitability, the Company must add customers. Numerous factors, however, may impede its ability to add customers, including the Company's inability to convert new organizations into paying customers, failure to develop or expand relationships with channel partners, failure to successfully deploy products for new customers and provide quality customer support once deployed, or failure to ensure the effectiveness of its marketing programs. In addition, if prospective customers do not perceive the Company's products to be of sufficiently high value and quality, the Company will not be able to attract the number and types of new customers that it is seeking.

In addition, the Company's ability to attract customers depends in large part on its ability to enhance and improve its existing products and to introduce compelling new products that reflect the changing nature of its market. The success of any enhancement to its products depends on several factors, including timely completion and delivery, competitive pricing, adequate quality testing, integration with existing technologies and its products, and overall market acceptance. If the Company is unable to successfully develop new products, enhance its proposed products to meet customer requirements, or otherwise gain market acceptance, its business, results of operations, and financial condition would be harmed.

Going Concern Risk

The Company's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financings and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing equity or debt financings or in achieving profitability. The financial statements do not give effect to any adjustments relating to the carrying values and classifications of assets and liabilities that would be necessary should the Company be unable to continue is a going concern.

If the Company's judgments or estimates relating to the Company's critical accounting policies are based on assumptions that change or prove to be incorrect, the Company's results of operations could fall below expectations of securities analysts and investors, resulting in a decline in the price of Common Shares

The preparation of financial statements in conformity with International Financial Reporting Standards as issued by the IFRS requires management to make judgments, estimates, and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The Company bases its estimates on historical experience and on various other assumptions that the Company believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, and equity, and the amount of revenue and expenses that are not readily apparent from other sources. The Company's results of operations may be adversely affected if the Company's assumptions change or if actual circumstances differ from those in the Company's assumptions, which could cause the Company's results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the trading price of the Common Shares. Significant judgments, estimates, and assumptions used in preparing the Company's consolidated financial statements include, or may in the future include, those related to business combinations, contingent consideration, revenue recognition, contract costs, trade and other receivables impairment of non-financial assets, income taxes, functional currency and segment information.

The Company incurs increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies, which could adversely affect the Company's business, financial condition, and results of operations.

As a public company, the Company incurs significant legal, accounting, and other expenses than the Company incurred as a private company. The Company is subject to the reporting requirements of the CSA. These requirements have increased and will continue to increase the Company's legal, accounting, and financial compliance costs and have made, and will continue to make, some activities more time-consuming and costly. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on the Company's Board or as the Company's executive officers. As a result of the foregoing, the Company expects a substantial increase in legal, accounting, insurance and certain other expenses in the future, which will negatively impact the Company's financial performance and could cause the Company's results of operations and financial condition to suffer.

Difficulty in Forecasting

The Company must rely largely on its own market research to forecast revenues as detailed forecasts are not generally obtainable from other sources at this early stage of the industry. Market research and projections by the Company are based on assumptions from limited and unreliable market data. A failure in demand could materialize as a result of competition, technological change or other factors and could have a material adverse effect on the business, results of operations and financial condition of the Company.

Risk Relating to the Company's securities

Price may not Represent the Company's Performance or Intrinsic Fair Value

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the Company, including the market in which it is traded, the strength of the economy generally, the availability of the attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the Common Shares on the CSE in the future cannot be predicted.

Price Volatility of Publicly Traded Securities

The Common Shares do not currently trade on any exchange or stock market and the Company will apply to list the Common Shares on the CSE. Securities of junior companies have experienced substantial volatility in the past.

Dilution

Future sales or issuances of equity securities could decrease the value of the Common Shares, dilute shareholders' voting power and reduce future potential earnings per Common Share. The Company may sell additional equity securities in subsequent offerings (including through the sale of securities convertible into Common Shares) and may issue additional equity securities to finance the Company's operations, development, exploration, acquisitions or other projects. The Company cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity

securities, investors will suffer dilution of their voting power and may experience dilution in the Company's earnings per Common Share.

Dividends

The Company has not paid dividends in the past and does not anticipate paying dividends in the near future. The Company expects to retain earnings to finance further growth and, where appropriate, retire debt.

Risks relating to the industry the Company operates in

The market in which the Company participates is competitive, and if the Company does not compete effectively, the Company's results of operations could be harmed

The market for data intelligence and AI driven financial services is highly competitive, rapidly evolving, and fragmented, and the Company expects competition to continue to increase in the future. A significant number of companies have developed, or are developing, products and services that currently, or in the future may, compete with the Company's offerings and be superior. This competition could result in decreased revenue, increased pricing pressure, increased sales and marketing expenses, and loss of market share, any of which could adversely affect the Company's business, results of operations, and financial condition.

Many of the Company's competitors and potential competitors are larger and have greater brand name recognition, longer operating histories, larger marketing budgets and established customer relationships, access to larger customer bases, and significantly greater resources for the development of their solutions. In addition, the Company faces potential competition from participants in adjacent markets including financial technology service providers that may enter the Company's markets by leveraging related technologies and partnering with or acquiring other companies, or providing alternative approaches to provide similar results. The Company may also face competition from companies entering the Company's market, including large technology companies that could expand their offerings or acquire one of the Company's competitors. While these companies may not currently focus on the Company's market, they may have significantly greater financial resources and longer operating histories than the Company does. As a result, the Company's competitors and potential competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, or customer requirements.

The Company's ability to compete is also subject to the risk of future disruptive technologies. If new technologies emerge that are able to deliver data intelligence and AI driven financial services at lower prices, with greater feature sets, more efficiently, or more conveniently, such technologies could adversely impact the Company's ability to compete. With the introduction of new technologies and market entrants, the Company expects competition to intensify in the future.

Some of the Company's principal competitors offer their solutions at a lower price or for free, which may result in pricing pressures on us. Many of the Company's competitors that offer free solutions are also integrating features found previously only with paid solutions, which puts additional pressure on the Company's pricing and feature development. If the Company is unable to maintain the Company's pricing levels and competitive differentiation in the market, the Company's results of operations would be negatively impacted.

Regulatory requirements placed on the Company's software and services could impose increased costs on us, delay or prevent the Company's introduction of new products and services, and impair the function or value of the Company's existing products and services.

The Company's products and services are currently subject to various regulatory requirements. For example, the Company is or may be subject to laws, regulations and policies that govern discriminatory and harassing conduct particularly, in light of the Company's use of AI technologies, the content of the Company's platform or recommendations for content consumption may run afoul of local laws, regulations and policies that govern discrimination and harassment. Additionally, the Company is subject to laws, regulations and policies that govern the amount and type of taxes the Company is required to collect and remit, including with respect to internet transactions with customers in jurisdictions in which the Company does not have a physical presence. New income, sales, use or other tax laws, statutes, rules, regulations or ordinances applicable to solutions provided over the internet could be enacted at any time by any local, regional or national governmental authority, possibly with retroactive effect. Recent jurisprudence of the U.S. Supreme Court requires that online retailers collect sales and use taxes imposed by various U.S. states, even if the retailer has no physical presence in that state. The Company may also be subject to anti-spam laws, regulations and policies. In Canada, the regulatory authority responsible for enforcement of CASL has issued a bulletin that signals broad potential liability for electronic intermediaries (such as hosting providers and SaaS providers) for failing to take sufficient steps to stop third parties from using intermediary services and facilities to violate CASL, including prohibitions on sending electronic marketing messages or installing computer programs without consent. The Company could also become subject to additional legal or regulatory requirements if laws or regulations change in the jurisdictions in which the Company operates, or if the Company was to release new products or services under applicable laws or regulations to which the Company is not currently subject today. In particular, the Company has yet to determine all of the laws and regulations that may apply in all of the jurisdictions in the Asia Pacific region in which the Company is marketing its products and services.

The Company's business may become subject to increasing regulatory requirements, and as these requirements proliferate, the Company may be required to change or adapt the Company's products and services to comply. Changing regulatory requirements might render the Company's products and services obsolete or might block us from developing new products and services. This might in turn impose additional costs upon us to comply or to further develop the Company's products and services. It might also make introduction of new products and services more costly or more time-consuming than the Company currently anticipates and could even prevent introduction of new products or services or cause the continuation of the Company's existing products or services to become more costly. Accordingly, such regulatory requirements could have a material adverse effect on the Company's business, financial condition, and results of operations.

Adverse economic and market conditions and reductions in IT spending may adversely impact the Company's business and results of operations.

Unfavorable general economic conditions, such as a recession or economic slowdown in one or more of the Company's major markets, could adversely affect demand for the Company's platform. As certain of the Company's customers or potential customers experience downturns or uncertainty in their own business operations and revenue resulting from the current macroeconomic conditions, such as inflationary pressures, they have and may continue to decrease or delay their technology spending, request pricing concessions or payment extensions, or seek renegotiations of their contracts. Subscriptions for the Company's platform may be considered discretionary by many of the Company's current and potential customers. As a result, businesses considering whether to purchase or renew subscriptions to the Company's products may be influenced by macroeconomic factors.

In addition, recent events in the financial markets have demonstrated that businesses and industries throughout the world are very tightly connected to each other. Thus, financial developments seemingly unrelated to us or to the Company's industry may materially adversely affect us over the course of time. Volatility in the market price of the Common Shares due to seemingly unrelated financial developments could hurt the Company's ability to raise capital for the financing of acquisitions or other reasons. Potential price inflation caused by an excess of liquidity in countries where the Company conducts business may increase the cost the Company incurs to provide the Company's solutions and may reduce profit margins on agreements that govern the Company's provision of products or services to customers over a multi-year period. A reduction in credit, combined with reduced economic activity, may materially adversely affect businesses and industries that collectively constitute a significant portion of the Company's customer base. As a result, these customers may need to reduce their purchases of the Company's products or services, or the Company may experience greater difficulty in receiving payment for the products or services that these customers purchase from us. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the Company's business, operating results, or financial conditions.

Changes in Technology

The data analytics, AI and financial industries have recently been characterized by rapid technological change, frequent new product and service introductions and evolving industry standards. on the Company's future success will depend on the Company's ability to adapt quickly to rapidly changing technologies, to adapt on the Company's services and products to evolving industry standards and to improve the performance and reliability of on the Company's services and products. To achieve market acceptance for on the Company's products, on the Company's must effectively anticipate and offer products that meet changing customer demands in a timely manner. Customers may require features and functionality that the Company's current products do not have. If the Company's fail to develop products that satisfy customer preferences in a timely and cost-effective manner, the Company's ability to renew the Company's contracts with existing customers and the Company's ability to create or increase demand for its products will be harmed.

General Risk Factors

Natural disasters, public health crises, political crises, or other catastrophic or adverse events, including adverse and uncertain macroeconomic conditions may adversely affect the Company's business, operating results or financial position.

Natural disasters, such as earthquakes, hurricanes, tornadoes, floods, and other adverse weather and climate conditions; unforeseen public health crises such as the global outbreak of COVID-19, and other pandemics and epidemics; political crises, such as terrorist attacks, war, including current war in Ukraine, and other political instability; or other catastrophic events, have and could in the future disrupt the Company's operations or the operations of one or more of the Company's third-party providers and vendors.

Additionally, the Company's business and results of operations have been, and may continue to be, impacted by recent adverse and uncertain macroeconomic conditions, including higher inflation, higher interest rates, and fluctuations or volatility in capital markets or foreign currency exchange rates. In particular, the Company has experienced in certain instances, and may continue to experience, longer sales cycles or generally increased scrutiny on spending from existing and potential customers due to macroeconomic uncertainty. The Company cannot be certain how long these uncertain macroeconomic conditions and the resulting effects on the Company's industry, the Company's business strategy, and customers will persist.

DIVIDENDS AND DISTRIBUTIONS

Subject to the provisions of the Business Corporations Act (*Alberta*), the Board may, from time to time, declare dividends payable to the shareholders according to their respective rights and interest in the Company.

The Board may fix in advance a date, preceding by not more than 50 days the date for the payment of any dividend or the date for the issue of any warrant or other evidence of right to subscribe for securities of the Company, as a record date for the determination of the persons entitled to receive payment of such dividend or to receive the right to subscribe for such securities, provided that if the Company is a distributing corporation, notice of any such record date is given, not less than 7 days before such record date, in the manner provided in the Act. Where no record date is fixed in advance as aforesaid, the record date for the determination of the persons entitled to receive payment of any dividend or to receive the right to subscribe for such securities of the Company shall be at the close of business on the day on which the resolution relating to such dividend or right to subscribe is passed by the Board.

The Company has not declared any dividends or made any distributions since incorporation. It is the Board's plan, subject to future financial growth and profitability, to pay annual dividends. The amount will be determined annually by the Board.

