

1 October 2019

11811950 BC Ltd
Suite 301-175 West 2nd Street
North Vancouver, British Columbia
V7MOA5, Canada

Dear Mark,

Re: Engagement letter –Acquisition Opportunity

We have great pleasure in submitting a proposal for Shape Capital Pty Ltd (ACN 167 240 637) (“Shape Capital”) to provide corporate advisory services to assist 11811950 BC Ltd (“Company”), in relation to sourcing an acquisition opportunity in Australia (“Transaction”). Our clients for the purposes of this engagement will be the Company.

Shape Capital is a Corporate Advisory firm providing advice in relation to capital markets, M&A and placements specifically to the technology sector. Shape Capital has extensive experience in sourcing investors and acquisition targets and also structuring, negotiation and successfully executing local and cross-border transactions.

Scope of Work

It is our understanding after our meeting on 23rd September 2019 in Vancouver, you are seeking to acquire an established company with revenues, preferable under contract, that would benefit from expanding their business to Canada and the USA. Shape Capital to assist with sourcing multiple acquisition opportunities in Australia and to provide access to company presentations, management teams and due diligence materials.

Confirmation of Acceptance

We trust that the terms of Shape Capital's engagement as set out in this letter and our attached terms and conditions are acceptable to you. Please indicate your acceptance by signing a copy of this letter where marked below and returning an original to Shape Capital as soon as possible.

The services described in the Scope of Work provided under this proposal will commence on the date when the last party signs this engagement letter and will end on the earlier of the occurrence of Closing, or upon earlier termination in accordance with the attached terms and conditions. Subject to earlier rights of termination, this agreement will have a minimum term of 12 months.

Success Fee

Shape Capital will be entitled to a C\$34,500 success fee, subject to the qualifications and relevant conditions set out in the attached terms and conditions.

Yours sincerely,



Anoosh Manzoori
Chief Executive Director



The Company named below acknowledges receipt of this letter and confirm their acceptance of the terms and conditions of Shape Capital's engagement as set out in this letter and the attached terms and conditions.

Executed by:

Signature

Witness

TERMS AND CONDITIONS

1. DEFINITIONS

1.1 Definitions

Agreement means this agreement which is constituted by the terms of the Engagement Letter and these terms and conditions.

Closing means the earliest to occur of the following in relation to the Transaction on signing a binding or non-binding agreements with the acquisition target.

Engagement Letter means the engagement letter of Shape Capital to which these terms and conditions are attached, or which references these terms and conditions.

Shape Capital means Shape Capital Pty Limited ACN 167 240 637.

Success Fee the fee payable by the Company on Closing as described in the Engagement Letter and these terms and conditions.

Term means the term of this agreement which shall commence upon execution of the Engagement Letter by all parties and terminate at Closing.

Transaction means the potential sale, investment transaction, acquisition or share swap, as further described in the Engagement Letter to which these terms and conditions are attached.

Terms defined in the *Corporations Act 2001 (Cth)* will have the same meaning in this agreement when used in the context of a body corporate.

2. FEES

2.1 Transaction Success Fee

The Success Fee will be a fixed fee as described in the Engagement Letter.

2.2 Out of Pocket Expenses

The Company will be responsible for its own legal fees and the costs of accountants (including the cost of accounting and tax advice if required) and other advisors or experts.

Shape Capital will be entitled to reimbursement of all reasonable out of pocket expenses reasonably and

properly incurred directly in the conduct of the Scope of Work, subject to providing receipts or invoices of such expenses. This will include reimbursement for expenses for airfares, travel, accommodation, communications and printing. Any expenses greater than \$500 in the aggregate per calendar month will be authorised in advance by the Company.

2.3 Payment of fees

All fees and expenses will be payable at the earlier of (i) the due date specified by these terms and conditions or the Engagement Letter; or (ii) within 10 days of the date of presentation to the Company of a tax invoice for such amount issued by Shape Capital.

3. SOLE APPOINTMENT

The Company agrees that Shape Capital will have a sole appointment to perform the Scope of Work throughout the duration of its engagement and the Company will not contract alternative providers to provide the Scope of Work during that period. If approaches in relation to a possible transaction are received directly by the Company during this engagement, the Company will take advice from Shape Capital on whether or how to proceed with any such approaches.

