
DEFINITIVE AGREEMENT

BY AND AMONG

TUGA-GLOBAL, INC.

AND

1298562 B.C. LTD.

AND

TUGA-MERGEKO, INC.

AND

**THE INDIVIDUAL
FOUNDERS OF
TUGA-GLOBAL, INC.**

June 4, 2021

TABLE OF CONTENTS

ARTICLE 1- GLOSSARY	2
ARTICLE 2- MERGER.....	7
ARTICLE 3- REPRESENTATIONS, AND WARRANTIES.....	10
ARTICLE 4- OTHER TERMS.....	22
ARTICLE 5- COVENANTS	26
ARTICLE 6- CONDITIONS PRECEDENT	28
ARTICLE 7- TERMINATION.....	32
ARTICLE 8- NOTICES	32
ARTICLE 9- MISCELLANEOUS.....	33
Schedule A MERGER AGREEMENT.....	
Schedule B PRE-MERGER CAPITALIZATION.....	
Schedule C POST-MERGER CAPITALIZATION	
Schedule D CONSULTINGAGREEMENTS.....	
Schedule E MANAGEMENT PERFORMANCE WARRANTS.....	
Schedule F ASSETS OF TUGA.....	
Schedule G TUGA INFORMATION.....	
Schedule H LIABILITIES OF TUGA.....	

DEFINITIVE AGREEMENT

THIS DEFINITIVE AGREEMENT (this “**Agreement**”) is dated the 3rd day of June, 2021.

BETWEEN:

TUGA-Global, Inc., a Michigan corporation whose address is 11919 Mill Lane, Grand Haven, Michigan 49417

(“**TUGA**”)

AND:

1298562 B.C. Ltd., a British Columbia company whose address is c/o Suite 1200 – 750 West Pender Street, Vancouver, British Columbia V6C 2T8

(the “**Acquirer**”)

AND:

TUGA-MergeCo, Inc., a Michigan corporation whose address is 11919 Mill Lane, Grand Haven, Michigan 49417

(“**MergeCo**”)

AND:

THE INDIVIDUAL FOUNDERS OF TUGA, as set out on the signature page.

(the “**Founders**”)

TUGA, MergeCo, and the Acquirer may be collectively referred to as the “**Parties**” or individually referred to as a “**Party**”.

WHEREAS:

- A. The shareholders and warrant holders of TUGA (each a “**TUGA Holder**” and collectively the “**TUGA Holders**”) own collectively all of the outstanding securities of TUGA as set forth in **Exhibit B**. The shares of common stock described in **Exhibit B** are entitled to vote on the Merger. The number of TUGA Shares is not subject to change before the Effective Time.
- B. The Acquirer owns all of the outstanding securities of MergeCo, which is 652,692 shares of common stock. Such shares of common stock are entitled to vote on the Merger. The number of shares of MergeCo is not subject to change before the Effective Time other than as set out herein.
- C. The Parties desire for the Acquirer to acquire TUGA by MergeCo merging with and into TUGA, with TUGA surviving the Merger as the Surviving Corporation under the provisions of the Michigan Business Corporation Act (the “**Act**”), in accordance with the terms and conditions of this Agreement.
- D. The Parties intend for the Merger to qualify as a tax-free reorganization under the provisions of Section 368(a)(2)(E) of the Internal Revenue Code of 1986, as amended (the “**Code**”), and this Agreement will be interpreted accordingly.
- E. The Founders are signatories to this Agreement for the sole purposes of providing the acknowledgement in Section 4.3, providing the covenant in Section 4.14, and receiving the rescission right in Section 4.15 herein.

NOW THEREFORE for valuable consideration, the sufficiency and receipt of which is acknowledged, the Parties agree as follows:

ARTICLE 1- GLOSSARY

1.1 Definitions.

The following terms have the following meanings in this Agreement:

- (a) “**1933 Act**” means the U.S. *Securities Act of 1933*, as amended;
- (b) “**Accredited Investor Certificate**” has the meaning set out in Section 4.12 of this Agreement;
- (c) “**Acquirer**” means 1298562 B.C. Ltd.;
- (d) “**Acquirer Shares**” means common shares of the Acquirer;
- (e) “**Act**” means the Michigan Business Corporation Act;
- (f) “**Acquisition Proposal**” has the meaning set out in Section 5.2 of this Agreement;
- (g) “**Affiliate**” of an entity means any Person directly or indirectly controlling, controlled by or under direct or indirect common control with such entity;
- (h) “**Agreement**” means this agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof;
- (i) “**Applicable Laws**” means all applicable rules, laws, policies, statutes, constitution, notices, orders and legislation of any kind whatsoever of any Governmental Authority or stock exchange having jurisdiction over the transactions contemplated hereby or the Parties;
- (j) “**Assets**” means collectively the Material Contracts of TUGA; the Intellectual Property; the Business Records, the goodwill of the TUGA Business, the assets described in **Schedule F** and all such other assets, necessary for and used by TUGA in the TUGA Business, including all work products, including but not limited to all correspondence, documents, papers, drawings, reports, software, written records and data stored in any medium, in connection therewith and other associated and related assets;
- (k) “**BCBCA**” means the *Business Corporations Act* (British Columbia);
- (l) “**Board Reconstitution**” has the meaning set out in Section 4.9 of this Agreement;
- (m) “**Business Day**” means any day, other than a Saturday, a Sunday or a statutory or civic holiday in Vancouver, British Columbia, Canada;
- (n) “**Business Records**” means all emails and records, sales and purchase records, lists of suppliers, credit information, ledgers, files, cost and pricing information, business reports, plans and projections and all other correspondence data and information, financial or otherwise, in any format and media whatsoever, and any other documents of TUGA or related to or maintained by TUGA. Such documents will include, but are not limited to, copies of those documents necessary to conduct the TUGA Business, including software, passwords, usernames, and any other information;

- (o) **“Certificate of Merger”** means the certificate of merger filed with LARA in accordance with the relevant provisions of the Act in respect of the Merger, substantially in the form set out in Exhibit C of the Merger Agreement;
- (p) **“Code”** means the U.S. Internal Revenue Code of 1986, as amended;
- (q) **“Consulting Agreement”** has the meaning set out in Section 4.13 of this Agreement;
- (r) **“CSE”** means the Canadian Securities Exchange;
- (s) **“Data Room”** means the virtual data room containing documents of TUGA for the purposes of due diligence;
- (t) **“Dissenting Shareholders”** means a registered holder of TUGA Shares who validly exercises the right of dissent available to such holder under the Act in respect of the resolution approving the Merger;
- (u) **“Drop Dead Date”** means August 31, 2021;
- (v) **“Effective Date”** means the date upon which all of the conditions to completion of the Merger as set forth in this Agreement have been satisfied or waived and all documents agreed to be delivered hereunder have been delivered to the satisfaction of the Parties, acting reasonably, which will be the date shown in the Certificate of Merger,
- (w) **“Effective Time”** has the meaning set out in Section 2.4 of this Agreement;
- (x) **“Environmental Laws”** means all Applicable Laws imposing liability or standards of conduct for, or relating to the regulation of activities, materials, substances or wastes in connection with, or for, or to, the protection of human health, safety, the environment or natural resources (including ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife);
- (y) **“Financial Information”** means the assets and liabilities of TUGA and the TUGA Business as of December 31, 2020 and three month interim period ended March 31, 2021 and expenses of TUGA for the year ended December 31, 2020 and three month interim period ended March 31, 2021;
- (z) **“Founders”** means collectively Kraig Schultz, Cesar Barbosa, Antonio Camara, Mauro Ferreira, Antonio Videira and John Hagie, and each a **“Founder”**;
- (aa) **“Founders’ Agreement”** means the founders’ agreement dated February 14, 2021 between TUGA and the Founders;
- (bb) **“Going Public Transaction”** means the listing of the Acquirer’s shares on a recognized stock exchange in Canada or United States; or (II) the completion of a transaction (including a qualifying transaction, reverse takeover, reverse merger, amalgamation, merger, share exchange, plan of arrangement, business combination or similar transaction) between the Acquirer and another company (or companies) which results in the shareholders of the Acquirer receiving, in exchange for their securities, securities of a company listed on a recognized stock exchange in Canada or United States.

- (cc) **“Governmental Authority”** means any (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, agency, domestic or foreign (including the CSE); (ii) any subdivision, agent, commission, board or authority of any of the foregoing; or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;
- (dd) **“Intellectual Property”** means any Patents, and all patentable materials, trade names, Trademarks, domain names, domain name registrations, URLs, formulas, data, websites, concepts, process instructions, licenses and sub-licenses, Trademark applications, copyrights, copyright applications, rights to inventions, invention disclosures, works of authorship, goodwill, trade secrets, know-how (including, without limitation, ideas, business and marketing plans, customer lists, vendor and supplier lists, customer data bases, customer purchasing history and other customer information), algorithms, data, software, source code, executable code, systems, tools, databases, firmware and related documentation, XML schema designs, XSL scripts, supporting databases (SQL), developments, discoveries, techniques, improvements, methods, processes, hardware, Intellectual Property Registration and rights to apply therefor, or other proprietary or intellectual property rights, documents, information and records (and any agreements in respect thereof or applications therefor) owned by TUGA or any of its Affiliates or used in connection with the TUGA Business or any of the Assets, including the intellectual property described in **Schedule F** and rights to collect royalties and proceeds with respect to any of the foregoing and rights to sue or recover and retain damages, costs, attorneys’ fees and any other remedies available for present and past infringement or misappropriation of any of the foregoing;
- (ee) **“Intellectual Property Registrations”** means all registrations of Intellectual Property or applications therefor, including Patents, Trademark registrations and applications therefor, and copyright registrations and applications therefor;
- (ff) **“International Jurisdiction”** means jurisdictions other than Canada and the United States in which securities of TUGA have been distributed;
- (gg) **“LARA”** has the meaning set out in Section 2.4 of this Agreement;
- (hh) **“Lien”** means (a) any encumbrance, mortgage, pledge, hypothec, prior claim, lien, charge or other security interest of any kind upon any property or assets of any character, or upon the income or profits therefrom; (b) any acquisition of or agreement to have an option to acquire any property or assets upon conditional sale or other title retention agreement, device or arrangement (including a capitalized lease); or (c) any sale, assignment, pledge or other transfer for security of any accounts, general intangibles or chattel paper, with or without recourse;
- (ii) **“Listing Statement”** means a CSE Form 2A Listing Statement prepared by the Acquirer following the Merger in connection with its efforts to list the Acquirer Shares on the CSE;
- (jj) **“Management Performance Warrants”** has the meaning set out in Section 4.2 and **Schedule E** of this Agreement;

- (kk) “**Management Reconstitution**” has the meaning set out in Section 4.10 of this Agreement;
- (ll) “**Material Contracts**” means a contract of TUGA which involves or may reasonably be expected to involve the payment to or by TUGA of more than US\$10,000 over the term of that contract or is otherwise material to the operation of TUGA including the contracts set out in **Schedule D**;
- (mm) “**Material Adverse Effect**” means in respect of a Person means any change, effect, event, occurrence, condition or development that would have, individually or in the aggregate, a material and adverse impact on the business, operations, results of operations, assets, capitalization or financial condition of such Person, other than any change, effect, event, occurrence or state of facts relating to the global economy or securities markets in general;
- (nn) “**MergeCo**” means TUGA-MergeCo, Inc.;
- (oo) “**MergeCo Stockholder Approval**” means the stockholder approval of MergeCo to the Merger in accordance with Section 4.8 of this Agreement;
- (pp) “**Merger**” has the meaning set out in 2.2 of this Agreement;
- (qq) “**Merger Agreement**” means the form of Plan and Agreement of Merger substantially in the form attached as **Schedule A**;
- (rr) “**Name Change**” has the meaning set out in Section 4.11 of this Agreement;
- (ss) “**Order**” means any orders, judgments, injunctions, awards, decrees or writs handed down, adopted or imposed by, including any consent decree, settlement agreement or similar written agreement with, any Governmental Authorities;
- (tt) “**Parties**” means the TUGA, MergeCo and the Acquirer, and “**Party**” means any one of them;
- (uu) “**Patents**” means, in any and all countries, patents and patent applications, and industrial design registrations, together with all continuations, continuations-in-part, divisionals, renewals, reissues, extensions, and re-examinations;
- (vv) “**Person**” means an individual, partnership, corporation, association, trust, joint venture, unincorporated organization and any government, governmental department or agency or political subdivision thereof;
- (ww) “**Personal Information**” means any information about an identifiable individual which is protected by any privacy law;
- (xx) “**Privacy Law**” means any Applicable Laws relating to the protection of privacy;
- (yy) “**Promissory Notes**” means the promissory notes owing by TUGA as set out in **Schedule H** of this Agreement;

- (zz) “**Prospectus**” means a long form preliminary or final prospectus of the Acquirer prepared by the Acquirer following the Merger and filed with the relevant securities commissions in Canada in accordance with National Instrument 41-101 – *General Prospectus Requirements*;
- (aaa) “**Subsidiary**” means TUGA-USA, Inc., a wholly owned subsidiary of TUGA;
- (bbb) “**Surviving Corporation**” has the meaning in Section 2.1 of this Agreement;
- (ccc) “**Tax Authority**” means the Internal Revenue Service (in the case of TUGA and MergeCo), the Canada Revenue Agency (in the case of the Acquirer) and any other domestic (whether state, provincial or local) or foreign Governmental Authority responsible for the administration or collection of any Taxes;
- (ddd) “**Taxes**” means all taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, value added, capital, capital gains, alternative net worth, transfer, profits, withholding, payroll, employer health, employer safety, workers compensation, excise, immovable property and moveable property taxes, and any other taxes, customs duties, fees, assessments or similar charges in the nature of a tax including Canada Pension Plan, Social Security and provincial plan state contributions and workers compensation premiums, together with any interest, fines and penalties imposed by any governmental authority (including federal, provincial, state, municipal and foreign governmental authorities), and whether disputed or not;
- (eee) “**Tax Returns**” means all reports, returns, declarations, statements or other information required to be supplied to a Tax Authority in connection with Taxes;
- (fff) “**Trademarks**” mean all registered and unregistered trademarks, service marks, trade dress, logos, slogans, trade names, service names and corporate and business names;
- (ggg) “**TUGA**” means TUGA-Global, Inc.
- (hhh) “**TUGA Business**” means the development and production of electric vehicles;
- (iii) “**TUGA Holder**” has the meaning as set out in the recitals to this Agreement;
- (jjj) “**TUGA Stockholder Approval**” has the meanings set out in section 4.7 of this Agreement;
- (kkk) “**TUGA Shares**” means shares in the common stock of TUGA; and
- (lll) “**Voluntary Resale Restrictions**” has the meaning set out in Section 4.3 of this Agreement.