DESCRIPTION OF CAPITAL STRUCTURE

General Description of Capital Structure

The authorized capital of the Company consists of an unlimited number of Common Shares, Class A Preferred Shares, Class B Preferred Shares and Class C Preferred Shares. The Company currently does not have any preferred shares issued and outstanding.

As of the date of this AIF, the Company has the following Common Shares, Warrants and Options outstanding:

Type of Securities	Number of Securities	Exercise Price (\$)	Expiry Date
Common Shares	27,392,540	N/A	N/A
Warrants	696,000	1.25	December 8, 2025
Warrants	433,140	1.25	December 15, 2025
Warrants	375,000	1.25	January 12, 2025
Options	5,160,000	0.0275	September 25, 2025

As of the date hereof, the Company has 27,392,540 Common Shares issued and outstanding.

Common Shares

Holders of Common Shares are entitled to receive notice of any meetings of shareholders of the Company and to attend and cast one vote per Share at all such meetings. Holders of Common Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Common Shares entitled to vote in any election of directors may elect all directors standing for election. Holders of Common Shares are entitled to receive on a *pro-rata* basis such dividends, if any, as and when declared by the Company's board of directors at its discretion from funds legally available therefor and upon the liquidation, dissolution or winding up of the Company, and are entitled to receive on a pro-rata basis the net assets of the Company after payment of debts and other

liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro-rata basis with the holders of Common Shares with respect to dividends or liquidation.

No pre-emptive, redemption, sinking fund or conversion rights are attached to the Common Shares, and the Common Shares, when fully paid, will not be liable to further call or assessment. No other class of shares may be created without the approval of the holders of the Common Shares.

Class A Preferred Shares

Holders of the Class A Preferred Shares have the rights, privileges, restrictions, and conditions affix to each series of such shares, as is determined by the Company before the issue thereof. Currently, no Class A Preferred Shares are outstanding.

Class B Preferred Share

Holders of the Class B Preferred Shares have the rights, privileges, restrictions, and conditions affix to each series of such shares, as is determined by the Company before the issue thereof. Currently, no Class B Preferred Shares are outstanding.

Class C Preferred Shares

Holders of the Class C Preferred Shares have the rights, privileges, restrictions, and conditions affix to each series of such shares, as is determined by the Company before the issue thereof. Currently, no Class C Preferred Shares are outstanding.

Options

On February 23, 2024, the Company adopted the Plan, which was adopted by the shareholders at the annual and special meeting of shareholders held on February 23, 2024. The Plan provides for the grant of Options and RSUs to qualified directors, officers, employees and consultants. The purpose of the Plan is to, among other things: (i) ensure that the interests of Eligible Persons are aligned with the interests of the Company; (ii) encourage stock ownership by Eligible Persons; and (iii) to provide compensation opportunities to attract, retain and motivate Eligible Persons.

The Plan is an omnibus equity incentive plan. The maximum number of Common Shares available for issuance under the Plan shall not exceed 30% of the issued and outstanding Common Shares. The maximum exercise terms of Options and RSUs granted under the Plan is 10 years from the date of grant. The vesting terms of the Options and RSUs are determined at the time of grant by the Board.

As of the date hereof, an aggregate of 5,160,000 Options are outstanding, with each Option entitling the holder thereof to purchase one Common Share. Of the Options outstanding, all 5,160,000 Options were issued on September 25, 2023 and are exercisable at a price of \$0.0275 per Common Share (on a post-split basis). All Options outstanding expire on the date that is two (2) years from the date of issue, being September 25, 2025.

A copy of the Plan is included as Schedule "B" to this AIF.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed for trading on the CSE under the current trading symbol "**PACT**". The following chart sets out the high and low trading prices, and volume of Common Shares traded, for the period August 1, 2023 to February 22, 2024 for the Company:

Month / Year	High \$	Low \$	Volume
August 2023	0.03	0.03	0
September 2023	0.03	0.03	0
October 2023	0.75	0.46	250,499
November 2023	0.59	0.81	478,313
December 2023	0.81	0.90	478,404
January 2024	1.84	0.84	1,963,154
February 22, 2024	1.94	1.55	1,283,412

Prior Sales

During the year ended June 30, 2023, the Company did not issue any securities that are convertible or exchangeable into Common Shares.

During the year ended June 30, 2023, the Company did not issue any Common Shares.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As at the date of this AIF, the Company's has nil issued and outstanding Common Shares in escrow or subject to a contractual restriction on transfer.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets forth for each of the directors and officers of the Company, their name, province/state and country of residence; their principal occupations or employment; a brief biographical description; the date on which they became directors of the Company; their independence; and their memberships with the applicable committees of the Company as of the date of this AIF.

Name of Director / Officer	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed ⁽¹⁾⁽²⁾	Number of Options Held ⁽¹⁾
Eric Entz⁽⁴⁾⁽⁶⁾		
Alberta, Canada Chief Executive Officer and Director Since August 25, 2023 and September 25, 2023, respectively	6,000 Mr. Eric Entz is a business strategy professional with over a decade of experience in helping develop and grow startup companies. Specializing in new market analysis/assessment and revenue differentiation strategies. Since 2019 his work has been predominantly on companies that are focused on ESG endeavors and emerging commodities markets. Over that time, Mr. Entz has helped develop climate contribution strategies, developed partnerships with some of the worlds leading energy	600,000 ⁽³⁾

Name of Director / Officer	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed ⁽¹⁾⁽²⁾	Number of Options Held ⁽¹⁾
	companies, helped build generative AI tools, and built sustainability strategies and roadmaps for both public and private companies.	
Tak Tsan (Simon) Tso		
British Columbia, Canada Chief Financial Officer Since September 1, 2023	Nil	100,000 ⁽³⁾
	Mr. Simon Tso is the Principal of Athena Chartered Professional Accountant Ltd., a full-cycle accounting firm that assists both private and public companies with their financial reporting, regulatory filing, and taxation requirements, commonly as their Controller or Chief Financial Officer. Mr. Tso is also a co-founder of Zeus Capital Ltd., a boutique corporate finance firm that specializes in providing financial advisory, valuation and consulting services. Prior to his current roles, Mr. Tso spent a number of years as an associate at a local corporate finance firm and as a senior accountant at a firm of Chartered Accountants. Mr. Tso graduated with a Bachelor of Commerce (Finance) degree with honours from the University of British Columbia Sauder School of Business, and is both a CFA Charter holder and a Chartered Professional Accountant.	
Sebastian Lowes ⁽⁵⁾		
Vancouver, British Columbia, Canada General Counsel and Director Since October 12, 2023	6,500	400,000 ⁽³⁾
	Mr. Lowes is a corporate securities lawyer based in Vancouver, British Columbia. He is a member of the Law Society of British Columbia and holds both a Canadian and American law degree. He began his career at a top tier international law firm practicing in the securities and capital markets group. Sebastian has a broad private practice and advises public and private corporations across various industries. Mr. Lowes has a depth of experience acting in complex transactions, including one of the biggest initial public offerings in Canadian biotech history and various business combinations in the natural resource sector.	
Robert Birmingham ⁽⁶⁾		
British Columbia, Canada Director Since August 25, 2023	5,000	100,000 ⁽³⁾
	Mr. Robert Birmingham has over 15 years of public markets experience, with a focus on corporate development, go-public transactions and capital raising. Mr. Birmingham is currently CEO and President of Brigadier Gold Ltd., Director of BIGG Digital Assets, and holds multiple other board seats. Mr. Birmingham is the President of investor relations Company Benaterra Communications Inc. and has been on the board of numerous TSX.V, CSE and NEO listed Companies. Mr. Birmingham holds a BBA from Capilano University.	
Joseph Traversa ⁽⁶⁾		
British Columbia, Canada Director Since September 25, 2023	5,000	100,000 ⁽³⁾
	Mr. Joe Traversa was born and raised in Vancouver, British Columbia. Working hard with a family importing business, Mr. Traversa became well invested and versed in the Vancouver’s business scene.	

Name of Director / Officer	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed ⁽¹⁾⁽²⁾	Number of Options Held ⁽¹⁾
	<p>Mr. Traversa achieved his real estate license in 1993 and began his extensive real estate career. He was a part owner of a real estate brokerage from 2006 to 2013 that he and his partners built from the ground up. Mr. Traversa then pursued multiple managing broker positions for various real estate companies.</p> <p>In May 2023, Mr. Traversa and his family started, and now own and run, their real estate brokerage - Skyline West Realty. Located in East Vancouver, Skyline West Realty provides exemplary real estate services to Vancouver's lower mainland. Over the span of 30 years, Mr. Traversa has sold over 600 properties, including houses, businesses, and commercial properties, been involved with property management, project marketing and facilitated leases for many clients, friends, and family.</p>	
Laura Parken		
<p>Alberta, Canada Corporate Secretary Since September 1, 2023</p>	<p>Nil</p> <p>Ms. Laura Parken has over 25 years experience as a corporate secretary and office manager with several public and private companies in the fields of resource exploration and development, software development and digital marketing. She also worked for 15 years as a legal secretary in a private corporate and securities law practice.</p>	<p>100,000⁽³⁾</p>

Notes:

- (1) The number of Common Shares beneficially owned, controlled or directed, directly or indirectly, by the above directors and officers is based on information furnished by the directors and officers themselves and from the insider reports available at www.sedi.ca.
- (2) As of the date hereof, the directors and senior officers of the Company as a group beneficially own, directly or indirectly, or over which control or direction is exercised, 16,000 of the issued and outstanding Common Shares, representing approximately 0.00058% of the total votes attaching to all of the outstanding voting securities of the Company on a non-diluted basis.
- (3) Options were issued on September 25, 2023 in accordance with the director/officer's consulting agreements.
- (4) The Company's CEO, Mr. Eric Entz, has a consulting agreement in place, effective September 21, 2023, in which certain cash and Options may be awarded upon completion of the following milestones:
- Application for initial provisional patent submitted to the relevant patent authority in Canada, the US or Internationally: \$10,000 cash and the equivalent to \$50,000 of RSUs, issued on a 10-day VWAP.
 - Granting of patent by relevant patent authority in Canada, the US or Internationally: \$40,000 cash and the equivalent to \$100,000 of RSUs, issued on a 10-day VWAP.
 - Successful launch of MVP risk assessment, micro financing, merchant financing or other application developed by the Company: \$20,000 cash and the equivalent to \$50,000 of RSUs, issued on a 10-day VWAP.
 - Successful launch of Beta iteration of the Application: \$60,000 cash and the equivalent to \$100,000 of RSUs, issued on a 10-day VWAP.
 - Successful completion of an acquisition of third-party technology company complimentary to the Company's business: \$50,000 cash.
 - Market capitalization reaches \$50,000,000 for 10 consecutive trading days: \$50,000 cash and the equivalent to \$200,000 of RSUs, issued on a 10-day VWAP.
 - Raising a combined \$10,000,000 over any 12-month term: \$50,000 cash and the equivalent to \$200,000 of RSUs, issued on a 10-day VWAP.
- (5) The Company's General Counsel, Mr. Sebastian Lowes, has a consulting agreement in place, effective September 21, 2023, in which certain cash and Options may be awarded upon completion of the following milestones:

- a. Application for initial provisional patent submitted to the relevant patent authority in Canada, the US or Internationally: \$10,000 cash and the equivalent to \$50,000 of RSUs, issued on a 10-day VWAP.
- b. Granting of patent by relevant patent authority in Canada, the US or Internationally: \$40,000 cash and the equivalent to \$100,000 of RSUs, issued on a 10-day VWAP.
- c. Successful launch of MVP risk assessment, micro financing, merchant financing or other application developed by the Company: \$20,000 cash and the equivalent to \$50,000 of RSUs, issued on a 10-day VWAP.
- d. Successful launch of Beta iteration of the Application: \$60,000 cash and the equivalent to \$100,000 of RSUs, issued on a 10-day VWAP.
- e. Successful completion of an acquisition of third-party technology company complimentary to the Company's business: \$50,000 cash.
- f. Market capitalization reaches \$50,000,000 for 10 consecutive trading days: \$50,000 cash and the equivalent to \$200,000 of RSUs, issued on a 10-day VWAP.
- g. Raising a combined \$10,000,000 over any 12-month term: \$50,000 cash and the equivalent to \$200,000 of RSUs, issued on a 10-day VWAP.

(6) Member of the Audit Committee.

Board Committees

The Board of Directors has one standing committee which is the Audit Committee.

The Audit Committee's Charter

A copy of the Audit Committee charter is attached hereto as Schedule "A".