The Company acknowledges that Shape Capital may enter into retainers and provide services of a similar nature to other clients, provided that Shape Capital does not provide any services to Potential Purchasers in relation to the Transaction.

4. EXCLUSIONS

Shape Capital does not provide and will accordingly not be required to provide tax, legal, regulatory or accounting or other specialist or technical advice or services. The Company should obtain separate advice in relation to these matters. Shape Capital will be entitled to rely on any such advice to the extent that it is relevant to this agreement.

Nothing in this agreement express or implied imposes any commitment or obligation whatsoever, on the part of Shape Capital to underwrite or purchase securities or to commit any capital for the Company.

5. PERSONNEL

Anoosh Manzoori (Director & CEO) will have primary responsibility for Shape Capital's performance of this agreement. From time to time other professionals might be involved in Shape Capital's performance of this agreement.

6. COMPLIANCE

The Company and Shape Capital will comply with all legal and regulatory provisions in connection with this agreement. (Note: Shape Capital cannot and does not provide legal advice).

7. INFORMATION

7.1 Provision of Information

The Company agrees that:

- (a) it will promptly provide Shape Capital with all information relating to the Company and its business that Shape Capital may reasonably request in connection with its performance of this engagement;
- (b) all information that it provides to Shape Capital will, to the best of its knowledge, be complete and accurate in all material respects, and not be misleading in any material respect;
- (c) the Company, to the best of its knowledge, will not knowingly omit any material information from information provided to Shape Capital;
- (d) it will inform Shape Capital immediately if, to the best of its knowledge, any material information provided by the Company to Shape Capital ceases to be accurate and complete, and/or becomes misleading;
- (e) all financial and business forecasts given by the Company to Shape Capital will only be made after due and careful enquiry, and will be based on reasonable grounds;
- (f) in all material respects the Company will comply with all applicable laws and regulatory requirements which relate to the sale process; and its legal, taxation and accounting advisors are responsible for advising it on the accounting treatment and taxation and stamp duty consequences of pursuing any possible Transaction. This includes advice regarding the validity and enforceability of any agreements, as

well as its compliance with regulatory and legal requirements.

Shape Capital is entitled, as between the Company and Shape Capital, to rely on the accuracy and completeness of all information provided to it by the Company and all information and advice given by the Company' legal, tax and accounting advisors without independent verification.

Shape Capital's performance of this engagement will involve making recommendations to the Company. The making of all business and corporate decisions relating to a Transaction rests with the Company (or, if applicable, the board of the Company). Shape Capital will not be involved in any decision making on behalf of the Company, other than through the making of recommendations. References in this section to the Company include its related bodies corporate, and its respective directors, officers, employees, agents and consultants.

7.2 Access to Information

The Company shall allow Shape Capital and its employees and advisers full and free access to the books and records of the Company, at all reasonable times, to enable them to obtain any information as to the business, assets and liabilities, financial position, profits and losses and prospects of the Company and other matters which Shape Capital reasonably requires from time to time in relation to the proposed Transaction and/or any incidental matter. The Company must also provide any information, assistance and facilities which the Company reasonably requires for these purposes.

7.3 Information

Shape Capital:

- (a) may use and rely on the information provided to it by the Company and its officers and consultants and on any information available from public sources in performing the services described above without independently verifying that information;
- (b) does not assume any responsibility for the accuracy or completeness of that information including the responsibility to update any such information;

- (c) will rely upon the accuracy of financial information, forecasts and other information or representations to be provided by the Company or its agents or advisers. The Company agrees to immediately notify Shape Capital should it become aware that any financial or other information provided (written or verbal) is not complete or accurate; and
- (d) accepts no liability to any person in relation to this engagement other than as stated in this agreement or in accordance with law.

8. CONFIDENTIALITY

Shape Capital agrees to deal with all information received by it from (or on behalf of) the Company, or in relation to this agreement and the Scope of Work, strictly in accordance with its obligations under any confidentiality agreement it entered into with the Company. If no such agreement has been entered into then Shape Capital agrees:

- (a) to keep confidential all confidential information of the Company which is disclosed to Shape Capital by the Company or its representatives; and
- (b) to only use and disclose that information for the purposes of Shape Capital performing its services hereunder.