1.2 Schedules.

The following Schedules and exhibits are annexed to this Agreement and are incorporated by reference into this Agreement and form a part hereof:

Schedule A	MERGER AGREEMENT
Schedule B	PRE-MERGER CAPITALIZATION
Schedule C	POST-MERGER CAPITALIZATION
Schedule D	CONSULTING AGREEMENT
Schedule E	MANAGEMENT PERFORMANCE WARRANTS
Schedule F	ASSETS OF TUGA
Exhibit G	TUGA INFORMATION
Exhibit H	LIABILITIES OF TUGA

ARTICLE 2- MERGER

2.1 Merger.

The Parties hereby agree that as of the Effective Time, MergeCo will merge with and into TUGA so that the separate existence of MergeCo will cease and TUGA will continue to exist as the surviving corporation of the merger on the terms and conditions set out in the Merger Agreement and this Agreement (the “**Merger**”). TUGA as the survivor of the Merger may be referred to in this Agreement as the “**Surviving Corporation**”. The Merger will otherwise have the effects described in Section 2.2. In furtherance of the foregoing, subject to the terms and conditions herein set forth and on the basis of the covenants, representations, warranties and agreements of the Parties, as applicable, each of TUGA, the Acquirer and MergeCo covenant and agree to:

- (a) enter into the Merger Agreement forthwith after receipt of all requisite approvals of the shareholders of each of TUGA and MergeCo to the Merger, all as further set forth herein; and
- (b) take and cause to be taken such other steps and actions and execute such other documents, agreements and instruments as may be reasonably necessary or desirable in connection with the consummation of the transactions contemplated hereby.

2.2 Effects of Merger.

As of the Effective Time, by virtue of the Merger under the terms of this Agreement and the Merger Agreement:

- (a) Each outstanding share of common stock in MergeCo will be converted into one share of common stock in the Surviving Corporation, resulting in the Acquirer holding all 652,692 shares of common stock outstanding in the Surviving Corporation;
- (b) Each outstanding TUGA Share will be converted into Acquirer Shares at a conversion ratio of 38.2263 Acquirer Share per one TUGA Share, with fractional shares rounded down to the nearest whole share, and resulting in TUGA Holders holding Acquirer Shares as provided in **Schedule C**;

- (c) Each outstanding warrant to purchase TUGA Shares will remain warrants issued by TUGA, but according to their adjustment provisions each will represent the right to purchase Acquirer Shares at a conversion ratio of 38.2263 warrant shares of the Acquirer per one warrant share of common stock of TUGA, with fractional shares rounded down to the nearest whole share, and resulting in a TUGA Holder holding warrants to purchase the Acquirer Shares as provided in **Schedule C**. **Schedule C** also reflects a proportionate reduction to the exercise price per share for each outstanding warrant as a result of the Merger, according to the warrants' adjustment provisions;
- (d) The separate existence of TUGA and MergeCo will cease, and in accordance with the terms of this Agreement, the Surviving Corporation will continue to exist and will possess all of the identity, existence, purposes, powers, objects, franchises, privileges, rights, assets, and immunities of each of them, including all title and other interests in property and rights owned by each of TUGA and MergeCo, without further action by any Party;
- (e) The Articles of Incorporation and Bylaws of TUGA, as in effect at the Effective Time, will be and remain the Articles of Incorporation and Bylaws of the Surviving Corporation;
- (f) The directors of TUGA who were in office immediately before the Effective Time will be the Surviving Corporation's directors until their respective successors are duly elected and qualified or until their earlier death, resignation, or removal;
- (g) The officers of TUGA who were in office immediately before the Effective Time will be the Surviving Corporation's officers until their respective successors are duly appointed and qualified or until their earlier death, resignation, or removal;
- (h) The Surviving Corporation will be responsible and liable for all of the liabilities and obligations of MergeCo and TUGA, and any claim existing or action or proceeding pending by or against MergeCo or TUGA may be prosecuted as if the Merger had not taken place, or the Surviving Corporation may be substituted in its place. Neither the rights of creditors nor any liens on the property of MergeCo or TUGA will be impaired by the Merger, and all debts, liabilities, and duties of MergeCo and TUGA will attach to the Surviving Corporation, and may be enforced against it to the same extent as if the debts, liabilities, and duties had been incurred or contracted by it;
- (i) The Founders' Agreement to which the Founders are bound is terminated as of the Effective Time, and will not apply to shares of the Surviving Corporation or Acquirer Shares issued to TUGA Holders in the Merger. Any provisions of the Founders' Agreement that would prohibit or otherwise affect the Merger are waived. The TUGA Holders have separately consented to this waiver and termination of the Founders' Agreement; and
- (j) At and after the Effective Time, the Merger will have the effects set forth in Section 724(1) of the Act and the other effects provided by law.

2.3 Surviving Corporation.

Unless otherwise determined in accordance with Applicable Laws by the Surviving Corporation or its shareholders, the following provisions will apply:

- (a) **Fiscal Year.** The fiscal year end of the Surviving Corporation will be December 31, unless and until changed by resolution of its board of directors.
- (b) **Name.** The name of the Surviving Corporation will be “TUGA-Global, Inc.” or such other name as agreed to by the Parties
- (c) **Registered Office.** The registered office of the Surviving Corporation will be the registered office of TUGA.
- (d) **Authorized Capital.** The authorized capital of the Surviving Corporation will be the authorized capital of TUGA as provided in its Certificate of Incorporation.
- (e) **Business and Powers.** There will be no restriction on the business that the Surviving Corporation may carry on or on the powers that the Surviving Corporation may exercise.

2.4 Certificate of Merger; Effective Time.

After this Agreement is approved and all condition precedents herein are satisfied or waived, the Parties will cause TUGA and MergeCo to execute and file the Certificate of Merger with the Michigan Department of Licensing and Regulatory Affairs, Corporations Division, Securities & Commercial Licensing Bureau (“LARA”). The Merger will become effective in accordance with the Act as of 12:01 a.m. on the Effective Date assigned to the Certificate of Merger by LARA (the “**Effective Time**”). The Effective Date, shall occur on June 22, 2021 or such other date agreed to (in writing) by the Parties, provided that the Effective Date shall not take place later than the Drop Dead Date.

2.5 U.S. Tax Treatment.

The Merger should not expose any TUGA Holder to a shareholder level tax under Internal Revenue Code Section 367, and will result in the Acquirer being deemed to be U.S corporation for U.S. tax purposes under Internal Revenue Code Section 7874(d).

The Parties intend that the Merger constitute a “reorganization” within the meaning of Sections 368(a)(1)(A) and 368(a)(2)(E) of the Code. For all applicable United States federal and state income Tax purposes, the Parties agree to report the Merger in a manner consistent with that intent and no Party shall take any action, or fail to take any action, if such action or failure to act negates the Merger’s status as a “reorganization” under Section 368(a) of the Code.

2.6 Further Assurances.

Subject to the provisions of this Agreement, the Parties will prepare and execute any documents in addition to the Certificate of Merger that may be required in connection with the Merger and to cause the same to be filed, in the manner required by applicable law. Each Party to this Agreement will execute such further documents and instruments and take such further actions that are not inconsistent with this Agreement as may be necessary to consummate the Merger and to otherwise effect this Agreement. If, at any time after the Effective Time, any further action is necessary to consummate the Merger or to otherwise effect this Agreement, the board of directors of the Surviving Corporation is fully authorized in the name of and on behalf of each Party to take all such necessary actions, so long as such actions are not inconsistent with this Agreement.

ARTICLE 3- REPRESENTATIONS, AND WARRANTIES

3.1 Representations and Warranties of TUGA.

TUGA represents and warrants to the Acquirer and MergeCo as follows, and acknowledges that the Acquirer and MergeCo are relying upon such representations and warranties in connection with the completion of the transactions contemplated herein.

- (a) **Corporate Status.** TUGA and the TUGA Subsidiary are corporations duly incorporated, organized and validly existing under the laws of the state of Michigan.
- (b) **Authority.** TUGA has all requisite legal power, competence and authority to enter into and perform this Agreement in accordance with its terms and the Merger Agreement. TUGA has full power and absolute authority and capacity to enter into this Agreement and the Merger Agreement and to carry out their obligations hereunder and thereunder and to consummate the transactions contemplated. This Agreement and the Merger Agreement, when executed and delivered, will constitute the legal and binding obligation of TUGA, enforceable against TUGA in accordance with its terms.
- (c) **Subsidiaries.** Other than TUGA-USA, Inc. (the “**Subsidiary**”), TUGA has no subsidiaries or Affiliates.
- (d) **Solvency.** There are no bankruptcy, insolvency, reorganization, receivership or other such proceedings pending against or being contemplated by TUGA or the Subsidiary, or, to TUGA’s knowledge, threatened against it or the Subsidiary.
- (e) **Corporate Records.** The corporate records, including all governing documents, minutes of meetings and resolutions of shareholders, directors and any committees, the share certificates, register of securityholders and register of directors of TUGA and the Subsidiary are complete and accurate and all corporate proceedings and actions reflected in such corporate records have been conducted or taken in compliance with all Applicable Laws and with the constitution of TUGA and the Subsidiary. The constating documents of TUGA and the Subsidiary are in the form contained in its respective minute books and no modifications or alterations have been proposed or approved by its shareholders.

- (f) **Shareholders' Agreements.** Other than the Founders' Agreement, TUGA has never been subject to, or affected by, any shareholders agreement. There are no agreements between the securityholders holders, pooling agreements, voting trusts, proxies or other similar agreements, arrangements or understandings with respect to the ownership or voting of any of the TUGA Shares or other securities of or interests in TUGA.
- (g) **Authorized and Issued Capital.** TUGA's pre-Merger capitalization is set out in **Schedule B**. TUGA is authorized to issue up 900,000 shares of common stock without par value, of which 652,692 fully paid shares are validly issued and outstanding as of the date hereof, registered in the names of and beneficially owned by the TUGA Holders as set out in **Schedule B**. TUGA is also authorized to issue up to 100,000 shares of preferred shares, and has no outstanding preferred shares.
- (h) **Outstanding Securities.** Other than as set out in **Schedule B**, there are no other outstanding shares, options, warrants, convertible notes or debentures, agreements, documents, instruments or other writings of any kind whatsoever which constitute a "security" of TUGA (as that term is defined in the Applicable Laws).
- (i) **No Other Agreements to Purchase.** Other than as set out herein, there are no options, agreements, rights of first refusal or other rights capable of becoming such to acquire all or any part of the TUGA Shares or any securities of TUGA and no Person has any right to require TUGA to issue any TUGA Shares or any security convertible into or exercisable or exchangeable for securities of TUGA.
- (j) **Dividends and Distributions.** No dividends or other distributions of any kind whatsoever on any shares in the common stock of TUGA or the Subsidiary have been made, declared or authorized.
- (k) **Licenses and Permits.** TUGA and the Subsidiary hold all licenses and permits that are required for carrying on the TUGA Business in the manner in which such business has been carried on. Such permits are valid and in full force and effect, and none of such permits will be terminated or impaired or become terminable as a result of the transactions contemplated hereby.
- (l) **Compliance with Laws.** TUGA and the Subsidiary have conducted and are conducting its business in all material respects in compliance with all Applicable Laws in the jurisdictions in which the TUGA Business is carried on.
- (m) **No Unlawful Payments.** Neither TUGA nor the Subsidiary nor, any director, officer, agent, employee or other person associated with or acting on behalf of TUGA or the Subsidiary has: (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity, (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds, (iii) violated or is in violation of any provision of applicable foreign corrupt practices legislation, including the *Corruption of Foreign Public Officials Act* (Canada), the *U.S. Foreign Corrupt Practices Act*; or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.
- (n) **International TUGA Holders.** All securities issued to overseas TUGA Holders, were validly issued pursuant to the Applicable Laws of those jurisdictions (the "**International Jurisdictions**") including, without limitation:

- (i) that securities issued to such TUGA Holders were issued pursuant to exemptions from prospectus or equivalent requirements under Applicable Laws or the TUGA Holder was permitted to purchase such securities without the need to rely on any exemptions;
 - (ii) that the Applicable Laws did not and will not require TUGA to make any filings or seek any approvals of any kind whatsoever from any Governmental Authority of any kind whatsoever in the International Jurisdiction in connection with the issue and sale or resale of the securities; and
 - (iii) that the purchase of securities by the TUGA Holder did not and will not trigger any obligation to prepare and file a prospectus or similar document, or any other report with respect to such purchase in the International Jurisdiction, or any continuous disclosure reporting obligation of TUGA in the International Jurisdiction, and the TUGA Holder will, if requested by TUGA, deliver to TUGA a certificate or opinion of local counsel from the International Jurisdiction which will confirm the matters referred to in this subparagraph to the satisfaction of the TUGA, acting reasonably.
- (o) **Taxes.**
- (i) There are no tax Liens against TUGA or the Subsidiary, the Assets or the TUGA Business and, to the actual knowledge of TUGA, there is no basis for any such Lien.
 - (ii) TUGA and the Subsidiary do not have any unrecorded Tax liabilities.
 - (iii) All Tax Returns and reports of TUGA and the Subsidiary required by law to have been filed have been filed and are substantially true, complete and correct and all Taxes and other government charges of any kind whatsoever of TUGA have been paid.
 - (iv) Adequate provision has been made for Taxes payable by TUGA and the Subsidiary for the current period for which tax returns are not yet required to be filed and there are no agreements, waivers or other arrangements of any kind whatsoever providing for an extension of time with respect to the filing of any tax return by, or payment of, any tax or governmental charge of any kind whatsoever by TUGA or the Subsidiary.
 - (v) TUGA and the Subsidiary have withheld from each payment made by it the amount of all Taxes and other deductions required under any Applicable Laws to be withheld therefrom and has remitted all those amounts withheld and paid all installments of Taxes due and payable before the date hereof to the relevant Governmental Authority within the time prescribed under any Applicable Laws.
- (p) **Employment and Employee Benefit Matters.**
- (i) **Schedule G** lists the employees, independent contractors or other nonemployees (if any) who supply their services under personal services contracts (whether written or oral) to TUGA or the Subsidiary.