Composition of the Audit Committee

The current members of the Audit Committee, as at the date of this AIF, are Eric Entz (Chair), Robert Birmingham and Joseph Traversa. All members of the Audit Committee are considered to be financially literate. Robert Birmingham and Joseph Traversa are not executive officers of the Company and, therefore, are independent members of the Audit Committee. Eric Entz is an executive officer and director of the Company and is not considered to be an independent member of the Audit Committee. A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company, as that term is defined in NI 52-110. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgement.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

Relevant Education and Experience

The following describes the education and experience of each member of the Audit Committee that is relevant to the performance of their responsibilities as an Audit Committee member:

Mr. Eric Entz (chair) is a business strategy professional with over a decade of experience in helping develop and grow startup companies, specializing in new market analysis/assessment and revenue differentiation strategies. Since 2019 his work has been predominantly on companies that are focused on ESG endeavors and emerging commodities markets.

Mr. Robert Birmingham has over 15 years of public markets experience, with a focus on corporate development, go-public transactions and capital raising. Mr. Birmingham is currently CEO and President of Brigadier Gold Ltd., Director of BIGG Digital Assets, and president of investor relations company

Benaterra Communications Inc. Mr. Birmingham is also seated on multiple boards, and has previously been on the board of numerous TSXV, CSE and NEO listed companies.

Mr. Joe Traversa achieved his real estate license in 1993 and began his extensive real estate career. He was a co-owner of a real estate brokerage from 2006 to 2013. Mr. Traversa then pursued multiple managing broker positions for various real estate companies. In May 2023, Mr. Traversa and his family started, and now own and run, their real estate brokerage - Skyline West Realty.

Each member of the Company's present and proposed Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any external auditor.

Reliance on Certain Exemptions

The Company's Auditor have not provided any material non-audit services.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by KMSS for the year ended June 30, 2023 and 2022, to ensure auditor independence.

Fees incurred are outlined in the following tables:

Nature of Services	Fees paid to Auditor in YE June 30, 2023	Fees paid to Auditor in YE June 30, 2022
Audit Fees ⁽¹⁾	\$5,000	\$5,000
Audit-Related Fees ⁽²⁾	\$5,000	\$5,000
Tax Fees ⁽³⁾	\$Nil	\$Nil
All other Fees ⁽⁴⁾	\$Nil	\$Nil

TOTAL	\$10,000	\$10,000
--------------	-----------------	-----------------

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the Auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no director or executive officer of the Company is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, CEO or CFO of any company (including the Company), that:

- (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, CEO or CFO, or
- (b) was subject to an order that was issued after the director or executive officer ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

For the purposes of subsection (a), "order" means: (i) a cease trade order, (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, which was in effect for more than 30 consecutive days.

To the knowledge of the Company, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in the that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder;
- (b) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

- (c) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The directors are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose their interest and abstain from voting on such matter.

To the best of the Company's knowledge, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies. All related party transactions during each reporting period are detailed in the Company's Management Discussion & Analysis for the fiscal year ended June 30, 2023.

PROMOTERS

No Person or company has within the two most recently completed financial years, or is during the current financial year, been a promoter of the Company or a subsidiary thereof.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company may become party to litigation or other adversary proceedings, with or without merit, in a number of jurisdictions. The cost of defending such claims may take away from management time and effort and if determined adversely to the Company, may have a material and adverse effect on its cash flows, results of operation and financial condition. As of the date of this AIF the Company is not party to any litigation or other adversary proceedings.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described below, in the three most recently completed financial years or the current financial year, no director, officer, insider or associate or affiliate of any director, officer or insider of the Company had or is expected to have any material interest, direct or indirect in any transactions with the Company that materially affected or would materially affect the Company. All related party transactions are detailed in the Company's management's discussion & analysis for the fiscal year ended June 30, 2023.

TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar is Alliance Trust Company located at 407 2 Street SW, #1010, Calgary, AB T2P 2Y3.

MATERIAL CONTRACTS

The Company is not a party to any material contracts entered into within the most recently completed financial year, or before the most recently completed financial year, but that are still in effect, other than

those contracts entered into in the ordinary course of business or disclosed under the *General Development of the Business*.

INTERESTS OF EXPERTS

KMSS of 150 13 Ave SW #300, Calgary, AB T2R 0V2, has performed the audit in respect of the annual financial statements of the Company for the financial year ended June 30, 2023. KMSS is independent of the Company in accordance with the rules of professional conduct of the Chartered Professional Accountants of Alberta.

ADDITIONAL INFORMATION

Financial information about the Company is contained in its comparative financial statements and management's discussion & analysis for the fiscal years ended June 30, 2023 and 2022, and additional information relating to the Company is available on SEDAR+, under the Company's profile, at www.sedarplus.ca.

Additional information, including particulars of directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in the 2023 Management Information Circular prepared in respect of the Company's most recent annual general meeting to be held on September 20, 2023.

SCHEDULE "A"

Audit Committee Charter

AUDIT COMMITTEE CHARTER

Mandate

The primary function of the audit committee (“**Committee**”) is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the following: (a) the financial reports and other financial information provided by the Company to regulatory authorities and shareholders; (b) the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting; and (c) financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to (i) serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements; (ii) review and appraise the performance of the Company’s external auditors; (iii) provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board of Directors; and (iv) to ensure the highest standards of business conduct and ethics.

Composition

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee are financially literate. For the purposes of the Company’s Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders’ meeting. Unless a chair is elected by the full Board of Directors, the members of the Committee may designate a chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually management and the external auditors in separate sessions.

Agendas, with input from management, shall be circulated to Committee members and relevant management personnel along with background information on a timely basis prior to the Committee meetings.

The CEO and CFO or their designate shall be available to attend at all meetings of the Committee upon invitation by the Committee.

Any employees as appropriate shall be available to attend and/or to provide information to the Committee upon invitation by the Committee.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- a. Review and update this Charter annually.

- b. Review the Company's financial statements, MD&A, any annual and interim earning statements and press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion or review rendered by the external auditors.
- c. Review changes in accounting principles, or in their application, which may have a material impact on the current or future years' financial statements;
- d. Review significant accruals, reserves or other estimates such as any calculations of impairment;
- e. Review adjustments raised by external auditors, whether or not included in the financial statements;
- f. Review disclosure requirements for any commitments and contingencies;
- g. Review expenses incurred by the Chairman of the Board and the CEO of the Company. The Committee is to ensure that the CEO reviews and approves all expenses incurred by direct executive reports of the CEO; and
- h. Review any other matters required by law, regulation or stock exchange that the Committee feels are important or have been delegated by the Board.

External Auditors

The external auditors are the independent representatives of the shareholders, but the external auditors are also accountable to the Board and the Audit Committee. With respect to the activities of the external auditors, the Committee shall:

- a. Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- b. Obtain annually a formal written statement of external auditors setting forth all relationships between the external auditors and the Company.
- c. Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- d. Take or recommend that the full Board of Directors take appropriate action to oversee the independence of the external auditors.
- e. Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- f. At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- g. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- h. Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- i. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The preapproval requirement is waived with respect to the provision of non-audit services if:

- i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than 5% of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
- ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and
- iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- a. In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- b. Consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- c. Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- d. Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- e. Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- f. Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- g. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- h. Review certification process for certificates.
- i. Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

- a. Review any related party transactions.
- b. Review reports from persons regarding any questionable accounting, internal accounting controls or auditing matters ("Concerns") relating to the Company such that:
 - i. an individual may confidentially and anonymously submit their Concerns to the Chairman of the Committee in writing, by telephone, or by e-mail;

- ii. the Committee reviews as soon as possible all Concerns and addresses same as they deem necessary; and
- iii. the Committee retains all records relating to any Concerns reported by an individual for a period the Committee judges to be appropriate.

SCHEDULE "B"

Omnibus Equity Incentive Plan

**IMPACT ANALYTICS INC.
OMNIBUS EQUITY INCENTIVE PLAN**

TABLE OF CONTENTS

	Page
Article 1 DEFINITIONS	1
1.1 Definitions.....	1
Article 2 PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS	5
2.1 Purpose of the Plan.....	5
2.2 Implementation and Administration of the Plan.	5
2.3 Eligible Participants.	6
2.4 Shares Subject to the Plan.	6
2.5 Granting of Awards.....	7
Article 3 OPTIONS.....	7
3.1 Nature of Options.....	7
3.2 Option Awards.	7
3.3 Option Price	8
3.4 Option Term.....	8
3.5 Exercise of Options.	8
3.6 Method of Exercise and Payment of Purchase Price.....	9
3.7 Option Agreements.	9
Article 4 DEFERRED SHARE UNITS	10
4.1 Nature of DSUs.....	10
4.2 DSU Awards.	10
4.3 Redemption of DSUs.	10
4.4 DSU Agreements.....	11
Article 5 RESTRICTED SHARE UNITS.....	11
5.1 Nature of RSUs.	11
5.2 RSU Awards.....	12
5.3 Restriction Period.....	12
5.4 Performance Criteria and Performance Period.....	13
5.5 RSU Vesting Determination Date.....	13
5.6 Settlement of RSUs.	13
5.7 Determination of Amounts.....	14
5.8 RSU Agreements.....	15

Article 6 GENERAL CONDITIONS.....	15
6.1 General Conditions applicable to Awards.....	15
6.2 General Conditions applicable to Awards.....	16
6.3 Unfunded Plan.....	18
Article 7 ADJUSTMENTS AND AMENDMENTS	19
7.1 Adjustment to Shares Subject to Outstanding Awards.	19
7.2 Amendment or Discontinuance of the Plan.	19
7.3 Change in Control	21
Article 8 MISCELLANEOUS.....	22
8.1 Use of an Administrative Agent and Trustee	22
8.2 Tax Withholding.	22
8.3 Reorganization of the Corporation.	23
8.4 Governing Laws.	23
8.5 Severability.....	23
8.6 Effective Date of the Plan.	23
Article 9 Plan Provisions Applicable to U.S. Taxpayers	23
9.1 General.	23
9.2 Definitions.	23
9.3 Compliance with Section 409A.	24
APPENDIX "A" FORM OF OPTION AGREEMENT	1
SCHEDULE "A" ELECTION TO EXERCISE STOCK OPTIONS.....	4
APPENDIX "B" FORM OF DSU AGREEMENT	1
APPENDIX "C" FORM OF RSU AGREEMENT	1

IMPACT ANALYTICS INC.

OMNIBUS EQUITY INCENTIVE PLAN

Impact Analytics Inc. (the "**Corporation**") hereby adopts an Omnibus Equity Incentive Plan (the "**Plan**") for certain qualified directors, officers, employees, Consultants (as defined herein) and service providers providing ongoing services to the Corporation and its Affiliates (as defined herein) that can have a significant impact on the Corporation's long-term results.

ARTICLE 1 **DEFINITIONS**

1.1 Definitions.

Where used herein or in any amendments hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, respectively, unless the context otherwise requires:

"**Affiliates**" has the meaning given to this term in the *Securities Act* (Alberta), as such legislation may be amended, supplemented or replaced from time to time;

"**Associate**", where used to indicate a relationship with a Participant, means (i) any partner of that Participant and (ii) the spouse of that Participant and that Participant's children, as well as that Participant's relatives and that Participant's spouse's relatives, if they share that Participant's residence;

"**Awards**" means Options, RSUs, DSUs granted to a Participant pursuant to the terms of the Plan;

"**Black-Out Period**" means a period of time when pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons designated by the Corporation;

"**Board**" has the meaning ascribed thereto in Section 2.2(a) hereof;

"**Business Day**" means a day other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in Calgary, Alberta, Canada, for the transaction of banking business;

"**Cash Equivalent**" means the amount of money equal to the Market Value multiplied by the number of vested RSUs in the Participant's Account, net of any applicable taxes in accordance with Section 8.2, on the RSU Settlement Date;

"**Change in Control**" means the occurrence of any of the following events: (i) the acquisition, directly or indirectly, by any Person or group of Persons acting jointly or in concert, within the meaning of National Instrument 62-104 - Takeover Bids and Issuer Bids (or any successor instrument thereto), of a beneficial interest in voting or equity securities of the Corporation, together with all voting or equity securities of the Corporation at the

time held beneficially, directly or indirectly by such person or persons acting jointly or in concert, equal to more than 50% of the votes associated with the outstanding voting securities of the Corporation; (ii) a merger, consolidation, plan of arrangement or reorganization of the Corporation that results in the beneficial, direct or indirect transfer of more than 50% of the total voting power of the resulting entity's outstanding securities to a person, or group of persons acting jointly and in concert, who are different from the person(s) that have, beneficially, directly or indirectly, more than 50% of the total voting power prior to such transaction; (iii) any sale, lease, exchange or other transfer (in one transaction or series of related transactions) of all or substantially all of the Corporation's property and assets, or (iv) the Corporation's shareholders approving any plan or proposal for the liquidation or dissolution of the Corporation;

"Code of Conduct" means any code of conduct adopted by the Corporation, as modified from time to time;

"Committee" has the meaning ascribed thereto in Section 2.2(a) hereof;

"Consultant" means a person that is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to an affiliate of the Corporation; provided that such services are not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the Corporation's securities;

"Corporation" means Impact Analytics Inc., a corporation existing under the *Business Corporations Act* (Alberta), as amended from time to time;

"CSE" means the Canadian Securities Exchange;

"Date of Grant" means, for any Award, the date specified by the Board at the time it grants the Award or if no such date is specified, the date upon which the Award was granted.