The forgoing obligation of confidentiality shall not apply to information which is in the public domain (other than through a breach of this agreement by Shape Capital) or which Shape Capital is required to disclose by law or which Shape Capital discloses to its legal and financial advisors solely for the purposes of seeking advice.

9. REPRESENTATIONS AND WARRANTIES

The Company represents and warrants to Shape Capital as at the date of acceptance by the Company of this agreement and as at completion of the proposed Transaction and any period in between, that:

- (a) it has disclosed and/or will continue to disclose to Shape Capital all material information in relation to the Company as is required for the purposes of any proposed Transaction and this

agreement and that none of that information, or any information publicly released by the Company, is or will be false or will be deliberately misleading or likely to mislead or deceive;

- (b) it has power to enter into and perform this agreement with Shape Capital and the execution, delivery and performance of this agreement by the Company will not infringe its Constitution, any law or regulation including without limitation the Corporations Act and the ASX Listing Rules or any other relevant regulation in relation to the conduct of its business activities and will not contravene any agreements to which it is a party;
- (c) all necessary corporate actions and approvals of the Company will be obtained to permit the Company to proceed with the Transaction or otherwise agreed in writing between the Company and Shape Capital;
- (d) the Company is not in breach of any material provision of the Corporations Act and the ASX Listing Rules or any other relevant law or regulation;
- (e) the Company has not engaged in conduct that is misleading or deceptive or is likely to mislead or deceive in relation to this agreement or the Transaction;
- (f) any shares which are to be issued by the Company or the Purchaser to Shape Capital as part of any fee under this agreement, will be validly issued and be fully paid and rank *pari passu* with the Company's existing issued shares and be free from all encumbrances; and
- (g) the Company and its associates will ensure it has procedures to ensure continued compliance with the requirements of all applicable Australian laws including without limitation the ASX Listing Rules and the *Corporations Act 2001 (Cth)*.

The Company acknowledges that Shape Capital has entered into this agreement in reliance on the representations, warranties and undertakings given by the Company in this agreement. The Company agrees to promptly notify Shape Capital of any material change affecting any of the above representations and warranties.

10. PUBLICITY AND BRANDING

10.1 Publicity

If the Company, the Purchaser or any party to the Transaction make a public announcement in relation to the Transaction, Shape Capital may disclose its participation in the Transaction subject to first receiving written approval from the Company (such approval not to be unreasonably withheld).

10.2 Use of Shape Capital's brand and logo

The Company will not use nor refer to Shape Capital's name or logo, in any format or in any medium, without the prior written approval of Shape Capital.

11. INDEMNITY AND LIABILITY

11.1 Non-Reliance by Third Parties

Any written advice or report that Shape Capital provides to the Company in connection with any opportunity or Transaction is given solely for the Company's benefit. Except with Shape Capital's prior written consent, no copies of, or extracts from, any of its reports or advice can be published or made public in any way. Shape Capital has been retained as the adviser to the Company, and not as an advisor to any other person. Neither this agreement nor the delivery of any advice in connection with this agreement is intended to confer rights on any party or person other than the Company.

11.2 Indemnity

The Company agrees to unconditionally and irrevocably indemnify and keep indemnified, and hold harmless, Shape Capital together with its associates and related companies, its directors, agents and staff (collectively referred to as the "Indemnified Parties") against any and all liabilities, losses (including loss of profit or losses or costs incurred in preparation for or involvement in connection with any prosecution, investigation, enquiry or hearing by ASIC, ASX or any governmental authority or agency), demands, damages, penalties, proceedings (whether civil or criminal), judgements, costs, fees or expenses (including legal costs on a full indemnity basis) of any kind whatsoever ("Losses") which may be incurred, suffered, paid or liable to be paid by an Indemnified

Party in any jurisdiction directly or indirectly arising out of or in respect of any breach of any warranty or obligation under this agreement by the Company, except to the extent that any Losses are caused by the negligence, unlawful or wrongful act or omission of Shape Capital, its officers or employees..

Any approval or consent given by Shape Capital does not waive or in any way prejudice the right of the Indemnified Party to the indemnity in this agreement and such right survives the expiry or termination of this agreement. The Company agrees that Shape Capital holds the benefits of this indemnity on trust for itself and the other Indemnified Parties.