- (ii) TUGA and the Subsidiary have no employee benefit, bonus, incentive, profit sharing, termination, change of control, pension, health, welfare, life insurance or similar plans maintained by TUGA or the Subsidiary, respectively.
- (iii) TUGA and the Subsidiary are not a party to or bound by or subject to any collective bargaining agreement or other similar arrangement with any labour union or employee association nor has it made any commitment to or conducted any negotiation or discussion with any labour union or employee association with respect to any future agreement or arrangement and, to the best knowledge of TUGA, there is no current application for certification or other attempt to organize or establish any labour union or employee association with respect to employees of TUGA or the Subsidiary.
- (iv) TUGA and the Subsidiary have not made any commitment verbally or in writing to increase the wages, or modify the other conditions or terms of employment, of any of the employees.
- (v) TUGA and the Subsidiary have complied with, and operated their business in accordance with, all Applicable Laws relating to employment and labor matters, including employment and labor standards, occupational health and safety, employment equity, pay equity, workers' compensation, human rights and labor relations matters; there are no current, pending or, to the knowledge of TUGA, threatened claims, complaints or proceedings of any kind involving TUGA or the Subsidiary, or to the knowledge of TUGA, any current or former employees of TUGA or the Subsidiary before any Governmental Authority with respect to any of the above matters; and there are no facts known to TUGA that could reasonably be expected to give rise to any such claim, complaint or proceeding.
- (vi) No Person will, as a result of the transactions contemplated hereby, become entitled to (1) any retirement, severance, bonus or other such payment, (2) the forgiveness or postponement of payment of any indebtedness owing to TUGA or the Subsidiary, or (3) receive any additional payments or compensation.
- (vii) All accruals for unpaid vacation pay, premiums for employment insurance, health premiums, pension plan premiums, accrued wages, salaries and commissions and other employee benefits have been reflected in the books and records of TUGA and the Subsidiary.
- (viii) To the knowledge of TUGA, no employee or consultant of TUGA or the Subsidiary have breached any agreement such that TUGA or the Subsidiary would be liable to other parties to the breached agreement for employing, engaging or continuing to employ or engage the employee or consultant and no employees or consultants are subject to any restrictions which would limit an employee or consultant's activities on behalf of TUGA or the Subsidiary, including without limitation matters relating to previous inventions, discoveries or other items of Intellectual Property.

- (q) **Financial Information.**
- (i) Attached as **Schedule G** hereto are true and complete copies of the Financial Information. The Financial Information fairly presents in all material respects (A) the assets and liabilities of TUGA, the Subsidiary and the TUGA Business as of December 31, 2020 and three month interim period ended March 31, 2021; and (B) the revenues and expenses of TUGA, on a consolidated basis, for the year ended December 31, 2020 and three month interim period ended March 31, 2021.
 - (ii) TUGA and the Subsidiary do not have any indebtedness, obligations or other liabilities of any kind (whether accrued, absolute, contingent or otherwise, and whether due or to become due) that would have been required to be reflected in, reserved against or otherwise described in the Financial Information which was not fully reflected in, reserved against or otherwise described in the Financial Information or that was not incurred in the ordinary course of business consistent with past practice since December 31, 2020.
 - (iii) The Business Records and all books, records and accounts of TUGA and the Subsidiary are accurate and complete in all material respects and are maintained in all material respects in accordance with good business practice and all applicable legal requirements
 - (iv) TUGA and the Subsidiary have not guaranteed, or agreed to guarantee, and is not a party to or bound by, any debt, liability or other obligation of any Person. TUGA and the Subsidiary are not indebted or under any obligation to the TUGA Holders or its Affiliates on any account whatsoever.
- (r) **Ordinary Course.** TUGA has conducted the TUGA Business in the ordinary course of business consistent with past practice, and there has not been:
- (i) any incurrence, assumption or guarantee by TUGA or the Subsidiary of any indebtedness for borrowed money;
 - (ii) any making of any loan, advance or capital contributions to or investment by TUGA or the Subsidiary in any Person;
 - (iii) any Lien incurred by TUGA or the Subsidiary; and
 - (iv) any cancellation of, notice of cancellation of, or, to the best knowledge of TUGA, indication of intent to cancel, changes in, amendment to or defaults on any customer or vendor, contracts agreements or strategic alliance agreements.
- (s) **Privacy Laws.** TUGA and the Subsidiary carry on and have carried on the TUGA Business in compliance with all Applicable Laws relating to the protection of Personal Information wherever such Personal Information may be situated;
- (t) **Related Party Transactions.** No current or former director, officer, employee or agent of TUGA or the Subsidiary, or any other insider of TUGA or the Subsidiary or any Affiliate or associate of any of them is a party to any loan, contract, arrangement or understanding or other transactions with TUGA or the Subsidiary.

- (u) **Insurance.** TUGA and the Subsidiary are insured by third party insurers against liability, loss and damage in such amounts and against such risks as are customarily carried and insured against by owners of comparable businesses, properties and assets, and such insurance coverage will be continued in full force and effect to and including the date of the Effective Time. A description of TUGA's insurance policies have been provided to the Acquirer and set forth in **Schedule G** is a list of all insurance policies and fidelity bonds placed by TUGA covering the assets, business, equipment, properties, operations, employees, officers and directors of TUGA and the Subsidiary and any claims pending thereunder. There is no claim by TUGA or the Subsidiary pending under any of such policies or bonds as to which coverage has been questioned, denied or disputed by the underwriters of such policies or bonds. All premiums payable under all such policies and bonds have been paid, and TUGA and the Subsidiary are otherwise in full compliance in all respects with the terms and conditions of all such policies and bonds. Such policies of insurance and bonds (or other policies and bonds providing substantially similar insurance coverage) remain in full force and effect as of the Effective Time. There is not any threatened termination of, or premium increase with respect to, any of such policies or bonds.
- (v) **Real Property.** Neither TUGA nor the Subsidiary own or lease any real property.
- (w) **Environmental.** The operations of TUGA and the Subsidiary are now and always have been in compliance with all Applicable Laws, standards or policies relating to the environment ("**Environmental Laws**") including protection of the environment, and TUGA and the Subsidiary, possess all environmental licenses, permits and approvals necessary for them to carry on the TUGA Business. TUGA, the Subsidiary and those for whom TUGA are responsible in law, have not caused or permitted, nor has there been, any release, discharge or disposal of any contaminant or pollutant, as those terms are defined in Environmental Laws, in, on, from, to or under any of the property owned or leased or formerly owned or leased by TUGA, the Subsidiary or used in the operations of the TUGA Business. There are no claims under Environmental Laws nor, to the best knowledge of TUGA, are there any claims under Environmental Laws pending, whether asserted by third parties or Governmental Authorities, TUGA, the Subsidiary or the TUGA Business, or any facts or circumstances that could give rise to a claim under Environmental Laws.
- (x) **Material Contracts.** TUGA has made available to the Acquirer a correct and complete copy of each of its Material Contracts. The Data Room contains accurate, correct and complete copies of each Material Contract set out in **Schedule G** hereto. Each Material Contract is valid and binding on TUGA (or the Subsidiary) and each other party thereto, as applicable, and is in full force and effect (ii) no event or condition exists that constitutes, or, after notice or lapse of time or both, will constitute, a breach or default on the part of TUGA (or the Subsidiary) or, on the part of any other party under any Material Contract. TUGA and the Subsidiary have not provided or received any notice of any intention to terminate any Material Contract and there are no material disputes pending or threatened under any Material Contract. Except for the Material Contracts set out in **Schedule G** hereto, TUGA or the Subsidiary is not a party to or subject to:
 - (i) any contract for the purchase of materials, supplies, goods, services, equipment or other assets;
 - (ii) any lease;

- (iii) any purchase, distribution or other similar agreement providing for the purchase by TUGA or the Subsidiary of materials, supplies, goods, services, equipment, technology, software, hardware or other assets;
 - (iv) any partnership, joint venture or other similar contract, arrangement or agreement;
 - (v) any contract relating to indebtedness for borrowed money or the deferred purchase price of property (whether incurred, assumed, guaranteed or secured by TUGA, the Subsidiary or any of its assets);
 - (vi) any agreement containing a covenant not to compete or otherwise limiting TUGA's ability to carry on the TUGA Business, or otherwise assume or incur any obligation or liability, with respect to the infringement, unauthorized use or disclosure, or misappropriation by TUGA, the Subsidiary or any other Person of the Intellectual Property rights of any Person other than TUGA or the Subsidiary;
 - (vii) any agency, dealer, sales representative or other similar agreement;
 - (viii) any contract or other document that limits the freedom of TUGA or the Subsidiary to compete in any line of business or with any Person or in any area or which would so limit the freedom of TUGA or the Subsidiary after the Effective Time;
 - (ix) any contract with distributors or resellers;
 - (x) any contract or agreement between TUGA or the Subsidiary, on one hand, and the TUGA Holders or any of their Affiliates, on the other hand;
 - (xi) any contract or agreement with any Governmental Authority;
 - (xii) any contract or agreement with respect to the acquisition, merger or disposition by TUGA or the Subsidiary of any other Person, business, line of business or assets;
 - (xiii) any employment, independent contractor, severance, change of control, consulting contract or agreement;
 - (xiv) any verbal agreements and expressions of interest, letters of understanding, memoranda of understanding and like agreements or understandings between TUGA or the Subsidiary and any third party which gives or may give rise to any payment obligation of TUGA, including any obligation to pay royalties of any kind; or
 - (xv) any other contract or commitment not made in the ordinary course of business.
- (y) **Indebtedness.** Other than the promissory notes set out in **Schedule H** (the “**Promissory Notes**”), TUGA and the Subsidiary have no debts, accounts payable, obligations or other liabilities of any kind (whether accrued, absolute, contingent or otherwise, and whether due or to become due) as of date hereof.
- (z) **Accounts Receivable.** TUGA and the Subsidiary have no accounts receivable.

- (aa) **Licenses.** TUGA and the Subsidiary have not licensed or assigned any of the Assets (including the Intellectual Property).
- (bb) **Defects.** To the knowledge of TUGA, there are no material errors or defects in the Intellectual Property.
- (cc) **Required Consents and Authorizations.** Other than the TUGA Stockholder Approval, there is no requirement on the part of TUGA or the Subsidiary to obtain any consent, approval or waiver of a third party to complete the transactions contemplated by this Agreement. There is no requirement on the part of TUGA or the Subsidiary to make any filing with or give any notice to any Governmental Authority, or obtain any authorization, in connection with the completion of the transactions contemplated by this Agreement.
- (dd) **Conflicting Agreements.** Neither the execution nor delivery by TUGA of this Agreement or the Merger Agreement nor compliance by TUGA with the terms and provisions hereof and thereof will:
 - (i) conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in any violation of, any award of any arbitrator or any other agreement, any regulation, law, judgement, Order, Material Contract or the like to which TUGA, the Subsidiary or the TUGA Holders are subject or
 - (ii) result in the creation of any Lien upon all or any of the Assets. The TUGA Holders, the Subsidiary and TUGA are not a party to, or otherwise subject to any provision contained in, any instrument evidencing indebtedness, any agreement relating thereto or any other contract or agreement which restricts or otherwise limits the Merger or transfer of the TUGA Shares to the Acquirer.
- (ee) **Litigation.** No action, suit, proceeding or investigation is pending or, to the actual knowledge of the TUGA Holders, is threatened against TUGA, the Subsidiary, the TUGA Holders or the TUGA Business:
 - (i) which questions the validity of this Agreement or the Merger Agreement or the right of TUGA to enter into this Agreement or seeks to prevent any of the transactions contemplated under this Agreement;
 - (ii) which is reasonably likely to have a material adverse effect on TUGA, the Subsidiary, the Assets or the TUGA Business;
 - (iii) which challenges the ownership or use, in any respect, of the Assets, the TUGA Shares; or
 - (iv) which challenges the rights of TUGA or the Subsidiary under or the validity of any of the Intellectual Property. There is no judgement, decree, injunction, rule or Order of any court, Governmental Authority, department, commission agency, instrumentality or arbitrator or other similar ruling outstanding against TUGA or the Subsidiary relating to the Assets, the TUGA Business or this transaction. No action, suit, proceeding or investigation is pending or, to the actual knowledge of the TUGA Holders, is, threatened by TUGA, the Subsidiary or the TUGA Holders against any third party relating to the Assets or TUGA Business.

- (ff) **Governmental Authorizations and Regulations.** To the best knowledge of TUGA, TUGA and the Subsidiary are not in violation of any laws, material governmental Orders, rules or regulations, whether federal, state or local, to which TUGA, the Subsidiary, the TUGA Business or the Assets are subject, except for any such violations which are not reasonably likely to have a material adverse effect on TUGA, the Subsidiary, the TUGA Business or the Assets. The TUGA Holders have prior to the Effective Time delivered to the Acquirer a true and correct list of all licenses, franchises, permits and other governmental authorizations held by TUGA that are material in connection with the TUGA Business or related to the ownership and use of the Assets.
- (gg) **Manufacturing and Technology Rights.** TUGA or the Subsidiary has not granted rights to manufacture, publish, produce, assemble, license or sell the Assets or any of its technology to any other person and is not bound by any agreement which affects TUGA's or the Subsidiary's exclusive right to manufacture, publish, produce, assemble, license, distribute or sell the Assets.
- (hh) **Full Disclosure.**
- (i) This Agreement, and Schedules hereto and all other documents delivered by TUGA to the Acquirer or their attorneys or agents in connection herewith or therewith or with the transactions contemplated hereby or thereby (including all information provided to the Acquirer in relation to the Acquirer's due diligence requests, including information provided in the Data Room) when taken as a whole, do not contain any untrue statement of a material fact nor, to the best knowledge of TUGA, omit to state a material fact necessary in order to make the statements contained herein or therein not misleading. To the best knowledge of TUGA, it has disclosed all Business Records material to TUGA, the Subsidiary, the TUGA Business and the Assets.
- (ii) To the best of TUGA's knowledge, information and belief, neither TUGA, nor the Subsidiary, nor the directors, officers, shareholders or other insiders of TUGA and the Subsidiary have withheld from the Acquirer any material information necessary to enable the Acquirer to make an informed assessment and valuation of the business, assets and liabilities of TUGA.
- (ii) **Title to Assets.**
- (i) **Good Title.** TUGA and/or the Subsidiary has good and marketable title in and to all of the Assets and the Assets are not subject to any mortgage, pledge, Lien, lease, claim, encumbrance, charge, security interest, royalty obligations or other interest or claim of any kind or nature whatsoever, and TUGA does not license any component thereof from a third party. There are no material agreements or arrangements between TUGA or the Subsidiary and any third party which are reasonably likely to have a material effect upon TUGA's or the Subsidiary's title to and other rights respecting the Assets. TUGA has the sole right to bring actions for infringement of any Intellectual Property.
- (ii) **No Rights to Acquire Assets.** There are no written or oral agreements, options, understandings, commitments, or other rights or privilege pursuant to which TUGA or the Subsidiary is, or may become, obligated to sell any of the Assets or the TUGA Business.