"DSU" means a deferred share unit, which is a bookkeeping entry equivalent in value to a Share credited to a Participant's Account in accordance with Article 4 hereof;

"DSU Agreement" means a written letter agreement between the Corporation and a Participant evidencing the grant of DSUs and the terms and conditions thereof, substantially in the form of Appendix "B";

"DSU Redemption Notice" has the meaning ascribed thereto in Section 4.3(a) hereof;

"Eligible Director" means members of the Board who, at the time of execution of a Grant Agreement, and at all times thereafter while they continue to serve as a member of the Board, are not officers, senior executives or other employees of the Corporation or a Subsidiary, Consultants or service providers providing ongoing services to the Corporation and its Affiliates;

"Eligible Participants" has the meaning ascribed thereto in Section 2.3(a) hereof;

"Employment Agreement" means, with respect to any Participant, any written employment agreement between the Corporation or an Affiliate and such Participant;

"Exercise Notice" means a notice in writing signed by a Participant and stating the Participant's intention to exercise a particular Award, if applicable;

"Grant Agreement" means an agreement evidencing the grant to a Participant of an Award, including an Option Agreement, a DSU Agreement, a RSU Agreement or an Employment Agreement;

"Insider" has the meaning given to the term in the *Securities Act* (Alberta), as same may be amended, supplemented or replaced from time to time;

"Market Value" means at any date when the market value of Shares of the Corporation is to be determined, the higher of i) the closing price of the Shares on the Trading Day prior to the date of grant on the principal stock exchange on which the Shares are listed, and ii) the closing price of the Shares on the date of grant if the date of the grant is a Trading Day on the principal stock exchange on which the Shares are listed; however, if the Shares of the Corporation are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith;

"Option" means an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price, but subject to the provisions hereof;

"Option Agreement" means a written letter agreement between the Corporation and a Participant evidencing the grant of Options and the terms and conditions thereof, substantially in the form set out in Appendix "A";

"Option Price" has the meaning ascribed thereto in Section 3.3 hereof;

"Option Term" has the meaning ascribed thereto in Section 3.4 hereof;

"Participants" means Eligible Participants that are granted Awards under the Plan;

"Participant's Account" means an account maintained for each Participant's participation in DSUs and/or RSUs under the Plan;

"Performance Criteria" means criteria established by the Board which, without limitation, may include criteria based on the Participant's personal performance and/or the financial performance of the Corporation and/or of its Affiliates, and that may be used to determine the vesting of the Awards, when applicable;

"Performance Period" means the period determined by the Board pursuant to Section 5.3 hereof;

"Person" means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or governmental authority or body, and pronouns which refer to a Person shall have a similarly extended meaning;

"Plan" means this Omnibus Equity Incentive Plan, as amended and restated from time to time;

"Restriction Period" means the period determined by the Board pursuant to Section 5.3 hereof;

"RSU" means a right awarded to a Participant to receive a payment in the form of Shares as provided in Article 5 hereof and subject to the terms and conditions of this Plan;

"RSU Agreement" means a written letter agreement between the Corporation and a Participant evidencing the grant of RSUs and the terms and conditions thereof, substantially in the form of Appendix "C";

"RSU Settlement Date" has the meaning determined in Section 5.6(a)(i);

"RSU Settlement Notice" means a notice by a Participant to the Corporation electing the desired form of settlement of vested RSUs.

"RSU Vesting Determination Date" has the meaning described thereto in Section 5.5 hereof;

"Share Compensation Arrangement" means a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more full-time employees, directors, officers, insiders, service providers or Consultants of the Corporation or a Subsidiary including a share purchase from treasury by a full-time employee, director, officer, insider, service provider or Consultant which is financially assisted by the Corporation or a Subsidiary by way of a loan, guarantee or otherwise;

"Shares" means the common shares in the capital of the Corporation;

"Subsidiary" means a corporation, company, partnership or other body corporate that is controlled, directly or indirectly, by the Corporation;

"Tax Act" means the *Income Tax Act* (Canada) and its regulations thereunder, as amended from time to time.

"Termination Date" means the date on which a Participant ceases to be an Eligible Participant;

"Trading Day" means any day on which the CSE is opened for trading; and

"Vested Awards" has the meaning described thereto in Section 6.2(b) hereof.

ARTICLE 2
PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS

2.1 Purpose of the Plan.

- (a) The purpose of the Plan is to permit the Corporation to grant Awards to Eligible Participants, subject to certain conditions as hereinafter set forth, for the following purposes:
 - (i) to increase the interest in the Corporation's welfare of those Eligible Participants, who share responsibility for the management, growth and protection of the business of the Corporation or a Subsidiary;
 - (ii) to provide an incentive to such Eligible Participants to continue their services for the Corporation or a Subsidiary and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Corporation or a Subsidiary are necessary or essential to its success, image, reputation or activities;
 - (iii) to reward the Participants for their performance of services while working for the Corporation or a Subsidiary; and
 - (iv) to provide a means through which the Corporation or a Subsidiary may attract and retain able Persons to enter its employment.

2.2 Implementation and Administration of the Plan.

- (a) The Plan shall be administered and interpreted by the Board or, if the Board by resolution so decides, by a committee appointed by the Board (the "**Committee**") and consisting of not less than three (3) members of the Board. If a Committee is appointed for this purpose, all references to the term "**Board**" will be deemed to be references to the Committee.
- (b) The Board may, from time to time, as it may deem expedient, adopt, amend and rescind rules and regulations for carrying out the provisions and purposes of the Plan, subject to any applicable rules of the CSE. Subject to the provisions of the Plan, the Board is authorized, in its sole discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration of the Plan as it may deem necessary or advisable. The interpretation, construction and application of the Plan and any provisions hereof made by the Board shall be final and binding on all Eligible Participants.
- (c) No member of the Board or of the Committee shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award granted hereunder.
- (d) Any determination approved by a majority of the Board shall be deemed to be a determination of that matter by the Board.

2.3 Eligible Participants.

- (a) The Persons who shall be eligible to receive Awards ("**Eligible Participants**") shall be bona fide directors, officers, senior executives and other employees of the Corporation or a Subsidiary, Consultants and service providers providing ongoing services to the Corporation and its Affiliates, who the Board may determine from time to time, in its sole discretion, to hold key positions in the Corporation or a Subsidiary. In determining Awards to be granted under the Plan, the Board shall give due consideration to the value of each Eligible Participant's present and potential future contribution to the Corporation's success. For greater certainty, a Person whose employment with the Corporation or a Subsidiary has ceased for any reason, or who has given notice or been given notice of such cessation, whether such cessation was initiated by such employee, the Corporation or such Subsidiary, as the case may be, shall cease to be eligible to receive Awards hereunder as of the date on which such Person provides notice to the Corporation or the Subsidiary, as the case may be, in writing or verbally, of such cessation, or on the Termination Date for any cessation of a Participant's employment initiated by the Corporation.
- (b) Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant's relationship or employment with the Corporation.
- (c) Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee of employment by the Corporation to the Participant.

2.4 Shares Subject to the Plan.

- (a) Subject to adjustment pursuant to provisions of Article 7 hereof, the total number of Shares reserved and available for grant and issuance pursuant to Options shall not exceed thirty percent (30%) of the issued and outstanding Shares.
- (b) Subject to adjustment pursuant to provisions of Article 7 hereof, the total number of Shares reserved and available for grant and issuance pursuant to the settlement of DSUs and RSUs in the aggregate shall not exceed thirty percent (30%) of the issued and outstanding Shares.
- (c) The aggregate number of Shares issuable to Insiders at any time, under all of the Corporation's Share Compensation Arrangements, shall not exceed 30% of the Corporation's issued and outstanding Shares.
- (d) The aggregate number of Shares for which Awards may be issued to any one Participant in any 12-month period shall not exceed 10% of the outstanding Shares, calculated on the date an Award is granted to the Participant, unless the Corporation obtains disinterested shareholder approval. The aggregate number of Shares for which Awards may be issued to any one Consultant within any 12-month period shall not exceed 10% of the outstanding Shares, calculated on the date an Award is granted to the Consultant. The aggregate number of Shares for which Options may

be issued to any Persons retained to provide Investor Relations Activities (as defined by the CSE) within any 12-month period shall not exceed 3% of the outstanding Shares, calculated on the date an Option is granted to such Persons.

- (e) Subject to adjustment pursuant to provisions of Article 7 hereof, the aggregate number of Shares (i) issued to Insiders under the Plan or any other proposed or established Share Compensation Arrangement within any 12-month period and (ii) issuable to Insiders at any time under the Plan or any other proposed or established Share Compensation Arrangement, shall in each case not exceed ten percent (10%) of the total issued and outstanding Shares of the Corporation (on a non-diluted basis) from time to time.

2.5 Granting of Awards.

- (a) Any Award granted under the Plan shall be subject to the requirement that, if at any time counsel to the Corporation shall determine that the listing, registration or qualification of the Shares subject to such Award, if applicable, upon any securities exchange or under any law or regulation of any jurisdiction, or the consent or approval of any securities exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Shares thereunder, if applicable, such Award may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval.
- (b) Any Award granted under the Plan shall be subject to the requirement that, the Corporation has the right to place any restriction or legend on any securities issued pursuant to this Plan including, but in no way limited to placing a legend to the effect that the securities have not been registered under the *United States Securities Act of 1933* and may not be offered or sold in the United States unless registration or an exemption from registration is available.

ARTICLE 3 OPTIONS

3.1 Nature of Options.

An Option is an option granted by the Corporation to a Participant entitling such Participant to acquire, for each Option issued, one Share from treasury at the Option Price, but subject to the provisions hereof.

3.2 Option Awards.

Subject to the provisions set forth in this Plan and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive Options under the Plan, (ii) fix the number of

Options, if any, to be granted to each Eligible Participant and the date or dates on which such Options shall be granted, (iii) determine the price per Share to be payable upon the exercise of each such Option (the "**Option Price**") and the relevant vesting provisions (including Performance Criteria, if applicable) and Option Term, the whole subject to the terms and conditions prescribed in this Plan, in any Option Agreement and any applicable rules of the CSE. Unless otherwise set forth in the Option Agreement or outlined under Article 6.2, the vesting of Options will not commence before the 1st anniversary from the Date of Grant.

3.3 Option Price.

The Option Price for Shares that are the subject of any Option shall be fixed by the Board when such Option is granted, but shall not be less than the Market Value of such Shares at the time of the grant.

3.4 Option Term.

- (a) The Board shall determine, at the time of granting the particular Option, the period during which the Option is exercisable, commencing on the date such Option is granted to the Participant and ending as specified in this Plan, or in the Option Agreement, but in no event shall an Option expire on a date which is later than ten (10) years from the date the Option is granted ("**Option Term**"). Unless otherwise determined by the Board, all unexercised Options shall be cancelled at the expiry of such Options.
- (b) Should the expiration date for an Option fall within a Black-Out Period or within ten (10) Business Days following the expiration of a Black-Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth Business Day after the end of the Black-Out Period, such tenth Business Day to be considered the expiration date for such Option for all purposes under the Plan. Notwithstanding Section 7.2 hereof, the ten (10) Business Day-period referred to in this Section 3.4 may not be extended by the Board.

3.5 Exercise of Options.

- (a) Subject to the provisions of this Plan, a Participant shall be entitled to exercise an Option granted to such Participant at any time prior to the expiry of the Option Term, subject to vesting limitations which may be imposed by the Board at the time such Option is granted.
- (b) Prior to its expiration or earlier termination in accordance with the Plan, each Option shall be exercisable as to all or such part or parts of the optioned Shares and at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board at the time of granting the particular Option, may determine in its sole discretion. For greater certainty, no Option shall be exercised by a Participant during a Black-Out Period.

3.6 Method of Exercise and Payment of Purchase Price.

- (a) Subject to the provisions of the Plan and the alternative exercise procedures set out herein, an Option granted under the Plan may be exercisable (from time to time as provided in Section 3.5 hereof) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering a fully completed Exercise Notice to the Corporation at its registered office to the attention of the Corporate Secretary of the Corporation (or the individual that the Corporate Secretary of the Corporation may from time to time designate), together with a bank draft, certified cheque or other form of payment acceptable to the Corporation in an amount equal to the aggregate Option Price of the Shares to be purchased pursuant to the exercise of the Options.
- (b) Where Shares are to be issued to the Participant pursuant to the terms of this Section 3.6, as soon as practicable following the receipt of the Exercise Notice and, if Options are exercised only in accordance with the terms of Section 3.6(a), the required bank draft, certified cheque or other acceptable form of payment, the Corporation shall duly issue such Shares to the Participant as fully paid and non-assessable.
- (c) Upon the exercise of an Option pursuant to Section 3.6(a), the Corporation shall, as soon as practicable after such exercise but no later than ten (10) Business Days following such exercise, forthwith cause the transfer agent and registrar of the Shares to either:
 - (i) deliver to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice; or
 - (ii) in the case of Shares issued in uncertificated form, cause the issuance of the aggregate number of Shares the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice to be evidenced by a book position on the register of the shareholders of the Corporation to be maintained by the transfer agent and registrar of the Shares.