If for any reason the above indemnities and releases are unavailable at law or are otherwise unavailable or insufficient to hold harmless any Indemnified Party against any Losses against which the Indemnified Party is stated to be indemnified (other than as expressly excluded), the respective proportional contribution of the Company and the Indemnified Party in relation to the relevant loss will be as agreed, or failing agreement as determined by a court of competent jurisdiction, having regard to the participation in, instigation of or other involvement of the Company and the Indemnified Party or parties in the act complained of, having particular regard to relative intent, knowledge, access to information and opportunity to correct any untrue statements or omissions. In no event will the Indemnified Parties be required to contribute to any Losses in an aggregate amount that exceeds the fees paid or payable to Shape Capital under this agreement.

The Company acknowledges that the services to be provided as detailed herein will be provided by Shape Capital and any recourse of the Company or third parties is to Shape Capital rather than the officers or employees of Shape Capital.

11.3 Liability

Shape Capital will assist the Company in the manner set out in this agreement. Whilst Shape Capital will use its best commercial efforts to effect a Transaction, Shape Capital accepts no liability or responsibility in the event that the Transaction does not proceed or any desired quantum of capital or purchase price is not raised or received, or if no Purchaser shows interest in undertaking a Transaction with the Company.

Subject to the other terms of this agreement, the Company agree that:

- (a) Shape Capital will not be liable (whether directly or indirectly, in contract or tort or otherwise) to the Company, any related body corporate of the Company, other shareholders, directors, officers, employees, agents or contractors in connection with this agreement;
- (b) Shape Capital will not be liable for any loss of revenue, profits or opportunity, loss arising from reputational damage or business interruption, or for any consequential, indirect, incidental, punitive or special damages of any nature that cannot be considered to arise naturally and in the ordinary course of things; and
- (c) the total combined liability of Shape Capital to the Company and other shareholders of the Company, and any related body corporate of the Company and their respective directors, officers, employees, agents or contractors for any breach of this agreement, or any negligence in relation to this agreement is limited to the greater of (i) AUD \$10; or (ii) the total of all fees actually paid to Shape Capital under this agreement.

Shape Capital will not be liable for any failure or delay in performing the Scope of Work as detailed in this agreement if that failure or delay arises from anything beyond its control - including the untimely performance by the Company of its obligations. In addition, in the event of delay Shape Capital is entitled to review its fees and, if the delay is substantial, terminate this agreement.

Nothing in this agreement excludes, restricts, limits or modifies the application of the provisions of any statute (including the *Competition and Consumer Act 2010* (Cth)) where to do so would contravene that statute or cause any part of this agreement to be void.

The limitation of liability in this agreement does not limit Shape Capital's obligations or liability under any confidentiality agreement it has entered, or will enter into, with the Company or any liability to the extent it arises primarily from the fraud, wilful default or gross negligence of Shape Capital, its officers, agents or employees. Without prejudice to any claim the Company may have against Shape Capital, no

proceedings may be taken against any director, officer, employee or agent of Shape Capital in its personal capacity in respect of any claim the Company may have against Shape Capital.

12. GENERAL

12.1 Complete Agreement

This agreement constitutes the entire agreement between the parties in relation to the engagement of Shape Capital and no duties or obligations of Shape Capital beyond those set out in this agreement shall be implied.

12.2 Waiver & Amendment

No waiver of any right, nor any amendment, extension or other modification of the terms of this agreement, will take effect unless the Company and Shape Capital agree to the amendment, extension or other modification and that agreement is in writing and signed.

12.3 Governing Law

The laws of Victoria will govern the terms of this agreement. The parties irrevocably submit to the Courts of the State of Victoria in relation to this agreement, and its Courts of Appeal.

12.4 Survival

The Company's obligations under clauses 2, **Error! Reference source not found.**, 6, 9,10, 11, **Error! Reference source not found.** and 12 of this agreement will survive termination of this agreement.

12.5 Assignment

Neither the Company may assign their rights, interests and benefits or transfer any of their obligations, under this agreement without the prior written consent of Shape Capital.

12.6 No partnership or agency

Nothing in this agreement shall constitute the formation of any partnership or agency relationship as between the Company and Shape Capital and at no time shall Shape Capital have any authority whatsoever to enter into any binding legal relationship or commitment on behalf of the Company nor shall it represent at any time that it has any such authority or capacity to do so.



The Company is responsible for making its own independent judgement and commercial assessment

of the suitability of any Transaction contemplated by this agreement.