- (iii) **Protection of Ownership Interest.** TUGA and the Subsidiary have taken and will take all reasonable security measures to protect the secrecy, confidentiality and value of all Intellectual Property. TUGA and the Subsidiary have not taken any action or, failed to take an action that directly or indirectly caused the proprietary information contained in the Assets to enter the public domain or in any way affected its value or TUGA's or the Subsidiary's absolute and unconditional ownership thereof.
- (iv) **No Limitation on Assets.** The Acquirer will be subject to no limitations, obligations or restrictions with regard to the sale, license, distribution or other transfer or exploitation of the Assets. All rights to any tangible or intangible property material (including, but not limited to, all Intellectual Property) to the Assets have been validly transferred to TUGA free of any adverse claims by any predecessor entity, or any partner, limited partner, security holder or creditor of any such predecessor entity, and no such property rights remain in any such entity. TUGA and the Subsidiary are under no obligation to pay any other party any royalties or other fixed or contingent amounts based upon the sale, license, distribution or other use or exploitation of the Assets.
- (jj) **Sufficiency of Assets.** The TUGA Business is the only business operation carried on by TUGA and the Subsidiary. The Assets include all rights, Intellectual Property and property necessary to enable TUGA to conduct the TUGA Business after the Effective Time substantially in the same manner as it was conducted prior to the Effective Time.
- (kk) **Condition of Assets.** The tangible assets of TUGA and the Subsidiary, taken as a whole, are in good operating condition and repair (subject to normal wear and tear and other impairments of value which do not materially interfere with the use of such assets in the ordinary course of business).
- (ll) **Maintenance of Assets.** Since December 31, 2020, TUGA and the Subsidiary have:
 - (i) maintained the Assets and the TUGA Business in the ordinary course of business as would reasonably be expected of a careful and prudent owner, and did not enter into any other agreement affecting any rights of TUGA and the Subsidiary or its interest in the Assets;
 - (ii) conducted the TUGA Business using the Assets in a reasonable and prudent manner in accordance with past practices;
 - (iii) used good faith diligent efforts to preserve its existing business organizations and relationships with its employees, customers, suppliers, and others with whom it had a business relationship;
 - (iv) preserved and protected its properties;
 - (v) conducted the TUGA Business with respect to the Assets in material compliance with all applicable laws and regulations; and

- (vi) maintained all registrations and applications for Intellectual Property protection for the Assets, if any, in good standing.

(mm) **Intellectual Property:**

- (i) **Intellectual Property. Schedule F** of this Agreement sets forth a true, accurate and complete description of the Intellectual Property and **Schedule G** sets forth all material agreements entered into with respect to the Intellectual Property. TUGA owns all right, title or interest in and to the Intellectual Property described in **Schedule F**. TUGA has initiated steps to transfer the publicly recorded ownership of Portuguese trademark registration No. 613991 and the domain name tuga-energy.com to TUGA.
- (ii) **Trademarks and Trade Names. Schedule F** sets forth an accurate and complete list of all registered and unregistered trademarks and all of TUGA's pending applications for registration of trademarks (if any);
- (iii) **Copyrights. Schedule F** sets forth an accurate and complete list of all registered and unregistered copyrights and all of TUGA's pending applications for registration of copyrights (if any);
- (iv) **Patents. Schedule F** hereto sets forth an accurate and complete list of all of TUGA's Patents, and Patents pending. TUGA is the sole and exclusive owner with respect to any Patent, or Patent pending that is material to the TUGA Business as currently conducted;
- (v) **Intellectual Property Registrations.** The Intellectual Property Registrations of TUGA are subsisting and valid and enforceable in their respective jurisdictions of registration in accordance with the applicable Laws of such jurisdictions. The foregoing will not be construed as any representation that any of TUGA's Intellectual Property Registrations will issue on any application therefor. TUGA and the Subsidiary have not taken any action or failed to take any action that reasonably would be expected to result in the abandonment, cancellation, forfeiture, relinquishment, invalidation or unenforceability of any of its Intellectual Property Registrations. Without limiting the generality of the foregoing, all filing, examination, issuance, and post registration fees associated with or required with respect to any of TUGA's Intellectual Property Registrations that were due prior to the Effective Time have been timely paid.
- (vi) **No Opposition to Intellectual Property Registration.** None of TUGA's Intellectual Property Registrations are involved in any pending or, to the actual knowledge of TUGA, threatened or opposition, cancellation or similar proceeding, and no such proceeding has been threatened in writing. TUGA and the Subsidiary have not: (A) received notice of any lawsuit, threat or claim challenging its title, free and clear of any Liens, in and to any of the Intellectual Property or alleging (1) that any Intellectual Property right is invalid, unenforceable or misused or (2) that TUGA, the Subsidiary or any Affiliate thereof has breached any contract relating to any of the Intellectual Property; or (B) brought or threatened in writing to bring any action for or alleged in writing (1) any infringement or misappropriation of any of the Intellectual Property, (2) in connection with the TUGA Business, the unenforceability, invalidity or misuse of Intellectual Property of any third party or (3) the breach of any contract

relating to the Intellectual Property. To the actual knowledge of TUGA, no Person is misappropriating, infringing, diluting or violating, in any material respect, any Intellectual Property right;

- (vii) **No Orders.** None of the Intellectual Property is subject to any outstanding Order restricting the use thereof by TUGA or any Affiliate thereof, or, with respect to the Assets, the sale, transfer, assignment or licensing thereof by TUGA, the Subsidiary or any Affiliate thereof to any person.
- (viii) **No Violation of Third-Party Rights.** To the best knowledge of TUGA, the use of the Intellectual Property in the conduct of the TUGA Business has not and does not infringe or conflict with the rights of others under any intellectual property in any jurisdiction in the world. To the best knowledge of TUGA no third party has a claim or potential claim against TUGA or the Subsidiary or the Intellectual Property arising from a contributory input, whether intellectual, contribution of equipment, or otherwise into the development of the Intellectual Property.
- (ix) **Development of Intellectual Property.** Except as has been specifically disclosed to the Acquirer, the Intellectual Property has been developed internally by TUGA by its employees within the scope of their employment or by its founders who have entered into Technology Assignment Agreements with TUGA, without the use of external independent contractors or any other third parties.
- (x) **Third Party Software.** Any third-party software incorporated into or used in connection with the Intellectual Property by TUGA or the Subsidiary is licensed to TUGA and can be assigned at no additional cost to the Acquirer as part of the Intellectual Property to allow it to be exploited in the normal course if requested by the Acquirer.
- (xi) **No Indemnity Obligations.** TUGA and the Subsidiary have not agreed to indemnify any third party for or against any infringement of any Intellectual Property.

3.2 Representations and Warranties of the Acquirer.

The Acquirer represents and warrants to TUGA as follows, and acknowledges that TUGA is relying upon such representations and warranties in connection with the completion of the transactions contemplated herein:

- (a) **Corporate Status.** The Acquirer is a corporation duly incorporated, organized and validly existing under the laws of the state of British Columbia.
- (b) **Authority.** The Acquirer has all requisite legal power, competence and authority to enter into and perform this Agreement in accordance with its terms and the Merger Agreement. The Acquirer has full power and absolute authority and capacity to enter into this Agreement and the Merger Agreement and to carry out their obligations hereunder and thereunder and to consummate the transactions contemplated. This Agreement and the Merger Agreement, when executed and delivered, will constitute the legal and binding obligation of the Acquirer, enforceable against the Acquirer in accordance with its terms.
- (c) **Subsidiaries.** Other than MergeCo, the Acquirer has no subsidiaries or Affiliates.

- (d) **Solvency.** There are no bankruptcy, insolvency, reorganization, receivership or other such proceedings pending against or being contemplated by the Acquirer, or, to the Acquirer's knowledge, threatened against it.
- (e) **Corporate Records.** The corporate records, including all governing documents, minutes of meetings and resolutions of shareholders, directors and any committees, the share certificates, register of securityholders and register of directors of the Acquirer are complete and accurate and all corporate proceedings and actions reflected in such corporate records have been conducted or taken in compliance with all Applicable Laws and with the constitution of the Acquirer. The constating documents of the Acquirer are in the form contained in its respective minute books and no modifications or alterations have been proposed or approved by its shareholders.
- (f) **Shareholders' Agreements.** The Acquirer has never been subject to, or affected by, any shareholders agreement. There are no agreements between the securityholders holders, pooling agreements, voting trusts, proxies or other similar agreements, arrangements or understandings with respect to the ownership or voting of any of the Acquirer Shares or other securities of or interests in the Acquirer.
- (g) **Authorized and Issued Capital.** The Acquirer's pre-Merger capitalization is set out in **Schedule B**. The Acquirer is authorized to issue an unlimited number of common shares without par value, of which 5,050,000 fully paid shares are validly issued and outstanding as of the date hereof as set out in **Schedule B**.
- (h) **Outstanding Securities.** Other than as set out in **Schedule B**, there are no other outstanding shares, options, warrants, convertible notes or debentures, agreements, documents, instruments or other writings of any kind whatsoever which constitute a "security" of the Acquirer (as that term is defined in the Applicable Laws).
- (i) **No Other Agreements to Purchase.** Other than as set out herein, there are no options, agreements, rights of first refusal or other rights capable of becoming such to acquire all or any part of the Acquirer Shares or any securities of the Acquirer and no Person has any right to require the Acquirer or to issue any Acquirer Shares or any security convertible into or exercisable or exchangeable for securities of the Acquirer.
- (j) **U.S. Taxes.** To the knowledge of the Acquirer, the Merger should not expose any TUGA Holder to a material shareholder level tax under Internal Revenue Code Section 367, and should result in the Acquirer being deemed to be U.S corporation for U.S. tax purposes under Internal Revenue Code Section 7874(d).

3.3 Survival of Representations and Warranties.

All of the representations and warranties set forth in this Agreement will survive the execution and delivery of this Agreement and the Effective Time for a period of seven years from the Effective Time.

ARTICLE 4- OTHER TERMS

4.1 Founders' Agreement.

TUGA will cause the Founders to terminate the Founders' Agreement prior to the Effective Time and provide evidence satisfactory to the Acquirer of such termination.

4.2 **Management Performance Warrants.**

The Acquirer will at the Effective Time issue an aggregate of 30,000,000 management performance warrants of the Acquirer as set out and in accordance with the terms, conditions and denominations set out in **Schedule E** (the “**Management Performance Warrants**”). The Management Performance Warrants, including any underlying Acquirer Shares issuable upon exercise thereof, will be subject to the Voluntary Resale Restrictions and the NP 46-201 Agreement.

4.3 **Voluntary Resale Restrictions.**

The Founders hereby irrevocably agree and acknowledge that: (a) the Acquirer Shares to be issued to the Founders pursuant to the Merger; and (b) the Management Performance Warrants, will be subject to a voluntary six month hold period from the date of issuance (the “**Voluntary Resale Restrictions**”), in addition to the NP 46-201 Agreement restrictions and any other resale restrictions required by applicable securities laws. For greater certainty, the Acquirer will legend the certificates or direct registration system advice statements representing: (i) the Acquirer Shares issued to the Founders pursuant to the Merger; and (ii) the Management Performance Warrants, to give effect to the Voluntary Resale Restrictions.

4.4 **NP 46–201 Agreement.**

TUGA will have caused the Founders to enter into a Form 46-201F1 Escrow Agreement (the “**NP 46-201 Agreement**”) at or prior to the Effective Time pursuant to which: (a) the Acquirer Shares to be issued to the Founders pursuant to the Merger; and (b) the Management Performance Warrants, will be subject to escrow in connection with any Going Public Transaction

4.5 **Promissory Notes.**

TUGA will re-pay and settle the Promissory Notes in full prior to the Effective Time, and the Promissory Notes will be null void and no further force or effect at and after the Effective Time. For greater certainty, any liabilities owed or promissory notes issued by TUGA to the Acquirer will be excluded from repayment under this section.

4.6 **Due Diligence.**

TUGA will reasonably cooperate with any reasonable due diligence review conducted by the Acquirer in connection with the transactions contemplated hereby, including, without limitation, providing information and making available complete copies of its governing documents, minute books, securities ledger and other securities documents, and other books, records and senior corporate officers, during normal business hours and TUGA’s principal offices (which may occur by way of video conferencing), as the Acquirer may reasonably request from time to time.

4.7 **TUGA Stockholder Approval.**

TUGA will cause the TUGA Holders to approve the Merger by the Effective Time by way of stockholder unanimous consent resolution (the “**TUGA Stockholder Approval**”). Upon receipt of the TUGA Stockholder Approval, TUGA agrees to provide sufficient evidence (in the reasonable opinion of the Acquirer) of such approval to TUGA.

4.8 MergeCo Stockholder Approval.

The Acquirer agrees to provide the MergeCo Stockholder Approval by executing a written stockholder resolution approving the Merger prior to the Effective Time.

4.9 Board Reconstitution.

At the Effective Time, the Parties agree that the board of directors of the Acquirer will be reconstituted to include: (a) Kraig Schultz; (b) Antonio Camara; (c) Edmundo Nobre; and two nominees selected by the Acquirer, provided such nominations and such persons are eligible to act as directors pursuant to the BCBCA (the “**Board Reconstitution**”). The Acquirer agrees to take all reasonable commercial steps prior to the Effective Time to effect the Board Reconstitution as of the Effective Time.

4.10 Management Reconstitution.

At the Effective Time, the Parties agree that the management of the Acquirer will be reconstituted to include: (a) John Hagie – *CEO*; (b) Faizaan Lalani – *CFO and Corporate Secretary*; (c) Kraig Schultz – *Chief Technology Officer*; and (d) Cesar Barbosa – *Vice-President*, provided such nominations and such persons are eligible to act as directors pursuant to the BCBCA (the “**Management Reconstitution**”). The Acquirer agrees to take all reasonable commercial steps prior to the Effective Time to effect the Management Reconstitution as of the Effective Time.

4.11 Name Change.

Subject to the Acquirer obtaining such approvals as are required under the BCBCA, the Acquirer agrees to change its name to “Tuga Innovations, Inc.” or such other name as approved by TUGA and any applicable regulatory authorities (the “**Name Change**”).

4.12 U.S. Investors.

TUGA will deliver to all TUGA Holders that are U.S. Persons, as such term is defined in the 1933 Act, an accredited investor certificate in a form acceptable to the Acquirer, acting reasonably (an “**Accredited Investor Certificate**”). TUGA will deliver completed Accredited Investor Certificates for all TUGA Holders that are U.S. Person to the Acquirer prior to the Effective Time.

4.13 Consulting Agreements.

In connection with the transactions contemplated herein, the Acquirer and TUGA acknowledge that TUGA has the following consulting agreements set out in **Schedule D** (each a “**Consulting Agreement**”), which are currently in effect and will remain in effect at the Effective Time until such time that such Consulting Agreements are terminated or superseded.