3.7 Option Agreements.

Options shall be evidenced by an Option Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 3 and Article 6 hereof be included therein. The Option Agreement shall contain such terms that may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or

jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the corporation.

ARTICLE 4

DEFERRED SHARE UNITS

4.1 Nature of DSUs.

A DSU is an Award to an Eligible Director, subject to restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing service to the Corporation and/or achievement of pre-established vesting conditions.

4.2 DSU Awards.

- (a) Each Eligible Director may receive all or a portion of his or her annual retainer fee in the form of a grant of DSUs in each fiscal year. The number of DSUs shall be calculated as the applicable portion of the Eligible Director's annual retainer fee divided by the Market Value. At the discretion of the Board, fractional DSUs will not be issued and any fractional entitlements will be rounded down to the nearest whole number.
- (b) The DSUs are structured so as to be considered to be a plan described in section 7 of the Tax Act or any successor to such provision.
- (c) Subject to the vesting and other conditions and provisions set forth herein and in the DSU Agreement, the Board shall determine whether each DSU awarded to a Participant shall entitle the Participant: (i) to receive one Share issued from treasury; (ii) to receive the Cash Equivalent of one Share; or (iii) to elect to receive either One Share from treasury, the Cash Equivalent of One Share or a combination of cash and Shares.

4.3 Redemption of DSUs.

- (a) Each Eligible Director shall be entitled to redeem his or her DSUs during the period commencing on the Business Day immediately following the Termination Date and ending on the date that is two years following the Termination Date, or a shorter such redemption period set out in the relevant DSU Agreement, by providing a written notice of settlement to the Corporation setting out the number of DSUs to be settled and the particulars regarding the registration of the Shares issuable upon settlement (the "**DSU Redemption Notice**"). In the event of the death of an Eligible Director, the Notice of Redemption shall be filed by the administrator or liquidator of the estate of the Eligible Director.
- (b) If a DSU Redemption Notice is not received by the Corporation on or before the 90th day following the Termination Date, the Eligible Director shall be deemed to have delivered a DSU Redemption Notice and the Corporation shall redeem all of

the Eligible Director's DSUs in exchange for Shares to be delivered to the Eligible Director, administrator or liquidator of the estate of the Eligible Director or the cash equivalent of the shares, as applicable.

- (c) For the purposes of determining the number of Shares from treasury to be issued or cash equivalent value to be delivered to an Eligible Director upon redemption of DSUs pursuant to Section 4.3, such calculation will be made on the date the Corporation receives, or is deemed to receive, the DSU Redemption Notice and be the whole number of Shares equal to the whole number of DSUs then recorded in the Eligible Director's Account which the Eligible Director requests or is deemed to request to redeem pursuant to the DSU Redemption Notice. Shares issued from treasury or the cash equivalent provided will be issued in consideration for the past services of the Eligible Director to the Corporation and the entitlement of the Eligible Director under this Plan shall be satisfied in full by such issuance of Shares.
- (d) Subject to Section 4.3(e), settlement of DSUs shall take place promptly following the Corporation's receipt or deemed receipt of the DSU Redemption Notice through delivery of a share certificate to the Eligible Director, the entry of the Eligible Director's name on the share register for the Shares or the cash equivalent of the shares.
- (e) Notwithstanding any other provision of this Plan, in the event that (i) a DSU Redemption Notice is received during a Black-Out Period or other trading restriction imposed by the Corporation; or (ii) the Eligible Director has not delivered a DSU Redemption Notice and the 90th day following the Termination Date falls during a Black-Out Period or other trading restriction imposed by the Corporation, then settlement of the applicable DSUs shall be automatically extended to the tenth (10th) Business Day following the date that such Black-Out Period or other trading restriction is lifted, terminated or removed.

4.4 DSU Agreements.

DSUs shall be evidenced by a DSU Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 4 and Article 6 hereof be included therein. The DSU Agreement shall contain such terms that may be considered necessary in order that the DSU will comply with any provisions respecting deferred share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the corporation.

ARTICLE 5 **RESTRICTED SHARE UNITS**

5.1 Nature of RSUs.

A RSU is an Award entitling the recipient to acquire Shares, at such purchase price as determined by the Board, subject to such restrictions and conditions as the Board may determine at the time

of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives.

5.2 RSU Awards.

- (a) Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs under the Plan, (ii) fix the number of RSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs shall be granted, and (iii) determine the relevant conditions and vesting provisions (including the applicable Performance Period and Performance Criteria, if any) and Restriction Period of such RSUs, the whole subject to the terms and conditions prescribed in this Plan and in any RSU Agreement.
- (b) The Board shall have the authority to determine any vesting terms applicable to the grant of RSUs, provided that the terms comply with Section 409A, with respect to a U.S. Taxpayer.
- (c) Unless otherwise set forth in the RSU Agreement or outlined under Article 6.2, the vesting of RSUs will not commence before the 1st anniversary from the Date of Grant.
- (d) The RSUs are structured so as to be considered to be a plan described in section 7 of the Tax Act or any successor to such provision.
- (e) Subject to the vesting and other conditions and provisions set forth herein and in the RSU Agreement, the Board shall determine whether each RSU awarded to a Participant shall entitle the Participant: (i) to receive one Share issued from treasury; (ii) to receive the Cash Equivalent of one Share; or (iii) to elect to receive either One Share from treasury, the Cash Equivalent of One Share or a combination of cash and Shares.
- (f) RSUs shall be settled by the Participant at any time beginning on the first Business Day following their RSU Vesting Determination Date but no later than the RSU Settlement Date.

5.3 Restriction Period.

The applicable restriction period in respect of a particular RSU award shall be determined by the Board. For Eligible Participants subject to the *Income Tax Act* (Canada), the Restriction Period of a particular RSU in all cases shall end no later than December 31 of the calendar year which is three (3) years after the calendar year in which the Award is granted ("**Restriction Period**"). For example, the Restriction Period for a grant made in June 2021 shall end no later than December 31, 2024. Subject to the Board's determination, any vested RSUs with respect to a Restriction Period will be paid to Participants in accordance with Article 5, no later than the end of the Restriction Period. Unless otherwise determined by the Board, all unvested RSUs shall be

cancelled on the RSU Vesting Determination Date (as such term is defined in Section 5.5) and, in any event, no later than the last day of the Restriction Period.

5.4 Performance Criteria and Performance Period.

- (a) For each award of RSUs, the Board shall establish the period in which any Performance Criteria and other vesting conditions must be met in order for a Participant to be entitled to receive Shares in exchange for all or a portion of the RSUs held by such Participant (the "**Performance Period**"), provided that such Performance Period may not expire after the end of the Restriction Period, being no longer than three (3) years after the calendar year in which the Award was granted.
- (b) The Board will issue Performance Criteria prior to the Date of Grant to which such Performance Criteria pertain. The Performance Criteria may be based upon the achievement of corporate, divisional or individual goals, and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Board. Following the Date of Grant, the Board may modify the Performance Criteria as necessary to align them with the Corporation's corporate objectives, subject to any limitations set forth in an RSU Agreement or an employment or other agreement with a Participant. The Performance Criteria may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur) and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable RSU Agreement.

5.5 RSU Vesting Determination Date.

The vesting determination date means the date on which the Board determines if the Performance Criteria and/or other vesting conditions with respect to a RSU have been met (the "**RSU Vesting Determination Date**"), and as a result, establishes the number of RSUs that become vested, if any. For greater certainty, the RSU Vesting Determination Date must fall after the end of the Performance Period, if any, but no later than the last day of the Restriction Period each of which will not occur before the 1st anniversary from the Date of Grant, unless provided for under the RSU Agreement or under a situation outlined in Article 6.2.

5.6 Settlement of RSUs.

- (a) Except as otherwise provided in the RSU Agreement,
 - (i) all of the vested RSUs covered by a particular grant shall be settled as soon as practicable and in any event within ten (10) Business Days following their RSU Vesting Determination Date and, subject to Section 5.2 no later than the end of the Restriction Period (the "**RSU Settlement Date**").

- (ii) a Participant is entitled to deliver to the Corporation, on or before the RSU Settlement Date, an RSU Settlement Notice in respect of any or all vested RSUs held by such Participant.
- (b) Subject to Section 5.6(d), settlement of RSUs shall take place promptly following the RSU Settlement Date and take the form set out in the RSU Settlement Notice through:
 - (i) in the case of settlement of RSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
 - (ii) in the case of settlement of RSUs for Shares, delivery of a share certificate to the Participant or the entry of the Participant's name on the share register for the Shares; or
 - (iii) in the case of settlement of the RSUs for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.
- (c) If an RSU Settlement Notice is not received by the Corporation on or before the RSU Settlement Date, settlement shall take the form of Shares issued from treasury as set out in Section 5.7(b).
- (d) Notwithstanding any other provision of this Plan, in the event that an RSU Settlement Date falls during a Black-Out Period or other trading restriction imposed by the Corporation and the Participant has not delivered an RSU Settlement Notice, then such RSU Settlement Date shall be automatically extended to the tenth (10th) Business Day following the date that such Black-Out Period or other trading restriction is lifted, terminated or removed.

5.7 Determination of Amounts.

- (a) **Cash Equivalent of RSUs.** For purposes of determining the Cash Equivalent of RSUs to be made pursuant to Section 5.6, such calculation will be made on the RSU Settlement Date and shall equal the Market Value on the RSU Settlement Date multiplied by the number of vested RSUs in the Participant's Account which the Participant desires to settle in cash pursuant to the RSU Settlement Notice.
- (b) **Payment in Shares; Issuance of Shares from Treasury.** For the purposes of determining the number of Shares from treasury to be issued and delivered to a Participant upon settlement of RSUs pursuant to Section 5.6, such calculation will be made on the RSU Settlement Date and be the whole number of Shares equal to the whole number of vested RSUs then recorded in the Participant's Account which the Participant desires to settle pursuant to the RSU Settlement Notice. Shares issued from treasury will be issued in consideration for the past services of the Participant to the Corporation and the entitlement of the Participant under this Plan shall be satisfied in full by such issuance of Shares.

5.8 RSU Agreements.

RSUs shall be evidenced by a RSU Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 6 hereof be included therein. The RSU Agreement shall contain such terms that may be considered necessary in order that the RSU will comply with any provisions respecting restricted share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the corporation.

ARTICLE 6 GENERAL CONDITIONS

6.1 General Conditions applicable to Awards.

Each Award, as applicable, shall be subject to the following conditions:

- (a) **Employment** - The granting of an Award to a Participant shall not impose upon the Corporation or a Subsidiary any obligation to retain the Participant in its employ in any capacity. For greater certainty, the granting of Awards to a Participant shall not impose any obligation on the Corporation to grant any awards in the future nor shall it entitle the Participant to receive future grants.
- (b) **Rights as a Shareholder** - Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards until the date of issuance of a share certificate to such Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) or the entry of such person's name on the share register for the Shares. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued or entry of such person's name on the share register for the Shares.
- (c) **Conformity to Plan** – In the event that an Award is granted or a Grant Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.
- (d) **Amendment of Terms** - The terms of an Award may not be amended once issued. If an Award is cancelled prior to its expiry date, the Corporation shall not grant new Awards to the same Participant(s) until 30 days have elapsed from the date of cancellation.
- (e) **Non-Transferability** – Except as set forth herein, Awards are not transferable and assignable. Awards may be exercised only by:

- (i) the Participant to whom the Awards were granted; or
- (ii) with the Corporation's prior written approval and subject to such conditions as the Corporation may stipulate, such Participant's family or retirement savings trust or any registered retirement savings plans or registered retirement income funds of which the Participant is and remains the annuitant; or
- (iii) upon the Participant's death, by the legal representative of the Participant's estate; or
- (iv) upon the Participant's incapacity, the legal representative having authority to deal with the property of the Participant;

provided that any such legal representative shall first deliver evidence satisfactory to the Corporation of entitlement to exercise any Award. A person exercising an Award may subscribe for Shares only in the person's own name or in the person's capacity as a legal representative.