4.14 Going Public Transaction, Prospectus and Listing Statement.

TUGA and the Founders will provide to the Acquirer such additional information and documentation as the Acquirer or its counsel may reasonably request in connection with its efforts to complete a Going Public Transaction, and prepare a Prospectus and Listing Statement and seek and obtain a final receipt for a Prospectus and CSE approval for listing the Acquirer Shares. TUGA and the Founders agree to use best efforts to assist the Acquirer to complete a Going Public Transaction and with its efforts to prepare a Prospectus and Listing Statement and seek and obtain a final receipt for a Prospectus and the foregoing CSE approval. TUGA and the Founders will provide the Acquirer and its auditor with all financial information relating (but not limited) to the Intellectual Property and operations of TUGA and any predecessor entities or acquired businesses prior to the Effective Date and access to all service providers and others as necessary to complete an audit of TUGA and any predecessor entities or acquired businesses of TUGA, and any management discussion and analysis related thereto.

4.15 Recission Right.

If the Acquirer does not complete the Going Public Transaction by the date that is 18 months from the Effective Date (the “**Recission Right Date**”), then the Acquirer irrevocably agrees that the Founders, will, for a period of six months from the Recission Right Date (the “**Option Period**”), have the option to effectively rescind and unwind the Merger, which may include transferring all of the TUGA Shares from the Acquirer to the Founders pro rata, all of which is subject to Applicable Laws and provided the Acquirer has:

- (a) repurchased, cancelled and returned to treasury all of the Acquirer Shares issued in consideration for the 260,292 TUGA Shares issued to “Various” stockholders as set out in Schedule A pursuant to the Merger, in consideration for payment to such shareholders of the purchase price paid by such shareholders for the initial \$1.53 units of TUGA which included the foregoing TUGA Shares;
- (b) repurchased, cancelled and returned to treasury all of the Acquirer Shares issued upon exercise of the TUGA warrants issued to “Various” securityholders as set out in Schedule A (“**TUGA Warrants**”) in consideration for payment to such shareholders of the relevant exercise price paid by such shareholders for the Acquirer Shares;
- (c) cancelled all outstanding TUGA Warrants;
- (d) repurchased, cancelled and returned to treasury all of the Acquirer Shares issued in consideration for the 5,050,000 Acquired Shares issued to the “Various” shareholders as set out in Schedule A in consideration for payment to such shareholders of the purchase price paid by such shareholders for the initial \$0.04 units of the Acquirer which included the foregoing Acquirer Shares;
- (e) repurchased, cancelled and returned to treasury all of the Acquirer Shares issued upon exercise of the Acquirer warrants issued to “Various” securityholders as set out in Schedule A (“**TUGA Warrants**”) in consideration for payment to such shareholders of the relevant exercise price paid by such shareholders for the Acquirer Shares;
- (f) cancelled all outstanding Acquirer Warrants;
- (g) repurchased, cancelled and returned to treasury any additional Acquirer Shares issued under note 1 of Schedule A in consideration for payment to such shareholders of the purchase price paid by such shareholder for the Acquirer Shares; and

- (h) repurchased, cancelled and returned to treasury (if applicable) any additional securities of the Acquirer issued in connection with a Going Public Transaction or otherwise, in consideration for payment of the purchase price paid for such securities to the securityholders.

For greater certainty, the Founders must exercise this right by providing a written notice signed by all Founders to the Acquirer prior to the expiry of the Option Period to be valid. Notwithstanding the foregoing, the mechanisms giving effect to such rights above will be conclusively determined by the Board of Directors, acting reasonably and good faith, and based on corporate, tax, securities and other legal considerations. Any breach of Section 4.14 of this Agreement by TUGA or the Founders will invalidate, and make null and void, any rescission rights granted under this Section 4.15 to the Founders. Notwithstanding the foregoing if the Acquirer: (i) has filed an application with a stock exchange or securities commission in Canada or the United States for a Going Public Transaction which remains active at the Rescission Right Date and/or during the Option Period; or (ii) entered into a binding agreement with another company (or companies) pursuant to which a Going Public Transaction has been agreed to, and such agreement has not been terminated by the Rescission Right Date or during the Option Period, then the Founders will not be able to exercise the rescission rights granted above. Notwithstanding the foregoing the re-purchases listed in subsections (a) to (h) will be subject to Applicable Laws and if any of the re-purchases would have the effect of triggering an “issuer bid” as that term is defined in National Instrument 62-104 – *Take-Over Bids and Issuer Bids* (“NI 62-104”) and such “issuer bid” does not qualify as an exempt issuer bid under NI 62-104, then the Board of Directors will in their sole discretion determine the best approach and mechanism to return the purchase price paid by securityholders to such holders.

ARTICLE 5- COVENANTS

5.1 Covenants of TUGA.

TUGA covenants and agrees that, during the period from the date of this Agreement until the earlier of the Effective Time and the date this Agreement is terminated in accordance with its terms, unless the Acquirer will otherwise consent in writing, except as required by law or as otherwise expressly permitted or specifically contemplated by this Agreement:

- (a) TUGA will use all commercially reasonable efforts to maintain and preserve its business, its assets (including the Intellectual Property) and business relationships;
- (b) TUGA will notify the Acquirer of any Material Adverse Effect on its business; and
- (c) TUGA will not directly or indirectly:
 - (i) take any action which may interfere with or be inconsistent with the successful completion of the transactions contemplated herein or take any action or fail to take any action which may result in a condition precedent to the transactions described herein not being satisfied;
 - (ii) pledge, hypothecate, lease, dispose of or encumber any TUGA Shares or other securities or any right, option or warrant with respect thereto;
 - (iii) amend or propose to amend its articles, unless such amendment is required to give effect to the transactions contemplated herein or with the consent of the Acquirer, such consent not to be unreasonably withheld;

- (iv) split, combine or reclassify any of its securities or declare or make any distribution or distribute any of its properties or assets to any Person;
- (v) enter into or amend any employment contracts with any director, officer or senior management employee, create or amend any employee benefit plan, make any increases in the base compensation, bonuses, paid vacation time allowed or fringe benefits for its directors, officers, employees or consultants;
- (vi) acquire or agree to acquire (by tender offer, exchange offer, merger, amalgamation, acquisition of shares or assets or otherwise) any Person, partnership or other business organization or division or acquire or agree to acquire any material assets;
- (vii) create any option or bonus plan, pay any bonuses, deferred or otherwise, or defer any compensation to any of its directors, officers or employees;
- (viii) make any material change in accounting procedures or practices;
- (ix) mortgage, pledge or hypothecate any of its assets, including the Intellectual Property, or subject them to any Lien;
- (x) enter into any agreement or arrangement granting any rights to purchase or lease any of its assets, including the Intellectual Property or requiring the consent of any Person to the transfer, assignment or lease of any of its assets, including the Intellectual Property;
- (xi) dispose of or permit to lapse any rights to the use of any intangible property;
- (xii) sell, lease, sublease, assign or transfer (by tender offer, exchange offer, merger, amalgamation, sale of shares or assets or otherwise) any of its assets, including the Intellectual Property, or cancel, waive or compromise any debts or claims, including accounts payable to and receivable from Affiliates;
- (xiii) enter into any other material transaction or any amendment of any contract, lease, agreement, license or sublicense which is material to its business;
- (xiv) settle any outstanding claim, dispute, litigation matter, or tax dispute;
- (xv) transfer any assets to any TUGA Holder or any of their subsidiaries or affiliates or assume any indebtedness from any TUGA Holder or any of their subsidiaries or Affiliates or enter into any other related party transactions;
- (xvi) issue from treasury any TUGA Shares, including preferred shares, or otherwise grant or issue any options, warrants or other securities convertible into TUGA Shares without the prior approval of the Acquirer; or
- (xvii) enter into any agreement or understanding to do any of the foregoing.

5.2 No Solicitation.

TUGA agrees that it will not, directly or indirectly, and will not authorize or permit any of its Affiliates or any of its or their respective directors, officers, employees or other representatives or agents to, directly or indirectly:

- (a) solicit, initiate, induce or attempt to induce, negotiate, encourage, engage in, propose, cooperate, continue or facilitate (including by way of furnishing any non-public information or entering into any form of agreement, arrangement or understanding), or respond to any inquiry, discussions, submissions, expressions of interest or proposals regarding, constituting or that may reasonably be expected to lead to any activity, merger, amalgamation, arrangement, share exchange, business combination, take-over bid, sale or other disposition of all or substantially all of its assets, lease, long-term supply agreement, other arrangement having the same economic effect as a sale of all or substantially all of its assets, sale or grant of a royalty or similar transaction, recapitalization, reorganization, liquidation, sale or issue of treasury securities or rights or interest therein or thereto, grant of rights or options to acquire any number of treasury securities or any type of similar transaction or activity which would or could, in any case, constitute or result in a de facto change of control of TUGA or the disposition of substantially all of its assets, impede the completion of the Merger and the transactions contemplated herein, or oppose, conflict or compete with the Merger and the transactions contemplated herein (in any case, an “**Acquisition Proposal**”), other than the Merger;
- (b) encourage or participate in any discussions or negotiations regarding any Acquisition Proposal;
- (c) agree to, approve or recommend an Acquisition Proposal; or
- (d) enter into any agreement, arrangement or understanding related to an Acquisition Proposal.

TUGA agrees to cooperate fully with the Acquirer and to use all reasonable commercial efforts to assist the Acquirer to complete the Merger.

ARTICLE 6- CONDITIONS PRECEDENT

6.1 In Favour of the Acquirer.

The Acquirer’s obligation to complete the Merger at the Effective Time pursuant to Article 2 is subject to compliance with TUGA with its agreements herein contained and to the satisfaction, at or prior to the Effective Time, of the following conditions:

- (a) **Constating Documents and Certificate of Corporate Existence.** The Acquirer will have received from TUGA: (i) a copy, certified by one duly authorized officer of TUGA to be true and complete as of the Effective Time, of the Articles of TUGA; and (ii) a certificate of good standing dated not more than three days prior to the Effective Time, as to TUGA’s corporate good standing or qualification to carry on business, as the case may be, in its jurisdiction of incorporation.
- (b) **Required Approvals.** TUGA will have obtained the approval of the board of directors of TUGA and any other necessary approvals for this Agreement, the Merger Agreement and the Merger.

- (c) **Proof of Corporate Action.** The Acquirer will have received from TUGA a copy, certified by a duly authorized officer thereof to be true and complete as of the Effective Time, of the records of all corporate action taken to authorize the execution, delivery and performance of this Agreement and the Merger Agreement, including the TUGA Stockholder Approval.
- (d) **Incumbency Certificates.** The Acquirer will have received from TUGA an incumbency certificate, dated the date of the Effective Time, signed by a duly authorized officer thereof and giving the name and bearing a specimen signature of each individual who will be authorized to sign, in the name and on behalf of TUGA, this Agreement, the Merger Agreement and any other ancillary documents.
- (e) **Representations and Warranties.** The representations and warranties of TUGA contained herein will be true and correct except where the failure to be true and correct would not reasonably be expected to have a Material Adverse Effect on TUGA, at and as of the Effective Time with the same force and effect as if such representations and warranties were made at such time, and the Acquirer will have received at or prior to the Effective Time certificates to this effect, signed by one authorized officer of TUGA.
- (f) **Covenants.** All of the terms, covenants and conditions of this Agreement to be complied with or performed by TUGA at or prior to the Effective Time will have been complied with or performed in all material respects and the Acquirer will have received at or prior to the Effective Time certificates to this effect signed by authorized officers of TUGA.
- (g) **Regulatory and Other Consents.** There will have been obtained from all appropriate federal, state, municipal or other governmental or administrative bodies such licenses, permits, consents, approvals, certificates, registrations and authorizations as are required to be obtained by the Acquirer to permit the transfer of the TUGA Shares and the exchange of TUGA Shares for the Acquirer Shares. Additionally, all required approvals, consents, authorizations and waivers relating to the consummation of the transactions contemplated by this Agreement will have been obtained from the any applicable regulatory authorities.
- (h) **No Action or Proceeding.** No bona fide legal or regulatory action or proceeding will be pending or threatened by any person to enjoin, restrict or prohibit the Merger or the right of TUGA or the Acquirer from and after the Effective Time to conduct, expand and develop the business of TUGA.
- (i) **No Material Adverse Change.** No change will have occurred in the business, affairs, financial condition or operations of TUGA between the date hereof and the Effective Time which would have a Material Adverse Effect.
- (j) **Other Certificates.** The Acquirer will have received a certificate, dated the date of the Effective Time, signed by two executive officers of TUGA, certifying that TUGA is not aware of any facts or matters that are inconsistent with the representations and warranties being given by TUGA pursuant to this Agreement.
- (k) **Dilution.** TUGA having the capital structure immediately prior to the Merger as set out in **Schedule B**.

- (l) **General.** All instruments and corporate proceedings in connection with the transactions contemplated by this Agreement will be satisfactory in form and substance to the Acquirer and its counsel, acting reasonably, and the Acquirer will have received copies of all documents, including, without limitation, all documentation required to be delivered to the Acquirer at or prior to the Effective Time in accordance with this Agreement, records of corporate or other proceedings, opinions of counsel and consents which the Acquirer may have reasonably requested in connection therewith.
- (m) **Founders' Agreement.** The Founders' Agreement will have been terminated.
- (n) **TUGA Stockholder Approval.** TUGA will have obtained the TUGA Stockholder Approval and there will have been no Dissenting Shareholders.
- (o) **NP 46-201 Agreements.** The Acquirer will have received duly signed and completed NP 46-201 Escrow Agreements from each Founder.
- (p) **No Liabilities.** TUGA will have repaid the Promissory Notes in full, and provided evidence thereof satisfactory to the Acquirer, and have no other liabilities or indebtedness other than liabilities in the aggregate amount of US\$100,000 incurred in the ordinary course of business, excluding any funds provided by the Acquirer to TUGA prior to the Effective Time.
- (q) **U.S. Accredited Investor.** The Acquirer will have received duly signed and completed U.S. Accredited Investor Certificates for all Founders that are U.S. Persons.
- (r) **Due Diligence Review.** The Acquirer shall be satisfied with its due diligence review of TUGA in its sole discretion.

6.2 In Favour of TUGA.

The obligations of TUGA to complete the Merger pursuant to Article 2 are subject to compliance by the Acquirer with its agreements herein contained and to the satisfaction, at or prior to the Effective Time of the following conditions, unless waived by TUGA on behalf of MergeCo:

- (a) **Constating Documents and Certificate of Corporate Existence.** TUGA will have received from the Acquirer: (i) a copy, certified by a director or officer of the Acquirer, to be true and complete as of the date of the Effective Time, of the Articles of the Acquirer and MergeCo; and (ii) a certificate dated not more than three days prior to the date of the Effective Time, of the government of British Columbia as to the Acquirer's corporate good standing.
- (b) **Required Approvals.** the Acquirer will have obtained the requisite approval of the board of directors of the Acquirer, and any other necessary approvals for this Agreement and the Merger Agreement, and including without limitation, to: (i) effect the Merger; (ii) effect the Board Reconstitution and Management Reconstitution; (iii) effect the Name Change; (iv) issue the Management Performance Warrants; and (vi) effect any other transaction contemplated herein.