6.2 General Conditions applicable to Awards.

Each Award shall be subject to the following conditions:

- (a) **Termination for Cause.** Upon a Participant ceasing to be an Eligible Participant for "cause", on the effective date of the termination as specified in the notice of termination, all unexercised, vested or unvested Awards granted to such Participant shall terminate. For the purposes of the Plan, the determination by the Corporation that the Participant was discharged for cause shall be binding on the Participant. "Cause" shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Corporation's Code of Conduct and any reason determined by the Corporation to be cause for termination.
- (b) **Permanent Disability.** In the case of a Participant's termination of employment/service due to permanent disability, Awards will be treated as follows:
 - (i) **Options:** Upon a Participant ceasing to be an Eligible Participant by reason of permanent disability, (i) any unvested Option shall terminate and become void immediately, and (ii) any vested Option will cease to be exercisable on the earlier of the ninety (90) days from the date on which the Participant ceases his or her employment or service relationship with the Corporation by reason of permanent disability, and the expiry date of the Award set forth in the Option Agreement, after which the Option will expire. For clarity, any Option that would vest within 12 months of the Participant ceasing to be an Eligible Participant as per this Section 6.2(b)(i) will vest. Notwithstanding this, any unvested Options with Performance Criteria attached to them will have the performance measured based on a pro-rata Performance Period up to the Termination Date with any Options earned

based on Performance Criteria vesting and all Options not meeting the Performance Criteria forfeited. If the Participant is determined to have breached any post-employment restrictive covenants in favour of the Corporation within a 12 month period following the Termination Date, then any Awards held by the Participant, whether vested or unvested, will immediately expire and the Participant shall pay to the Corporation any "**in-the-money**" amounts realized upon exercise of Awards following the Termination Date.

- (ii) **RSUs/DSUs:** Except as otherwise determined by the Board from time to time, at its sole discretion, upon a Participant ceasing to be an Eligible Participant as a result of permanent disability, all unvested RSUs in the Participant's Account as of such date relating to a Restriction Period in progress shall remain outstanding and in effect until the applicable RSU Vesting Determination Date. DSUs will immediately vest.
- (c) **Resignation.** In the case of a Participant ceasing to be an Eligible Participant due to such Participant's resignation, subject to any later expiration dates determined by the Board, all Awards shall expire on the earlier of ninety (90) days after the effective date of such resignation, or the expiry date of the Award, to the extent such Awards were vested and exercisable by the Participant on the effective date of such resignation and all unexercised unvested Awards granted to such Participant shall terminate on the effective date of such resignation.
- (d) **Termination or Cessation.** In the case of a Participant ceasing to be an Eligible Participant for any reason (other than for "**cause**", resignation or death) the number of Awards that may vest is subject to pro ration over the applicable vesting or performance period and shall expire on the earlier of ninety (90) days after the effective date of the Termination Date, or the expiry date of the Awards. For greater certainty, the pro ration calculation referred to above shall be net of previously vested Awards. Notwithstanding this, any Awards with Performance Criteria attached to them will have the performance measured based on the pro-rata Performance Period with any Awards earned based on Performance Criteria vesting and all Awards not meeting the Performance Criteria forfeited.
- (e) **Death.** If a Participant dies while in his or her capacity as an Eligible Participant, all unvested Awards will immediately vest and all Awards will expire one hundred eighty (180) days after the death of such Participant.
- (f) **Change in Control.** If a Participant is terminated without "**cause**" or resigns for good reason during the 12 month period following the consummation of a Change in Control, then any unvested Awards will immediately vest and may be exercised within thirty (30) days of such date. Notwithstanding this, any unvested Options or RSUs with Performance Criteria attached to them will have the performance measured based on a pro-rata Performance Period up to the Termination Date with any Options or RSUs earned based on Performance Criteria vesting and all Options

or RSUs not meeting the Performance Criteria forfeited. Any Options that become exercisable pursuant to this Section 6.2(f) shall remain open for exercise until the earlier of their expiry date as set out in the Award Agreement and the date that is thirty (30) days after such termination or dismissal.

- (g) **Clawback.** It is a condition of each grant of an Award that if the Corporation's financial statements (the "**Original Statements**") are required to be restated (other than as a result of a change in accounting policy by the Corporation or under International Financial Reporting Standards applicable to the Corporation) within three years following which such Original Statements were received by shareholders at the Corporation's then most recent annual general meeting of shareholders, and such restated financial statements (the "**Restated Statements**") disclose, in the opinion of the Board, acting reasonably, materially worse financial results than those contained in the Original Statements, then the Board may, in its sole discretion, to the full extent permitted by governing law and to the extent it determines that such action is in the best interest of the Corporation, and in addition to any other rights that the Corporation or an Affiliate may have at law or under any agreement, take any or all of the following actions, as applicable): (i) require the Participant to reimburse the Corporation for any amount paid to the Participant in respect of an Award in cash in excess of the amount that should otherwise have been paid in respect of such Award had the determination of such compensation been based upon the Restated Statements, less, in any event, the amount of tax withheld pursuant to the Tax Act or other relevant taxing authority in respect of the amount paid in cash in the year of payment; (ii) cancel and terminate any one or more unvested Awards on or prior to the applicable maturity or vesting dates, or cancel or terminate any outstanding Awards which have vested in the twelve (12) months prior to the date on which the Board determines that the Corporation's Original Statements are required to be restated (a "**Relevant Equity Recoupment Date**"); and/or (iii) require payment to the Corporation of the value of any Shares of the Corporation acquired by the Participant pursuant to an Award granted in the twelve (12) months prior to a Relevant Equity Recoupment Date (less any amount paid by the Participant) to acquire such Shares and less the amount of tax withheld pursuant to the Tax Act or other relevant taxing authority in respect of such Shares).

6.3 Unfunded Plan.

Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation. Notwithstanding the foregoing, any determinations made shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the Income Tax Regulations, adopted under the *Income Tax Act* (Canada) or any successor provision thereto.

ARTICLE 7
ADJUSTMENTS AND AMENDMENTS

7.1 Adjustment to Shares Subject to Outstanding Awards.

- (a) In the event of any subdivision of the Shares into a greater number of Shares at any time after the grant of an Award to a Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant, at the time of any subsequent exercise or vesting of such Award in accordance with the terms hereof, in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such subdivision if on the record date thereof the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.
- (b) In the event of any consolidation of Shares into a lesser number of Shares at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant at the time of any subsequent exercise or vesting of such Award in accordance with the terms hereof in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such consideration if on the record date thereof the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.
- (c) If, at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall make a distribution, without the receipt of consideration, to all holders of Shares or other securities in the capital of the Corporation, or cash, evidences of indebtedness or other assets of the Corporation (excluding an ordinary course dividend in cash or shares, but including for greater certainty shares or equity interests in a subsidiary or business unit of the Corporation or one of its subsidiaries or cash proceeds of the disposition of such a subsidiary or business unit), or should the Corporation effect any transaction or change having a similar effect, then the price or the number of Shares to which the Participant is entitled upon exercise or vesting of Award shall be adjusted to take into account such distribution, transaction or change. The Board shall determine the appropriate adjustments to be made in such circumstances in order to maintain the Participants' economic rights in respect of their Awards in connection with such distribution, transaction or change.

7.2 Amendment or Discontinuance of the Plan.

- (a) The Board may amend the Plan or any Award at any time without the consent of the Participants provided that such amendment shall:

- (i) not adversely alter or impair any Award previously granted except as permitted by the provisions of Article 7 hereof;
- (ii) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the CSE; and
- (iii) be subject to shareholder approval, where required by law, the requirements of the CSE or the provisions of the Plan, provided that shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:
 - (A) amendments of a general **"housekeeping"** or clerical nature that, among others, clarify, correct or rectify any ambiguity, defective provision, error or omission in the Plan; and
 - (B) changes that alter, extend or accelerate the terms of vesting or settlement applicable to any Award provided that for Options it does not entail an extension beyond the original Expiry Date;

The Committee may, by resolution, but subject to applicable regulatory approvals, decide that any of the provisions hereof concerning the effect of termination of the Participant's employment shall not apply for any reason acceptable to the Committee.

- (b) Notwithstanding Section 7.2(a)(iii), the Board shall be required to obtain shareholder approval to make the following amendments:
 - (i) any change to the maximum number of Shares issuable from treasury under the Plan, except such increase by operation of Section 2.4 and in the event of an adjustment pursuant to Article 7;
 - (ii) any amendment which reduces the exercise price of any Award, as applicable, after such Awards have been granted or any cancellation of an Award and the substitution of that Award by a new Award with a reduced price, except in the case of an adjustment pursuant to Article 7, provided that disinterested shareholder approval will be obtained for any reduction in the exercise price if the Participant is an Insider of the Corporation at the time of the proposed amendment;
 - (iii) any amendment which extends the expiry date of any Award, or the Restriction Period of any RSU beyond the original expiry date, except in case of an extension due to a Black-Out Period;
 - (iv) any amendment which would have the potential of broadening or increasing participation by Insiders;
 - (v) any amendment which would permit any Award granted under the Plan to be transferable or assignable by any Participant other than for normal estate settlement purposes;

- (vi) any amendment which increases the maximum number of Shares that may be (i) issuable to Insiders, Associates of such Insiders, Consultants or Persons retained to provide Investor Relations Activities at any time; or (ii) issued to Insiders, Associates of such Insiders, Consultants or Persons retained to provide Investor Relations Activities under the Plan; and any other proposed or established Share Compensation Arrangement in a one-year period, except in case of an adjustment pursuant to Article 7;
 - (vii) increase limits imposed on the participation of non-employee directors that are not officers or employees of the Corporation;
 - (viii) otherwise cause the Plan to cease to comply with any tax or regulatory requirement, including for these purposes any approval or other requirement; or
 - (ix) any amendment to the amendment provisions of the Plan, provided that Shares held directly or indirectly by Insiders benefiting from the amendments in Sections (ii) and (iii) shall be excluded when obtaining such shareholder approval.
- (c) The Board may, subject to regulatory approval, discontinue the Plan at any time without the consent of the Participants provided that such discontinuance shall not materially and adversely affect any Awards previously granted to a Participant under the Plan.

7.3 Change in Control

- (a) If a Change of Control occurs, and unless otherwise provided in an Award Agreement or a written employment contract between the Corporation and a Participant and except as otherwise set out in this Section 7.3(a), the Board, may provide that: (1) the successor corporation or entity will assume each Award or replace it with a substitute Award on terms substantially similar to the existing Award; (2) the Awards will be surrendered for a cash payment made by the successor corporation or entity equal to the Fair Market Value thereof; or (3) any combination of the foregoing will occur, provided that the replacement of any Option with a substitute Option shall, at all times, comply with the provisions of subsection 7(1.4) of the Tax Act, and the replacement of any Award with a substitute Option, substitute DSU or substitute RSU shall be such that the substitute Award shall continuously be governed by section 7 of the Tax Act.
- (b) If within 12 months following a Change of Control, and unless otherwise provided in an Award Agreement or a written employment contract between the Corporation and a Participant, a Participant's service, consulting relationship, or employment with the Corporation, or the continuing entity is terminated without cause, or the Participant resigns from his or her employment as a result of either (i) the Corporation requiring the Participant to be based at a location in excess of one hundred (100) kilometers from the location of the Participant's principal job

location or office immediately prior to a Change of Control; or (ii) a reduction in the Participant's base salary, or a substantial reduction in the Participant's target compensation under any incentive compensation plan, as in effect as of the date of a Change of Control, then the vesting of all Awards then held by such Participant (and, if applicable, the time during which such Awards may be exercised) will have all of their Options, Deferred Share Units or Restricted Share Units, as applicable, immediately vest. In the event that an Award is subject to vesting upon the attainment of Performance Criteria, then the number of Options or Restricted Share Units that shall immediately vest will be determined by multiplying the Award Agreement by the pro rata Performance Criteria achieved by the Termination Date.

ARTICLE 8

MISCELLANEOUS

8.1 Use of an Administrative Agent and Trustee.

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer the Awards granted under the Plan and to act as trustee to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Corporation and the administrative agent will maintain records showing the number of Awards granted to each Participant under the Plan.

8.2 Tax Withholding.

- (a) Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Plan shall be made net of applicable source deductions. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then, the withholding obligation may be satisfied by (a) having the Participant elect to have the appropriate number of such Shares sold by the Corporation, the Corporation's transfer agent and registrar or any trustee appointed by the Corporation pursuant to Section 8.1 hereof, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Corporation, which will in turn remit such amounts to the appropriate governmental authorities, or (b) any other mechanism as may be required or appropriate to conform with local tax and other rules.
- (b) Notwithstanding the first paragraph of this Section 8.2, the applicable tax withholdings may be waived where the Participant directs in writing that a payment be made directly to the Participant's registered retirement savings plan in circumstances to which regulation 100(3) of the regulations of the Tax Act apply.