- (c) **Proof of Corporate Action.** TUGA will have received from the Acquirer copies, certified by a director or officer of the Acquirer to be true and complete as of the Effective Time, of the records of all corporate action taken to authorize the execution, delivery and performance of this Agreement and the Merger Agreement, including the MergeCo Stockholder Approval.
- (d) **Representations and Warranties.** The representations and warranties of the Acquirer contained herein will be true and correct in all material respects at and as of the Effective Time with the same force and effect, as if such representations and warranties were made at such time, and TUGA will have received at or prior to the Effective Time certificates to this effect signed by one authorized director or officer of the Acquirer.
- (e) **Covenants.** All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Acquirer at or prior to the Effective Time will have been complied with or performed and TUGA will have received at or prior to the Effective Time certificates to this effect signed by an authorized director or officer of the Acquirer.
- (f) **Board Reconstitution.** The Acquirer will have completed the Board Reconstitution.
- (g) **Management Reconstitution.** The Acquirer will have completed the Management Reconstitution.
- (h) **Name Change.** The Acquirer will have completed the Name Change.
- (i) **Management Performance Warrants.** The Acquirer will have issued the Management Performance Warrants as set out in **Schedule E**.
- (j) **MergeCo Stockholder Approval.** The MergeCo Stockholder Approval will have been provided by the Acquirer.
- (k) **No Action or Proceeding.** No bona fide legal or regulatory action or proceeding will be pending by any person against the Acquirer which has the effect of restricting or prohibiting the Merger.
- (l) **Other Certificates.** TUGA will have received: a certificate addressed to TUGA, dated the date of the Effective Time, signed by a director or officer of the Acquirer, certifying that the Acquirer is not aware of any facts or any facts or matters that are inconsistent with the representations and warranties being given by the Acquirer pursuant to this Agreement.
- (m) **Dilution.** The Acquirer having the capital structure as set out in **Schedule B** immediately prior to the Merger.
- (n) **General.** All instruments and corporate proceedings in connection with the transactions contemplated by this Agreement will be satisfactory in form and substance to TUGA and its counsel, acting reasonably, and TUGA will have received copies of all documents as provided for herein.

6.3 Form.

The agreements, certificates, documents and other evidence of compliance described in this Article 6 will be in form and substance satisfactory to the receiving Party, acting reasonably, and will, except as otherwise provided, be delivered to the receiving Party prior to the Effective Time; provided, however, any one or more of the foregoing conditions may be waived in writing by the receiving Party.

ARTICLE 7- TERMINATION

7.1 Termination.

This Agreement may be terminated by written notice given by the terminating Party to the other Party or Parties, as the case may be, at any time prior to the Effective Time:

- (a) by mutual written consent; or
- (b) if the Merger does not occur on or before the Drop Dead Date.

7.2 Effect of Termination.

In the event of the termination of this Agreement as provided in Section 7.1, this Agreement will forthwith have no further force or effect and there will be no obligation on the part of the Parties except with respect to: (i) Section 7.1 and Article 9, which will survive such termination, and (ii) a breach arising from the fraud or willful misconduct of any Party.

7.3 Waivers and Extensions.

At any time prior to the Effective Time, each of the Parties may (a) extend the time for the performance of any of the obligations or other acts of another Party or Parties, as the case may be, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto or (c) waive compliance with any of the agreements or conditions contained herein. Any such extension or waiver will be valid if set forth in an instrument in writing signed by the Party to be bound thereby.

ARTICLE 8- NOTICES

8.1 Notices.

Any demand, notice or communication to be made or given under or pursuant to this Agreement is to be in writing, except as otherwise expressly permitted or required under this Agreement, and may be made or given by personal delivery, by registered mail or by email or electronic communication addressed to the respective Parties as follows:

- (a) To the Acquirer and MergeCo:

1298562 B.C. Ltd.
c/o 1200 – 750 West Pender Street
Vancouver, British Columbia, V6C 2T8

Attention: Faizaan Lalani
Email: [Email redacted]

with a copy (which will not constitute notice) to:

Morton Law LLP
1200 – 750 West Pender Street
Vancouver, British Columbia, V6C 2T8

Attention: Ryan Gill
Email: [Email redacted]

or at such other address as the Acquirer and MergeCo will have specified by notice actually received by the addressor;

(b) To TUGA or the Founders:

TUGA-Global, Inc.
11919 Mill Lane
Grand Haven, Michigan, 49417

Attention: John Hagie
Email: [Email redacted]

with a copy (which will not constitute notice) to:

Macdonald Tuskey
409 - 221 West Esplanade
North Vancouver BC V7M 3J3

Attention: Bill Macdonald
Email: [Email redacted]

and with a copy (which will not constitute notice) to:

Foster Swift Collins & Smith PC
313 South Washington Square
Lansing, MI 48933

Attention: Joel C. Farrar
Email: [Email redacted]

or to such other addresses as may be given in writing by the Parties hereto in the manner provided for in this Section. Any notice delivered or emailed prior to 5:00 p.m. (Vancouver time) on a Business Day will be deemed to have been given and received on date of delivery or emailing, as the case may be. Any notice delivered or emailed after 5:00 p.m. (Vancouver time) on a Business Day, or on a day that is not a Business Day, will be deemed to have been given and received on the next Business Day following the date of delivery or emailing, as the case may be.

ARTICLE 9- MISCELLANEOUS

9.1 Time.

Time is of the essence of this Agreement.

9.2 Assignment. No Party may assign this Agreement, or any interest in it, without the prior written consent of the other Parties.

9.3 Entire Agreement; No Third Party Beneficiaries.

This Agreement (including the documents and the instruments referred to herein) constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter hereof, and is not intended to confer upon any person other than the Parties any rights or remedies under this Agreement.

9.4 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein without giving effect to any choice or conflict of law provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction, and shall bind and inure to the benefit of the Parties and their respective successors and assigns.

9.5 Alteration.

Except as otherwise provided for herein, this Agreement cannot be amended, altered or any of its provisions waived on behalf of a Party, except in writing by a duly authorized agent of the Party. In the event that a Founder is advised prior to the Effective Time that his tax treatment is not consistent with Section 2.5, the Parties agree to amend the Agreement to address any required reorganization by such Founder. Any requested amendment to give effect to the foregoing shall be consented to by the Parties, with such consent not to be unreasonably withheld.

9.6 Performance.

Any failure of a Party to insist upon strict compliance with any provisions of this Agreement shall not constitute a waiver thereof and all provisions herein shall remain in full force and effect.

9.7 Headings. The paragraph headings used in this Agreement are included solely for convenience and shall not affect or be used in connection with the interpretation of this Agreement.

9.8 Number, Gender, and Persons.

In this Agreement, unless the context otherwise requires, words importing the singular will include the plural and vice versa, words importing the use of either gender will include both genders and neuter and the word person and words importing persons will include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity or group of persons of any kind or nature whatsoever.

9.9 Date for Any Action

If the date on which any action is required to be taken hereunder by a Party is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day.

9.10 Statutory References.

Any reference in this Agreement to a statute includes all rules and regulations made thereunder, all amendments to that statute or the rules and regulations made thereunder in force from time to time, and any statute or rule or regulation that supplements or supersedes that statute or the rules or regulations made thereunder.

9.11 No Reliance.

It is clearly understood that no promises or representations or warranty, express or implied, not contained herein was an inducement to any Party or was relied on by any Party in entering into this Agreement.

9.12 Expenses.

Each Party will each bear its own expenses in performing its obligations pursuant to this Agreement.

9.13 Knowledge.

Whenever in this Agreement a representation and warranty is qualified by the statement “to the knowledge” of a Party or any similar statement, that statement will mean to the best knowledge of the Party’s directors and officers after having made due and reasonable enquiries and investigations.

9.14 Independent Legal Advice.

Each Party has had the opportunity to receive legal advice in connection with the execution of this Agreement and each Party has either received such legal advice as such party has deemed necessary or such Party has waived the right to such legal advice. In addition, the Founders acknowledges that they have not received or relied on legal advice from Morton Law LLP or Macdonald Tuskey in connection with this Agreement and the transactions contemplated herein.

9.15 Severability

If any one or more of the provisions contained herein should be held to be invalid, unenforceable or illegal in any respect in any jurisdiction, the validity, legality and enforceability of such provision will not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby.

9.16 Currency.

Unless otherwise stated, all references to money in this Agreement will be deemed to be references to the currency of Canada. References to “US\$” means United States of America dollars.

9.17 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute a single instrument. This Agreement may be executed and delivered by electronic transmission with the same effect as if a manually signed original was personally delivered.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed effective by their signatures below.

TUGA-GLOBAL, INC.

Per: “John Hagie”
John Hagie, President

1298562 B.C. LTD.

Per: “Faizaan Lalani”
Faizaan Lalani, Director

TUGA-MERGEKO, INC.

Per: “Faizaan Lalani”
Faizaan Lalani, President

Agreement: The Founders are parties and signatories to this Agreement for the purposes of providing the acknowledgement in Section 4.3, the covenant in Section 4.14, and receiving the rescission right in Section 4.15 herein.

“Kraig Schultz”
KRAIG SCHULTZ

“Cesar Barbosa”
CESAR BARBOSA

“Antonio Camara”
ANTONIO CAMARA

“Mauro Ferreira”
MAURO FERREIRA

“Antonio Videira”
ANTONIO VIDEIRA

“John Hagie”
JOHN HAGIE

A-1

SCHEDULE A
PLAN AND AGREEMENT OF MERGER

[Attached]

PLAN AND AGREEMENT OF MERGER

This PLAN AND AGREEMENT OF MERGER (“**Agreement**”) is entered into by and among TUGA-Global, Inc., a Michigan corporation whose address is 11919 Mill Lane, Grand Haven, Michigan 49417 (“**TUGA**”); TUGA-MergeCo, Inc., a Michigan corporation whose address is 11919 Mill Lane, Grand Haven, Michigan 49417 (“**MergeCo**”); and 1298562 B.C. Ltd., a British Columbia company whose address is c/o of 1200-750 West Pender Street Vancouver British Columbia, V6C 2T8 (“**Acquirer**”). TUGA, MergeCo, and Acquirer may be collectively referred to as the “**Parties**” or individually referred to as a “**Party**”.

Background

A. The shareholders and warrant holders of TUGA (each a “**TUGA Holder**” and collectively the “**TUGA Holders**”) own collectively all of the outstanding securities of TUGA as set forth in **Exhibit A**. The shares of common stock described on **Exhibit A** are entitled to vote on the Merger. The number of shares of TUGA is not subject to change before the Effective Time.

B. Acquirer owns all of the outstanding securities of MergeCo, which is 652,692 shares of common stock. Such shares of common stock are entitled to vote on the Merger. The number of shares of MergeCo is not subject to change before the Effective Time.

C. The Parties desire for Acquirer to acquire TUGA by MergeCo merging with and into TUGA, with TUGA surviving the Merger as the Surviving Corporation, in accordance with this Agreement.

D. The Parties intend for the Merger to qualify as a tax-free reorganization under the provisions of Section 368(a)(2)(E) of the Internal Revenue Code of 1986, as amended, and this Agreement will be interpreted accordingly.

Agreement

For valuable consideration, the sufficiency and receipt of which is acknowledged, the Parties agree as follows:

ARTICLE 1- MERGER

1.1 Merger. As of the Effective Time, MergeCo will merge with and into TUGA so that the separate existence of MergeCo will cease and TUGA will continue to exist as the surviving corporation of the merger (the “**Merger**”). TUGA as the survivor of the Merger may be referred to in this Agreement as the “**Surviving Corporation**”. The Merger will otherwise have the effects described in Section 1.2.

1.2 Effects of Merger. As of the Effective Time, by virtue of the Merger:

a. Each outstanding share of common stock in MergeCo will be converted into one share of common stock in the Surviving Corporation, resulting in Acquirer holding all 652,692 shares of common stock outstanding in the Surviving Corporation.

b. Each outstanding share of common stock of TUGA will be converted into common shares of the Acquirer at a conversion ratio of 38.2263 common shares of the Acquirer per one share of common stock of TUGA, with fractional shares rounded down to the nearest whole share, and resulting in TUGA Holders holding common shares in the Acquirer as provided in **Exhibit B**.

c. Each outstanding warrant to purchase common stock of TUGA will remain warrants issued by TUGA, but according to their adjustment provisions each will represent the right to purchase common shares of the Acquirer at a conversion ratio of 38.2263 warrant shares of the Acquirer per one warrant share of common stock of TUGA, with fractional shares rounded down to the nearest whole share, and resulting in a TUGA Holder holding warrants to purchase common shares in the Acquirer as provided in **Exhibit B**. **Exhibit B** also reflects a proportionate reduction to the exercise price per share for each outstanding warrant as a result of the Merger, according to the warrants' adjustment provisions.

d. The separate existence of TUGA and MergeCo will cease, and in accordance with the terms of this Agreement, the Surviving Corporation will continue to exist and will possess all of the identity, existence, purposes, powers, objects, franchises, privileges, rights, assets, and immunities of each of them, including all title and other interests in property and rights owned by each of TUGA and MergeCo, without further action by any Party.

e. The Articles of Incorporation and Bylaws of TUGA, as in effect on the Effective Time, will be and remain the Articles of Incorporation and Bylaws of the Surviving Corporation.

f. The directors of TUGA who were in office immediately before the Effective Time will be the Surviving Corporation's directors until their respective successors are duly elected and qualified or until their earlier death, resignation, or removal.

g. The officers of TUGA who were in office immediately before the Effective Time will be the Surviving Corporation's officers until their respective successors are duly appointed and qualified or until their earlier death, resignation, or removal.

h. The Surviving Corporation will be responsible and liable for all of the liabilities and obligations of MergeCo and TUGA, and any claim existing or action or proceeding pending by or against MergeCo or TUGA may be prosecuted as if the Merger had not taken place, or the Surviving Corporation may be substituted in its place. Neither the rights of creditors nor any liens on the property of MergeCo or TUGA will be impaired by the Merger, and all debts, liabilities, and duties of MergeCo and TUGA will attach to the Surviving Corporation, and may be enforced against it to the same extent as if the debts, liabilities, and duties had been incurred or contracted by it.

i. The Founders' Agreement to which TUGA and its shareholders are bound (the "**Founders' Agreement**") is terminated as of the Effective Time, and will not apply to shares of the Surviving Corporation or shares of Acquirer issued to TUGA Holders in the Merger. This includes, without limitation, that the vesting conditions in Section 4 of the Founders' Agreement will cease to apply, such that all "restricted Founder's Shares" will be deemed to be fully vested as of immediately before the Effective Time. Any provisions of the Founders' Agreement that would prohibit or otherwise affect the Merger are waived. The TUGA

Holders have separately consented to this waiver and termination of the Founders' Agreement.

j. At and after the Effective Time, the Merger will have the effects set forth in Section 724(1) of the Business Corporation Act and the other effects provided by law.