8.3 Reorganization of the Corporation.

The existence of any Awards shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

8.4 Governing Laws.

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

8.5 Severability.

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

8.6 Effective Date of the Plan.

The Plan was approved by the Board on August 25, 2023 and will be effective from such date until the date it is terminated by the Board in accordance with the Plan.

ARTICLE 9 **PLAN PROVISIONS APPLICABLE TO U.S. TAXPAYERS**

9.1 General.

The provisions of this Article 9 apply to Awards held by a U.S. Taxpayer to the extent such Awards are subject to U.S. Taxation. The following provisions apply, notwithstanding anything to the contrary in the Plan. All capitalized terms used in this Article 9 and not defined herein, shall have the meaning attributed to them in the Plan.

9.2 Definitions.

- (a) **"Code"** means the United States Internal Revenue Code of 1986, as amended, and any applicable United States Treasury Regulations and other binding regulatory guidance thereunder.
- (b) **"Section 409A"** means section 409A of the Code.
- (c) **"Separation From Service"** shall mean shall mean the separation from service with the Corporation within the meaning of U.S. Treas. Regs. § 1.409A-1(h).

Whether a Separation from Service has occurred is determined based on whether the facts and circumstances indicate that the Corporation and the Participant reasonably anticipated that no further services would be performed after a certain date or that the level of bona fide services the Participant would perform after such date (whether as an employee or independent contractor) would permanently decrease to no more than twenty percent (20%) of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding thirty six (36) month period (or the full period of services to the Corporation if the Participant has been providing services to the Corporation less than thirty six (36) months)). Separation from service shall not be deemed to occur while the Participant is on military leave, sick leave or other bona fide leave of absence if the period does not exceed six (6) months or, if longer, so long as the Participant retains a right to reemployment with the Corporation under an applicable statute or by contract. For this purpose, a leave is bona fide only if, and so long as, there is a reasonable expectation that the Participant will return to perform services for the Corporation. Notwithstanding the foregoing, a twenty-nine (29) month period of absence will be substituted for such six (6) month period if the leave is due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of no less than six (6) months and that causes the Participant to be unable to perform the duties of his or her position of employment. For this purpose, the Corporation includes all entities would be considered a single employer for purposes of U.S. Treasury Regulations; provided that, in applying those regulations, the language "at least 50 percent" shall be used instead of "at least 80 percent" each place it appears therein. Notwithstanding the foregoing, with respect to a Participant who is a non-employee director, a "Separation from Service" shall mean a complete severance of a director's relationship as a director of the Corporation and as an independent contractor of the Corporation. A director may have a Separation from Service upon resignation as a director even if the director then becomes an officer or employee of the Corporation.

- (d) **"Specified Employee"** means a US Taxpayer who meets the definition of "specified employee," as defined in Section 409A(a)(2)(B)(i) of the Code.
- (e) **"US Taxpayer"** means a Participant whose compensation from the Corporation is subject to Section 409A.

9.3 Compliance with Section 409A.

Notwithstanding any provision of the Plan to the contrary, it is intended that any payments under the Plan either be exempt from or comply with Section 409A, and all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. Each payment made in respect of Restricted Share Units and Deferred Share Units shall be deemed to be a separate payment for purposes of Section 409A. Each US Taxpayer is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such US Taxpayer in connection with the Plan (including any taxes and penalties under Section 409A), and neither the Corporation nor any of its

subsidiaries shall have any obligation to indemnify or otherwise hold such US Taxpayer (or any beneficiary) harmless from any or all of such taxes or penalties.

- (a) **Option Awards.** When determining the Option Price for any Option Award granted to a US Taxpayer, the "Market Value" shall be determined in the manner defined in Section 1.1.
- (b) **DSU Awards.** Notwithstanding Article 4, a DSU which becomes payable on account of a Termination Date shall be payable by reason of such circumstance only if the circumstance is a Separation from Service; and if such payment has become payable on account of a Separation from Service, such payment shall be made as soon as administratively practicable but in all events by the 60th day following the Separation from Service (without regard to any DSU Redemption Notice given by the Participant); provided that if the payment is to be made to any Participant who is determined to be a Specified Employee, such payment shall not be paid before the date which is six months after such Specified Employee's Separation from Service (or, if earlier, the date of death of such Specified Employee). Following any applicable six month delay of payment, all such delayed payments shall be made to the Specified Employee in a lump sum on the earliest possible payment date.
- (c) **RSU Awards.** Notwithstanding Article 5, an RSU which becomes payable upon an RSU Vesting Determination Date shall be made as soon as administratively practicable but in all events by the 60th day following the RSU Vesting Determination Date (without regard to any RSU Settlement Notice given by the Participant). In the case of any termination event that qualifies for accelerated vesting and payment under Section 6.2, an RSU that is not otherwise exempt from Section 409A shall be payable by reason of such circumstance only if the circumstance is a Separation from Service; and if such payment has become payable on account of a Separation from Service, such payment shall be made as soon as administratively practicable but in all events by the 60th day following the Separation from Service (without regard to any RSU Settlement Notice given by the Participant); provided that if the payment is to be made to any Participant who is determined to be a Specified Employee, such payment shall not be paid before the date which is six months after such Specified Employee's Separation from Service (or, if earlier, the date of death of such Specified Employee). Following any applicable six month delay of payment, all such delayed payments shall be made to the Specified Employee in a lump sum on the earliest possible payment date.
- (d) **Special Requirement for Option Awards Intended to Qualify as ISOs.** An Option Award granted to a US Taxpayer that is intended to qualify as an "incentive stock option" ("ISO") within the meaning of section 422 of the Code shall be subject to the following requirements:
 - (i) The maximum number of Shares available for issuance of ISOs shall be 1,000,000 Shares.

- (ii) An ISO may be granted only to employees (including a director or officer who is also an employee) of the Corporation (or of any parent or subsidiary of the Corporation). For purposes of this Article 9, the term "employee" shall mean a person who is an employee for purposes of the Code and the terms "parent" and "subsidiary" shall have the meanings set forth in sections 424(e) and 424(f) of the Code.
- (iii) The Corporation will not grant ISOs in which the aggregate fair market value (determined as of the date of grant) of the Shares with respect to which ISOs are exercisable for the first time by any US Taxpayer during any calendar year (under this Plan and all other plans of the Corporation and of any parent or subsidiary of the Corporation) exceeds US\$100,000 or any limitation subsequently set forth in section 422(d) of the Code.
- (iv) When determining the Option Price for any ISO, the "Market Value" shall be determined in the manner defined in Section 1.1; provided, however, that, in the case of the grant of an ISO to a US Taxpayer who, at the time such ISO is granted, is a ten percent (10%) shareholder, the exercise price payable per Share upon exercise of such ISO will be not less than 110% of the Market Value of a Share on the date of grant of such ISO.
- (v) An ISO will terminate and no longer be exercisable no later than ten years after the date of grant of such ISO; provided, however, that in the case of a grant of an ISO to a US Taxpayer who, at the time such ISO is granted, is a ten percent (10%) shareholder, such ISO will terminate and no longer be exercisable no later than five years after the date of grant of such ISO. The foregoing term limits shall apply even if the expiry date falls within a Black-Out Period, notwithstanding anything in the contrary in Section 3.4(b).
- (vi) If a US Taxpayer who has been granted ISOs ceases to be employed by the Corporation (or by any parent or subsidiary of the Corporation) for any reason, whether voluntary or involuntary, other than death, permanent disability or cause, such ISO shall be exercisable by the US Taxpayer (to the extent such ISO was vested on the date of cessation of employment) at any time prior to the earlier of (i) the date that is three months after the date of cessation of employment or (ii) the expiration of the term of such ISO. If a US Taxpayer who has been granted ISOs ceases to be employed by the Corporation (or by any parent or subsidiary of the Corporation) because of the death or permanent disability of such US Taxpayer, such US Taxpayer, such US Taxpayer's personal representatives or administrators, or any person or persons to whom such ISO is transferred by will or the applicable laws of descent and distribution, may exercise such ISO (to the extent such ISO was vested on the date of death or permanent disability, as the case may be) at any time prior to the earlier of (i) the date that is one year after the date of death or permanent disability, as the case may be, or (ii) the expiration of the term of such ISO. If a US Taxpayer who has been granted ISOs ceases to be employed by the Corporation (or by any parent or

subsidiary of the Corporation) for cause, the right to exercise such ISO will terminate on the date of cessation of employment, unless otherwise determined by the directors. For purposes of this Article 9, the term "permanent disability" has the meaning assigned to that term in section 422(e)(3) of the Code.

- (vii) An ISO granted to a US Taxpayer may be exercised during such person's lifetime only by such US Taxpayer.
- (viii) An ISO granted to a US Taxpayer may not be transferred, assigned or pledged by such US Taxpayer, except by will or by the laws of descent and distribution.
- (ix) No ISO will be granted more than ten years after the earlier of the date this Plan is adopted by the Board or the date this Plan is approved by the shareholders of the Corporation.

APPENDIX "A"
FORM OF OPTION AGREEMENT

IMPACT ANALYTICS INC.

OPTION AGREEMENT

This Stock Option Agreement (the "**Option Agreement**") is entered into between Impact Analytics Inc. (the "**Corporation**"), and the optionee named below (the "**Optionee**") pursuant to and on the terms and subject to the conditions of the Corporation's Omnibus Equity Incentive Plan (the "**Plan**"). Capitalized terms used and not otherwise defined in this Option Agreement shall have the meanings set forth in the Plan.

The terms of the option (the "**Option**"), in addition to those terms set forth in the Plan, are as follows:

1. **Optionee.** The Optionee is ► and the address of the Optionee is currently ►.
2. **Number of Shares.** The Optionee may purchase up to ► Shares of the Corporation (the "**Option Shares**") pursuant to this Option, as and to the extent that the Option vests and becomes exercisable as set forth in section 6 of this Option Agreement.
3. **Option Price.** The exercise price is Cdn \$► per Option Share (the "**Option Price**").
4. **Date Option Granted.** The Option was granted on ►.
5. **Term of Option.** The Option terminates on ►. (the "**Expiry Date**").
6. **Vesting.** The Option to purchase Option Shares shall vest and become exercisable as follows:

►
7. **Exercise of Options.** In order to exercise the Option, the Optionee shall notify the Corporation in the form annexed hereto as Schedule "A", whereupon the Corporation shall use reasonable efforts to cause the Optionee to receive a certificate representing the relevant number of fully paid and non-assessable Shares in the Corporation.
8. **Transfer of Option.** The Option is not-transferable or assignable except in accordance with the Plan.
9. **U.S. Securities Laws.** If the Options and the Shares are not registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, the Options may not be exercised in the "**United States**" (as defined in Rule 902 of Regulation S under the U.S. Securities Act) unless an exemption from the registration requirements of the U.S. Securities Act is available. Any Shares issued to Optionee in the United States that have not been registered under the U.S. Securities Act

will be deemed "restricted securities" (as defined in Rule 144(a)(3) of the U.S. Securities Act) and bear a restrictive legend to such effect.

10. **Inconsistency.** This Option Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this Option Agreement and the Plan, the terms of the Plan shall govern.
11. **Severability.** Wherever possible, each provision of this Option Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Option Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Option Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.
12. **Entire Agreement.** This Option Agreement and the Plan embody the entire agreement and understanding among the parties and supersede and pre-empt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.
13. **Successors and Assigns.** This Option Agreement shall bind and enure to the benefit of the Optionee and the Corporation and their respective successors and permitted assigns.
14. **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof.
15. **Governing Law.** This Agreement and the Option shall be governed by and interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
16. **Counterparts.** This Option Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

[Remainder of this page left intentionally blank; Signature page follows]

By signing this Agreement, the Optionee acknowledges that the Optionee has been provided a copy of and has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

IN WITNESS WHEREOF the parties hereof have executed this Option Agreement as of the _____ day of , 20__.

IMPACT ANALYTICS INC.

Per: _____

Name: ►

Title: ►

Witness

[Insert Participant's Name]

SCHEDULE "A"
ELECTION TO EXERCISE STOCK OPTIONS

TO: IMPACT ANALYTICS INC. (the "Corporation")

The undersigned Optionee hereby elects to exercise Options granted by the Corporation to the undersigned pursuant to a Grant Agreement dated ►, 20► under the Corporation's Omnibus Equity Incentive Plan (the "**Plan**"), for the number Shares set forth below. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.

Number of Shares to be Acquired:

Option Price (per Share): \$

Aggregate Purchase Price:

Amount enclosed that is payable on account
of any source deductions relating to this
Option exercise (contact the Corporation for
details of such amount): \$

☐ Or check here if alternative arrangements
have been made with the Corporation;

and hereby tenders a certified cheque, bank draft or other form of payment confirmed as acceptable by the Corporation for such aggregate purchase price, and, if applicable, all source deductions, and directs such Shares to be registered in the name of

In connection with such exercise the undersigned represents, warrants and covenants to the Corporation (and acknowledges that the Corporation is relying thereon) that **(check one)**:

- [] 1. The undersigned is not a U.S. person (the definition of which includes, but is not limited to, a person resident in the United States, a partnership or corporation organized or incorporated under the laws of the United States, and a trust or estate of which any trustee, executor or administrator is a U.S. person), the undersigned was not offered the Shares in the United States and the Option is not being exercised within the United States or for the account or benefit of a U.S. person. The terms "**United States**" and "**U.S. person**" are as defined in Rule 902 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"); or
- [] 2. The undersigned represents, warrants and covenants to the Corporation that:
- (a) The Optionee, upon exercise of Options, is acquiring Shares as principal and for the account of the Optionee.

- (b) In issuing the Shares to the Optionee upon the exercise of Options, the Corporation is relying on the representations and warranties of the Optionee contained herein to support the conclusion of the Corporation that the issuance of Shares upon the exercise of Options does not require registration under the U.S. Securities Act or to be qualified under the securities laws of any state of the United States.
- (c) The Optionee acknowledges that it is not acquiring the Common Shares as a result of "general solicitation" or "general advertising" (as such terms are used in Regulation D under the U.S. Securities Act), including without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the internet, or broadcast over radio or television or on the internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.
- (d) The Optionee understands and agrees that the Shares have not been and will not be registered under the U.S. Securities Act and the Shares are being offered and sold by the Corporation in reliance upon an exemption from registration under the U.S. Securities Act.
- (e) Neither the Options nor the Shares issued upon the exercise of Options have been or will be registered under the U.S. Securities Act or any state securities laws. The Option may not be exercised in the United States unless exempt from such registration requirements. Shares issued to the Optionee in the United States will be deemed "restricted securities" (as defined in Rule 144 of the U.S. Securities Act) and bear a restrictive legend to such effect.
- (f) Each certificate representing Shares issued to the Optionee upon the exercise of Options shall bear a legend in substantially the following form:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATIONS UNDER THE U.S. SECURITIES ACT ("ACT"), (B) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE ACT PROVIDED BY SECTION 4 OF SUCH ACT OR RULE 144 OR RULE 144A THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE

OFFER AND SALE OF SECURITIES, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES."

provided that, if Shares issued upon the exercise of Options are being sold under clause (B) above, the legend may be removed by providing a declaration to the Corporation's transfer agent in such form as the Corporation may from time to time prescribe together with such documentation as the Corporation or its transfer agent may require (which may include an opinion of counsel of recognized standing reasonably satisfactory to the Corporation), to the effect that the sale of the securities is being made in compliance with Rule 904 of Regulation S under the U.S. Securities Act; and

provided further, that, if the Shares issued upon the exercise of Options are being sold pursuant to Rule 144 of the U.S. Securities Act, if available, the legend may be removed by delivery to the Corporation and the Corporation's transfer agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation, to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act.

- (g) The Optionee acknowledges that the Corporation may have federal, state, provincial or local tax withholding and reporting obligations and consents to such actions by the Corporation as may reasonably be required to comply with such obligations in connection with the exercise of Options. The acceptance and exercise of Options and the sale of Shares issued pursuant to the exercise of Options may have consequences under federal, provincial and other tax and securities laws which may vary depending on the individual circumstances of the Optionee. Accordingly, the Optionee acknowledges that the Optionee has consulted, as the Optionee considers necessary, personal legal and tax advisors in connection with the Options and the Optionee's dealings with respect to the Options or the Shares to be issued upon exercise of the Options.

The foregoing representations, warranties and covenants are made by the undersigned with the intent that they be relied upon in determining whether the Shares issuable upon the exercise of Options may be issued under applicable securities laws. The undersigned undertakes to notify the Corporation immediately of any change in any representation, warranty or other information relating to the undersigned set forth herein which takes place prior to the date of issuance of the Shares.

By executing this Election to Exercise Stock Options, the undersigned hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan.

[Remainder of this page left intentionally blank; Signature page follows]

I hereby agree to file or cause the Corporation to file on my behalf, on a timely basis, all insider reports and other reports that I may be required to file under applicable securities laws. I understand that this request to exercise my Options is irrevocable.

DATED this ► day of ►, ►.

Signature of Participant

Name of Participant (Please Print)

APPENDIX "B"
FORM OF DSU AGREEMENT

IMPACT ANALYTICS INC.

DEFERRED SHARE UNIT AGREEMENT

Name: [name of DSU Participant]

Award Date [insert date]

Impact Analytics Inc. (the "**Corporation**") has adopted the Omnibus Equity Incentive Plan (the "**Plan**"). Your award is governed in all respects by the terms of the Plan, and the provisions of the Plan are hereby incorporated by reference. For greater certainty, the provisions set out in Article 4 and Article 6 of the Plan applicable to DSUs shall be deemed to form part of this DSU Agreement *mutatis mutandis*. Capitalized terms used and not otherwise defined in this DSU Agreement shall have the meanings set forth in the Plan. If there is a conflict between the terms of this DSU Agreement and the Plan, the terms of the Plan shall govern.

Your Award The Corporation hereby grants to you ► DSUs.

Settlement. The DSUs shall be settled as follows:

(Select one of the following three options):

- (a) One Share issued from treasury per DSU.
- (b) Cash Equivalent of one Share per DSU.
- (c) Either (a), (b), or a combination thereof, at the election of the Board.

PLEASE SIGN AND RETURN A COPY OF THIS DSU AGREEMENT TO THE CORPORATION.

By your signature below, you acknowledge that you have received a copy of the Plan and have reviewed, considered and agreed to the terms of this DSU Agreement and the Plan.

Signature

Date

On behalf of the Corporation:
IMPACT ANALYTICS INC.

Per: _____

Name: ►

Title: ►

APPENDIX "C"
FORM OF RSU AGREEMENT

IMPACT ANALYTICS INC.

RESTRICTED SHARE UNIT AGREEMENT

This restricted share unit agreement ("**RSU Agreement**") is entered into between Impact Analytics Inc. (the "**Corporation**") and the Participant named below (the "**Recipient**") of the restricted share units ("**RSUs**") pursuant to the Corporation's Omnibus Equity Incentive Plan (the "**Plan**"). Capitalized terms used and not otherwise defined in this RSU Agreement shall have the meanings set forth in the Plan.

The terms of the RSUs, in addition to those terms set forth in the Plan, are as follows:

1. **Recipient.** The Recipient is ► and the address of the Recipient is currently ►.
2. **Grant of RSUs.** The Recipient is hereby granted ► RSUs.
3. **Settlement.** The RSUs shall be settled as follows:

(Select one of the following three options):
 - (a) One Share issued from treasury per RSU.
 - (b) Cash Equivalent of one Share per RSU.
 - (c) Either (a), (b), or a combination thereof, at the election of the Board.
4. **Restriction Period.** In accordance with Section 5.3 of the Plan, the restriction period in respect of the RSUs granted hereunder, as determined by the Board, shall commence on ► and terminate on ►.
5. **Performance Criteria.** ►.
6. **Performance Period.** ►.
7. **Vesting.** The RSUs will vest as follows:

►.
8. **Transfer of RSUs.** The RSUs granted hereunder are not-transferable or assignable except in accordance with the Plan.
9. **U.S. Securities Laws.** If the Shares issuable upon the vesting of the RSUs are not registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, the Shares may not be issued in the "**United States**" (as defined in Rule 902 of Regulation S under the U.S. Securities Act) unless an exemption from the registration requirements of the U.S. Securities Act is available. Any Shares

issued to a Recipient in the United States that have not been registered under the U.S. Securities Act will be deemed "restricted securities" (as defined in Rule 144(a)(3) of the U.S. Securities Act) and bear a restrictive legend to such effect.

10. **Inconsistency.** This RSU Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this RSU Agreement and the Plan, the terms of the Plan shall govern.
11. **Severability.** Wherever possible, each provision of this RSU Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this RSU Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this RSU Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.
12. **Entire Agreement.** This RSU Agreement and the Plan embody the entire agreement and understanding among the parties and supersede and pre-empt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.
13. **Successors and Assigns.** This RSU Agreement shall bind and enure to the benefit of the Recipient and the Corporation and their respective successors and permitted assigns.
14. **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof.
15. **Governing Law.** This RSU Agreement and the RSUs shall be governed by and interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
16. **Counterparts.** This RSU Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

By signing this RSU Agreement, the Participant acknowledges that he or she has been provided with, has read and understands the Plan and this RSU Agreement.

In connection with the RSU, the undersigned represents, warrants and covenants to the Corporation (and acknowledges that the Corporation is relying thereon) that **(check one)**:

- [] 1. The undersigned is not a U.S. person (the definition of which includes, but is not limited to, a person resident in the United States, a partnership or corporation organized or incorporated under the laws of the United States, and a trust or estate of which any trustee, executor or administrator is a U.S. person), the undersigned was not offered the Shares in the United States and the RSU is not being exercised within the United States or for the account or benefit of a U.S. person. The terms "**United States**" and "**U.S. person**" are as

defined in Rule 902 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"); or

- [] 2. The undersigned represents, warrants and covenants to the Corporation that:
- (a) The RSU Holder, upon receipt of RSU's, is acquiring Shares as principal and for the account of the RSU Holder.
 - (b) In issuing the Shares to the RSU Holder upon the receipt of RSU's, the Corporation is relying on the representations and warranties of the RSU Holder contained herein to support the conclusion of the Corporation that the issuance of Shares upon the receipt of RSU's does not require registration under the U.S. Securities Act or to be qualified under the securities laws of any state of the United States.
 - (c) The RSU Holder acknowledges that it is not acquiring the Common Shares as a result of "general solicitation" or "general advertising" (as such terms are used in Regulation D under the U.S. Securities Act), including without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the internet, or broadcast over radio or television or on the internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.
 - (d) The RSU Holder understands and agrees that the Shares have not been and will not be registered under the U.S. Securities Act and the Shares are being offered and sold by the Corporation in reliance upon an exemption from registration under the U.S. Securities Act.
 - (e) Neither the RSU nor the Shares issued upon the receipt of the RSU have been or will be registered under the U.S. Securities Act or any state securities laws. The RSU may not be exercised in the United States unless exempt from such registration requirements. Shares issued to the RSU Holder in the United States will be deemed "restricted securities" (as defined in Rule 144 of the U.S. Securities Act) and bear a restrictive legend to such effect.
 - (f) Each certificate representing Shares issued to the RSU Holder upon the receipt of RSU's shall bear a legend in substantially the following form:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT ("ACT"), (B) IN COMPLIANCE WITH

THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE ACT PROVIDED BY SECTION 4 OF SUCH ACT OR RULE 144 OR RULE 144A THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES."

provided that, if Shares issued upon the receipt of RSU's are being sold under clause (B) above, the legend may be removed by providing a declaration to the Corporation's transfer agent in such form as the Corporation may from time to time prescribe together with such documentation as the Corporation or its transfer agent may require (which may include an opinion of counsel of recognized standing reasonably satisfactory to the Corporation), to the effect that the sale of the securities is being made in compliance with Rule 904 of Regulation S under the U.S. Securities Act; and

provided further, that, if the Shares issued upon the receipt of RSU's are being sold pursuant to Rule 144 of the U.S. Securities Act, if available, the legend may be removed by delivery to the Corporation and the Corporation's transfer agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation, to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act.

- (g) The RSU holder acknowledges that the Corporation may have federal, state, provincial or local tax withholding and reporting obligations and consents to such actions by the Corporation as may reasonably be required to comply with such obligations in connection with the receipt of RSU's. The acceptance and receipt of RSU's and the sale of Shares issued pursuant to the receipt of RSU's may have consequences under federal, provincial and other tax and securities laws which may vary depending on the individual circumstances of the RSU Holder. Accordingly, the RSU Holder acknowledges that the RSU Holder has consulted, as the RSU Holder considers necessary, personal legal and tax advisors in connection with the RSU's and the RSU Holder's dealings with respect to the RSU's or the Shares to be issued upon receipt of RSU's.

The foregoing representations, warranties and covenants are made by the undersigned with the intent that they be relied upon in determining whether the Shares issuable upon the receipt of RSU's may be issued under applicable securities laws. The undersigned undertakes to notify the Corporation immediately of any change in any representation, warranty or other information relating to the undersigned set forth herein which takes place prior to the date of issuance of the Shares.

By executing this RSU Agreement, the undersigned hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan.

IN WITNESS WHEREOF the parties hereof have executed this RSU Agreement as of the ► day of ►, 20►.

IMPACT ANALYTICS INC.

Per: _____

Name: ►

Title: ►

Witness

[Insert Participant's Name]