1.3 Certificate of Merger; Effective Time. After this Agreement is fully executed, the Parties will cause TUGA and MergeCo to execute and file a Certificate of Merger in the form attached as **Exhibit C** (the "**Certificate of Merger**") with the Michigan Department of Licensing and Regulatory Affairs, Corporations Division, Securities & Commercial Licensing Bureau ("**LARA**"). The Merger will become effective in accordance with the Act as of 12:01 a.m. on the effective date assigned to the Certificate of Merger by LARA (the "**Effective Time**").

1.4 Further Assurances. Subject to the provisions of this Agreement, the Parties will prepare and execute any documents in addition to the Certificate of Merger that may be required in connection with the Merger and to cause the same to be filed, in the manner required by applicable law. Each Party to this Agreement will execute such further documents and instruments and take such further actions that are not inconsistent with this Agreement as may be necessary to consummate the Merger and to otherwise effect this Agreement. If, at any time after the Effective Time, any further action is necessary to consummate the Merger or to otherwise effect this Agreement, the Board of Directors of the Surviving Corporation is fully authorized in the name of and on behalf of each Party to take all such necessary actions, so long as such actions are not inconsistent with this Agreement.

ARTICLE 2- MISCELLANEOUS

2.1 Notices. All notices and other communications pursuant to this Agreement shall be in writing and be delivered personally, by email or facsimile, or by first class mail to the Party's registered agent address.

2.2 Assignment. No Party may assign this Agreement, or any interest in it, without the prior written consent of the other Parties.

2.3 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the state of Michigan, excluding its conflicts of laws rules.

2.4 Alteration. Except as otherwise provided for herein, this Agreement cannot be amended, altered or any of its provisions waived on behalf of a Party, except in writing by a duly authorized agent of the Party.

2.5 Performance. Any failure of a Party to insist upon strict compliance with any provisions of this Agreement shall not constitute a waiver thereof and all provisions herein shall remain in full force and effect.

2.6 Headings. The paragraph headings used in this Agreement are included solely for convenience and shall not affect or be used in connection with the interpretation of this Agreement.

2.7 No Reliance. It is clearly understood that no promises or representations or warranty, express or implied, not contained herein was an inducement to any Party or was relied on by any Party in entering into this Agreement.

2.8 Expenses. Each Party will each bear its own expenses in performing its obligations pursuant to this Agreement.

2.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute a single instrument. This Agreement may be executed and delivered by electronic transmission with the same effect as if a manually signed original was personally delivered.

[Signature page follows.]

[Signature page to Plan and Agreement of Merger]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed effective by their signatures below.

1298562 B.C. LTD.

By: _____
Faizaan Lalani, Director

Date: _____

TUGA-MERGEKO, INC.

By: _____
Faizaan Lalani, President

Date: _____

TUGA-GLOBAL, INC.

By: _____
John Hagie, CEO

Date: _____

EXHIBIT A

PRE-MERGER CAPITALIZATION (As at the date of this Agreement)

1298562 B.C. Ltd.

Shareholder Name	Outstanding Common Shares ⁽¹⁾	Outstanding Convertible Securities
Various	5,050,000	5,050,000 Warrants exercisable into 5,050,000 Acquirer Shares at a price of \$0.25 per share until May 17, 2024
		5,050,000 Warrants exercisable into 5,050,000 Acquirer Shares at a price of \$1.00 per share until May 17, 2024

TOTAL: 5,050,000 Shares 10,100,000 Warrants

Note:

(1) The Acquirer may additionally complete a private placement offering of up to 1,500,000 Acquirer Shares prior to the Effective Time.

TUGA-Global, Inc.

TUGA Holder	Outstanding Common Stock	Outstanding Convertible Securities
Cesar Barbosa	149,400 Shares	-
Kraig Schultz	149,400 Shares	-
Mauro Ferreira	32,400 Shares	-
Antonio Camara	18,000 Shares	-
Antonio Videira	7,200 Shares	-
John Hagie	18,000 Shares	-
Edmundo Nobre	18,000 Shares	-
Various	260,292 Shares	260,292 Warrants exercisable into 260,292 TUGA Shares at a price of \$9.56 per share until June 1, 2024
		260,292 Warrants exercisable into 260,292 TUGA Shares at a price of \$38.23 per share until June 1, 2024

TOTAL: 652,692 Shares 520,584 Warrants

EXHIBIT B

POST-MERGER CAPITALIZATION

TUGA Innovations, Inc (formerly 1298562 B.C. Ltd.)

Shareholder Name	Common Shares	Warrant Shares
Cesar Barbosa	5,711,009 Shares	-
Kraig Schultz	5,711,009 Shares	-
Mauro Ferreira	1,238,532 Shares	-
Antonio Camara	688,073 Shares	-
Antonio Videira	275,231 Shares	-
John Hagie	688,073 Shares	-
Edmundo Nobre	688,073 Shares	-
Various	15,000,000 Shares	5,050,000 Warrants exercisable into 5,050,000 Acquirer Shares at a price of \$0.25 per share until May 17, 2024
		5,050,000 Warrants exercisable into 5,050,000 Acquirer Shares at a price of \$1.00 per share until May 17, 2024
TOTAL:		10,100,000 Warrants⁽²⁾
30,000,000 Shares		

Note:

- (1) The Acquirer may additionally complete a private placement offering of up to 1,500,000 Acquirer Shares prior to the Effective Time, which was not reflected in the table above.
- (2) The 529,584 TUGA Warrants in the table below are exercisable into 19,900,000 Acquirer Shares.

TUGA-Global, Inc. (i.e. the Surviving Company)

TUGA Holder	Outstanding Common Stock	Outstanding Convertible Securities
The Acquirer	652,692 Shares	-
Various	-	260,292 Warrants exercisable into 9,950,000 Acquirer Shares at an effective price of \$0.25 per share until June 1, 2024
		260,292 Warrants exercisable into 9,950,000 Acquirer Shares at an effective price of \$1.00 per share until June 1, 2024
TOTAL:		529,584 Warrants⁽¹⁾
652,692 Shares		

Note:

- (1) These 529,584 TUGA Warrants are exercisable into 19,900,000 Acquirer Shares and cannot be exercised for TUGA Shares or other securities of TUGA..

EXHIBIT C

CERTIFICATE OF MERGER

[See attached]

**MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU**

Date Received

AC1

(FOR BUREAU USE ONLY)

This document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.

Name

Address

City



State

ZIP Code

EFFECTIVE DATE:

Expiration date for new assumed names: December 31,

Expiration date for transferred assumed names appear on page 2.

 Document will be returned to the name and address you enter above.
If left blank, document will be returned to the registered office. 

CERTIFICATE OF MERGER

**Cross Entity Merger for use by Corporations, Limited Liability Companies,
and Limited Partnerships**

Pursuant to the provisions of Act 284, Public Acts of 1972 (profit corporations), Act 162, Public Acts of 1982 (nonprofit corporations), Act 23, Public Acts of 1993 (limited liability companies) and Act 213, Public Acts of 1982 (limited partnerships), the undersigned entities execute the following Certificate of Merger:

1. The Plan of Merger (Consolidation) is as follows:

a. The name of each constituent entity and its identification number is:

_____	_____
_____	_____
_____	_____

b. The name of the constituent entity that will be the surviving (new) entity and its identification number is:

_____	_____
-------	-------

Corporations and Limited Liability Companies provide the street address of the survivor's principal place of business:

2. (Complete only if a later effective date is desired other than the date of filing. The date must be no more than 90 days after the receipt of this document in this office.)

The merger (consolidation) shall be effective on the _____ day of _____, _____.



Complete for Profit Corporations Only

For each constituent stock corporation, state:

Name of corporation	Designation and number of outstanding shares in each class or series	Indicate class or series of shares entitled to vote	Indicate class or series entitled to vote as a class, if any
_____	_____	_____	_____
_____	_____	_____	_____

If the number of shares is subject to change prior to the effective date of the merger, the manner in which the change may occur is as follows: N/A

The manner and basis of converting shares are as follows:

Each outstanding share of common stock in TUGA-MergeCo, Inc. will be converted into one share of common stock in the surviving entity. Each outstanding share of common stock in TUGA-Global, Inc. will be converted into 38.2263 (rounded) shares of common stock in 1298562 B.C. Ltd., the parent company of TUGA-MergeCo, Inc. The amendments to the Articles, or a restatement of the Articles, of the surviving corporation to be effected by the merger are as follows:

The Plan of Merger will be furnished by the surviving profit corporation, on request and without cost, to any shareholder of any constituent profit corporation.

The merger is permitted by the state or country under whose law it is incorporated and each foreign corporation has complied with that law in effecting the merger.

(Complete either Section (a) or (b) for each corporation)

a) The Plan of Merger was approved by unanimous consent of the incorporators of _____, a Michigan corporation which has not commenced business, has not issued any shares, and has not elected a Board of Directors.

(Signature of Incorporator) (Type or Print Name) (Signature of Incorporator) (Type or Print Name)

(Signature of Incorporator) (Type or Print Name) (Signature of Incorporator) (Type or Print Name)

b) The plan of merger was approved by:
the Board of Directors of _____, the surviving Michigan corporation, without approval of the shareholders in accordance with Section 703a of the Act.

the Board of Directors of _____, the surviving Michigan corporation, without the vote of the shareholders and has been adopted under Section 703a(3) of the Act, and the conditions specified in that section have been satisfied.

the Board of Directors and the shareholders of the following Michigan corporation(s) in accordance with Section 703a of the Act.

By _____
(Signature of Authorized Officer or Agent)

By _____
(Signature of Authorized Officer or Agent)

(Type or Print Name)

(Type or Print Name)

(Name of Corporation)

(Name of Corporation)

Complete for Nonprofit Corporations Only

For each constituent stock corporation, state:

Name of corporation	Designation and number of outstanding shares of each class	Indicate classes of shares that are entitled to vote	Indicate each class that is entitled to vote as a class, if any
_____	_____	_____	_____
_____	_____	_____	_____

If the number of shares is subject to change prior to the effective date of the merger, the manner in which the change may occur is as follows:

For each corporation organized on a membership basis, state (a) the name of the corporation, (b) a description of its members, and (c) the number, classification, and voting rights of its members.

For each corporation organized on a directorship basis, state (a) the name of the corporation, (b) a description of the organization of its board, and (c) the number, classification, and voting rights of its directors.

State the terms and conditions of the proposed merger. Include the manner and basis of converting the shares of or other interest in each constituent corporation into shares, obligations, or other securities of or membership or other interest in the surviving corporation, or into cash or other consideration.

The amendments to the Articles or a restatement of the Articles of the surviving corporation to be effected by the merger are as follows:

Other provisions with respect to the merger are as follows:

Complete for Nonprofit Corporations Only

The corporation has complied with the applicable provision of the law of the jurisdiction where it is organized.

The Plan of Merger will be furnished by the surviving corporation, on request and without cost, to any shareholder or member of any constituent corporation.

The Plan of Merger was adopted by the board of each domestic corporation under section 736a(1)(b).

(Complete either section (a), (b), or (c) for each nonprofit corporation.)

a) The Plan of Merger was approved by unanimous consent of the incorporators of _____, a Michigan corporation which has not commenced business, has not issued any shares or memberships, and has not elected a Board of Directors.

(Signature of Incorporator)

(Type or Print Name)

(Signature of Incorporator)

(Type or Print Name)

(Signature of Incorporator)

(Type or Print Name)

(Signature of Incorporator)

(Type or Print Name)

b) The Plan of Merger was approved by the shareholders or members under section 703a of the Act.

By _____
(Signature of Authorized Officer or Agent)

By _____
(Signature of Authorized Officer or Agent)

(Type or Print Name)

(Type or Print Name)

(Name of Corporation)

(Name of Corporation)

c) The corporation is organized on a directorship basis, and the Plan of Merger was approved by the board of directors under section 703a(3) of the Act.

By _____
(Signature of Authorized Officer or Agent)

By _____
(Signature of Authorized Officer or Agent)

(Type or Print Name)

(Type or Print Name)

(Name of Corporation)

(Name of Corporation)

Complete for Limited Liability Companies Only

Check one of the following if Limited Liability Company is the survivor.

- There are no changes to be made to the Articles of Organization of the surviving limited liability company.
- The amendments to the Articles, or a restatement of the Articles, of the surviving limited liability company to be effected by the merger are as follows:

The manner and basis of converting the membership interests are as follows:

The Plan of Merger was approved by the members of each constituent limited liability company in accordance with section 702(1).

The Plan of Merger was approved by the members of each domestic limited liability company in accordance with section 705a(5) and by each constituent business organization in the manner provided by the laws of the jurisdiction in which it is organized.

For each limited liability company involved in the merger, this document is signed in accordance with Section 103 of the Act.

Signed this _____ day of _____, _____

By _____
(Signature of Member, Manager or Authorized Agent)

(Type or Print Name and Capacity)

(Name of Limited Liability Company)

Signed this _____ day of _____, _____

By _____
(Signature of Member, Manager or Authorized Agent)

(Type or Print Name and Capacity)

(Name of Limited Liability Company)

Complete for Limited Partnerships Only

The Plan of Merger/Consolidation was approved by the partners of each constituent limited partnership in accordance with section 210(3) and by each constituent business organization in the manner provided by the laws of the jurisdiction in which it is organized.

The manner and basis of converting the partnership interests are as follows:

Check one of the following:

- The survivor is a limited partnership and there are no changes to be made to its Certificate of Limited Partnership.
- The survivor is a domestic limited partnership. Its Certificate of Limited Partnership is amended as a result of the merger. A restated Certificate of Limited Partnership is attached.
- The survivor is a foreign limited partnership organized in the state of _____. A copy of its Certificate of Limited Partnership as amended as a result of the merger is attached.
- A new domestic limited partnership is created as a result of the consolidation. Its Certificate of Limited Partnership is attached.
- A new limited partnership from the state of _____ is created as a result of the consolidation. A copy of its Certificate of Limited Partnership or similar document is attached.
- The survivor is a domestic business organization other than a limited partnership. The organizing or governing documents of the surviving business organization are not amended as part of the merger.
- The survivor is a domestic business organization other than a limited partnership. The organizing or governing documents of the surviving business organization are amended as a result of the merger. A statement of these changes is attached.
- A new business organization from the state of _____ is created as a result of the consolidation. A copy of the organizing or governing documents of this new business organization are attached.
- The survivor is a business organization from the state of _____. The organizing or governing documents of the surviving business organization are not amended as part of the merger.
- The survivor is a business organization from the state of _____. A copy of its organizing or governing documents is attached. These documents are amended as a result of the merger. A statement of these changes is attached.

Signed this _____ day of _____

Signed this _____ day of _____

(Name of Limited Partnership)

(Name of Limited Partnership)

By _____
(Signature of General Partner)

By _____
(Signature of General Partner)

(Type or Print Name)

(Type or Print Name)

Preparer's Name _____

Business Telephone Number (_____) _____

INFORMATION AND INSTRUCTIONS

1. This form may be used to draft your Certificate of Merger. A document required or permitted to be filed under the act cannot be filed unless it contains the minimum information required by the act. The format provided contains only the minimal information required to make the document fileable and may not meet your needs. This is a legal document and agency staff cannot provide legal advice.
2. Submit one original of this document. Upon filing, the document will be added to the records of the Corporations, Securities & Commercial Licensing Bureau. The original will be returned to your registered office address, unless you enter a different address in the box on the front of this document.
Since this document will be maintained on electronic format, it is important that the filing be legible. Documents with poor black and white contrast, or otherwise illegible, will be rejected.
3. *Limited Liability Companies*: This Certificate is to be used pursuant to sections 705a of 1993 PA 23, for the purpose of merging one or more domestic limited liability companies with any other business entity.
Corporations: This Certificate is to be used pursuant to sections 701, 706, 735, and 736 of 1972 PA 284 (profit corporations) and section 736a of 1982 PA 162 (nonprofit corporations), for the purpose of merging one or more domestic and/or foreign corporations with any other business entity.
Limited Partnerships: This Certificate is to be used pursuant to section 210 of 1982 PA 213, for the purpose of merging one or more domestic and/or foreign limited partnerships with any other business entity.
4. If more than two limited partnerships, limited liability companies, or corporations and other business organizations are merging, the Certificate may be adjusted as necessary, or the format may be used as a guide in drafting your own certificate. If additional space is required for any section, continue the section on an attachment.
5. Item 2 - This document is effective on the date endorsed "Filed" by the Bureau. A later effective date, no more than 90 days after the date of delivery, may be stated.
6. *Limited Liability Companies and Corporations*: Page 2 - A limited liability company and/or a corporation participating in a merger, may transfer to the survivor the use of an assumed name for which a Certificate of Assumed Name is on file with the administrator prior to the merger.
A corporation or a limited liability company surviving a merger may use as an assumed name the name of a nonsurvivor by filing a Certificate of Assumed Name or by providing for the use of the assumed name in the Certificate of Merger.
The survivor may also file a Certificate of Assumed name or adopt in the Certificate of Merger an assumed name of a nonsurvivor that was not transferred. A provision in the Certificate of Merger is treated as a new Certificate of Assumed Name.
7. *Foreign Corporations*: Pursuant to sections 1021 and 1035 of 1972 PA 284 and 1982 PA 162, when a foreign corporation authorized to transact business in this state is a party to the merger, the foreign corporation shall file a certificate issued by the proper officer of the jurisdiction of its incorporation attesting to the occurrence of the merger. The merger will not be on file for the foreign corporation in Michigan and a foreign corporation which is a nonsurvivor will not be withdrawn or receive a Certificate of Withdrawal until the certificate evidencing the merger is filed. The fee is \$10.00.
8. *Foreign Limited Liability Companies*: Pursuant to section 1005 of 1993 PA 23, when a foreign limited liability company authorized to transact business in this state is a survivor in the merger, the foreign limited liability company shall file a certificate issued by the proper officer of the jurisdiction of its organization attesting to the occurrence of the merger. The fee is \$10.00 A foreign limited liability company authorized to transact business in this state that is not a survivor will not be withdrawn until a Certificate of Withdrawal (form CSCL/CD-761) is filed.
9. *Limited Partnerships*: A foreign limited partnership which is registered in Michigan and is a nonsurvivor will not be cancelled until a Certificate of Cancellation is filed (CSCL/CD-404).
10. *Nonprofit Corporations*: All nonprofit corporations, unless organized for religious purposes, must obtain consent to the merger or a written statement that consent is not required from the Attorney General's Office and submit it with this certificate. Contact the Charitable Trust Section, Licensing and Regulation Division, Department of Attorney General, P.O. Box 30214, Lansing, MI 48909 or phone (517) 335-7571. Application for the consent should be made at least 120 days before the desired effective date of the merger. This certificate cannot be filed unless it is accompanied by either the written consent of the Attorney General or an affidavit attesting to the submission of a written request to the Attorney General for consent to the filing and the failure of the Attorney General to respond within 120 days.

11. Signatures:

Domestic Limited Liability Companies: This Certificate must be signed by a manager, if managed by one or more managers, a member if management remains in the members or an authorized agent of the company.

Domestic Corporations: This Certificate must be signed by an authorized officer or agent of each domestic corporation involved in the merger unless the incorporators of a corporation approve the merger pursuant to sections 706 and 707 of the Act in which case this Certificate shall be signed by a majority of the incorporators.

Domestic Limited Partnerships: This Certificate must be signed by one or more general partners of each domestic limited partnership involved in the merger.

FEES: Make remittance payable to the **State of Michigan**. Include entity name and identification number on check or money order. **Fees are nonrefundable, except fees related to stock increases for profit corporations.**

Limited Liability Companies: Each domestic limited liability company..... \$100.00
An attached Articles of Organization..... \$50.00
Each new Assumed Name..... \$25.00

Corporations: Each domestic corporation..... \$50.00
Each new Assumed Name..... \$10.00

If a foreign corporation authorized to transact business in this state merges into any domestic profit corporation and, if the surviving domestic profit corporation increases its authorized shares in the merger, the corporation shall pay fees for any increase in authorized shares less such sums as the nonsurviving foreign corporation has previously paid to the state as an initial or additional admission fee.

ADDITIONAL FEES DUE FOR INCREASED AUTHORIZED SHARES OF PROFIT CORPORATIONS ARE:

<u>Amount of Increase</u>	<u>Fee</u>
1-60,000	\$50.00
60,001-1,000,000	\$100.00
1,000,001-5,000,000	\$300.00
5,000,001-10,000,000	\$500.00
More than 10,000,000	\$500.00 for first 10,000,000 plus \$1000.00 for each additional 10,000,000 or portion thereof

Limited Partnerships: Cancellation of nonsurvivor domestic limited partnership involved in the merger..... \$10.00
An attached Certificate of Limited Partnership..... \$10.00
An attached Restated Certificate of Limited Partnership..... \$10.00

Submit with check or money order by mail:

Michigan Department of Licensing and Regulatory Affairs
Corporations, Securities & Commercial Licensing Bureau
Corporations Division
P.O. Box 30054
Lansing, MI 48909

To submit in person:

2501 Woodlake Circle
Okemos, MI
Telephone: (517) 241-6470

Fees may be paid by check, money order, VISA, MasterCard, or Discover when delivered in person to our office.

Documents that are endorsed filed are available at www.michigan.gov/corparencysearch. If the submitted document is not fileable, the notice of refusal to file and document will be available at the Rejected Filings Search website at www.michigan.gov/corprejectedsearch.

Optional expedited service.

Expedited review and filing, if fileable, is available for all documents for profit corporations, limited liability companies, limited partnerships and nonprofit corporations.

The nonrefundable expedited service fee is in addition to the regular fees applicable to the specific document.

Please complete a separate CSCL/CD-272 form for expedited service for each document submitted in person or by mail.

24-hour service - \$50 for formation documents and applications for certificate of authority.

24-hour service - \$100 for any document concerning an existing entity.

Same day service

- **Same day - \$100 for formation documents and applications for certificate of authority.**
- **Same day - \$200 for any document concerning an existing entity.**

Review completed on day of receipt. Document and request for same day expedited service must be received by 1 p.m. EST OR EDT.

- **Two hour - \$500**

Review completed within two hours on day of receipt. Document and request for two hour expedited service must be received by 3 p.m. EST OR EDT.

- **One hour - \$1000**

Review completed within one hour on day of receipt. Document and request for 1 hour expedited service must be received by 4 p.m. EST OR EDT.

Documents submitted by mail are delivered to a remote location for receipts processing and are then forwarded to the Corporations Division for review. Day of receipt for mailed expedited service requests is the day the Corporations Division receives the request.

SCHEDULE B

PRE-MERGER CAPITALIZATION
(As at the date of this Agreement)

1298562 B.C. Ltd.

Shareholder Name	Outstanding Common Shares ⁽¹⁾	Outstanding Convertible Securities
Various	5,050,000	5,050,000 Warrants exercisable into 5,050,000 Acquirer Shares at a price of \$0.25 per share until May 17, 2024
		5,050,000 Warrants exercisable into 5,050,000 Acquirer Shares at a price of \$1.00 per share until May 17, 2024

TOTAL: 5,050,000 Shares 10,100,000 Warrants

Note:

(1) The Acquirer may additionally complete a private placement offering of up to 1,500,000 Acquirer Shares prior to the Effective Time.

TUGA-Global, Inc.

TUGA Holder	Outstanding Common Stock	Outstanding Convertible Securities
Cesar Barbosa	149,400 Shares	-
Kraig Schultz	149,400 Shares	-
Mauro Ferreira	32,400 Shares	-
Antonio Camara	18,000 Shares	-
Antonio Videira	7,200 Shares	-
John Hagie	18,000 Shares	-
Edmundo Nobre	18,000 Shares	-
Various	260,292 Shares	260,292 Warrants exercisable into 260,292 TUGA Shares at a price of \$9.56 per share until June 1, 2024
		260,292 Warrants exercisable into 260,292 TUGA Shares at a price of \$38.23 per share until June 1, 2024

TOTAL: 652,692 Shares 520,584 Warrants

SCHEDULE C

POST-MERGER CAPITALIZATION
(As at the Effective Time)

TUGA Innovations, Inc (formerly 1298562 B.C. Ltd.)

Shareholder Name	Common Shares	Warrant Shares
Cesar Barbosa	5,711,009 Shares	-
Kraig Schultz	5,711,009 Shares	-
Mauro Ferreira	1,238,532 Shares	-
Antonio Camara	688,073 Shares	-
Antonio Videira	275,231 Shares	-
John Hagie	688,073 Shares	-
Edmundo Nobre	688,073 Shares	-
Various	15,000,000 Shares	5,050,000 Warrants exercisable into 5,050,000 Acquirer Shares at a price of \$0.25 per share until May 17, 2024
		5,050,000 Warrants exercisable into 5,050,000 Acquirer Shares at a price of \$1.00 per share until May 17, 2024
TOTAL:	30,000,000 Shares	10,100,000 Warrants⁽²⁾

Notes:

- (1) The Acquirer may additionally complete a private placement offering of up to 1,500,000 Acquirer Shares prior to the Effective Time, which was not reflected in the table above.
- (2) The 529,584 TUGA Warrants in the table below are additionally exercisable into 19,900,000 Acquirer Shares.

TUGA-Global, Inc. (i.e. the Surviving Company)

TUGA Holder	Outstanding Common Stock	Outstanding Convertible Securities
The Acquirer	652,692 Shares	-
Various	-	260,292 Warrants exercisable into 9,950,000 Acquirer Shares at an effective price of \$0.25 per share until June 1, 2024
		260,292 Warrants exercisable into 9,950,000 Acquirer Shares at an effective price of \$1.00 per share until June 1, 2024
TOTAL:	652,692 Shares	520,584 Warrants⁽¹⁾

Note:

- (1) These 520,584 TUGA Warrants are exercisable into 19,900,000 Acquirer Shares and cannot be exercised for TUGA Shares or other securities of TUGA..

SCHEDULE D**CONSULTING AGREEMENTS**

Consultant	Title	Compensation⁽¹⁾
Kraig Schultz	CTO, Board Member, Misc. Roles	US\$70,000 + Hrly as Req'd
Cesar Barbosa	Vice President Urban Mobility & Design, Board Member	US\$45,000
António Câmara	Independent Board Member, Services	US\$20,000
Edmundo Nobre	Director Digital Technology, Board Member	US\$45,000
John Hagie	CEO, Chief Operating Officer, Board Member	US\$60,000

Note:

(1) These salaries are as per attached consulting agreements and will be renegotiated prior to their expiration October 31st, 2021

The individuals above have the following contract for services which are included in the Data Room and are referred to in this Agreement as the Consulting Agreements:

1. General Contract for Services for Kraig Schultz
2. General Contract for Services for Cesar Barbosa
3. General Contract for Services for Antonio Camara
4. General Contract for Services for Edmundo Nobre
5. General Contract for Services for John Hagie

SCHEDULE E

MANAGEMENT PERFORMANCE WARRANTS

At the Effective Time, the Acquirer will issue an aggregate of 30,000,000 Management Performance Warrants to the following individuals in the denominations as set out below. The Management Performance Warrants will become exercisable, for no additional consideration, by the holders following the attainment of certain milestones as set out below.

#	Milestone	Number of Warrants Becoming Exercisable ⁽¹⁾
1	Regulatory: That the Regulatory process is complete in the first targeted geography (California), therefore TUGA vehicles may be sold, insured and driven on public roads there.	10,000,000 ⁽²⁾
2	Sales & Distribution: That TUGA can successfully communicate with targeted users, take orders and receive their funds (500 pre-orders or orders). Equally, that TUGA has a sustainable process in which to deliver and service these vehicles.	10,000,000 ⁽²⁾
3	Production: That TUGA has successfully produced in defined quantities 350 units of the vehicle. This implies that the operational production tooling is in place, partners to supply are identified and supplying in a timely manner and the internal process controls, and financial flows are managed.	10,000,000 ⁽²⁾
TOTAL:		30,000,000

Notes:

- (1) If these milestones are not achieved by the date that is four years from the date of issuance, these warrants will expire and be null and void.
- (2) 20% of these warrants will be issued to Kraig Schultz, 20% of these warrants will be issued to Cesar Barbosa, 20% of these warrants will be issued to Antonio Camara, 20% of these warrants will be issued to Edmundo Nobre and 20% of these warrants will be issued to John Hagie. If any of these individuals is not working in the Acquirer or TUGA at the time of warrant issuance, their parts will be divided among the others named above.

SCHEDULE F
ASSETS OF TUGA

[Assets Information Redacted]

SCHEDULE G

TUGA INFORMATION

Employment and Employee Benefit Matters.

[Employment and Employee Benefit Matters information redacted]

Financial Information

[Financial Information redacted]

Insurance

[Insurance information redacted]

Material Contracts

[Material Contracts information redacted]

SCHEDULE H
LIABILITIES OF TUGA

Promissory Notes

[Information regarding Promissory Notes redacted]